



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

[www.covingtonwa.gov](http://www.covingtonwa.gov)

**Tuesday, August 12, 2014  
7:00 p.m.**

**City Council Chambers  
16720 SE 271<sup>st</sup> Street, Suite 100, Covington**

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**CALL CITY COUNCIL REGULAR MEETING TO ORDER**

**ROLL CALL/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**PUBLIC COMMUNICATION**

- National Recovery Month Proclamation – September 2014 (Jackie Jamero Berganio, King County Mental Health, Chemical Abuse and Dependency Services Division)

**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 10, 2014 Special Joint Study Session with Parks & Recreation Commission; June 10, 2014 Regular Meeting; and June 24, 2014 Special Study Session (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Approve King County Interlocal Agreement for SoCo Park Grant Funding (Feser)
- C-4. Award Bid for Aquatics Center Roofing Project (Thomas)

**PUBLIC HEARING**

1. Receive Comments and Consider Ordinance Extending the Moratorium on Medical Marijuana Production and Processing Facilities, Dispensaries, and Collective Gardens for Six Months (Springer)

**NEW BUSINESS**

2. Coal Train Briefing (Lindskov)
3. Resolution Approving Development Agreement with Covington Mixed Use (Lyons)
4. Report on Covington Days (Slate)
5. Review Proposals for City Manager Recruitment (Beaufreere)
6. 2014 Second Quarter Financial Report (Hendrickson)

**COUNCIL/STAFF COMMENTS - Future Agenda Topics**

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

**EXECUTIVE SESSION – If Needed**

**ADJOURN**

*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: August 12, 2014

SUBJECT: APPROVAL OF MINUTES: JUNE 10, 2014 CITY COUNCIL SPECIAL JOINT STUDY SESSION WITH PARKS & RECREATION COMMISSION MINUTES; JUNE 10, 2014 CITY COUNCIL REGULAR MEETING MINUTES; AND JUNE 24, 2014 CITY COUNCIL SPECIAL STUDY SESSION 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 June 10, 2014 City Council Special Joint Study Session with Parks & Recreation Commission Minutes; June 10, 2014 City Council Regular Meeting Minutes; and June 24, 2014 City Council Special Study Session Minutes.**

**City of Covington**  
**City Council Special Joint Study Session with Parks & Recreation Commission**  
**Tuesday, June 10, 2014**

(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 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, June 10, 2014, at 6:05 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Joe Cimaomo, Mark Lanza, Jim Scott, and Jeff Wagner.

**COUNCILMEMBERS ABSENT:**

Marlla Mhoon and Wayne Snoey.

**PARKS & RECREATION COMMISSIONERS PRESENT:**

Liz Fast, Steven Pand, and William Pand.

**PARKS & RECREATION COMMISSIONERS ABSENT:**

David Aldous, Conni Elliott, Troy McIntyre, and Laura Morrissey.

**STAFF PRESENT:**

Derek Matheson, City Manager; Don Vondran, Public Works Director; Noreen Beaufriere, Personnel Manager; Kevin Klason, Covington Police Chief; Richard Hart, Community Development Director; Scott Thomas, Parks & Recreation Director; and Angie Feser, Parks Planner; Bob Lindskov, City Engineer; Darren Mhoon, Management Assistant; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the joint study session to order.

**ITEMS FOR DISCUSSION:**

1. Suwanee, Georgia Town Center Development Presentation.

Community Development Director Richard Hart gave the presentation on this item.

Councilmembers and Commissioners asked questions, and Mr. Hart provided responses.

2. Parks Capital Improvement Program.

Parks & Recreation Director Scott Thomas and Parks Planner Angie Feser gave the staff report on this item.

Unapproved Draft – June 10, 2013 Special Study Session with Parks & Recreation Commission  
Submitted for Approval: August 12, 2014

Councilmembers and Commissioners provided comments and asked questions and Mr. Thomas provided responses.

**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 6:59 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
Regular City Council Meeting Minutes  
Tuesday, June 10, 2014**

(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 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, June 10, 2014, at 7:12 p.m., with Mayor Margaret Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Joe Cimaomo, Mark Lanza, Jim Scott, and Jeff Wagner.

**COUNCILMEMBERS ABSENT:**

Marlla Mhoon and Wayne Snoey.

**Council Action: Councilmember Scott moved and Mayor Pro Tem Wagner seconded to excuse Councilmember Mhoon who was on vacation and Councilmember Snoey who had a work commitment. Vote: 5-0. Motion carried.**

**STAFF PRESENT:**

Derek Matheson, City Manager; Don Vondran, Public Works Director; Noreen Beaufrere, Personnel Manager; Kevin Klason, Covington Police Chief; Richard Hart, Community Development Director; Karla Slate, Communications & Marketing Manager; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; Bob Lindskov, City Engineer; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Harto opened the meeting with the Pledge of Allegiance.

**APPROVAL OF AGENDA:**

**Council Action: Mayor Pro Tem Wagner moved and Councilmember Lanza seconded to approve the Agenda. Vote: 5-0. Motion carried.**

**PUBLIC COMMUNICATION:**

- Covington Lobbyist Briahna Taylor gave an end of session recap and report on what to expect in 2015.

**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 13, 2014 City Council Special Joint Meeting with Covington Economic Development Council and Covington Chamber Board Minutes.
- C-2. Vouchers: Vouchers #31113-31152, Including ACH Payments in the Amount of \$1,527,817.50, Dated May 28, 2014.
- C-3. Approve Agreement with Tahoma School District for Aquatics Property Lease.
- C-4. Approve Design Contract with Puget Sound Energy for Undergrounding Design.
- C-5. Approve Agreement for Stormwater System Cleaning.

RESOLUTION NO. 14-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, ADOPTING A SIX-YEAR (2015 – 2020) TRANSPORTATION IMPROVEMENT PROGRAM AND DIRECTING THE SAME TO BE FILED WITH THE STATE SECRETARY OF TRANSPORTATION AND TRANSPORTATION IMPROVEMENT BOARD

- C-6. Adopt Resolution to Adopt 2015-2020 Transportation Improvement Program.
- C-7. Accept Community Development Block Grant Contract for Jenkins Creek Park.

**Council Action: Mayor Pro Tem Wagner moved and Councilmember Cimaomo seconded to approve the Consent Agenda. Vote: 5-0. Motion carried.**

**NEW BUSINESS:**

- 1. LED Street Lights Briefing.

Public Works Director Don Vondran gave the staff report on this item.

**Council Action: There was Council consensus to direct staff to research the feasibility of grant funding.**

**COUNCIL/STAFF COMMENTS:**

Councilmembers and staff discussed Future Agenda Topics and made comments.

**PUBLIC COMMENTS:**

Mayor Harto called for public comments.

**Mary Pritchard, Covington resident,** spoke on traffic calming measures in front of the Esplanade shopping center.

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

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:00 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
City Council Special Study Session Minutes  
Tuesday, June 24, 2014**

The Special Study Session was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, June 24, 2014, at 6:04 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

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

**COUNCILMEMBERS ABSENT:**

Marlla Mhoon.

**STAFF PRESENT:**

Derek Matheson, City Manager; Rob Hendrickson, Finance Director; Kevin Klason, Covington Police Chief; Richard Hart, Community Development Director; Scott Thomas, Parks & Recreation Director; Bob Lindskov, City Engineer; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the study session to order.

**APPROVAL OF AGENDA:**

**Council Action: Councilmember Snoey moved and Councilmember Lanza seconded to approve the agenda. Vote: 6-0. Motion carried.**

Mayor Harto noted that Councilmember Mhoon was still on vacation in Fiji.

**ITEMS FOR DISCUSSION:**

1. Fund Balance.

Finance Director Rob Hendrickson began the presentation, followed by Parks & Recreation Director Scott Thomas and City Engineer Bob Lindskov.

**Council Action: There was Council consensus to direct staff to prepare decision cards on the Aquatic Center rental room construction, Gerry Crick Skate Park renovation, 164<sup>th</sup> Avenue SE – SE 264<sup>th</sup> Street to SE 269<sup>th</sup> Street pedestrian improvement design costs, backhoe replacement, and upgrade of four street maintenance fleet service vehicles.**

**PUBLIC COMMENT:**

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 7:02 p.m.

Unapproved Draft – June 24 2014 Special Study Session Minutes  
Submitted for Approval: August 14, 2014

Prepared by:

Submitted by:

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Senior Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
City Clerk

**Consent Agenda Item C-2**

Covington City Council Meeting

Date: August 12, 2014

SUBJECT: APPROVAL OF VOUCHERS

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers #31316-31316, in the Amount of \$300.00, Dated July 15, 2014; Vouchers #31317-31374, including ACH Payments, in the Amount of \$273,240.74, Dated July 22, 2014; Vouchers #31375-31375, in the Amount of \$500.00, Dated July 31, 2014; Vouchers #31376-31376, in the Amount of \$385.70, Dated August 1, 2014; Paylocity Payroll Checks #1002632101-1002632115 Inclusive, Plus Employee Direct Deposits in the Amount of \$173,277.22, Dated July 18, 2014; and Paylocity Payroll Checks #1002682745-1002682759 and Paylocity Checks #1002682810-1002682810 Inclusive, Plus Employee Direct Deposits in the Amount of \$181,170.14, Dated August 1, 2014.

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 #31316-31316, in the Amount of \$300.00, Dated July 15, 2014; Vouchers #31317-31374, including ACH Payments, in the Amount of \$273,240.74, Dated July 22, 2014; Vouchers #31375-31375, in the Amount of \$500.00, Dated July 31, 2014; Vouchers #31376-31376, in the Amount of \$385.70, Dated August 1, 2014; Paylocity Payroll Checks #1002632101-1002632115 Inclusive, Plus Employee Direct Deposits in the Amount of \$173,277.22, Dated July 18, 2014; and Paylocity Payroll Checks #1002682745-1002682759 and Paylocity Checks #1002682810-1002682810 Inclusive, Plus Employee Direct Deposits in the Amount of \$181,170.14, Dated August 1, 2014.**

July 15, 2014

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 31316 through Check # 31316

In the Amount of \$300.00

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

\_\_\_\_\_  
Cassandra Parker  
Senior Accountant

\_\_\_\_\_  
Mark Lanza  
City Councilmember

\_\_\_\_\_  
Wayne Snoey  
City Councilmember

\_\_\_\_\_  
Marlla Mhoon  
City Councilmember

Council Meeting Date Approved \_\_\_\_\_

# Accounts Payable

## Checks by Date - Detail by Check Date

User: scles  
Printed: 7/15/2014 4:28 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31316	0057 0057-7	Petty Cash Covington Days; cash to make change	07/15/2014	300.00
Total for Check Number 31316:				300.00
Total for 7/15/2014:				300.00
Report Total (1 checks):				300.00

July 22, 2014

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 31317 through Check # 31374, including ACH payments

In the Amount of \$273,240.74

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

\_\_\_\_\_  
Cassandra Parker  
Senior Accountant

\_\_\_\_\_  
Mark Lanza  
City Councilmember

\_\_\_\_\_  
Wayne Snoey  
City Councilmember

\_\_\_\_\_  
Marlla Mhoon  
City Councilmember

Council Meeting Date Approved \_\_\_\_\_

# Accounts Payable

## Checks by Date - Detail by Check Date

User: scles  
 Printed: 7/24/2014 12:51 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	0651 14-08	Lindsay Hagen Hagen; 2014 flexible spending	07/22/2014	480.00
Total for this ACH Check for Vendor 0651:				480.00
ACH	0706	Covington Retail Associates	07/22/2014	
	4347	1st floor; building lease, August		25,717.00
	4347	1st floor; operating expenses, August		10,757.40
	4348	2nd floor; operating expenses, August		1,484.75
	4348	2nd floor; building lease, August		3,280.83
Total for this ACH Check for Vendor 0706:				41,239.98
ACH	1091 1100244-0	Complete Office Solutions Office supplies	07/22/2014	211.94
Total for this ACH Check for Vendor 1091:				211.94
ACH	1408	Washington Workwear Stores Inc.	07/22/2014	
	11065	City council logo aprons		248.69
	11066	State; shirts/jacket		150.95
	1562	Allen; pants		5.81
	1562	Allen; pants		11.63
	1562	Allen; pants		11.63
	1564	Fealy; pants		15.64
	1564	Fealy; pants		7.82
	1564	Fealy; pants		15.63
	1566	Smith; safety gloves		4.34
	1566	Smith; safety gloves		2.17
	1566	Smith; safety gloves		4.34
	1570	Seasonals; hard hats/safety vests/glasses		22.98
	1570	Seasonals; hard hats/safety vests/glasses		45.98
	1570	Seasonals; hard hats/safety vests/glasses		45.98
	1575	Burns/Ensign; safety gloves		5.00
	1575	Burns/Ensign; safety gloves		9.98
	1575	Burns/Ensign; safety gloves		9.98
	1577	Adopt A Street; hard hat, gloves		39.03
	1577	Bates; safety vest		19.54
	1577	Bates; safety vest		19.55
	1577	Adopt A Street; hard hat, gloves		39.03
Total for this ACH Check for Vendor 1408:				735.70
ACH	1688	Mountain Mist	07/22/2014	
	054257-7	City hall; bottled water, June		118.21
	054257-7	Maint shop; bottled water, June		12.79
	054257-7	Maint shop; bottled water, June		6.40
	054257-7	Maint shop; bottled water, June		12.79
	054257-7	Aquatics; bottled water, June		60.07

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for this ACH Check for Vendor 1688:	210.26
ACH	1705 TM-141841	Alpine Products, Inc. Sports registration signs	07/22/2014	166.44
			Total for this ACH Check for Vendor 1705:	166.44
ACH	2105 2105-7 2105-7-1	Rachel Bahl Bahl; mileage reimbursement, May Bahl; mileage reimbursement, June	07/22/2014	92.23 128.91
			Total for this ACH Check for Vendor 2105:	221.14
ACH	2461 603903	Tri-Tec Communications, Inc. Aquatics; cordless telephone headset	07/22/2014	525.90
			Total for this ACH Check for Vendor 2461:	525.90
ACH	2555 42376067	NuCO2 LLC Aquatics; CO2 lease	07/22/2014	66.90
			Total for this ACH Check for Vendor 2555:	66.90
ACH	2621 2621-7	Jaquelyn Martinsons Reimbursement; Take a Child to Work Day supp	07/22/2014	163.43
			Total for this ACH Check for Vendor 2621:	163.43
ACH	2654 32805	Canber Corps CCP; invasive weed removal	07/22/2014	286.70
			Total for this ACH Check for Vendor 2654:	286.70
31317	0683 0683-7	Abaco Pacific, Inc. SoCo Acq; acquisition services, 6/6-7/7/14	07/22/2014	16,127.44
			Total for Check Number 31317:	16,127.44
31318	0206 782093	AFLAC Insurance premiums, July	07/22/2014	666.04
			Total for Check Number 31318:	666.04
31319	0955 10311221	American Red Cross Lifeguarding/WSI classes	07/22/2014	385.00
			Total for Check Number 31319:	385.00
31320	2033 6864 6864 6979	Aquatic Specialty Services Aquatics; pool chemicals Aquatics; clean/calibration services, June Aquatics; pulsar briquettes	07/22/2014	892.73 179.19 1,016.50
			Total for Check Number 31320:	2,088.42
31321	0019 100315L0820140 100315L0820140 100315L0820140 100315L0820140 100315L0820140 100315L0820140	AWC Employee Benefits Trust Medical Insurance Premiums, August Medical Insurance Premiums, August	07/22/2014	770.20 3,122.21 1,684.38 2,093.71 2,149.70 841.79

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	100315L0820140	Medical Insurance Premiums, August		6,295.26
	100315L0820140	Medical Insurance Premiums, August		10,829.25
	100315L0820140	Medical Insurance Premiums, August		422.56
	100315L0820140	Medical Insurance Premiums, August		1,084.95
	100315L0820140	Medical Insurance Premiums, August		8,574.02
	100315L0820140	Medical Insurance Premiums, August		6,381.72
	100315L0820140	Medical Insurance Premiums, August		1,816.87
	100315L0820140	Medical Insurance Premiums, August		6,615.72
			Total for Check Number 31321:	52,682.34
31322	2646	Balloon Specialties	07/22/2014	
	B14071515	Aquatics; balloon helium		97.55
	B14071515	Balloon helium		97.55
			Total for Check Number 31322:	195.10
31323	2818	Ben Weese & Associates	07/22/2014	
	2818-7	2012 IBC software, use tax		-34.40
	2818-7	2012 IBC software		434.40
			Total for Check Number 31323:	400.00
31324	2629	Brodie Electric, LLC	07/22/2014	
	362	Aquatics; natorium lighting repair		266.07
			Total for Check Number 31324:	266.07
31325	0026	C&B Awards	07/22/2014	
	140506	Citizen award plaques		159.64
			Total for Check Number 31325:	159.64
31326	1997	Capital One Commercial	07/22/2014	
	159988585211	City hall; paper products, creamer		208.93
	159988585211	Maint shop; coffee, creamer		11.11
	159988585211	Maint shop; coffee, creamer		22.21
	159988585211	Maint shop; coffee, creamer		22.22
			Total for Check Number 31326:	264.47
31327	2366	CenturyLink Business Services	07/22/2014	
	1306760250	Aquatics; internet/loop, June		360.00
			Total for Check Number 31327:	360.00
31328	0366	City of Covington	07/22/2014	
	0366-7	SWM utility tax; June		413.62
			Total for Check Number 31328:	413.62
31329	0366	City of Covington	07/22/2014	
	BL03-211	City hall; annual fire inspection		109.00
			Total for Check Number 31329:	109.00
31330	2820	City of Covington Employee Fund	07/22/2014	
	2820-7	Bring Child to Work Day; childrens lunch		104.00
			Total for Check Number 31330:	104.00
31331	0208	City of Kent	07/22/2014	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	RI 31952	Sharelapp program; Westaf		500.00
			Total for Check Number 31331:	500.00
31332	1170 W2680843	Coastwide Laboratories Aquatics; cleaning supplies	07/22/2014	477.18
			Total for Check Number 31332:	477.18
31333	0364 47021	Code Publishing Company Municipal code updates; 7/2/14	07/22/2014	288.53
			Total for Check Number 31333:	288.53
31334	0184 198	Cordi & Bejarano Public defender services; 6/10-6/24/14	07/22/2014	2,560.00
			Total for Check Number 31334:	2,560.00
31335	0072	Dept of Labor & Industries	07/22/2014	
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		80.85
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		29.90
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		2,810.78
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		8.40
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		1,535.58
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		2,354.12
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		42.09
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		1,746.34
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		16.80
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		23.10
	939,296-00-2Qtr	Industrial Insurance, 2nd Qtr 2014		8,398.59
			Total for Check Number 31335:	17,046.55
31336	1213 073208	Everson's Econo-Vac, Inc. Vactor truck; 6/27 & 7/1	07/22/2014	1,198.20
			Total for Check Number 31336:	1,198.20
31337	1996	Facility Maintenance Contractors	07/22/2014	
	01465 140715	Maint shop; janitorial service		109.60
	01465 140715	Maint shop; janitorial service		109.60
	01465 140715	Maint shop; janitorial service		54.80
			Total for Check Number 31337:	274.00
31338	2821	Dominic Finazzo	07/22/2014	
	2821-7	Finazzo; mileage reimbursement, May		9.58
	2821-7-1	Finazzo; mileage reimbursement, June		10.98
			Total for Check Number 31338:	20.56
31339	1875 626124	FirstChoice Coffee service	07/22/2014	74.63
			Total for Check Number 31339:	74.63
31340	0127 300085964	GFOA Financial statement submittal	07/22/2014	435.00
			Total for Check Number 31340:	435.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31341	0354 9485027867 9485027875	Grainger Aquatics; lubricant Aquatics; forceps	07/22/2014	17.10 16.07
Total for Check Number 31341:				33.17
31342	1799 S-15254	Griffis Heating, Inc. Minor housing repair; #WOOD-02-12	07/22/2014	232.40
Total for Check Number 31342:				232.40
31343	0923 54538012 68865166	Hewlett-Packard Company Salazar; laptop Hardware support; 7/1/14-6/30/15	07/22/2014	913.54 352.65
Total for Check Number 31343:				1,266.19
31344	1722 1-960052	Honey Bucket Skate park; portable toilet, 7/5-8/4/14	07/22/2014	204.75
Total for Check Number 31344:				204.75
31345	1483 363939-0001/2	Inslee, Best, Doezie & Ryder, P.S. Legal services through 6/30/14	07/22/2014	7,048.16
Total for Check Number 31345:				7,048.16
31346	1342 12162821 12162821 12162821 12162821 12162821	Integra Telecom City hall; telephone, 7/8-8/7/14 Maint shop; telephone, 7/8-8/7/14 Maint shop; telephone, 7/8-8/7/14 Maint shop; telephone, 7/8-8/7/14 Aquatics; telephone, 7/8-8/7/14	07/22/2014	1,236.49 177.14 88.58 177.14 90.20
Total for Check Number 31346:				1,769.55
31347	1803 KMB5664	Iron Mountain Document storage; 7/1-7/31/14	07/22/2014	288.85
Total for Check Number 31347:				288.85
31348	2234 35278 35278 35278	Issaquah Honda Kubota #3370; parts #3370; parts #3370; parts	07/22/2014	133.79 66.89 133.79
Total for Check Number 31348:				334.47
31349	0143 43665-43665 43741-43746 44027-44027	King County Finance Street services; 6/3-6/30/14 Street services; 6/3-6/30/14 CIP 1028; overlay services, 6/3-6/30/14	07/22/2014	957.58 2,516.44 3,668.03
Total for Check Number 31349:				7,142.05
31350	0273 CovILADS#2014-1 SWM Fees#2014-1	King County Water & Land Debt service; 1/1-6/30/14 SWM billing service; 1/1-6/30/14	07/22/2014	30,439.56 4,409.20
Total for Check Number 31350:				34,848.76
31351	2795	Tatyana Kiselyov	07/22/2014	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	2795-7	Kiselyov; mileage reimbursement, May		18.82
	2795-7-1	Kiselyov; mileage reimbursement, June		34.50
Total for Check Number 31351:				53.32
31352	2813	Rachael Leung	07/22/2014	
	2813-7	Leung; mileage reimbursement; May		0.79
	2813-7	Leung; mileage reimbursement; May		0.78
	2813-7-1	Leung; mileage reimbursement; June		3.13
	2813-7-1	Leung; mileage reimbursement; June		3.14
Total for Check Number 31352:				7.84
31353	1878	MacLeod Reckord	07/22/2014	
	6919	CCP; Phs 2 Design, 6/1-6/30/14		28,447.12
Total for Check Number 31353:				28,447.12
31354	2367	Magnum Print Solutions	07/22/2014	
	127818	Toner cartridge		54.27
Total for Check Number 31354:				54.27
31355	2486	McLendon Hardware, Inc.	07/22/2014	
	842697/7	Stage ladder		229.94
Total for Check Number 31355:				229.94
31356	0252	Microflex	07/22/2014	
	00021916	Tax audit program		27.55
Total for Check Number 31356:				27.55
31357	0004	Office Depot	07/22/2014	
	1691079769	Office supplies		30.36
	1691918627	Office supplies		5.20
	1692190104	Document covers, labels		31.36
	1692696285	Storage boxes, markers		97.09
	717617157001	Office supplies		188.33
	718496141001	Office supplies		368.85
Total for Check Number 31357:				721.19
31358	0503	OMWBE	07/22/2014	
	3031160	OMWBE fee; 7/1/13-6/30/15		100.00
Total for Check Number 31358:				100.00
31359	0161	Puget Sound Energy	07/22/2014	
	200003986730-7	Streets; electricity, 6/4-7/2/14		56.73
	200003987282-7	Streets; electricity, 6/5-7/3/14		47.18
	200003987464-7	Streets; electricity, 6/5-7/3/14		10.84
	200004045635-7	Streets; electricity, 6/4-7/2/14		58.80
	200004045866-7	Streets; electricity, 6/5-7/3/14		49.94
	200005568858-7	Streets; electricity, 6/1-6/30/14		66.05
	200013103656-7	CCP; electricity, 6/1-6/30/14		45.25
	200013951476-7	Streets; electricity, 6/1-6/30/14		67.86
	200014568881-7	Maint shop; electricity, 6/1-6/30/14		65.12
	200014568881-7	Maint shop; electricity, 6/1-6/30/14		65.12
	200014568881-7	Maint shop; electricity, 6/1-6/30/14		32.56
	200022909309-7	Streets; electricity, 6/4-7/2/14		75.05
	200022909689-7	Skate park; electricity, 6/5-7/3/14		12.51

