

Covington: Unmatched quality of life

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



**Tuesday, December 13, 2011**  
**7:00 pm**

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

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**CALL CITY COUNCIL MEETING TO ORDER**

**ROLL CALL/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**PUBLIC COMMUNICATION - NONE**

**PUBLIC COMMENT** *Persons addressing the Council shall state their name, address, and organization for the record. Speakers shall address comments to the City Council, not the audience or the staff. Public Comment shall be for the purpose of the Council receiving comment from the public and is not intended for conversation or debate. Public comments shall be limited to no more than four minutes per speaker. If additional time is needed a person may request that the Council place an item on a future agenda as time allows.\**

**APPROVE CONSENT AGENDA**

- C-1. Minutes of October 18, October 29, November 8, and November 22, 2011 (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Agreement for Recycling Events for 2012 (Akramoff)
- C-4. Amendment to Agreement for Landscaping Services (Akramoff)
- C-5. Easement Agreement within the Right-of-Way of SE 268<sup>th</sup> Street (Akramoff/Lyons)
- C-6. Amendment to Agreement for Real Estate Services (Vondran)
- C-7. Amendment to Interlocal Agreement for Public Works Operations & Purchases (Akramoff)
- C-8. Terminate Memorandum of Understanding for Stormwater Facility (Hart/Lyons)
- C-9. Resolution Amending Development Fees, Administrative Charges and Transportation Impact Fees for 2012 (Hart)
- C-10. Resolution Adopting a Fund Balance Policy (Hendrickson)
- C-11. Resolution Adopting Capital Asset Policies and Procedures (Hendrickson)
- C-12. Resolution Amending Financial Management Policies (Hendrickson)
- C-13. Ordinance Committing Revenues to the Development Services Fund and Parks & Recreation Fund (Hendrickson)
- C-14. Ordinance Adopting a 2011 Budget Amendment (Hendrickson)

**NEW BUSINESS**

- 1. Ordinance Adopting Regulations for the Permitting of Electric Vehicle Infrastructure (Lyons)
- 2. Award Contract for Replacement Phone System (Akramoff)
- 3. Ordinance Adopting the CY2012 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: If Needed**

**ADJOURN**

*Any person requiring disability accommodation should contact the City of Covington at (253) 638-1110 a minimum of 24 hours in advance. For TDD relay service, please use the state's toll-free relay service (800) 833-6384 and ask the operator to dial (253) 638-1110.*

## Consent Agenda Item C-1

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: APPROVAL OF MINUTES: OCTOBER 18, 2011 BLACK DIAMOND, COVINGTON, AND MAPLE VALLEY JOINT CITY COUNCIL MEETING MINUTES; OCTOBER 29, 2011 CITY COUNCIL BUDGET WORKSHOP MEETING MINUTES; NOVEMBER 8, 2011 CITY COUNCIL REGULAR MEETING MINUTES; AND NOVEMBER 22, 2011 CITY COUNCIL REGULAR MEETING MINUTES.

RECOMMENDED BY: Sharon G. Scott, City Clerk

ATTACHMENT(S): Proposed Minutes

PREPARED BY: Joan Michaud, Deputy City Clerk

EXPLANATION:

ALTERNATIVES:

FISCAL IMPACT:

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

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to approve the October 18, 2011 Black Diamond, Covington, and Maple Valley Joint City Council Meeting Minutes; October 29, 2011 City Council Budget Workshop Meeting Minutes; November 8, 2011 City Council Regular Meeting Minutes; and November 22, 2011 City Council Regular Meeting Minutes.**

**City of Black Diamond/City of Covington/City of Maple Valley  
Joint City Council Meeting Minutes  
Wednesday, October 18, 2011**

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

The Joint Meeting of the City Councils for the cities of Black Diamond, Covington and Maple Valley was called to order at Black Diamond Elementary Gymnasium, 25314 Baker Street, Black Diamond, Washington, Wednesday, October 18, 2011, at 7:00 p.m., with Black Diamond Mayor Rebecca Olness presiding.

**BLACK DIAMOND COUNCILMEMBERS PRESENT:**

Mayor Rebecca Olness, Mayor Pro Tem Bill Boston, Craig Goodwin, Kristine Hanson, Leih Mulvhill, and William Saas.

**BLACK DIAMOND STAFF PRESENT:**

Brenda Martinez, Assistant City Administrator/City Clerk; Seth Boettcher, Public Works Director; Greg Goral, Acting Police Commander; Chip Hanson, Information Services Manager; and Aaron Nix, Parks Director.

**COVINGTON COUNCILMEMBERS PRESENT:**

Mayor Pro Tem Jeff Wagner, Mark Lanza, David Lucavish, Marlla Mhoon, Jim Scott, and Wayne Snoey.

**COVINGTON COUNCILMEMBERS ABSENT:**

Mayor Margaret Harto.

**COVINGTON STAFF PRESENT:**

Derek Matheson, City Manager; Glenn Akramoff, Public Works Director; Scott Thomas, Parks & Recreation Director; and Sharon Scott, City Clerk/Executive Assistant.

**MAPLE VALLEY COUNCILMEMBERS PRESENT:**

Mayor Noel Gerken, Deputy Mayor Victoria Laise Jonas, Bill Allison (arrived @ 7:30 p.m.), Layne Barnes, Linda A. Johnson, and Erin Weaver.

**MAPLE VALLEY COUNCILMEMBERS ABSENT:**

Dana Parnello.

**MAPLE VALLEY STAFF PRESENT:**

David Johnston, City Manager; Greg Brown, Parks & Recreation Director; Steve Clark, Public Works Director; Tony McCarthy, Finance Director; Diana Pistoll, Public Works Programs Coordinator; and Shaunna Lee-Rice, City Clerk.

**PLEDGE OF ALLEGIANCE/INTRODUCTIONS:**

Mayor Olness opened the Fourth Annual Joint Meeting with the Pledge of Allegiance.

Mayor Olness introduced herself, welcomed everyone, and introduced the Maple Valley councilmembers and staff present. Mayor Olness asked Mayor Pro Tem Wagner to introduce Covington councilmembers and staff present as Mayor Harto was ill. Mayor Olness then asked Mayor Gerken to introduce Maple Valley councilmembers and staff present.

**APPROVAL OF AGENDA:**

Mayor Olness called for approval of the agenda.

**Council Action: Councilmember Mulvhill moved and Councilmember Mhoon seconded to approve the agenda. Vote: 17-0. Motion carried.**

**OPENING REMARKS – MAYOR OLNES:**

Mayor Olness provided background and history on the joint tri cities meetings which began in 2008 at Black Diamond, continued in 2009 at Maple Valley, in 2010 at Covington, and now back to Black Diamond in 2011.

**ITEMS FOR JOINT COUNCIL DISCUSSION:**

1. Solid Waste Presentation.

Kevin Kiernan, King County Solid Waste Director, gave the presentation on this item which included topics on the background and history, the Cedar Hills Regional Landfill, a Collaborative Approach to System Planning, the Transfer System, Facility Locations, Urban Transfer System, Solid Waste Interlocal Agreements, Solid Waste Rates, Other Services, and Looking Forward.

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

2. Update of Previous Initiatives.

- a. Transportation. Councilmember Wayne Snoey gave the presentation on this item which included topics on the Beginning, Working Group, Legislative Advocacy, DMU Feasibility Study Step 1 – State Grant, Step 2 – Federal Grant, State Route 516 Corridor Study, Transit Grant, Transit Co-Marketing Campaign, Changing Times, and SEATS Coalition.

- b. Trails. Parks & Recreation Director Greg Brown, accompanied by Parks & Recreation Director Scott Thomas and Parks Director Aaron Nix, gave the presentation on this item which included topics on Park and Recreation Regional Collaboration, Regional Trail Corridor, Trail Corridor Activities, Partners, Possible Funding Sources, Progress to Date, Cedar to Green Extension, Southeast County Trail Map, and What Happens Next.

Councilmembers asked questions, and Mr. Brown and Mr. Thomas provided responses.

- c. Regional Infrastructure & Services Funding. Public Works Director Glenn Akramoff, accompanied by Public Works Directors Seth Boettcher and Steve Clark, provided an update on regional infrastructure and services funding.

3. Emergency Management.

Public Works Director Glenn Akramoff, Public Works Director Steve Clark, and Acting Police Commander Greg Goral gave a report on emergency management.

Councilmembers asked questions, and Mr. Akramoff provided responses.

**CLOSING REMARKS:**

There was consensus among the three councils that staff is working in the proper direction and encouraged them to continue to collaborate. There was also consensus that the joint meetings are valuable and should be continued.

**ADJOURNMENT:**

**Council Action: Mayor Pro Tem Wagner moved and Councilmember Goodwin seconded to adjourn the meeting. Vote: 18-0. Motion carried.**

There being no further business, the meeting was adjourned at 9:10 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Covington Deputy City Clerk

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Sharon Scott  
Covington City Clerk

**City of Covington  
City Council Budget Workshop Minutes  
Saturday, October 29, 2011**

The Budget Workshop was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Saturday, October 29, 2011, at 9:06 a.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

Margaret Harto, Mark Lanza (arrived @ 9:08 p.m.), David Lucavish, Marlla Mhoon, Jim Scott, Wayne Snoey, and Jeff Wagner.

**STAFF PRESENT:**

Derek Matheson, City Manager; Glenn Akramoff, Public Works Director; Noreen Beaufriere, Personnel Manager; Richard Hart, Community Development Director; Rob Hendrickson, Finance Director; Kevin Klason, Covington Police Chief; Karla Slate, Community Relations Coordinator; Scott Thomas, Parks & Recreation Director; Shellie Bates, Public Works Office Supervisor; Don Vondran, City Engineer; Ross Junkin, Maintenance Supervisor; Casey Parker, Accountant; Salina Lyons, Senior Planner; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the budget workshop to order.

**APPROVAL OF AGENDA:**

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

**ITEMS FOR DISCUSSION:**

1. Department 2012 Budget Presentations.

- a. Technology Initiative. Public Works Director Glenn Akramoff gave the presentation on this item.

Councilmembers provided comments and asked questions, and Mr. Akramoff and City Manager Derek Matheson provided responses.

- b. Executive. City Manager Derek Matheson and Personnel Manager Noreen Beaufriere gave the presentation on this item.
- c. Finance. Finance Director Rob Hendrickson gave the presentation on this item.
- d. Community Development and Development Services. Community Development Director Richard Hart gave the presentation on this item.

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

The Council recessed at 10:12 a.m. for a morning break and reconvened at 10:26 a.m.

- e. Public Works & Capital Improvement Projects. City Engineer Don Vondran, Office Supervisor Shellie Bates, Maintenance Supervisor Ross Junkin, and Public Works Director Glenn Akramoff gave the presentation on this item.

Councilmembers provided comments and asked questions, and Public Works staff provided responses.

- f. Parks & Recreation & Capital Improvement Projects. Parks & Recreation Director Scott Thomas gave the presentation on this item.

Councilmembers provided comments and asked questions, and Mr. Thomas and various staff provided responses.

- g. Police. Police Chief Kevin Klason gave the presentation on this item.

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

The Council recessed at 12:25 p.m. for a lunch break and reconvened at 1:15 p.m.

## 2. Review Budget Strategies.

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

Councilmembers had no comments or questions on Mr. Matheson's report.

## 3. Begin 2012 Budget Deliberations.

Councilmembers were in agreement as to the importance of the citizen survey and to look at a fiscally prudent way to allow for its funding.

Councilmembers asked questions and discussed the 2012 budget.

### **ADJOURNMENT:**

There being no further business, the meeting was adjourned at 2:18 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
Regular City Council Meeting Minutes  
Tuesday, November 8, 2011**

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

The Regular Meeting of the City Council of the City of Covington was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, November 8, 2011, at 6:07 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

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

**STAFF PRESENT:**

Derek Matheson, City Manager; Glenn Akramoff, Public Works Director; Noreen Beaufriere, Personnel Manager; Richard Hart, Community Development Director; Rob Hendrickson, Finance Director; Karla Slate, Community Relations Coordinator; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto opened the meeting with the Pledge of Allegiance.

**APPROVAL OF AGENDA:**

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

**PUBLIC COMMUNICATION:**

- Barry Fretwell, Executive Director of Project U(th), along with four youth, gave a program review presentation on Project U(th) and presented a partnership proposal.

**PUBLIC COMMENT:**

Mayor Harto called for public comments.

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

**APPROVE CONSENT AGENDA:**

C-1. Approval of Minutes: October 25, 2011 City Council Joint Study Session and with Human Services Commission Meeting Minutes and October 25, 2011 City Council Regular Meeting Minutes.

C-2. Approval of Vouchers: Paylocity Payroll Checks #1000201388-1000201402 Inclusive, Plus Employee Direct Deposits in the Amount of \$137,185.53, Dated October 28, 2011.

C-3. Award Contract for King County Sheriff's Office Sublease Tenant Improvement.

**Council Action: Councilmember Wagner moved and Councilmember Lucavish seconded to approve the Consent Agenda. Vote: 7-0. Motion carried.**

**PUBLIC HEARING:**

1. Receive Comments from the Public on a Proposal to Increase the Utility Tax to Fund Covington Community Park Construction and Maintenance.

City Manager Derek Matheson gave the staff report on this item along with Parks & Recreation Director Scott Thomas and Community Relations Coordinator Karla Slate.

Mayor Harto called for public comments for the public hearing.

The following individuals spoke in favor of the increase to the utility tax to fund the park:

- Brad Price, Board President of Covington Community Sports, resides outside Covington;
- Donald Pennington, Board Member of Kent Youth Soccer Association, 19011 SE 266<sup>th</sup>, Covington;
- Conni Elliott, 15642 SE 262<sup>nd</sup> Place, Covington;
- Kollin Higgins, 19025 SE Covington-Sawyer Road, resides outside Covington;
- Steven Pand, 25828 185<sup>th</sup> Place SE, Covington;
- Bryan Higgins, 17727 SE 260<sup>th</sup> Place, Covington;
- Jack Brooks, 25738 175<sup>th</sup> Way SE, Covington;
- Cynthia Pennington, 19011 SE 266<sup>th</sup>, Covington;
- William Pand, 25828 185<sup>th</sup> Place SE, Covington.

The following individuals spoke in opposition to the increase to the utility tax to fund the park:

- Mary Pritchard, 26103 197<sup>th</sup> Avenue SE, Covington;
- Frank Sutton, 17225 SE Wax Road, Covington;
- Peter Hawley, 27016 201<sup>st</sup> Avenue SE, Covington;
- Robin Hale, 17101 SE 267<sup>th</sup> Street, Covington;
- Joseph Cimaomo, Jr., 24330 188<sup>th</sup> Avenue SE, Covington.

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

Councilmembers concurred to keep the Public Hearing written comment period open, including email comments, until November 21 at 5:00 p.m.

**NEW BUSINESS:**

2. Consider 2012 Legislative Agenda.

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

**Council Action: Councilmember Lanza moved and Councilmember Wagner seconded to adopt the 2012 Legislative Agenda.**

**Council Action:** Councilmember Snoey moved and Councilmember Scott seconded to amend motion to revise language from “Medical Marijuana: Support legislation to clarify medical marijuana statutes” to “Medical Marijuana: Support legislation enabling medical marijuana use.” Vote: 6-1 (Voting yes: Harto, Lanza, Lucavish, Mhoon, Scott, and Snoey; voting no: Wagner.) Motion carried.

**Vote:** 6-1 (Voting yes: Harto, Lanza, Lucavish, Mhoon, Scott, and Snoey; voting no: Wagner.) Motion carried.

3. 2011 Third Quarter Financial Reports.

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

**COUNCIL/STAFF COMMENTS:**

Councilmembers and staff discussed Future Agenda Topics and made comments.

**PUBLIC COMMENTS:**

Mayor Harto called for public comments.

**Leslie Hamada, 28026 189<sup>th</sup> Avenue SE, unincorporated King County, Human Services Commissioner,** spoke in support of Project U(th) and encouraged Council to partner with them.

**George Pearson, 16823 SE 265<sup>th</sup> Street, Covington,** thanked Public Works Director Glenn Akramoff, Maintenance Supervisor Ross Junkin, and the maintenance crew for their assistance in the Timberlane neighborhood on “Make a Difference Day.” Mr. Pearson praised Associate Planner/Code Enforcement Officer Brian Bykonen on doing an excellent job on taking over code enforcement duties.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:10 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Deputy City Clerk

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Sharon Scott  
City Clerk

**City of Covington  
Regular City Council Meeting Minutes  
Tuesday, November 22, 2011**

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

**INTERVIEWS – 6:15-7:00 P.M.:**

The Council conducted interviews for an opening on the Planning Commission. Applicants interviewed included Joseph Cimaomo, Jr., Edward Holmes, and Jim Langehough.

The Regular Meeting of the City Council of the City of Covington was called to order in the City Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, November 22, 2011, at 7:05 p.m., with Mayor Harto presiding.

**COUNCILMEMBERS PRESENT:**

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

**STAFF PRESENT:**

Derek Matheson, City Manager; Glenn Akramoff, Public Works Director; Noreen Beaufriere, Personnel Manager; Richard Hart, Community Development Director; Rob Hendrickson, Finance Director; Kevin Klason, Covington Police Chief; Karla Slate, Community Relations Coordinator; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; Salina Lyons, Senior Planner; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto opened the meeting with the Pledge of Allegiance.

**APPROVAL OF AGENDA:**

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

**PUBLIC COMMENT:**

Mayor Harto called for public comments.

**Frank Sutton, 17025 SE Wax Road, Covington,** shared his observations regarding testimony at the public hearing on November 8 to raise the utility tax rate to fund Covington Community Park.

**Tim Leeman, 16424 SE 264<sup>th</sup> Street, Covington, Kent Youth Soccer Association coach and board member,** spoke in support of funding for Covington Community Park and said that KYSA would donate goals, nets, and other equipment.

**Mary Pritchard, 26103 197<sup>th</sup> Avenue SE, Covington,** referenced an email she sent to Council the previous day regarding the funding for Covington Community Park and said she could not support it.

**Joseph Cimaomo, Jr., 24330 188<sup>th</sup> Avenue SE, Covington,** congratulated Mayor Pro-Tem Wagner, Mayor Harto, Councilmember Snoey, and Councilmember Mhoon on winning the November 8 election.

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

**APPROVE CONSENT AGENDA:**

C-1. Vouchers #26159-26239, in the Amount of \$182,632.04, Dated November 1, 2011; Paylocity Payroll Checks #1000201388-1000201402 Inclusive, Plus Employee Direct Deposits in the Amount of \$137,185.53, Dated October 28, 2011; and Paylocity Payroll Checks #1000219931-1000219944 Inclusive, Plus Employee Direct Deposits in the Amount of \$132,652.68, Dated November 10, 2011.

C-2. Execute an Interlocal Agreement with King County for Jail Services.

**Council Action: Councilmember Wagner moved and Councilmember Lucavish seconded to approve the Consent Agenda. Vote: 7-0. Motion carried.**

**REPORTS OF COMMISSIONS:**

**Planning Commission** – Vice Chair Paul Max reported on the November 3 and November 17 meetings.

**Human Services Commission** – Vice Chair Fran MacGregor-Hollums reported on the November 10 meeting.

**Arts Commission** – There was no report.

**Parks & Recreation Commission** – Chair David Aldous reported on the November 16 meeting.

**Economic Development Council** – Co-Chair Jeff Wagner reported on the November 3 meeting.

**PUBLIC HEARING:**

1. Receive Comments from the Public Regarding Proposed Fiscal Year 2012 Budget and Revenue Sources.

Mayor Harto called for public comments for the public hearing.

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

**NEW BUSINESS:**

2. Consider Appointment to Planning Commission.

**Council Action: Councilmember Wagner moved and Councilmember Scott seconded, to appoint Joseph Cimaomo, Jr. to fill a replacement position on the Planning Commission for an applicant residing inside Covington city limits with a term beginning December 1,**

**2011 and expiring August 31, 2015. Vote: 3-4 (Voting yes: Scott, Snoey, and Wagner; voting no: Harto, Lanza, Lucavish, and Mhoon). Motion failed.**

**Council Action: Councilmember Mhoon moved and Councilmember Lanza seconded, to appoint Edward Holmes to fill a replacement position on the Planning Commission for an applicant residing inside Covington city limits with a term beginning December 1, 2011 and expiring August 31, 2015. Vote: 4-3 (Voting yes: Lanza, Lucavish, Mhoon, and Snoey; voting no: Harto, Scott, and Wagner). Motion carried.**

3. Establish Equipment Replacement Fund Policies and Procedures.

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

#### RESOLUTION NO. 11-08

A RESOLUTION OF THE CITY OF COVINGTON,  
WASHINGTON, RELATING TO EQUIPMENT  
REPLACEMENT FUND POLICIES AND PROCEDURES.

**Council Action: Councilmember Snoey moved and Councilmember Wagner seconded to adopt Resolution No. 11-08 relating to establishing policies and procedures for the Equipment Replacement Fund. Vote: 7-0. Motion carried.**

4. Discuss Amendments to the Development Fees, Administrative Charges, and Transportation Impact Fees.

Senior Planner Salina Lyons gave the staff report on this item.

Councilmembers asked questions, and Ms. Lyons provided responses.

**Council Action: Councilmember Snoey moved and Councilmember Scott seconded to direct staff to prepare a resolution with an inflationary increase of 2.9% to the 2012 development fees, administrative charges, and the transportation impact fees. Vote: 7-0. Motion carried.**

5. Consider Ordinance to Set the Utility Tax Rate at Six Percent and Dedicate One Twelfth of Collections to Covington Community Park.

#### ORDINANCE NO. 14-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF COVINGTON, KING COUNTY, WASHINGTON  
AMENDING SECTION 3.70.040 OF THE COVINGTON  
MUNICIPAL CODE TO SET THE UTILITY TAX RATE AT  
SIX PERCENT AND DEDICATE ONE TWELFTH OF  
UTILITY TAX COLLECTIONS TO COVINGTON  
COMMUNITY PARK.

**Council Action:** Councilmember Wagner moved and Councilmember Scott seconded to adopt Ordinance No. 14-11 to set the utility tax rate at six percent and dedicate one twelfth of utility tax collections to Covington Community Park.

Councilmembers provided comments.

**Council Action:** Councilmember Snoey moved and Councilmember Scott seconded to amend the ordinance to include the language “except that all collections above actual capital and operational costs shall be dedicated to the Street Fund.”

Councilmembers provided more comments and asked questions, and staff provided responses.

**Council Action:** Councilmembers Snoey and Scott withdrew the proposed amendment to the ordinance.

Councilmembers provided more comments.

**Vote: 6-1 (Voting yes: Harto, Lucavish, Mhoon, Scott, Snoey, and Wagner; voting no: Lanza). Motion carried.**

6. Consider Ordinance to Set the 2011 Property Tax Levy for Collection in 2012.

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

#### ORDINANCE NO. 15-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON ADOPTING THE REGULAR PROPERTY TAX LEVY FOR 2011 FOR COLLECTION IN 2012.

**Council Action:** Councilmember Snoey moved and Councilmember Wagner seconded to pass Ordinance No. 15-11 setting the 2011 property tax levy for collection in 2012 at \$2,350,000 exclusive of additional 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. **Vote: 6-0 (Councilmember Lanza was not present in the Council Chambers). Motion carried.**

7. Consider Ordinance Authorizing a Property Tax Increase as Required by RCW.

ORDINANCE NO. 16-11

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 AS REQUIRED BY RCW 84.55.120.

**Council Action:** Councilmember Wagner moved and Councilmember Snoey seconded to pass Ordinance No. 16-11 authorizing a property tax increase of one percent (1.0%) or \$22,636 as required by RCW 84.55.120. Vote: 6-0 (Councilmember Lanza was not present in the Council Chambers). Motion carried.

**COUNCIL/STAFF COMMENTS:**

Councilmembers and staff discussed Future Agenda Topics and made comments.

**PUBLIC COMMENTS:**

Mayor Harto called for public comments.

**Kollin Higgins, 19025 SE Covington-Sawyer Road, not a Covington resident,** thanked the Council for passing the ordinance on the utility tax increase to fund the park.

