



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

www.covingtonwa.gov

**Tuesday, November 24, 2015
7:00 p.m.**

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

Note: A Special Meeting – Joint Study Session with Planning Commission is scheduled from 6:00 to 7:00 p.m.

CALL CITY COUNCIL REGULAR MEETING TO ORDER

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION - 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: October 31, 2015 Budget Workshop (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Approve 2016 Tri-City Interlocal Agreement for Building Administration Services (Hart/Meyers)

REPORTS OF COMMISSIONS

- Human Services Chair Fran McGregor: Oct. 8 meeting; Nov. 12 meeting canceled due to SOTC.
- Parks & Recreation Chair Laura Morrissey: November 18 meeting.
- Planning Chair Bill Judd: November 5 and November 19 meetings.
- Arts Chair Lesli Cohan: November 19 special meeting; Nov. 12 meeting canceled due to SOTC.
- PRePAC Chair Jennifer Harjehausen: October 28 meeting.
- Economic Development Council next meeting: December 3; November 26 canceled (holiday)

PUBLIC HEARING

1. Receive Public Testimony Regarding Proposed Fiscal Year 2016 Budget and;
 - 1a. Consider Resolution Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2015
 - 1b. Consider Ordinance Setting the 2015 Property Tax Levy for Collection in 2016
 - 1c. Consider Ordinance Authorizing a Property Tax Increase in Terms of Both Dollars and Percentages (Parker/Hendrickson)

NEW BUSINESS

2. Consider Ordinance Relating to Days and Hours of City Offices and Legal Holidays (Scott)
3. Discuss Policy Considerations Regarding Permanent Marijuana Regulations (Hart)
4. Budget Discussion (Hendrickson)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

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

EXECUTIVE SESSION

- To Discuss Potential Litigation Pursuant to RCW 42.30.110(1)(i)

ADJOURN

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

Consent Agenda Item C-1

Covington City Council Meeting

Date: November 24, 2015

SUBJECT: APPROVAL OF MINUTES: OCTOBER 31, 2015 CITY COUNCIL SPECIAL MEETING – BUDGET WORKSHOP 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 October 31, 2015 City Council Special Meeting – Budget Workshop Minutes.

City of Covington
City Council Special Meeting - Budget Workshop Minutes
Saturday, October 31, 2015

The Special Meeting for the Budget Workshop was called to order in the City Council Chambers, 16720 SE 271st Street, Suite 100, Covington, Washington, Saturday, October 31, 2015, at 8:00 a.m., with Mayor Harto presiding.

COUNCILMEMBERS PRESENT:

Margaret Harto, Joe Cimaomo, Marlla Mhoon (arrived @ 8:05 a.m.), Jim Scott, Sean Smith, and Jeff Wagner.

COUNCILMEMBERS ABSENT:

Mark Lanza.

STAFF PRESENT:

Regan Bolli, City Manager; Don Vondran, Public Works Director; Noreen Beaufrere, Personnel Manager; Rob Hendrickson, Finance Director; Andrew McCurdy, Covington Police Chief; Richard Hart, Community Development Director; Karla Slate, Communications & Marketing Manager; Pat Patterson, Interim Parks & Recreation Director; Angie Feser, Parks Planner; Rachel Bahl, Aquatics Supervisor; Bob Lindskov, City Engineer; Casey Parker, Senior Accountant, and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the Budget Workshop to order.

APPROVAL OF AGENDA:

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

ITEMS FOR DISCUSSION:

1. Revenue Options.

City Manager Regan Bolli introduced this item, and Finance Director Rob Hendrickson gave the staff report.

Councilmembers provided comments and asked questions, and Mr. Bolli, Mr. Hendrickson, and Community Development Director Richard Hart provided responses.

2. Department 2015 Budget Presentations.

a. Executive. City Manager Regan Bolli gave the presentation on this item.

Councilmembers provided comments and asked questions. Mr. Bolli, City Clerk/Executive Assistant Sharon Scott, Parks Planner Angie Feser, Finance Director Rob Hendrickson, and Community Development Director Richard Hart provided responses.

- b. Finance. Finance Director Rob Hendrickson gave the presentation on this item.

Councilmembers provided comments and asked questions, and Mr. Hendrickson and Communications & Marketing Manager Karla Slate provided responses.

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

Councilmembers provided comments and asked questions, and Mr. Hart and Senior Accountant Casey Parker provided responses.

- d. Public Works. Public Works Director Don Vondran gave the presentation on this item.

Councilmembers provided comments and asked questions, and Mr. Vondran, Mr. Bolli, and Mr. Hart provided responses.

Council recessed at 9:55 a.m. for a break and reconvened at 10:06 a.m.

- e. Parks & Recreation. Interim Parks & Recreation Director Pat Patterson gave the presentation on this item.

Councilmembers provided comments and asked questions. Mr. Patterson, Aquatics Supervisor Rachel Bahl, Communications & Marketing Manager Karla Slate, Parks Planner Angie Feser, and Personnel Manager Noreen Beaufriere provided responses.

- f. Police. Police Chief Andrew McCurdy gave the presentation on this item.

Councilmembers provided comments and asked questions, and Chief McCurdy provided responses.

Council recessed for a few minutes to gather box lunches and continued a working lunch.

Council continued providing further comments and asking further questions regarding the police budget presentation. Chief McCurdy provided responses.

3. Review Budget Strategies.

- a. Parks Merger with General Fund.

City Manager Regan Bolli gave the presentation on this item.

The following budget strategies were presented:

- Strive to make all funds self-sufficient: merge the Parks Fund with the General Fund; adopt a new revenue source for the Street Fund;
- Build a strong and sustainable General Fund: eliminate the General Fund subsidy to the Street Fund;
- Use fund balance only in cases where funds have a deficit to cover;

- Maintain a 20% General Fund fund balance and a 15% fund balance in all other funds;
- Meet the City’s ongoing demands by aligning appropriate levels of service within City resources: funding a police officer per council policy; fund other staff deficiencies to support existing and ongoing service levels;
- Allocate \$190,000 insurance proceeds to the Parks CIP projects.

Mr. Bolli, as requested by Council, itemized the Council consensus decisions he had listed in his notes: charge a higher business license fee to professionals that do not pay sales tax; put EDC membership dues with other membership dues; research credit card fees amount and determine if a convenience fee can be charged; decision cards for a police officer and maintenance worker; update fall prevention amounts, include parks and recreation canopies, and add SET task force.

Councilmembers discussed and asked questions. Mr. Bolli and Mr. Hendrickson provided responses.

There was Council consensus to direct staff to prepare reports for the November 10, 2015 Council meeting to discuss setting the utility tax rate for stormwater, solid waste, and cable television; and discuss vehicle license fee implementation.

4. Discuss Budget Presentations.

Finance Director Rob Hendrickson gave the staff report on this item.

Councilmembers asked questions and discussed the budget presentations and decision cards. Mr. Hendrickson, Mr. Bolli, and Mr. Vondran provided responses.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 1:35 p.m.

Prepared by:

Submitted by:

Joan Michaud
Senior Deputy City Clerk

Sharon Scott
City Clerk

Consent Agenda Item C-2

Covington City Council Meeting

Date: November 24, 2015

SUBJECT: APPROVAL OF VOUCHERS

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Electronic fund transfer in the amount of \$293.43, dated November 2, 2015; Vouchers #33298-33341, including ACH payments, in the amount of \$362,240.74, dated November 13, 2015; and Paylocity Payroll Checks #1004493971-1004493985 inclusive, plus employee direct deposits in the amount of \$170,496.23, dated November 20, 2015.

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 Electronic fund transfer in the amount of \$293.43, dated November 2, 2015; Vouchers #33298-33341, including ACH payments, in the amount of \$362,240.74, dated November 13, 2015; and Paylocity Payroll Checks #1004493971-1004493985 inclusive, plus employee direct deposits in the amount of \$170,496.23, dated November 20, 2015.

November 2, 2015

City of Covington

City of Covington

City of Covington
Voucher/Check Register

Electronic fund transfer

In the Amount of \$293.43

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

Cassandra Parker
Senior Accountant

Mark Lanza
City Councilmember

Jeff Wagner
City Councilmember

Marlla Mhoon
City Councilmember

Council Meeting Date Approved _____

Accounts Payable

Checks by Date - Detail by Check Date

User: scles
Printed: 11/13/2015 11:53 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
45	1917	US Bank National Association	11/02/2015	
	1917-10-2015	Credit card fees for October transactions		247.80
	1917-10-2015	Credit card fees for October transactions		6.78
	1917-10-2015	Credit card fees for October transactions		38.85
Total for Check Number 45:				293.43
Total for 11/2/2015:				293.43
Report Total (1 checks):				293.43

November 13, 2015

City of Covington

City of Covington

City of Covington
Voucher/Check Register

Check #33298 through Check #33341, including ACH payments

In the Amount of \$362,240.74

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

Jeff Wagner
City Councilmember

Marlla Mhoon
City Councilmember

Council Meeting Date Approved _____

Accounts Payable

Checks by Date - Detail by Check Date

User: scles
 Printed: 11/13/2015 11:55 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	1408 11799	Washington Workwear Stores Inc. Harto/Mhoon; shirts	11/13/2015	70.59
Total for this ACH Check for Vendor 1408:				70.59
ACH	1622 15-CV10	Law Offices of Thomas R Hargan, PLLC Prosecution services through 10/31/15	11/13/2015	4,539.96
Total for this ACH Check for Vendor 1622:				4,539.96
ACH	2262 869285460543	Voyager Fleet Systems Inc. Vehicle fuel	11/13/2015	1,041.72
Total for this ACH Check for Vendor 2262:				1,041.72
ACH	2621 2621-11	Jaquelyn Ball HallowTeen dance reimbursement; food, prizes,	11/13/2015	526.04
Total for this ACH Check for Vendor 2621:				526.04
ACH	2747 2747-11 2747-11	Bob Linskoy Linskoy; APWA conference, mileage, per diem Linskoy; APWA conference, mileage, per diem	11/13/2015	66.41 99.62
Total for this ACH Check for Vendor 2747:				166.03
ACH	2795 2795-11	Tatyana Kiselyov Kiselyov; Business Institute, mileage	11/13/2015	16.50
Total for this ACH Check for Vendor 2795:				16.50
ACH	2813 2813-11	Rachael Leung Leung; Business Institute, mileage	11/13/2015	9.83
Total for this ACH Check for Vendor 2813:				9.83
33298	0206 657450	AFLAC Insurance premiums; November	11/13/2015	565.97
Total for Check Number 33298:				565.97
33299	2223 A17987	ARC Imaging Resources Plotter/scanner; usage, 9/9-10/9/15	11/13/2015	115.54
Total for Check Number 33299:				115.54
33300	0499 0332-11 0332-11 0332-11 0405-11 0405-11	Bank of America Junkin; Maintenance Supv conference, hotel Junkin; Maintenance Supv conference, hotel Junkin; Maintenance Supv conference, hotel Upgraded survey services, 10/18-11/17/15 Spooky swim; activity supplies	11/13/2015	75.44 75.44 37.72 26.00 101.99

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	0405-11	Aquatics; training headphones/cable		20.63
	0405-11	PPAC tour; refreshments		14.95
	0405-11	Aquatics; locker tokens, use tax		-7.83
	0405-11	Aquatics; locker tokens		98.83
	2675-11	Parker; WFOA training, registration		300.00
	2675-11	Spooky swim, snacks		29.76
	2675-11	KidsFest banner, originally paid Ck#32750, use t		-43.00
	2675-11	KidsFest banner, originally paid Ck#32750		43.00
	2675-11	KidsFest banner balance, use tax		-39.56
	2675-11	KidsFest banner balance		499.56
	2675-11	Network cable, use tax		-37.84
	2675-11	Network cable		477.84
	2675-11	Hart; PAW conference, hotel		55.38
	2675-11	Hart; PAW conference, hotel		129.22
	2675-11	City decals, use tax		-16.25
	2675-11	City decals		205.25
	2923-11	Classified ads; Parks Director		45.00
	3331-11	State of City/outreach giveaways, use tax		-21.83
	3331-11	Harto/Mhoon; SCA dinner meeting		90.00
	3331-11	Budget retreat, meeting supplies		17.92
	3331-11	Personal charge inadvertently made		7.04
	3331-11	State of City/outreach giveaways		275.63
	3331-11	Council meeting, coffee		48.71
	3433-11	Bolli; meeting, parking		10.00
	3433-11	Bolli; ICMA conference, parking		42.00
	3639-11	Fence panels		163.52
	3639-11	Adjustable basketball hoops		2,084.16
	3639-11	State of City dinner, paper goods		81.35
	3639-11	State of City dinner, paper goods, use tax		-6.44
	3639-11	Adjustable basketball hoops, use tax		-165.04
	6093-11	Lindskov; Adv Transp Tech conference, registrat		40.00
	6093-11	Gaudette/Allen; WSU Pesticide training, registra		72.00
	6093-11	Gaudette/Allen; WSU Pesticide training, registra		72.00
	6093-11	Gaudette/Allen; WSU Pesticide training, registra		36.00
	6686-11	Thompson; Emotional Intelligence, registration		211.65
	6686-11	Morrissey; ACCIS conference, hotel		290.00
	6686-11	Security firewall		497.18
	6686-11	Security firewall, use tax		-39.37
	6686-11	Thompson; Emotional Intelligence, registration		37.35
	7314-11	Park commission, working dinner meeting		31.02
	7314-11	Spooky swim; decorations, supplies		278.87
	7314-11	Hendrickson/Parker/Salazar; PSFOA meeting		75.00
	7314-11	Gaudette; PNW Resource School 3rd year, 2016		1,235.00
	8754-11	City bags, totes, pens for giveaways		993.04
	8754-11	City bags, totes, pens for giveaways, use tax		-78.64
			Total for Check Number 33300:	8,469.65
33301	2368	Best Parking Lot Cleaning Inc.	11/13/2015	
	141835	MV, Street cleaning, October		2,427.59
	142145	Street cleaning, October		3,795.87
			Total for Check Number 33301:	6,223.46
33302	1868	The Brickman Group Ltd, LLC	11/13/2015	
	5101873542	Landscaping maintenance, November		5,400.68
	5101873542R	Landscaping maint, retainage, November		-270.03
			Total for Check Number 33302:	5,130.65