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	300000001770-7	Streets; electricity, 6/4-7/2/14		10.84
	300000001770-7	City tree; electricity, 6/4-7/2/14		10.84
	300000001788-7	Streets; electricity, 6/3-7/1/14		53.19
	300000001788-7	Streets; electricity, 6/3-7/1/14		8,247.51
	300000001804-7	Streets; electricity, 6/1-6/30/14		79.68
	300000007744-7	Aquatics; electricity, 6/1-6/30/14		2,136.01
	300000007744-7	Aquatics; natural gas, 6/1-6/30/14		2,060.55
	300000007934-7	City hall; natural gas, 6/4-7/2/14		37.60
	300000007934-7	City hall; electricity, 6/4-7/2/14		1,479.95
	300000011266-7	Crystal view; electricity, 6/4-7/2/14		10.84
	300000011266-7	SR 516; electricity, 6/4-7/2/14		128.53
			Total for Check Number 31359:	14,908.55
31360	2823 2823-7-1	Emily T. Randolph Covington Days; Emily Randolph with Oaklawn	07/22/2014	350.00
			Total for Check Number 31360:	350.00
31361	2823 2823-7	Emily T. Randolph Summer Concert; Emily Randolph and Oaklawn	07/22/2014	450.00
			Total for Check Number 31361:	450.00
31362	2680 700041 700043 700044 700046 700156	Safeguard Business Systems City of Covington sorbet pens Covington Days; t-shirts City of Covington pens Covington Days; festival bags City of Covington t-shirts	07/22/2014	371.74 542.03 270.27 193.14 799.35
			Total for Check Number 31362:	2,176.53
31363	2474 799 824	SCORE Jail costs; May Jail costs; June	07/22/2014	180.00 13,230.00
			Total for Check Number 31363:	13,410.00
31364	2514 2514-7-2	SevenJam, USA Summer concert series; sound, 7/25/14	07/22/2014	250.00
			Total for Check Number 31364:	250.00
31365	2514 2514-7	SevenJam, USA Summer concert series; sound, 8/8/14	07/22/2014	250.00
			Total for Check Number 31365:	250.00
31366	2514 2514-7-1	SevenJam, USA Summer concert series; sound, 8/1/14	07/22/2014	250.00
			Total for Check Number 31366:	250.00
31367	1905 C808000-701	Sharp Electronics Corporation Police copier, usage, 6/13-7/11/14	07/22/2014	21.45
			Total for Check Number 31367:	21.45
31368	0217 L103925	State Auditor's Office Audit fees; June	07/22/2014	15,004.12

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 31368:	15,004.12
31369	2697 2697-7	Storm Productions KidsFest; DJ & Music service	07/22/2014	350.00
			Total for Check Number 31369:	350.00
31370	2824 2824-7	Sunshine from Polynesia Volunteer Appreciation; luau entertainment	07/22/2014	625.00
			Total for Check Number 31370:	625.00
31371	2103 256990722 256990722	US Bancorp Equip Finance Inc. Copier lease Copier lease	07/22/2014	130.32 86.88
			Total for Check Number 31371:	217.20
31372	0925 0925-7	Jeff Wagner Wagner; GMPC meeting, mileage	07/22/2014	31.28
			Total for Check Number 31372:	31.28
31373	1105 I14009442	Washington State Patrol Background checks	07/22/2014	220.00
			Total for Check Number 31373:	220.00
31374	0139 14-S303	West Coast Awards & Athletics Kentwood Youth Track Camp; t-shirts	07/22/2014	512.85
			Total for Check Number 31374:	512.85
			Total for 7/22/2014:	273,240.74
			Report Total (69 checks):	273,240.74

July 31, 2014

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 31375 through Check # 31375

In the Amount of \$500.00

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  
Interim Deputy Finance Director

\_\_\_\_\_  
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: 7/31/2014 2:13 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31375	2822 2822-7	Island Bound Summer Concert; Island Bound, 8/1/14	07/31/2014	500.00
Total for Check Number 31375:				500.00
Total for 7/31/2014:				500.00
Report Total (1 checks):				500.00

August 1, 2014

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 31376 through Check # 31376

In the Amount of \$385.70

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  
Interim Deputy Finance Director

\_\_\_\_\_  
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: 8/4/2014 10:41 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
31376	2819	Caron Fitness	08/01/2014	
	2819-8	Instructors payment; Zumba, May/June registrati		234.50
	2819-8-1	Instructors payment; Zumba, May/June punch ca		151.20
Total for Check Number 31376:				385.70
Total for 8/1/2014:				385.70
Report Total (1 checks):				385.70

July 18, 2014

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 07/18/14 consisting of:

PAYLOCITY CHECK # 1002632101 through PAYLOCITY CHECK # 1002632115 inclusive,  
plus employee direct deposits

IN THE AMOUNT OF \$173,277.22

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

\_\_\_\_\_  
Rob Hendrickson  
Finance Director

\_\_\_\_\_  
Mark Lanza  
City Councilmember

\_\_\_\_\_  
Wayne Snoey  
City Councilmember

\_\_\_\_\_  
Marlla Mhoon  
City Councilmember

Council Meeting Date Approved: \_\_\_\_\_

## 07/18/14 Payroll Voucher

## Payroll Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
107763	Regular	7/18/2014	246	Kirshenbaum, Kathleen	637.76
107764	Regular	7/18/2014	243	Lyon, Valerie	1,452.27
107765	Regular	7/18/2014	278	Matheson, Derek M	4,769.65
107766	Regular	7/18/2014	234	Mhooon, Darren S	1,437.30
107767	Regular	7/18/2014	162	Michaud, Joan M	2,140.00
107768	Regular	7/18/2014	123	Scott, Sharon G	2,488.19
107769	Regular	7/18/2014	313	Slate, Karla J	2,352.46
107770	Regular	7/18/2014	275	Hart, Richard	3,494.55
107771	Regular	7/18/2014	368	Mueller, Ann M	1,329.21
107772	Regular	7/18/2014	180	Cles, Staci M	1,780.71
107773	Regular	7/18/2014	146	Hagen, Lindsay K	1,536.56
107774	Regular	7/18/2014	235	Hendrickson, Robert	3,691.64
107775	Regular	7/18/2014	105	Parker, Cassandra	2,556.84
107776	Regular	7/18/2014	454	Salazar-Delatorre, Viviana J	186.58
107777	Regular	7/18/2014	433	Cimaomo, Joseph T	390.11
107778	Regular	7/18/2014	323	Harto, Margaret	457.75
107779	Regular	7/18/2014	324	Lanza, Mark	382.11
107780	Regular	7/18/2014	326	Mhooon, Marlla	392.11
107781	Regular	7/18/2014	327	Scott, James A	413.57
107782	Regular	7/18/2014	329	Wagner, Jeffrey	415.57
107783	Regular	7/18/2014	374	Allen, Joshua C	1,693.80
107784	Regular	7/18/2014	353	Dalton, Jesse J	1,999.46
107785	Regular	7/18/2014	373	Fealy, William J	1,883.67
107786	Regular	7/18/2014	301	Gaudette, John J	2,297.92
107787	Regular	7/18/2014	186	Junkin, Ross D	2,799.60
107788	Regular	7/18/2014	443	Matthews, Paul E	215.69
107789	Regular	7/18/2014	440	Rosales, Rafael	734.98
107790	Regular	7/18/2014	268	Bykonen, Brian D	2,100.68
107791	Regular	7/18/2014	279	Christenson, Gregg R	2,091.38
107792	Regular	7/18/2014	270	Lyons, Salina K	2,323.13
107793	Regular	7/18/2014	269	Meyers, Robert L	3,285.62
107794	Regular	7/18/2014	284	Ogren, Nelson W	2,751.59
107795	Regular	7/18/2014	266	Thompson, Kelly	2,107.91
107796	Regular	7/18/2014	307	Morrissey, Mayson	2,778.58
107797	Regular	7/18/2014	199	Bahl, Rachel A	2,010.82
107798	Regular	7/18/2014	292	Carkeek, Lena	729.69
107799	Regular	7/18/2014	451	Conway, Sean	1,523.86
107800	Regular	7/18/2014	428	Feser, Angela M	2,306.30
107801	Regular	7/18/2014	448	Finazzo, Dominic V	1,485.88
107802	Regular	7/18/2014	305	Kiselyov, Tatyana	1,523.86
107803	Regular	7/18/2014	453	Leung, Rachael M	1,232.19
107804	Regular	7/18/2014	397	Martinsons, Jaquelyn	552.42
107805	Regular	7/18/2014	195	Patterson, Clifford	2,430.73
107806	Regular	7/18/2014	306	Thomas, Scott R	3,509.33
107807	Regular	7/18/2014	106	Bates, Shellie L	1,801.89
107808	Regular	7/18/2014	349	Buck, Shawn M	1,622.44
107809	Regular	7/18/2014	273	French, Fred	597.12
107810	Regular	7/18/2014	436	Lindskov, Robert T	2,885.16
107811	Regular	7/18/2014	257	Parrish, Benjamin A	1,926.61
107812	Regular	7/18/2014	173	Vondran, Donald M	3,614.61
107813	Regular	7/18/2014	252	Wesley, Daniel A	2,175.39
107814	Regular	7/18/2014	388	Andrews, Kaitlyn E	199.49
107815	Regular	7/18/2014	318	Archuleta, Alexander A	255.06
107816	Regular	7/18/2014	393	Blakely, Coleman P.	404.27
107817	Regular	7/18/2014	379	Carrillo, Anthony G	180.74

107818 Regular	7/18/2014	258 Cox, Melissa	689.64
107819 Regular	7/18/2014	385 Cranstoun, Alexander M	458.78
107820 Regular	7/18/2014	338 Felcyn, Adam	788.60
107821 Regular	7/18/2014	418 Greene, Lyndsey B	288.59
107822 Regular	7/18/2014	409 Hanger, Austin R.	57.23
107823 Regular	7/18/2014	449 Hogerhuis, Shaye A	555.65
107824 Regular	7/18/2014	359 Houghton, Cassandra L	23.61
107825 Regular	7/18/2014	425 Knox, John Q	627.42
107826 Regular	7/18/2014	426 Knox, Patrick L	365.87
107827 Regular	7/18/2014	416 Lipinski, Matthew	573.49
107828 Regular	7/18/2014	201 Loeppky, Janna	256.16
107829 Regular	7/18/2014	435 Martin, Iain-Josiah	228.48
107830 Regular	7/18/2014	438 Mashika, Myroslav	11.13
107831 Regular	7/18/2014	423 McCarthy, Joseph	391.17
107832 Regular	7/18/2014	340 Middleton, Jordan	384.01
107833 Regular	7/18/2014	439 Newman, Ashley M	296.99
107834 Regular	7/18/2014	413 Perko, Alyssa M.	22.25
107835 Regular	7/18/2014	445 Portin, Andrew	265.68
107836 Regular	7/18/2014	319 Praggastis, Alexander	810.62
107837 Regular	7/18/2014	412 Reynolds, Shannon J.	213.10
107838 Regular	7/18/2014	429 Sizemore, Christine A	160.37
107839 Regular	7/18/2014	363 Tran, Jenifer	289.68
107840 Regular	7/18/2014	414 Turnbull, Dane A.	188.51
107841 Regular	7/18/2014	392 Wardrip, Spencer A	735.97
107842 Regular	7/18/2014	116 Beaufre, Noreen	2,780.89
107843 Regular	7/18/2014	137 Throm, Victoria J	1,901.86
1002632101 Regular	7/18/2014	364 Newell, Nancy J	49.87
1002632102 Regular	7/18/2014	328 Snoey, Wayne	187.61
1002632103 Regular	7/18/2014	446 Kemp, Wyatt	854.34
1002632104 Regular	7/18/2014	452 Meisenheimer, Joseph	506.99
1002632105 Regular	7/18/2014	456 Pfefferkorn, Sharesa	88.66
1002632106 Regular	7/18/2014	457 Smith, Nathan H	722.56
1002632107 Regular	7/18/2014	378 Bell, Colin Q	351.93
1002632108 Regular	7/18/2014	437 George, James C	238.47
1002632109 Regular	7/18/2014	399 Jensen, Emily A	257.79
1002632110 Regular	7/18/2014	316 Johansen, Andrea	832.12
1002632111 Regular	7/18/2014	442 Mosiychuk, Vadim A	72.30
1002632112 Regular	7/18/2014	400 Quintos, Edward Louie D	78.21
1002632113 Regular	7/18/2014	398 Vieira, Logan G	11.13
1002632114 Regular	7/18/2014	395 Wunschel, Ethan G.	870.63

**Totals for Payroll Checks 95 Items 112,825.17**

Third Party Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
107844	AGENCY	7/18/2014	401SS	ICMA Retirement Trust	17,793.53
107845	AGENCY	7/18/2014	457Ex	Vantagepoint Transfer Agent-	383.82
107846	AGENCY	7/18/2014	CICOV	City of Covington	2,902.01
107847	AGENCY	7/18/2014		Emp City of Covington Employee	110.00
107848	AGENCY	7/18/2014	IC401	ICMA Retirement Trust	14,740.61
107849	AGENCY	7/18/2014	IC457	ICMA Retirement Trust	2,006.70
107850	AGENCY	7/18/2014		ROTH ICMA Retirement Trust	150.00
107851	AGENCY	7/18/2014		VEBA HRA VEBA Trust Contributions	1,681.00
1002632115	AGENCY	7/18/2014	JG1	WASH CHILD SUPPORT	110.41

**Totals for Third Party Checks 9 Items 39,878.08**

Tax Liabilities 20,158.17  
Paylocity Fees 415.80

**Grand Total \$ 173,277.22**

August 1, 2014

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 08/01/14 consisting of:

PAYLOCITY CHECK # 1002682745 through PAYLOCITY CHECK # 1002682759 and PAYLOCITY CHECK # 1002682810 through PAYLOCITY CHECK # 1002682810 inclusive, plus employee direct deposits

IN THE AMOUNT OF \$181,170.14

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

\_\_\_\_\_  
Cassandra Parker  
Interim Deputy Finance Director

\_\_\_\_\_  
Mark Lanza  
City Councilmember

\_\_\_\_\_  
Wayne Snoey  
City Councilmember

\_\_\_\_\_  
Marlla Mhoon  
City Councilmember

Council Meeting Date Approved: \_\_\_\_\_

## 08/01/14 Payroll Voucher

## Payroll Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
107857	Regular	8/1/2014	246	Kirshenbaum, Kathleen	612.55
107858	Regular	8/1/2014	243	Lyon, Valerie	1,452.27
107859	Regular	8/1/2014	278	Matheson, Derek M	4,791.98
107860	Regular	8/1/2014	234	Mhoon, Darren S	1,437.30
107861	Regular	8/1/2014	162	Michaud, Joan M	2,139.99
107862	Regular	8/1/2014	123	Scott, Sharon G	2,488.19
107863	Regular	8/1/2014	313	Slate, Karla J	2,312.58
107864	Regular	8/1/2014	444	Ziolkowski, Diana	160.69
107865	Regular	8/1/2014	275	Hart, Richard	3,494.55
107866	Regular	8/1/2014	368	Mueller, Ann M	1,631.91
107867	Regular	8/1/2014	180	Cles, Staci M	1,780.71
107868	Regular	8/1/2014	146	Hagen, Lindsay K	1,536.56
107869	Regular	8/1/2014	235	Hendrickson, Robert	3,691.64
107870	Regular	8/1/2014	105	Parker, Cassandra	2,556.85
107871	Regular	8/1/2014	454	Salazar-Delatorre, Viviana J	97.62
107872	Regular	8/1/2014	374	Allen, Joshua C	1,865.48
107873	Regular	8/1/2014	353	Dalton, Jesse J	2,886.60
107874	Regular	8/1/2014	373	Fealy, William J	1,809.31
107875	Regular	8/1/2014	301	Gaudette, John J	3,476.05
107876	Regular	8/1/2014	186	Junkin, Ross D	2,799.60
107877	Regular	8/1/2014	440	Rosales, Rafael	1,016.46
107878	Regular	8/1/2014	457	Smith, Nathan H	1,099.42
107879	Regular	8/1/2014	268	Bykonen, Brian D	2,100.68
107880	Regular	8/1/2014	279	Christenson, Gregg R	2,409.30
107881	Regular	8/1/2014	270	Lyons, Salina K	2,323.13
107882	Regular	8/1/2014	269	Meyers, Robert L	3,285.62
107883	Regular	8/1/2014	284	Ogren, Nelson W	2,751.58
107884	Regular	8/1/2014	266	Thompson, Kelly	2,107.91
107885	Regular	8/1/2014	307	Morrissey, Mayson	2,778.58
107886	Regular	8/1/2014	199	Bahl, Rachel A	2,010.82
107887	Regular	8/1/2014	292	Carkeek, Lena	729.69
107888	Regular	8/1/2014	451	Conway, Sean	1,523.86
107889	Regular	8/1/2014	428	Feser, Angela M	2,764.75
107890	Regular	8/1/2014	448	Finazzo, Dominic V	1,485.88
107891	Regular	8/1/2014	305	Kiselyov, Tatyana	1,523.86
107892	Regular	8/1/2014	453	Leung, Rachael M	1,232.19
107893	Regular	8/1/2014	397	Martinsons, Jaquelyn	946.91
107894	Regular	8/1/2014	195	Patterson, Clifford	2,430.73
107895	Regular	8/1/2014	306	Thomas, Scott R	3,509.33
107896	Regular	8/1/2014	106	Bates, Shellie L	1,903.03
107897	Regular	8/1/2014	349	Buck, Shawn M	1,680.76
107898	Regular	8/1/2014	273	French, Fred	727.89
107899	Regular	8/1/2014	436	Lindskov, Robert T	2,885.16
107900	Regular	8/1/2014	257	Parrish, Benjamin A	1,926.64
107901	Regular	8/1/2014	173	Vondran, Donald M	3,693.37
107902	Regular	8/1/2014	252	Wesley, Daniel A	2,175.39
107903	Regular	8/1/2014	388	Andrews, Kaitlyn E	558.91
107904	Regular	8/1/2014	318	Archuleta, Alexander A	377.89
107905	Regular	8/1/2014	393	Blakely, Coleman P.	732.59
107906	Regular	8/1/2014	379	Carrillo, Anthony G	382.92
107907	Regular	8/1/2014	380	Cox, Cory R	220.62
107908	Regular	8/1/2014	258	Cox, Melissa	601.67
107909	Regular	8/1/2014	385	Cranstoun, Alexander M	738.61
107910	Regular	8/1/2014	338	Felcyn, Adam	185.07

107911 Regular	8/1/2014	358 Gehring, John T	74.98
107912 Regular	8/1/2014	409 Hanger, Austin R.	76.77
107913 Regular	8/1/2014	425 Knox, John Q	861.97
107914 Regular	8/1/2014	426 Knox, Patrick L	445.21
107915 Regular	8/1/2014	410 Lanz, Avalon A.	88.97
107916 Regular	8/1/2014	201 Loeppky, Janna	887.05
107917 Regular	8/1/2014	435 Martin, Iain-Josiah	121.06
107918 Regular	8/1/2014	340 Middleton, Jordan	107.60
107919 Regular	8/1/2014	413 Perko, Alyssa M.	108.58
107920 Regular	8/1/2014	312 Perko, Roxanne H	179.06
107921 Regular	8/1/2014	445 Portin, Andrew	429.28
107922 Regular	8/1/2014	319 Praggastis, Alexander	1,165.15
107923 Regular	8/1/2014	412 Reynolds, Shannon J.	450.24
107924 Regular	8/1/2014	429 Sizemore, Christine A	305.49
107925 Regular	8/1/2014	390 Tomalik, Stefan A	331.84
107926 Regular	8/1/2014	363 Tran, Jenifer	234.55
107927 Regular	8/1/2014	414 Turnbull, Dane A.	254.32
107928 Regular	8/1/2014	392 Wardrip, Spencer A	832.93
107929 Regular	8/1/2014	432 Wilton, Sara J	69.51
107930 Regular	8/1/2014	116 Beaufriere, Noreen	2,780.90
107931 Regular	8/1/2014	137 Throm, Victoria J	1,901.86
1002682745 Regular	8/1/2014	364 Newell, Nancy J	33.25
1002682746 Regular	8/1/2014	458 Burns, Mark E	443.00
1002682747 Regular	8/1/2014	459 Ensign, Tanner J	997.64
1002682748 Regular	8/1/2014	446 Kemp, Wyatt	885.17
1002682749 Regular	8/1/2014	452 Meisenheimer, Joseph	511.96
1002682750 Regular	8/1/2014	456 Pfefferkorn, Sharesa	88.66
1002682751 Regular	8/1/2014	378 Bell, Colin Q	806.51
1002682752 Regular	8/1/2014	437 George, James C	353.38
1002682753 Regular	8/1/2014	399 Jensen, Emily A	270.29
1002682754 Regular	8/1/2014	316 Johansen, Andrea	956.99
1002682755 Regular	8/1/2014	442 Mosiychuk, Vadim A	61.17
1002682756 Regular	8/1/2014	387 Praggastis, Elena C	120.02
1002682757 Regular	8/1/2014	400 Quintos, Edward Louie D	145.62
1002682758 Regular	8/1/2014	398 Vieira, Logan G	66.19
1002682759 Regular	8/1/2014	395 Wunschel, Ethan G.	593.98
<b>Totals for Payroll Checks</b>	<b>90 Items</b>		<b>117,884.80</b>

Third Party Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
107932	AGENCY	8/1/2014	401SS	ICMA Retirement Trust	18,627.97
107933	AGENCY	8/1/2014	457Ex	Vantagepoint Transfer Agent-	383.82
107934	AGENCY	8/1/2014	CICOV	City of Covington	2,737.58
107935	AGENCY	8/1/2014		Emp City of Covington Employee	89.00
107936	AGENCY	8/1/2014	IC401	ICMA Retirement Trust	15,473.24
107937	AGENCY	8/1/2014	IC457	ICMA Retirement Trust	1,781.70
107938	AGENCY	8/1/2014	ROTH	ICMA Retirement Trust	150.00
107939	AGENCY	8/1/2014	VEBA	HRA VEBA Trust Contributions	1,681.00
1002682810	AGENCY	8/1/2014	JG1	WASH CHILD SUPPORT	110.41
<b>Totals for Third Party Checks</b>	<b>9 Items</b>				<b>41,034.72</b>

Tax Liabilities	22,030.31
Paylocity Fees	220.31

<b>Grand Total</b>	<b>\$ 181,170.14</b>
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## Consent Agenda Item C-3

Covington City Council Meeting

Date: August 12, 2014

SUBJECT: AUTHORIZE INTERIM CITY MANAGER TO SIGN AN INTERLOCAL AGREEMENT AMENDMENT FOR GRANT ACCEPTANCE FROM KING COUNTY CONSERVATION FUTURES FOR SOCO PARK/JENKINS CREEK TRAIL

RECOMMENDED BY: Scott Thomas, Parks and Recreation Director

ATTACHMENT(S):

1. Amendment to the Conservation Futures Interlocal Cooperation Agreement between King County and the City of Covington for open space acquisition projects.

PREPARED BY: Angie Feser, Parks Planner

EXPLANATION:

An application to the King County Conservation Futures program for SoCo Park and Jenkins Creek acquisition was submitted in 2013. In December 2013 the King County Council passed Ordinance 17707 which appropriated \$200,000 in Conservation Futures Levy proceeds to the City of Covington for this project. In April 2014 the King County Council passed Ordinance 17795, authorizing the King County Executive to enter into an interlocal agreement for the disbursement of Conservation Futures Funds appropriated in Ordinance 17707.

Approving this motion authorizes the Interim City Manager to sign an amendment to the standing Interlocal Cooperation Agreement, thus providing \$200,000 toward the acquisition cost of SoCo Park/Jenkins Creek trail.

In signing this agreement the city is committing to acquiring property for the future SoCo Park, to provide a trail connection between the planned Covington Town Center and the city-wide trail system that connects with other Covington parks and open spaces, as well as to provide habitat protection along Jenkins Creek.

ALTERNATIVES:

The King County Conservation Futures grant is a necessary component of acquisition funding for SoCo Park. If the grant agreement is not approved, then there will be a significant negative impact on the city's ability to purchase the property, in addition to the city's inability to meet the matching requirements necessary with the submitted 2014 Washington Wildlife and Recreation Program state grant application.

FISCAL IMPACT:

Revenue from the grant is \$200,000. The total estimated acquisition cost is \$1,117,830. An additional \$450,000 has been preliminarily awarded from the 2014 King County Conservation Futures program and, if successful, matching funds from the 2014 WWRP grant will also be utilized on this project.