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

**EXECUTIVE SESSION:**

Potential Litigation (RCW 42.30.110(1)(i) from 8:40 to 8:55 p.m.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:55 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Deputy City Clerk

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Sharon Scott  
City Clerk

**Consent Agenda Item C-2**

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: APROVAL OF VOUCHERS.

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers #26240-26295, in the Amount of \$315,533.46, Dated November 14, 2011; Vouchers #26296-26340, in the Amount of \$196,110.92, Dated November 29, 2011; Paylocity Payroll Checks #1000240089-1000240102 Inclusive, Plus Employee Direct Deposits in the Amount of \$139,106.78, Dated November 23, 2011; and Paylocity Payroll Checks #1000260967-10002600976 Inclusive, Plus Employee Direct Deposits in the Amount of \$135,229.92, Dated December 9, 2011.

PREPARED BY: Joan Michaud, Deputy City Clerk

EXPLANATION: Not applicable.

ALTERNATIVES: Not applicable.

FISCAL IMPACT: Not applicable.

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

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to approve for payment: Vouchers #26240-26295, in the Amount of \$315,533.46, Dated November 14, 2011; Vouchers #26296-26340, in the Amount of \$196,110.92, Dated November 29, 2011; Paylocity Payroll Checks #1000240089-1000240102 Inclusive, Plus Employee Direct Deposits in the Amount of \$139,106.78, Dated November 23, 2011; and Paylocity Payroll Checks #1000260967-10002600976 Inclusive, Plus Employee Direct Deposits in the Amount of \$135,229.92, Dated December 9, 2011.**

November 14, 2011

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 26240 Through Check # 26295

In the Amount of \$315,533.46

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

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

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

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

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

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

				<u>Check Amount</u>
<b>Check No:</b> 26240	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0206	<b>AFLAC</b>			
841011	Insurance premiums; November	11/14/2011		409.37
<b>Check Total:</b>				409.37
<b>Check No:</b> 26241	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0463	<b>Allied Waste Services</b>			
0176-00325	Maint shop; disposal, 10/1-10/31/11	11/14/2011		221.45
0176-00325	Maint Shop disposal, 10/1-10/31/11	11/14/2011		110.73
0176-00325	Maint Shop disposal, 10/1-10/31/11	11/14/2011		221.46
0176-00325	Aquatics; disposal fees, 10/1-10/31/11	11/14/2011		227.34
<b>Check Total:</b>				780.98
<b>Check No:</b> 26242	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1534	<b>APWA - WA State Chapter</b>			
11639	Vondran; APWA Area meeting	11/14/2011		16.00
11639	Vondran; APWA Area meeting	11/14/2011		24.00
<b>Check Total:</b>				40.00
<b>Check No:</b> 26243	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2223	<b>ARC Imaging Resources</b>			
950440	Plotter/Scanner maint; 10/21-11/21/11	11/14/2011		198.56
950440	Plotter/Scanner maint; 10/21-11/21/11	11/14/2011		198.56
950440	Plotter/Scanner maint; 10/21-11/21/11	11/14/2011		99.27
<b>Check Total:</b>				496.39
<b>Check No:</b> 26244	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0176	<b>Noreen Beaufriere</b>			
0176-11	Beaufriere; NHRMA seminar, mileage	11/14/2011		43.29
<b>Check Total:</b>				43.29
<b>Check No:</b> 26245	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2368	<b>Best Parking Lot Cleaning Inc.</b>			
111910	Street cleaning; Maple Valley, August	11/14/2011		1,320.58
112399	Street cleaning; October	11/14/2011		4,789.26
<b>Check Total:</b>				6,109.84
<b>Check No:</b> 26246	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2259	<b>Lance Campbell</b>			
2259-11	Wellness; staff appreciation event	11/14/2011		400.00
<b>Check Total:</b>				400.00
<b>Check No:</b> 26247	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2136	<b>Carbonic Systems, Inc.</b>			
05043630	Aquatics; carbomizer rental	11/14/2011		59.73
<b>Check Total:</b>				59.73
<b>Check No:</b> 26248	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2366	<b>CenturyLink Business Services</b>			
1187575061	Aquatics; internet/loop, October	11/14/2011		475.00
<b>Check Total:</b>				475.00
<b>Check No:</b> 26249	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2382	<b>Close Call Plumbing</b>			
AVER-14A-1	Minor housing repair; #AVER-14A-11	11/14/2011		206.04
<b>Check Total:</b>				206.04
<b>Check No:</b> 26250	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1170	<b>Coastwide Laboratories</b>			
W2370874	Aquatics; cleaning supplies	11/14/2011		558.94
<b>Check Total:</b>				558.94
<b>Check No:</b> 26251	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0364	<b>Code Publishing Company</b>			
39332	Municipal code updates	11/14/2011		121.00
<b>Check Total:</b>				121.00
<b>Check No:</b> 26252	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1091	<b>Complete Office Solutions</b>			
760865-0	Office supplies	11/14/2011		4.16
760865-0	Poly zip bags	11/14/2011		63.64
<b>Check Total:</b>				67.80

				<u>Check Amount</u>
<b>Check No:</b> 26253	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2098	<b>Consolidated Electrical Dist.</b>			
8073-70499	Aquatics; lighting supplies	11/14/2011		119.90
8073-70596	Aquatics; lighting supplies	11/14/2011		130.52
			<b>Check Total:</b>	250.42
<b>Check No:</b> 26254	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0184	<b>Cordi &amp; Bejarano</b>			
146	Public Defender services; 10/7-10/21/11	11/14/2011		2,440.00
			<b>Check Total:</b>	2,440.00
<b>Check No:</b> 26255	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1952	<b>Covington Copy It...Mail It</b>			
6533	Fed ex; Wa Dept Natural Resources	11/14/2011		21.94
			<b>Check Total:</b>	21.94
<b>Check No:</b> 26256	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0308	<b>Covington Tire Factory</b>			
0101112	#2764; lube/oil service	11/14/2011		36.67
			<b>Check Total:</b>	36.67
<b>Check No:</b> 26257	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 2045	<b>Goodbye Graffiti Seattle</b>			
15064	Ever Clean Program; November	11/14/2011		376.84
			<b>Check Total:</b>	376.84
<b>Check No:</b> 26258	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1271	<b>Rob Hendrickson</b>			
11-56	Hendrickson; 2011 flexible spending	11/14/2011		108.00
			<b>Check Total:</b>	108.00
<b>Check No:</b> 26259	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0867	<b>Home Depot Credit Services</b>			
7016969	Grass seed	11/14/2011		17.34
7016969	Grass seed	11/14/2011		8.67
2190277	Concrete	11/14/2011		6.47
2190281	Rental credit; auger, 10/10/11	11/14/2011		-23.93
5164665	Maint shop; supplies	11/14/2011		20.46
8571951	Aquatics; bits, washers, anchors	11/14/2011		24.14
6586743	Aquatics; window tint tool kit	11/14/2011		9.30
7180103	Rental; auger, 10/5/11	11/14/2011		52.13
1040400	City hall; supplies to fix door latch	11/14/2011		3.17
3056320	Purple lights; extension poles	11/14/2011		38.86
7016969	Grass seed	11/14/2011		17.34
5164665	Maint shop; supplies	11/14/2011		20.46
5164665	Snow & Ice; salt	11/14/2011		3,078.81
6560983	Aquatics; super glue	11/14/2011		2.14
5164665	Maint shop; supplies	11/14/2011		10.22
2190275	Rental deposit; auger	11/14/2011		50.00
2190275	Rental deposit; auger	11/14/2011		50.00
2190281	Rental credit; auger, 10/10/11	11/14/2011		-23.94
3050210	Propane tank exchange	11/14/2011		38.71
			<b>Check Total:</b>	3,400.35
<b>Check No:</b> 26260	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1722	<b>Honey Bucket</b>			
1-380813	Skate park; portable toilet, 11/5-12/4/11	11/14/2011		204.75
			<b>Check Total:</b>	204.75
<b>Check No:</b> 26261	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0939	<b>ICC</b>			
1079011	Meyers; ICC membership dues	11/14/2011		125.00
			<b>Check Total:</b>	125.00
<b>Check No:</b> 26262	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1803	<b>Iron Mountain</b>			
EGU5637	Document storage through 11/30/11	11/14/2011		135.00
			<b>Check Total:</b>	135.00

				<u>Check Amount</u>
<b>Check No:</b> 26263	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1702	<b>J.J. Keller &amp; Associates, Inc.</b>			
008989342	HIPAA Compliance; 2/12-1/13	11/14/2011		259.53
<b>Check Total:</b>				259.53
<b>Check No:</b> 26264	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0111	<b>Kenyon Disend, PLLC</b>			
15224	AT & T Mobility; legal, October	11/14/2011		386.13
15226	Comcast cable; legal, October	11/14/2011		675.00
<b>Check Total:</b>				1,061.13
<b>Check No:</b> 26265	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1338	<b>King County Archives</b>			
24419	Aquatics; image copies/scanning	11/14/2011		210.40
<b>Check Total:</b>				210.40
<b>Check No:</b> 26266	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1258	<b>King County Finance - GIS</b>			
10-012L GI	GIS Express Program, Aug - Sept 2011	11/14/2011		294.00
10-012L GI	GIS Express Program, Aug - Sept 2011	11/14/2011		294.00
10-012L GI	GIS Express Program, Aug - Sept 2011	11/14/2011		367.50
10-012L GI	GIS Express Program, Aug - Sept 2011	11/14/2011		294.00
10-012L GI	GIS Express Program, Aug - Sept 2011	11/14/2011		220.50
<b>Check Total:</b>				1,470.00
<b>Check No:</b> 26267	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0641	<b>King County Sheriff's Office</b>			
11-373	Police services; October	11/15/2011		241,252.33
<b>Check Total:</b>				241,252.33
<b>Check No:</b> 26268	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 0273	<b>King County Water &amp; Land</b>			
HYDRL2 201	Hydrilla ILA services; 7/1-9/30/11	11/14/2011		552.42
WRIA 9-574	WRIA ILA services; 2nd trimester 2011	11/14/2011		2,469.33
<b>Check Total:</b>				3,021.75
<b>Check No:</b> 26269	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1622	<b>Law Offices of Thomas R Hargan</b>			
11-CV10	Prosecution services; through 10/31/11	11/14/2011		4,355.56
<b>Check Total:</b>				4,355.56
<b>Check No:</b> 26270	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1131	<b>Lincoln Equipment, Inc.</b>			
SI174551	Aquatics; handknob kits, cover gasket	11/14/2011		54.32
<b>Check Total:</b>				54.32
<b>Check No:</b> 26271	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1736	<b>Salina Lyons</b>			
1736-11	Lyons; 5 year service award	11/14/2011		75.00
<b>Check Total:</b>				75.00
<b>Check No:</b> 26272	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1878	<b>MacLeod Reckord</b>			
6323	Covington Park; Ph.1 Dvlpmnt, 10/1-10/31	11/14/2011		3,966.25
<b>Check Total:</b>				3,966.25
<b>Check No:</b> 26273	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1866	<b>Minuteman Press</b>			
27381	Matheson; business cards	11/14/2011		49.73
<b>Check Total:</b>				49.73
<b>Check No:</b> 26274	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1901	<b>Modern Building Systems, Inc.</b>			
0045127	Maint shop; building lease, 12/1 -1/1/12	11/14/2011		569.06
0045127	Maint shop; building lease, 12/1 -1/1/12	11/14/2011		284.53
0045127	Maint shop; building lease, 12/1 -1/1/12	11/14/2011		569.07
<b>Check Total:</b>				1,422.66
<b>Check No:</b> 26275	<b>Check Date:</b> 11/14/2011			
<b>Vendor:</b> 1688	<b>Mountain Mist</b>			
054257-11	Maint shop; bottled water, October	11/14/2011		4.45
054257-11	Maint shop; bottled water, October	11/14/2011		8.89
054257-11	Maint shop; bottled water, October	11/14/2011		8.89

			<u>Check Amount</u>
054257-11	Aquatics; bottled water, October	11/14/2011	48.82
054257-11	City hall; bottled water, October	11/14/2011	104.85
<b>Check Total:</b>			<b>175.90</b>
<b>Check No:</b>	<b>26276</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>1487</b>	<b>NAPA Auto Parts</b>	
613696	#2578; battery/hinge pin	11/14/2011	134.38
611956	Maint shop; vehicle supplies	11/14/2011	24.77
611956	Maint shop; vehicle supplies	11/14/2011	24.77
611956	Maint shop; vehicle supplies	11/14/2011	12.38
613782	#2578; credit core deposit	11/14/2011	-13.03
<b>Check Total:</b>			<b>183.27</b>
<b>Check No:</b>	<b>26277</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>1327</b>	<b>Ethan Newton</b>	
1327-11	Newton; mileage reimbursement, October	11/14/2011	81.86
1327-11-1	Reimbursement; tablecloth covers	11/14/2011	17.37
<b>Check Total:</b>			<b>99.23</b>
<b>Check No:</b>	<b>26278</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>0708</b>	<b>NRPA</b>	
149332	Wesley; NRPA membership dues	11/14/2011	150.00
<b>Check Total:</b>			<b>150.00</b>
<b>Check No:</b>	<b>26279</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>0004</b>	<b>Office Depot</b>	
5849890890	Office supplies	11/14/2011	250.68
1405652870	Office supplies	11/14/2011	3.76
5849890890	Coffee creamer, tea, towels	11/14/2011	26.61
<b>Check Total:</b>			<b>281.05</b>
<b>Check No:</b>	<b>26280</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>0503</b>	<b>OMWBE</b>	
A-13-01	Political subdivision fees; 2011-2013	11/14/2011	100.00
<b>Check Total:</b>			<b>100.00</b>
<b>Check No:</b>	<b>26281</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>1385</b>	<b>Parker Paint Mfg Co, Inc.</b>	
066012164	Aquatics; paint	11/14/2011	30.18
<b>Check Total:</b>			<b>30.18</b>
<b>Check No:</b>	<b>26282</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>1103</b>	<b>Pat Patterson</b>	
1103-11	Patterson; WRPA conference, mileage	11/14/2011	7.21
1103-11	Patterson; WRPA conference, mileage	11/14/2011	21.65
<b>Check Total:</b>			<b>28.86</b>
<b>Check No:</b>	<b>26283</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>2370</b>	<b>Perteet, Inc.</b>	
20110106.0	Pavement condition assessment;9/26-10/30	11/14/2011	13,057.50
<b>Check Total:</b>			<b>13,057.50</b>
<b>Check No:</b>	<b>26284</b>	<b>Check Date:</b> 11/14/2011	
<b>Vendor:</b>	<b>0161</b>	<b>Puget Sound Energy</b>	
8732768927	Maint shop; electricity, 9/30-10/31/11	11/14/2011	76.70
8732768927	Maint shop; electricity, 9/30-10/31/11	11/14/2011	38.35
8732768927	Maint shop; electricity, 9/30-10/31/11	11/14/2011	76.70
4513241002	Crystal view; electricity, 9/30-10/31/11	11/14/2011	9.92
4513241002	SR 516; electricity, 9/30-10/31/11	11/14/2011	176.00
1777131457	Streets; electricity, 9/30-10/31/11	11/14/2011	99.87
7042894027	City tree; electricity, 10/4-11/2/11	11/14/2011	9.92
7042894027	Streets; electricity, 10/4-11/2/11	11/14/2011	22.53
7042898077	Streets; electricity, 10/4-11/2/11	11/14/2011	81.96
7042890538	Streets; electricity, 10/4-11/2/11	11/14/2011	68.45
4077636381	Streets; electricity, 10/4-11/2/11	11/14/2011	88.35
0047532379	Streets; electricity, 9/30-10/31/11	11/14/2011	108.27
7042895297	Streets; electricity, 10/5-11/3/11	11/14/2011	9.92
7042898374	Skate park; electricity, 10/5-11/3/11	11/14/2011	73.85
7042894886	Streets; electricity, 10/5-11/3/11	11/14/2011	61.56
4077639500	Skate park; electricity, 10/5-11/3/11	11/14/2011	12.51
5282721009	Aquatics; natural gas, 9/30-10/31/11	11/14/2011	3,576.36

			<u>Check Amount</u>
5282721009	Aquatics; electricity, 9/30-10/31/11	11/14/2011	2,404.09
8910394751	City hall; electricity, 10/4-11/2/11	11/14/2011	2,345.40
7042897053	Streets; electricity, 10/4-11/2/11	11/14/2011	7,750.45
<b>Check Total:</b>			<b>17,091.16</b>
<b>Check No:</b>	<b>26285</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>1197</b>	<b>Rainier Wood Recyclers</b>	
00041875	Brush/stumps; disposal fees	11/14/2011	140.00
00041875	Brush/stumps; disposal fees	11/14/2011	385.00
<b>Check Total:</b>			<b>525.00</b>
<b>Check No:</b>	<b>26286</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>1478</b>	<b>Rent Me Storage, LLC</b>	
52469	Maint shop storage, lease, 11/22-12/22	11/14/2011	60.24
52469	Maint shop storage; interest, 11/22-12/22	11/14/2011	3.18
52469	Maint shop storage; interest, 11/22-12/22	11/14/2011	6.37
52469	Maint shop storage; interest, 11/22-12/22	11/14/2011	6.37
52469	Maint shop storage, lease, 11/22-12/22	11/14/2011	60.24
52469	Maint shop storage, lease, 11/22-12/22	11/14/2011	30.11
<b>Check Total:</b>			<b>166.51</b>
<b>Check No:</b>	<b>26287</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>2207</b>	<b>db Secure Shred, LLC</b>	
72462	Secure document destruction	11/14/2011	43.88
<b>Check Total:</b>			<b>43.88</b>
<b>Check No:</b>	<b>26288</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>1903</b>	<b>Sound Publishing, Inc.</b>	
410646	Weekly bulletins; 10/14, 10/21, 10/28	11/14/2011	1,212.88
410646	Monthly full page ad	11/14/2011	2,800.00
<b>Check Total:</b>			<b>4,012.88</b>
<b>Check No:</b>	<b>26289</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>0546</b>	<b>Victoria Throm</b>	
0546-11	Throm; NHRMA seminar, mileage	11/14/2011	47.18
<b>Check Total:</b>			<b>47.18</b>
<b>Check No:</b>	<b>26290</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>2103</b>	<b>US Bancorp Equip Finance Inc.</b>	
189805385	Copier lease; 11/30-12/2/11	11/14/2011	150.82
190091462	Copier lease	11/14/2011	101.89
189805385	Copier lease; 11/30-12/2/11	11/14/2011	100.54
<b>Check Total:</b>			<b>353.25</b>
<b>Check No:</b>	<b>26291</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>2383</b>	<b>Valley Freightliner, Inc.</b>	
1213190068	#3307; engine/starter repairs	11/14/2011	3,760.24
<b>Check Total:</b>			<b>3,760.24</b>
<b>Check No:</b>	<b>26292</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>0046</b>	<b>Verizon Wireless</b>	
1023628159	Maint shop; on call phone, 10/21-11/20	11/14/2011	11.97
1023628159	Maint shop; on call phone, 10/21-11/20	11/14/2011	11.97
1023628159	Maint shop; on call phone, 10/21-11/20	11/14/2011	5.98
<b>Check Total:</b>			<b>29.92</b>
<b>Check No:</b>	<b>26293</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>1408</b>	<b>Washington Workwear Stores Inc</b>	
478	Junkin; carpenter jeans	11/14/2011	17.58
480	Gaudette; work boots, dungarees, loggers	11/14/2011	236.49
478	Junkin; carpenter jeans	11/14/2011	35.18
478	Junkin; carpenter jeans	11/14/2011	35.18
<b>Check Total:</b>			<b>324.43</b>
<b>Check No:</b>	<b>26294</b>	<b>Check Date:</b>	<b>11/14/2011</b>
<b>Vendor:</b>	<b>0995</b>	<b>Xerox Corporation</b>	
500200131	Color copier; lease	11/14/2011	425.71
500201350	B & W Copier; lease	11/14/2011	518.30
<b>Check Total:</b>			<b>944.01</b>

			<u>Check Amount</u>
<b>Check No:</b> 26295	<b>Check Date:</b> 11/14/2011		
<b>Vendor:</b> 1894	<b>Diana Ziolkowski</b>		
1894-11	Facility monitoring; 11/6, 11/13	11/14/2011	63.00
<b>Check Total:</b>			63.00
<b>Date Totals:</b>			315,533.46
<b>Report Total:</b>			<b>0.00</b> <b>315,533.46</b>

November 29, 2011

City of Covington

City of Covington

City of Covington  
Voucher/Check Register

Check # 26296 Through Check # 26340

In the Amount of \$196,110.92

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

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

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

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

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

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

				<u>Check Amount</u>
<b>Check No:</b> 26296	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 2167	<b>Advent Print Resources</b>			
656547	City of Covington lapel pins	11/29/2011		956.56
			<b>Check Total:</b>	956.56
<b>Check No:</b> 26297	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 1798	<b>AHBL, Inc.</b>			
84506	SMP Phase III; services, 9/26-10/25/11	11/29/2011		260.00
			<b>Check Total:</b>	260.00
<b>Check No:</b> 26298	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 2033	<b>Aquatic Specialty Services</b>			
1601	Aquatics; clean/calibration, November	11/29/2011		124.90
1600	Aquatics; pool chemicals	11/29/2011		756.95
			<b>Check Total:</b>	881.85
<b>Check No:</b> 26299	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 0019	<b>AWC Employee Benefits Trust</b>			
100315L122	Medical Insurance Premiums, December	11/29/2011		7,811.08
100315L122	Medical Insurance Premiums, December	11/29/2011		1,839.57
100315L122	Medical Insurance Premiums, December	11/29/2011		1,991.47
100315L122	Medical Insurance Premiums, December	11/29/2011		5,286.72
100315L122	Medical Insurance Premiums, December	11/29/2011		1,481.75
100315L122	Medical Insurance Premiums, December	11/29/2011		2,061.56
100315L122	Medical Insurance Premiums, December	11/29/2011		480.08
100315L122	Medical Insurance Premiums, December	11/29/2011		768.29
100315L122	Medical Insurance Premiums, December	11/29/2011		4,714.23
100315L122	Medical Insurance Premiums, December	11/29/2011		8,082.08
100315L122	Medical Insurance Premiums, December	11/29/2011		1,920.39
100315L122	Medical Insurance Premiums, December	11/29/2011		5,642.72
			<b>Check Total:</b>	42,079.94
<b>Check No:</b> 26300	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 1741	<b>The Bank of New York</b>			
111-149640	Bonds, Series 2007A fees, 11/11-11/12	11/29/2011		302.57
111-149640	Bonds, Series 2007T fees, 11/11-11/12	11/29/2011		302.57
			<b>Check Total:</b>	605.14
<b>Check No:</b> 26301	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 0657	<b>Brothers Carpet Cleaning</b>			
0657-11	City hall; carpet cleaning	11/29/2011		1,600.00
			<b>Check Total:</b>	1,600.00
<b>Check No:</b> 26302	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 2136	<b>Carbonic Systems, Inc.</b>			
01260670	Aquatics; CO2 for Ph control	11/29/2011		116.35
			<b>Check Total:</b>	116.35
<b>Check No:</b> 26303	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 2270	<b>CenturyLink</b>			
2536392827	City hall; telephone, 11/8-12/8/11	11/29/2011		137.23
			<b>Check Total:</b>	137.23
<b>Check No:</b> 26304	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 0681	<b>Chuck's Drug</b>			
155330	Medicine for prisoner; Beverly Jansen	11/29/2011		68.00
			<b>Check Total:</b>	68.00
<b>Check No:</b> 26305	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 0395	<b>City of Buckley</b>			
0395-11	Jail costs; October	11/29/2011		6,184.50
			<b>Check Total:</b>	6,184.50
<b>Check No:</b> 26306	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 0684	<b>City of Enumclaw</b>			
03407	Jail costs; October	11/29/2011		240.00
			<b>Check Total:</b>	240.00
<b>Check No:</b> 26307	<b>Check Date:</b> 11/29/2011			
<b>Vendor:</b> 1091	<b>Complete Office Solutions</b>			
765888-0	Office supplies	11/29/2011		225.79
			<b>Check Total:</b>	225.79