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
33303	1997 016482	Capital One Commercial Spooky swim; candy	11/13/2015	229.85
			Total for Check Number 33303:	229.85
33304	2819 2819-11	Caron Fitness Instructor payment; Zumba, October	11/13/2015	151.90
			Total for Check Number 33304:	151.90
33305	0366 0366-11	City of Covington SWM utility tax; October	11/13/2015	18,503.58
			Total for Check Number 33305:	18,503.58
33306	0184 218	Cordi & Bejarano Public defender services; 10/13-10/27/15	11/13/2015	1,360.00
			Total for Check Number 33306:	1,360.00
33307	0159 3306226	Daily Journal of Commerce CIP 1029; bid notice	11/13/2015	553.80
			Total for Check Number 33307:	553.80
33308	2686 2686-11	Angela Feser WA Wildlife Recreation Program meeting, refres	11/13/2015	24.65
			Total for Check Number 33308:	24.65
33309	2045 23617	Goodbye Graffiti Seattle Everclean program; November & December	11/13/2015	867.55
			Total for Check Number 33309:	867.55
33310	2553 Oct15 1123	Gordon Thomas Honeywell Governmental Governmental Affairs services; October	11/13/2015	2,000.00
			Total for Check Number 33310:	2,000.00
33311	0354 9879024843	Grainger CCP; coupler	11/13/2015	8.99
			Total for Check Number 33311:	8.99
33312	2957 A14-003.01-3 A14-003.02-6 A14-003.03-1	Helix Design Group Town Center; expenses, 8/30-9/26/15 Town Center; planning, 8/30-9/26/15 Town Center; Rend/Site Plan update, 8/30-9/26/15	11/13/2015	226.12 1,547.50 4,650.00
			Total for Check Number 33312:	6,423.62
33313	0867 0592421 0592421 0592421 1074516 1074516 1074516 2592316 2592316 2592316	Home Depot Credit Services Maint shop; sanding belt, paint, duct tape Maint shop; sanding belt, paint, duct tape Maint shop; sanding belt, paint, duct tape Maint shop; disinfectant Maint shop; disinfectant Maint shop; disinfectant Maint shop; cable ties, shop towels, glass cleaner Maint shop; cable ties, shop towels, glass cleaner Maint shop; cable ties, shop towels, glass cleaner	11/13/2015	12.27 24.56 24.56 3.44 3.44 1.73 10.84 21.66 21.66

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	3061369	Storage rack		178.35
	3061369	Storage racks		356.68
	5061155	Power splitter		4.97
	5574200	Steel rod		7.14
	5593321	Replacement tree light fuses		2.15
	9092143	Refund; Maint shop; respirators		-8.90
	9092143	Refund; Maint shop; respirators		-17.78
	9092143	Refund; Maint shop; respirators		-17.78
	9583696	Maint shop; respirators, cartridges, squeegee, rof		28.40
	9583696	Maint shop; respirators, cartridges, squeegee, rof		14.20
	9583696	Maint shop; respirators, cartridges, squeegee, rof		28.40
			Total for Check Number 33313:	699.99
33314	1722	Honey Bucket	11/13/2015	
	2-1405470	CCP; toilet service, 10/23-11/19/15		255.00
	2-1408364	Cedar Heights; portable toilet, 10/26-11/22/15		117.50
	2-1408365	Mattson; portable toilet, 10/26-11/22/15		117.50
	2-1408366	Jenkins Creek; portable toilet, 10/26-11/22/15		117.50
	2-1418557	Credit, Mattson; portable toilet, 10/30-11/22/15		-88.13
	2-1418586	Credit, Cedar Heights; portable toilet, 10/30-11/2		-88.13
	2-1418588	Credit, Jenkins Creek; portable toilet, 10/30-11/2		-88.13
			Total for Check Number 33314:	343.11
33315	0603	International Code Council	11/13/2015	
	1000618811	2015 International building code books		1,742.02
	1000622347	2015 International building code books		89.93
			Total for Check Number 33315:	1,831.95
33316	1701	Johnsons Home & Garden	11/13/2015	
	399636	#3390; keys		8.11
			Total for Check Number 33316:	8.11
33317	0050	Kent School District	11/13/2015	
	0050-11	School mitigation remittance; October		16,458.00
			Total for Check Number 33317:	16,458.00
33318	1258	King County Finance - GIS	11/13/2015	
	12-024M GIS	Comp plan; update maps		1,180.00
			Total for Check Number 33318:	1,180.00
33319	0204	King County Pet Licensing	11/13/2015	
	0204-11	Pet license remittance; October		560.00
			Total for Check Number 33319:	560.00
33320	1928	Mayson Morrissey	11/13/2015	
	1928-11	Morrissey; ACCIS conference, mileage, per dien		261.50
			Total for Check Number 33320:	261.50
33321	1487	NAPA Auto Parts	11/13/2015	
	770357	#2883; tail light		2.63
			Total for Check Number 33321:	2.63
33322	3017	O'Reilly Automotive Inc.	11/13/2015	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	3716-161815	#3424; oil/air filters, belt		53.55
	3716-161830	Maint shop; grease, filter wrench		11.50
	3716-161830	Maint shop; grease, filter wrench		11.50
	3716-161830	Maint shop; grease, filter wrench		5.74
Total for Check Number 33322:				82.29
33323	0503 3031760	OMWBE OMWBE, political subdivision fee, 7/1/15-6/30/	11/13/2015	100.00
Total for Check Number 33323:				100.00
33324	0818 47695833	Pacific Office Automation Copier lease; 10/15-11/14/15	11/13/2015	122.47
Total for Check Number 33324:				122.47
33325	1407 14-82307	Parametrix, Inc. Plan review services; 8/30-9/26/15	11/13/2015	1,239.99
Total for Check Number 33325:				1,239.99
33326	2923 118003	Prime Council chambers; electrical service	11/13/2015	250.41
Total for Check Number 33326:				250.41
33327	2860 390506	Protect Youth Sports Background checks	11/13/2015	96.00
Total for Check Number 33327:				96.00
33328	0161 200005568858-11 200013103656-11 200013951476-11 200014568881-11 200014568881-11 200014568881-11 200014568881-11 300000007744-11 300000007744-11	Puget Sound Energy Streets; electricity, 9/30-10/29/15 CCP; electricity, 9/30-10/29/15 Streets; electricity, 9/30-10/29/15 Maint shop; electricity, 9/30-10/29/15 Maint shop; electricity, 9/30-10/29/15 Maint shop; electricity, 9/30-10/29/15 Maint shop; electricity, 9/30-10/29/15 Aquatics; natural gas, 9/30-10/29/15 Aquatics; electricity, 9/30-10/29/15	11/13/2015	86.58 31.69 91.83 35.73 71.47 71.47 2,348.51 2,452.65
Total for Check Number 33328:				5,189.93
33329	1197 00053485	Rainier Wood Recyclers Brush/stump disposal fees	11/13/2015	80.00
Total for Check Number 33329:				80.00
33330	1905 C841716-701 C841716-701	Sharp Electronics Corporation Copier; usage, 9/15-10/19/15 Copier; usage, 9/15-10/19/15	11/13/2015	27.26 18.17
Total for Check Number 33330:				45.43
33331	1903 758878 758878	Sound Publishing, Inc. Monthly full page ad Weekly bulletins; 9/11, 9/18, 9/25	11/13/2015	3,331.25 1,076.71
Total for Check Number 33331:				4,407.96
33332	0736	Sound Security, Inc.	11/13/2015	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	784908	Security monitoring, 11/1-11/30/15		1,003.00
	784908	Maint shop; secure monitoring, 11/1-11/30/15		40.80
	784908	Maint shop; secure monitoring, 11/1-11/30/15		40.80
	784908	Maint shop; secure monitoring, 11/1-11/30/15		20.40
Total for Check Number 33332:				1,105.00
33333	2504 3877	Stalzer and Associates Hawk Property Development Agreement, 9/1-9/15	11/13/2015	1,271.15
Total for Check Number 33333:				1,271.15
33334	0281	Standard Insurance Company	11/13/2015	
	00635510001-10	Reissue, Life Insurance Premiums, November		181.55
	00635510001-10	Reissue, Life Insurance Premiums, November		97.19
	00635510001-10	Reissue, Life Insurance Premiums, November		44.13
	00635510001-10	Reissue, Life Insurance Premiums, November		116.20
	00635510001-10	Reissue, Life Insurance Premiums, November		95.97
	00635510001-10	Reissue, Life Insurance Premiums, November		100.83
	00635510001-10	Reissue, Life Insurance Premiums, November		87.89
	00635510001-10	Reissue, Life Insurance Premiums, November		283.97
	00635510001-10	Reissue, Life Insurance Premiums, November		175.20
	00635510001-10	Reissue, Life Insurance Premiums, November		516.04
	00635510001-10	Reissue, Life Insurance Premiums, November		311.17
	00635510001-10	Reissue, Life Insurance Premiums, November		600.60
	00635510001-10	Reissue, Life Insurance Premiums, November		7.91
	00635510001-10	Reissue, Life Insurance Premiums, November		583.51
	00635510001-10	Reissue, Life Insurance Premiums, November		361.80
Total for Check Number 33334:				3,563.96
33335	2103 291042505 291042505	US Bancorp Equip Finance Inc. Copier lease Copier lease	11/13/2015	130.32 86.88
Total for Check Number 33335:				217.20
33336	0357 0016203	Valley Communications 800 MHz access fee; October	11/13/2015	75.00
Total for Check Number 33336:				75.00
33337	2955 P3169.01-3	Walker Macy Planning services; 8/26-9/25/15	11/13/2015	980.00
Total for Check Number 33337:				980.00
33338	2652 5002569391	Wells Fargo Financial Leasing Plotter/scanner; lease, 11/10-12/9/15	11/13/2015	227.09
Total for Check Number 33338:				227.09
33339	0348 22249	Wescom Communications #FH05528; radar calibration	11/13/2015	87.60
Total for Check Number 33339:				87.60
33340	1496 1496-11	Dan Wesley Wesley; APWA conference, mileage, per diem	11/13/2015	189.80
Total for Check Number 33340:				189.80

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
33341	3005 4	WHH Nisqually Federal Services LLC CIP 1014; construction, 9/26-10/30/15	11/13/2015	264,564.29
Total for Check Number 33341:				264,564.29
Total for 11/13/2015:				362,240.74
Report Total (51 checks):				362,240.74

November 20, 2015

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 11/20/15 consisting of:

PAYLOCITY CHECK # 1004493971 through PAYLOCITY CHECK # 1004493985 inclusive,
plus employee direct deposits