CITY COUNCIL ACTION:    \_\_\_Ordinance    \_\_\_Resolution     X  Motion    \_\_\_Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to authorize the Interim City Manager to execute the Amendment to the Conservation Futures Interlocal Cooperation Agreement for acquisition for SoCo Park/Jenkins Creek Trail.**

REVIEWED BY: Parks and Recreation Director, Finance Director, City Attorney, Interim City Manager

## AMENDMENT TO THE CONSERVATION FUTURES INTERLOCAL COOPERATION AGREEMENT BETWEEN KING COUNTY AND THE CITY OF COVINGTON FOR OPEN SPACE ACQUISITION PROJECTS

### Preamble

The King County Council, through Ordinance 9128, has established a Conservation Futures Levy Fund and appropriated proceeds to King County, the City of Seattle and certain suburban cities. This amendment is entered into to provide for the allocation of additional funds made available for open space acquisition.

THIS AMENDMENT is entered into between the CITY OF COVINGTON and KING COUNTY, and amends and attaches to and is part thereof of the existing Interlocal Cooperation Agreement entered into between the parties on the 28<sup>th</sup> day of January, 2003.

The parties agree to the following amendments:

### Amendment 1: Article 1. Recitals

A paragraph is hereby added to the Recitals Section to provide for a Conservation Futures Levy Fund allocation for the South Covington Park/Jenkins Creek acquisition Project, and hereafter reads:

- On December 9, 2013 the King County Council passed Ordinance 17707, which appropriated a total of Two Hundred Thousand dollars (\$200,000) in Conservation Futures Levy proceeds to the City of Covington for the South Covington Park/Jenkins Creek acquisition Project. On April 28, 2014 The King County Council passed Ordinance 17795, authorizing the King County Executive to enter into an interlocal agreement with the City of Seattle and the suburban cities for the disbursement of Conservation Futures Funds appropriated in Ordinance 17707.

### Amendment 2: Article V. Conditions of Agreement

Section 5.1 is amended to include reference to Attachment B, which lists a 2014 Conservation Futures Levy Allocation for the South Covington Park/Jenkins Creek acquisition Project.

### Amendment 3: Article VII. Responsibilities of County

The first two sentences of this article are amended to include references to Attachment B, which lists a 2014 Conservation Futures Levy Allocation and for the South Covington Park/Jenkins Creek acquisition project as follows:

Subject to the terms of this agreement, the County will provide Conservation Futures Levy Funds in the amounts shown in Attachments A through B to be used for the Projects listed in Attachments A through B. The City may request additional funds; however, the County has no obligation to provide funds to the City for the Projects in excess of the total amounts shown in Attachments A through B. The County assumes no obligation for the future support of the Projects described herein except as expressly set forth in this agreement.

**Amendment 4: Attachment B**

The attachments to the interlocal agreement are hereby amended by adding Attachment B, which is hereby attached to the interlocal agreement, incorporated therein and made a part thereof.

In all other respects, the terms, conditions, duties and obligations of both parties shall remain the same as agreed to in the Interlocal Cooperation Agreement as previously amended.

This document shall be attached to the existing Interlocal Cooperation Agreement.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below:

KING COUNTY

CITY OF COVINGTON

\_\_\_\_\_  
Dow Constantine  
King County Executive

\_\_\_\_\_  
Robert Hendrickson  
City Manager

Date: \_\_\_\_\_  
Acting under the authority of  
Ordinance 17795

Date \_\_\_\_\_  
Acting under the authority of  
Ordinance:

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Dan Satterberg  
King County Prosecuting Attorney

\_\_\_\_\_  
City Attorney

**ATTACHMENT B**

**2014 CONSERVATION FUTURES LEVY  
CITY OF COVINGTON ALLOCATION**

<b>Jurisdiction</b>	<b>Project</b>	<b>Allocation</b>
Covington	South Covington Park/Jenkins Creek	\$ 200,000
<b>TOTAL</b>		<b>\$ 200,000</b>

**Project Description:**

(Ordinance 17795):

1122034 Covington -WLCF South Covington Park

This new project consists of three parcels totaling 5.65 acres on SE Wax Road, in the Jenkins Creek corridor. There is a dual goal for the project. The first is to create a trail connection between the planned Covington Town Center, which is located nearby to the northeast, and a city-wide trail system that connects with other Covington parks and open spaces. The second goal is habitat protection along Jenkins Creek, which runs parallel to the future trail. The project site is critically located at a planned trail crossing on SE Wax Road.

**City of Covington - South Covington Park/Jenkins Creek** **\$ 200,000**

## Consent Agenda Item C-4

Covington City Council Meeting

Date: August 12, 2014

**SUBJECT:** CONSIDER AWARDING BID TO THE LOWEST RESPONSIVE BIDDER AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE A CONTRACT WITH THE AWARDED BIDDER FOR THE AQUATIC CENTER REROOFING PROJECT.

**ATTACHMENT(S):**

1. Bid Tabulation Summary

**PREPARED BY:** Scott Thomas, Parks and Recreation Director

**EXPLANATION:**

The city requested bids from all roofing contractors on the Municipal Research and Services (MRSC) Small Works Roster on July 17, 2014. Seven companies were sent bid specifications and plans. We received bids from four companies. The city's contracted architect has reviewed each bid proposal and determined that all four of the bids were responsive. The lowest bid proposal was submitted by Meyer Brothers for \$100,573.50. The Bid Tabulation Summary is attached. (Attachment 1)

Given that we received a qualifying bid within our budget, staff is recommending that the council pass a motion awarding the bid to Meyer Brothers as the lowest responsive bidder.

**ALTERNATIVES:**

1. Reject all bids and rebid the project. As three of the four bids from this process came in below the architect's cost estimate, rebidding the project is unlikely to generate a lower bid.
2. Reject all bids and choose not to proceed with the aquatic center roofing project. Terminating the project will require the city to decline the state grant funds and repay that portion of the grant used to date for project development.

**FISCAL IMPACT:**

The Aquatic Center project is funded by a Washington State Department of Commerce grant of \$388,000. The grant eligible project costs to date are approximately \$35,785 all of which has been reimbursed by the grant. There are ample funds remaining to complete the roofing portion of the project. If council chooses to terminate the project, city funds will be needed to repay the state for grant funds that have already been reimbursed.

**CITY COUNCIL ACTION:**  Ordinance  Resolution  Motion  Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to award the bid for the Aquatic Center Roofing Project to Meyer Brothers as the lowest responsive bidder and to authorize the Interim City Manager to execute a contract with Meyer Brothers for the project work.**

**REVIEWED BY:** Interim City Manager, City Attorney, Interim Deputy Finance Director



**SUBJECT:** PUBLIC HEARING AND CONSIDERATION OF AN ORDINANCE  
EXTENDING THE MORATORIUM ON MEDICAL MARIJUANA  
PRODUCTION AND PROCESSING FACILITIES, DISPENSARIES, AND  
COLLECTIVE GARDENS FOR SIX MONTHS

**RECOMMENDED BY:** Richard Hart, Community Development Director  
Sara Springer, City Attorney

**ATTACHMENT(S):**

1. Proposed ordinance extending said moratorium for an additional six months.

**PREPARED BY:** Sara Springer, City Attorney

**EXPLANATION:**

The purpose of this agenda bill action is to hold a public hearing to allow public testimony and take action extending the moratorium on medical marijuana production and processing facilities, dispensaries, and collective gardens for an additional six months.

In August 2011, the city council established a twelve-month moratorium on the establishment, location, operation, licensing, maintenance, or continuation of medical marijuana dispensaries, production facilities, processing facilities, and collective gardens. That moratorium was extended for an additional six months in August 2012, February 2013, August 2013, and February 2014. This proposed ordinance would further extend the moratorium for an additional six months, until February 2015, unless earlier terminated.

As previously briefed to council, cities had hoped that during the last legislative session the state Liquor Control Board (LCB) and the state legislature would have developed a new regulatory framework for medical marijuana substantially similar to the recently adopted state regulations for recreational marijuana. However, unfortunately, despite a review by the LCB regarding recommended medical marijuana regulation changes, the legislature failed to act on the issue in the last legislative session.

Given the ambiguity that still remains in current state law regarding medical marijuana, and the federal government's direction that any state legalization of marijuana should be regulated through a robust regulatory system (which is currently in place for recreational marijuana but not yet for medical marijuana), it remains a near certainty that the state medical marijuana regulatory landscape will change. What is in doubt is the scope and timing of that change.

Because current state regulations for medical marijuana are still ambiguous and insufficient, and because it is undisputed that the current state regulations need to be updated, staff recommends for the city to maintain its current moratorium on medical marijuana facilities and collective gardens until such new regulations are adopted by the state legislature.

City staff will continually monitor the evolving legal and regulatory framework concerning medical marijuana.

The moratorium may be terminated, for any reason, prior to the end of the six-month term.

ALTERNATIVES:

- 1. Let the moratorium expire.** This option is not recommended by staff because if the moratorium expires without any further action by the city, there will be no local regulations in place to govern the placement and operation of medical marijuana collective gardens and production, processing, or dispensing facilities. Should the council desire to lift the moratorium, staff recommends for council to follow the interim regulation option below.
- 2. Adopt interim zoning regulations for medical marijuana.** Given the uncertainty in the timing of the state’s revisions to medical marijuana regulations, if the council desires to terminate the moratorium staff recommends for the council to adopt interim zoning regulations as a place holder until the state legislature changes the state regulations.

This option is not favored by staff, however, as any interim zoning regulations would be based on the current state regulations that still remain ambiguous and contradictory; therefore, once the state regulations are changed, any uses established under the interim zoning regulations will be grandfathered in as prior non-confirming uses. Depending on the extent of the future changes to the state’s medical marijuana regulations, the disparity of allowed uses and regulations of medical marijuana between the current and future regulations could be significant. The city would then have to amortize out the non-confirming uses over time, which is a process that is ideally avoided if possible.

If council does desire to explore interim regulations, staff advises council to still pass the current moratorium so that it remains in place while the interim zoning regulations are drafted—it can then be terminated once the interim regulations are passed.

- 3. Prohibit medical marijuana uses.** Since the last extension of this moratorium, the state appellate court ruled in favor of the City of Kent’s ability to ban collective gardens. The court ruled that the current state regulations do not allow collective gardens, as they specify that only individuals on a state registry may establish a collective garden, however the governor vetoed the portions of the law that created a state registry—i.e. if there is no state registry, then there is no legal way for individuals to comply with the legal requirements for establishing a collective garden. This ruling, combined with the general determination that current state law prohibits medical marijuana dispensaries, forms the basis for prohibiting medical marijuana uses.

However, this ruling only further highlights the conflict that exists in the state’s current medical marijuana regulations and the need for the state legislature to address and cure those conflicts. Again, because this is undoubtedly an ever evolving regulatory issue,

staff does not recommend for the city to actively ban medical marijuana uses, but rather continue to extend the moratorium until new regulations are adopted by the state.

FISCAL IMPACT: Staff time

CITY COUNCIL ACTION:  Ordinance  Resolution  Motion  Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to adopt an ordinance to extend the moratorium on medical marijuana collective gardens, production and processing facilities, dispensaries, and related businesses for an additional six-months.**

REVIEWED BY: Interim City Manager; City Attorney; Interim Deputy Finance Director

# ATTACHMENT 1

## ORDINANCE NO. 10-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, TO EXTEND THE MORATORIUM ON THE ESTABLISHMENT, LOCATION, OPERATION, LICENSING, MAINTENANCE, OR CONTINUATION OF MEDICAL MARIJUANA DISPENSARIES, PRODUCTION FACILITIES, PROCESSING FACILITIES, COLLECTIVE GARDENS, AND RELATED BUSINESSES WITHIN THE CITY OF COVINGTON FOR SIX MONTHS; PROVIDING FOR A PUBLIC HEARING ON THE MORATORIUM; ADOPTING FINDINGS OF FACT SUPPORTING THE MORATORIUM ADOPTED BY ORDINANCE NOS. 08-11, 12-12, 01-13, 07-13, AND 05-14; AND PROVIDING FOR SEVERABILITY.

WHEREAS, on August 9, 2011, the Covington City Council passed Ordinance No. 08-11, which declared an emergency necessitating the immediate imposition of a moratorium on the establishment, location, operation, licensing, maintenance, or continuation of medical marijuana dispensaries, production facilities, processing facilities, and collective gardens, as more particularly described in Ordinance No. 08-11; and

WHEREAS, on July 24, 2012, the Covington City Council passed Ordinance No. 12-12, which provided for a six-month extension of the moratorium on the establishment, location, operation, licensing, maintenance, or continuation of medical marijuana dispensaries, production facilities, processing facilities, collective gardens, or any business or organization offering any type of service relating to collective gardens or to producing, processing, or dispensing medical marijuana; and

WHEREAS, on January 8, 2013, August 27, 2013, and February 25, 2014, the Covington City Council passed Ordinance Nos. 01-13, 07-13, and 05-14, respectively, which provided for additional six-month extensions of said moratorium; and

WHEREAS, Chapter 69.51A of the Revised Code of Washington (RCW), creates an affirmative defense for qualifying patients to the charge of possession of marijuana, and provides that such patients can, as an alternative to growing marijuana for their own use, designate a designated provider who can provide medical marijuana to only one patient at a time; and

WHEREAS, the Washington State Department of Health has opined that “the law [current Chapter 69.51A RCW] does not allow dispensaries” and that it is “not legal to buy or sell marijuana,” but the Department of Health has left enforcement of the law to local officials; and

WHEREAS, a recent ruling of the state appellate court ruled that collective gardens were not authorized under current state regulations due to the lack of a state registry; and

WHEREAS, the U.S. Attorneys for Washington State have reiterated that marijuana possession, production, and distribution is a federal criminal offense and that local officials and employees would not be immune to prosecution under the federal Controlled Substances Act, 21 U.S.C. §801 et seq., even if state law decriminalized the use, possession, and production of marijuana for medical purposes; and

WHEREAS, the City of Covington currently has no licensing, zoning, or land use requirements that address collective gardens for medical marijuana production or that address medical marijuana production, processing, or dispensing facilities, should such dispensaries be determined to be authorized; and

WHEREAS, unregulated medical marijuana uses are anticipated to have negative secondary impacts including a possible increase of criminal activity in the area of collective gardens, a possible increase in illegal drug activity in the area of the collective gardens, possible illegal distribution of medical marijuana, and may present health and safety concerns related to the handling of chemicals used in the growing and processing of marijuana, the ventilation of collective gardens and related air quality issues, and the electrical wiring of collective garden facilities; and

WHEREAS, the Covington City Council established a moratorium to prevent the location and vesting of any medical marijuana collective gardens or medical marijuana production, processing, or dispensing facilities within the city while the city lacks the necessary tools to ensure regulation of the negative secondary impacts and health and safety concerns and to maintain the status quo while legal, political, and policy and city code impacts are studied and considered; and

WHEREAS, given the continuing uncertainty of the legal status and regulations governing medical marijuana collective gardens, production facilities, processing facilities, and dispensaries under the current state law, and given the possibility of the state legislature changing state medical marijuana regulations to better confirm with the regulations adopted for recreational marijuana uses, the city requires additional time for continued thorough legal review of the complicated legal framework that currently exists and is still evolving; and

WHEREAS, the city must extend the moratorium on the establishment, location, licensing, maintenance, or continuation of medical marijuana dispensaries, production facilities, processing facilities, collective gardens, and related businesses for six months, to act as a stop-gap measure to provide an opportunity for the state to adopt new medical marijuana regulations and for legal clarification of the city's ability to regulate the siting and activities of collective gardens and medical marijuana dispensaries, production facilities, processing facilities, and related businesses if deemed legal, and to avoid the unregulated establishment of collective gardens within the city with rights contrary to and inconsistent with any revision the city may make to its regulatory scheme as a result of the city's continued consideration of this matter; and

WHEREAS, on August 12, 2014, the city council held a public hearing on the moratorium as required by RCW 35A.63.220, and on that date accepted testimony from all members of the public desiring to be heard on the subject; and

WHEREAS, based upon the public testimony received on August 12, 2014, and based upon additional materials presented by city staff, a moratorium of limited duration is in the public interest; and

WHEREAS, on August 12, 2014, the city council considered the foregoing facts, materials, and testimony, and deliberated on the issue of whether to continue the moratorium; and

WHEREAS, RCW 35A.63.220 authorizes the city council to adopt land use moratoria; and

WHEREAS, on August 12, 2014, the city's SEPA Responsible Official determined that the moratorium is exempt from SEPA under RCW 43.21.030(2)(c);

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

Section 1. Adoption of Defined Terms. For the purpose of this ordinance, the definitions of "Medical marijuana dispensary", "Medical marijuana processing facility", "Medical marijuana production facility", and "Medical marijuana collective garden" in Ordinance No. 08-11 are hereby adopted by reference as if fully set forth herein.

Section 2. Findings of Fact. In accordance with RCW 35A.63.220, which requires the city council to adopt findings of fact justifying the adoption of moratoria, the "WHEREAS" clauses set forth above are hereby adopted as the city council's findings of fact in support of the moratorium imposed by this ordinance and are by this reference incorporated herein as if set forth in their entirety.

Section 3. Moratorium Expiration. This six-month moratorium shall expire six-months after the Effective Date, unless earlier terminated.

Section 4. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. Corrections. Upon the approval of the City Attorney, the City Clerk is authorized to make any necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerk errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 6. Effective Date. This ordinance shall be published in the official newspaper of the city and shall take full force and effect five days after the date of publication

ADOPTED BY THE CITY COUNCIL OF THE CITY OF COVINGTON,  
WASHINGTON, at a regular meeting thereof this 12<sup>th</sup> day of August, 2014.

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Mayor Margaret Harto

PUBLISHED: August 15, 2014  
EFFECTIVE: August 20, 2014

ATTESTED:

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Sharon Scott, City Clerk

APPROVED AS TO FORM:

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Sara Springer, City Attorney

SUBJECT: STAFF BRIEFING AND COUNCIL DISCUSSION REGARDING COAL TRAINS

RECOMMENDED BY: Rob Hendrickson, Interim City Manager

ATTACHMENT(S):

1. Impact of the Staggers Rail Act of 1980
2. Kent's Gateway Pacific Terminal background and Party of Record request
3. Bellingham's Community Bill of Rights Initiative
4. Eugene Resolution Opposing Transport and Export of Coal

PREPARED BY: Robert Lindskov, City Engineer

EXPLANATION:

At the May 13, 2014 regular council meeting, the council requested city staff to provide an update, as well as background information, regarding the coal trains expected to travel through the Covington area due to the Pacific International Terminals ("Pacific") export facility currently proposed to be developed at Cherry Point in northwest Washington. This Blue Sheet is intended to provide an update on the status of that project; background information regarding the regulation of the transport of coal via railways, including actions that the cities of Bellingham, and Eugene have already taken regarding coal trains; and to seek direction from council regarding any desired next steps.

**A. Status of Pacific International Terminals Export Facility**

Pacific has submitted development applications to construct the largest coal export facility in North America at Cherry Point in northwest Washington. The Gateway Pacific Terminal (GPT) would be operated by SSA Marine, a globally known maritime services corporation. Coal mined in Montana and Wyoming would be hauled by BNSF rail lines through Idaho, through the Columbia River Gorge, and then up the Puget Sound coast, passing through Kent, Seattle, Everett, and Bellingham. The new trips generated by the operation of the GPT are expected to transport up to 54 million tons of coal per year.

The GPT project is currently going through an Environmental Impact Statement (EIS) review under both NEPA and SEPA, conducted by three co-lead jurisdictions: Whatcom County, the Washington State Department of Ecology, and the US Army Corps of Engineers. During the initial scoping period, which closed in January of 2013, 125,000 comments were submitted. The City of Kent offered comments (see Attachment 2) on the combined NEPA and SEPA EIS scope and requested that they become a Party of Record to the EIS. As determined from the scoping period, the EIS will cover the site proposal, the vessel traffic, and the rail traffic affiliated with the proposal. The Draft EIS is expected to be published in mid-2015, after which there will be a public review period for all interested parties to review the environmental impacts and submit

comments to the co-lead jurisdictions for review. Responses will then be provided in the Final EIS.

## **B. Regulation of Coal Transport and Actions of Other Jurisdictions**

The Staggers Rail Act of 1980 greatly reduces federal regulatory control over virtually any aspect of rail freight operations. (Attachment 1) This federal deregulation limits nearly any action that a city or county can take to affect the type of commodities that travel via the railroads in their jurisdictions. Given this restriction, some communities have approved resolutions to officially oppose coal train movement through their communities, if nothing else than to go on record with their opposition.

In 2012, a citizens' initiative referred to as the Bellingham Community Bill of Rights was submitted as a proposed ballot measure. (Attachment 3) The initiative was largely in opposition to the development of the GPT and proposed to establish a local Bill of Rights, recognizing the fundamental right to clean air and water, to local self-government, the rights of ecosystems to exist and flourish, and prohibit the transportation of coal within the City of Bellingham, among other provisions. A Whatcom County Superior Court judge granted the City of Bellingham an injunction that ultimately blocked the Whatcom County Auditor from putting the initiative on the ballot. The judge said that the initiative, with its coal transport ban and Community Bill of Rights, exceeded the scope of the city government's power as it attempted to nullify state and federal laws.

In Eugene, Oregon in 2011, the Oregon International Port of Coos Bay signed an exclusive negotiating agreement with an anonymous company interested in shipping coal from the Port. The proposed development, called Project Mainstay, included a new terminal that would have shipped 6-10 million tons of coal per year. In response to citizen concerns and huge turn-outs in public forums, the city adopted a resolution that opposed the transport of coal for export through Eugene. (Attachment 4) In the resolution the city also supported the Oregon governor's request to have a federal agency prepare a programmatic and comprehensive EIS on the impacts of coal hauling and export. Ultimately the developers pulled out of Project Mainstay due to rising project costs.

In March of 2013, Governor Inslee and Oregon Governor Kitzhaber wrote a letter to the White House requesting a study of the climate-change and air-pollution effects of coal leases on federal lands and export of that coal to Asia. Although environmental agencies are already reviewing environmental impacts of the GPT on potential NW terminals, the governors' request is to study the broader effects of coal burning.

## **C. Council Next Steps**

At the May 13, 2014 regular council meeting, a citizen expressed concerns regarding airborne particulates and coal dust from coal trains and requested council to: 1) formally recognize coal train hazards; 2) make a commitment to review and comment on the environmental impact statement for the GPT project as Kent did; 3) explore mitigation to protect the Covington community from any adverse impacts of coal transport; and 4) create local awareness of the

environmental impacts of coal transport through the media and presentations to homeowner associations, civic clubs, schools, and local businesses.

As noted above, the city is prohibited from adopting any regulations deviating from state or federal regulations. Accordingly, in addressing potential environmental impacts of coal transport the city is generally limited to taking action through a position statement made by resolution, participation in the review and comment process of the GPT EIS (similar to Kent), and/or informal community messaging.

Staff is seeking direction from the council regarding any desired next steps on this issue.

CITY COUNCIL ACTION:     Ordinance     Resolution     Motion     Other

**PROVIDE INPUT TO STAFF.**

REVIEWED BY:    Interim City Manager, Interim Deputy Finance Director, City Attorney

Joel Palley 202-493-6409  
Office of Policy  
Office of Rail Policy and Development  
Federal Railroad Administration  
March 2011

## IMPACT OF THE STAGGERS RAIL ACT OF 1980

With the passage of the Staggers rail Act of 1980 and its implementation by the Interstate Commerce Commission (ICC, now the Surface Transportation Board (STB)), many regulatory restraints on the railroad industry were removed, providing the industry increased flexibility to adjust their rates and tailor services to meet shipper needs and their own revenue requirements. As a result, 30 years after deregulation, the railroad industry's financial health has improved significantly, service to rail customers has improved while overall rates have decreased, and rail safety, regardless of the measure, has improved.

**Background:** Prior to 1980, economic regulation prevented railroads from any flexibility in pricing needed to meet both intra as well as intermodal competition. Regulation also prohibited carriers from restructuring their systems, including abandoning redundant and light density lines, a necessity for controlling cost. Added to these problems was the industry's inability to cover inflation due to the regulatory time lag in rate adjustments. As a consequence, nine carriers were bankrupt, the industry had a low return on investment and was unable to raise capital, and faced a steady decline in market share.

The effects that Staggers had on the industry have been substantial. In the 30-year period before 1980, railroad market share measured in revenue ton-miles declined by 33 percent, from 56.1 to 37.5 percent. Market share in the post-Staggers era became stable and has increased to over 40 percent. Other measures show similar improvement. Return on investment has averaged nearly 8 percent between 1990 and 2009, up from a 2 percent average in the 1970s. And with the industry's improved financial condition, railroads have invested over \$6 billion a year in roadway, structures, and equipment since the mid-1990s. Between 1981 and 2009, the railroads have expended \$511 billion in capital improvements and maintenance of track and equipment. Prior to 1980, the rail plant was in poor repair. The industry also showed remarkable safety improvements since Staggers with train accident rates declining by 65 percent (1981—2009).