				<u>Check Amount</u>
<b>Check No:</b>	<b>26308</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>0706</b>	<b>Covington Retail Associates</b>		
3624	1st floor; building lease, December	11/29/2011		23,880.83
3624	1st floor; operating expenses, December	11/29/2011		9,398.95
3629	2nd floor; operating expenses, December	11/29/2011		1,515.88
3629	2nd floor; building lease, December	11/29/2011		3,046.58
				<b>Check Total:</b>
				<b>37,842.24</b>
<b>Check No:</b>	<b>26309</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>0308</b>	<b>Covington Tire Factory</b>		
0101373	#2882; oil/filter service	11/29/2011		30.00
0101382	#2900; lube/oil, cooling system flush	11/29/2011		96.73
0101366	#2576; lube/oil, cooling system flush	11/29/2011		96.73
				<b>Check Total:</b>
				<b>223.46</b>
<b>Check No:</b>	<b>26310</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>0537</b>	<b>Covington Water District</b>		
122505-11	Maint shop; water, 9/17-11/18/11	11/29/2011		25.50
104587-11	Crystal view; water, 10/22-11/18/11	11/29/2011		23.48
108188-11	Skate park; water, 9/17-11/18/11	11/29/2011		50.31
105731-11	SR516; water, 10/22-11/18/11	11/29/2011		44.90
122505-11	Maint shop; water, 9/17-11/18/11	11/29/2011		12.75
122505-11	Maint shop; water, 9/17-11/18/11	11/29/2011		25.50
107666-11	Community park; water, 9/17-11/18/11	11/29/2011		33.00
115324-11	Aquatics; water, 9/17-11/18/11	11/29/2011		1,251.57
				<b>Check Total:</b>
				<b>1,467.01</b>
<b>Check No:</b>	<b>26311</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>1983</b>	<b>De Lage Landen Financial Svcs</b>		
11714508	Copier lease; 11/15-12/14/11	11/29/2011		120.08
				<b>Check Total:</b>
				<b>120.08</b>
<b>Check No:</b>	<b>26312</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>1409</b>	<b>Delta Communications Systems</b>		
916312	Aquatics; long distance, December	11/29/2011		51.26
				<b>Check Total:</b>
				<b>51.26</b>
<b>Check No:</b>	<b>26313</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>2194</b>	<b>DR Horton</b>		
R11-009549	Refund; #B11-0095 administrative fee	11/29/2011		78.00
R11-009550	Refund; #B11-0108 mitigation fee	11/29/2011		4,378.00
R11-009550	Refund; #B11-0108 administrative fee	11/29/2011		78.00
R11-009551	Refund; #B11-0102 administrative fee	11/29/2011		78.00
R11-009551	Refund; #B11-0102 mitigation fee	11/29/2011		4,378.00
R11-009552	Refund; #B11-0103 mitigation fee	11/29/2011		4,378.00
R11-009548	Refund; #B11-0104 administrative fee	11/29/2011		78.00
R11-009552	Refund; #B11-0103 administrative fee	11/29/2011		78.00
R11-009549	Refund; #B11-0095 mitigation fee	11/29/2011		4,378.00
R11-009548	Refund; #B11-0104 mitigation fee	11/29/2011		4,378.00
				<b>Check Total:</b>
				<b>22,280.00</b>
<b>Check No:</b>	<b>26314</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>1731</b>	<b>Emerald Aire, Inc.</b>		
24012	Server room; compressor repair	11/29/2011		787.89
				<b>Check Total:</b>
				<b>787.89</b>
<b>Check No:</b>	<b>26315</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>0750</b>	<b>Emergency Preparedness Service</b>		
A7022	Emergency kits; supplies	11/29/2011		75.89
				<b>Check Total:</b>
				<b>75.89</b>
<b>Check No:</b>	<b>26316</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>1996</b>	<b>Facility Maintenance Contracto</b>		
SALES01465	Maint shop; janitorial service, November	11/29/2011		99.60
SALES01465	Maint shop; janitorial service, November	11/29/2011		99.60
SALES01465	Maint shop; janitorial service, November	11/29/2011		49.80
				<b>Check Total:</b>
				<b>249.00</b>
<b>Check No:</b>	<b>26317</b>	<b>Check Date:</b>	<b>11/29/2011</b>	
<b>Vendor:</b>	<b>1875</b>	<b>FirstChoice</b>		
C250746	Coffee service	11/29/2011		169.46

			<u>Check Amount</u>
<b>Check No:</b> 26318	<b>Check Date:</b> 11/29/2011	<b>Check Total:</b>	169.46
<b>Vendor:</b> 0302	<b>Gray &amp; Osborne</b>		
10445.00-1	CIP 1026; Aqua Vista, 10/16-11/12/11	11/29/2011	765.66
		<b>Check Total:</b>	765.66
<b>Check No:</b> 26319	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 1271	<b>Rob Hendrickson</b>		
11-57	Hendrickson; 2011 flexible spending	11/29/2011	116.87
		<b>Check Total:</b>	116.87
<b>Check No:</b> 26320	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 1997	<b>HSBC Business Solutions</b>		
1182821332	Tea, creamer, cider, paper products	11/29/2011	252.27
1182821332	Maint shop; coffee, creamer	11/29/2011	16.85
1182821332	Maint shop; coffee, creamer	11/29/2011	16.85
1182821332	Maint shop; coffee, creamer	11/29/2011	8.42
026478	WRPA meeting; refreshments	11/29/2011	19.53
		<b>Check Total:</b>	313.92
<b>Check No:</b> 26321	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 1342	<b>Integra Telecom</b>		
8974510	City hall; telephone, 11/8-12/7/11	11/29/2011	1,350.76
		<b>Check Total:</b>	1,350.76
<b>Check No:</b> 26322	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 1338	<b>King County Archives</b>		
20300	Aquatics; images printed/delivered	11/29/2011	3.00
		<b>Check Total:</b>	3.00
<b>Check No:</b> 26323	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 0143	<b>King County Finance</b>		
1635322	Animal services; July - December 2011	11/29/2011	28,572.50
1635104	Street services; 10/1-10/31/11	11/29/2011	88.99
1635106	Street services; 10/1-10/31/11	11/29/2011	3,986.22
1635107	Street services; 10/1-10/31/11	11/29/2011	553.41
1635926	Jail costs; 10/1-10/31/11	11/29/2011	19,519.03
		<b>Check Total:</b>	52,720.15
<b>Check No:</b> 26324	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 0641	<b>King County Sheriff's Office</b>		
11-392	Police specialty services; Jan/Feb	11/29/2011	1,212.50
		<b>Check Total:</b>	1,212.50
<b>Check No:</b> 26325	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 1828	<b>Kathleen Kirshenbaum</b>		
1828-11	Kirshenbaum; defender screening, miles	11/29/2011	13.73
		<b>Check Total:</b>	13.73
<b>Check No:</b> 26326	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 0252	<b>Microflex</b>		
00020294	Tax audit program	11/29/2011	60.03
		<b>Check Total:</b>	60.03
<b>Check No:</b> 26327	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 0305	<b>Net Venture</b>		
609547	Domain hosting; 11/27/11-2/26/12	11/29/2011	29.70
		<b>Check Total:</b>	29.70
<b>Check No:</b> 26328	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 2384	<b>Northwest Stormwater Managemen</b>		
2625	Storm drainage cleaning; 11/2	11/29/2011	652.50
2629	Drainage pipe jetting; 11/15, 11/16	11/29/2011	1,232.50
2630	Detention pond cleaning	11/29/2011	580.00
2634	Emergency call out; plugged drain pipes	11/29/2011	1,015.00
2635	Vactoring services; 11/17-11/22/11	11/29/2011	4,350.00
2624	Culvert pipe jetting/cleaning; 11/9-11/11	11/29/2011	2,320.00
		<b>Check Total:</b>	10,150.00
<b>Check No:</b> 26329	<b>Check Date:</b> 11/29/2011		
<b>Vendor:</b> 0004	<b>Office Depot</b>		
1409728585	Document folder	11/29/2011	7.04

			<u>Check Amount</u>
5867473670	Office supplies	11/29/2011	259.18
<b>Check Total:</b>			<b>266.22</b>
<b>Check No: 26330</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 2250</b>	<b>SBS Legal Services</b>		
C007	Legal services; 10/1-10/31/11	11/29/2011	5,000.00
<b>Check Total:</b>			<b>5,000.00</b>
<b>Check No: 26331</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 2044</b>	<b>Karla Slate</b>		
2044-11	Slate; PRSA seminar, mileage	11/29/2011	28.47
<b>Check Total:</b>			<b>28.47</b>
<b>Check No: 26332</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 2130</b>	<b>South KC Cultural Coalition</b>		
2130-11	SoCoCulture; 2011 membership dues	11/29/2011	30.00
<b>Check Total:</b>			<b>30.00</b>
<b>Check No: 26333</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 0281</b>	<b>Standard Insurance Company</b>		
0063555100	Life Insurance Premiums, December	11/29/2011	269.00
0063555100	Life Insurance Premiums, December	11/29/2011	36.08
0063555100	Life Insurance Premiums, December	11/29/2011	11.25
0063555100	Life Insurance Premiums, December	11/29/2011	7.91
0063555100	Life Insurance Premiums, December	11/29/2011	70.88
0063555100	Life Insurance Premiums, December	11/29/2011	202.70
0063555100	Life Insurance Premiums, December	11/29/2011	269.06
0063555100	Life Insurance Premiums, December	11/29/2011	44.78
0063555100	Life Insurance Premiums, December	11/29/2011	131.64
0063555100	Life Insurance Premiums, December	11/29/2011	170.55
0063555100	Life Insurance Premiums, December	11/29/2011	22.50
0063555100	Life Insurance Premiums, December	11/29/2011	70.59
0063555100	Life Insurance Premiums, December	11/29/2011	201.19
0063555100	Life Insurance Premiums, December	11/29/2011	70.65
0063555100	Life Insurance Premiums, December	11/29/2011	128.76
0063555100	Life Insurance Premiums, December	11/29/2011	85.84
0063555100	Life Insurance Premiums, December	11/29/2011	104.54
0063555100	Life Insurance Premiums, December	11/29/2011	33.75
0063555100	Life Insurance Premiums, December	11/29/2011	42.92
0063555100	Life Insurance Premiums, December	11/29/2011	46.66
0063555100	Life Insurance Premiums, December	11/29/2011	11.25
0063555100	Life Insurance Premiums, December	11/29/2011	32.19
0063555100	Life Insurance Premiums, December	11/29/2011	27.85
0063555100	Life Insurance Premiums, December	11/29/2011	8.44
0063555100	Life Insurance Premiums, December	11/29/2011	96.43
0063555100	Life Insurance Premiums, December	11/29/2011	65.56
0063555100	Life Insurance Premiums, December	11/29/2011	25.31
0063555100	Life Insurance Premiums, December	11/29/2011	34.34
0063555100	Life Insurance Premiums, December	11/29/2011	23.90
0063555100	Life Insurance Premiums, December	11/29/2011	9.00
0063555100	Life Insurance Premiums, December	11/29/2011	201.73
0063555100	Life Insurance Premiums, December	11/29/2011	177.99
0063555100	Life Insurance Premiums, December	11/29/2011	51.69
0063555100	Life Insurance Premiums, December	11/29/2011	94.42
0063555100	Life Insurance Premiums, December	11/29/2011	83.73
0063555100	Life Insurance Premiums, December	11/29/2011	21.99
0063555100	Life Insurance Premiums, December	11/29/2011	42.92
<b>Check Total:</b>			<b>3,029.99</b>
<b>Check No: 26334</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 2385</b>	<b>US Tactical Supply</b>		
M34010	Ballistic shields, covers, cases, usetax	11/29/2011	-318.20
M34010	Ballistic shields, covers, cases	11/29/2011	4,018.20
<b>Check Total:</b>			<b>3,700.00</b>
<b>Check No: 26335</b>	<b>Check Date: 11/29/2011</b>		
<b>Vendor: 0819</b>	<b>Don Vondran</b>		
11-58	Vondran; 2011 flexible spending	11/29/2011	31.20

City of Covington  
User:scles

Accounts Payable  
Checks by Date - Detail By Check Date

Printed: 12/01/2011 09:55  
Detail

			<u>Check Amount</u>
Check No: 26336	Check Date: 11/29/2011	Check Total:	31.20
Vendor: 2254	Washington Department of Reven		
EZ1712-201	Business license; credit card fees, 3Qtr	11/29/2011	181.62
		Check Total:	181.62
Check No: 26337	Check Date: 11/29/2011		
Vendor: 1105	Washington State Patrol		
112002927	Background checks	11/29/2011	30.00
		Check Total:	30.00
Check No: 26338	Check Date: 11/29/2011		
Vendor: 1408	Washington Workwear Stores Inc		
488	Marchefka; jeans, shirt	11/29/2011	15.63
488	Marchefka; jeans, shirt	11/29/2011	31.27
499	Wesley; work boots	11/29/2011	117.28
6043	Parrish; sweatshirt	11/29/2011	62.43
487	Dalton; work pants	11/29/2011	17.59
487	Dalton; work pants	11/29/2011	17.59
487	Dalton; work pants	11/29/2011	8.79
488	Marchefka; jeans, shirt	11/29/2011	31.27
		Check Total:	301.85
Check No: 26339	Check Date: 11/29/2011		
Vendor: 0348	Wescom Communications		
20827	Radar calibration; #AA9259	11/29/2011	87.60
		Check Total:	87.60
Check No: 26340	Check Date: 11/29/2011		
Vendor: 1894	Diana Ziolkowski		
1894-11	Facility monitoring; 11/14, 11/20	11/29/2011	66.00
		Check Total:	66.00
		Date Totals:	196,110.92
		Report Total:	0.00 196,110.92

November 23, 2011

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 11/23/11 consisting of:

PAYLOCITY CHECK # 1000240089 through PAYLOCITY CHECK # 1000240102 inclusive,  
plus employee direct deposits

IN THE AMOUNT OF \$139,106.78

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

\_\_\_\_\_  
Robert M. Hendrickson  
Finance Director

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

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

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

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

**11/23/11 Payroll****Payroll Checks for Account Paylocity Account**

Check/Voucher	Check Type	Check Date	Employee Name	Net Amount
101432	Regular	11/23/2011	Agnish, Ashley	87.73
101433	Regular	11/23/2011	Kirshenbaum, Kathleen	570.42
101434	Regular	11/23/2011	Lyon, Valerie	1,370.68
101435	Regular	11/23/2011	Matheson, Derek M	4,280.04
101436	Regular	11/23/2011	Mhoon, Darren S	1,242.06
101437	Regular	11/23/2011	Michaud, Joan M	1,748.01
101438	Regular	11/23/2011	Scott, Sharon G	2,159.89
101439	Regular	11/23/2011	Slate, Karla J	2,120.23
101440	Regular	11/23/2011	Hart, Richard	3,331.33
101441	Regular	11/23/2011	Cles, Staci M	1,597.70
101442	Regular	11/23/2011	Hagen, Lindsay K	1,356.04
101443	Regular	11/23/2011	Hendrickson, Robert	3,942.37
101444	Regular	11/23/2011	Parker, Cassandra	2,204.67
101445	Regular	11/23/2011	Harto, Margaret	461.75
101446	Regular	11/23/2011	Lanza, Mark	390.86
101447	Regular	11/23/2011	Mhoon, Marlla	390.86
101448	Regular	11/23/2011	Wagner, Jeffrey	415.57
101449	Regular	11/23/2011	Dalton, Jesse J	1,712.81
101450	Regular	11/23/2011	Junkin, Ross D	2,462.36
101451	Regular	11/23/2011	Marchefka, Joe A	1,836.76
101452	Regular	11/23/2011	Wesley, Daniel A	1,957.45
101453	Regular	11/23/2011	Bykonen, Brian D	2,945.14
101454	Regular	11/23/2011	Christenson, Gregg R	1,933.33
101455	Regular	11/23/2011	Lyons, Salina K	2,138.82
101456	Regular	11/23/2011	Meyers, Robert L	3,030.21
101457	Regular	11/23/2011	Ogren, Nelson W	2,442.13
101458	Regular	11/23/2011	Thompson, Kelly	1,803.01
101459	Regular	11/23/2011	Morrissey, Mayson	2,447.02
101460	Regular	11/23/2011	Bahl, Rachel A	1,506.24
101461	Regular	11/23/2011	Newton, Ethan A	1,913.10
101462	Regular	11/23/2011	Patterson, Clifford	2,228.21
101463	Regular	11/23/2011	Thomas, Scott R	3,192.68
101464	Regular	11/23/2011	Akramoff, Glenn A	3,209.03
101465	Regular	11/23/2011	Bates, Shellie L	1,793.11
101466	Regular	11/23/2011	Buck, Shawn M	1,396.00
101467	Regular	11/23/2011	French, Fred	2,605.82
101468	Regular	11/23/2011	Parrish, Benjamin A	1,638.27
101469	Regular	11/23/2011	Vondran, Donald M	3,221.08
101470	Regular	11/23/2011	Beatty, Kyle B	251.24
101471	Regular	11/23/2011	Campbell, Noel M	110.99
101472	Regular	11/23/2011	Cox, Melissa	279.51
101473	Regular	11/23/2011	Felcyn, Adam	202.69
101474	Regular	11/23/2011	Foxworthy, Rebecca	183.27
101475	Regular	11/23/2011	Halbert, Mitchell S	41.60
101476	Regular	11/23/2011	Houghton, Cassandra L	412.96
101477	Regular	11/23/2011	Kiselyov, Tatyana	347.13
101478	Regular	11/23/2011	Lusebrink, Christa	196.93

101479 Regular	11/23/2011	MacConaghy, Hailey	641.24	
101480 Regular	11/23/2011	Middleton, Jordan	285.87	
101481 Regular	11/23/2011	Mohr, Emily A	83.22	
101482 Regular	11/23/2011	Mooney, Lynell	332.83	
101483 Regular	11/23/2011	Perko, John	74.99	
101484 Regular	11/23/2011	Praggastis, Alexander	163.29	
101485 Regular	11/23/2011	Reynolds, Taylor	319.71	
101486 Regular	11/23/2011	Beaufreere, Noreen	2,622.65	
101487 Regular	11/23/2011	Throm, Victoria J	1,803.90	
1000240089 Regular	11/23/2011	Newell, Nancy	55.41	
1000240090 Regular	11/23/2011	Mueller, Ann M	2,204.76	
1000240091 Regular	11/23/2011	Lucavish, David	415.57	
1000240092 Regular	11/23/2011	Scott, James A	415.57	
1000240093 Regular	11/23/2011	Snoey, Wayne	188.36	
1000240094 Regular	11/23/2011	Gaudette, John J	1,621.21	
1000240095 Regular	11/23/2011	Baughan, Jayson H.	57.21	
1000240096 Regular	11/23/2011	Carkeek, Lena	415.86	
1000240097 Regular	11/23/2011	Cochran, Neil A	62.41	
1000240098 Regular	11/23/2011	Eastin, Tatiana	312.27	
1000240099 Regular	11/23/2011	Johansen, Andrea	437.35	
1000240100 Regular	11/23/2011	Milburn, Matthew	53.57	
1000240101 Regular	11/23/2011	Panzer, Erika	216.41	
1000240102 Regular	11/23/2011	Tran, Jenifer	41.60	
<b>Totals for Payroll Checks</b>	<b>70 Items</b>		<b>89,934.37</b>	
Third Party Checks for Account Paylocity Account				
<b>Check/Voucher</b>	<b>Check Type</b>	<b>Check Date</b>	<b>Employee Name</b>	<b>Net Amount</b>
101488	AGENCY	11/23/2011	ICMA Retirement Trust	14,284.53
101489	AGENCY	11/23/2011	Vantagepoint Transfer Agent-	348.55
101490	AGENCY	11/23/2011	Paylocity Corporation	125.00
101491	AGENCY	11/23/2011	ICMA Retirement Trust	11,829.22
101492	AGENCY	11/23/2011	ICMA Retirement Trust	2,348.00
101493	AGENCY	11/23/2011	HRA VEBA Trust	1,050.00
1000240103	AGENCY	11/23/2011	City of Covington	2,527.96
1000240104	AGENCY	11/23/2011	City of Covington Employee	72.00
1000240105	AGENCY	11/23/2011	WASH CHILD SUPPORT	110.41
1000240106	AGENCY	11/23/2011	United Way of King County	18.00
<b>Totals for Third Party</b>	<b>10 Items</b>			<b>32,713.67</b>
			Tax Liabilities	16,175.24
			Paylocity Fees	283.50
			<b>Grand Total</b>	<b>\$ 139,106.78</b>

December 9, 2011

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 12/09/11 consisting of:

PAYLOCITY CHECK # 1000260967 through PAYLOCITY CHECK # 1000260976 inclusive,  
plus employee direct deposits

IN THE AMOUNT OF \$135,229.92

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

\_\_\_\_\_  
Robert M. Hendrickson  
Finance Director

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

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

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

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

**12/09/11 Payroll Voucher****Payroll checks for Account Paylocity Account**

Check/Voucher	Check Type	Check Date	Employee Name	Net Amount
101577	Regular	12/9/2011	Agnish, Ashley	107.64
101578	Regular	12/9/2011	Kirshenbaum, Kathleen	520.75
101579	Regular	12/9/2011	Lyon, Valerie	1,365.68
101580	Regular	12/9/2011	Matheson, Derek M	4,271.72
101581	Regular	12/9/2011	Mhoon, Darren S	1,242.06
101582	Regular	12/9/2011	Michaud, Joan M	1,748.01
101583	Regular	12/9/2011	Scott, Sharon G	2,154.86
101584	Regular	12/9/2011	Slate, Karla J	2,117.82
101585	Regular	12/9/2011	Hart, Richard	3,326.94
101586	Regular	12/9/2011	Mueller, Ann M	2,204.76
101587	Regular	12/9/2011	Cles, Staci M	1,588.24
101588	Regular	12/9/2011	Hagen, Lindsay K	1,345.74
101589	Regular	12/9/2011	Hendrickson, Robert	3,942.37
101590	Regular	12/9/2011	Parker, Cassandra	2,195.20
101591	Regular	12/9/2011	Dalton, Jesse J	1,692.64
101592	Regular	12/9/2011	Gaudette, John J	1,824.24
101593	Regular	12/9/2011	Junkin, Ross D	2,452.91
101594	Regular	12/9/2011	Marchefka, Joe A	1,997.11
101595	Regular	12/9/2011	Wesley, Daniel A	1,971.18
101596	Regular	12/9/2011	Bykonen, Brian D	2,945.14
101597	Regular	12/9/2011	Christenson, Gregg R	2,225.61
101598	Regular	12/9/2011	Lyons, Salina K	2,138.82
101599	Regular	12/9/2011	Meyers, Robert L	3,023.67
101600	Regular	12/9/2011	Ogren, Nelson W	2,437.14
101601	Regular	12/9/2011	Thompson, Kelly	1,800.85
101602	Regular	12/9/2011	Morrissey, Mayson	2,436.98
101603	Regular	12/9/2011	Bahl, Rachel A	1,506.24
101604	Regular	12/9/2011	Newton, Ethan A	1,908.69
101605	Regular	12/9/2011	Patterson, Clifford	2,228.22
101606	Regular	12/9/2011	Thomas, Scott R	3,192.68
101607	Regular	12/9/2011	Akramoff, Glenn A	3,205.89
101608	Regular	12/9/2011	Bates, Shellie L	1,793.11
101609	Regular	12/9/2011	Buck, Shawn M	1,396.00
101610	Regular	12/9/2011	French, Fred	2,605.82
101611	Regular	12/9/2011	Parrish, Benjamin A	1,636.12
101612	Regular	12/9/2011	Vondran, Donald M	3,211.62
101613	Regular	12/9/2011	Baughan, Jayson H.	132.62
101614	Regular	12/9/2011	Beatty, Kyle B	158.62
101615	Regular	12/9/2011	Campbell, Noel M	123.82
101616	Regular	12/9/2011	Cox, Melissa	239.76
101617	Regular	12/9/2011	Felcyn, Adam	336.18
101618	Regular	12/9/2011	Foxworthy, Rebecca	120.20
101619	Regular	12/9/2011	Halbert, Mitchell S	109.21
101620	Regular	12/9/2011	Holmes, Kyle	62.41
101621	Regular	12/9/2011	Houghton, Cassandra L	196.31

101622 Regular	12/9/2011	Kiselyov, Tatyana	19.90	
101623 Regular	12/9/2011	Lusebrink, Christa	99.09	
101624 Regular	12/9/2011	MacConaghy, Hailey	465.35	
101625 Regular	12/9/2011	Middleton, Jordan	253.71	
101626 Regular	12/9/2011	Mohr, Emily A	26.01	
101627 Regular	12/9/2011	Mooney, Lynell	238.37	
101628 Regular	12/9/2011	Perko, John	10.71	
101629 Regular	12/9/2011	Praggastis, Alexander	345.30	
101630 Regular	12/9/2011	Reynolds, Taylor	158.01	
101631 Regular	12/9/2011	Beaufre, Noreen	2,618.18	
101632 Regular	12/9/2011	Throm, Victoria J	1,803.89	
1000260967 Regular	12/9/2011	Carkeek, Lena	400.06	
1000260968 Regular	12/9/2011	Eastin, Tatiana	407.84	
1000260969 Regular	12/9/2011	Johansen, Andrea	425.12	
1000260970 Regular	12/9/2011	Milburn, Matthew	99.50	
1000260971 Regular	12/9/2011	Panzer, Erika	205.87	
1000260972 Regular	12/9/2011	Tran, Jenifer	110.86	
<b>Totals for Payroll Checks 62 Items</b>			<b>86,929.37</b>	
Third Party Checks for Account Paylocity Account				
Check/Voucher	Check Type	Check Date	Employee Name	Net Amount
101633	AGENCY	12/9/2011	ICMA Retirement Trust	13,861.57
101634	AGENCY	12/9/2011	Vantagepoint Transfer Agent-	348.55
101635	AGENCY	12/9/2011	Paylocity Corporation	125.00
101636	AGENCY	12/9/2011	ICMA Retirement Trust	11,791.57
101637	AGENCY	12/9/2011	ICMA Retirement Trust	1,873.00
101638	AGENCY	12/9/2011	HRA VEBA Trust	1,050.00
1000260973	AGENCY	12/9/2011	City of Covington	2,725.68
1000260974	AGENCY	12/9/2011	City of Covington Employee	72.00
1000260975	AGENCY	12/9/2011	WASH CHILD SUPPORT	110.41
1000260976	AGENCY	12/9/2011	United Way of King County	18.00
<b>Totals for Third Party 10 Items</b>			<b>31,975.78</b>	
Tax Liabilities			16,052.47	
Paylocity Fees			272.30	
<b>Grand Total</b>			<b>\$ 135,229.92</b>	

## Consent Agenda Item C-3

Covington City Council Meeting

Date: December 13, 2011

**SUBJECT:** AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR SERVICES WITH OLYMPIC ENVIRONMENTAL RESOURCES RELATING TO RECYCLING COLLECTION EVENTS FOR 2012.