IN THE AMOUNT OF \$170,496.23

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

Cassandra Parker
Senior Accountant

Mark Lanza
City Councilmember

Jeff Wagner
City Councilmember

Marlla Mhoon
City Councilmember

Council Meeting Date Approved: _____

11/20/15 Payroll Voucher

Payroll Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
110982	Regular	11/20/2015	503	Bolli, Regan H	4,700.17
110983	Regular	11/20/2015	246	Kirshenbaum, Kathleen	591.34
110984	Regular	11/20/2015	243	Lyon, Valerie	1,485.70
110985	Regular	11/20/2015	234	Mhoon, Darren S	1,469.26
110986	Regular	11/20/2015	162	Michaud, Joan M	2,187.70
110987	Regular	11/20/2015	123	Scott, Sharon G	2,541.67
110988	Regular	11/20/2015	313	Slate, Karla J	2,508.30
110989	Regular	11/20/2015	275	Hart, Richard	3,201.33
110990	Regular	11/20/2015	368	Mueller, Ann M	1,937.35
110991	Regular	11/20/2015	180	Cles, Staci M	1,871.12
110992	Regular	11/20/2015	146	Hagen, Lindsay K	1,617.75
110993	Regular	11/20/2015	235	Hendrickson, Robert	3,813.02
110994	Regular	11/20/2015	105	Parker, Cassandra	2,610.88
110995	Regular	11/20/2015	454	Salazar-Delatorre, Viviana J	206.99
110996	Regular	11/20/2015	433	Cimaomo, Joseph T	390.53
110997	Regular	11/20/2015	323	Harto, Margaret	457.24
110998	Regular	11/20/2015	324	Lanza, Mark	382.53
110999	Regular	11/20/2015	326	Mhoon, Marlla	388.49
111000	Regular	11/20/2015	327	Scott, James A	413.57
111001	Regular	11/20/2015	502	Smith, Sean D	413.57
111002	Regular	11/20/2015	329	Wagner, Jeffrey	415.57
111003	Regular	11/20/2015	374	Allen, Joshua C	2,077.84
111004	Regular	11/20/2015	353	Dalton, Jesse J	1,828.77
111005	Regular	11/20/2015	524	Denning, Jerald J	909.25
111006	Regular	11/20/2015	373	Fealy, William J	1,833.83
111007	Regular	11/20/2015	301	Gaudette, John J	2,019.67
111008	Regular	11/20/2015	511	Goranson, Gage W	885.74
111009	Regular	11/20/2015	186	Junkin, Ross D	2,858.07
111010	Regular	11/20/2015	520	Serfling, Daniel D	802.04
111011	Regular	11/20/2015	457	Smith, Nathan H	983.49
111012	Regular	11/20/2015	268	Bykonen, Brian D	2,209.04
111013	Regular	11/20/2015	279	Christenson, Gregg R	2,952.12
111014	Regular	11/20/2015	270	Lyons, Salina K	2,332.26
111015	Regular	11/20/2015	269	Meyers, Robert L	3,418.91
111016	Regular	11/20/2015	284	Ogren, Nelson W	2,811.62
111017	Regular	11/20/2015	266	Thompson, Kelly	2,187.57
111018	Regular	11/20/2015	518	Islam, Shahinur	464.80
111019	Regular	11/20/2015	307	Morrissey, Mayson	2,967.97
111020	Regular	11/20/2015	199	Bahl, Rachel A	2,151.01
111021	Regular	11/20/2015	397	Ball, Jaquelyn I	477.54
111022	Regular	11/20/2015	451	Conway, Sean	1,597.22
111023	Regular	11/20/2015	428	Feser, Angela M	2,280.81
111024	Regular	11/20/2015	448	Finazzo, Dominic V	1,558.76
111025	Regular	11/20/2015	305	Kiselyov, Tatyana	1,597.22
111026	Regular	11/20/2015	453	Leung, Rachael M	1,295.62
111027	Regular	11/20/2015	195	Patterson, Clifford	2,760.34
111028	Regular	11/20/2015	106	Bates, Shellie L	2,113.67
111029	Regular	11/20/2015	349	Buck, Shawn M	1,776.31
111030	Regular	11/20/2015	273	French, Fred	554.11
111031	Regular	11/20/2015	436	Lindskov, Robert T	3,033.51
111032	Regular	11/20/2015	257	Parrish, Benjamin A	2,020.67
111033	Regular	11/20/2015	173	Vondran, Donald M	3,819.84
111034	Regular	11/20/2015	252	Wesley, Daniel A	2,224.68
111035	Regular	11/20/2015	388	Andrews, Kaitlyn E	442.86
111036	Regular	11/20/2015	434	Bailey, Brooke	105.21
111037	Regular	11/20/2015	481	Binder, Jordan M	231.06
111038	Regular	11/20/2015	534	Blakely, Gavin D	73.92
111039	Regular	11/20/2015	513	Bryant, Colin A	144.46
111040	Regular	11/20/2015	115	Illins, Ashtyn E	659.58

111041 Regular	11/20/2015	526 Duval-Dreblow, Shailynn R	281.45
111042 Regular	11/20/2015	505 Gormley, Hannah E	106.21
111043 Regular	11/20/2015	508 Halbert, Olivia M	51.18
111044 Regular	11/20/2015	460 Hatch, Christopher	98.47
111045 Regular	11/20/2015	530 Hauck, Liam M	17.06
111046 Regular	11/20/2015	512 Hauer, Colton A	90.58
111047 Regular	11/20/2015	426 Knox, Patrick L	188.01
111048 Regular	11/20/2015	410 Lanz, Avalon A.	701.05
111049 Regular	11/20/2015	435 Martin, Iain-Josiah	793.62
111050 Regular	11/20/2015	525 Mastroianni, Anthony J	250.78
111051 Regular	11/20/2015	483 Medel, Erick	308.21
111052 Regular	11/20/2015	340 Middleton, Jordan	189.01
111053 Regular	11/20/2015	516 Montero, Ivan P	390.33
111054 Regular	11/20/2015	387 Praggastis, Elena C	165.54
111055 Regular	11/20/2015	484 Roth, Alexander E	312.13
111056 Regular	11/20/2015	493 Sears, Andrew J	311.16
111057 Regular	11/20/2015	492 Spencer, Ethan R	428.70
111058 Regular	11/20/2015	392 Wardrip, Spencer A	907.60
111059 Regular	11/20/2015	432 Wilton, Sara J	64.36
111060 Regular	11/20/2015	533 Wruth, Hunter T	156.99
111061 Regular	11/20/2015	487 Bykonen, Tyler B	58.77
111062 Regular	11/20/2015	488 Cles, Erin L	69.46
111063 Regular	11/20/2015	482 Cruz, Garrett M	133.65
111064 Regular	11/20/2015	491 Ford, LaDrea D	22.66
111065 Regular	11/20/2015	532 Green, Katherine B	61.65
111066 Regular	11/20/2015	116 Beaufriere, Noreen	2,841.79
111067 Regular	11/20/2015	137 Throm, Victoria J	1,945.45
1004493971 Regular	11/20/2015	364 Newell, Nancy J	24.94
1004493972 Regular	11/20/2015	527 Ainsworth, Nicholas D	45.48
1004493973 Regular	11/20/2015	509 Brannon, David J	227.96
1004493974 Regular	11/20/2015	274 Goldfoos, Rhyan	1.34
1004493975 Regular	11/20/2015	400 Quintos, Edward Louie D	71.55
1004493976 Regular	11/20/2015	489 Wold, Jared K	232.92
1004493977 Regular	11/20/2015	480 Woods, Dylan J	218.70
1004493978 Regular	11/20/2015	521 Ellsworth, Joseph G	119.61
1004493979 Regular	11/20/2015	537 Farish, Sarah A	54.53
1004493980 Regular	11/20/2015	536 Harjehausen, Jack	21.34
1004493981 Regular	11/20/2015	490 Kallaher, Jay S	28.34
1004493982 Regular	11/20/2015	519 Lopez, Joseph C	56.91
1004493983 Regular	11/20/2015	474 Shank, Elijah J	21.34
1004493984 Regular	11/20/2015	535 VanBrunt, Elizabeth	75.88
Totals for Payroll Checks	100 Items		110,212.18

Third Party Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
111068	AGENCY	11/20/2015	401SS	ICMA Retirement Trust	17,456.14
111069	AGENCY	11/20/2015	457Ex	Vantagepoint Transfer Agent-457	359.09
111070	AGENCY	11/20/2015	CICOV	City of Covington	2,740.29
111071	AGENCY	11/20/2015		Emp City of Covington Employee	104.00
111072	AGENCY	11/20/2015	IC401	ICMA Retirement Trust	14,816.64
111073	AGENCY	11/20/2015	IC457	ICMA Retirement Trust	1,966.98
111074	AGENCY	11/20/2015		ROTH ICMA Retirement Trust	150.00
111075	AGENCY	11/20/2015		VEBA HRA VEBA Trust Contributions	1,670.00
1004493985	AGENCY	11/20/2015	JG1	WASH CHILD SUPPORT	110.41
Totals for Third Party Checks	9 Items				39,373.55

Tax Liabilities	20,258.32
Paylocity Fees	652.18

Grand Total	\$ 170,496.23
--------------------	----------------------

Consent Agenda Item C-3

Covington City Council Meeting

Date: November 24, 2015

SUBJECT: CONSIDER ENTERING INTO AN INTERLOCAL AGREEMENT BETWEEN THE CITIES OF COVINGTON, MAPLE VALLEY AND BLACK DIAMOND RELATING TO BUILDING CODE ADMINISTRATION, BUILDING PLAN REVIEW, AND BUILDING INSPECTION SERVICES.

RECOMMENDED BY: Richard Hart, Community Development Director

ATTACHMENT(S):

1. Proposed Interlocal Agreement for Building Code Administration, Building Plan Review, and Building Inspection Services.

PREPARED BY: Richard Hart, Community Development Director

EXPLANATION:

The cities of Covington, Maple Valley and Black Diamond wish to enter into an Interlocal Agreement (ILA) with each other for a variety of Building Safety Services, including building code administration, building plan review and building inspection. This ILA allows each city to pick the type of service they desire from another city. No city will directly provide or use code enforcement as part of this ILA. The ILA includes provisions for the following services:

1. Building Code Administration,
2. Building Plan Review, and
3. Building Inspections.

ALTERNATIVES:

Decline the proposed Interlocal Agreement with the other cities at this time.
Refer Interlocal Agreement to staff for revision of specified terms.

FISCAL IMPACT:

A slight positive revenue generation will accrue to Covington as the dollar amounts generated from providing Building Code Administration and Plan Review Services to Maple Valley and Black Diamond should be higher than the costs of Building Inspection Services provided by Maple Valley to Covington under this Interlocal Agreement.

CITY COUNCIL ACTION: ___Ordinance ___Resolution X Motion ___Other

Council member _____ moves, Council member _____ seconds, to authorize the City Manager to enter into an Interlocal Agreement (ILA) between the Cities of Covington, Maple Valley and Black Diamond relating to building safety services and sign such ILA in a form substantially similar to that provided.

REVIEWED BY: City Manager; City Attorney; & Finance Director.

ATTACHMENT 1

INTERLOCAL AGREEMENT BETWEEN THE CITIES OF COVINGTON, MAPLE VALLEY, AND BLACK DIAMOND FOR BUILDING SERVICES

RECITALS

THIS INTERLOCAL AGREEMENT (“Agreement”) is entered into between the City of Covington, a Washington municipal corporation (“Covington”), the City of Maple Valley, a Washington municipal corporation (“Maple Valley”), and the City of Black Diamond, a Washington municipal corporation (“Black Diamond”), (collectively the “Parties” or “Cities” or in the singular “Party” or “City”).

WHEREAS, the Parties are “public agencies” as defined by Chapter 39.34 of the Revised Code of Washington (RCW) and through the provisions of that chapter are authorized by state law to enter into interlocal agreements on the basis of mutual advantage and thereby to provide services and facilities in the manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs of local communities; and

WHEREAS, the Parties have similar building code administration, plans examination, and building inspection needs and each Party can realize certain economies from sharing resources, thereby providing savings to taxpayers through contracting for shared services; and

WHEREAS, each Party has agreed to compensate a Party for services offered under this Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein, it is agreed between the Parties as follows:

AGREEMENT

- 1. Purpose.** It is the purpose of this Agreement to utilize the provisions of state law to enable the Parties to take advantage of economies of scale in sharing resources and by offering building code administration, plans examination, and building inspection services to the other Parties.
- 2. Services.** Covington and Maple Valley (collectively the “Providing Parties” or individually a “Providing Party”) agree to offer the following services (“Offered Service(s)”) to the Parties upon request (collectively the “Requesting Parties” or individually a “Requesting Party”) pursuant to the following.

2.1. Offered Services.

2.1.1. Building Code Administration. Covington agrees to offer building code administration services, performed by Covington’s Building Official, to Requesting Parties. Building code administration services includes building code enforcement actions respective to the Requesting Party’s building code, as amended, and associated enforcement processes.

2.1.2. Plans Examination. Covington agrees to offer plans examination services, performed by Covington’s Plans Examiner, to Requesting Parties.

2.1.3. Building Inspection. Maple Valley agrees to offer building inspection services, performed by Maple Valley’s Building Inspectors, to Requesting Parties.

2.1.4. Warranty. The Providing Parties represent and warrant that each of their respective building officials, plans examiners, and building inspectors have the requisite licensing, certification, training, skill, and experience necessary to provide the services offered under this Agreement. The Providing Parties’ building officials, plans examiners, and building inspectors, respectively, will perform the services under this Agreement in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

2.2. Requests for Offered Services. A Requesting Party shall submit a written request to the relevant Providing Party for performance of an Offered Service, including any and all needs, specifications, or standards that must be considered. Such written request must be made by the Requesting Party’s Community Development Director or authorized designee. For the purposes of this sub-section, the Parties agree that a written request may be submitted by a Requesting Party to a Providing Party via email.

2.3. Acceptance of Request for Offered Services. The Providing Party shall promptly respond to a written request for an Offered Service with a written acceptance or denial within seventy-two (72) hours of receipt of a written request (“Response Period”). Weekends and legal holidays of the Providing Party shall not be calculated as part of the Response Period (*i.e.* a written request for services received by a Providing Party at 2pm on a Thursday shall be responded to by the Providing Party no later than 2pm on the following Tuesday). The Providing Party may deny a request for an Offered Service at its sole discretion and without reason. Such written acceptance or denial of a request for an Offered Service must be issued by the Providing Party’s Community Development Director or authorized designee. For the purposes of this sub-section, the Parties agree that a written acceptance or denial may be issued by a Providing Party to a Requesting Party via email.

2.4. Providing Party Administrative Oversight. The Providing Party shall have administrative oversight of the Offered Service requested and shall be responsible for invoicing the Requesting Party for the Offered Service rendered pursuant to Section 4 herein.

3. Term of Agreement. This Agreement shall become effective as of the date this Agreement is approved by the legislative body of Covington and at least one additional Party and subsequently executed by those Parties according to each of those Parties' adopted policies and procedures. The remaining Party may enter into this Agreement at any time upon approval of their legislative body and subsequently executed according to that Party's policies and procedures. Unless terminated by all Parties pursuant to the terms of this Agreement, this Agreement shall remain in full force and effect until December 31, 2017.

This Agreement may be extended by written agreement of the Parties subject to the approval of such extension by each Party's legislative body.