The Staggers Rail Act of 1980 limited the authority of the ICC, now the STB, to regulate rates only for traffic where competition is not effective to protect shippers. The STB estimates that roughly 20 percent of traffic is still regulated. Approximately half of all traffic on a revenue basis is exempt from regulation. Traffic is considered exempt from regulation, where rates are not regulated when competition keeps them at levels below the statutory threshold (where the ratio of the revenue to regulatory variable cost of the move is less than 1.8), when a class of traffic has been specifically exempted (for example, all traffic moving in boxcars or trailers or containers on flatcars was exempted in the early 1980s), or when traffic moves under contract.

The Staggers Act legalized railroad-shipper contracts. These contracts represent privately negotiated agreements between railroads and shippers over rates, service levels, equipment, and minimum annual volume of traffic, just to name a few. According to the STB, approximately one-third of all traffic on a revenue basis moves under contract. Contracts enable railroads to improve asset utilization through better planning of their freight cars.

Since Staggers, shippers have seen a significant decline in rates. Freight rates adjusted for inflation have declined 0.5 percent a year since the passage of the Staggers Act, compared to an increase of nearly 3 percent per year in the 5 years prior to 1980.

In 1996, oversight of rail transportation contracts was limited to agricultural products by the ICC Termination Act of 1995 (P.L. No. 104-88, 109 Stat. 803 (1995) (ICCTA) which abolished the ICC and transferred the responsibility for regulating rail transportation to the STB. The Act, intended to streamline the remaining economic regulation of the railroads, also shortened time limits for proceedings in a number of areas, such as mergers and rate cases, and has eliminated the tariff filing requirement for railroads.

**PUBLIC WORKS DEPARTMENT**

Timothy J LaPorte P.E., Public Works Director

Phone: 253-856-5500

Fax: 253-856-6500

Address: 220 Fourth Avenue S.

Kent, WA 98032-5895

Background: Pacific International Terminals has submitted applications to develop the largest coal export facility in North America at Cherry Point in northwest Washington. The "*Gateway Pacific Terminal*" would be operated by SSA Marine who is a global leader in maritime services. Coal mined by Peabody Energy from the Powder River Basin in Montana and Wyoming would be hauled by trains along Burlington Northern Santa Fe (BNSF) rail lines. The coal train corridor extends from mines in Montana and Wyoming through Sandpoint, Idaho to Spokane, down through the Columbia River Gorge, then up along the Puget Sound coast, passing through Longview, Tacoma, Kent, Seattle, Edmonds, Everett, Mt. Vernon, Bellingham, Ferndale and all points in between.

There is evidence to support that the coal trains would create significant adverse impacts on local jobs and businesses, property values, human health and quality of life. The trains are expected to haul up to 54 million tons of coal per year. Initially 18 coal trains per day, each up to one-and-a-half miles in length, are expected to move along the corridor (9 full and 9 returning empty). Substantial taxpayer investment may be required to support infrastructure to mitigate some of the potential adverse impacts created by the project. It is questionable whether damages to local businesses, regional identity, communities and fisheries could ever be adequately mitigated. The global impacts of coal export and coal combustion are significant, particularly when the future is considered.<sup>1</sup>

The Public's Opportunity to Participate: Agencies and individuals can express concerns about the proposal during a period called "Scoping". Comments submitted will help inform the type and geographic scope of impacts to be studied in the EIS. The EIS is the key document for agencies involved with approving or denying permits, permissions or leases for the project.

The Scoping period lasts for 120 days and ends on Monday, January 21, 2013.

Scoping comments should address which of the project's potential impacts should be studied, measured and considered. They should list the specific impacts to the affected party, the significance of those impacts, the direct and indirect costs of

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<sup>1</sup> Background paragraphs are paraphrased from information found at "coaltrains.org"

those impacts, and who will bear those costs, and what forms of direct mitigation should be studied.

Online comments can be submitted to: <http://www.eisgatewaypacificwa.gov/get-involved/comment>

City of Kent Comments: Staff has prepared a draft letter outlining the major concerns to residents and businesses within the City of Kent regarding the impacts this proposal would create. The City's comments are primarily asking the agencies involved in the EIS to require analysis of local impacts on Transportation, Congestion & Safety, Public Health, Noise & Vibrations, and the Environment. A copy of the draft letter is posted here.

Many other cities and elected officials, individually, have already commented, demanding a comprehensive review for local communities.

This issue was discussed at the Public Works Committee of January 14, 2013, the Economic & Community Development Committee meeting of January 14, 2013 and by the full Council at their Council Meeting of January 15, 2013.



**OFFICE OF THE MAYOR**

Suzette Cooke, Mayor  
220 4th Avenue South  
Kent, WA 98032  
Fax: 253-856-6700

**PHONE: 253-856-5700**

January 14, 2013

GPT/Custer Spur EIS  
C/O CH2M HILL  
1100 112<sup>th</sup> Avenue NE, Suite 400  
Bellevue, WA 98004

RE: Combined NEPA and SEPA Scoping for the Proposed Gateway Pacific Terminal and Custer Spur

Dear EIS Co-Leaders:

The City of Kent offers the following comments on the combined NEPA and SEPA scoping for the proposed Gateway Pacific Terminal (GPT) and associated Custer Spur. The City is particularly concerned about the economic and environmental impacts from the increased train activity through the heart of the City. The Burlington Northern Santa Fe (BNSF) track runs through and bisects the City of Kent running north/south. These impacts are significant and require that the study area be expanded to include communities along the travel path as well as at the terminus at Cherry Point.

The City of Kent is the sixth largest city in the State of Washington with over 119,000 residents. The City holds the fourth largest Industrial and Warehouse Distribution Center in the nation and is the second largest on the west coast. Kent is located in South King County which has been identified as home to some of the most fragile health populations in the county. A King County Health Department study found that 31% of the population in South King County suffers from obesity and associated chronic illness including diabetes and pulmonary disease. This percentage is double that found in the rest of the county. South King County has the highest percentage of diversity and multicultural ethnicity in the region and impacts to these communities should be analyzed under the Environmental Justice umbrella. These quick facts about the City of Kent will help set the stage for understanding the following concerns and comments related to Scoping the project.

Transportation, Congestion, Safety

There is uncertainty regarding the number of additional trains that will be added to existing rail facilities but estimates indicate an initial complement of nine round-trip or 18 total daily trains, each up to a mile and a half long. The impacts to local traffic congestion and the level of service on the local road network should be examined. Future traffic congestion impacts need to be evaluated based on a realistic expectation of future coal train traffic and not just this initial minimum number of proposed trips at start-up.

The City of Kent has eight at-grade crossings on the BNSF line, most of which are in the downtown urban center. The combined daily traffic on these eight cross streets is roughly 100,000 vehicles. A study of crossing delay estimated a range of 45 to 90 minutes of additional delay every day from these 18 new coal trains. (Total time of delay varies with speed of the train.) As the number of trains increases, the potential for accidents and fatalities increases. The mobility and safety impacts from

this increased train traffic need to be evaluated in the EIS.

Increased traffic congestion and crossing delays will increase tailpipe emissions from stopped and idling vehicles and increased diesel emissions from train engines. These impacts to traffic congestion and air quality need to be evaluated in the EIS.

The addition of this significant street closure time due to 18 or more long trains per day increases delay to Fire Department and Police personnel responding to emergency calls and to medical transport vehicles moving patients to area hospitals.

It increases daily delay to school buses which puts increased burden on financially strapped school districts to increase their fleets and transportation budgets to restore the transit times they originally planned for picking up children and transporting them to local schools.

It increases delay to workers trying to access jobs and negatively impacts the city's major employment sector moving freight in and out of the Kent Manufacturing/Industrial Center. It increases delay of shipping valuable commodities to the Port of Seattle and the Port of Tacoma as well as short-haul distribution of imported goods to local businesses.

How would this addition of 18 coal trains affect other rail capacity? Residents and businesses in Kent rely on Sound Transit Commuter Rail as a preferred mode of transportation for commuters. Will this traffic supplant or preclude additional Sounder Rail service? The EIS should look at how this project will affect competition for future rail capacity and opportunities for more favorable or higher uses of the track time.

Kent has spent considerable time and local financial investment in bicycle facilities and new transit facilities. Bus schedules are timed to meet commuter rail schedules at the Sound Transit Kent Station. The City's signal timing and corridor progression are coordinated to assist bus routes in reaching the Kent Transit Center on schedule for transfers to Commuter Rail or Express commuter bus service. The BNSF tracks separate the majority of Kent residential neighborhoods from the Commuter Rail and Transit Center. The EIS should examine to what extent the additional hour to two and half hour delay every day at crossings would affect bicycle, pedestrian and transit users throughout the coal train corridor.

According to the 2012 Washington State Congestion Report, the cost of congestion is \$21.90 per hour. Considering 18 trains per day imposing anywhere from one to two and a half hours of delay and around 100,000 vehicles being affected, many with more than one occupant, the cost of delay could be estimated to be in the millions of dollars to Kent residents and businesses alone. The EIS should examine the magnitude of this economic cost to communities along the corridor.

The EIS should consider the impacts to the existing 900 households and 3,700 jobs in the downtown, as well as impacts to planned future growth in households and jobs in this existing regionally-designated urban center where most significant increases in jobs and housing are expected to occur.

- Public Health

Proximity to rail lines provides significant exposure to toxic diesel exhaust. The proposed coal trains would be powered by four engines each spewing diesel engine particulate emissions from 72 engines per day. The Environmental Justice impacts to low-income communities from this toxin need to be examined in the EIS.

Studies on coal dust from the transport of these commodities indicate anywhere from 500 to 2,000 pounds of coal dust will escape from each and every car on every coal train. The cumulative effects of coal dust from over 400,000 loaded coal cars per year and another potential 400,000 unloaded coal cars need to be examined in the EIS. How would this affect levels of asthma attacks, pulmonary inflammation, bronchitis, emphysema and cancer in our local community?

Noise, diesel emissions, and toxic coal dust from the increased rail traffic will negatively impact the livability of Kent's neighborhoods and the health of our population. The EIS should examine the degree to which these negative externalities affect people and property in residential communities and business districts along the travel corridor.

- Noise and Vibrations

The City of Kent is in the process of pursuing a Quiet Zone for its downtown area. The EIS should study what effect the addition of 18 or more trains that are up to a mile and a half long will have on this community and others in the pursuit of noise abatement and future Quiet Zone implementation.

In January 2012 a hillside on the east side of the BNSF tracks slid - propelling mud, trees and utilities into the East Valley Highway. The soils in the Kent Valley are great transmitters of vibrations and could make future development in the downtown core problematic if there is an additional one to two hours of new ground-transmitted vibrations from coal trains. The effect of vibrations on hillsides and the extra costs associated with projected household and job growth along the train corridor should be studied in the EIS.

Environmental

The Kent Valley is part of the Green River/Duwamish watershed and host to many species of fish and wildlife. Salmonid species present in the watershed include Chinook, Chum, Coho, Sockeye, and Pink salmon, Bull Trout and Cutthroat trout.

Coal dust from these additional trains will settle on environmentally sensitive wetlands in the Kent Valley. The EIS should study the effect of coal dust on wetlands and floodplains, and its transmission to streams and rivers.

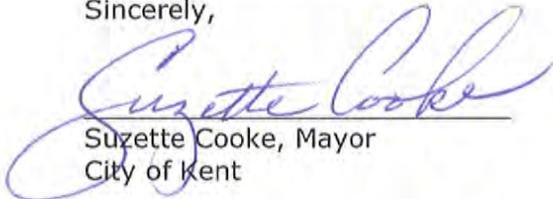
The EIS should consider impacts on the Green River and Mill Creek which provide designated critical habitat for listed species. In the Green River this includes three listed salmon species, namely: Chinook, Bull Trout and Steelhead.

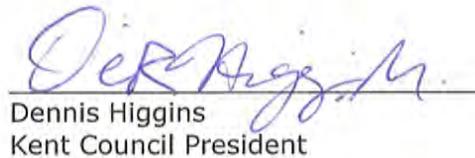
Coal dust particles from the proposed GRT trains would deposit heavy metals and other toxic chemicals that settle in soils and water. The EIS should evaluate the magnitude of

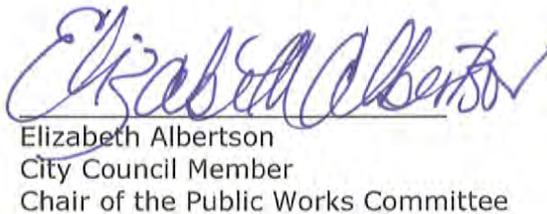
the impacts to aquatic life, wildlife and people.

The EIS needs to examine and mitigate the full impacts to the health, environment, and economic viability of local communities along the entire proposed coal train corridor. Although it's questionable whether the above impacts could be adequately mitigated, the EIS should consider mitigation measures such as, covering and securing the coal in the rail cars, both for dust control and securing cargo in the event of derailment; construction of overpasses/underpasses to address impacts to the local transportation system; monetary assistance for commercial, industrial and retail construction enhancements to mitigate noise and vibration; control of air emissions from train engines; and track improvements and equipment to mitigate noise from the trains. The City of Kent wishes to become a Party of Record regarding the Gateway Pacific Terminal and Custer Spur and be included in any further elements of the EIS.

Sincerely,

  
Suzette Cooke, Mayor  
City of Kent

  
Dennis Higgins  
Kent Council President

  
Elizabeth Albertson  
City Council Member  
Chair of the Public Works Committee

  
Deborah Ranniger  
City Council Member  
Chair of the Parks Committee

  
Bill Boyce  
City Council Member  
Chair of the Public Safety Committee

  
Dana Ralph  
City Council Member

  
Jamie Perry  
City Council Member  
Chair, ECD Committee

  
Les Thomas  
City Council Member  
Chair, Operations Committee

# The Bellingham Herald

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## No Coal! initiative blocked from Bellingham ballot

By JOHN STARK

THE BELLINGHAM HERALDAugust 3, 2012

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BELLINGHAM - The No Coal! initiative banning the transport of coal through the city will not get to voters in November.

On Friday, Aug. 3, Whatcom County Superior Court Judge Charles Snyder granted the city of Bellingham an injunction that blocks the Whatcom County Auditor from putting the measure on the ballot.

Before making his ruling, Snyder listened to legal arguments from attorneys representing initiative backers, the city and BNSF Railway Co., in a courtroom with packed benches and dozens of standing spectators.

Snyder said the initiative, with its coal transport ban and Community Bill of Rights, exceeded the scope of city government's power. Among other things, it would have attempted to nullify state and federal laws, Snyder said.

Besides the public expense of conducting a vote on an initiative that had no legal validity, allowing an election to proceed would be misleading to the voters, Snyder added.

He said the initiative would "give the people in the community the impression they are doing something they cannot. ... It clearly would diminish faith in city government."

Before he made his ruling, Snyder posed sharp questions to attorneys on both sides.

The judge reminded Assistant City Attorney James Erb that the city had to show "irrevocable harm" to its interests to meet the legal standard for issuance of an injunction. He asked Erb to spell out what harm would result to the city if the initiative stayed on the ballot.

Erb replied that the city would have to pay the county the costs associated with adding the measure to the ballot, but he did not know how much that would be.

Snyder then noted that the City Council is discussing placing the coal issue on the ballot and incurring those costs anyhow, although the measure that the council is considering would be a non-binding advisory measure.

Erb replied that the harm to the city would go beyond dollars.

"More important than the cost is the damage to the initiative process in allowing an invalid measure to go forward," Erb said.

If the council decides to put an advisory measure on the ballot, Erb said, the measure will be worded to make it clear to voters that it is advisory only and without legal impact, Erb said. But the No Coal! initiative is labeled as a new city ordinance that will prevent coal trains from moving through the city.

Breean Beggs, representing the initiative backers, argued that in many Washington state cases, courts have preferred to review an initiative's legal validity only after voters have approved it.

Even when initiatives have been struck down after passage, they have served a useful purpose in making the will of the voters clear to lawmakers, Beggs said. He cited the 1999 initiative that rolled back car tab fees and made Tim Eyman famous. That measure was ruled unconstitutional, but legislators then scurried to roll back the fees with a new state law.

But Snyder said state courts also have struck down ballot measures in advance, when it could be shown that they were clearly beyond the scope of the initiative power.

"Does the city of Bellingham have the right to tell its citizens, 'You don't need to have a license plate on your car?'" Snyder asked Beggs.

Beggs replied that if the city or its voters tried to enact such a measure, the courts could quickly overturn it.

"What would be beyond the scope of the initiative power?" Snyder then asked. "Based on what you're telling me, it sounds like nothing would be."

Beggs contended that citizens have the right to vote on a measure that met the legal requirements for a place on the ballot.

"The people have the right under the Washington constitution to vote, and under the City Charter to vote," Beggs said. "All the people are asking for is the power to vote. ... Their government has kind of turned against them on it."

Snyder was not convinced.

"Today's decision is not about coal," he said. "It isn't about coal trains. It isn't about corporate power. It's about a point of law. ... It's not an easy one to grasp. ... This isn't a simple decision nor is it a one-way decision."

Snyder contended he was well within established state precedents in blocking an initiative that attempted to give the city legal powers it cannot exercise under state and federal law.

"The city has no right to act illegally," Snyder said. "The city has the legal right to come to court and say, 'Don't make us do something that is against the law.'"

Snyder also ruled against Beggs' motion to collect damages and legal fees from the city, on grounds that the city's lawsuit violated the Washington Act Limiting Strategic Lawsuits Against Public Participation, known as the SLAPP law.

Beggs argued that in filing a lawsuit to block the initiative and naming initiative backers as defendants, the city was attempting to discourage their right to express their political views.

Snyder said the city lawsuit would have no such effect.

"It (the lawsuit) is not intended to silence the defendants," Snyder said. "They will continue to be as vocal as they wish to be."

The No Coal! group, with Stoney Bird and Rick Dubrow taking some degree of leadership, was launched in response to widespread concern about the increase in coal train traffic that could result if SSA Marine succeeds in getting regulatory approval for the Gateway Pacific Terminal project, which would export coal and perhaps other cargoes. Coal trains traveling from Powder River Basin mines east of the Rocky Mountains would travel through Bellingham en route to Cherry Point.

After backers of the initiative submitted about 10,000 signatures to the city on June 18, the Whatcom County Auditor verified that at least 4,990 of those signatures were valid, meeting the legal requirement for a place on the ballot. At that point, the city stepped in with the lawsuit, authorized by unanimous vote of the City Council. City attorneys advised council members that the passage of an initiative that contradicts state and federal laws would result in a potentially costly legal controversy for the city.

On Monday, Aug. 6, the council will consider a proposal to allow citizens to express their opinion on the coal shipments in a non-binding advisory vote.

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## TAKE OUR POLL

Do you support or oppose City of Bellingham Initiative No. 2012-2 concerns the people's right of self-government. This measure would establish the sovereignty of Bellingham residents, the rights of natural communities, and rights to a sustainable energy future and a healthy climate; prohibit corporations from transporting coal in the City; deny legal personhood and constitutional rights to corporate violators; deny the use of federal and state preemptive law to corporate violators; deny the validity of contrary permits; authorize private party civil enforcement actions; and repeal all inconsistent provisions of existing City ordinances.

City resident, support

Don't live in Bellingham, support

City resident, oppose

Don't live in Bellingham, oppose

Reach JOHN STARK at 715-2274 or [john.stark@bellinghamherald.com](mailto:john.stark@bellinghamherald.com) . Read the Politics Blog at [blogs.bellinghamherald.com/politics](http://blogs.bellinghamherald.com/politics).

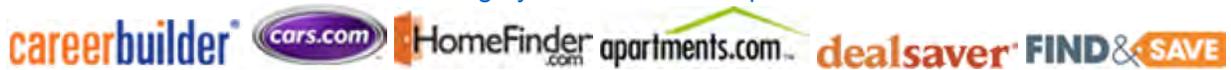
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Bellingham Herald is pleased to provide this opportunity to share information, experiences and observations about what's in the news. Some of the comments may be reprinted elsewhere in the site or in the newspaper. We encourage lively, open debate on the issues of the day, and ask that you refrain from profanity, hate speech, personal comments and remarks that are off point. Thank you for taking the time to offer your thoughts.

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**COUNCIL RESOLUTION NO. 5065**

**A RESOLUTION TO OPPOSE THE TRANSPORT  
OF COAL FOR EXPORT THROUGH EUGENE.**

**PASSED: 5:3**

**REJECTED:**

**OPPOSED: Clark, Farr, Poling**

**ABSENT:**

**CONSIDERED: October 24, 2012**

## RESOLUTION NO. 5065

### **A RESOLUTION TO OPPOSE THE TRANSPORT OF COAL FOR EXPORT THROUGH EUGENE.**

#### **The City Council of the City of Eugene finds that:**

**A.** In October 2011, the Oregon International Port of Coos Bay (the "Port") signed an exclusive negotiating agreement with an anonymous company interested in shipping coal from the Port. The proposal, called Project Mainstay, would build a new terminal and ship 6-10 million tons of coal per year.

**B.** This coal would originate in Wyoming and Montana and would be shipped to Asia. The Port of Coos Bay indicated that as many as 10 trains with 120 to 135 cars that are 1.5 miles long could pass through Eugene per week. At 10 to 15 mile per hour these trains could block intersections in Eugene for 5 minutes. This would increase traffic and the risk of delaying emergency vehicles at rail crossings.

**C.** According to findings from the Environmental Protection Agency and research in other communities; there are likely to be significant negative impacts to Eugene's public health, economy, and air and water quality.

**D.** These mile and half long trains which typically carrying 100 tons of coal; can lose up to 3% of their load in transit in coal dust. The train cars are not likely to be covered due to danger of fires, and nor are they likely to be sealed with a surfactant to prevent the coal dust loss en route because of the additional cost of applying the surfactant.

**E.** This coal dust will have a negative impact on local businesses, farms, homes and crops. Property values along coal transport routes have also been shown to decline. As well, local food production is likely to sustain adverse impacts which are counter to our community's desire to increase local healthy food production.

**F.** Coal dust contains toxic heavy metals, including mercury, arsenic, and lead; all known to have serious adverse health impacts on people of all ages, particularly children. These heavy metals, as well as emissions from the diesel-powered engines, are linked to increases in cancer, bronchitis, emphysema, black lung disease and birth defects. The train tracks through Eugene go directly through neighborhoods with populations that already face adverse health impacts.

**G.** Mercury and other toxic air pollutants produced from burning the coal in Asian nations have been shown to adversely impact the Northwest's air, water, fish, and wildlife.

**H.** Exporting to, and burning coal in, Asia for electricity production will increase greenhouse gases (GHG) and hasten the adverse effects of global warming. Exporting coal to

Asia will extend the period of time that Asian nations are reliant on coal, resulting in greater worldwide GHG emissions and other air pollution. It is difficult to see how exporting coal fits into the larger strategy of moving to a lower carbon future.

I. The City of Eugene is a leader in the fight for clean air, and against climate change, by signing on to the US Mayors Climate Protection Agreement, creating our award-winning Community Climate and Energy Action Plan (CEAP), and by establishing Council goals to become carbon neutral in City-owned facilities and operations by 2020, and to reduce community-wide fossil fuel use by 50% by 2030.

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:**

**Section 1.** While we strongly support the use of rail on the Coos Bay Rail Link for freight, and the resulting jobs at the Port of Coos Bay; we find that coal trains through our City will have adverse social, economic, and environmental consequences for Eugene without much, if any, economic benefit to our community. Allowing coal trains to pass through our City is not compatible with the City's efforts to improve air quality, enhance public health, and promote local food production.

**Section 2.** Exporting coal to Asia for electricity production is inconsistent with Eugene's efforts to reduce GHG emissions that cause climate change, move toward a lower carbon future, and to create clean energy jobs.

**Section 3.** The City of Eugene shall explore whether there are local, state or federal laws protecting public health, safety, and air and water quality that can be used to prevent the transport of coal through the City, and if so, take reasonable steps to prevent that transport.

**Section 4.** We fully support Governor Kitzhaber's request that a federal agency prepare a programmatic and comprehensive environmental impact statement (EIS) under the National Environmental Policy Act to look at the unprecedented number of coal export proposals pending in the Pacific Northwest, as well as the potential effects in this country of the use of coal in Asia. Now is the time for a programmatic EIS, before substantial and irreversible commitments of resources are made.

**Section 5.** The City of Eugene joins the call for review of a comprehensive, independent, health impact assessment before any permits are approved for any proposed coal export project.

**Section 6.** This resolution shall be sent to Governor Kitzhaber, Senators Wyden and Merkley, Congressman DeFazio, Secretary of the Interior Salazar, Secretary of the Army McHugh, General Temple of the US Army Corp of Engineers, Director Abbey of the Bureau of Land Management, our local state legislative delegation; and the City shall lobby on its behalf where appropriate.