**RECOMMENDED BY:** Glenn Akramoff, Public Works Director

**ATTACHMENT(S):**

1. Agreement for Services with Olympic Environmental Resources

**PREPARED BY:** Shellie Bates, Office Supervisor/Public Works

**EXPLANATION:**

The City applied for and received three grants to implement recycling collection events in 2012. Staff selected Olympic Environmental Resources (OER) as the most qualified to perform the work. This proposed contract recognizes the expanded scope of work to include the additional King County funds and the addition of adjacent unincorporated King County residents in the 2012 Recycling Collection Events. The agreement is from January 1, 2012 through December 31, 2012. This contract is an integral part of the City of Covington's recycling element of the overall solid waste management program because the City of Covington does not have adequate staffing or expertise to implement the programs without outside assistance.

**ALTERNATIVES:**

Choose not to authorize the City Manager to enter into the agreement and thereby decline to implement the recycling collection events with grants from King County and Department of Ecology.

**FISCAL IMPACT:**

There is no net cost to the City of Covington. By combining funds from three grants, the City is able to provide the recycling programs by contracting with a private company for provision of the services with 100% of the costs, including city staff time, eligible for reimbursement from the various granting agencies.

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

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to authorize the City Manager to execute an Agreement for Services with Olympic Environmental Resources, relating to recycling collection events for 2012.**

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

CITY OF COVINGTON  
AGREEMENT FOR SERVICES

THIS AGREEMENT FOR SERVICES is entered into this \_\_\_ day of December, 2011, by and between the City of Covington (“City”), a Washington municipal corporation, and Olympic Environmental Resources (“Consultant”), a corporation.

RECITALS:

- A. The City seeks the temporary services of a skilled independent contractor capable of working without direct supervision to perform the coordination of the City of Covington recycling events on behalf of the citizens of Covington; and
- B. The Consultant has the requisite skill and experience necessary to provide said services; and
- C. The City has selected the Consultant to perform said services; and
- D. The purpose of this Agreement is to establish the terms and conditions under which the Consultant will perform said services.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the City and the Consultant do hereby agree as follows:

- 1. Engagement. The City, acting pursuant to its vested authority, does hereby engage the Consultant and the Consultant does hereby agree to perform on behalf of the City the services more particularly described herein.
- 2. Scope of Services. Upon written authorization from the City to proceed, the Consultant shall perform the services described on Exhibit “A,” attached hereto and incorporated herein by this reference (“Services”), in a manner consistent with the accepted practices for similar services, performed to the City’s satisfaction, within the time period prescribed by the City and pursuant to the direction of the City Manager or his or her designee. In performing the Services, the Consultant shall comply with all federal, state and local laws and regulations, including, without limitation, all City codes, ordinances, resolutions, standards and policies, as now existing or hereafter adopted or amended, that may be applicable to its performance. . To the extent required by law, the Contractor and all subcontractors shall pay no less than the prevailing wage rate to employees performing work under this contract and shall submit a “Statement of Intent to Pay Prevailing Wages” and an “Affidavit of Wages Paid” in compliance with RCW 39.12.
- 3. Term of Agreement. This Agreement shall be in full force and effect for a period commencing upon execution and ending upon the completion of the Services, but in any event no later than December 31, 2012 (“Term”), unless earlier terminated under the provisions of this Agreement. This Agreement may be extended for additional periods of time upon the mutual written agreement of the City and the Consultant. Time is of the essence in each and every term of this Agreement.

4. Compensation and Method of Payment.

4.1 Compensation. In consideration of the Consultant performing the Services, the City agrees to pay the Consultant an amount not to exceed \$48,869.34.

4.2. Method of Payment. Payment by the City for the Services will only be made after the Services have been satisfactorily performed, a voucher or invoice is submitted in a form acceptable to the City, and the same is approved by the appropriate City representative. Payment shall be made no later than ten days after City Council approval of the invoiced amount.

4.3 First Invoice. Prior to or along with the first invoice submitted, the Consultant shall return to the City a completed "Request for Taxpayer Identification Number and Certification", also known as IRS form W-9.

4.4 Consultant Responsible for Taxes. The Consultant shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of the performance and payment of this Agreement.

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

6. Ownership and Use of Documents. Any and all original and copies of records, reports, designs, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials prepared or produced by the Consultant in connection with the Services shall be the property of the City whether the project for which they were created is executed or not. At the termination or cancellation of this Agreement, any and all such records or information remaining in the possession of the Consultant shall be delivered to the City. No confidential information obtained or created by Consultant shall be disclosed to any person or party other than the City without the City's prior written consent.

7. Independent Contractor. It is the intention and understanding of the City and the Consultant that the Consultant shall be an independent contractor and that the City shall be neither liable nor obligated to pay the Consultant sick leave, vacation pay or any other benefit of employment. The Consultant shall pay all income and other taxes due. Industrial or any other insurance that is purchased for the benefit of the City, regardless of whether such may provide a secondary or incidental benefit to the Consultant, shall not be deemed to convert this Agreement to an employment contract. The Consultant will be solely responsible for its acts and for the acts of its agents, employees, sub consultants or representatives during the performance of this Agreement. Nothing in this Agreement shall be considered to create the relation of employer and employee or principal and agent between the parties hereto. The Consultant shall have the sole judgment of the means, mode or manner of the actual performance of this Agreement. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing this Agreement.

8. Indemnification. To the maximum extent permitted by law, Consultant shall defend, indemnify and hold harmless the City and all of its officials, employees, principals and agents from all claims, demands, suits, actions, and liability of any kind, including injuries to persons or damages to property, which arise out of, are connected with, or are due to any errors, omissions or negligent acts of Consultant, its contractor, and/or employees, agents, volunteers or representatives in performance of this Agreement; provided, however, that if (and only if) the provisions of RCW 4.24.115 apply to the work and services under this Agreement and any such damages and injuries to persons or property are caused by or result from the concurrent negligence of Consultant, its contractor or employees, agents, volunteers or representatives and the City or its employees, agents, or representatives, the indemnification applies only to the extent of the negligence of Consultant, its contractor or employees, volunteers, agents, or representatives. In the event of any such claims, demands, suits, actions, and lawsuits, Consultant shall assume all costs of defense thereof, including administrative and legal fees incurred by the City, and of all resulting judgments that may be obtained against the City or any of its officers, principals, agents, or employees. If resulting there from, any lien is placed upon property of the City or any of its officers, principals, agents, or employees, Consultant shall at once cause the same to be dissolved and discharged by giving bond or otherwise. Consultant specifically assumes potential liability for actions brought by Consultant's own employees against the City and for that purpose Consultant specifically waives, as respects the City only, any immunity under the Worker's Compensation Act, RCW Title 51; and Consultant recognizes that this waiver was the subject of mutual negotiation and specifically entered into pursuant to the provision of RCW 4.24.115, if applicable. In the event either party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this section against the other party, all such fees, costs and expenses shall be recoverable by the prevailing party.

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

9. Insurance. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of work hereunder by the Consultant, its agents, representatives or employees. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity. The Consultant shall at a minimum obtain and carry the following insurance in such forms and with such carriers who have a rating satisfactory to the City:

9.1 Workers' compensation and employer's liability insurance in amounts sufficient pursuant to the laws of the State of Washington;

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

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

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

The City shall be named as additional insured on all such insurance policies, with the exception of professional liability and workers' compensation coverage(s) if the Consultant participates in a state-run workers' comp program. The Consultant shall provide original certificates of insurance and a copy of the amendatory endorsement, concurrent with the execution of this Agreement, evidencing such coverage and, at City's request, furnish the City with copies of all insurance policies and with evidence of payment of premiums or fees of such policies. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. All insurance policies shall contain a clause of endorsement providing that they may not be terminated or materially amended during the Term of this Agreement, except after thirty (30) days prior written notice to the City. If the Consultant's insurance policies are "claims made," the Consultant shall be required to maintain tail coverage for a minimum period of three (3) years from the date this Agreement is actually terminated or upon project completion and acceptance by the City. The Consultant's failure to maintain such insurance policies shall be grounds for the City's immediate termination of this Agreement.

The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

10. Books and Records. The Consultant agrees to maintain books, records, and documents which sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

11. Termination.

11.1 Prior to the expiration of the Term, this Agreement may be terminated immediately, with or without cause, by the City. In the event of termination or suspension, all finished or unfinished documents, data, studies, worksheets, models, reports or other materials prepared by the Consultant pursuant to this Agreement shall be submitted to the City within five days of the date of termination.

11.2 In the event this Agreement is terminated or suspended, the Consultant shall be entitled to payment for all services satisfactorily performed and reimbursable expenses incurred to the date of termination.

11.3 This provision shall not prevent the City from seeking any legal remedies it may otherwise have for the violation, default, or nonperformance of any provision of this Agreement. The remedies provided in this paragraph shall be in addition to any other remedy the City may have at law or in equity.

12. Discrimination. In all Consultant services, programs or activities, and all Consultant hiring and employment made possible by or resulting from this Agreement, there shall be no discrimination by the Consultant or by the Consultant's employees, agents, subcontractors or representatives against any person because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any disability, including sensory, mental or physical handicaps, unless based upon a bona fide occupational qualification in relationship to hiring and employment. This requirement shall apply, but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Consultant shall not violate any of the terms of Chapter 49.60 RCW, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, Section 504 of the Rehabilitation Act of 1973 or any other applicable federal, state or local law or regulation regarding non-discrimination. Any material violation of this provision shall be grounds for termination of this Agreement by the City and, in the case of the Consultant's breach, may result in ineligibility for further City agreements.

13. Assignment and Subcontract. The Consultant shall not assign or transfer any interest in this Agreement or subcontract any portion of the services contemplated hereunder without the prior written consent of the City.

14. Conflict of Interest. The Consultant represents to the City that it has no conflict of interest in performing any of the services described herein. It is recognized that the Consultant may or will be performing services during the Term for other parties; provided, however that such performance of other services shall not conflict with or interfere with the Consultant's ability to perform the Services. In the event that the Consultant is asked to perform services for a project with which it may have a conflict, the Consultant shall immediately disclose such potential conflict to the City. The Consultant agrees to resolve any actual conflicts of interest in favor of the City.

15. Confidentiality. All information regarding the City obtained by the Consultant and designated by the City as confidential in the performance of this Agreement shall be considered confidential. Breach of confidentiality by the Consultant shall be grounds for immediate termination of this Agreement.

16. Non-appropriation of Funds. If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will so notify the Consultant and shall not be obligated to make payments for services or amounts incurred after the end of the City's current fiscal period. This Agreement shall terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the City in the event that the terms of this provision are effectuated.

17. Entire Agreement. This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, negotiations, representations or agreements, either verbal or written, between the parties hereto concerning the subject matter of this Agreement.

18. Amendment. This Agreement may not be modified or amended except by writing signed by all parties hereto.

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

20. Successors. Subject to the provisions of paragraph 13 above, this Agreement shall inure to the benefit of and be binding upon the parties, their respective heirs, executors, administrators, personal representatives, successors and assigns.

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

22. Notices. All notices, payments and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed, by first class or certified mail, with postage prepaid,

22.1 if to the Consultant, to:

Paul Devine  
Olympic Environmental Resources  
4715 SW Walker Street  
Seattle, WA 98116

or to such other person or place as the Consultant shall furnish to the City in writing; and

22.2 if to the City, to:

Shellie Bates  
City of Covington  
16720 SE 271<sup>st</sup> Street, Suite100  
Covington, WA 98042

or to such other person or place as the City shall furnish to the Consultant in writing.

Notices and payments shall be deemed given upon personal delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.

23. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Washington.

24. Venue. The venue for any cause of action arising out of this Agreement shall be King County, Washington.

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

26. Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement.

27. Survival of Representations. The representations and warranties of the City and the Consultant contained hereto shall survive indefinitely.

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

29. Authority. Each individual executing this Agreement on behalf of the City and the Consultant represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Consultant or the City.



## **Scope of Services**

This Scope of Work is intended to detail Olympic Environmental Resource's (OER) services and responsibilities in implementing City of Covington Recycling Projects. In 2012, OER will implement two residential Recycling Collection Events, one Business Recycling Collection Event, and one Rain Barrel Sale. The proposed projects include:

### **Recycling Events**

The events are tentatively scheduled for spring (April, May) and fall (September, October) of 2012. At one or all events the following materials will be collected and recycled: used tires, used anti-freeze, used petroleum-based products, used oil filters, used motor oil, bulky yard waste (large material only), scrap wood, appliances (including refrigerators, freezers, household air conditioners, and other appliances), computer/electronic equipment, ferrous metals, nonferrous metals, textiles, reusable or recyclable household goods, porcelain toilets and sinks, propane tanks, and other materials whenever practical. User fees will apply to the collection of some materials. In 2012, the Covington Recycling Collection Events will include area residents living in unincorporated King County.

### **Business Recycling Event**

To address the situation that many Covington businesses have of keeping/storing recyclable materials, the OER will implement a Covington Recycling Business Collection Event. The purpose will be to allow for the collection of recyclables that would otherwise not be collected. Many small businesses do not generate enough of a particular material to retain a service provider, so they store the material. Other businesses generate materials that there are not service providers readily available. To help City businesses recycle more material, the OER will implement a one-day event to collect and recycle a variety of materials from Covington businesses. The City will co-host this event with the City of Maple Valley.

### **Rain Barrel Distribution**

The City will support recycling programs by distributing recycle content rain barrels to City residents. The rain barrels weight approximately 40 pounds each and divert roughly twice that amount of plastic material from the waste stream when produced. The number of rain barrels distributed will be based on the size and quality of the barrel selected. OER will work to promote rain barrel distribution to City residents and distribute the barrels at City Recycling Collection Events. City residents will be charged a user fee of \$25 for each barrel.

OER wishes to involve the Covington staff at the level most comfortable for the City. OER will meet with the City of Covington staff at any time during the project for updates on activities or will pursue activities independently if desired by the City.

The project budget will incorporate the City of Covington grant funds available from the Seattle-King County Health Department, King County Solid Waste Division, and the Washington State Department of Ecology. Project grant funds total \$48,869.34 in 2012 and include all items that will be paid for directly by the City, including City staff time. The specific project activities to be carried out by OER are detailed in the grant scopes of work. OER will cover project expenses as they arise, such as the costs of printing and vendor services. OER will request reimbursement of staff time and expenses on a monthly basis with thirty-day (30) payment terms. OER will assist the City in requesting reimbursement for these costs from the King County Solid Waste Division, Seattle-King County Health Department, and the Washington State Department of Ecology.

OER's goal is to conduct events with very limited City staff time and no net City cost. However, there are a number of "official acts" necessary for the City to bring the program on line:

- Sign and submit letters of intent.
- Review and submit program scopes of work.
- Sign necessary grant agreements.
- Keep OER informed of any changes made to grant agreements.
- Reimburse OER for staff time and expenses from grant funding.

Recycling related programs continue on an annual basis. OER will continue to provide service to the City of Covington until the City decides to no longer participate. We ask that you provide thirty-day (30) notice to discontinue services.

### **2012 Covington Recycling Grants**

The City of Covington is eligible and has applied for the following grants. It is expected that no non-grant City funds will be expended on recycling projects in 2012. The City has applied for the following:

- 1) The King County Health Department Local Hazardous Waste Management Plan Grant. 2012 grant total \$8,898.34.
- 2) The Washington State Department of Ecology Coordinated Prevention Grant. 2012 grant total \$14,250.00.
- 3) The King County Waste Reduction and Recycling Grant Program. 2012 grant total \$25,721.00.

TOTAL: \$48,869.34

## Consent Agenda Item C-4

Covington City Council Meeting

Date: December 13, 2011

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

**RECOMMENDED BY:** Glenn Akramoff, Public Works Director

**ATTACHMENT(S):**

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

**PREPARED BY:** Shellie Bates, Office Supervisor/Public Works

**EXPLANATION:**

In December 2010 the City Council awarded the 2011 Landscape Maintenance Agreement to the lowest, most qualified bidder, Brickman Group, in an amount not to exceed \$66,098.30 to perform landscape maintenance services in Covington as outlined in the agreement.

As per Section 3 of the current agreement between the City of Covington and Brickman Group which states, "This contract may be renewed each December for the succeeding two (2) years (2012 and 2013) upon performance audit and approval by the City. The unit price of the contract will be adjusted each year using the Seattle-Tacoma Consumer Price Index – Urban (CPI-W) rate starting with October of 2011 as the initial benchmark and the rate in October in subsequent years to be applied in January of the next year."

Based on the above criteria, Brickman Group has fulfilled their obligation under the terms of the agreement and staff recommends that the agreement be extended for 2012. The Consumer Price Index for Urban Wage Earners and Clerical Works (CPI-W) for Seattle-Tacoma-Bremerton, WA for October 2011 is 4.3 percent. With the rate adjusted as described it will be an increase of 4.3 percent for 2012.

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

**ALTERNATIVES:**

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

**FISCAL IMPACT:**

The 2012 budgeted amount for this service is \$67,000 (Street Fund = \$54,000, Park Maintenance Fund = \$13,000).

Amendment #1 removes the maintenance cost of Jenkins Creek Park for \$460 per month (\$5,520 per year) since the park is currently being maintained by volunteers. Amendment #1 adds the maintenance cost of the landscaping in front of Airstream on SE 272<sup>nd</sup> Street and Covington

Way for \$108 per month (\$1,296 per year). The City previously had an agreement with Bowen Scarff Ford and paid \$250 per month for this maintenance.

With the above changes, Amendment #1 will include an amount not to exceed \$64,100.

CITY COUNCIL ACTION:     Ordinance     Resolutions     Motion     Other

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

REVIEWED BY: City Manager, City Attorney, Finance Director

CITY OF COVINGTON  
AGREEMENT FOR SERVICES

Amendment #1

Between the City of Covington and Brickman Group

That portion of Contract No. 1006-10 between the City of Covington and Brickman Group entered into by the parties on the 22<sup>nd</sup> day of December, 2010, is amended pursuant to Section 18 of said Agreement, as follows:

1. Scope of Services. Section 2 of the Agreement shall be amended to include maintenance in front of the Airstream dealership as described on Exhibit B.
2. Term of Agreement. Section 3 of the Agreement shall be amended to extend the term of the Agreement until December 31, 2012.
3. Compensation. Section 4.1 of the Agreement shall be amended to include the Seattle-Tacoma Consumer Price Index - Urban (CPI-W) rate for October 2011 of 4.3 percent for an amount not to exceed \$64,100.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written above.

CITY OF COVINGTON

\_\_\_\_\_  
By: Derek Matheson  
Its: City Manager

Attest:

Approved as to form:

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

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





# City of Covington

## 2012 Landscape Budget

Prepared for: Ross Junkin

Service	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Total
Maintenance Contract Excluding WSST	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$4,810.32	\$57,723.84
Addition of Airstream Turf Plot (non irrigated)	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$1,296.00
<b>City Maintenance Monthly Totals</b>	<b>\$4,918.32</b>	<b>\$59,019.84</b>											

### Optional Maintenance Practices

Moss/Cranefly Control for Turf (Friendship Park)			\$135										\$135.00
Turf Aeration & Overseed (Friendship Park)				\$342									\$342.00
Topdress Friendship Park (1/3 of an inch)				\$1,112									\$1,112.00
Turf Aeration & Overseed (Crystal View Park)				\$252									\$252.00
Topdress Crystal View Park (1/3 of an inch)				\$957									\$957.00
Moss/Cranefly Control for Turf (Crystal View Park)			\$135										\$135.00
Irrigation Start-up Repairs & Misc. Repair				\$450	\$75	\$75	\$75	\$75	\$75				\$825.00
<b>Optional Monthly Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$270.00</b>	<b>\$3,113.00</b>	<b>\$75.00</b>	<b>\$3,758.00</b>							

Additional Information:

Prepared By:



BRICKMAN Branch 510, 3412 East Valley Road, Renton, WA 98055 Office (425) 251-0530 Fax (425) 251-0323

## Consent Agenda Item C-5

Covington City Council Meeting

Date: December 13, 2011

**SUBJECT:** AUTHORIZE THE CITY MANAGER TO EXECUTE AN EASEMENT AGREEMENT FOR A PORTION OF A SEPTIC SYSTEM LOCATED WITHIN THE RIGHT-OF-WAY OF SE 268<sup>TH</sup> STREET.

**RECOMMENDED BY:** Glenn Akramoff, Public Works Director

**ATTACHMENT(S):**

1. Easement Agreement
2. As-built Site Plan
3. Imap of Property

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

**EXPLANATION:**

Mr. Howard Hanson, property owner at 16710 SE 268<sup>th</sup> Street, Covington, Washington (Parcel 2522059090), is requesting a 10 foot easement within the city owned right-of-way (“ROW”) of SE 268<sup>th</sup> Street. The owner’s existing septic system failed and there is inadequate space and gravity flow to locate a new system in the rear of the property. The new system was moved to the front yard; however, there is a requirement that the septic system be separated from the waterline by 10 feet. The required separation results in the need for the septic system to be moved further south and located in 2 to 3 feet of the SE 268<sup>th</sup> Street ROW. The trench, according to the contractor, is on the property line. (Attachment 2)

Based on the plat records, the house was built in 1958 and there is a “bump out” in the ROW along the subject property, the property to the west and the properties directly across the street (Attachment 3). The development to the east, Green Valley Park, was developed in 1979. Staff presumes the bump out served as a dead-end or turnaround, until the street was extended and/or improved. Ideally, the area used to accommodate the dead-end or turnaround would have been vacated back to the abutting property owners upon extension of the ROW. Given the time the developments occurred, it may have been an oversight.