4. Payment. Requesting Parties shall pay for Offered Services provided by Providing Parties pursuant to the following.

4.1. Payments for Offered Services. A Requesting Party shall pay for actual direct and related indirect costs, including any overhead and administrative charges, for Offered Services provided by the relevant Providing Party pursuant to the fees listed for each Providing Party in Exhibit A, attached hereto and incorporated herein by this reference (the "Service Fees").

4.1.1. Annual Adjustment of Service Fees. Providing Parties may annually adjust their respective Service Fees, beginning January 2017. Adjustments to Service Fees must be based on the local CPI-U January-to-January rate and/or changes in the local market that can be quantified. Adjustments may also be based on an annual cost study conducted by the respective Providing Party reflecting the increased cost to the Providing Party for the services provided to Requesting Parties under this Agreement. In no event may a Providing Party increase their Service Fees more than four percent (4%) each calendar year. The respective city manager, city administrator, or mayor of a Providing Party shall provide the other Parties with sixty (60) days advance written notice of the effective date of, and basis for, Service Fees adjusted pursuant to this subsection.

4.2. Billing. Each Providing Party shall submit a monthly invoice to each Requesting Party, which shall contain the amount of Offered Services provided during the preceding month. Payment shall be made by the Requesting Party within thirty (30) days of receipt of said invoice from a Providing Party.

4.3. Billing Disputes. In the event there is a dispute regarding an invoiced amount by a Providing Party, the Parties in dispute shall make every effort to resolve such dispute by mutual agreement. In the event there is no mutually agreed resolution to the dispute, the relevant Parties shall forward the dispute to each Party's City Manager/City Administrator/Mayor for resolution. In the event there is no resolution after review by the Parties' City Manager/City Administrator/Mayor, the Parties shall seek mediation through a mutually agreed mediation service and each Party shall bear its own costs for mediation. If mediation is unsuccessful, any Party may pursue any legal remedy available from a court of competent jurisdiction. Any dispute that has gone to mediation

and mediation was unsuccessful in resolving the dispute shall be grounds for any Party to terminate this Agreement for material breach.

5. Termination.

5.1. Termination by Notice. Any Party may terminate its participation in this Agreement by providing the other Parties with sixty (60) days advance written notice of the effective date of such termination. The Party providing such notice shall remain responsible for any costs incurred under this Agreement.

5.2. Termination by Mutual Written Agreement. This Agreement may be terminated in its entirety at any time by a written agreement executed by all of the Parties.

5.3. Termination for Breach. Any Party may terminate its participation in this Agreement for material breach of the terms of this Agreement upon fourteen (14) days advance written notice to the other Parties, provided that disputes regarding billing statements shall be handled pursuant to Subsection 4.3 and shall not be deemed a breach of this Agreement except as set forth in Subsection 4.3.

6. Indemnification and Hold Harmless.

6.1. Each Providing Party shall defend, indemnify and hold the City of Black Diamond, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Providing Party in performance of this Agreement, except for injuries and damages caused by the sole negligence of Black Diamond.

6.2. Each Providing Party shall hold harmless and indemnify each other Providing Party hereto, its elected officials, officers, employees, and agents (collectively the "Indemnitees") from and against any and all suits, actions, claims, liability, damages, judgments, costs, and expenses (including reasonable attorneys' fees) that result from or arise out of the acts or omissions of the respective Providing Party, its elected officials, officers, employees, and agents in connection with or incidental to the performance or non-performance of Offered Services, duties, and obligations under this Agreement.

6.3. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or property caused by or resulting from the concurrent negligence of a Providing Party and the City of Black Diamond, its officers, officials, employees, and volunteers, the Providing Party liability, including the duty and cost to defend, hereunder shall be only to the extent of the Providing Party negligence. **It is further specifically and expressly understood that the indemnification provided herein constitutes the Providing Party's waiver of immunity under the Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.**

6.4. In the event the acts or omissions of the officials, officers, agents, and/or employees of a Party in connection with or incidental to the performance or non-performance of Offered Services, duties, or obligations under this Agreement are the subject of any liability claims by a third party, each Party shall each be liable for its proportionate concurrent negligence in any resulting suits, actions, claims, liability, damages, judgments, costs, and expenses and for their own attorneys' fees.

6.5. Nothing contained in this section or this Agreement shall be construed to create a right in any third party to indemnification.

6.6. The provisions of this section shall survive any termination or expiration of this Agreement.

7. Insurance. A Providing Party shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Providing Party, its agents, representatives, or employees.

7.1. No Limitation. Providing Party maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Providing Party to the coverage provided by such insurance, or otherwise limit a Requesting Party's recourse to any remedy available at law or in equity.

7.2. Minimum Scope of Insurance. Each Providing Party shall obtain insurance of the types described below:

7.2.1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.2.2. General Liability insurance shall be written on an occurrence form and shall cover liability arising from premises, completed operations, independent contractors and personal injury and advertising injury.

7.2.3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

7.3. Minimum Amounts of Insurance. Each Providing Party shall maintain the following insurance limits:

7.3.1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$5,000,000 Combined Single Limit per accident.

7.3.2. Commercial General Liability insurance shall be written with limits no less than \$5,000,000 each occurrence, \$10,000,000 general aggregate.

7.4. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, and General Liability insurance:

7.4.1. The Providing Party's insurance coverage shall be primary insurance as respect to a Requesting Party. Any insurance, self-insurance, or insurance pool coverage maintained by a Requesting Party shall be

excess of the Providing Party's insurance and shall not contribute with it.

- 7.4.2.** The Requesting Party will not waive its right to subrogation against the Providing Party. The Providing Party's insurance shall be endorsed to waive the right of subrogation against the Requesting Party, or any self-insurance, or insurance pool coverage maintained by the Requesting Party.
- 7.4.3.** The Providing Party's insurance shall not be cancelled by any party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the other Parties to this Agreement.
- 7.4.4.** If any coverage is written on a "claims made" basis, then a minimum of a three (3) year extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the other Parties to this Agreement.

7.5. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII, or as a risk pool, approved by and in good standing with the State of Washington Office of Risk Management.

7.6. Verification of Coverage. A Providing Party shall furnish the other Parties to this Agreement with proof of coverage evidencing the insurance requirements of the Providing Service provider before commencement of the Offered Service.

8. Independent Service Provider.

8.1. The Parties intend that an independent contractor relationship is created by this Agreement. In providing Offered Services under this Agreement, each Providing Party is an independent contractor and neither it nor its officers, agents, or employees are employees of a Requesting Party for any purpose, including responsibility for any federal or state tax, industrial insurance, or Social Security liability. Neither shall the provision of Offered Services under this Agreement give rise to any claim of career service or civil service rights, which may accrue to an employee of the Providing Party under any applicable law, rule, or regulation. Nothing in this Agreement is intended to create an interest in or give a benefit to third persons not signing as a party to this Agreement. As an independent contractor, each Providing Party shall be responsible for the reporting and payment of all applicable local, state, and federal taxes. No agent, employee, or representative of a Providing Party shall be deemed to be an employee, agent, or representative of a Requesting Party for any purpose, and the employees of a Providing Party are not entitled to any of the benefits that a Requesting Party provides for its employees.

8.2. In the performance of the Offered Services herein each Providing Party is an independent contractor with the authority to control and direct the performance of the details of the Offered Service; however, the results of the Offered Services herein must meet the approval of the Requesting Party and shall be subject to the Requesting Party's general rights of inspection and review to secure the satisfactory completion thereof.

Each Providing Party shall be solely and entirely responsible for its acts and for the acts of its agents, employees, or representatives performed within the authorized scope of its agents, employees, or representatives' duties during the performance of this Agreement.

9. Miscellaneous.

9.1. Notices. Notwithstanding Sub-sections 2.2 and 2.3 herein, notices to be provided pursuant to this Agreement shall be provided in writing to the person and address indicated below. Notices shall be deemed delivered three (3) days after placement of the notice in the U.S. Mail, first class postage pre-paid. Courtesy copies of notices may be provided via email transmission but shall not constitute delivery of written notice as set forth herein.

9.1.1. City of Covington
Community Development Director
16720 SE 271st St. Suite 100
Covington, WA 98042

9.1.2. City of Maple Valley
Community Development Director
22017 SE Wax Road, Suite 200
Maple Valley, WA 98038

9.1.3. City of Black Diamond
Community Development Director
24301 Roberts Drive
PO Box 599
Black Diamond, WA 98010

9.2. Non-Waiver of Breach. The failure of any Party to insist upon strict performance of any of the covenants and agreements contained in this Agreement shall not be construed to be a waiver or relinquishment of those covenants, agreements, or options, and the same shall be and remain in full force and effect.

9.3. Resolution of Disputes and Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Subject to Sub-section 4.3, if the Parties are unable to settle any dispute, difference, or claim arising from the Parties' performance of this Agreement, the exclusive means of resolving that dispute, difference, or claim shall only be by filing suit exclusively under the venue, rules, and jurisdiction of the King County Superior Court, King County, Washington, unless the relevant Parties agree in writing to an alternative dispute resolution process.

9.4. Assignment. This Agreement is not assignable by any Party, in whole or in part.

9.5. Modification. Except as provided for in Subsection 4.1.1, no waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless made in writing and approved by the legislative body of each city.

9.6. Compliance with Laws. Each Party agrees to comply with all local, federal, and state laws, rules, and regulations that are now effective or in the future become applicable to this Agreement.

9.6.1. Nondiscrimination in Employment. In the performance of this Agreement, no Party will discriminate against any employee on the grounds of race, religion, creed, color, national origin, sex, marital status, disability, sexual orientation, age, or other basis prohibited by state or federal law unless based upon a bona fide occupational qualification. Each Party shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state, and federal laws prohibiting discrimination in employment.

9.6.2. Nondiscrimination in Services. No Party will discriminate against any recipient of any Services provided for in this Agreement on the grounds of race, religion, creed, color, national origin, sex, marital status, disability, sexual orientation, age, or other basis prohibited by state or federal law.

9.7. Entire Agreement. The written terms and provisions of this Agreement, together with any exhibits attached hereto, shall supersede all prior communications, negotiations, representations or agreements, either verbal or written, of any officer, employee, or other representative of each party and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. All of the exhibits are hereby made part of this Agreement. Should any of the language of any exhibits to this Agreement conflict with any language contained in this Agreement, the language of this document shall prevail.

9.8. Severability. If any provision of this Agreement, in whole or in part, is adjudicated to be invalid, such action shall not affect the validity of any provision not so adjudicated.

9.9. Interpretation. The legal presumption that an ambiguous term of this Agreement should be interpreted against the Party who prepared the Agreement shall not apply.

9.10. No Third Party Beneficiaries. This Agreement is between the Parties and is not meant to benefit any third party.

9.11. Counterparts. This Agreement may be executed in multiple counterparts, any of which shall constitute an agreement by and among the Parties who have executed this Agreement, provided that each Party shall transmit to the attention of the Covington City Clerk an original, executed signature page of this Agreement. The Covington City Clerk shall cause a copy of this Agreement and a copy of each executed signature page of each party to be posted on the Covington City website pursuant to RCW 39.34.040.

EXHIBIT A
PROVIDING PARTIES' SERVICE FEES—2016 - 2017

1. Covington Service Fees

- (a) Building Administration Services of Building Official, including Project Review or Inspection--Hourly fee of \$89.00.**
- (b) Building Plan Review Services of Plans Examiner--Hourly fee of \$75.00**
- (c) Travel time will be billed at the same hourly fee for each service provider as indicated above.**

2. Maple Valley Service Fees

- (a) Building Inspection Services of Building Inspectors--Hourly fee of \$75.00, which includes vehicle and travel costs.**

3. Services Fees may be reviewed annually by each Providing Party pursuant to Subsection 4.1.1.

Agenda Item 1
Covington City Council Meeting
Date: November 24, 2015

SUBJECT: PUBLIC HEARING TO RECEIVE TESTIMONY FROM THE PUBLIC REGARDING PROPOSED FISCAL YEAR 2016 BUDGET [SECOND OF TWO PUBLIC HEARINGS].

ATTACHMENT(S):

COUNCILMEMBERS AND STAFF: PLEASE REMEMBER TO BRING YOUR PRELIMINARY 2016 BUDGET WORKBOOK BINDERS TO THE MEETING. THANK YOU!

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

This is the second and final public hearing to receive testimony from the public on the 2016 proposed operating and capital budget and proposed increases in property tax revenues. This hearing is required to be held on or before the first Monday in December (December 7th) and may be continued from day-to-day, but no later than the 25th day prior to the next fiscal year.

It is the policy of the city to follow applicable laws as they relate to the budget process.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

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

REVIEWED BY: City Manager; City Attorney; Finance Director

SUBJECT: CONSIDER PROPOSED RESOLUTION MAKING A DECLARATION OF SUBSTANTIAL NEED FOR THE PURPOSE OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR THE 2016 TAX ROLL

ATTACHMENT(S):

1. Proposed Resolution

EXPLANATION:

With the city experiencing record sales tax growth, other revenues such as utility tax and REET continue to decline or are unstable in the mixed economy. Costs continue to increase far beyond the one percent (1%) limit factor in police services, audit services, animal control services, labor and medical costs, park and general maintenance services, supplies and other applicable general fund services. Revenues cannot keep pace.

Under chapter 84.55 RCW, the growth of regular property tax levies is limited. The limit factor for local taxing districts with a population of 10,000 or more is the lesser of 101% or 100% plus inflation. RCW 84.55.005 defines “inflation” as the percentage change in the implicit price deflator (IPD) for personal consumption. The IPD for this year is 0.251% resulting in a limit factor of 100.251 %.