**Section 7.** This Resolution is effective immediately upon its passage by the City Council.

**The foregoing Resolution adopted on the 24<sup>th</sup> day of October, 2012.**

*Beth Lovett*  
\_\_\_\_\_  
City Recorder

**SUBJECT:** CONSIDERATION OF A DEVELOPMENT AGREEMENT WITH COVINGTON MIXED-USE COMMERCIAL SITE DEVELOPMENT, CITY FILE NO. LU14-0006/0010, PROPOSED IN THE DOWNTOWN TOWN CENTER (TC) ZONE

**RECOMMENDED BY:** Richard Hart, Community Development Director

**ATTACHMENT(S):**

1. Development Site Plan
2. Resolution Adopting Final Development Agreement (Affinity at Covington and Polaris at Covington)

**PREPARED BY:** Salina Lyons, Principal Planner

**EXPLANATION:**

At the city council's July 22, 2014 regular meeting, staff provided an overview of a development in the Town Center (TC) zone known as Covington Mixed-Use. The project will be located on 7.03 acres to the north of Covington Elementary school and consists of three multiple-story structures identified as Buildings A, B, and C. Buildings A and B are six-story mixed-use buildings with 200 units of affordable family apartments, ground level commercial space and parking. These buildings are referred to as Polaris at Covington. Building C is a six-story building with 156 dwelling units and amenity space. This building is referred to as Affinity at Covington and will provide senior living for ages 55 and over. Building D is a pool house for the benefit of Building C.

A public hearing was also held at the July 22, 2014 regular meeting to hear public testimony regarding the council's consideration of a development agreement addressing the developer's request to reduce the required 60% ground floor commercial space abutting streets that is applicable to Buildings A and B, and the request to allow compulsory, vocational and higher education schools to be permitted out-right on the first floors of Buildings A and B, if feasible. The council heard testimony from Sam Pace, a local real estate broker, and Scott Morris, the project proponent. Both testified in support of the development agreement. The council closed oral testimony for the public hearing at the July 22, 2014 meeting, but left the hearing open for the public to submit written testimony until 5:00 p.m. on August 12, 2014.

***Deviation Overview***

**1. Reduction in Linear Commercial Space**

The developer is proposing to provide 53% of the frontage along 171<sup>st</sup> Ave SE ("Main Street") and 44% of the frontage along SE 276<sup>th</sup> St for commercial space. The commercial space along SE 276<sup>th</sup> St will consist of business offices and amenity spaces associated with the Polaris at Covington development. Although the bulk of the proposed ground level commercial space will be for private use by the residents of the development, from a design perspective, it will provide a pedestrian level presence along the street.

The developer has designated 3,987 sq. ft. of future commercial space along 171<sup>st</sup> Ave S.E. that will not be built out with the initial phases of the project, but will instead be completed with appropriate tenant improvements when tenants are identified. Provisions for the phasing of tenant improvements and leasing requirements are outlined in the development agreement, Section 4.2, which states the developer is required to advertise and lease the space for the life of the building.

Senior housing facilities are exempt from the mixed-use requirement; therefore, no ground floor commercial space is proposed for Building C.

2. Request for compulsory, vocational and higher education schools to be permitted on the first floor.

The developer is also requesting that the development agreement include provisions to permit out-right that compulsory, vocational and higher education schools to be permitted on the ground floor of the facility. Given the city's timeline for future development of the TC on the Covington Elementary School site, there may be an opportunity for Covington Mixed-Use to provide classroom space on an interim basis, if feasible. Staff supports this request.

***Public Benefit Overview***

1. *Public Space*

To meet the public benefit requirements associated with the use of a development agreement, the developer is proposing to dedicate 4,341 sq. ft. of public plaza space to the city. The public plazas will be located at the corners of 171st Ave. S.E. and mid-block on S.E. 276<sup>th</sup> St. The location and orientation of the public plaza space is intended to be one piece of the overall concept design for the TC. The developer will be responsible for the daily maintenance of the public spaces, and the city will only be responsible to reimburse the developer for discrete maintenance costs as identified and requested by the developer (i.e. replacement of benches).

2. *Street Infrastructure*

A series of infrastructure improvements are required to accommodate access to the site and to meet the street network identified in the Comprehensive Plan. These street improvements include the half street extension of S.E. 276<sup>th</sup> St and half-street improvements of 171<sup>st</sup> Ave S.E. ("Main Street") along the west boundary. The developer will be contributing approximately \$559,716 to construct a portion of the city's TC street network, in addition to payment of transportation impact fees.

***Conclusions***

Overall, the proposed project meets the requirements for utilizing the city's development agreement process. The dedication of public plazas and the construction of significant amounts of public infrastructure as identified in the city's six-year Capital Program results in a proportionate public benefit reduction in required ground floor commercial space and the potential ability to rent the commercial space as compulsory, vocational and/or higher education uses.

The project will contribute to the city’s transportation network and our strong desire for affordable housing units, which are part of a mixed-use commercial and market-rate residential project. The availability of new housing in the TC also supports development of retail and other commercial spaces long term.

ALTERNATIVES:

Direct staff to provide additional information before council consideration and adoption of the development agreement.

FISCAL IMPACT:

City council action on this proposed development agreement is not expected to have a fiscal impact in and of itself. However, eventual development of the commercial space would involve the payment of permit fees, increased assessed valuation, and additional sales tax revenues as the ground floor commercial space is leased.

CITY COUNCIL ACTION:     Ordinance     Resolution     Motion     Other

**Councilmember \_\_\_\_\_ moves and Councilmember \_\_\_\_\_ seconds to pass the proposed Resolution authorizing the interim city manager to execute a development agreement with Gemstar Properties, LLC for the Polaris and Affinity at Covington developments, known as the Covington Mixed-Use development, City File No. LU14-0006/0010, in substantial form as the agreement attached hereto.**

REVIEWED BY: Interim City Manager; Interim Deputy Finance Director; Public Works Director; City Attorney.





SW PERSPECTIVE - CORNER OF 276TH & 171ST



SW AERIAL - CORNER OF 276TH & 171ST



SOUTH AERIAL - PLAZA ON 276TH



SE PERSPECTIVE

**nystrom + olson**  
 a r c h i t e c t u r e  
 502 w riverside ave, suite 200, spokane, wa 99201  
 ph: 509.325.6464 web: www.nystromolson.com

#	REVISIONS DESCRIPTION	DATE
1	CSD REVISIONS	06.16.2014

**PROJECT:**  
**COVINGTON MULTI-FAMILY**  
 172ND AVENUE SE. & FUTURE 274TH ST.  
 COVINGTON, WASHINGTON

PROJ. #	1376
DRAWN:	CRO
CHECKED:	CRO
DATE:	04.15.14

**A5.04**

PERSPECTIVES



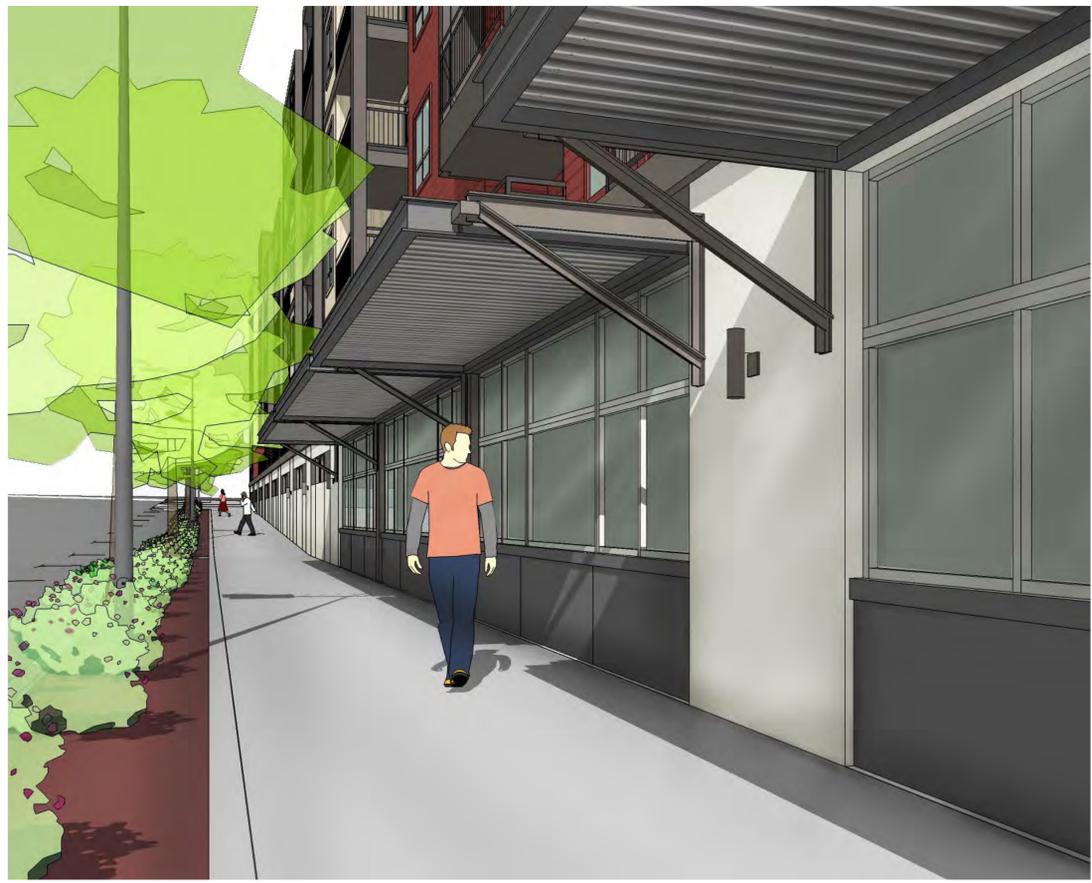
SW PERSPECTIVE - PLAZA ON 276TH / STOREFRONT LEVEL

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 502 w riverside ave, suite 200, spokane, wa 99201  
 ph: 509.325.6464 web: www.nystromolson.com

#	REVISIONS DESCRIPTION	DATE
	CSD REVISIONS	06.16.2014



NW PERSPECTIVE - BLANK WALL TREATMENT / GARAGE SCREENS - 171 ST



SW PERSPECTIVE - STOREFRONTS - 171 ST

**PROJECT:**  
**COVINGTON MULTI-FAMILY**  
 172ND AVENUE SE. & FUTURE 274TH ST.  
 COVINGTON, WASHINGTON

PROJ. #	13.76
DRAWN:	CRO
CHECKED:	CRO
DATE:	04.15.14

**A5.05**

PERSPECTIVES

**RESOLUTION NO. 14-15**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, APPROVING THE CITY MANAGER TO EXECUTE A DEVELOPMENT AGREEMENT WITH GEMSTAR PROPERTIES, LLC FOR THE POLARIS AND AFFINITY AT COVINGTON DEVELOPMENTS, KNOWN AS THE COVINGTON MIXED-USE DEVELOPMENT, CITY FILE NO. LU14-0006/0010.

WHEREAS, the Washington State legislature authorizes development agreements through RCW 36.70B.170 through 36.70B.210; and

WHEREAS, Ordinance No. 06-13 as codified at Chapter 18.114 of the Covington Municipal Code (CMC), authorizes the use of development agreements; and

WHEREAS, CMC 18.31.045 allows deviations to the development standards within the downtown zoning, town center (TC) through the development agreement process; and

WHEREAS, the city council reviewed this matter at a study session on February 11, 2013; and

WHEREAS, a development agreement application was formally submitted on April 24, 2014 by Gemstar Properties, LLC; and

WHEREAS, the city issued a Mitigated Determination of Non-Significance on June 20, 2014 for the Covington Mixed Use development pursuant to the State Environmental Policy Act (SEPA); and

WHEREAS, the city council held a public hearing and took testimony July 22, 2014; and

WHEREAS, the Covington city council has considered all testimony provided at the public hearing and recommendation of city staff has determined that the development agreement is in compliance with State law and city codes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Covington, King County, Washington, as follows:

Section 1. The city council does hereby authorize the interim city manager to execute a development agreement with Gemstar Properties, LLC for both the Affinity and Polaris at Covington developments, substantially in the form of the proposed agreement as set for in Exhibit A attached hereto.

PASSED in open and regular session on this 12th day of August, 2014.

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MARGARET HARTO, MAYOR

ATTESTED:

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Sharon Scott, City Clerk

APPROVED AS TO FORM:

---

Sara Springer, City Attorney

# RESOLUTION NO. 14-15 EXHIBIT A

## DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF COVINGTON AND GEMSTAR PROPERTIES, LLC FOR THE AFFINITY AT COVINGTON & POLARIS AT COVINGTON DEVELOPMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is effective the \_\_\_\_ day of August, 2014 (“Effective Date”), by and between the City of Covington, a Washington municipal corporation (the “City”), and Gemstar Properties, LLC, a Washington limited liability company and/or its assigns (“Gemstar” or the “Developer”).

### RECITALS

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, pursuant to a Purchase and Sale Agreement dated December 3, 2013, Gemstar has contracted with Covington Towne Center, LLC to purchase approximately 7.03 acres of vacant land in the City of Covington’s town center district (the “Subject Property” as defined below); and

WHEREAS, Gemstar intends to acquire the Subject Property and develop a 200-unit affordable family apartment community and a 156-unit senior apartment community , as conceptually depicted on the site plan attached hereto as Exhibit “B”; and

WHEREAS, Gemstar has submitted a commercial site development application, File No. LU14-0006/0010; and

WHEREAS, the Subject Property lies within the Covington downtown zone, town center district, the development and design standards for which are set forth in the Chapter 18.31 of the Covington Municipal Code (CMC);

WHEREAS, the City has adopted a process, set forth in CMC 18.31.045, for allowing deviations to the development standards within the downtown zone, town center district, through a development agreement. So long as a development agreement is consistent with the applicable policies and goals of the City’s Comprehensive Plan, deviations from development regulations may be granted to provide flexibility to achieve public benefits, to respond to changing community needs, or to encourage deviations that provide the functional equivalent or adequately achieve the purposes of otherwise applicable City standards; and

WHEREAS, in exchange for certain deviations to the applicable development standards for the Project, Gemstar has offered certain mitigations that exceed those required under the City’s standard development regulations; and

WHEREAS, the City deems that the mitigations offered by Gemstar provide a level of public benefit proportionate to the deviations to the development standards requested for the Project and that the deviations are supported by the goals and policies in the City’s Comprehensive Plan; and

WHEREAS, pursuant to CMC 18.114.040, a public hearing for this Agreement was held on July 22, 2014, and the City Council approved this Development Agreement by Ordinance No. \_\_\_-14 on August 12, 2014;

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties herein contained, the parties hereto agree as follows:

## **AGREEMENT**

### **1. PROJECT DESCRIPTION**

- 1.1. Subject Property.** The Subject Property of the proposed development herein is located at 172<sup>nd</sup> Avenue SE and Future 274<sup>th</sup> Street in the City's Town Center District, bearing parcel #3622059187 (the "Subject Property"), as described as a portion of Parcel A, City of Covington Lot Line Adjustment number LU10-0005 (Covington Town Center) King County Recording Number 0100811900003. The property lies within NW ¼, Section 36, Township 22N, and Range 5E WM, King County Washington. As used in this Agreement, the term "Subject Property" shall mean the parcel of land described hereto as well as any parcels subsequently created by a division therefrom as part of a Binding Site Plan proposed by the Developer.
- 1.2. The Project.** The mixed-use development to be sited on the Subject Property in accordance with the terms and conditions of this Agreement as well as all other applicable development regulations is commonly referred to as the "Affinity at Covington" and the "Polaris at Covington" developments (collectively the "Project"), as more particularly described in Exhibit "B" hereto and incorporated herein by this reference.

### **2. TERM**

This Agreement shall commence upon the effective date of the Adopting Ordinance approving this Agreement and shall continue in full force and effect for a period of twenty (20) years unless extended or terminated as provided herein. Following the expiration of the term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject, however, to post-termination obligations of the Developer or Landowner, if any.

### **3. VESTED RIGHTS OF DEVELOPER**

- 3.1.** Except as may be provided otherwise in this Agreement, for the Term of this Agreement, development of the Project shall be vested to and governed by City development regulations in effect as of the Effective Date of this Agreement. Except as expressly stated otherwise herein, any amendments or additions made during the Term of this Agreement to City development regulations shall not apply to or affect the conditions of development of the Project.
- 3.2.** As used in this Agreement, "development regulations" shall be deemed to include regulations, policies and procedures, and guidelines addressing zoning, environmental review, building and site design, utilities, stormwater, impact fees, transportation concurrency, and other laws, ordinances, policies, and administrative regulations and guidelines of the City governing land development.
- 3.3.** Nothing herein relieves the Developer of any obligations it may have during the Term to comply

with state or federal laws or regulations of any kind. The proposed Project shall not be vested against the application of development standards that are imposed by virtue of state or federal pre-emption of the City's regulatory authority. As provided by RCW 36.70B.170(4), the proposed Project shall not vest against new development regulations to the extent the new regulations are required by a serious threat to public health and safety.

- 3.4. The International Building Code, International Fire Code, and other construction codes in effect in the State of Washington as of the date of the filing of a complete application for a building permit for the Subject Property shall apply to all new development and the redevelopment or modification of existing development on the Subject Property.
- 3.5. Permit, plan review, and inspection fees are exempt from vesting under this Agreement.
- 3.6. The vesting described herein shall apply for the Term of this Agreement. For those development standards not specifically enumerated in this section, land use, development, or building permit approvals shall be governed by the City codes and standards in effect upon the date of complete application.
- 3.7. During the Term of this Agreement, the Developer may at its option develop the Subject Property or portions thereof in accordance with new code provisions or generally applicable standards for that subject adopted after the date of execution of this Agreement, without the obligation to bring other portions of the Subject Property into conformance with newly-adopted codes or regulations.

#### 4. GROUND FLOOR COMMERCIAL USE DEVIATION

- 4.1. **Background.** CMC 18.31.080(4)(26) requires that that sixty percent (60%) or more of the ground floor of a mixed-use building abutting a street or other public space shall be occupied by retail, restaurant, or personal services uses ("Commercial Use"). Pursuant to the development agreement deviation process under CMC 18.31.045(4), the required Commercial Use shall not be reduced to less than thirty percent (30 %) along each street front.

The Commercial Use standard is related to the amount of linear feet of building frontage that is provided for each structure along each public street. Based on this calculation, Building A- Polaris at Covington is designed to occupy 429 linear feet of building frontage along 171st Ave SE, thus requiring 257 linear feet of Commercial Use to meet the 60% standard. The Polaris at Covington project provides 223 linear feet of Commercial Use along 171st Ave SE, which equates to 52% of street frontage (a shortage of 8%, or 29 linear feet).

Building B- Polaris at Covington project is designed to occupy 254 linear feet, and a portion of Building A that wraps around the corner of 171st Ave SE and SE 276th St is designed to occupy 130 linear feet of SE 276th St for a total frontage of 384 linear feet. To meet the 60% standard, 230 linear feet of Commercial Use is required along SE 276th St. Building B and a portion of Building A is designed to provide 171 linear feet of Commercial Use along SE 276th St., which equates to 44% of street frontage (a shortage of 16%, or 58 linear feet).

The Polaris at Covington (Buildings A & B) will provide a total of 12,793square feet of Commercial Use space. A majority of the Commercial Use space along SE 276th St, approximately 8,806 sq. ft., will be occupied by offices and amenities associated with the

Polaris at Covington development. Possible amenities will include media and game rooms, fitness center, and spaces to use for tutoring or working on site, as well as other ancillary uses. The commercial space along 171st Ave SE, approximately 3,987 sq. ft. will be available for rent for future Commercial Use.

The requirement to provide ground floor Commercial Use space is only applicable to the Polaris at Covington (Buildings A & B). The senior housing, Affinity at Covington (Building C) is a single use structure and is not required to provide ground floor Commercial Use.

**4.2. Authorized Deviation.** The City authorizes the Polaris at Covington project to deviate from the sixty-percent (60%) Ground Floor Commercial Use Standard for Multi-family Developments in the Town Center zone requirement of CMC 18.31.080(4)(26) pursuant to the following conditions:

**4.2.1.** Fifty-two percent (52%) of the ground level building frontage abutting 171<sup>st</sup> Avenue SE shall be occupied by, or designated for future Commercial Use;

**4.2.2.** Forty-four percent (44%) of the ground level building frontage abutting SE 276<sup>th</sup> Street shall be occupied by, or designated for future use as, Commercial Use;

**4.2.3.** The Developer shall be responsible for consistently advertising the above identified Commercial Use frontage and actively securing tenants to occupy said Commercial Use space throughout the duration of the life the building; and

**4.2.4.** The Developer may use the above identified Commercial Use space for ancillary uses to the Polaris at Covington project (such as additional parking) upon the following conditions:

**4.2.4.1.** Ancillary uses in said Commercial Use space shall be designed and constructed to look like a commercial storefront from the street, as conditioned in the Director's Decision for the Commercial Site Development Permit and as required in the City's Downtown Design Guidelines and Standards, until such time tenants are secured and the space is converted; and

**4.2.4.2.** Ancillary uses of said Commercial Use spaces shall only be permitted for a period of ten (10) years from the Effective Date of this Agreement, unless otherwise extended by the City.

## 5. GROUND FLOOR SCHOOL USE DEVIATION

**5.1. Background.** CMC 18.31.080(4)(13) requires that schools, including compulsory, vocational, and higher education, be permitted pursuant to a conditional use permit, on the upper floors of a mixed-use building that includes ground floor retail. There are no specific conditions in the City's development Agreement process associated with a deviation from this requirement.

This is a staff proposed deviation based on the City's long term vision to provide for educational opportunities in the Town Center. Polaris at Covington is the first large development project in the Town Center that will be constructing ground floor Commercial Space with the possibility

for occupancy within the next year (2015). The City, in agreement with the Developer, would like the option to occupy the required Commercial Use space, per Section 4 herein, with school uses until a better location is constructed for school use and/or the market grows to fulfill the Commercial Use space at the Polaris at Covington project.

**5.2. Authorized Deviation.** The City authorizes the Polaris at Covington project to deviate from the requirement that schools shall be located on the upper floors of mixed use structures in the Town Center zone as required in CMC 18.31.080(4)(13) provided:

- 5.2.1.** The Developer and a school are able to agree upon a mutually satisfactory agreement for the use of the first floor Commercial Space;
- 5.2.2.** Any tenant improvements included as part of said agreement, or any other improvements to a first floor space to accommodate a school use, shall maintain and include facade requirements as required in the City's Downtown Design Guidelines and Standards; and
- 5.2.3.** The City's conditional use permit requirement for the location of schools pursuant to CMC 18.31.080(4)(13) is hereby waived for the purposes of locating school uses pursuant to the terms of this Agreement.

## 6. MITIGATION

In consideration of the City's authorized permitted use deviations as provided for in Section 4 herein, the Developer agrees to the following mitigation measures.

**6.1. Public Benefit Spaces.** The Developer agrees to devote a combined 4,314 sq. ft. of public benefit space on the Subject Property to the City pursuant to the following.

**6.1.1. Public Benefit Spaces Locations.** The locations of the below public benefit spaces are based on the City's 2009 Downtown Plan and Zoning Study that identifies 171<sup>st</sup> Ave SE as a prominent "Main Street" and the vision for future development to the west, north, and south of the Polaris and Affinity developments. Based on the City's vision for a walkable downtown, it is necessary to provide public spaces at the intersections that will function as mini plazas that will be invite pedestrians, provide greenery along the street, and be used as spaces where people can gather. These mini plazas will also function cohesively with the streetscape and other plazas that will be constructed as part of surrounding developments, particularly the plazas along SE 276<sup>th</sup> St. These plazas will create a connection to the future city park/plaza identified on the property to the south of the Subject Property.

**6.1.1.1.** Public Space No. 1 shall be located at the northwest corner of the Subject Property (adjacent to the future intersection of 171<sup>st</sup> Ave SE and SE 274<sup>th</sup> St) and shall be approximately 1,266 sq. ft.;

**6.1.1.2.** Public Space No. 2 shall be located at the southwest corner of the Subject Property (adjacent to the intersection of 171<sup>st</sup> Ave SE and SE 276<sup>th</sup> St) and shall be approximately 895 sq. ft.; and

**6.1.1.3.** Public Spaces No. 3 & 4 shall be located mid-block along the frontage of SE 276<sup>th</sup> St. between Buildings A and B, pursuant to the commercial site development plans, and shall be approximately 2,180 sq. ft (combined total).