Public Works and the Community Development department do not have a need for the additional ROW area and have added this portion of SE 268<sup>th</sup> Street to a future vacation list. In the interim, staff supports the requested 10 foot easement for a portion of Mr. Hanson’s septic system. Upon future ROW vacation, the septic system would be located within the private property.

**ALTERNATIVES:** Do not authorize the City Manager to enter into an easement agreement.

**FISCAL IMPACT:** No direct impact. The City currently maintains SE 268<sup>th</sup> Street. The easement agreement outlines the responsibility of the property owner if any portion of the ROW is affected by the installation of the septic system.

The property owner will be responsible payment of fees for the easement request at the hourly rate of \$128/hr, and reimburse the City for staff time spent on drafting the easement agreement and obtaining Council approval.

CITY COUNCIL ACTION:           Ordinance           Resolution      X   Motion  
Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_  
seconds, to authorize the City Manager to enter into an easement agreement  
for a portion of a septic system located within the right-of-way SE 268<sup>th</sup>  
Street.**

REVIEWED BY:    Community Development Director  
                          Public Works Director  
                          Finance Director  
                          City Attorney  
                          City Manager

**Return Address:**

City of Covington  
16720 SE 271<sup>st</sup> Street, Suite 100  
Covington, WA 98042

**EASEMENT AGREEMENT**

**For location of a portion of a private septic system within SE 268<sup>th</sup> Street, Covington WA 98042**

**Grantor:** City of Covington

**Grantee:** Howard Hanson  
16710 SE 268<sup>th</sup> Street  
Covington, WA 98042

**Legal Description:** Section 25, Township22, Range 5E  
BEG AT PT 50 FT N OF SE COR OF NW 1/4 OF SW 1/4 TH N  
113.14 FT TH N 89-48-24 W 66.96 FT TH S 00-50-10 W 113.18  
FT TH S 89-50-41 E 66.98 FT TO BEG

**Property Tax Account Number:** 252205-9090

**EASEMENT AGREEMENT**

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 2011, by and between the City of Covington, a municipal corporation of the State of Washington with an address of 16720 SE 271st Street, Suite 100, Covington, WA 98042 ("Grantor"), and Howard Hanson with an address of 16710 SE 268<sup>th</sup> Street, Covington, WA, and its successors, ("Grantee"), for a permanent, nonexclusive easement.

WHEREAS, Grantor is the owner of land at parcel [PARCEL NUMBER of CITY'S PROPERTY/ROW], legally described in Exhibit "A" ("Property"):

WHEREAS, Grantee requires an easement to construct, reconstruct, modify, change, add to, operate, and maintain, a portion of a septic system that serves the Grantee, as needed for sanitary services that may require upon, over, under, and across the Property at a location more specifically described below; and

WHEREAS, Grantor warrants it has title to the Property and is authorized to grant and convey this easement.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the performance by Grantee of the covenants, terms and conditions hereinafter set forth, Grantor hereby grants, conveys, and quitclaims to Grantee the following easement:

That portion of the above described Property further described as follows:

**An easement located within a portion of SE 268<sup>th</sup> Street right-of-way, within the City of Covington. The easement is adjacent to the Grantee's SOUTH property line and measures 67 feet EASTERNLY from the WESTERN property line and SOUTH 10 feet from the SOUTHERN, as shown on EXHIBIT "A". ("Easement Area")**

1. Said easement is for the purpose of constructing, reconstructing, modifying, changing, adding to, operating, and maintaining, a portion of a septic system that serves the Grantee, as needed for sanitary services that may require upon, over, under, and across the Easement Area, together with the nonexclusive right of ingress to and egress from said portion of Grantor's Property for the foregoing purposes.
2. Grantee shall have the right to clear and keep cleared all trees and other obstructions as may be necessary for Grantee's use of the Easement Area.
3. If in the use of the easement, Grantee damages other property of Grantor or causes damage to the easement area as a result of activity that is not permitted by the Easement, Grantee shall repair, replace and restore, at Grantee's sole expense, said damage.
4. All Grantee work shall be conducted in accordance with all applicable codes and requirements governing such work.
5. Grantee shall indemnify and hold Grantor harmless from and against any and all loss, damage, or injury which may result from the use, construction, installation, replacement and maintenance of the Easement; provided, however, that said loss, damage, or injury does not arise out of or result from the actions of Grantor, its agents or employees.
6. Grantee shall have no responsibility for pre-existing environmental contamination or liabilities.
7. Grantor reserves the right to occupy, use and cultivate the Easement Area for all purposes not inconsistent with the rights herein granted.
8. Grantor hereby covenants that no excavation, building, structure, or obstruction will be constructed, erected, built, or permitted on said Easement Area and no change will be made by grading or otherwise to the surface or subsurface of the Easement Area.

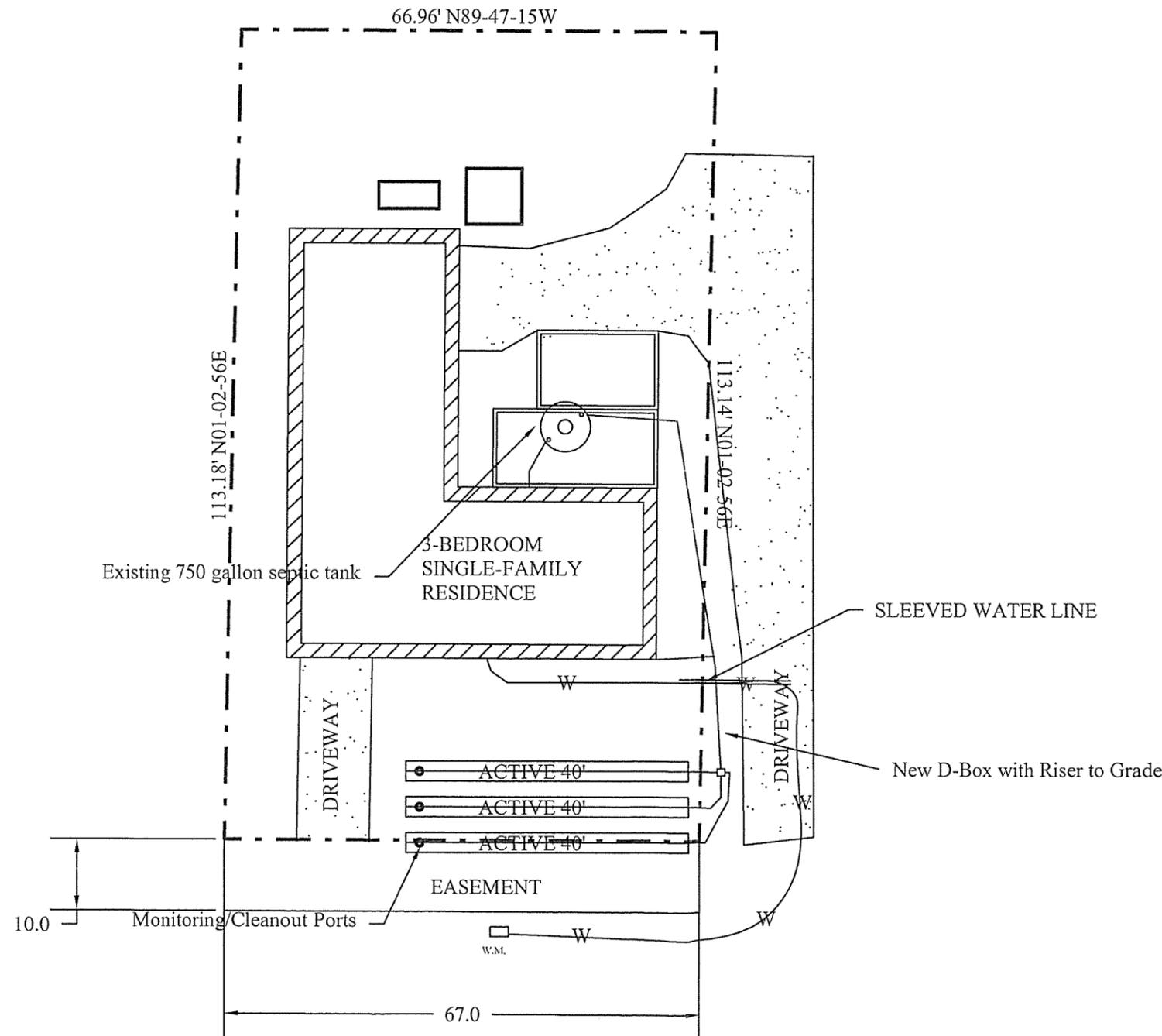




REPAIR AS-BUILT FOR HIL SEPTIC

REPAIR AS-BUILT

120 lineal feet 2.8' wide gravelless chambers



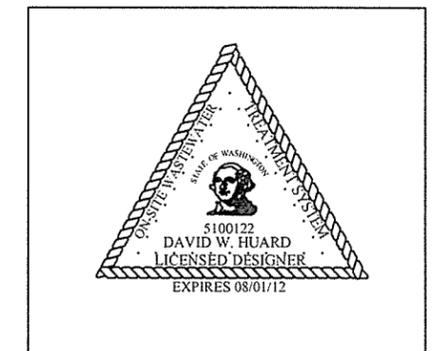
All storm/footing drains must discharge away from tank and drainfield/reserve areas

This Drawing does not represent a survey



Legend	
soil log	▲
drainfield trench	—
reserve trench	- - -
water line	—W—
Drainage	—X—
large trees	○
cleanout	⊗

SCALE  
1"=20'



Huard Septic Design & Monitoring, LLC  
PO BOX 2243 North Bend, WA 98045  
425.831.1781 phone/fax 425.888.2866  
dave@septicdesign.net

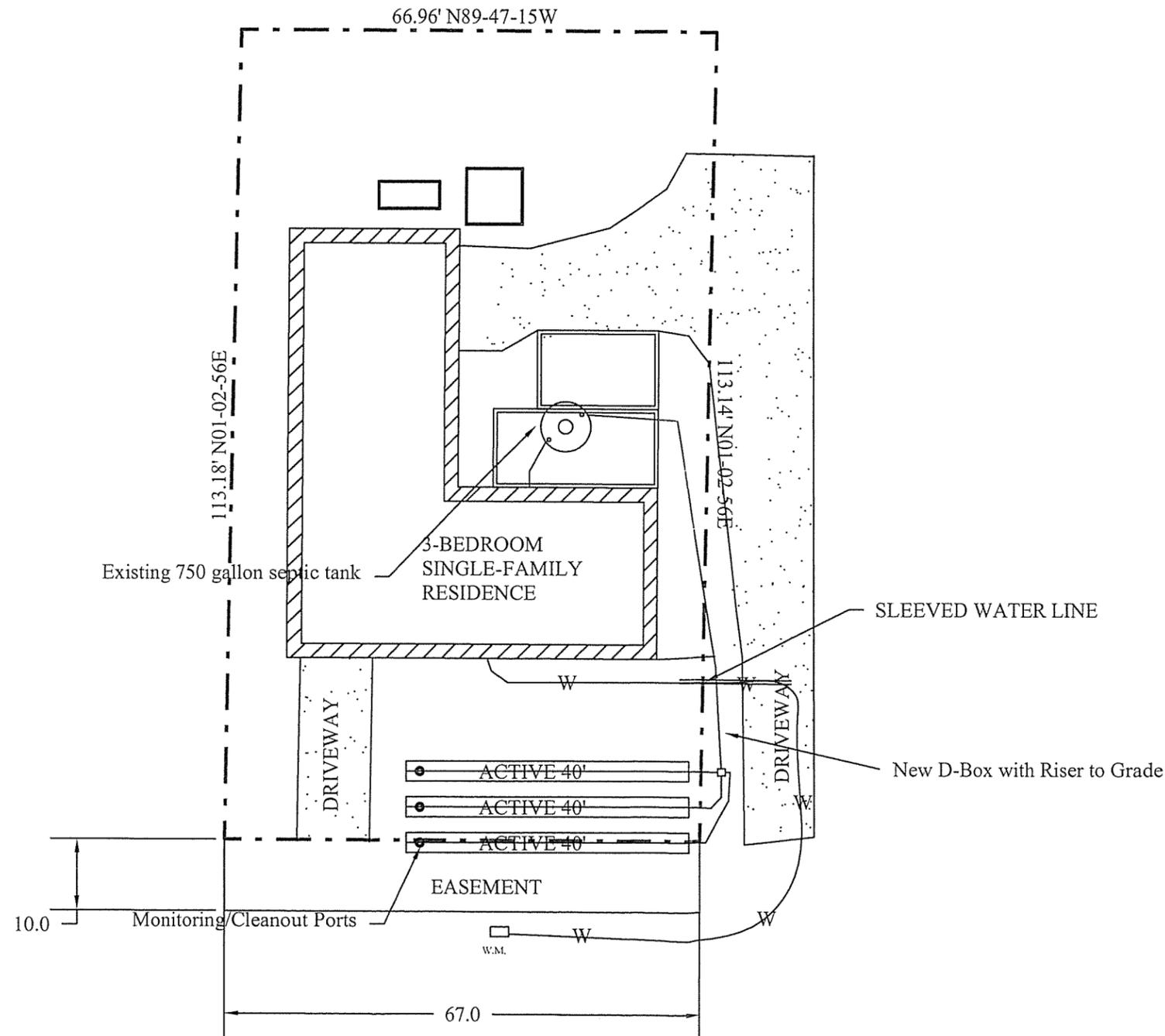
Repair As Built  
16710 SE 268th St.  
Covington, WA 98042  
Tax Parcel #252205-9090

Dave Huard  
Licensed Designer

REPAIR AS-BUILT FOR HIL SEPTIC

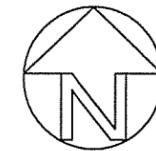
REPAIR AS-BUILT

120 lineal feet 2.8' wide gravelless chambers



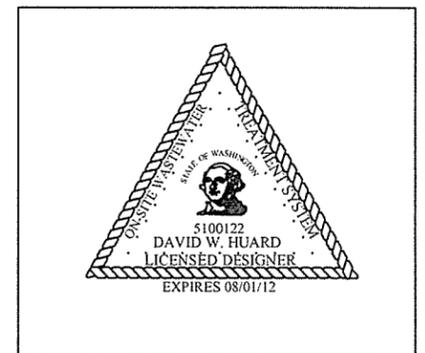
All storm/footing drains must discharge away from tank and drainfield/reserve areas

This Drawing does not represent a survey



Legend	
soil log	▲
drainfield trench	—
reserve trench	- - -
water line	—W—
Drainage	—X—
large trees	○
cleanout	⊗

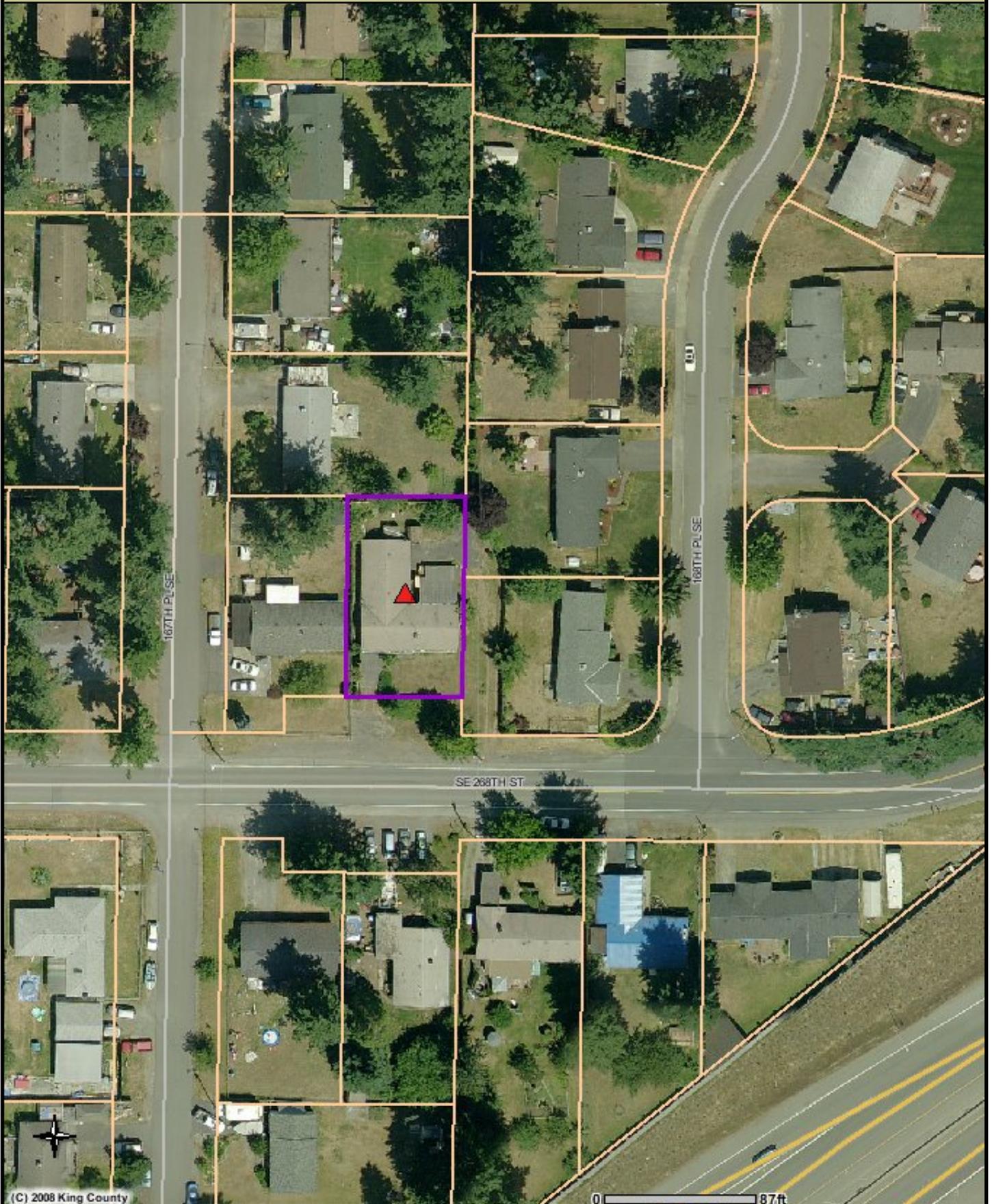
SCALE  
1"=20'



Huard Septic Design & Monitoring, LLC  
 PO BOX 2243 North Bend, WA 98045  
 425.831.1781 phone/fax 425.888.2866  
 dave@septicdesign.net

Repair As Built  
 16710 SE 268th St.  
 Covington, WA 98042  
 Tax Parcel #252205-9090

Dave Huard  
 Licensed Designer



(C) 2008 King County

0 87ft

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## Consent Agenda Item C-6

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT #1 TO AGREEMENT FOR SERVICES WITH ABACO PACIFIC, INC. FOR REAL ESTATE SERVICES.

RECOMMENDED BY: Glenn Akramoff, Public Works Director

ATTACHMENT(S):

1. Amendment #1 to Agreement for Services with Abaco Pacific, Inc.

PREPARED BY: Don Vondran, City Engineer

EXPLANATION:

In July of 2002 the Council authorized the City Manager to execute an agreement with Abaco Pacific, Inc. (Jeri Cranney) for furnishing of professional real estate services to help the City in the process of acquiring a large number of real estate parcels for both right of way and park purposes. In addition to its professional services in the acquisition process, Abaco Pacific, Inc. has provided assistance in relocations and in the oversight of subcontractors.

In May of 2009 the Council approved a new Agreement for Services with Abaco Pacific, Inc. that allowed work to continue to occur on a task order basis. Abaco Pacific, Inc. has provided the City with quality services over the years and the current contract expires at the end of 2011. This amendment will extend the term of the agreement until December 31, 2013.

Staff is recommending that this amendment be approved and that the City continue its productive relationship with Abaco Pacific, Inc.

ALTERNATIVES:

The Council could choose not to authorize the City Manager to execute Amendment #1 to Agreement for Services and direct staff to negotiate a new agreement or find a new service provider.

FISCAL IMPACT:

Real estate services are included as part of the right of way costs budgeted in each individual Capital Improvement Project (CIP).

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

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to authorize the City Manager to execute Amendment #1 to Agreement for Services with Abaco Pacific, Inc. for Real Estate Services.**

REVIEWED BY: City Manager, City Attorney, Finance Director

CITY OF COVINGTON  
AGREEMENT FOR SERVICES

Amendment #1

Between the City of Covington and Abaco Pacific, Inc.

That portion of Contract No. 924-09 between the City of Covington and Abaco Pacific, Inc. entered into by the parties on the 13<sup>th</sup> day of May, 2009, is amended pursuant to Sections 18 of said Agreement, as follows:

- 1. Term of Agreement. Section 3 of the Agreement shall be amended to extend the term of the Agreement until December 31, 2013.

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

Dated this \_\_\_\_ day of December, 2011.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written above.

CITY OF COVINGTON

\_\_\_\_\_  
By: Derek Matheson  
Its: City Manager

Attest:

Approved as to form:

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

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

ABACO PACIFIC, INC.

\_\_\_\_\_  
By: Jeri Cranney  
Its: President



**Consent Agenda Item C-7**

Covington City Council Meeting

Date: December 13, 2011

**SUBJECT:** CONSIDER AMENDMENTS TO THE INTERLOCAL AGREEMENT BETWEEN THE CITIES OF MAPLE VALLEY, COVINGTON, AND BLACK DIAMOND FOR JOINT PUBLIC WORKS OPERATIONS AND COOPERATIVE PURCHASING

**RECOMMENDED BY:** Glenn Akramoff, Public Works Director

**ATTACHMENT(S):**

1. First Amended Interlocal Agreement Between the Cities of Maple Valley, Covington, and Black Diamond for Joint Public Works Operations and Cooperative Purchasing

**PREPARED BY:** Glenn Akramoff, Public Works Director

**EXPLANATION:**

The City Council previously approved the Interlocal Agreement between the Cities of Maple Valley, Covington, and Black Diamond for Joint Public Works Operations and Cooperative Purchasing (the "ILA"). Covington and Maple Valley have since utilized the ILA to facilitate several public works projects.

Upon further review, and with the idea that additional jurisdictions may choose to enter into the ILA, the city attorneys of Covington, Black Diamond, and Maple Valley drafted the attached proposed amendments to the original ILA. The amendments are limited to liability issues and do not change the purpose, function, or structure of the ILA. Specifically, the indemnity language was updated with mutual indemnification language, the insurance requirements have been simplified, and an additional worker injury claims provision was added.

A first amended ILA is attached for your consideration.

**ALTERNATIVES:**

Not approve the amendments.

**FISCAL IMPACT:**

The proposed amendments have no fiscal impact.

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

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds to authorize the City Manager to enter into the First Amended Interlocal Agreement between the Cities of Maple Valley, Covington, and Black Diamond for Joint Public Works Operations and Cooperative Purchasing.**

**REVIEWED BY:** City Manager; City Attorney

**FIRST AMENDED INTERLOCAL AGREEMENT  
BETWEEN THE CITIES OF MAPLE VALLEY, COVINGTON  
AND BLACK DIAMOND FOR JOINT PUBLIC WORKS OPERATIONS AND  
COOPERATIVE PURCHASING**

THIS INTERLOCAL AGREEMENT (“Agreement”) is entered into between the CITY OF MAPLE VALLEY, a Washington municipal corporation (“Maple Valley”), the CITY OF COVINGTON, a Washington municipal corporation (“Covington”), 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 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, RCW 39.34.030 authorizes an agreement for joint or cooperative action by a public agency upon appropriate legislative action by the governing body of each agency prior to entry into such agreement; and

WHEREAS, the Parties’ Public Works and Parks Departments have similar operational needs and can provide savings to taxpayers through contracting for shared services; and

WHEREAS, each Party can realize certain economies from sharing resources and piggybacking onto contracts with the other Parties; and

WHEREAS, each Party has agreed to follow the other Parties’ Contracting Procedures for bidding, contracting and purchasing where required by this Agreement; and

WHEREAS, each Party has agreed to compensate the other Parties for expenses incurred when utilizing the procedures offered under this Agreement;

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

- 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, by providing services to the other Parties, by conducting joint operations for public works projects, and by utilizing cooperative purchasing.

## 2. **Definitions.**

“Contracting Procedures” means the ordinances, resolutions, and administrative orders adopted by a Party that specify the methods by which that Party purchases goods, equipment and services and the methods by which that Party obtains professional services, advertises for bids and awards contracts.