To increase the limit factor to a maximum of 101%, a declaration of substantial need must be adopted. The attached proposed resolution makes such a declaration and must be approved by a majority plus one (i.e. five) council members. The limit factor authorized by the resolution is for one year only.

The difference between the 101% limit factor and IPD is small. However, every little bit helps as costs continue to escalate and major revenues such as utility tax continue to struggle.

Staff recommends council consider adopting the resolution declaring a substantial need.

ALTERNATIVES:

Do not adopt this resolution and adjust the limit factor for the property tax levy by 0.251% to 100.251%.

FISCAL IMPACT:

The proposed resolution allows the City Council to limit the increase in property taxes to a maximum of one percent (1%). If the City Council adopts the proposed resolution and passes the subsequent ordinances related to property taxes, the 1% increase totals \$24,743. Not adopting the resolution and accepting the lower limit factor would result in a reduction of \$18,532 in the property tax levy.

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

Councilmember _____ moves and Councilmember _____ seconds, to adopt a Resolution, in substantial form as that attached hereto, making a declaration of substantial need for the purpose of setting the limit factor for the property tax levy at 101% for 2016.

REVIEWED BY: City Manager; City Attorney; Finance Director

RESOLUTION NO. 15-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED FOR THE PURPOSE OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2015.

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or more is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines “inflation” as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in June of the year before the taxes are payable; and

WHEREAS, “inflation” for June 2015 is 0.251 percent and the limit factor is 100.251 percent, meaning the taxes levied in the City of Covington in 2015 for collection in 2016 will decrease except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, any increase in the value of state-assessed utility property, any annexations that have occurred, and any prior year refunds; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a declaration of substantial need by a majority plus one Councilmembers; and

WHEREAS, The City of Covington has experienced declining and unstable revenues for utility taxes, real estate excise taxes, as well as other sources of revenue as a result of mixed economic conditions; and

WHEREAS, the City of Covington has incurred increasing costs far in excess of the one percent limit factor in police services, audit services, animal control services, labor and benefits, park and general maintenance services, supplies and other applicable general fund services; and

WHEREAS, the City of Covington's General Fund would benefit from a declaration of substantial need; and

WHEREAS, the City Council of the City of Covington finds there is a substantial need to set the levy limit at hundred one percent (101%);

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

Section 1. A declaration is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred one percent (101%) for the property tax levy for 2015.

ADOPTED in open and regular session on this 24th day of November, 2015.

Mayor Margaret Harto

Attested:

Sharon Scott, City Clerk

APPROVED AS TO FORM:

Sara Springer, City Attorney

SUBJECT: PROPOSED ORDINANCE TO SET THE 2015 PROPERTY TAX LEVY FOR COLLECTION IN 2016.

ATTACHMENT(S):

1. Proposed Ordinance
2. Property Tax Worksheet

EXPLANATION:

Property taxes for the City of Covington are currently one of three main sources of revenue for the city. Property taxes are subject to a variety of legal limitations, including limits on growth (the 101%), limits on tax rates, and limits on total rate for overlapping districts. Property taxes are the most stable form of taxation – one that is not portable.

Staff has proposed an estimated property tax increase of 4.1%. The increase will allow for any adjustments in revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made that are added to the worksheet by the county after adoption of the property tax levy ordinance.

A public hearing required under state law (RCW 84.55.120) to consider the city's revenue sources and potential adjustments to property tax revenues was held on October 27, 2015 and November 24, 2015. The deadline for setting 2015 property tax levies for cities in King County is November 30, 2015.

It is the policy of the city to follow applicable laws as they relate to the budget process.

ALTERNATIVES:

This is a significant revenue source for the city. Should the council elect to make any significant changes to the levy that has been projected in the preliminary budget and the 6-Year Forecast Model, a corresponding change in the budgeted expenditures may need to be made.

FISCAL IMPACT:

This ordinance sets the 2015 property tax levy for taxes to be collected in 2016. Covington's estimated assessed value (AV) for 2016 is \$1,975,050,567 including (estimated) \$18,803,217 for new construction.

Based on the AV, the estimated total levy is \$2,523,761. This includes the beginning levy of \$2,474,337, plus one percent of the beginning levy equaling \$24,743, and an estimated amount for new construction of \$24,681. A final amount to be levied for new construction, the state-assessed public utility value, and prior year refunds made will be determined by the assessor's office.

The estimated dollar increase over the actual 2015 levy amount, excluding new construction, annexations, increase in utility value, and prior year refunds, is \$100,982, or 4.1%.

2016 expense request amount	\$ 2,600,000
Subtract last year's actual levy	<u>(2,474,337)</u>
	\$ 125,663
Subtract new construction	(24,681)
Subtract annexation	-
Subtract refunds	<u>-</u>
Increase Amount	<u>\$ 100,982</u>

Divide increased amount over last year's actual levy:
 $\$100,982 / \$2,474,337 = 4.1\%$

Because the county does not have the final numbers for items such as new construction, the state-assessed public utility value, and refunds made at this time, language is included in the ordinance that gives the county permission to make changes based on the final numbers. This would result in additional taxes for the city. Therefore, the amount that will be included in the ordinance to cover any additional revenue not included in the preliminary worksheet will be **\$2,600,000**.

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

Councilmember _____ moves, Councilmember _____ seconds, to pass an ordinance, in substantial form as that attached hereto, setting the 2015 property tax levy for collection in 2016 at \$2,600,000.

REVIEWED BY: City Manager; City Attorney; Finance Director.

ORDINANCE NO. 14-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, PASSING THE REGULAR PROPERTY TAX LEVY FOR 2015 FOR COLLECTION IN 2016.

WHEREAS, the city council of the City of Covington has met and considered its budget for the calendar year 2016; and

WHEREAS, the city council held a public hearing on November 24, 2015, and heard and duly considered relevant evidence and testimony regarding an increase in property tax revenues from January 1, 2016, to December 31, 2016; and

WHEREAS, the population of the City of Covington is more than 10,000;

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

Section 1. The city council hereby establishes a regular property tax levy for 2015 for collection in 2016 in the amount of \$2,600,000, which is a 4.1% increase in property tax revenue from the previous year, in addition to revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state-assessed property, any annexations that have occurred, and refunds made in order to discharge the expected expenses and obligations of the city and in its best interest.

Section 2. This ordinance shall be in full force and effect five (5) days after proper posting and publication. A summary of this ordinance may be published in lieu of publishing the ordinance in its entirety.

Section 3. If any provision of this ordinance, or ordinance modified by it, is determined to be invalid or unenforceable for any reason, the remaining provisions of this ordinance and ordinances and/or resolutions modified by it shall remain in full force and effect.

PASSED by the City of Covington City Council at a regular meeting thereof held on the 24th day of November 2015.

Mayor Margaret Harto

ATTESTED:

PUBLISHED: December 4, 2015

EFFECTIVE: December 9, 2015

Sharon Scott, City Clerk

APPROVED AS TO FORM:

Sara Springer, City Attorney

**City of Covington
Estimated Property Tax
2016**

ATTACHMENT 2

2014 Levy Amount=	\$	2,474,337
x1%		24,743
Increase in utility value		-
Plus: New Construction		24,681
Relevy for prior year refunds		-
		-
2015 Property Tax Levy	\$	2,523,761
Estimated Levy for County purposes	\$	2,600,000

Assessed Valuation \$ **1,975,050,567**

2015 Estimated Levy Rate= \$ 1.27782

¹ The estimated levy amount is based on King County's request that the city estimate above the expected levy to allow for additional adjustments that may occur after the city adopts the ordinance. Additional revenue may come from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made. If the levy amount is not requested the city could lose out on the additional revenue.

SUBJECT: PROPOSED ORDINANCE AUTHORIZING A PROPERTY TAX INCREASE IN TERMS OF BOTH DOLLARS AND PERCENTAGES AS REQUIRED BY RCW 84.55.120.

ATTACHMENT(S):

1. Proposed Ordinance

EXPLANATION:

To increase the regular property tax levy to be collected in the 2016 tax year, the city council needs to adopt a separate ordinance as required by RCW 84.55.120, which states in part:

“**No increase in property tax revenue**, other than that resulting from the addition of new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, and improvements to property and any increase in the value of state-assessed property, **may be authorized by a taxing district**, other than the state, **except by adoption of a separate ordinance** or resolution, pursuant to notice, **specifically authorizing the increase in terms of both dollars and percentage**. The ordinance or resolution may cover a period of up to two years, but the ordinance shall specifically state for each year the dollar increase and percentage change in the levy from the previous year.”

This year the King County Assessor’s Office has asked us to calculate the percent increase differently than in previous years. The calculation is as follows:

2016 expense request amount	\$ 2,600,000
Subtract last year's actual levy	<u>(2,474,337)</u>
	\$ 125,663
Subtract new construction	(24,681)
Subtract annexation	-
Subtract refunds	<u>-</u>
Increase Amount	<u>\$ 100,982</u>

Divide increased amount over last year's actual
levy:

$$\$100,982/\$2,474,337 = 4.1\%$$

The attached ordinance meets the requirements of RCW 84.55.120.

FISCAL IMPACT:

This ordinance states the property tax increase as 4.1%, or \$100,982, pursuant to state statute.

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

Councilmember _____ moves, and Councilmember _____ seconds, to pass an ordinance, in substantial form as that attached hereto, authorizing a property tax increase of four and one tenth percent (4.1%), or \$100,982, pursuant to RCW 84.55.120.

REVIEWED BY: City Manager; City Attorney; Finance Director.

ATTACHMENT 1

ORDINANCE NO. 15-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, SPECIFICALLY AUTHORIZING A PROPERTY TAX INCREASE IN TERMS OF BOTH DOLLARS AND PERCENTAGES, TO BE COLLECTED IN THE 2016 TAX YEAR, AS PURSUANT TO RCW 84.55.120.

WHEREAS, the city council of the City of Covington has met and considered its budget for the calendar year 2016; and

WHEREAS, the city's actual levy amount from the previous year was \$2,474,337; and

WHEREAS, the population of the city is more than 10,000;

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

Section 1. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2016 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$100,982, which is a percentage increase of 4.1% from the previous year. The increase is in addition to revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

Section 2. This ordinance shall be in full force and effect five (5) days after proper posting and publication. A summary of this ordinance may be published in lieu of publishing the ordinance in its entirety.

Section 3. If any provision of this ordinance, or ordinance modified by it, is determined to be invalid or unenforceable for any reason, the remaining provisions of this ordinance and ordinances and/or resolutions modified by it shall remain in full force and effect.

PASSED by the City of Covington City Council at a regular meeting thereof held on the 24th day of November, 2015.

ATTESTED:

Sharon Scott, City Clerk

APPROVED AS TO FORM:

Sara Springer, City Attorney

Mayor Margaret Harto

PUBLISHED: December 4, 2015

EFFECTIVE: December 9, 2015

SUBJECT: CONSIDER AN ORDINANCE RELATING TO THE DAYS AND HOURS OF CITY OFFICES AND LEGAL HOLIDAYS AND ESTABLISHING A NEW CHAPTER 2.80 OF THE COVINGTON MUNICIPAL CODE FOR THE SAME

RECOMMENDED BY: Regan Bolli, City Manager

ATTACHMENT(S):

1. Proposed Ordinance Relating to the Days and Hours of City Offices and Legal Holidays and Establishing a New Chapter 2.80 of the Covington Municipal Code For the Same

PREPARED BY: Sharon Scott, City Clerk/Executive Assistant

EXPLANATION:

RCW 35A.21.070 requires that all code city offices shall be kept open for the transaction of business during such days and hours as the legislative body of the city shall prescribe by ordinance. The attached proposed ordinance (Attachment 1) will bring the city into compliance with state law and establish a mechanism for the city council, as well as the city manager, to designate temporary closures, reduced city hours or department hours, or varied open hours by department, from time to time, as necessary to provide for staff training, use of floating holidays, and other events that require the closure of City Hall and/or specific departments.

The proposed ordinance also codifies the legal holidays observed by the city. Notably, Christmas Eve and a half day on New Year's Day are proposed new additions to the list of legal holidays, but are only to be observed in the years where they fall on a regular office day not already being observed as a legal holiday (e.g. if Christmas Day falls on a Saturday, it would be recognized on the Friday before, which would be December 24th—in that instance, Christmas Eve would not be recognized as a legal holiday that year because it falls on a regular office day where a different legal holiday is already being observed). It has been a long standing informal practice of the city to allow for a significantly reduced level of staff coverage on December 24th and December 31st when they fall on a regular office day. The proposed ordinance recognizes these days as legal holidays in order to codify that practice, providing for a consistent application of the holiday for all staff and predictability for staff to better plan their work and vacation schedules.

ALTERNATIVES:

Not Applicable

FISCAL IMPACT:

Not Applicable

CITY COUNCIL ACTION: ___X___ Ordinance _____ Resolution ___Motion _____ Other

Councilmember _____ moves, and Councilmember _____ seconds to pass an ordinance in substantial form as that attached hereto relating to the days and hours of city offices and legal holidays and establishing a new Chapter 2.80 of the Covington Municipal Code for the same.