**6.1.2. Construction of Public Benefit Spaces.** The Developer agrees to plan, design, and construct the above public benefit spaces as part of the Commercial Site Development Permit approval and according to the following requirements:

6.1.2.1. Design of the spaces shall include hardscaping, textured concrete surfaces, benches/seating areas, and a bike rack. Landscaped raised planters shall be used to differentiate the location of the public benefit space and required spaces associated with the Polaris at Covington development.

6.1.2.2. The Developer shall be responsible for all initial capital costs to construct the public benefit spaces pursuant to final approved construction plans by the City.

6.1.2.3. The Developer shall be required to post a separate financial guarantee for the construction of the public benefit spaces prior the issuance of any construction permits for the Subject Property.

6.1.2.4. The Developer shall be responsible for completing construction of the public benefit spaces prior to final acceptance of Subject Property site improvements by the City. The City reserves the right to withhold the issuance of permits for the Subject Property and/or the release of any financial guarantees for the Subject Property until said public benefit spaces are constructed, unless otherwise approved by the City.

**6.1.3. Maintenance of Public Benefit Spaces.** Upon construction of the public benefit spaces, the Developer shall be responsible for the ongoing maintenance of the public benefit spaces. The Developer shall bear the costs of the ordinary day-to-day maintenance of the public benefit spaces (such as cleaning), however, the City shall be responsible for the cost of any major or non-ordinary maintenance of the public benefit spaces that becomes necessary over time (such as sidewalk/concrete repairs, accessory/fixture replacements, vehicular damage, graffiti, etc.). The Developer and City will enter into a separate maintenance agreement and/or easement agreement setting forth these responsibilities and the City's reimbursement obligation for major and/or non-ordinary maintenance costs.

**6.1.4. Public Space Easement.** Upon completion of the construction of the public benefit spaces, the Developer shall execute an easement with the city benefiting the city for the public benefit spaces in perpetuity upon the terms pursuant to Section 6.1.

**6.2. Street and Utility Infrastructure.** In addition to the devotion of the public benefit spaces in Section 5.1, the City shall recognize the level of street and utility infrastructure necessary for the Subject Property to develop as additional mitigation measure provided by the Developer. 171<sup>st</sup> Ave SE and SE 276<sup>th</sup> St are identified in the City's 6-year Transportation Improvement Projects 2015-2020 list as developer driven projects. Although the Developer is responsible for

the cost and construction of the infrastructure necessary for their development, the installation of the improvements will provide a catalyst for adjacent developments because a majority of the required utilities (sewer, water, power, lights, etc.) will be more readily available for direct connections.

## **7. DISPUTE RESOLUTION**

The parties shall use their best efforts to resolve disputes arising out of or related to this Agreement using good faith negotiations by engaging in the following dispute escalation process should any such disputes arise:

- 7.1.** Level One – The Developer’s project manager and a City staff member appropriate to the nature of the dispute shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within fourteen (14) calendar days after referral of that dispute to Level One, either party may refer the dispute to Level Two.
- 7.2.** Level Two – The Developer’s principal and the City’s Community Development Director or authorized designee shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within fourteen (14) business days after referral of that dispute to Level Two, either party may refer the dispute to Level Three.
- 7.3.** Level Three – The Developer’s principal (or designee) and the City Manager (or designee) shall meet to discuss and attempt to resolve the dispute in a timely manner. Counsel for the parties shall be permitted to attend Level Three meetings.
- 7.4.** Except as otherwise specified in this Agreement, in the event the dispute is not resolved at Level Three within fourteen (14) calendar days after referral of that dispute to Level Three, either party may commence legal proceedings.
- 7.5.** At all times prior to resolution of the dispute, the parties shall continue to perform under this Agreement in the same manner and under the same terms as existed prior to the dispute.
- 7.6.** Nothing in this Section 7 shall preclude either party from seeking injunctive or equitable relief prior to the initiation or completion of this dispute resolution process.

## **8. DEFAULT**

- 8.1.** Subject to extensions of time by mutual consent in writing, failure or delay by either party to perform any term or provision of this Agreement shall constitute a default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days notice in writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.
- 8.2.** After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other party to this Agreement may, at its option, institute legal proceedings pursuant to this Agreement.

## 9. TERMINATION

9.1. This Agreement shall automatically terminate and be of no further force and effect upon any of the following occurrences:

9.1.1. If the development contemplated in this Agreement and all of the permits and/or approvals issued by the City for such development are not substantially underway prior to expiration of such permits and/or approvals. Nothing in this Agreement shall extend the expiration date of any permit or approval issued by the City for any development;

9.1.2. If the Developer does not construct the Project as contemplated by the permits and approvals identified in this Agreement and submits applications for development of the Property that are inconsistent with such permits and approvals; or

9.1.3. Upon the expiration of the term identified in Section 2 herein or when the Subject Property has been fully developed, which ever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City.

Upon the termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated.

### 9.2. Effect of Termination.

9.2.1. Termination of this Agreement shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Subject Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees, or taxes.

9.2.2. Upon any termination of this Agreement, the terms and conditions of this Agreement shall no longer be vested with respect to the Subject Property (provided that vesting of ulterior terms and conditions may then be established for the Subject Property pursuant to then existing planning and zoning laws).

## 10. GENERAL PROVISIONS

10.1. **Contingencies.** This Agreement and the obligations hereunder shall be contingent upon Gemstar, or entities under common control with Gemstar, acquiring fee title to the Subject Property.

10.2. **No Third Party Beneficiaries.** The City shall not be obligated or liable under the terms of this Agreement to any person or entity not a party hereto. Further, the City shall not be bound by any contracts or conditions that the Developer may negotiate with third parties related to the Subject Property or Project, other than customary rights required by a lender.

10.3. **Entire Agreement.** This Agreement embodies the whole agreement of the parties concerning its subject matter; there are no promises, terms, conditions, or obligations other than those contained herein that exist with respect to its subject matter; and this Agreement shall

supersede all provisions, communications, representations, or agreement, either verbal or written, between the parties with respect to its subject matter.

- 10.4. No Joint Venture.** Notwithstanding any language in this Agreement, the City shall not be deemed to be a member, partner, or joint venture partner of the Developer and the City shall not be responsible for any debt or liability of the Developer. Gemstar shall not be responsible for any debt or liability of the City.
- 10.5. Covenants Running with the Land.** The conditions and covenants set forth in this Agreement shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Owner and every purchaser, assignee, or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred to it.
- 10.6. Amendment.** This Agreement may be amended by mutual written consent of the parties. Amendments to this Agreement that materially modify the intent and policy of the Agreement must be approved by the City Council. Other amendments may be approved by the City Manager.
- 10.7. Assignment.** The Developer shall not assign any part of this Agreement without the prior written approval of the City, which approval shall not be unreasonably withheld, except that the Developer may assign this Agreement to any entity under control of Gemstar without prior written approval of the City.
- 10.8. Hold Harmless and indemnification.** In the event any legal action or special proceeding is commenced by any person or entity as a result of any negligent act or omission of the Developer (and specifically excluding any challenge to this Agreement or any provision herein), the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit to the Developer. In such event, the Developer shall hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit including, but not limited to, attorneys' fees and expenses of litigation and damages awarded to the prevailing party or parties in such litigation. The Developer shall not settle any such lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.
- 10.9. No Waiver.** Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.
- 10.10. Specific Performance.** The parties specifically agree that damages are not an adequate remedy for breach of this Agreement and that the parties are entitled to compel specific performance of all material terms of this Agreement by any party in default hereof.
- 10.11. Severability.** Each and every provision of this Agreement shall be deemed to be severable. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the

other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were not a part of this Agreement.

- 10.12. Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed, by first class, certified mail or overnight courier, with postage prepaid to the address included in the signature block below, or to such other person or place as one party shall furnish to the other in writing. Notices and payments shall be deemed given upon personal delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.
- 10.13. Governing Law / Venue.** This Agreement shall be interpreted in accordance with the laws of the State of Washington. The venue for any cause of action arising out of this Agreement shall be King County, Washington.
- 10.14. Attorney’s Fees.** If any party initiates legal proceedings related to the validity, construction, enforcement, interpretation or breach of this Agreement, the substantially prevailing party shall be entitled to all costs of such proceedings including reasonable attorney’s fees. The term “legal proceedings” as used in this paragraph shall include all litigation, arbitration, administrative, bankruptcy, and judicial proceedings, including appeals therefrom.
- 10.15. Headings.** The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement.
- 10.16. Recording.** This Agreement shall be recorded against the Subject Property as a covenant running with the land and shall be binding on the Developer, its heirs, successors, and assigns until this Agreement expires on its own terms pursuant to Section 2.
- 10.17. Full Understanding.** The parties each acknowledge, represent, and agree that they have read this Agreement; that they fully understand the terms thereof, that they have had the opportunity to be fully advised by their legal counsel and any other advisors with respect thereto; and that they are executing this Agreement after sufficient review and understanding of its content.
- 10.18. Authority.** Each individual executing this Agreement on behalf of the City and the Developer represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the City or Developer, respectively.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF COVINGTON**

Attest:

By \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Its: \_\_\_\_\_  
 City of Covington  
 16720 SE 271<sup>st</sup> Street, Suite 100  
 Covington, WA 98042

By \_\_\_\_\_  
 City Clerk

Approved as to form:  
 By \_\_\_\_\_  
 City Attorney

**OWNER**

By \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Gemstar Properties, LLC  
1620 North Mamer Road, Bldg B  
Spokane Valley, WA 99216

STATE OF WASHINGTON)

) ss.

KING COUNTY )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be an authorized representative of \_\_\_\_\_, who executed the foregoing instrument and acknowledged to me that the said instrument was signed as his/her free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
(Print Name) \_\_\_\_\_  
Notary Public, Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

**Agenda Item 4**  
Covington City Council Meeting  
Date: August 12, 2014

SUBJECT: COVINGTON DAYS REPORT

RECOMMENDED BY: Karla Slate, Communications and Marketing Manager

ATTACHMENT (S):

1. PowerPoint presentation to be given at meeting

PREPARED BY: Karla Slate, Communications and Marketing Manager

EXPLANATION:

This was the city's second year as organizer/provider of the Covington Days Festival. The festival was held at a new location (Valley Medical Center South) which proved to have its challenges, but overall was a good venue. Festival revenues saw an increase in vendor booth fees and ticket sales, and attendee feedback was very positive. A vendor survey and staff debriefing will shed more light into the positives and negatives of this year's festival and help us make decisions, improvements, or additions in coming years.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

CITY COUNCIL ACTION: \_\_\_\_ Ordinance \_\_\_\_ Resolution \_\_\_\_ Motion \_\_\_\_ Other

**Presentation only.**

REVIEWED BY: Interim City Manager

## **Agenda Item 5**

Covington City Council Meeting

Date: August 12, 2014

SUBJECT: REVIEW PROPOSALS FOR CITY MANAGER RECRUITMENT

RECOMMENDED BY: Noreen Beaufriere, Personnel Manager

ATTACHMENT (S):

1. Synopsis of Executive Search Firm Proposals
2. Karras Consulting Proposal (provided separately)
3. Prothman Proposal (provided separately)
4. The Mercer Group, Inc., Proposal (provided separately)

PREPARED BY: Noreen Beaufriere, Personnel Manager

EXPLANATION:

On Monday, July 7, 2014, City Manager Derek Matheson announced his resignation effective August 8, 2014. At the July 8, 2014 city council meeting, the city council instructed staff to acquire proposals for conducting a city manager search from three (3) executive search firms: Karras Consulting, Prothman, and The Mercer Group. For the meanwhile, on July 22, 2014, the city council appointed Finance Director Rob Hendrickson as Interim City Manager until the city manager recruitment process has been completed and a permanent city manager is appointed by the city council.

To assist the council in comparing these proposals, Personnel Manager Noreen Beaufriere prepared a synopsis of the highlights of all three (3) proposals, as seen in Attachment 1.

Attachments 2, 3 and 4 are the proposals submitted by Karras Consulting, Prothman, and The Mercer Group, Inc., respectively. These three (3) attachments will be provided to the city council separately, in order to avoid making unnecessary copies of these considerably lengthy documents for general distribution. Copies of these attachments, however, will be made available to anyone desiring such copies via their submission of a Public Records Request.

Staff recommends that the city council choose one of the three participating firms to conduct the city manager search.

ALTERNATIVES:

1. Choose to reject all proposals and instruct staff to solicit additional proposals from other firms. Staff does not recommend this alternative, as the noted firms are highly qualified to perform the necessary services and all have excellent reputations in this regard. Therefore, pursuing other proposals would only serve to delay the recruitment process.
2. Choose to conduct the recruitment using city staff. If the city council cares to consider this alternative, they are advised to consider that city staff, while very capable of performing the search, has not acquired nor have the familiarity with the client base that these firms possess, which may result in a reduced applicant pool.

FISCAL IMPACT:

Fiscal impact for the selected executive search firm's services will range from approximately \$24,000 to a maximum of \$29,500, depending on the firm selected. In all three proposals, however, this does not include additional expenses to cover travel and/or lodging for candidates who live outside a reasonable driving distance from Covington City Hall.

CITY COUNCIL ACTION: \_\_\_\_ Ordinance \_\_\_\_ Resolution  X  Motion \_\_\_\_ Other

**Councilmember \_\_\_\_\_ moves and Councilmember  
\_\_\_\_\_ seconds, to select \_\_\_\_\_  
to provide the professional services required to conduct the search for a  
city manager.**

REVIEWED BY: Interim City Manager, Interim Deputy Finance Director

## SYNOPSIS OF PROPOSALS FROM EXECUTIVE SEARCH FIRMS FOR CITY MANAGER RECRUITMENT

Prepared by Personnel Manager Noreen Beaufrere for August 12, 2014 City Council Meeting

Name Location Yrs in Business	Traffic Handled	Guarantee	Info Gathering & Recruitment Strategies	Interview Procedure Overview	Background Checks Conducted	Schedule	Fee	Additional Notes
<b>Karras Consulting</b> Olympia, WA 25+ Years	NW-based father & daughter work only w/ public sector. Father recruited 100's of local govt execs as WA State HR Director for 8 years serving under 2 prev governors. 90% of work is repeat or referrals. Utilized by Gov. Inslee to recruit top cabinet agency directors.	If selected candidate leaves for any reason within 12 months of their start date, a repeat search will be conducted for replacement at cost of candidate travel and advertising, only.	Meet w/ council, staff & interface w/ stakeholders; design profile & brochure; develop recruitment strategy & advtg plan; develop content of screening intvws, panel makeup & interview questions. Adv & recruit, conduct screening interviews. Review & recommend both A & B list candidates w/ Council; conduct semi-finalist & finalist intvws; hold public reception w/ finalists; present candidate profiles & background reports; assist w/ candidate selection & negotiate employment package.	Mt w/ council to rvw 8-12 pre-qual. Provide reports on education, exp & quals. @ 4-6 become finalists. 6-8 city officials, staff, stakeholders form prelim screening panel. Screening incs 15-min PP presentation & 45-min Q&A. Public reception is scheduled day prior to final intvws .	Query individuals beyond those references listed on resume & provide council with comprehensive report linked to job's key competencies for each finalist. Also provide thorough criminal background check.	12-week sample schedule would conclude search by early to mid-November.	<b>Total flat fee=\$29,500 plus</b> travel & related expenses for out-of-state candidates.	Recently conducted city manager search for Mill Creek (one of Covington's "comparables"). Refined position core competencies, skills, abilities and qualities of ideal candidate w/ council. Also strong focus on organizational culture, as well as ethics & integrity. Will assist in negotiating employment agreement.
<b>Strengths</b> - NW Based	Impressive clientele demonstrates reputation			<ul style="list-style-type: none"> <li>- Emphasizes culture &amp; vision fit</li> <li>- Designs intvw quests</li> </ul>	Checks references beyond those supplied by candidate.			Recent comparable city (Mill Creek) recruitment may be of value

# ATTACHMENT 1

## SYNOPSIS OF PROPOSALS FROM EXECUTIVE SEARCH FIRMS FOR CITY MANAGER RECRUITMENT

*Prepared by Personnel Manager Noreen Beaufriere for August 12, 2014 City Council Meeting*

Name <i>Location Yrs in Business</i>	Traffic Handled	Guarantee	Info Gathering & Recruitment Strategies	Interview Procedure Overview	Background Checks Conducted	Schedule	Fee	Additional Notes
<b>Prothman</b> <i>Issaquah, WA 13 Years</i>  <i>(Previous experience with Waldron)</i>	Conducted >450 recruitments & interim replacements. NW-based; specializes in exec recruitment for cities, counties, districts and other gov't agencies throughout U.S. Every Prothman team member has worked in local government	If no one is selected from finalists, will repeat process with no additional professional fee. If selected finalist leaves position or is terminated for cause within 2 yrs of hire date, will conduct replacement search with no additional professional fee.	National search. Gather info by meeting with city council, dept. directors and, if directed, other stakeholders. Will hold community meeting, if desired. Profile will contain ideal candidate's qualifications, info on organization & community, compensation package details. Position advertised 5-6 weeks.	Review apps; conduct 8-15 personal interviews; meet with council on results & identify 4-6 candidates for final interview; explain what final interview process will look like-may contain evening reception.	<ul style="list-style-type: none"> <li>- 3-4 references from list provided by candidate</li> <li>- Education Verification</li> <li>- Criminal history</li> <li>- Driving record</li> <li>- Sex offender check</li> </ul>	Max of 14 weeks – Sample schedule shows final interviews during last week of Oct. 2014, but is based on starting 1 ½ to 2 weeks earlier than actual schedule. Intvw end date should be mid-Nov.	<b>Total Est =                      @ \$24,000 to                      \$25,000</b>  \$19,500 <u>plus</u> expenses (normally \$4,500- \$5,500), not including travel for out-of-area candidates.	NW-based; specializes in exec recruitment for cities, counties, districts and other gov't agencies throughout U.S. Every Prothman team member has worked in local government.
<b>Strengths</b> - NW Based	<ul style="list-style-type: none"> <li>- Extensive recruitment for local govt</li> <li>- Total team worked in local govt</li> <li>- Good local reputation</li> </ul>	<ul style="list-style-type: none"> <li>- Guarantee lasts 2 years</li> <li>- Repeat recruitment w/o add'l professional fee if no one chosen</li> </ul>	On par with others	On par with others	<ul style="list-style-type: none"> <li>- Completes Driving Record Check</li> </ul>	- On par with others	The most reasonable of the firms by \$500 over Mercer and by \$4,500 over Karras.	<ul style="list-style-type: none"> <li>- Nice sample brochures provided</li> </ul>

# ATTACHMENT 1

## SYNOPSIS OF PROPOSALS FROM EXECUTIVE SEARCH FIRMS FOR CITY MANAGER RECRUITMENT

*Prepared by Personnel Manager Noreen Beaufriere for August 12, 2014 City Council Meeting*

Name <i>Location Yrs in Business</i>	Traffic Handled	Guarantee	Info Gathering & Recruitment Strategies	Interview Procedure Overview	Background Checks Conducted	Schedule	Fee	Additional Notes
<b>The Mercer Group</b> <i>Weimar, CA 30 years</i>	Large firm in 7 states (none in WA); provides wide variety of services. Assigned consultant Phillip Robertson has 27+ years in public sector, including position as Asst City Mgr	Will keep working until placement is made. If selected candidate leaves employ within 1 <sup>st</sup> year, will redo search for direct, out-of-pocket expenses only.	The consultant submitted an abbreviated proposed; therefore, specific information was not provided, due to consultant's workload and relatively short turn-around time. However, from experiencing our last city manager search which was performed by this company, the process is very much in line what was described by the other two firms. Personnel Manager provided printouts of the web pages that council was directed to for additional information.			Start week of 9/1/14. Negotiations concluded week of 12/8/14. New city mgr would report within next month (likely beginning to mid-Jan 2015).	Total Est = @ <b>is \$25,500</b>  \$17,500 plus not-to-exceed direct expenses in the amount of \$8,000	In comparison to the other two firms, this firm has performed very little recruitment in WA State.
<b>Strengths</b> While not based in the NW, we used this firm to find our previous city manager, with great success.		Works until placement is made. If selected candidate leaves employ within 1 <sup>st</sup> year, search will be redone for direct, out-of-pocket expenses only.	They administer management style testing to final candidates.			On par with others	Only \$500 more than the most reasonable (Prothman)	Although Clark Wurzberger's workload does not allow him perform this search, he highly recommends Philip Robertson and will assist him if and as necessary.

**Agenda Item 6**  
Covington City Council Meeting  
Date: August 12, 2014

SUBJECT: 2014 SECOND QUARTER FINANCIAL REPORTS

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S):

1. 2014 Second Quarter Report
2. Quarterly Performance Reports by Fund
3. Major Revenue Comparison
4. Current Investment Listing

PREPARED BY:

Rob Hendrickson, Finance Director

EXPLANATION:

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

ALTERNATIVES:

N/A

FISCAL IMPACT:

None.

CITY COUNCIL ACTION:     Ordinance     Resolution     Motion     Other

**ASK QUESTIONS OF STAFF**

REVIEWED BY: Interim City Manager

# Economic & Revenue Summary

~WA State Economic & Revenue Forecast Council



- The national economy continues to grow at a moderate pace.
- Weak growth in Europe and slowing Asian growth remain significant threats to the U.S. economy.
- As expected in the February forecast, the Washington economy continues to expand at a moderate pace.
- Washington employment growth has been slightly less than expected in February but historical estimates were revised higher.
- Overall housing construction is on track but single-family permits are weak. Home prices continue to rise.
- Seattle area inflation has edged up and is now slightly ahead of the national average.
- The forecast of General Fund-State (GF-S) revenue for the 2013-15 biennium was increased by \$157 million and the forecast for the 2015-17 biennium was increased by \$238 million. The forecast for the 2019-21 biennium was increased by \$313 million.

## 2014 Second Quarter

The second quarter continued the downward trend of sales tax collections. Although it is stabilizing there is a lot of ground to make up to reach the forecast. Overall however, the general fund is in sound shape. Development Services revenue is down due to low permit revenue related to lack of buildable inventory. The parks fund continues to be on the watch list. However, the bright news is that aquatics revenue is up. Overall, the city is doing okay for mid-year but further monitoring is warranted.

- Rob Hendrickson, Finance Director

### Inside this issue:

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

# Property Tax

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

Through the 2nd quarter the City received \$1,276,912 or 52.6% of budget. This is on target for the year. It is \$108,120 or 9.3% above 2013 second quarter collections.

Property tax is the most stable source of revenue the City has. It is one leg of the “three legged” stool

2012	2013	2014
\$ 1,216,987	\$ 1,168,792	\$ 1,276,912

\$1,000 assessed value. The cap for property tax collections is \$2.10/\$1,000 assessed value.

The City’s assessed valuation is \$1.62 billion—an increase of \$87.3 million or 5.71% over the previous year.

which the General Fund relies on for revenue. The other two legs are sales tax and utility tax.

Property taxes are unrestricted. This means there are no restrictions on what the revenue can be used to pay for within the City. Currently property taxes are allocated 100% to the General Fund.

This 2013 levy for 2014 collection is \$2,427,134 and the levy rate is \$1.55/

## Real Estate Excise Tax (REET)

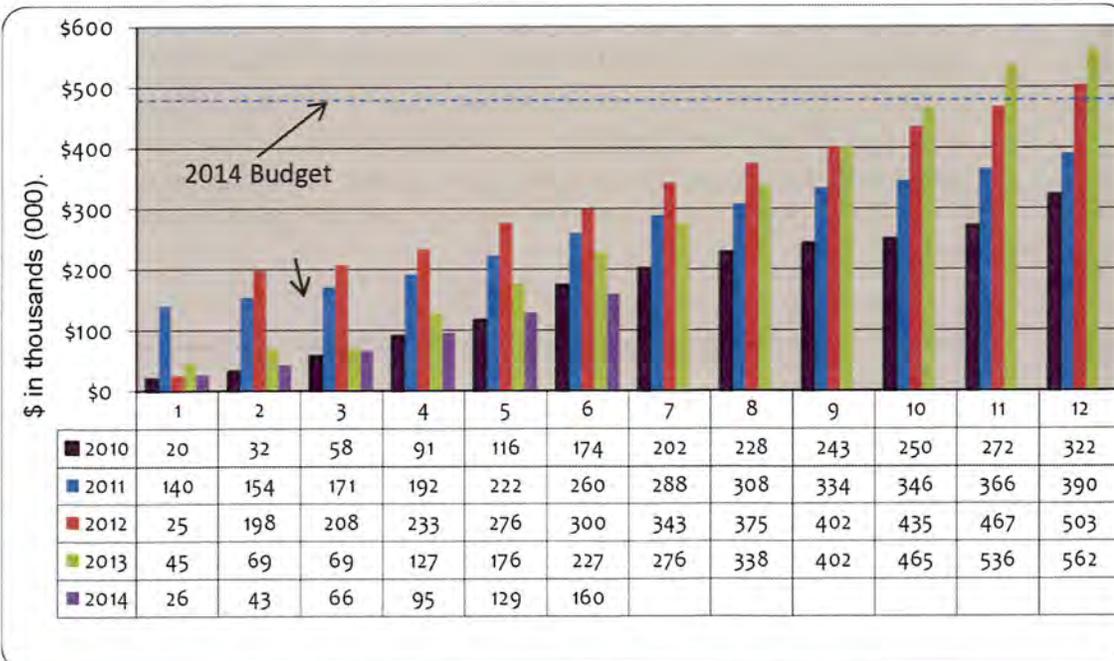
REET is a restricted revenue dedicated to paying debt service on the 2007 transportation bonds which paid for 168th Place SE/165th Place SE and loans from the Public Works Trust Fund. This tax is levied

by the City on all sales of real estate at the rate of one-half percent (two quarter percents).