“Joint Meeting” means the joint annual meeting of the City Councils of Maple Valley, Covington and Black Diamond.

“Lead Agency” is the Party designated as having administrative oversight of the services being provided to other Parties, including the responsibility for tracking expenses, providing invoices, and reconciling costs for services rendered.

“Piggybacking” refers to the process by which a Party utilizes the contract that another Party has entered into with an outside vendor to make purchases or to receive services from that outside vendor.

“Providing Party” means the Party that has received a request to provide services.

“Requesting Party” means the Party that requests services from a Providing Party.

3. **Request for Services.** The following process shall be followed by the Parties when seeking to engage another Party for joint operations or contracted services under this Agreement (not cooperative purchasing, which is addressed in Section 4, herein):

3.1 Requests for Services. The Requesting Party shall submit a written request (see Attachment 1) to the Providing Party setting forth the requested scope of work, requested duration or frequency of work, the equipment and materials required, the location of the work, the estimated cost of the work and budgeted amount for the work, any additional specifications or standards that must be considered, and a date by which a response is requested. If the Requesting Party is limited in the amount of money it can spend on the request due to a budget appropriation, the Requesting Party must specify that limitation in its request.

3.2 Acceptance of Request for Services. The Providing Party shall respond to the written request for services through a written acceptance or denial (see Attachment 2). Should the Providing Party fail to respond to the Requesting Party by the date specified in the request, the Requesting Party’s request shall expire and be void. An acceptance shall include the agreed upon scope of work, the total estimated direct cost for the work, the estimated indirect cost (all administrative charges and overhead), whether a deposit will be required and if so, for what purpose, and the duration and/or schedule for the work and any specifications or standards that will be applicable. The written acceptance shall

require the signature of the appointed administrator of the Providing Party, the appointed administrator of the Requesting Party, and the signature of each such Party's respective City Manager/City Administrator.

3.2.1 Outside Vendor Contracts. If the Providing Party's services to be rendered are services provided by a contract between the Providing Party and an outside vendor, the Providing Party's contract with the vendor shall reference this Agreement, specify that the vendor agrees to provide services to a Party other than the Providing Party, and add the Requesting Party as an additional insured on the vendor's required insurance policies. The Providing Party shall provide a copy of its contract with the outside vendor to the Requesting Party with its written acceptance to the Requesting Party.

3.3 Providing Party as Lead Agency. The Providing Party shall be the Lead Agency and shall have administrative oversight of the services requested, any advertisement for bids and award of contract, and the accounting for the services. The Lead Agency shall generally incur the cost of the service being performed to the Requesting Party and, in most circumstances, shall be responsible for invoicing the Requesting Party for services rendered.

3.4 Increases to Budgeted Amount. Under no circumstances shall the cost of a Providing Party's services to a Requesting Party exceed the stated budget amount in the request from the Requesting Party. Any costs incurred by the Providing Party in excess of the stated budget amount shall not be invoiced to the Requesting Party until and unless the Providing Party has received a letter from the Requesting Party with approval to increase the budget amount for the service.

3.5 Services that Require Bidding and Contracting. A service that requires an advertisement for bids and an award of contract shall be specified by the Providing Party in its written acceptance. Pursuant to Subsection 3.3, the Providing Party, as Lead Agency, shall be solely responsible for conducting an advertisement for bids and awarding a contract. In advertising for bids and awarding a contract the Providing Party shall follow state law and its adopted local ordinances/rules. The Providing Party may consult with the Requesting Party as to the terms and provisions in a request for bids, but the Requesting Party shall have no role in awarding the contract. The Providing Party assumes sole responsibility for compliance with state law and its adopted local ordinances and rules pertaining to the award of the contract, management of the contract, contract close-out, warranty and required financial guarantees. Any claims by laborers/materialmen/mechanics/suppliers shall be handled by the Providing Party. Resolution of any dispute under the contract awarded by the Providing Party shall be the sole responsibility of the Providing Party. The prosecution or defense of any legal claim involving the contract awarded by the Providing Party shall be the sole responsibility of the Providing Party. The Providing Party may

request contribution or assistance from the Requesting Party in resolving any dispute or in prosecuting or defending any legal claim involving the contract awarded by the Providing Party, but any such contribution or assistance shall be at the sole discretion of the Requesting Party.

3.6 Care and Maintenance of Equipment. The Parties agree that any time a request is made for the use of equipment, the Requesting Party shall be responsible for the proper care, maintenance and security of the equipment until the equipment is returned to the Providing Party. The Requesting Party shall permit the equipment to be used only by properly trained and supervised operators. Any damage to the equipment other than normal wear and tear will be the responsibility of the Party in possession of the equipment at the time the equipment is damaged. The Providing Party may require, at its sole discretion, that only the Providing Party's personnel operate certain equipment. In doing so, the Providing Party shall be deemed an independent contractor, pursuant to Section 12, and the Providing Party's employees shall not be deemed employees of the Requesting Party. The Providing Party's operator shall perform under the general direction and control of the Requesting Party but shall retain full control of the manner and means of using-use and operation of the equipment. The Providing Party warrants that the Providing Party's operator possesses all of the necessary training, skills and abilities to safely and properly use and operate any such equipment. Notwithstanding the fact that the Requesting Party may direct and control the work, the operator shall not for any purposes be considered a loaned servant to the Requesting party.

3.7 Right of Entry. The Parties to this Agreement hereby grant and convey to each other the right to enter upon all land in which the Parties have an interest, within or adjacent to the right-of-way of a highway, road or street for the purpose of accomplishing all work or services requested as part of this Agreement.

#### **4. Joint and Cooperative Purchasing.**

4.1 Contract Piggybacking. Each Party to this Agreement has adopted its own Contracting Procedures pertaining to purchasing and the award of contracts. A piggybacking Party bears the sole responsibility for conducting its own due diligence to determine whether the non-piggybacking Party has lawfully entered into a contract for purchasing and/or services according to that Party's adopted Contracting Procedures prior to placing any orders, or engaging services from a provider under the non-piggybacking Party's contract. Due diligence includes ascertaining whether the non-piggybacking Party's contract with an outside vendor allows a Party to piggyback.

4.2 Contracting Procedures. Each Party's Contracting Procedures are specified herein as follows:

4.2.1 Maple Valley. Maple Valley's Contracting Procedures are codified at Chapter 2.75 MVMC. Maple Valley's contracting procedures include: (a) a process for utilizing the MRSC Small Works Roster and Consulting Roster for Professional, Engineering and Architectural Services, and establishing a Limited Public Works Process pursuant to Resolution R-08-628, as amended by R-09-698; (b) a process for public works project closeout pursuant to Resolution R-09-720; (c) administrative order A-09-01 establishing procedures for formal competitive bid solicitation and bid award for public works contracts over \$300,000 and purchases over \$35,000; (d) administrative order A-09-02 establishing a process for obtaining informal, competitive quotes; (e) administrative order A-10-04 establishing retainage release requirements for public works projects; and (f) administrative order A-10-05 establishing a process for delegation of contract signature authority to Department Directors. Maple Valley's Contracting Procedures are attached hereto and incorporated herein as Attachment 3.

4.2.2 Covington. Covington's Purchasing Policies and Procedures are adopted by Resolution No. 10-14 effective June 8, 2010. Covington's Purchasing Policies and Procedures are attached hereto and incorporated herein as Attachment 4.

4.2.3 Black Diamond. Black Diamond's Procedures are established by Ordinance 07-828. Black Diamond's Procedures are attached hereto and incorporated herein as Attachment 5.

4.3 Piggybacking Party's Responsibilities. If the piggybacking Party decides to utilize the non-piggybacking Party's contract to purchase supplies, equipment, or services, the piggybacking Party bears the sole responsibility for observing the terms of the non-piggybacking Party's contract and assumes any liability under the terms of the contract between the non-piggybacking Party and the vendor/service provider pertaining to the supplies, equipment or services it obtains under that contract, thereby stepping into the shoes of the non-piggybacking Party for all purposes for which the piggybacking Party is utilizing the non-piggybacking Party's contract.

4.4 Piggybacking Not Authorized. This Agreement does not authorize any Party to piggyback onto any Party's Intergovernmental Agreement for State Purchasing Cooperative with the State of Washington, Department of General Administration.

## **5. Administration.**

5.1 Joint Administrative Board. The Parties shall each appoint a representative to administer the terms of this Agreement, and the appointed administrators shall comprise the Joint Administrative Board. The appointed

administrators, which may be amended from time to time with notice to the other Parties are:

For Maple Valley:  
Steve Clark, Public Works Director  
22035 SE Wax Road  
P.O. Box 320  
Maple Valley, WA 98038  
(425) 413-8800

With a copy to:  
David W. Johnston, City Manager

For Covington:  
Glenn Akramoff, Public Works Director  
16720 SE 271<sup>st</sup> Street, Suite 100  
Covington, WA 98042  
(253) 638-1110

With a copy to:  
Derek Matheson, City Manager

For Black Diamond:  
Seth Boettcher, Public Works Director  
P.O. Box 599  
24301 Roberts Dr  
Black Diamond, WA 98010  
(360) 886-2560

With a copy to:  
Rebecca Olness, Mayor

5.1.1 Notices. Notices to be provided pursuant to this Agreement shall be provided in writing to the persons indicated herein, at the addresses indicated herein. 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.

5.2 Coordination. All Parties shall participate in regularly scheduled meetings to discuss the services being provided under this Agreement and any issues that arise. Meeting attendees shall include each Party's appointed administrator or his/her designee(s), as well as any staff who administer service requests pursuant to this Agreement. Summaries of these meetings shall be provided to the administrator for each Party. An annual report shall be developed

by the Parties and considered at the Joint Meeting to assess the effectiveness of this Agreement.

5.3 Legislative Updates. Each Party shall have discretion as to the frequency of communications with its City Council regarding services performed under this Agreement.

5.4 Audit of Lead Agency. A Lead Agency shall be subject to audit by any other Party to this Agreement upon five (5) days advance notice. A Lead Agency shall make its records available to any other Party for any service, project, cooperative purchase, or joint undertaking for which it provided services as Lead Agency. A Lead Agency shall retain all records pertaining to any service, project, cooperative purchase, or joint undertaking for a minimum period of six (6) years. Such records shall include, but are not limited to: bid documents, contracts, change orders, work orders, contract close out records, labor timekeeping records, and financial records.

6. **Term of Agreement.** This Agreement shall become effective as of the date this Agreement is approved by the legislative body of at least two Parties 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 and pursuant to subsection 13.10. Unless terminated by all Parties pursuant to the terms of this Agreement, this Agreement shall remain in full force and effect until December 31, 2015. This Agreement may be extended by written agreement of the Parties subject to the approval of such extension by each Party's legislative body.

7. **Payment.** The Parties shall pay for services provided pursuant to the following provisions:

7.1 Payments for Materials and Services. Each Requesting Party shall pay for actual direct and related indirect costs, including any overhead and administrative charges, for products/materials/equipment and services purchased or provided by the Providing Party. All costs shall be part of the written acceptance pursuant to Section 3. Any indirect costs may be waived by the Providing Party at its discretion.

7.2 Billing Statement. The Providing Party shall submit a monthly invoice to the Requesting Party(ies) on a form agreed upon by the appointed administrators and shall contain the amount of products/materials/equipment and/or services purchased during the preceding month. Payment shall be made by the Requesting Party each month within thirty (30) days of receipt of the invoice.

7.3 Disputes. In the event there is a dispute regarding the amount of

money owed among the Parties, the appointed administrators of the Parties in dispute shall make every effort to resolve such dispute by mutual agreement. No dispute shall be resolved by majority vote. In the event there is no mutually agreed resolution to the dispute, the appointed administrators 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 Managers/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.

7.4 Reconciliation. Within thirty (30) days of submitting the last invoice for a service rendered under this Agreement, the Parties shall reconcile their respective accounts and provide a copy of the reconciliation to the other Parties. If the Parties' reconciliations do not match, the Parties shall schedule a meeting within fourteen (14) days of receipt of the reconciliation statement to resolve the discrepancy(ies). If the discrepancy(ies) cannot be resolved, the Parties shall utilize the dispute process set forth in Subsection 7.3. Final payment and reconciliation of all accounts for all services rendered under this Agreement shall occur within ninety (90) days of the effective date of termination of this Agreement; or, no later than ninety (90) days after any service was rendered.

## **8. Ownership of Property; Financing.**

8.1 Acquisition of Property. Any property owned by a given Party at the time of execution of this Agreement shall remain the property of that Party. Any property jointly acquired by Parties under this Agreement shall require a separate, written agreement to specify the terms under which said property will be acquired, the Party responsible for storage, maintenance, and insurance of said property, and all other necessary terms including disposition of said property.

8.2 Financing. Should the Parties desire to jointly finance acquisition of property, or to jointly finance a public works project, the Parties collectively, or individually, are authorized under this Agreement to establish one or more funds to be titled, "Operating fund of Joint Board for Tri-City cooperative purchasing and contracting for \_\_\_\_\_[specify project/purchase]."

## **9. Termination.**

9.1 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, including any costs to which the Party is contractually obligated under any joint

undertaking that extends beyond the sixty (60) day termination date provided in the notice of termination.

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

9.3 Termination for Breach. Any Party may terminate its participation in this Agreement with fourteen (14) days advance written notice to the other Parties for material breach of the terms of this Agreement, provided that disputes regarding billing statements shall be handled pursuant to Subsection 7.3 and shall not be deemed a breach of this Agreement except as set forth in Subsection 7.3.

## **10. Indemnification and Hold Harmless.**

10.1 Each Party hereto (the “Indemnifying Party”) shall hold harmless and indemnify each other 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 attorney’s fees) that result from or arise out of the acts or omissions of the indemnifying party, its elected officials, officers, employees, and agents in connection with or incidental to the performance or non-performance of services, duties, and obligations under this Agreement.

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 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 attorney’s fees.

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

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

~~10.1 Covington. Covington agrees to defend, indemnify, and hold harmless Maple Valley and Black Diamond and each of their respective employees, officials, agents, and volunteers from any and all losses, claims, liabilities, lawsuits, or legal judgments arising from or caused by any negligent or tortious actions or inactions, and any and all losses, claims, liabilities, lawsuits, or legal judgments arising from any willful or knowing violation of law by Covington or any of its employees, officials, agents, or volunteers while~~

~~performing its duties and obligations under this Agreement. All costs, including but not limited to attorneys fees, court fees, mediation fees, arbitration fees, settlements, awards of compensation, awards of damages of every kind, related to Covington's negligence, or tortious actions or inactions shall be paid by Covington or its insurer. This provision shall survive the expiration of this Agreement. This provision shall also survive and remain in effect in the event that a court or other entity with jurisdiction determines that this Agreement is not enforceable. This obligation shall not include such claims, costs, damages or expenses which are caused by the sole negligence of Maple Valley or Black Diamond or their officers, agents, employees, assigns, contractors, licensees, invitees, or employees.~~

~~10.2 Maple Valley. Maple Valley agrees to defend, indemnify, and hold harmless Covington and Black Diamond and each of their respective employees, officials, agents, and volunteers from any and all losses, damages, claims, liabilities, lawsuits, or legal judgments arising from or caused by any negligent or tortious actions or inactions, and any and all losses, claims, liabilities, lawsuits, or legal judgments arising from any willful or knowing violation of law by Maple Valley or any of its employees, officials, agents, or volunteers while performing its duties and obligations under this Agreement.. All costs, including but not limited to attorneys fees, court fees, mediation fees, arbitration fees, settlements, awards of compensation, awards of damages of every kind, related to Maple Valley's negligence, or tortuous actions or inactions shall be paid by Maple Valley or its insurer. This provision shall survive the expiration or earlier termination of this Agreement. This provision shall also survive and remain in effect in the event that a court or other entity with jurisdiction determines that this interlocal Agreement is not enforceable. This obligation shall not include such claims, costs, damages or expenses which are caused by the sole negligence of Covington or Black Diamond or their officers, agents, employees, assigns, contractors, licensees, invitees, or employees.~~

~~10.3 Black Diamond. Black Diamond agrees to defend, indemnify, and hold harmless Covington and Maple Valley and each of their respective employees, officials, agents, and volunteers from any and all losses, damages, claims, liabilities, lawsuits, or legal judgments arising from or caused by any negligent or tortious actions or inactions, and any and all losses, claims, liabilities, lawsuits, or legal judgments arising from any willful or knowing violation of law by Black Diamond or any of its employees, officials, agents, or volunteers, while performing its duties and obligations under this Agreement. All costs, including but not limited to attorneys fees, court fees, mediation fees, arbitration fees, settlements, awards of compensation, awards of damages of every kind, related to Black Diamond's negligence, or tortuous actions or inactions shall be paid by Black Diamond or its insurer. This provision shall survive the expiration or earlier termination of this Agreement. This provision shall also survive and remain in effect in the event that a court or other entity with jurisdiction determines that this interlocal Agreement is not enforceable. This obligation shall~~

~~not include such claims, costs, damages or expenses which are caused by the sole negligence of Maple Valley or Covington or their officers, agents, employees, assigns, contractors, licensees, invitees, or employees.~~

~~10.4 Usage of Equipment. When using Providing Party's equipment only, the Requesting Party will protect, save and hold harmless and indemnify the Providing Party and its officers, agents, and employees from all claims, actions, damages, or expenses of any nature whatsoever by reasons of the acts or omissions of the Requesting Party or its assigns, agents, contractors, licensees, invitees, employees, or any person whomsoever arising out of or in connection with any acts or activities authorized by this Agreement arising solely out of the Requesting Party's use of the Providing Party's equipment. In such cases, the Requesting Party further agrees to defend the Providing Party and its officers, agents, employees, assigns, agents, contractors, licensees, invitees, and employees in any litigation, including payment of any costs or attorney fees for any claims or action commenced thereon arising out of or in connection with the acts or activities authorized by this Agreement. This obligation shall not include such claims, costs, damages or expenses which are caused by the sole negligence of the Providing Party or its officers, agents, employees, assigns, contractors, licensees, invitees, or employees.~~

~~10.5 Usage of Both Equipment and Labor. When the Providing Party provides both equipment and labor, the Providing Party will protect save and hold harmless and indemnify the Requesting Party and its officers, agents, and employees from all claims, actions, damages, or expenses of any nature whatsoever by reasons of the acts or omissions of the Providing Party or its officers, agents, employees, assigns, contractors, licensees, invitees, or employees arising out of or in connection with any acts or activities authorized by this Agreement arising out of the use of both the Providing Party's equipment and labor. In such cases, the Providing Party further agrees to defend the Requesting Party and its officers, agents, employees, assigns, agents, contractors, licensees, invitees, and employees in any litigation, including payment of any costs or attorney fees for any claims or action commenced thereon arising out of or in connection with the acts or activities authorized by this Agreement. This obligation shall not include such claims, costs, damages or expenses which are caused by the sole negligence of the Requesting Party or its officers, agents, employees, assigns, contractors, licensees, invitees, or employees.~~

~~10.6 Concurrent Negligence. If the claims or damages are caused by or result from the concurrent negligence of the Providing Party and their officers, agents, employees, assigns, contractors, licensees or invitees and the Requesting Party(ies), its officers, agents, employees, assigns, contractors, licensees, or invitees and involves those actions covered by RCW 4.24.115, both the Providing Party and the Requesting Party shall be liable only to the proportional extent of their respective negligence.~~

10.27 Waiver of Workers Compensation Immunity. It is further specifically and expressly understood and agreed that the indemnification provided herein constitutes each Party's waiver of immunity under Industrial Insurance, Title 51 RCW, solely to carry out the purposes of this indemnification clause. The Parties further acknowledge that they have mutually negotiated this waiver.

**11. Insurance.** Maple Valley, Black Diamond, and Covington are members of ~~an insurance risk pool, Washington Cities Insurance Authority Risk Pool (WCIA),~~ and, consistent with ~~the policies established by each Party's respective risk pool, WCIA,~~ Maple Valley, Black Diamond, and Covington are insured and agree to maintain for the duration of the Agreement insurance ~~coverage as required herein,~~ 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 each Party, its agents, representatives, or employees. Should a Requesting Party require specific insurance coverage for a specific service, the Requesting Party shall indicate any additional insurance specifications or standards in their written request for services pursuant to Section 3.1 herein.

~~11.1—No Limitation. Each Party's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of any other Party to the coverage provided by such insurance, or to otherwise limit any other Party's recourse to any remedy available at law or in equity.~~

~~11.2—Minimum Scope of Insurance. Each Party shall obtain insurance of the types described below:~~

~~11.2.1—Automobile liability insurance covering all owned non-owned, hired and leased vehicles. Coverage shall provide liability coverage for bodily injury, including personal injury or death, and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.~~

~~11.2.2—Commercial general liability insurance shall cover liability arising from premises, operations, independent contractors, and personal injury and advertising injury, for bodily injury, including personal injury or death, products liability, and property damage.~~

~~11.2.3—Workers' compensation and employer's liability insurance in sufficient amounts as required by the industrial insurance laws of the State of Washington.~~

~~11.2.4—Professional liability insurance covering any negligent professional acts, errors, or omissions, for which each Party is legally responsible and for damages sustained by reason of or in the course of operation under this Agreement.~~

~~11.3—Minimum Amounts of Insurance. Each Party shall maintain the following insurance limits:~~

~~11.3.1 Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.~~

~~11.3.2 Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$3,000,000 general aggregate.~~

~~11.3.3 Professional Liability errors and omission insurance shall be written with limits no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit.~~

~~11.4 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for automobile liability, professional liability and commercial general liability insurance:~~

~~11.4.1 Covington's insurance coverage shall be primary insurance as respect to Maple Valley and Black Diamond. Any insurance, self-insurance, or insurance pool coverage maintained by Maple Valley and Black Diamond shall be excess of Covington's insurance and shall not contribute with it. Maple Valley's insurance coverage shall be primary insurance as respect to Covington and Black Diamond. Any insurance, self-insurance or insurance pool coverage maintained by Covington and Black Diamond shall in excess of Maple Valley's insurance and shall not contribute with it. Black Diamond's insurance coverage shall be primary insurance as respect to Covington and Maple Valley. Any insurance, self-insurance or insurance pool coverage maintained by Covington and Maple Valley shall in excess of Black Diamond's insurance and shall not contribute with it.~~

~~11.4.2 Each Party's insurance shall be endorsed to state that coverage shall not be cancelled by either Party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Party affected by the cancellation.~~

~~11.5 Verification of Coverage. Each Party shall furnish the other Party with evidence of coverage evidencing that Party's insurance requirements before commencement of the work.~~

## **12. Independent Service Provider.**

12.1. Notwithstanding Section 3.6 herein, the Parties intend that an independent contractor relationship is created by this Agreement. In providing services under this Agreement, each Party is an independent contractor and

neither it nor its officers, nor its agents nor its employees or vendors, are employees of the other Party for any purpose, including responsibility for any federal or state tax, industrial insurance, or Social Security liability. Neither shall the provision of services under this Agreement give rise to any claim of career service or civil service rights, which may accrue to an employee of the other 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 Party shall be responsible for the reporting and payment of all applicable local, state, and federal taxes.

12.2 To the extent that any Party exercises control and direction over the work of any other Party, such control and directions will be for purposes of achieving the results specified in the Acceptance of Services letter according to Section 3.2 herein. No agent, employee, servant or representative of a Party shall be deemed to be an employee, agent, servant or representative of another Party for any purpose, and the employees of a Party are not entitled to any of the benefits that another Party provides for its employees. Each Party shall be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives, performed within the authorized scope of its agents, employees, servants, subcontractors or representatives' duties during the performance of this Agreement.

~~12.3~~ In the performance of the services herein contemplated each Party is an independent contractor with the authority to control and direct the performance of the details of the work; however, the results of the work contemplated herein must meet the approval of the other Parties and shall be subject to the other Parties' general rights of inspection and review to secure the satisfactory completion thereof.

~~12.3—As an independent contractor, each Party shall be responsible for the reporting and payment of all applicable local, state, and federal taxes.~~

### **13. Miscellaneous.**

13.1 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, or to exercise any option conferred by this Agreement in one or more instances, 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.

13.2 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 Subsection 7.3, 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 Parties agree in writing to an alternative dispute resolution process.