REVIEWED BY: City Manager, City Attorney, City Clerk, Personnel Manager

ATTACHMENT 1

ORDINANCE NO. 16-15

AN ORDINANCE OF THE CITY OF COVINGTON, WASHINGTON, RELATING TO THE DAYS AND HOURS OF CITY OFFICES AND LEGAL HOLIDAYS; ESTABLISHING A NEW CHAPTER 2.80 OF THE COVINGTON MUNICIPAL CODE FOR THE SAME; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, state law, as codified in 35A.21.070 RCW, requires that all code city offices shall be kept open for the transaction of business during such days and hours as the legislative body of such city shall by ordinance prescribe; and

WHEREAS, the city council has previously established legal holidays for the city but has not established by ordinance the days and hours that city offices shall be kept open for the transaction of business; and

WHEREAS, the city council desires to update the legal holidays observed by the city to reflect past practices of the city and to ensure uniform application to all city personnel; and

WHEREAS, the city council desires to add a new Chapter 2.80 to the Covington Municipal Code (CMC) to include provisions for establishing and codifying such days and hours of business and recognized legal holidays of the city;

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

Section 1. New Chapter 2.80 CMC Established. A new Chapter 2.80 of the Covington Municipal Code is hereby established, to read as follows:

Chapter 2.80 CITY HOURS OF BUSINESS

2.80.010 Hours of business.

All offices and departments of the City shall be kept open for the transaction of business from the hours of 8:00 am to 5:00 pm, Monday through Friday, except for legal holidays and such days or hours as may, from time to time, be specified by motion or resolution of the City Council; and provided that the City Manager may authorize any office or department to vary from these hours where it will promote the efficiency of the office or department and provide adequate service to the public.

2.80.020 Legal holidays.

The following days shall be recognized as legal holidays:

New Year’s Day	January 1
Martin Luther King Jr. Day	Third Monday of January
Presidents’ Day	Third Monday of February
Memorial Day	Last Monday of May
Independence Day	July 4
Labor Day	First Monday of September
Veterans’ Day	November 11
Thanksgiving Day	Fourth Thursday of November
Day after Thanksgiving Day	Fourth Friday of November
Christmas Eve *	December 24
Christmas Day	December 25
Half day New Year’s Eve*	December 31
Floating Holiday	Provided by administrative policy

Except for Christmas Eve and New Year’s Eve, whenever any legal holiday set forth in this section falls upon a Saturday, the preceding Friday shall be a legal holiday; when any legal holiday falls upon a Sunday, the following Monday shall be a legal holiday. *Christmas Eve and a half day on New Year’s Eve shall only be observed as legal holidays as set forth in this section when they fall on a regular work day in which no other legal holiday is observed.

Section 2. Ordinance Controls. All ordinances, resolution, and sections of the Covington Municipal Code in conflict with this ordinance are, to the extent of the conflict, superseded and have no further force or effect.

Section 3. Severability. Should any section, subsection, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, be held invalid or unconstitutional by a court of competent jurisdiction, 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 4. Corrections. Upon the approval of the city attorney, the city clerk is authorized to make any necessary non-substantive, technical corrections to this ordinance including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 5. Summary Publication. Publication of this ordinance in the official newspaper of the city shall be by summary publication consisting of the ordinance title.

Section 6. Effective Date. This ordinance shall be published in the official newspaper of the city and shall take full force and effect on the date listed below.

PASSED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AT A REGULAR MEETING THEREOF ON THE 24th DAY OF NOVEMBER, 2015, AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THIS 24TH DAY OF NOVEMBER. 2015.

CITY OF COVINGTON

Margaret Harto, Mayor

PUBLISHED: December 4, 2015

EFFECTIVE: December 9, 2015

ATTEST/AUTHENTICATED:

Sharon Scott, City Clerk

APPROVED AS TO FORM ONLY:

Sara Springer, City Attorney

SUBJECT: DISCUSS POLICY CONSIDERATIONS FOR PERMANENT REGULATIONS REGARDING MARIJUANA USES

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

ATTACHMENT(S):

1. Interim Zoning Map with 1000 ft. Sensitive Area Buffers
2. Zoning Map with Proposed 500ft Sensitive Area Buffers (Except for Schools)
3. Interim Zoning for Marijuana-Related Uses, Adopted November 12, 2013, and Amended April 22, 2014

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

EXPLANATION:

The purpose of this agenda item is for staff to present the council with policy questions of primary significance to direct staff when drafting proposed permanent local regulations for marijuana uses within our city. Included below is an overview of key pieces of legislation passed by the state legislature in their 2015 session, followed by general policies and regulation considerations for the council to consider and provide direction to staff to guide drafting of permanent local marijuana regulations.

I. OVERVIEW OF NEW STATE LAWS RELATING TO MARIJUANA USES

During this past 2015 state legislative session, two significant pieces of legislation were passed to further refine and mature the state's laws and regulations regarding the uses of medical and recreational marijuana. In April, Governor Jay Inslee approved, with several section vetoes, Second Substitute Senate Bill 5052 (2SSB 5052), which significantly restructures the state's entire medical marijuana regulatory system. This legislation-named the "Cannabis Patient Protection Act"-was the legislation local jurisdictions across the state had been anticipating and effectively incorporates all medical marijuana uses under the recreational marijuana regulatory structure, creating one regulatory system for the production, processing, and retail of marijuana. Primarily, this legislation was anticipated to meet the concerns of the federal government as expressed in the "Cole memo", which called for a robust regulatory system for all marijuana uses. Accordingly, this legislation creates an integrated marijuana industry in the state with uniform regulations and accountability.

Subsequently, in June, Governor Inslee signed 2ESHB 2136 (hereinafter HB 2136), another significant piece of legislation amending the state's marijuana regulatory system. Two provisions to note in HB 2136 include changes to the taxation of licensed marijuana businesses

and changes to the authority of cities and counties to adjust some of the required sensitive use buffer zones originally established by I-502.

The following sections provide additional information regarding the new legal and regulatory framework for medical and recreational marijuana under the Cannabis Patient Protection Act and HB 2136. Generally, it is important to note that nothing in the new state statutes has changed regarding the authority of local governments to adopt and enforce zoning provisions relating to marijuana uses.

A. Changes to Medical Marijuana.

a. License for Medical Marijuana Uses Now Required. Most significantly, the entire medical marijuana system will now be under the jurisdiction of the state Liquor Control Board—now the Liquor and Cannabis Board (LCB)—and state licenses will be required for anyone making retail sales of medical marijuana or growing or processing medical marijuana for retail sale. Businesses now operating as medical marijuana collective gardens and dispensaries will have to make the shift to operating as licensed marijuana businesses, with all of the record-keeping now applicable to recreational marijuana producers, processors, and retailers. If a recreational marijuana store chooses to obtain an LCB endorsement as a retailer of medical marijuana, the retail staff will need to be trained on various aspects of medical marijuana.

b. Qualifying Patients and Washington State Department of Health (DOH) Regulations. The new legislation charges DOH with much broader regulatory authority over medical marijuana. DOH will define “medical marijuana,” as opposed to recreational marijuana. DOH will also be creating rules to establish a medical marijuana authorization database to create recognition cards for patients and their designated providers. These cards will allow patients and their designated providers to possess larger amounts of marijuana products, to purchase those products without having to pay state sales tax, and will provide patients and caregivers with arrest protection. DOH will also be establishing standards for the new medical “marijuana consultant certificate,” which will allow consultants to work for retail outlets in helping patients select products for their medical needs.

The legislature included significant protections for medical marijuana patients who voluntarily sign up for the state medical marijuana registry after meeting the stricter requirements for being certified as a medical marijuana patient. Furthermore, information from the state registry database regarding who is on the database will be exempt under the Public Records Act, except as necessary for retail sales and criminal justice purposes.

c. Medical Marijuana Cooperatives. Significantly, under the new legislation, state statutes regarding “collective gardens” are repealed, effective July 1, 2016. The new legislation instead provides for LCB-certified “cooperatives” with a maximum of four patients or designated providers and a maximum of 60 plants and 72 ounces of useable marijuana, with a 60-day waiting period between adding new members. (No more than 15 plants may be grown in a housing unit, unless the housing unit is the location of a cooperative.)

Cooperatives are permitted only if they are at least one mile away from a marijuana retailer and must be registered with the LCB. Additionally, similar to the State Supreme Court's ruling regarding collective gardens, local jurisdictions may prohibit cooperatives within their jurisdiction.

B. Changes to Capacity, Licensing, and Taxing of Marijuana Uses.

a. Increased Production. Under the new state legislation, the LCB is authorized to determine how much additional marijuana plant canopy will need to be developed to provide for the growing of medical marijuana. The LCB will allow producers to grow at 100% of their growing capacity. Previously, producers were allowed to grow only up to 70% of their capacity so as to stay under the state's plant canopy limits. The plant canopy no longer has a defined limitation, though the LCB can put one in place at its will. With the addition of medical marijuana, the LCB is preparing for a bigger marketplace and more consumers and production must therefore increase to meet the perceived greater demand. Case in point: as of October, 2015, the daily sales in the state have grown to two million dollars per day-almost quadrupling since the beginning of the year.

b. Expansion of Retail Licenses. The LCB must reopen the license period for retail stores and allow for additional licenses to be issued to address the needs of the medical market. The LCB will be determining how many additional retail stores will be needed to provide access to medical marijuana by qualifying patients or their caregivers. Pursuant to notification sent to local jurisdictions at the end of September, 2015, the LCB will not be capping the number of retail licenses it will grant per jurisdiction-the former 334 retail storefront cap is no longer applicable, and there will be no retail lottery to determine who gets to go into retail in any given jurisdiction. Retailers will still be limited to owning only three licenses, but they can now own more than 33.3% of the retail licenses in a given jurisdiction.

Existing recreational marijuana retailers may now also apply to the LCB for "medical marijuana endorsements" that will allow them to sell or gift medical marijuana to qualifying patients and caregivers. Stores with medical marijuana endorsements will be required to have a certified medical marijuana consultant on staff.

c. Revised Retail Application Process. According to the LCB, applications for retail licenses will now be reviewed and accepted on a merit-based, priority system on a first come-first served basis.

- **First priority:** The LCB will give first priority to applicants who applied for a marijuana retail license prior to July 1, 2014, operated or were employed by a medical marijuana collective garden prior to January 1, 2013, who maintained a state and local business license (where and when required), and a history of paying state sales tax.
- **Second priority:** Applicants who operated (or were employed by) a medical marijuana collective garden prior to January 1, 2013, have maintained a state and local business license, and have a history of paying state taxes and fees will be second in line

for retail licenses.

- **Third priority:** Applicants who do not meet the requirements for priority one or priority two will be the last to receive their retail licenses.

As is the current practice, the only requirement of local governments in the application process is to provide a response to the "local authority notice" as to whether the city objects to either the location or the applicant and on what grounds that objection is based. The LCB will continue to not consider denial based on a local ordinance, but the LCB has stated that it does want to notify applicants if there is a local "hurdle" that must be crossed before they can ultimately operate in their chosen location.

Applicants for marijuana licenses must also post a sign, provided by the LCB, on the outside of the premises to be licensed notifying the public that the premises are subject to an application for a marijuana license. The sign must be posted within seven days of submitting an application to the LCB.

d. Taxing Changes. HB 2136 included the following changes to the taxing structure of marijuana uses:

- Generally, the legislature intends to reform the tax structure for the regulated legal marijuana system to create price parity with the large medical and illicit markets, with the specific objective of increasing the market share of the legal and highly regulated marijuana market.
- Instead of an excise tax of 25% at each of the three different stages (production, processing, and retailing), now there is a single excise tax of 37% imposed at the time of marijuana retail sale. This excise tax is in addition to state and local sales tax; however, the new legislation provides a retail sales and use tax exemption for marijuana purchased or obtained for medical use.
- The current state budget provides for \$12 million in funding for counties and eligible cities, \$6 million in each fiscal year of the 2015-17 biennium. The funds appropriated in the budget are to be distributed according to a formula set out in Section 1603, based on retail marijuana sales, in four installments by the last day of each fiscal quarter.
- Beginning in fiscal year 2018, if marijuana excise tax collection exceeds 25 million dollars, 30% of all marijuana excise taxes deposited into the general fund the prior fiscal year will be distributed to local governments as follows:
 - 30% will go to counties, cities, and towns where retailers are located, based on the retail sales from stores within each jurisdiction;

- 70% will be distributed to counties, cities, and towns on a per capita basis, but only to jurisdictions that do not prohibit the siting of state-licensed producers, processors, or retailers.

II. PERMANENT MARIJUANA REGULATIONS—DIRECTION FROM COUNCIL

As previously reported to the council, staff is working toward drafting proposed permanent regulations for all marijuana uses within the city. To assist staff in developing permanent regulations for consideration, staff is seeking direction and/or general consensus from the council regarding the following general policy considerations for marijuana uses.

A. Medical Marijuana Cooperatives. The city currently has a moratorium against marijuana collective gardens. As of July 1, 2016, collective gardens will no longer be legal and will be replaced with medical marijuana cooperatives, as outlined above.

- **Policy Direction:** Staff seeks direction from the council as to whether the council will prefer to prohibit medical marijuana cooperatives, or if the council would consider certain zones within the city where cooperatives would be a permitted use. For example, you could specifically limit such cooperatives to only the General commercial (GC) zone.

B. Location of Uses. As previously noted, local land use and zoning regulations will apply to the siting of marijuana growing, processing, and retail locations. The city's current interim zoning regulations, with approved zoning designations for production, processing, and retail marijuana uses, is included at Attachment 3, adopted on November 12, 2013, and amended on April 22, 2014.

- **Policy Direction:** Staff seeks direction from the council as to whether the council will prefer to reconsider the zoning designations of certain marijuana-related uses from those adopted in the interim regulations in November, 2013.