Through June, collections are at \$159,723 or 33.3% of the \$480,000 budget.

There were 127 new home sales, 5 existing home sales, and two land only sales through June.

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



## Retail Sales & Use Tax

Sales and Use Tax is the largest revenue source available to the City. It currently supports the General Fund at 84% and the Parks and Recreation Fund at 16%. The second quarter (on a cash basis) is below 2013 levels

by \$59,139 or 3.6%. Total collections are at \$1,590,615 or 40.95%. The budget for 2014 is \$3,257,000.

In year over year comparisons, retail sales increased by 1.9%,

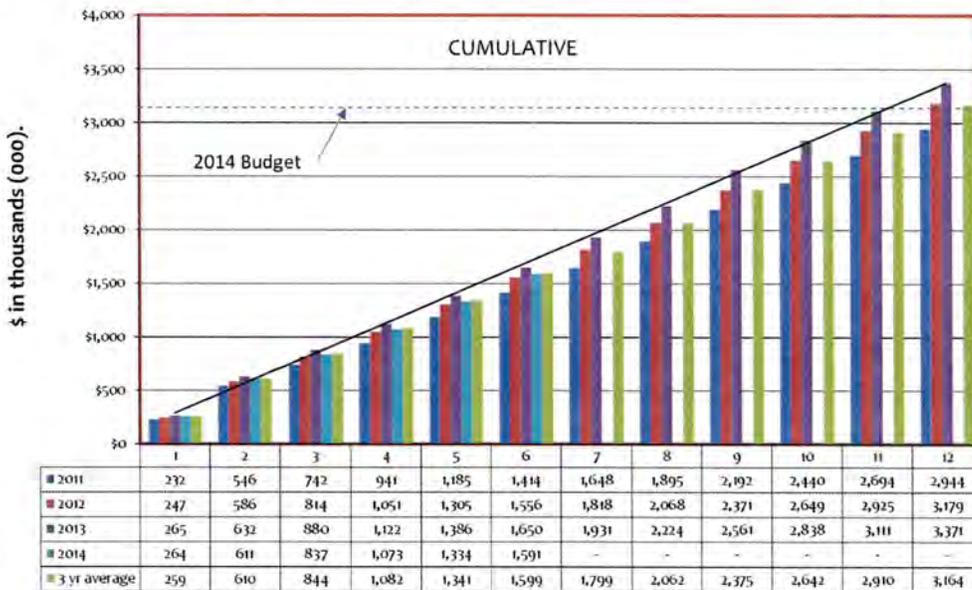
construction decreased 56.0%, food services was up 5.6%, and all other categories increased 5.2%.



A peek ahead at the second quarter:

Through July, collections continue to outpace prior year collections by 6.2% or \$112,884. The three-year average collection percentage is 50.7% (through June) while the actual 2013 collection percentage is 55.21%.

Staff will continue to monitor sales tax and keep you apprised of any changes good or bad.



## Utility Tax

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

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

The second quarter is slightly ahead of 2013 by \$17,387. Electricity is behind 2013 while natural gas is almost even with 2013. Telephone receipts are significantly ahead of 2013.

The MuniService audit on Comcast telecommunications and cable is complete. The results were positive with the city gaining \$27,054.



Utility	2013	2014
Electricity	\$396,078	\$382,294
Natural Gas	245,457	245,603
Solid Waste	70,380	65,329
Cable	141,082	151,880
Telephone	238,672	261,871
SWM	60,191	62,269
<b>Total</b>	<b>\$1,151,860</b>	<b>\$1,169,247</b>

## GENERAL FUND

Revenues for the second quarter are 51.1% of budget or \$4.6 million. This is more than 2013 levels by about \$197,000. Sales tax, on a cash basis, is 3.6% or \$59,139 lower than 2013 second quarter while utility tax is 1.5% or \$17,387 higher than 2013 collections. Property taxes are higher than 2013 by \$108,120 or 9.3%.

Total expenditures including transfers out through June are \$3,588,434. This is less than 2013 by \$118,776 or 3.2%.

Overall, 40.1% of the budget has been spent. Note in the chart below that most departments are well below the 50% mark, but City Council and Central Services are at 65.6% and 74.9% respectively. The City Council paid mitigation money to Costco as part of an agreement and Central Services paid some large one-time charges in January.

The first invoice for Police Services was paid in June and covered services provided from January through May.

Beginning fund balance is \$4,026,805—an increase of \$520,179. This is a result of under spending and increased revenues during 2013.

### GENERAL FUND DEPARTMENT BUDGET UPDATE

Department	YTD - 2013	% of Budget	YTD - 2014	% of Budget
City Council	232,686	48.4%	316,239	65.6%
Municipal Court	180,565	28.4%	163,188	25.6%
City Manager	462,961	47.1%	452,087	47.7%
Finance	263,340	48.9%	252,110	45.5%
Legal	29,084	38.8%	33,671	36.4%
Personnel	168,082	47.0%	164,418	45.6%
Central Services	339,020	65.1%	349,495	65.8%
Solid Waste	-	-	279	-
Law Enforcement	1,258,078	40.0%	1,346,774	41.5%
Community Development	306,264	91.5%	150,153	32.3%
Operating Transfers Out	<u>467,130</u>	29.5%	<u>360,020</u>	22.2%
<b>TOTAL</b>	<b><u>\$ 3,707,197</u></b>	<b>42.8%</b>	<b><u>\$ 3,588,434</u></b>	<b>40.1%</b>

## PUBLIC WORKS

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

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

Franchise fees are ahead of forecast at 53.2% or \$117,102. This is slightly ahead of forecast.

Total operating revenues are \$327,281 and other financing sources are \$123,381. At \$450,662, this puts total revenues at 51.5% for the second quarter.

The gas tax is running slightly un-

der budget. This could be due to the economy or inaccurate forecasting. The forecast is generated through Municipal Research Services Corporation (MRSC). The amount received is \$177,140 or 48.0% of budget. This is slightly higher than 2013 by \$4,154.

Total expenditures are under budget for the second quarter. Total expenditures are at 42.6% or \$404,959. Staff is now in full-swing with maintenance and construction which began in the second quarter.

For the Street Operations Fund, revenues are exceeding expendi-

tures by \$45,703.

SWM is primarily funded through drainage fees that are collected by King County. The City has received \$918,060 or 52.3%. Total revenues are at 51.0% or \$952,529.

Operating expenditures are at 43.3% or \$852,100. There are no transfers out to report this quarter.

SWM revenues exceed expenditures by \$100,429.

## DEVELOPMENT SERVICES

Revenue is at \$290,278 or 30.7% of forecast.

At this point permit revenues from MultiCare may not be received until 2014. Staff should have a better understanding of their construction timeline by fourth quarter. This delay has con-

tributed to a reduction in anticipated revenue.

However, an increase in other unanticipated development activity has helped offset the loss of permit revenue from MultiCare.

The number of permits for single family residences are at 0 com-

pared to 67 in 2013. There are currently no buildable lots.

Operational expenditures came in at 45.5% or \$488,834.

Beginning fund balance is \$1,891,229—a decrease of \$125,254. A decrease in permits contributed to this decrease.

## PARKS and RECREATION

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

Revenue came in ahead of fore-

cast at 44.0% or \$845,473—led by sales tax and aquatics revenue. Sales tax is 45.5% or \$255,198 and aquatics revenue is \$329,302 or 54.1%. Aquatics revenues exceeds 2013 in year over year results. However, sales tax is lagging.

Year to date attendance is 57,282—ahead of 2013 by 3,783 or

7.1%!

Overall expenditures for the four divisions are 46.5% or \$878,673. Expenditures are exceeding operating revenues by \$33,200.

The beginning fund balance is \$301,478 which is an decrease of \$20,346.

## Cash & Investments

Total cash and investments total \$13,636,853. This exceeds June 2013 by \$465,440. The largest gainer is the General Fund, followed by CIP. Development Services and Parks saw their cash balances decline.

The Local Government Investment Pool (LGIP) is currently earning 0.09% (as of June 2014). The City has \$10,964,821 invested with the LGIP.

Investments outside the LGIP total \$2,168,785.82 (market value). That is split between US Govern-

ment Agencies and Municipal Securities.

The weighted yield of the portfolio with the state pool is 0.16% and without the pool is 0.52%. Average days to maturity with the pool is 42.2 days or 0.12 years and without the pool is 255 days or 0.7 years.

Investment activity for the quarter included the maturity (5/1) of a \$150,000 municipal security, the purchase of a \$85,000 Yakima County, WA School District security and a \$100,000 Central Puget

Sound WA Transportation Revenue Bond. (see accompanying chart)

Cash on hand is kept at US Bank and various petty cash funds throughout the City.

The chart below reflects the amount of cash and investments allocated to each fund within the City compared to 2013. This is reconciled and updated on a monthly basis.



### TOTAL GENERAL LEDGER ACCOUNTS

	as of 06/30/13	as of 06/30/14	Δ
GENERAL FUND	\$3,517,338.29	\$4,310,305.37	\$792,967.08
STREET FUND	335,800.81	388,174.68	52,373.87
CONTINGENCY FUND	416,201.67	420,996.51	4,794.84
CUMULATIVE RESERVE FUND	1,373,874.49	1,386,891.05	13,016.56
REET 1ST 1/4% FUND	25,481.52	15,457.20	(10,024.32)
REET 2ND 1/4% FUND	25,481.52	15,457.20	(10,024.32)
DEVELOPMENT SERVICES FUND	2,123,815.21	1,687,014.48	(436,800.73)
PARKS FUND	389,031.70	184,255.63	(204,776.07)
LID 99-01 GUARANTY FUND	52,392.25	0.00	(52,392.25)
LID 99.01 FUND	37,010.01	35,676.06	(1,333.95)
CAPITAL IMPROVEMENT PROGRAM	2,190,899.03	2,320,774.68	129,875.65
SURFACE WATER MANAGEMENT	2,254,778.68	2,335,840.25	81,061.57
UNEMPLOYMENT INSURANCE	163,205.09	209,079.06	45,873.97
EQUIPMENT REPLACEMENT	<u>266,103.16</u>	<u>326,931.02</u>	<u>\$60,827.86</u>
<b>TOTAL ALL FUNDS</b>	<b><u>\$13,171,413.43</u></b>	<b><u>\$13,636,853.14</u></b>	<b><u>\$465,439.71</u></b>

# Capital Investment Program

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Please see the chart below for current CIP activity.

Project #	Project Description	Revenues	Expenditures
1010	Covington Community Park Phase 2	\$153,038	\$162,565
1028	Annual Road Overlay	974	\$1,302
1029	Annual Traffic Safety	0	\$4,736
1057	SR 516 Safety Widening	\$4,667	\$10,139
1127	SR 516 Widening at Jenkins Creek	\$9,041	\$26,075

**CITY OF COVINGTON  
FINANCE DEPARTMENT**

**16720 SE 271st St  
Suite 100  
Covington, WA 98042**

**Phone: 253-638-1110  
Fax: 253-638-1122**

Rob Hendrickson - Finance Director  
Casey Parker - Senior Accountant  
Lindsay Hagen - Finance Specialist  
Staci Cles - Accounting Clerk

# City of Covington      ATTACHMENT 2

## Quarterly Performance Report - General Fund

### as of 6/30/2014

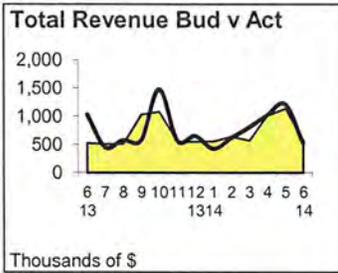


Chart 1

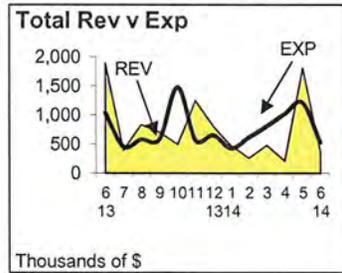


Chart 2

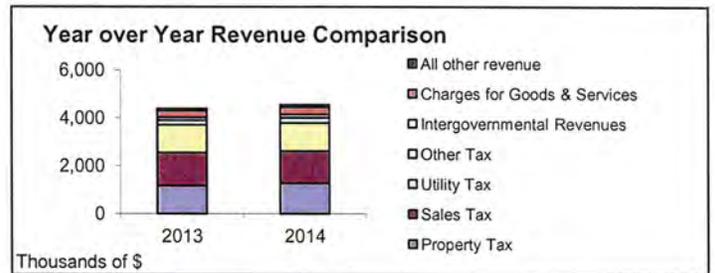


Chart 3

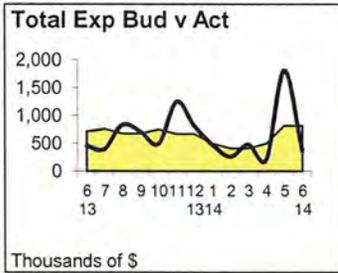


Chart 4

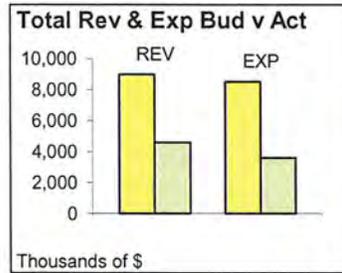


Chart 5

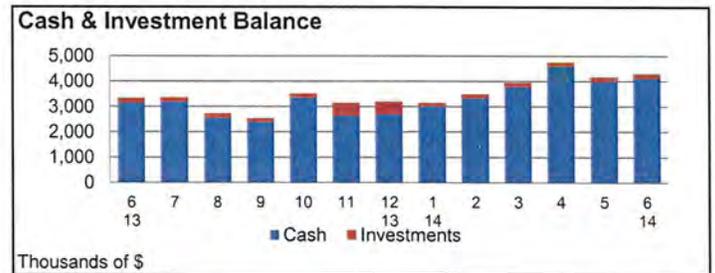


Chart 6

Rev & Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Property Tax	\$ 2,427.1	\$ 1,276.9	\$ 1,150.2	52.6%	\$ 1,168.8
Sales Tax	2,945.9	1,339.8	1,606.1	45.5%	1,385.8
Utility Tax	2,080.1	1,169.2	910.9	56.2%	1,151.9
Other Tax	386.5	222.5	164.1	57.6%	188.7
Licenses & Permits	75.0	43.8	31.3	58.3%	
Intergovernmental Rev	262.9	138.5	124.4	52.7%	123.0
Charges for Goods & Svcs	544.0	309.4	234.6	56.9%	279.9
Fines & Penalties	156.5	50.5	106.0	32.3%	65.4
Investment Interest	15.5	3.5	12.0	22.6%	3.4
Miscellaneous	41.0	30.8	10.1	75.3%	21.1
<b>Total Operating Revenues</b>	<b>8,934.5</b>	<b>4,584.9</b>	<b>4,349.6</b>	<b>51.3%</b>	<b>4,388.0</b>
Other Financing Sources	36.5	-	36.5	0.0%	0.2
<b>Total Sources</b>	<b>\$ 8,971.0</b>	<b>\$ 4,584.9</b>	<b>\$ 4,386.1</b>	<b>51.1%</b>	<b>\$ 4,388.3</b>
Salaries & Wages	\$ 1,408.0	\$ 626.8	\$ 781.2	44.5%	\$ 622.0
Benefits	502.2	266.3	235.9	53.0%	255.8
Supplies	59.3	44.5	14.8	75.1%	25.1
Charges for Services	1,666.0	1,022.0	644.0	61.3%	1,062.3
Intergovernmental Svcs	3,893.2	1,495.2	2,398.0	38.4%	1,474.1
Capital	-	16.1	(16.1)	0.0%	12.4
<b>Total Operating Expenses</b>	<b>7,528.8</b>	<b>3,471.0</b>	<b>4,057.8</b>	<b>46.1%</b>	<b>3,451.7</b>
Other Financing Uses	976.3	117.5	858.9	12.0%	255.5
<b>Total Uses</b>	<b>\$ 8,505.1</b>	<b>\$ 3,588.4</b>	<b>\$ 4,916.7</b>	<b>42.2%</b>	<b>\$ 3,707.2</b>

Chart 7

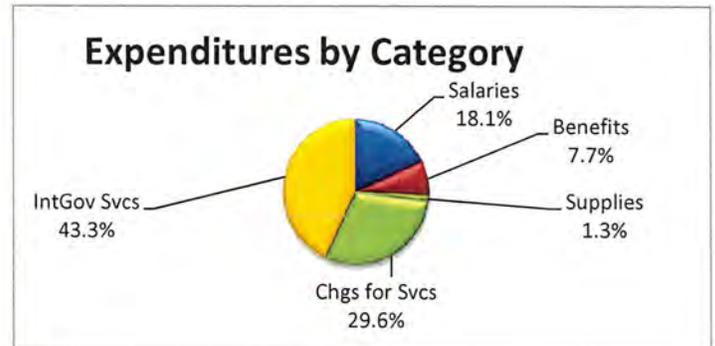
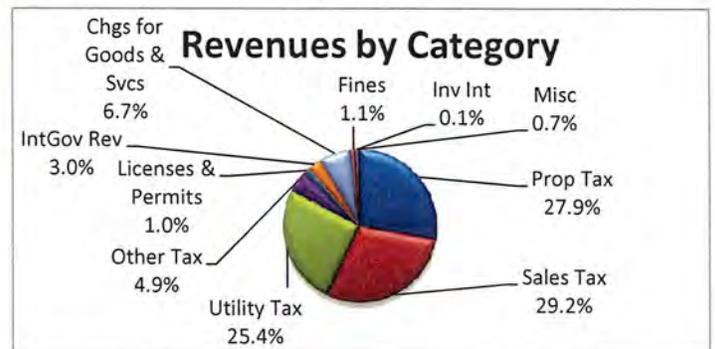


Chart 8 & 9

Legend	
	Cur Year
	Budget
	Actual
Data in Thousands of \$	

# City of Covington

## Quarterly Performance Report - Street Operations

### as of 6/30/2014

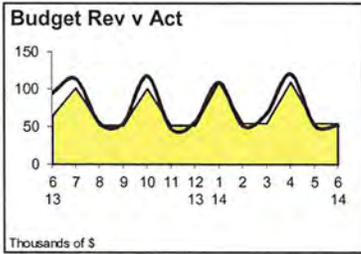


Chart 1

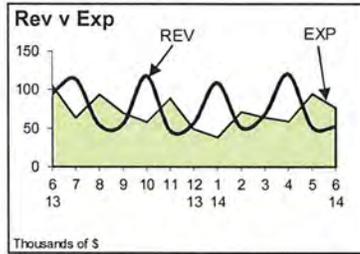


Chart 2

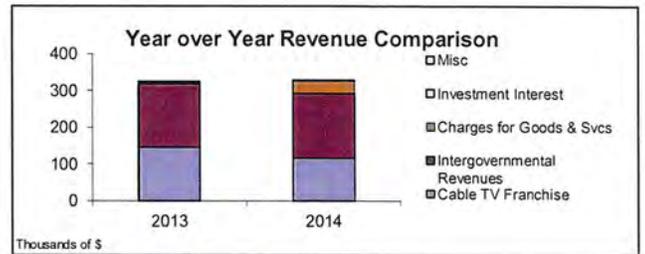


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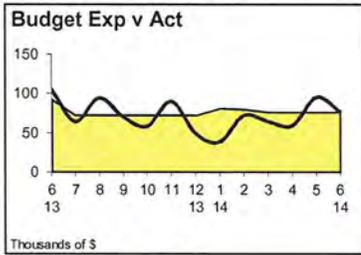


Chart 4

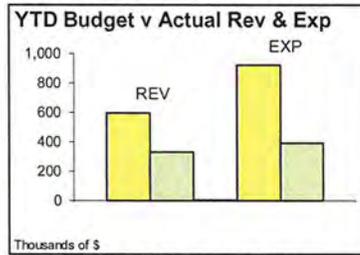


Chart 5

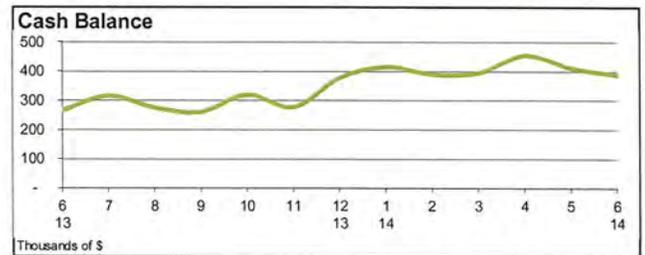


Chart 6

Rev & Exp - YTD	2014		\$ Rem	% Coll	2013
	Budget	Actual			Actual
Cable TV Franchise	\$ 220.0	\$ 117.1	\$ 102.9	53.2%	\$ 145.8
Intergovernmental Revenues	369.2	177.1	192.1	48.0%	173.0
Charges for Goods & Svcs	6.0	32.8	(26.8)	547.5%	5.1
Investment Interest	0.4	0.2	0.2	40.6%	0.2
Miscellaneous	-	0.0	(0.0)	0.0%	0.2
<b>Total Operating Revenues</b>	<b>595.6</b>	<b>327.3</b>	<b>268.4</b>	<b>54.9%</b>	<b>324.3</b>
Operating Transfer In	279.3	123.4	155.9	44.2%	127.5
<b>Total Sources</b>	<b>\$ 875.0</b>	<b>\$ 450.7</b>	<b>\$ 424.3</b>	<b>51.5%</b>	<b>\$ 451.8</b>
Salaries & Wages	\$ 309.4	\$ 139.3	\$ 170.1	45.0%	\$ 134.5
Benefits	120.4	63.2	57.2	52.5%	58.9
Supplies	59.5	14.4	45.1	24.2%	17.9
Charges for Services	330.5	132.4	198.1	40.1%	154.9
Intergovernmental	100.5	28.6	71.9	28.5%	24.6
Capital	-	12.7	(12.7)	0.0%	-
<b>Total Operating Expenses</b>	<b>920.3</b>	<b>390.5</b>	<b>529.8</b>	<b>42.4%</b>	<b>390.9</b>
Other Financing Uses	-	14.4	(14.4)	0.0%	1.8
<b>Total Uses</b>	<b>\$ 920.3</b>	<b>\$ 405.0</b>	<b>\$ 515.3</b>	<b>44.0%</b>	<b>\$ 392.7</b>

Chart 7

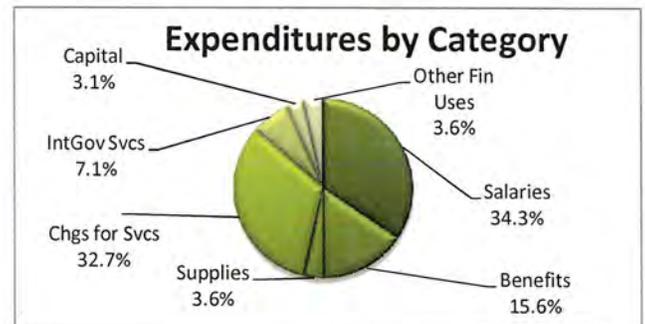
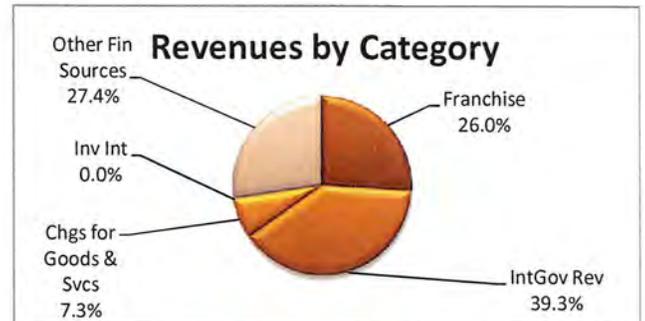