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

13.4 Modification. 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.

13.5 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.

13.5.1 Nondiscrimination in Employment. In the performance of this Agreement, no Party will discriminate against any employee or applicant for employment 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.

13.5.2. Nondiscrimination in Services. No Party will discriminate against any recipient of any services or benefits 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.

13.6 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 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.

13.7 Severability. If any section of this Agreement is adjudicated to be invalid, such action shall not affect the validity of any section not so adjudicated.

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

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

13.10 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.

\*\*\*Signatures appear on next page\*\*\*



<p>BLACK DIAMOND:</p> <p>CITY OF BLACK DIAMOND:</p> <p>By: _____ (signature)</p> <p>Print Name: <u>Rebecca Olness</u></p> <p>Its <u>Mayor</u> (Title)</p> <p>DATE: _____</p>
<p>APPROVED AS TO FORM:</p> <p>_____ Chris Bacha, City Attorney</p>

## Consent Agenda Item C-8

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: AUTHORIZE THE CITY MANAGER TO TERMINATE THE MEMORANDUM OF UNDERSTANDING WITH TRITEC HOMES, INC. FOR THE DEVELOPMENT OF A STORMWATER FACILITY.

RECOMMENDED BY: Derek Matheson, City Manager

ATTACHMENT(S):

1. Memorandum of Understanding with Tritec Homes, Inc.
2. Tritec Homes' request for MOU Termination
3. MOU Termination Agreement

PREPARED BY: Salina Lyons, Senior Planner

EXPLANATION:

On September 23, 2008, the City Manager, as authorized by the City Council, entered into a Memorandum of Understanding (“MOU”) with the developer, Tritec Homes, Inc. (“developer”). Pursuant to the MOU, (King County Recording No. 20081002001034, dated 10/02/08), the developer would be required to construct a new storm facility on the proposed plat of Woodbridge (LU06-0080/2106) to accommodate stormwater from the proposed development, as well as the existing Prestige Parke Division One development. In return, the City would decommission the existing drainage facility and surplus the property of Tract A of Prestige Park to the developer for the development of the Woodbridge II short plat. (**Attachment 1**)

On August 15, 2011, Tritec Homes submitted a Major Revision application to the plat of Woodbridge. The Major Revision consists of modifying the original Preliminary Plat of Woodbridge (Hearing Examiner approval dated 04/25/2007) from 8 lots with a new local access road extending west from 155<sup>th</sup> Ave SE to a 6 lot subdivision, with all lots taking access from 155<sup>th</sup> Ave SE. The application also included a request by the developer to terminate the MOU. (**Attachment 2**) Tritec has determined that it is no longer in the interest of their company to obtain Tract A and develop the Woodbridge II short plat.

The developer will be required to construct an on-site stormwater system to serve the Woodbridge Plat, as revised, and the City will continue to maintain the stormwater facility for Prestige Park Division One.

ALTERNATIVES: Do not authorize the City Manager to terminate the MOU agreement.

FISCAL IMPACT: None. City currently maintains the stormwater facility for Prestige Park Division One.

CITY COUNCIL ACTION:           Ordinance           Resolution      X   Motion           Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_  
seconds, to authorize the City Manager to terminate the Memorandum of  
Understanding with Tritec Homes, Inc. for the development of a stormwater  
facility.**

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

MEMORANDUM OF UNDERSTANDING  
BETWEEN TRITEC HOMES, INC. AND THE CITY OF COVINGTON  
REGARDING THE WOODBRIDGE SUBDIVISION

WHEREAS, Tritec Homes, Inc. ("Tritec") has submitted an application to the City of Covington ("City") for the Woodbridge subdivision ("the Application"), which is a proposed fill-in development located next to the Prestige Park Division I subdivision ("Prestige Park"), which was completed in 2001; and

WHEREAS, Prestige Park contains an existing small drainage tract that is owned and maintained by the City to provide stormwater retention and detention service for Prestige Park ("the Tract"); and

WHEREAS, pursuant to the requirements of the Covington Municipal Code ("CMC"), Tritec is proposing as part of the Woodbridge project to construct a stormwater retention detention system located in a tract to be dedicated to the City to serve its new proposed subdivision; and

WHEREAS, the City and Tritec have mutually determined that the creation of a new single stormwater retention detention facility to serve both the Woodbridge and Prestige Park projects is a better overall solution than two separate smaller systems, each serving a single development, because a single facility is easier to maintain, will provide superior overall stormwater protection, and offers economies of scale in terms of maintenance costs; and

WHEREAS, Tritec is willing to construct a new stormwater facility which will serve both Woodbridge and Prestige Park; and

WHEREAS, a new stormwater facility serving both Woodbridge and Prestige Park will be larger than the facility needed to serve only Woodbridge and will reduce the number of lots that can be constructed in the Woodbridge development; and

WHEREAS, construction of a new stormwater facility serving both Woodbridge and Prestige Park on the Woodbridge site will make the existing stormwater facility in the Prestige Park unnecessary; and

WHEREAS, in order to facilitate the construction of a single stormwater facility serving both Woodbridge and Prestige Park, the City is willing to transfer the Tract to Tritec and release the Tract from the restriction that it serve as a stormwater facility for Prestige Park;

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

FILE: PPF  
PROJ NAME: Woodbridge  
GRP/PR# LM09-0014/2106  
OR  ST

RECEIVED  
CITY OF COVINGTON  
SEP 04 2009  
PUBLIC SERVICES

- 1. Tritec shall, as part of the Application, submit a proposed stormwater control plan, which provides for creation of sufficient retention detention capacity to (a) provide storage for the new impervious surfaces to be constructed in Woodbridge meeting current stormwater requirements contained in the CMC, and (b) provide additional storage capacity equivalent to the storage capacity of the existing stormwater facility located in Prestige Park.

Exhibit 4  
LM09-0014

2. The City shall grant Tritec permission to submit an application for a proposed short plat (the "Short Plat") for the construction of new single family residential units on the Tract.
3. The City will review and approve the Application and the Short Plat according to current requirements of the CMC and any other relevant regulations, provided the new combined stormwater facility shall only be required to provide sufficient capacity to conform to the requirements of the approved stormwater control plan set forth in Section 1, above.
4. If and when the Application and the Short Plat receive preliminary plat approval and approval of final engineering plans, Tritec shall be entitled to proceed, subject to the conditions in Section 5, below, and at its sole cost, with construction of the plat improvements for Woodbridge, including the new combined stormwater facility.
5. No construction on or alteration of any improvements on the Tract shall occur until such time as all of the following have occurred:
  - a. the new combined stormwater facility in Woodbridge has been constructed, approved by the City, and has become operational,
  - b. Tritec has dedicated the new stormwater tract in Woodbridge pursuant to current City standards and procedures, and
  - c. title to the Tract has been transferred to Tritec pursuant to Section 6, below.
6. When the new combined stormwater facility in Woodbridge has been constructed, approved by the City, and has become operational, the City will decommission the existing stormwater facility in Prestige Park and transfer title of the Tract to Tritec by statutory warranty deed pursuant to the procedures and requirements outlined in RCW 35.94.040. The parties acknowledge that the consideration for such transfer is Tritec's agreement to construct, at its sole cost, a new combined stormwater facility in Woodbridge serving both Woodbridge and Prestige Park and deed that facility to the City.
7. In the event that the parties determine that, for any reason, the development of a combined stormwater facility serving both Woodbridge and Prestige Park is not feasible prior to the issuance of preliminary plat approval for Woodbridge, this agreement may be terminated on thirty days written notice. If the agreement is terminated, the City agrees to allow Tritec to modify its then pending application for Woodbridge to reduce the size of the stormwater facility so that it serves only the Woodbridge development and to increase the number of lots accordingly, without the loss of any vested rights Tritec has obtained for Woodbridge. Once Tritec has obtained preliminary plat approval in reliance on this Agreement, this Agreement may only be terminated by mutual agreement of the parties.

8. The City agrees to review and complete the process of review and of approval for the Application and the Short Plat pursuant to City procedures and the CMC in an expeditious manner.
9. In the event of breach of this Agreement, the breaching party will be required to pay reasonable attorney fees and costs and expert witness fees and costs in any proceeding to enforce this Agreement.
10. Notices pursuant to this Agreement shall be provided either personally or by first class mail as follows:

City of Covington:  
16720 SE 271<sup>st</sup> Street, Suite100  
Covington, WA 98042

Tritec Homes, Inc:  
P.O. Box 951  
Sumner, WA 98390

THIS MEMORANDUM OF UNDERSTANDING WAS AGREED TO AND ENTERED INTO THIS 23 day of September, 2008.

CITY OF COVINGTON

By:   
Derek Matheson, City Manager

TRITEC HOMES, INC.

By:   
Brent Rollins, President

After Recording Mail to:

Tritec Homes, Inc.  
P.O. Box 951  
Sumner, WA 98390



20081002001034

STEWART TITLE MEMO 45.00  
PAGE 001 OF 004  
10/02/2008 13:51  
KING COUNTY, WA

**DOCUMENT TITLE: MEMORANDUM OF UNDERSTANDING BETWEEN TRITEC HOMES, INC. AND THE CITY OF CITY OF COVINGTON REGARDING THE WOODBRIDGE SUBDIVISION**

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Reference Number(s) of related documents:

On page \_\_\_\_\*\_\_\_\_ of document(s)

(4) W88-0142  
STEWART TITLE

Grantor(s)

1. TRITEC HOMES, INC. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Additional names on page \_\_\_\_\*\_\_\_\_ of document

Grantee(s)

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. CITY OF COVINGTON _____</li> <li>2. _____</li> <li>3. _____</li> <li>4. _____</li> </ol> | COURTESY RECORDING ONLY<br>NO LIABILITY FOR VALIDITY<br>AND/OR ACCURACY ASSUMED<br>BY STEWART TITLE |
|--|---|

Additional names on page \_\_\_\_\*\_\_\_\_ of document

**Legal Description:**

THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THE SOUTH 30 FEET FOR ROAD;

AND EXCEPT THE NORTH 272.83 FEET AND THE EAST 144.99 FEET OF SAID WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 22 NORTH, RANGE 5 EAST, W.M., IN KING COUNTY, WASHINGTON.

Additional legal description is on page \_\_\_\_\*\_\_\_\_ of document

**Assessor's Property Tax Parcel / Account Number:**

232205-9071  
\_\_\_\_\_  
\_\_\_\_\_



August 1, 2011

Salina Lyons  
Senior Planner  
City of Covington  
16720 SE 271st St  
Suite 100  
Covington, WA 98042

RE: Woodbridge I and II preliminary plats

Dear Salina,

We would like to request the preliminary plat for Woodbridge I (LU06-0080/2106), preliminary plat for Woodbridge II (LU09-0014/2106) and the MOU (Memorandum Of Understanding) be cancelled. We would request this cancellation be conditioned upon receiving approval for the major preliminary plat revision for Woodbridge I.

Respectfully,

Andrew Goble  
Secretary/Treasurer

RECEIVED  
AUG 15 2011  
CITY OF COVINGTON

**NOTICE OF TERMINATION OF MEMORANDUM OF UNDERSTANDING  
BETWEEN TRITEC HOMES, INC. AND THE CITY OF COVINGTON  
REGARDING THE WOODBRIDGE SUBDIVISION**

WHEREAS, Tritec Homes, Inc. ("Tritec") and the City of Covington ("City") entered into a Memorandum of Understanding ("MOU") on September 23, 2008, recorded with King County Department of Records and Elections on October 2, 2008, Recording No. 20081002001034, to facilitate the construction of a storm water facility to serve Prestige Park and future development by Tritec.

WHEREAS, upon completion of the construction of said storm water facility the City would willingly transfer the original storm water facility to Tritec for development of the plats of Woodbridge and Woodbridge II; and

WHEREAS, the Hearing Examiner issued preliminary plat approval for Woodbridge, City File No. LU06-0080/2106 on February 5, 2009, and the Community Development Director issued preliminary plat approval for Woodbridge II, City File No. LU09-0014/2106 on July 22, 2010; and

WHEREAS, Tritec submitted a Major Revision to the Preliminary Plat of Woodbridge (City File No. LU06-0080/2106) modifying the preliminary plat layout and reducing the number of lots; and

WHEREAS, a public hearing for the Major Revision to the Preliminary Plat of Woodbridge (City File No. LU11-0012/2106) is scheduled for December 15, 2011; and

WHEREAS, Tritec is requesting to terminate the MOU and not proceed with development as approved under the original plats of Woodbridge and Woodbridge II; and

WHEREAS, the City agrees that the termination of the MOU will not result in a detriment to the existing storm water system; the developer will be responsible for collecting stormwater for the Woodbridge plat, as revised, and the City will continue to maintain the stormwater facility for Prestige Park; and

WHEREAS, pursuant to Section 7 of the MOU, as Tritec has already received preliminary plat approval, the MOU may only be terminated by mutual agreement of the parties;

NOW THEREFORE, in acknowledgement of the above, the City and Tritec mutually agree to terminate the MOU between the City of Covington and Tritec Homes, Inc. regarding the Woodbridge subdivision as of this \_\_\_\_\_ day of December, 2011.

By: \_\_\_\_\_  
City of Covington

By: \_\_\_\_\_  
Tritec Homes, Inc.

## Consent Agenda Item C-9

Covington City Council Meeting

Date: December 13, 2011

**SUBJECT:** ADOPT A FEE RESOLUTION TO INCREASE THE DEVELOPMENT FEES, ADMINISTRATIVE CHARGES AND TRANSPORTATION IMPACT FEES FOR 2012 BY 2.9%.

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

**ATTACHMENT(S):**

1. 2012 Development Fees, Administrative Charges, Transportation Impact Fee Resolution

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

**EXPLANATION:**

The Consumer Price Index (CPI) from June 2010- June 2011 was 3.7%; however, the Council opted to increase the development fees, administrative charges and the transportation impact fees based on an adjusted percentage that accounts for the negative CPI from 2009 (-0.7%) and 2010 (-0.06%). A cumulative increase of 2.9% will be applied to the 2012 fees, effective Jan 1, 2012. The 2.9% cumulative increase to the 2012 fees is consistent with the employee Cost of Living Adjustment (COLA) in the 2012 budget.

The Council also directed staff to include new fees for parking management plan review, single family permit extensions, and new driveway location review. These fees are based on an estimation of staff's time (1-2 hrs) at the new \$132 per hour rate. The annexation "PLUS per acre fee" was proposed to be reduced from \$614.00 to \$75.00. After applying the 2.9% increase the new "PLUS per acre fee" is \$77.00. Temporary Certificate of Occupancy fees were increased based on 2 hours of staff's time at the new \$132.00 per hour rate. Traffic Engineering Review Fees (associated with development review and concurrency requirements) remain the same and do not reflect a 2.9% increase. These fees will be updated and reformatted in 2012 based on the outcome of the new traffic model program.

**ALTERNATIVES:**

Direct staff to make any other changes.

**FISCAL IMPACT:**

A 2.9% increase in the development fees, administrative charges and the transportation impact fees in will result in additional permit, central service, and transportation revenues as applied in 2012.

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

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to pass a resolution amending development fees, administrative charges and the transportation impact fees for 2012.**

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

**RESOLUTION NO. 11-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AMENDING THE DEVELOPMENT FEES, ADMINISTRATIVE CHARGES AND TRANSPORTATION IMPACT FEES FOR 2012.**

WHEREAS, certain sections of the Covington Municipal Code authorize the City to charge a fee for services; and

WHEREAS, the Council has established a 100% cost recovery policy for land use, development and building permits; and

WHEREAS, the Council desires to maintain administrative charges for certain products and services; and

WHEREAS, the Council desires to maintain transportation impact fees to fund capital improvements; and

WHEREAS, the Council desires to modify the fee resolution to establish certain new fees that reflect the actual time and cost of providing these services and to make other limited changes to the fee resolution; and

WHEREAS, the Council desires to apply a 2.9% adjusted cost of living adjustment to the 2012 development fees, administrative charges and the transportation impact fees; and

WHEREAS, the 2.9% percentage accounts for the 3.7% CPI.-W Seattle-Tacoma June to June Index published by the Bureau of Labor Statistics, for the period 2010-2011 minus the CPI from 2009 (-0.7%) and 2010 (-0.06%); and

WHEREAS, the Council desires to offset the negative CPI for 2009 and 2010 against future positive CPI increases so as to more accurately reflect the cost of providing certain services; and

WHEREAS, fees under Traffic Concurrency Certificate (Section 1.A) and Traffic Engineering Review Fees (Section 1.G.1) will be amended upon completion of the City's traffic model program anticipated in 2012. The fees listed in the two sections do not reflect a 2.9% increase; and

WHEREAS, the business license fees [new (commercial), new home occupations and renewals] were set at a flat rate of \$60.00.

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

**Section 1.** Adoption of Fees. Effective January 1, 2012, the City's Fees are hereby amended and adopted in the form as attached hereto as Exhibit "A" and Exhibit "B".

**Section 2.** Fee Waiver. The City Manager shall have the right to waive a fee if deemed in the best interest of the City.

**PASSED** in open and regular session on this 13th day of December 2011.

\_\_\_\_\_  
MAYOR MARGARET HARTO

ATTESTED:

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

APPROVED AS TO FORM:

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

CITY OF COVINGTON  
2012 FEE NOTEBOOK

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# DEVELOPMENT AND PERMIT CHARGES

## I. DEVELOPMENT FEES

### A. Traffic Concurrency Certificate

1. Administrative Fee, Residential .....	\$784	CMC 12.100.090
2. Administrative Fee, Commercial (non-residential)	\$784	
3. Request for Extension of Certificate .....	\$392	

### B. Pre-application Conferences/Use Determinations

1. Pre-application conference.....	\$708	CMC 14.30.030(1)
2. Downtown permitted use determination.....	\$659	CMC 18.31.085

### C. Residential Land Development

1. Short Subdivisions		
a. Preliminary application review fees .....	\$12,882	CMC 17.20.010
b. Request for extension.....	\$295	CMC 17.20.040
c. Final short plat .....	\$6,235	CMC 17.25.030
d. Alteration to recorded short plat.....	\$1,766	CMC 17.25.080
e. Vacation of short plat .....	\$824	CMC 17.25.090
f. Affidavit of correction .....	\$527	CMC 17.15.120(5)
2. Subdivisions		
a. Preliminary application review fees .....	\$28,346	CMC 17.20.010
PLUS per lot fee .....	\$325	
b. Major revision to approved preliminary subdivision .....	\$7,411	CMC 17.20.030
c. Request for extension .....	\$295	CMC 17.20.020
d. Final subdivision		
(i) Final subdivision fee .....	\$10,586	CMC 17.25.030
PLUS per lot fee .....	\$90	
(ii) Subdivision alteration .....	\$2,353	CMC 17.25.070(1)
e. Vacation of plat .....	\$824	CMC 17.25.090
f. Affidavit of correction .....	\$527	CMC 17.15.120(5)

### D. Commercial Development

1. Commercial Site Dev. Permit (includes multifamily)	\$12,350	CMC 18.110.010(2)
2. Binding Site Plan		
a. Binding site plan .....	\$12,939	CMC 17.30.020
b. Binding site plan, in conjunction with commercial site development permit .....	\$1,054	CMC 17.30.020
c. Alteration of binding site plan.....	\$12,939	CMC 17.30.040
d. Vacation of binding site plan .....	\$12,939	CMC 17.30.050
3. Condominium Survey Map Review .....	\$1,054	CMC 17.35.010

E. Boundary Line Adjustment		
Request for boundary line adjustment .....	\$884	CMC 17.40.010

F. Environmental Review		
1. State Environmental Policy Act (SEPA) Review		CMC 16.10.260(1)
a. Environmental checklist .....	\$942	
b. Threshold determination		
(i) MDNS .....	\$4,941	
(ii) DS .....	\$4,941	
PLUS hourly fee to review EIS .....		
2. Critical Area Review Fees		
a. Reviews associated with single-family residential building permits, shoreline permits, individual short subdivision, boundary line adjustments, right-of-way permits (Level 1 Report) .....	\$884	CMC 18.65.100(1)
b. Reviews associated with commercial and/or multifamily building permits, commercial site development, grading permits, subdivisions, rezones, variances, and conditional use permits (Level 1 Report), to be collected as follows:	\$-	CMC 18.65.100(1)
(i) at time of application .....	\$2,058	
(ii) at time of engineering review.....	\$1,029	
(iii) at commencement of monitoring.....	\$1,971	
c. If Level 2, 3, or 4 critical area report required .....	Same fees as in (b) above	CMC 18.65.100(1)
PLUS hourly fee .....	\$132/hr	
e. Critical area exceptions/reasonable use ...	\$2,455	CMC 18.65.070(4)

G. Traffic Engineering Review		
1. Traffic Engineering Review Fees		CMC 17.15.145(2)
a. Residential subdivision .....	\$2,444	
b. Commercial/multifamily/public /institutional		
(i) 0 - 20 parking spaces .....	\$2,444	
(ii) 21 - 100 parking spaces .....	\$4,274	
(iii) 101 or more parking spaces .....	\$6,105	
2. Parking Management Plan Review Fee.....	\$264.00	CMC 18.31.110(6)

H. Engineering Review		
1. Engineering Plan Review Fees		CMC 17.15.145(3)
a. Short subdivision		
(i) Base fee .....	\$8,177	
(ii) Resubmittal or revision, each occurrence		
Base fee .....	\$132	
PLUS hourly fee .....	\$132/hr	

b. Subdivision		
(i) Application plan review		
Base fee .....	\$7,800	
PLUS per lot fee .....	\$61	
(ii) Resubmittal or revision, each occurrence		
Base fee .....	\$132	
PLUS hourly fee .....	\$132/hr	
c. Commercial/multifamily		
		CMC 18.110.030(b)
(i) Base fee .....	\$5,294	
(ii) Resubmittal or revision, each occurrence		
Base fee .....	\$132	
PLUS hourly fee.....	\$132/hr	
2. Engineering Design Review		
a. Design and Construction Standards design deviation (Type 1) .....	\$395	CMC 12.60.050 (Standards 1.08G)
b. Design and Construction Standards design variance (Type 2) .....	\$659	CMC 12.60.050 (Standards 1.08)
3. Drainage Review Fees		
a. Drainage plan review .....	\$132/hr	CMC 13.25.040(3)
b. Stormwater Manual design deviation (Type 1).....	\$395	CMC 13.25.050(1) (Standards 1.08G)
c. Stormwater Manual design variance (Type 2).....	\$772.00	CMC 13.25.050(6, 7)

## I. Clearing and Grading

### 1. Clearing & Grading Permit Plan Review Fees

CMC 18.60.035(1)

#### a. Permit plan review

The plan review fee shall be calculated by adding the applicable amounts from Tables 1 and 2, provided the maximum plan review fee shall not exceed \$69,286.

Table 1

Volume (yd <sup>3</sup> )	Base	PLUS, per 100 yd <sup>3</sup> (For Total)
0 - 500	\$0	\$38
501 - 3,000	\$70	\$52
3,001 - 10,000	\$429	\$35
10,001 - 20,000	\$2,713	\$13
20,001 - 40,000	\$4,172	\$8
40,001 - 80,000	\$4,522	\$7
Over 80,000	\$5,327	\$6

**Table 2**

Disturbed Area (acres)	Base	PLUS, per acre (For Total)
Up to 1 Acre	\$222	\$1,033
1.1 to 10 Acres	\$481	\$774
10.1 to 40 Acres	\$3,663	\$457
40.1 to 120 Acres	\$12,663	\$219
120.1 to 360 Acres	\$28,815	\$87
360.1 Acres and more	\$31,269	\$48

- b. Plan revision fee
  - (i) Base fee, each occurrence ..... \$471  
     **PLUS** hourly fee..... \$132/hr
  - (ii) SEPA re-review ..... \$5,058
- 2. Grading Permit Fee Reductions CMC 18.60.035(3)
  - a. Grading permit fee reduction for projects completed within one year ..... 40%
  - b. Grading permit fee reduction for projects reviewed in conjunction with building permits, subdivisions, short subdivisions or planned unit developments ..... 50%
- 3. Tree Removal and Clearing Fees
  - a. Minor tree removal ..... \$262 CMC 18.45.060(6)
  - b. Major tree clearing ..... \$787 CMC 18.45.060(6)

**J. Construction Inspection**

1. Construction Inspection Fee Table CMC 17.15.145(4)

Bond Quantities Worksheet Amount	Fee	PLUS, per each \$1,000 assured
\$0 - \$30,000	\$41	\$213
\$30,001 - \$120,000	\$5,410	\$90
More than \$120,001	\$11,762	\$39

- 2. Annual Inspections ..... \$132/hr CMC 17.15.145(4)
- 3. Supplemental Inspection, base fee ..... \$341 CMC 17.15.145(4)  
     **PLUS** hourly fee..... \$132/hr
- 4. Landscape Installation Inspection ..... \$341 CMC 18.40.150(4)
- 5. Landscape Maintenance Bond Release Inspection..... \$341 CMC 18.40.150(4)
- 6. Request for Extension of Performance Guarantee \$263 CMC 18.40.150(4)
- 7. Inspection outside of business hours -  
     Weekdays, 2 hour minimum \$132/hr
- 8. Inspection on weekends/holidays - 4 hour minimum \$132/hr

## K. Re-inspections and Missed Appointments (Construction, Planning, Engineering, Fire)

Re-inspection fees will be assessed at **\$132 per occurrence** when an inspection has been requested or is required and (1) the previous inspection correction items are not complete, and/or (2) access to the site is not provided, and/or (3) approved plans are not on-site.