C. Sensitive Uses Buffer. RCW 69.50.331(8) sets minimum buffer distance requirements for separation of certain uses from licensed marijuana producers, processors, or retailers. The city's interim regulations list the sensitive uses with a required 1,000ft buffer. The coverage of the 1,000ft sensitive uses buffer under the city's interim regulations is demonstrated by the map included at Attachment 1.

The new state legislation now grants cities the authority to reduce the 1000ft sensitive use buffers around certain types of facilities within which licensed marijuana producers, processors, or retailers could not previously be located. The buffer zones may be reduced to not less than 100 feet from recreation centers or facilities, child care centers, public parks, public transit centers, or game arcades admitting minors. This authority to adjust buffer distances does not apply to elementary or secondary schools or to playgrounds. The city may also allow marijuana research facilities to be located not less than 100 feet of all of the above mentioned facilities, including elementary or secondary schools, and playgrounds.

A marijuana research facility is a newly authorized entity. Pursuant to the LCB, if an applicant submits a location within 1,000 feet of a formerly sensitive site under I-502, they need only provide the LCB with the local ordinance allowing for such site placement to get the LCB to accept the location.

To note: once a license is issued by the LCB based on application of the requirements of law and rule, they will not anticipate seeking cancellation or non-renewal of that license based simply on the movement of a "sensitive use" within the 1,000-foot buffer of that licensed location. Accordingly, once issued, any intent to cancel or revoke that license will require due process for the license holder and likely an administrative hearing.

- **Policy Direction:** Staff seeks direction from the council as to whether the council would prefer to reconsider the extent/distance of the sensitive uses buffer zones. City staff has received a request from the owner of Covington Holistic Medicine to reduce the buffer to 500ft (again, except for schools and playgrounds), to allow for that location to be an allowed location for siting a marijuana-based business. Included as Attachment 2 is a map displaying the scope of the sensitive use buffers if reduced to 500ft for all uses except for schools and playgrounds.

D. Additional Code Considerations. The following are additional administrative provisions that staff will be considering when drafting the permanent regulations. No distinct policy issues are currently present for these provisions. Therefore, the following is for the council's general information only, unless the council desires to discuss any of these provisions in further detail.

a. Code Enforcement. The city may create and enforce civil penalties, including abatement procedures, for the growing or processing of marijuana and for keeping marijuana plants beyond or otherwise not in compliance with state or local regulations. Staff will be considering the city's desired enforcement role beyond that of ensuring compliance with zoning regulations.

b. Odor. Odor appears to be one of the primary complaints related to marijuana-related uses. The LCB views this issue similar to other environmental issues around licensed locations that are outside their scope under I-502. LCB has looked to other agencies, such as the Puget Sound Clean Air Agency, as the relevant authority to seek regulation of such a complaint, rather than the LCB. Staff will be considering if there are any local provisions the city may enact to help with this issue.

As made evident by the previous overview of the new state regulations for marijuana uses, state laws already heavily regulate the form and function of all marijuana-related businesses and uses- as the robust regulatory framework is a core requirement of the state regulations. Therefore, unless and until a compelling amount of additional data or complaints arise regarding such uses, and state laws are found to be inadequate to mitigate the complaint or policy consideration, the city need not draft its own overly robust set of regulations on marijuana-related businesses and uses.

III. NEXT STEPS

Upon receiving the identified policy direction from council at tonight's council meeting, staff will begin drafting the proposed permanent regulations. As a land use regulation, the draft code will be subject to the SEPA and 60-day state review, a public review and engagement process, and planning commission review before staff brings it back to the council for their final review, consideration, and eventual adoption. Staff will make every best effort to produce proposed permanent regulations and shepherd them through the public noticing, hearing, and planning commission review process as swiftly as possible. However, it is likely that council will need to renew the medical marijuana moratorium one final time in February 2016, to accommodate the adoption of the permanent regulations shortly thereafter and prior to July 1, 2016.

ALTERNATIVES:

1. Propose additional regulations to consider for inclusion in the permanent regulations governing marijuana-related uses.

FISCAL IMPACT:

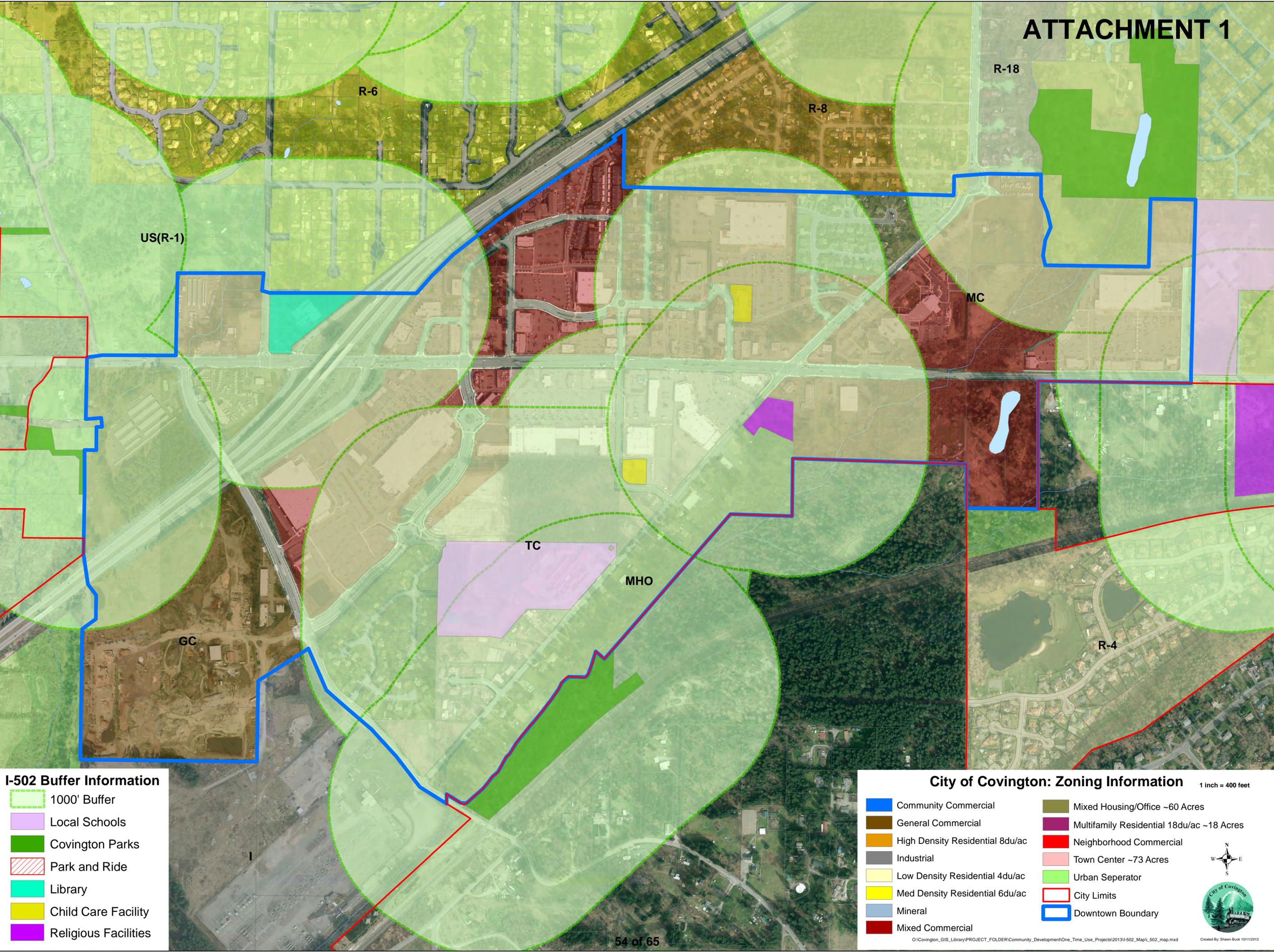
NA

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

DISCUSSION ITEM ONLY—NO ACTION REQUIRED

REVIEWED BY: City Manager; City Attorney; Community Development Director

ATTACHMENT 1



I-502 Buffer Information

- 1000' Buffer
- Local Schools
- Covington Parks
- Park and Ride
- Library
- Child Care Facility
- Religious Facilities

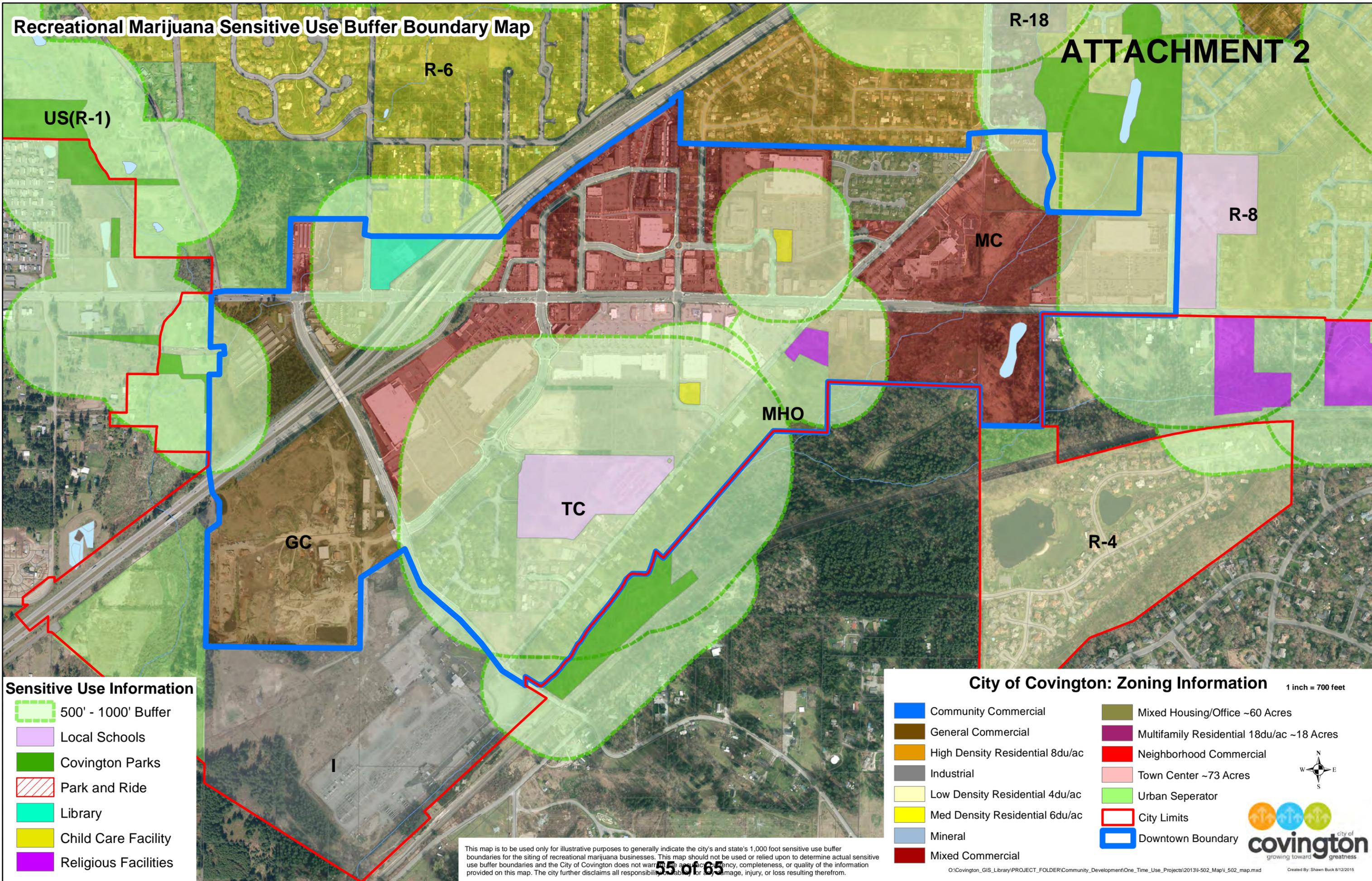
City of Covington: Zoning Information 1 inch = 400 feet

- | | |
|--|---|
| <ul style="list-style-type: none"> Community Commercial General Commercial High Density Residential 8du/ac Industrial Low Density Residential 4du/ac Med Density Residential 6du/ac Mineral Mixed Commercial | <ul style="list-style-type: none"> Mixed Housing/Office ~60 Acres Multifamily Residential 18du/ac ~18 Acres Neighborhood Commercial Town Center ~73 Acres Urban Separator City Limits Downtown Boundary |
|--|---|



Recreational Marijuana Sensitive Use Buffer Boundary Map

ATTACHMENT 2



Sensitive Use Information

- 500' - 1000' Buffer
- Local Schools
- Covington Parks
- Park and Ride
- Library
- Child Care Facility
- Religious Facilities

City of Covington: Zoning Information

1 inch = 700 feet

- | | |
|--|--|
| Community Commercial | Mixed Housing/Office ~60 Acres |
| General Commercial | Multifamily Residential 18du/ac ~18 Acres |
| High Density Residential 8du/ac | Neighborhood Commercial |
| Industrial | Town Center ~73 Acres |
| Low Density Residential 4du/ac | Urban Separator |
| Med Density Residential 6du/ac | City Limits |
| Mineral | Downtown Boundary |
| Mixed Commercial | |



This map is to be used only for illustrative purposes to generally indicate the city's and state's 1,000 foot sensitive use buffer boundaries for the siting of recreational marijuana businesses. This map should not be used or relied upon to determine actual sensitive use buffer boundaries and the City of Covington does not warrant the accuracy, completeness, or quality of the information provided on this map. The city further disclaims all responsibility for any damage, injury, or loss resulting therefrom.