Chart 8 & 9

Legend	
	Cur Year
	Budget
	Actual
Data in Thousands of \$	

# City of Covington

## Quarterly Performance Report - Development Services

### as of 6/30/2014

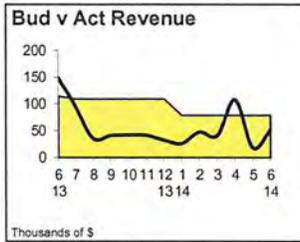


Chart 1

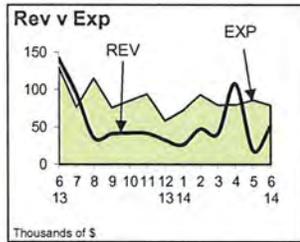


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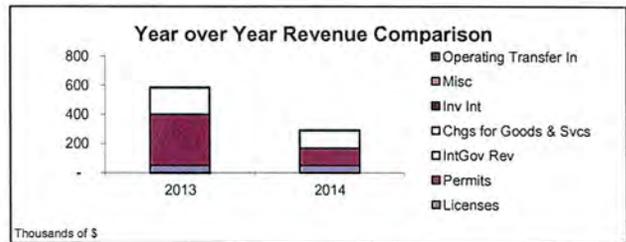


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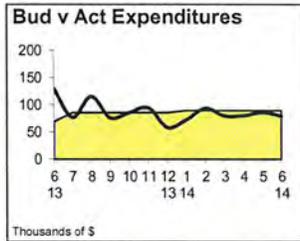


Chart 4

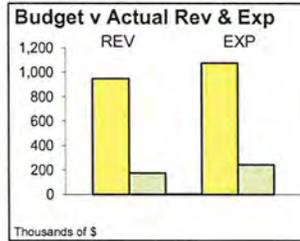


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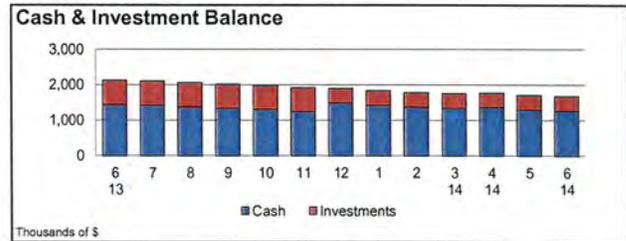


Chart 6

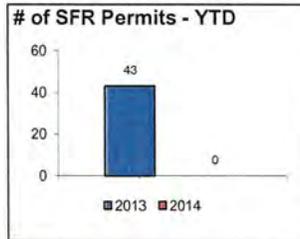


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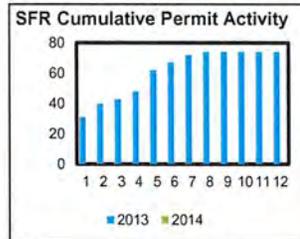


Chart 8

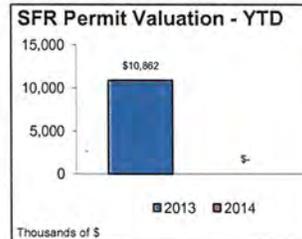
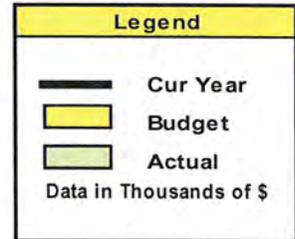
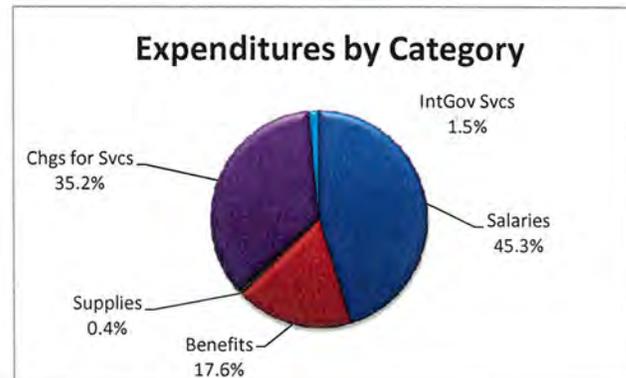
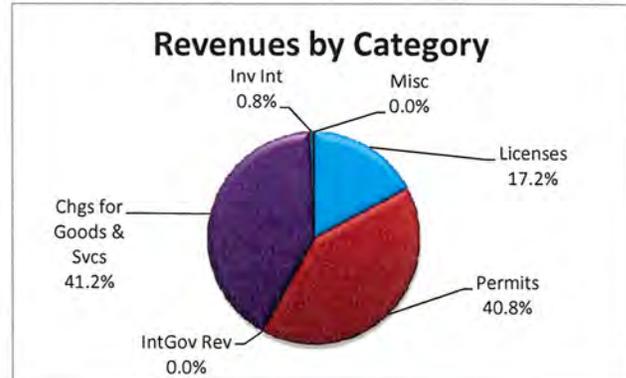


Chart 9



Rev & Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Licenses	\$ 83.3	\$ 50.0	33.3	60.1%	\$ 49.7
Permits	241.7	118.5	123.2	49.0%	350.5
Intergovernmental Svcs	-	0.1	(0.1)	0.0%	0.3
Charges for Services	619.9	119.6	500.3	19.3%	181.7
Interest Income	1.3	2.0	(0.7)	154.3%	3.4
Miscellaneous	-	0.0	(0.0)	0.0%	(0.5)
<b>Total Operating Revenues</b>	<b>946.2</b>	<b>290.3</b>	<b>655.9</b>	<b>30.7%</b>	<b>585.0</b>
Operating Transfer In	-	-	-	0.0%	-
<b>Total Sources</b>	<b>\$ 946.2</b>	<b>\$ 290.3</b>	<b>\$ 655.9</b>	<b>30.7%</b>	<b>\$ 585.0</b>
Salaries & Wages	\$ 476.7	221.2	255.4	46.4%	230.7
Benefits	171.3	85.9	85.3	50.2%	81.0
Supplies	7.9	2.1	5.9	26.0%	1.7
Charges for Services	358.2	172.0	186.2	48.0%	156.8
Intergovernmental	60.6	7.6	53.0	12.5%	0.7
<b>Total Operating Expenses</b>	<b>1,074.7</b>	<b>488.8</b>	<b>585.8</b>	<b>45.5%</b>	<b>470.8</b>
Other Financing Uses	-	-	-	0.0%	-
<b>Total Uses</b>	<b>\$ 1,074.7</b>	<b>\$ 488.8</b>	<b>\$ 585.8</b>	<b>45.5%</b>	<b>\$ 470.8</b>



# City of Covington

## Quarterly Performance Report - Parks and Recreation Services

### as of 6/30/2014

#### SUMMARY CHARTS

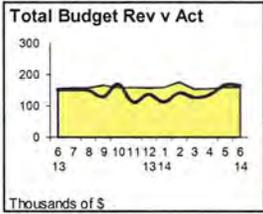


Chart 1

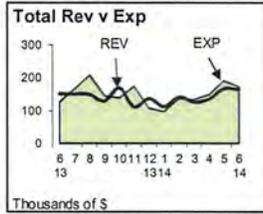


Chart 2

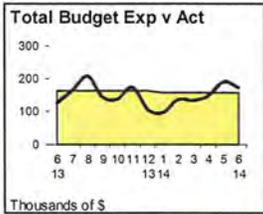


Chart 3

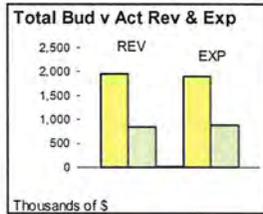


Chart 4

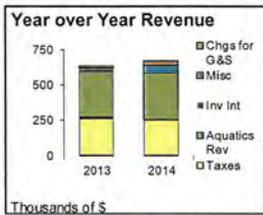


Chart 5

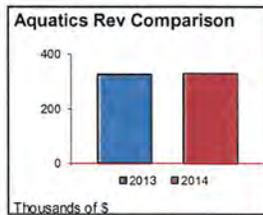


Chart 6

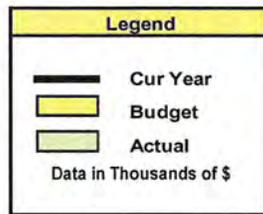
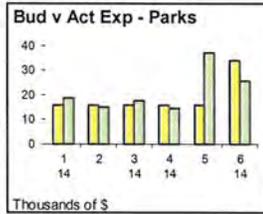
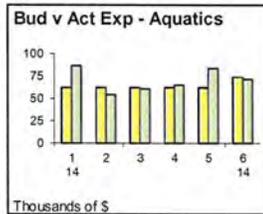


Chart 7

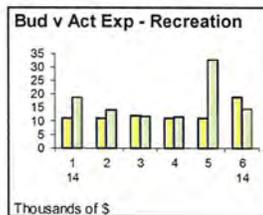
#### DEPARTMENTS



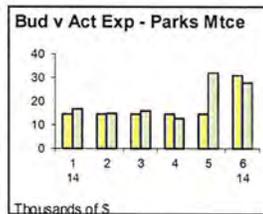
Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Salaries & Wages	\$ 241.6	\$ 86.6	\$ 155.0	35.8%	\$ 57.9
Benefits	47.0	20.7	26.3	44.1%	17.5
Supplies	0.8	0.1	0.7	11.1%	0.2
Charges for Services	115.9	59.7	56.2	51.5%	16.9
Intergovernmental Svcs	1.0	(0.1)	1.0	-6.0%	0.1
Total Operating Expenses	406.3	167.0	239.2	41.1%	92.6
Other Financing Uses	-	-	-	0.0%	-
Total Uses	\$ 406.3	\$ 167.0	\$ 239.2	41.1%	\$ 92.6



Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Salaries & Wages	\$ 399.0	\$ 190.5	\$ 208.4	47.8%	\$ 179.8
Benefits	119.0	57.5	61.5	48.3%	50.0
Supplies	55.6	10.6	45.0	19.0%	24.6
Charges for Services	260.0	148.4	111.5	57.1%	128.2
Intergovernmental Svcs	-	-	-	0.0%	-
Capital Outlay	23.4	13.3	10.0	57.1%	-
Total Operating Expenses	856.9	407.1	429.5	47.5%	382.6
Other Financing Uses	27.5	13.7	13.7	50.0%	13.7
Total Uses	\$ 884.4	\$ 434.2	\$ 450.2	49.1%	\$ 396.4

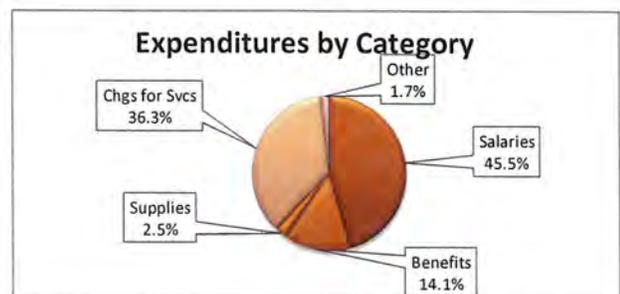
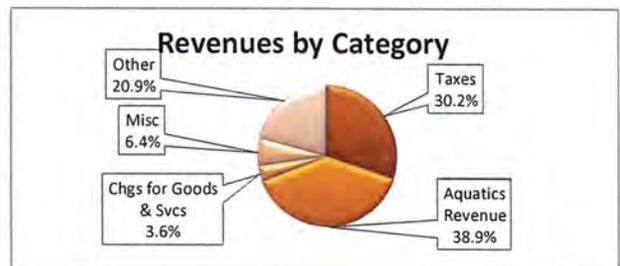


Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Salaries & Wages	\$ 100.9	\$ 43.0	\$ 57.8	42.7%	\$ 41.7
Benefits	29.8	14.0	15.8	46.9%	13.0
Supplies	12.6	1.6	11.0	13.0%	4.4
Charges for Services	80.8	23.1	58	28.6%	21.4
Intergovernmental Svcs	3.5	-	3.5	0.0%	-
Total Operating Expenses	227.6	100.1	127.5	44.0%	80.4
Other Financing Uses	-	-	-	0.0%	-
Total Uses	\$ 227.6	\$ 100.1	\$ 127.5	44.0%	\$ 80.4



Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Salaries & Wages	\$ 92.9	\$ 46.2	\$ 46.6	49.8%	\$ 33.4
Benefits	37.5	20.2	17.3	53.8%	16.5
Supplies	20.4	6.1	14.3	30.1%	8.5
Charges for Services	220.0	65.2	154.8	29.6%	38.5
Capital Outlay	-	-	-	0.0%	9.8
Total Operating Expenses	370.8	137.8	233.0	37.2%	106.8
Other Financing Uses	-	-	-	0.0%	-
Total Uses	\$ 370.8	\$ 137.8	\$ 233.0	37.2%	\$ 106.8

Rev & Exp - YTD	2014 Budget	2014 Actual	\$ Rem	% Coll YTD	2013 Actual
Taxes	\$ 561.1	\$ 255.2	\$ 305.9	45.5%	\$ 264.0
Grants/Intergovernmental Rev	64.3	-	64.3	0.0%	7.5
Aquatics Revenue	608.8	329.3	279.5	54.1%	326.6
Investment Interest	0.4	0.1	0.3	23.5%	0.2
Charges for Goods & Services	46.1	30.1	16.1	65.2%	12.8
Miscellaneous	36.6	54.0	(17.4)	147.6%	23.1
Total Operating Revenues	1,317.3	668.6	648.7	50.8%	634.1
Other Financing Sources	604.4	176.8	427.5	29.3%	203.5
Total Sources	\$ 1,921.7	\$ 845.5	\$ 1,076.2	44.0%	\$ 837.6
Salaries & Wages	\$ 834.3	\$ 374.4	\$ 460.0	44.9%	\$ 312.8
Benefits	233.3	116.1	117.2	49.8%	96.9
Supplies	89.5	20.3	69.1	22.7%	37.7
Intergovernmental Svcs	4.5	(0.1)	4.5	-1.3%	205.0
Charges for Services	676.7	298.9	377.8	44.2%	0.1
Capital Outlay	23.4	55.2	(31.8)	236.3%	9.8
Total Operating Expenses	1,861.6	864.9	996.7	46.5%	662.4
Other Financing Uses	27.5	13.7	13.7	50.0%	13.7
Total Uses	\$ 1,889.1	\$ 878.7	\$ 1,010.4	46.5%	\$ 676.1



# City of Covington

## Quarterly Performance Report - SWM Operations

### as of 6/30/2014

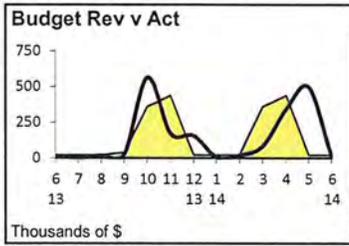


Chart 1

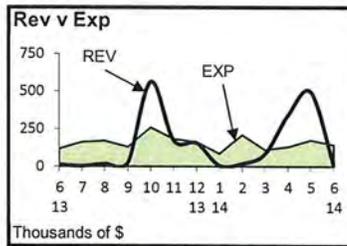


Chart 2

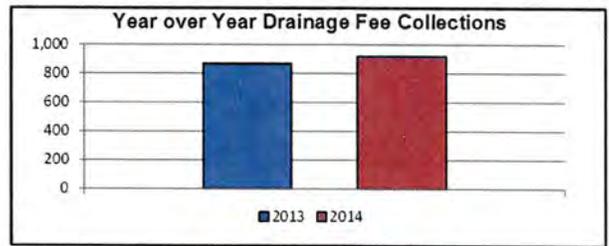


Chart 5

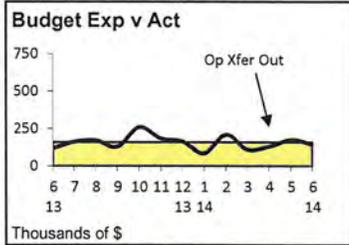


Chart 3

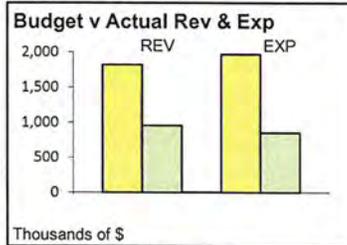


Chart 4

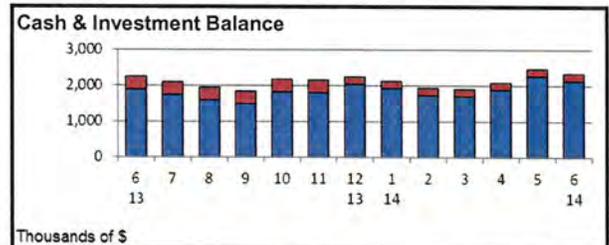


Chart 6

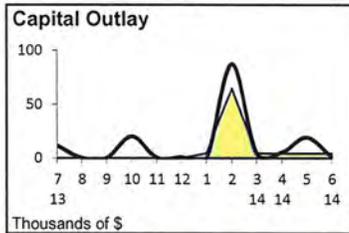
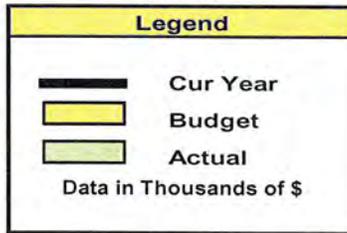
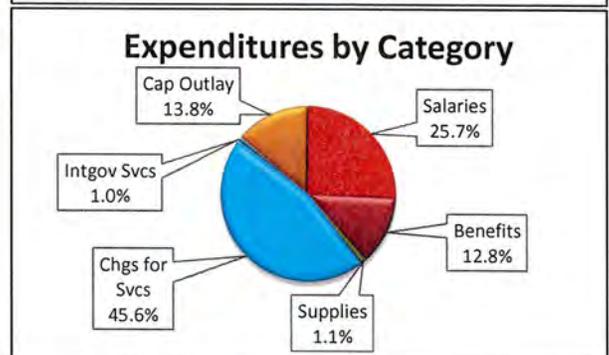
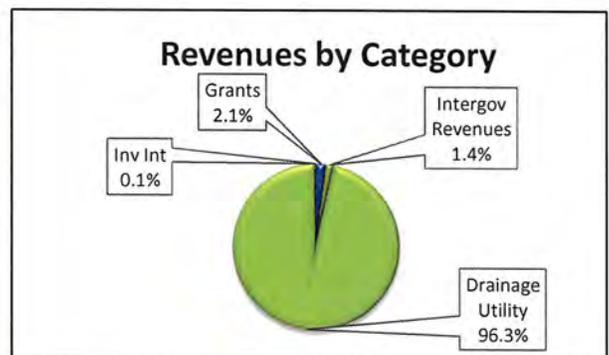


Chart 7



Rev & Exp - YTD	2014	2014	\$ Rem	% Coll YTD	2013
	Budget	Actual			Actual
Grants	\$ 49.3	\$ 20	29.3	40.6%	\$ -
KC Salmon Conservancy	-	-	-	-	-
Intergovernmental Revenues	55.7	13.4	42.3	24.1%	12.3
Drainage Utility	1,754.9	918.1	836.8	52.3%	867.5
Investment Interest	9.5	1.3	8.2	13.6%	2.3
Misc	-	(0.3)	0.3	-	(0.9)
Comp/Loss	-	-	-	-	-
Total Operating Revenues	1,869.4	952.5	916.8	51.0%	881.2
Transfers In	-	-	-	-	-
Total Sources	\$ 1,869.4	\$ 952.5	\$ 916.8	51.0%	\$ 881.2
Salaries	\$ 591.8	\$ 219.0	\$ 372.8	37.0%	\$ 236.1
Benefits	217.7	109.2	108.5	50.2%	103.0
Supplies	51.8	9.5	42.3	18.3%	14.6
Charges for Services	905.4	388.3	517.1	42.9%	344.2
Intergovernmental	52.7	8.3	44.4	15.7%	6.0
Capital Outlay	113.9	117.9	(4.0)	-	15.7
Total Operating Expenditures	1,933.2	852.1	1,081.1	44.1%	719.6
Other Financing Uses	-	-	-	0.0%	-
SWM Debt Service P & I	32.8	-	32.8	0.0%	-
Total Uses	\$ 1,966.0	\$ 852.1	\$ 1,113.9	43.3%	\$ 719.6



	Source/Data	Budget vs Actual	Revenue by Month (shown on a cash basis)	High/Low																									
<b>GENERAL FUND</b>	<b>Sales Tax</b>	<table border="1"> <tr> <td>Qtr - Qtr Revenues</td> <td>2Q-13</td> <td>2Q-14</td> <td>% Diff</td> </tr> <tr> <td></td> <td>1,649,754</td> <td>1,590,615</td> <td>-3.6%</td> </tr> <tr> <td></td> <td><b>Budget</b></td> <td><b>Actual</b></td> <td><b>% Collected</b></td> </tr> <tr> <td>2014 Annual Revenues</td> <td>\$ 3,507,000</td> <td>\$ 1,590,615</td> <td>45.4%</td> </tr> <tr> <td>2013 Annual Revenues</td> <td>\$ 2,988,000</td> <td>\$ 3,370,592</td> <td>112.8%</td> </tr> <tr> <td>2012 Annual Revenues</td> <td>\$ 2,850,000</td> <td>\$ 3,179,326</td> <td>111.6%</td> </tr> </table>	Qtr - Qtr Revenues	2Q-13	2Q-14	% Diff		1,649,754	1,590,615	-3.6%		<b>Budget</b>	<b>Actual</b>	<b>% Collected</b>	2014 Annual Revenues	\$ 3,507,000	\$ 1,590,615	45.4%	2013 Annual Revenues	\$ 2,988,000	\$ 3,370,592	112.8%	2012 Annual Revenues	\$ 2,850,000	\$ 3,179,326	111.6%			
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City of Covington  
Investment Listing  
for the period ending June 30, 2014

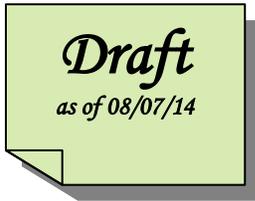
**ATTACHMENT 4**

Institution	Par/Shares	Maturity Date	Current Date	DTM	APY	Current Principal Balance	Current Market Value
US Bank - Cash	\$ 460,123.41	overnight					\$ 460,123.41
Forfeiture Account	55,194.17	overnight					55,194.17
<hr/>							
Local Government Investment Pool	10,300,596.95	overnight			0.00		10,300,596.95
<hr/>							
US Government Agencies							
<i>Fannie Mae</i>	\$ 200,000.00	3/28/16	6/30/2014	638	0.50	\$ 200,427.00	\$ 200,261.80
<i>FHLMC Strips</i>	360,000.00	3/15/15	6/30/2014	259	0.50	357,285.24	359,250.12
<i>FHLMC</i>	1,000,000.00	3/5/15	6/30/2014	249	0.57	1,006,873.00	1,001,309.00
<i>subtotal</i>	1,560,000.00					1,564,585.24	1,560,820.92
<hr/>							
Municipal Securities							
<i>Pierce County WA Sch Dist #402</i>	265,000.00	12/1/2014	6/30/2014	155	0.45	265,000.00	265,219.95
<i>Central Wash Univ Rev Bond</i>	100,000.00	2/1/16	6/30/2014	582	0.90	107,783.00	107,521.00
<i>Yakima County School District</i>	85,000.00	12/1/14	6/30/2014	155		85,000.00	84,997.45
<i>Met Park Dist of Tacoma WA GO</i>	150,000.00	12/1/14	6/30/2014	155	3.75	150,000.00	150,226.50
<i>subtotal</i>	600,000.00					607,783.00	607,964.90
<hr/>							
	<u>2,160,000.00</u>					<u>2,172,368.24</u>	<u>2,168,785.82</u>
<hr/>							
	<u>\$12,975,914.53</u>					<u>\$2,172,368.24</u>	<u>\$12,984,700.35</u>

**DISCUSSION OF  
FUTURE AGENDA TOPICS:**

**7:00 p.m. Tuesday, August 26, 2014 Regular Meeting**

**(Draft Agenda Attached)**



**CITY OF COVINGTON  
CITY COUNCIL REGULAR MEETING AGENDA**  
[www.covingtonwa.gov](http://www.covingtonwa.gov)

**Tuesday, August 26, 2014  
7:00 p.m.**

**City Council Chambers  
16720 SE 271<sup>st</sup> 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 (Scott)
- C-2. Vouchers (Hendrickson)

**REPORTS OF COMMISSIONS**

- Human Services Chair Fran McGregor: August 14 meeting.
- Parks & Recreation Chair Steven Pand: August 20 meeting.
- Planning Chair Sean Smith: August 21 meeting; August 7 meeting canceled.
- Arts Vice Chair Ed White: August 14 meeting.
- Economic Development Council Co-Chair Jeff Wagner: July 24 meeting.

**PUBLIC HEARING – NONE**

**CONTINUED BUSINESS – NONE**

**NEW BUSINESS - NONE**

**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.*