ORDINANCE NO. 06-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AMENDING ORDINANCE No. 10-13 TO EXTEND THE INTERIM ZONING REGULATIONS FOR RECREATIONAL MARIJUANA PRODUCTION, PROCESSING, AND RETAIL USES FOR AN ADDITIONAL SIX MONTHS; AMEND THE MEASUREMENT METHOD FOR THE SENSITIVE USES BUFFER; PROVIDING FOR A PUBLIC HEARING ON THE EXTENSION; ADOPTING FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Initiative 502, passed by Washington voters on November 6, 2012, and codified in Chapter 69.50 of the Revised Code of Washington (RCW), modified the State Controlled Substances Act to allow the possession of recreational marijuana for private and personal use and established a system for lawful production, processing, and retailing of recreational marijuana under state law; and

WHEREAS, the Washington State Liquor Control Board (LCB) developed rules and regulations related to the licensing and location of recreational marijuana production, processing, and retailing uses as allowed under the Initiative; and

WHEREAS, the LCB will not consider local zoning regulations in deciding whether to issue licenses for recreational marijuana producers, processors, and retailers, but those businesses are required to comply with local zoning regulations and controls; and

WHEREAS, RCW 35A.63.220 and RCW 36.70A.390 authorize the city to adopt interim land use regulations and official controls,

WHEREAS, on November 12, 2013, the Covington City Council passed Ordinance No. 10-13 which declared an emergency necessitating the immediate adoption of interim zoning regulations for recreational marijuana production, processing, and retail uses for an initial six-month period, as more particularly described in Ordinance No. 10-13; and

WHEREAS, though the LCB has recently begun issuing licenses for recreational marijuana businesses, but the land use and secondary impacts of these uses are still largely unknown and the regulations that the city will need to address them remain uncertain; and

WHEREAS, after the interim zoning regulations provided for herein were originally considered, the LCB adopted a technical amendment to the measurement method of the sensitive uses buffer to confirm with federal law; accordingly, the city must adopt that same technical amendment in the interim zoning regulations to conform with both state and federal law; and

WHEREAS, on April 22, 2014, a public hearing was held on the extension of the interim zoning regulations set forth in this ordinance and the council has weighed the testimony received; and

WHEREAS, based on the public testimony received on April 22, 2014, and materials provided by city staff, the council deems it in the public interest to extend the interim zoning regulations for recreational marijuana production, processing, and retail uses for an additional six-months to observe and investigate further the land use and secondary impacts of said uses; and

WHEREAS, nothing in this ordinance is intended nor shall be construed to authorize or approve of any violation of federal or state law;

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

Section 1. Findings of Fact. In accordance with RCW 35A.63.220 and RCW 36.70A.390, which require the city council to adopt findings of fact justifying the adoption of interim zoning regulations, the “WHEREAS” clauses set forth above are hereby adopted as the city council’s findings of fact in support of the interim zoning regulations imposed by this ordinance and are fully incorporated herein by this reference. The city council may adopt additional findings in the event that additional evidence is presented to the city council.

Section 2. Technical Amendments to Interim Zoning Regulations. The interim zoning regulations established by Ordinance No. 10-13 shall be amended as follows:

Chapter 18.XX Marijuana-Related Uses

18.XX.010 Definitions.

Unless the context clearly indicates otherwise, the terms “marijuana producer”, “marijuana processor”, and “marijuana retailer” shall have the meanings established pursuant to RCW 69.50.101.

18.XX.020 Marijuana-related Uses.

(1) The production, processing, and retailing of recreational marijuana is and remains illegal under federal law. Nothing in this chapter is an authorization to circumvent federal law or provide permission to any person or entity to violate federal law.

(2) The purpose of the provisions in this chapter is solely to acknowledge the enactment by Washington voters of Initiative 502 and a state licensing procedure and to permit to, but only to, the extent required by state law recreational marijuana producers, processors, and retailers to operate in designated zones of the City.

(3) Only state-licensed marijuana producers, marijuana processors, and marijuana retailers may locate in the City and then only pursuant to the license issued by the State of Washington.

(4) Marijuana producers, marijuana processors, and marijuana retailers are required to acquire all necessary business licenses, permits, and comply with all other applicable City ordinances and regulations.

18.XX.030 Marijuana Producers and Processors.

State-licensed marijuana producers and marijuana processors may only locate in the City pursuant to the following restrictions:

(1) Marijuana producers and marijuana processors must comply with all requirements of state law and the Washington State Liquor Control Board's regulations;

(2) Marijuana producers and marijuana processors may locate only in the Industrial (I) zone;

(3) Marijuana producers and marijuana processors shall not operate as an accessory to a primary use or as a home occupation;

(4) All marijuana production and processing activities shall occur within an enclosed structure and the facility shall be designed, located, constructed, and buffered to blend in with its surroundings and mitigate significant adverse impacts on adjoining properties and the community, and special attention shall be given to minimizing odor, noise, light, glare, and traffic impacts; and

(5) Marijuana producers and processors shall not locate within one thousand feet (1,000 ft) of a public or private school with curricula equivalent to elementary, junior, or senior high schools, or any facility owned or operated by such school; care center, preschool, nursery school, or other childcare facility; public park, trail, playground, or recreational facility; church, temple, synagogue, or chapel; public transit center; public library; or any game arcade admission to which is not restricted to persons aged twenty-one (21) years or older. The one thousand foot buffer shall be measured ~~by following a~~ as the shortest straight line distance from the property line of the licensed production and/or processing premises to the property line of the entities listed above. ~~nearest point of the property parcel upon which the proposed use is to be located to the nearest point of the parcel of property from which the proposed land use is to be separated.~~

18.XX.040 Marijuana Retailers.

State-licensed marijuana retailers may locate in the City pursuant to the following restrictions:

(1) Marijuana retailers must comply with all requirements of state law and the Washington State Liquor Control Board's regulations;

(2) Marijuana retailers may locate only in the General Commercial (GC) and Mixed Commercial (MC) zones;

(3) Marijuana retailers shall not operate as an accessory to a primary use or as a home occupation; and

(4) Marijuana retailers shall not locate within one thousand feet (1,000 ft) of a public or private school with curricula equivalent to elementary, junior, or senior high schools, or any facility owned or operated by such school; care center, preschool, nursery school, or other childcare facility; public park, trail, playground, or recreational facility; church, temple, synagogue, or chapel; public transit center; public library; or any game arcade admission to which is not restricted to persons aged twenty-one (21) years or older. The one thousand foot buffer shall be measured ~~by following a~~ as the shortest straight line distance from the property line of the licensed retail premises to the property line of the entities listed above.

~~nearest point of the property parcel upon which the proposed use is to be located to the nearest point of the parcel of property from which the proposed land use is to be separated.~~

18.XX.050 Enforcement - Penalty.

(1) Any violation of this chapter is declared to be a public nuisance per se and, in addition to any other remedy provided by law or equity, may be abated by the City under applicable provisions of this code or state law.

(2) No person or entity may violate or fail to comply with any provision of this chapter. Each person or entity commits a separate offense for each and every day they commit, continue, or permit a violation of any provision of this ordinance.

Section 3. Extension of Interim Zoning Regulations. The six-month interim zoning regulations established by Ordinance No. 10-13 shall not lapse and shall be extended for an additional six months to be effective through November 12, 2014.

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/clerkal 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 (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, at a regular meeting thereof this 22nd day of April, 2014.



Mayor Margaret Harto

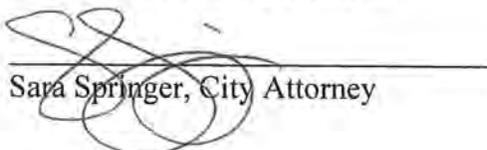
PUBLISHED: April 25, 2014
EFFECTIVE: April 30, 2014

ATTESTED:



Sharon Scott, City Clerk

APPROVED AS TO FORM:



Sara Springer, City Attorney

SUBJECT: CONTINUED BUDGET DELIBERATIONS

RECOMMENDED BY: Regan Bolli, City Manager

ATTACHMENT(S):

PREPARED BY: Rob Hendrickson, Finance Director

EXPLANATION:

At the October 31, 2015 Budget Workshop, the city council asked for follow up on some questions and asked staff to bring forward some additional decision cards for discussion at a future council meeting.

The following is a compilation of those questions and funding requests:

- Can we charge a higher business license fee to professionals who don't pay sales tax?
 - *Per the city attorney it was determined that since a business license is a fee, rather than a tax, the business license fee can only be equal to the cost of the regulation of that activity. In the case of our business license fee, it can only be used for the purposes of performing the regulatory actions listed in CMC 5.10.010. If a fee exceeds the proportionate share of the city's costs of providing oversight of the regulated activity, it could be challenged and ruled as an unlawful hidden tax used to raise general revenue.*

So to answer the question, business license fees are not an alternative for raising general revenues.

- Include EDC with other memberships.
 - *This was an internal change to the budget document and has been made.*
- Research on how much our credit card fees are and if we can charge a convenience fee for using a credit card.
 - Governments are allowed to charge a percentage based service fee. Other businesses are not allowed to charge a percentage based service fee but can charge a flat convenience fee (or surcharge for the private sector).*

We are allowed to use both types of fees, one for online permitting (flat fee) and the other for over the counter transactions (percentage fee). PermitTrax can only handle the flat convenience fee for online transactions.

If we use the percentage method we would have to open up a third merchant account to collect the service fees—this is required by Visa to be able to comply with their rules. Visa requires that the fees be settled in a separate transaction from the charge, so the customer will see two charges on their statement and receive two receipts. This is handled automatically through the credit card machine. The percentage that is charged is determined by US Bank based on our history. Our current average for the last ten months is 2.77% but bounces around monthly between 2.42-3.41%. The benefit to the percentage method is US bank keeps all fees and we aren't charged any processing fees.

- Add a decision card for police and maintenance worker.
 - *These decision cards were part of your budget changes packet last week.*
- Email all decision cards to council marked as unfunded or funded.
 - *Completed.*
- Increase fall prevention costs in Parks.
 - *This cost has been updated and is included in the changes worksheet.*
- Fund the canopies decision card.
 - *These decision cards were part of your budget changes last week.*
 - *Updated and included in changes worksheet.*
- Add SET to budget and bring a decision card.
 - *This decision card was part of your budget changes last week.*
- Nov 10, 2015 agenda item to discuss extend utility tax and car tabs
 - *Completed.*

ALTERNATIVES:

FISCAL IMPACT:

These items are for discussion only. Any fiscal impact is noted on the changes worksheet and in the accompanying decision cards.

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

**FOR DISCUSSION ONLY. ASK QUESTIONS OF AND
PROVIDE DIRECTION TO STAFF**

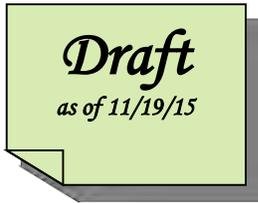
REVIEWED BY: City Manager; City Attorney; Finance Director.

**DISCUSSION OF
FUTURE AGENDA TOPICS:**

**6:00 p.m., Tuesday, December 8, 2015
Special Meeting – Study Session**

**7:00 p.m., Tuesday, December 8, 2015
Regular Meeting**

(Draft Agendas Attached)



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

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

Tuesday, December 8, 2015 – 6:00 p.m.

GENERAL INFORMATION:

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

CALL CITY COUNCIL STUDY SESSION TO ORDER

ROLL CALL

APPROVAL OF AGENDA

ITEM(S) FOR DISCUSSION

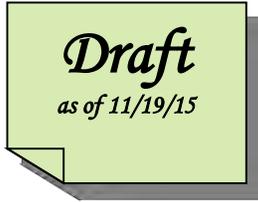
1. Sign Code Revisions (Hart)

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

ADJOURN

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

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



Tuesday, December 8, 2015
7:00 p.m.

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

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

CALL CITY COUNCIL REGULAR MEETING TO ORDER

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION

- Seahorse Birthday Proclamation (_____)

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: November 10, 2015 Regular Meeting; November 24, 2015 Special Joint Study Session with Planning Commission; and November 24, 2015 Regular Meeting (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Pass Ordinance Adopting a 2015 Budget Amendment (Hendrickson)
- C-4. Approve Indigent Defense Services Agreement (Bolli)
- C-5. Pass Ordinance Related to Fundraising and Donations (Bahl)
- C-6. Approve Abaco Pacific Real Estate Services Agreement (Vondran)
- C-7. Approve 2016 Recycling Events Consultant Agreement (Vondran)
- C-8. Accept Easement Agreement for Clements Drainage Project (Vondran)
- C-9. Extend Tri-City Interlocal Agreement for Public Works Operations (Vondran)
- C-10. Approve Interlocal Agreement with City of Kent for CIP 1127 (Vondran)

PUBLIC HEARING

- 1. Receive Public Testimony and Adopt Ordinance Regarding Kent School District's Six Year Capital Facilities Plan (Hart)

NEW BUSINESS

- 2. Approve Covington Community Park Phase II Design (Feser & Consultant)
- 3. Consider Code Amendments on Sheds & Accessory Structures (Bykonen/Hart)
- 4. Consider Ordinance Adopting the CY2016 Operating and Capital Budget (Hendrickson)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

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

EXECUTIVE SESSION

- To Discuss Potential Litigation Pursuant to RCW 42.30.110(1)(i)

ADJOURN

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