## L. Maintenance Bond Fees

Bond/Assurance Amount	Fee	PLUS, per each \$1,000 assured
\$0 - \$30,000	\$707	\$25
\$30,001 - \$120,000	\$1,178	\$12
More than \$120,001	\$1,766	\$8

## M. Latecomers' Agreements

1. Application Fee		CMC 13.45.020(1)
a. Latecomer's costs \$20,000 or less .....	\$546	
b. Latecomer's costs \$20,001 - \$100,000 .....	\$1,093	
c. Latecomer's costs more than \$100,000.	\$2,186	
2. Review by City Engineer; 4-hour deposit required....	\$132/hr	CMC 13.45.020(2)
3. Processing Fee .....	\$132	CMC 13.45.050(6)
4. Segregation Processing Fee .....	\$132	CMC 13.45.060(1)

## N. Shoreline Management Fees

1. Substantial Development Permit		CMC 16.05.050												
a.	<table border="1"> <thead> <tr> <th>Total Cost of Proposed Development</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>\$5,001 - 10,000</td> <td>\$1,609</td> </tr> <tr> <td>\$10,001 - 100,000</td> <td>\$3,217</td> </tr> <tr> <td>\$100,001 - 500,000</td> <td>\$8,039</td> </tr> <tr> <td>\$500,001 - 1,000,000</td> <td>\$12,056</td> </tr> <tr> <td>More than \$1,000,000</td> <td>\$16,072</td> </tr> </tbody> </table>	Total Cost of Proposed Development	Fee	\$5,001 - 10,000	\$1,609	\$10,001 - 100,000	\$3,217	\$100,001 - 500,000	\$8,039	\$500,001 - 1,000,000	\$12,056	More than \$1,000,000	\$16,072	
Total Cost of Proposed Development	Fee													
\$5,001 - 10,000	\$1,609													
\$10,001 - 100,000	\$3,217													
\$100,001 - 500,000	\$8,039													
\$500,001 - 1,000,000	\$12,056													
More than \$1,000,000	\$16,072													
b. Single-family Joint-Use Dock .....	\$3,529													
2. Shoreline Conditional Use Permit .....	\$12,350													
3. Shoreline Variance														
Up to \$10,000 project value .....	\$3,647													
Over \$10,000 project value .....	\$9,646													
4. Shoreline Environment Redefinition														
Base fee .....	\$18,133													
PLUS per shoreline lineal foot.....	\$37													
Maximum charge .....	\$67,992													
5. Shoreline Exemption .....	\$414													
6. Supplemental Fees														

a. Request for extension, calculated as % of original permit .....	20%
b. Revision, as % of original permit .....	20%
c. Surcharge when public hearing required, as % of original permit .....	12%
Minimum charge .....	\$3,764
d. Compliance investigation not to exceed cost of permit (including travel time) .....	\$132/hr

O. Other Fees		
1. Administrative fee for school impact fees, per residential unit .....	\$80	CMC 18.120.030(1)
2. Administrative fee for development permits subject to transportation impact fees, per lot.....	\$80	CMC 12.105.070(3)
3. Administrative fee for development permits subject to individually-determined transportation impact fees, per development ...	\$403	CMC 12.105.050(5)
4. Commute Trip Reduction		CMC 12.90.050
a. Program review .....	\$132/hr	
b. Request for extension .....	\$132/hr	
c. Request for modification .....	\$132/hr	
5. Flood Damage Prevention Variance .....	\$1,054	CMC 16.15.180(1)

P. Consultant Pass-Through Fees	
<p>In the review of a land-use permit application, including but not limited to environmental (SEPA) review, the City may determine that such review requires the retention of professional consultant services. In addition to the above development fees that an applicant is required to submit, the applicant shall also be responsible for reimbursing the City for the cost of professional consultant services if the City determines that such services are necessary to complete its review of the application submittal. The City may also require the applicant to deposit an amount with the City which is estimated, at the discretion of the Community Development Director, to be sufficient to cover anticipated costs of retaining professional consultant services and ensure reimbursement to the City for such costs. (CMC 14.30.040(6))</p>	
1. Consultant costs .....	Actual costs
2. Administrative fee .....	10% of actual consultant costs

## II. ZONING AND LAND USE FEES

A. Annexation Petitions and Election Requests <sup>2</sup>		
Base Fee .....	\$12,812	
<b>PLUS</b> per acre .....	\$77	
B. Comprehensive Plan Amendment .....	\$3,825	CMC 14.25.020(2)
(includes \$500 non-refundable docketing fee)		
<b>PLUS</b> consultant costs if accepted by Planning Commission .....	Billed separately	
C. Development Regulation Amendment .....	\$3,278	
(includes \$500 non-refundable docketing fee)		
<b>PLUS</b> consultant costs if accepted by Planning Commission .....	Billed separately	
D. Land Use Written Determination/Certification <sup>1</sup>		
Type 1 decision letter .....	\$414	Multiple cities
E. Conditional Use Permit (CUP)		
CMC 18.125.020		
1. CUP (stand alone permit) .....	\$10,125	
2. CUP w/ Commercial Site Development .....	\$2,881	
3. Amendment to CUP .....	\$3,540	
F. Temporary Use Permit .....	\$263	CMC 18.85.100
G. Zoning Variance (Type 3).....	\$8,881	CMC 18.125.030
H. Design Departure from the <i>City of Covington</i> <i>Design Guidelines and Standards</i> .....	\$263	CMC 18.31.050
I. Re-use of Closed Public School Facilities .....	\$1,761	CMC 18.85.220
J. Appeals to Hearing Examiner .....	\$619	CMC 14.35.110(1)
K. Sign Permits		
CMC 18.55.050(1)		
1. Freestanding sign, each .....	\$590	
2. Wall-mounted signs (up to 3) .....	\$590	
Additional per sign over 3 signs .....	\$132	
3. Temporary sign .....	\$132	
L. Sign Variance .....	\$8,881	CMC 18.55.090
M. Other services .....	\$132/hr	

1 Some written determinations may require additional consultant pass-through costs as authorized by the Covington Municipal Code.

2 Fee does not include any costs associated with development of Sub-Area Plans and development regulations.

### III. RIGHT-OF-WAY FEES

A. Right-of-Way Use Permit <sup>1</sup>		CMC 12.35.040
Up to 300 lineal feet .....	\$421	
Over 300 lineal feet .....	\$664	
<b>PLUS \$2.00 per foot over 300 lineal feet</b>		
B. Right-of-Way Use Permit Extension		CMC 12.35.050(4)
Up to 300 lineal feet .....	\$421	
Over 300 lineal feet .....	\$664	
<b>PLUS \$2.00 per foot over 300 lineal feet</b>		
C. Right-of-Way Use - Non-Construction .....	\$132	CMC 12.35.040
(e.g. parade, block party, oversize load, etc.)		
D. Right-of-Way Construction Permit (Franchised Utility)		CMC 12.65.040(1)
Up to 300 lineal feet .....	\$421	
Over 300 lineal feet .....	\$664	
<b>PLUS \$2.00 per foot over 300 lineal feet</b>		
E. Right-of-Way Placement Permit (Non-franchised Utility)		CMC 12.67.050(5)
Up to 300 lineal feet .....	\$421	
Over 300 lineal feet .....	\$664	
<b>PLUS \$2.00 per foot over 300 lineal feet</b>		
F. Right-of-Way Use Permit - Aerial Work		
Base fee (non-construction).....	\$132	
Per pole fee.....	\$132	
G. ROW Use Permit - Aerial & Pole Replacement		
Base fee (construction).....	\$421	
Per pole fee.....	\$263	
H. Failure to Call In Job Start.....	\$132	
I. Petition for Vacation of Right-of-Way .....	\$947	CMC 12.55.070
<b>PLUS pass-through consultant costs.....</b>	Billed separately	
J. Limited Special Permit to Exceed Bridge Load Limit.	\$132/hr	CMC 12.20.020

<sup>1</sup> The fee is applicable to a request for the relocation of an existing driveway.

## IV. BUILDING FEES

### A. Building Code Fees

CMC 15.05.060

#### 1. Building Permit Fee Table

Project Value	Fee
\$1 - \$500	<b>\$30</b>
\$500 - \$2,000	<b>\$30</b> for first \$500, plus <b>\$7</b> per each addt'l \$100 or fraction thereof up to and including \$2,000
\$2,001 - \$25,000	<b>\$101</b> for first \$2,000, plus <b>\$20</b> per each addt'l \$1,000 or fraction thereof up to and including \$25,000
\$25,001 - \$50,000	<b>\$506</b> for first \$25,000, plus <b>\$15</b> per each addt'l \$1,000 or fraction thereof, up to and including \$50,000
\$50,001 - \$100,000	<b>\$858</b> for first \$50,000, plus <b>\$13</b> per each addt'l \$1,000 or fraction thereof, up to and including \$100,000
\$100,001 - \$500,000	<b>\$1,448</b> for first \$100,000, plus <b>\$14</b> per each addt'l \$1,000 or fraction thereof, up to and including \$500,000
\$500,001 - \$1,000,000	<b>\$6,622</b> for first \$500,000, plus <b>\$10</b> per each addt'l \$1,000 or fraction thereof, up to and including \$1,000,000
More than \$1,000,001	<b>\$10,739</b> for first \$1,000,000, plus <b>\$9</b> per each addt'l \$1,000 or fraction thereof

#### 2. Other Inspections and Fees

- a. Inspections outside of normal business hours
  - Base fee ..... \$263
  - PLUS** hourly rate beyond two hours ..... \$132/hr
- b. Reinspection fees assessed per IBC 305.8 .... \$132/hr
- c. Other inspections ..... \$132/hr
- d. Additional plan review ..... \$132/hr
- e. Plan review and/or inspection by outside consultants ..... Actual costs

- 3. Building Permit Plan Review (due at time of application) ..... 65% of building permit fee

#### 4. Misc. Single-Family Residential Building Permit Fees

- a. Re-roofs ..... \$192
- b. Manufactured home placement, per unit ... \$192
- c. Fences over 6 feet tall ..... Valuation-based
- d. Demolition, per structure ..... \$254
- e. Permit Extension Request..... \$132

#### 5. Misc. Commercial Building Permit Fees

- a. Permit Extension Request..... \$132
- b. Temporary Certificate of Occupancy..... \$263

**B. Mechanical Permit Fees**

CMC 15.05.060

- 1. Permit Issuance ..... \$37
- 2. Supplemental Permit Issuance ..... \$15

3. 

Mechanical Unit Fee Schedule	
a. Furnace	\$22
b. Furnace over 100,000 Btu/h (29.3 kw)	\$25
c. Floor furnace	\$22
d. Unit heater	\$22
e. Appliance vent	\$12
f. Boiler or compressor up to 3 hp, or absorption system up to 100,000 Btu/h	\$21
g. Boiler or compressor over 3 up to 15 hp, or absorption system 100,001-500,000 Btu/h	\$35
h. Boiler or compressor over 15 up to 30 hp, or absorption system 500,001-1,000,000 Btu/h	\$50
i. Boiler or compressor over 30 up to 50 hp, or absorption system 1,000,001-1,750,000 Btu/h	\$70
j. Boiler or compressor over 50 hp, or absorption system over 1,750,000 Btu/h	\$116
k. Air-handling unit up to 10,000 cfm	\$15
l. Air-handling unit over 10,000 cfm	\$25
m. Evaporative cooler	\$15
n. Ventilation fan	\$12
o. Mechanical hood	\$15
p. Domestic-type incinerator	\$25
q. Commercial or industrial-type incinerator	\$21
r. Miscellaneous appliance	\$15
s. Gas piping system, 1-4 outlets	\$9
t. Additional outlet exceeding 4, each	\$6
u. Hazardous process piping system (HPP), 1-4 outlets	\$10
v. Hazardous process piping system (HPP), 5 or more outlets, each	\$6
w. Nonhazardous process piping system (NPP), 1-4 outlets	\$7
x. Nonhazardous process piping system (HPP), 5 or more outlets, each	\$0.69

- 4. Commercial Mechanical Permit Plan Review..... 65% of mechanical permit fee

**C. Plumbing Permit Fees**

CMC 15.05.060

- 1. Permit Issuance ..... \$37
- 2. Supplemental Permit Issuance ..... \$15

3.

Plumbing Unit Fee Schedule	
a. One trap or a set of fixtures on one trap	\$12
b. Building sewer and each trailer park sewer	\$22
c. Rainwater systems, per drain (inside building)	\$12
d. Cesspool (where permitted)	\$33
e. Private sewage disposal system	\$52
f. Water heater and/or vent	\$12
g. Gas-piping system, 1-5 outlets	\$10
h. Additional outlet exceeding 5, each	\$6
i. Industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture trap	\$12
j. Installation or alteration of drainage or vent piping and/or water treating equipment, each	\$12
k. Repair or alteration of drainage or vent piping, each fixture	\$12
l. Lawn sprinkler system on any one meter including backflow protection devices	\$12
m. Atmospheric-type vacuum breakers, 1-5	\$10
n. Additional breakers exceeding 5, each	\$6
o. Backflow device other than atmospheric-type vacuum breakers, 2-inch or smaller	\$12
p. Backflow device other than atmospheric-type vacuum breakers, over 2 inches	\$22
q. Graywater system	\$52
r. Initial installation and testing for reclaimed water system*	\$39
s. Annual cross-connection testing of reclaimed water system (excluding initial test)*	\$39
t. Medical gas piping system serving 1-5 inlets/outlets for a specific gas	\$65
u. Additional medical gas inlets/outlets, each	\$10

\*Additional hourly rate may apply to complex systems

- 4. Commercial Plumbing Permit Plan Review ..... 65% of total plumbing permit fee

## V. FIRE CODE FEES

### A. Fire Flow & Fire Access Review - International Fire Code CMC 15.05.060

1. Commercial site development	
Buildings 5,000+ sq. ft. ....	\$889
Buildings less than 5,000 sq. ft .....	\$494
2. Large commercial buildings 5,000 + sq. ft. (building permit review).....	\$1,350
3. Commercial building less than 5,000 sq. ft. (building permit review).....	\$527
4. Multifamily building (building permit review)....	\$1,350
5. Commercial tenant improvements .....	\$527
6. Single-family residential (new building permit).....	\$296
7. Subdivisions (at preliminary plat review) .....	\$659
8. Short subdivisions (at preliminary plat review).....	\$593
9. Boundary line adjustments (case by case).....	\$132
10. Other applications .....	\$198

### B. Fire System and Tank Reviews CMC 15.05.060

1. Fire alarm systems	
a. 1-4 zones	\$204
b. Each additional zone	\$40
c. Each addressable panel	\$719
PLUS for each device	\$8
2. Fire extinguishing systems	\$403
PLUS for each nozzle	\$24
3. Automatic sprinkler systems	
a. Commercial, each riser	\$386
PLUS for each head/plug	\$8
b. Multifamily 13R, each riser	\$311
PLUS for each head/plug	\$7
c. Single-family 13D system	\$319
4. Standpipe systems	
a. Class I	\$403
b. Class II	\$403
c. Class III	\$1,108
d. Each outlet, Class I or II	\$78

e. Fire pump	\$359
5. Flammable or combustible liquids storage tanks	
a. Underground, first tank	\$204
PLUS each additional tank	\$111
b. Above ground, each tank	\$204
6. Hazardous materials storage tanks	
a. Less than 500 gallons, each	\$274
b. 501 - 1,199 gallons, each	\$553
c. 1,200 gallons or more	\$789
7. Liquefied petroleum tanks	
a. Less than 500 gallons, each	\$204
b. 501 - 9,999 gallons, each	\$403
c. 10,000 gallons or more	\$794
8. Gaseous oxygen systems	
a. Less than 6,000 ft <sup>3</sup>	\$126
b. 6,001 - 11,999 ft <sup>3</sup>	\$274
c. 12,000 ft <sup>3</sup> or more	\$396
9. Nitrous oxide systems	
PLUS each outlet	\$20
10. Medical gas systems	
a. Gaseous systems	\$430
PLUS each outlet	\$20
b. Liquefied systems	\$923
PLUS each outlet	\$20
11. Hazardous material recycling systems	
a. 110 gallons or less per day capacity	\$274
b. Over 110 gallons per day capacity	\$788
12. Vapor recovery systems (per tank)	
a. Phase I - tank truck and tank	\$220
b. Phase II - vehicle fueled and tank	\$275
13. Cryogenic tank, each	
	\$220
14. Flammable liquid devices	
a. Spray booths (updraft), each	\$220
b. Dip tanks, each	\$200
c. Spray booths (downdraft), each	\$367
d. Flow coaters, each	\$417
e. Mixing/handling room	\$544

15. Fiberglass work systems	
a. Spray or chopper booth	\$367
b. Lay-up areas	\$428
16. Organic peroxide storage facility	\$428
17. Explosives storage magazines	
a. Class I	\$428
b. Class II	\$274
18. Compressed natural gas systems, each	\$417
19. Liquefied natural gas systems	\$791
20. High-piled storage racks	\$417
21. Smoke removal systems	\$428
22. High rise emergency evacuation plans	\$428
23. Commercial candle-holding devices	\$274
24. Computer room	\$428
25. Floor or layout plans required by the Fire Code for public assembly, special sales, outdoor storage of flammable liquids in drums, or indoor storage of combustibles	\$417
26. Fire clearance when requested of the Fire Marshal, including but not limited to the following:	
a. State funding of school projects	\$266
b. State or federal school, hospital, nursing home, rehabilitative facilities, or custodial facilities accreditation	\$266
c. State licensing of mini-day care, day care, foster home, boarding home	\$274
d. State liquor license	\$274
e. State gambling license	\$274
f. Special out-of-occupancy uses	\$274
g. House moving permit	\$274
h. Fire clearance for Covington business licenses	\$274
27. Approval of carpet samples or decorative materials	\$274
28. Special inspections for occupancy determinations or changes of use requirements	\$274
29. Requested preliminary inspections	\$274
30. Each retest or re-inspection of a fire protection or hazardous materials	\$274

31.	Witnessing tests of used underground flammable liquids storage tanks before installation	\$274
32.	Investigating and processing leaking underground storage tanks or hazardous materials spills and the subsequent containment and recovery of lost product	\$274
33.	Underground piping to flammable or combustible liquid storage tanks	\$274
34.	Installation, removal or abandonment, or any combination thereof, of flammable or combustible liquid storage tanks	
	a. First commercial tank	\$274
	b. Each additional commercial tank	\$145
	c. Contractor's permit for removal or abandonment of residential underground fuel tanks	\$192
35.	Witnessing tests of underground flammable or combustible liquid storage tanks for tank tightness	\$274
36.	Conducting fire flow tests or analysis	\$968
37.	Fuel tanks for oil burning equipment	
	a. Commercial	\$204
	b. Residential	\$100
38.	Monitoring transmitters	\$275
	<b>PLUS</b> each device	\$8
39.	Sprinkler system supply mains (public main to sprinkler riser), each	\$274
40.	Emergency or standby power systems	\$274
41.	Plan review of construction fire safety plans	\$274
42.	Confidence testing of fire protection systems	\$274
43.	High rise fire system review	\$274
44.	Fire protection plan review	
	a. Review of water main extension, replacement, or both	\$291
	<b>PLUS</b> per hydrant	\$83
	b. Review of hazardous material management plan	\$568

**C. Fire System and Fire Tank Inspections/Conformance** CMC 15.05.060

- |   |       |
|---|-------|
| 1. Inspection of residential projects .....           | \$165 |
| <b>PLUS</b> per head/device .....                     | \$7   |
| 2. Inspection of commercial projects .....            | \$178 |
| <b>PLUS</b> per head/device .....                     | \$8   |
| 3. Inspection of water main extension or replacement. | \$148 |
| 4. Inspection of combustible liquid storage tanks..   | \$165 |

**D. Hazardous Materials and Public Assembly Inspection** CMC 15.05.060

Code inspections, mitigations, and code enforcement fees shall be charged at the Department's current hourly rate, with the exception of the following:

- |   |           |
|---|-----------|
| 1. Fireworks stands (rate set by state law) .....                               | \$100     |
| 2. Fireworks displays (rate set by state law) .....                             | \$100     |
| 3. Liquefied petroleum gas serving single-family residences .....               | No charge |
| 4. Parade floats .....  | No charge |
| 5. Use of candles for ceremonial purposes by churches or nonprofit groups ..... | No charge |

**E. Extensions of permits or approvals** CMC 15.05.060

Fire system permits

- |   |                            |
|---|----------------------------|
| a. Single-family residential .....        | \$158                      |
| b. Final and correction inspections ..... | \$254                      |
| c. Full fire inspection .....             | 20% of original permit fee |

**F. Fire Code Enforcement Inspection (Annual Fire Inspections)** CMC 15.05.060

Fire code enforcement inspections identified in the program policy shall be charged to the applicant or owner at hourly rate of \$132.

## VI. TECHNOLOGY MANAGEMENT FEE

A \$39.00 technology surcharge is assessed for each of the following transactions: Building permit, plumbing permit, mechanical permit, fire permit, sign permit, demolition permit, right-of-way use permit, etc., and each land-use action, impact fee assessment, and concurrency analysis (including supplemental applications).

## ADMINISTRATIVE CHARGES

### I. BUSINESS LICENSES

A. Business license fee, (New)	\$60
B. Business license fee for home occupations or home industry (New)	\$60
C. Business license renewal fee	\$60
C. Peddler's permit fee	\$99
PLUS technology surcharge	\$39
D. Special event license (3-day license)	\$141
PLUS technology surcharge	\$39

### II. CITY CLERK'S OFFICE

A. Agenda-only subscription (City Council and all commissions)	No charge
B. Copies of audio tapes of meetings, per tape	Actual cost
C. Verbatim transcripts, requires \$400 deposit when ordered	Actual cost
D. Copy - CD rom	Actual cost
E. Paper copies on copier (no charge first 5 pages), per page	\$0.15

### III. FINANCE DEPARTMENT

A. Financial Documents - <i>copies available at City Hall for viewing</i>	
1. Final Budget	Actual cost
2. Preliminary Budget	No charge
3. Financial Statement	Actual cost
B. Returned item fee (i.e. NSF, chargeback, etc.)	Actual cost

### IV. MISCELLANEOUS FEES

A. Maps larger than 11" x 17"	Actual cost
B. Community Room	
1. Reservation fees - Weekdays during normal City business hours (8 am to 5 pm)	\$27/hour
2. Reservation fees - Weekends, holidays, times other than normal City hours	\$62/hour
3. Facility monitor hourly rate	\$12/hour
4. Kitchen use fee	\$30
5. Refundable damage/cleaning deposit	\$257
6. Processing fee for refunds for cancellations	\$10/per transaction
C. Promotional Items	
1. City of Covington hats, mugs, etc.	Actual cost
2. Covington historical books	Actual cost
D. Special Event Permit (on City property)	\$254

## Appendix B. Traffic Impact Rate Table

0.091 = Avg K-factor / Avg Daily Fee/Trip = \$ 406

This table uses ITE<sup>(3)</sup> driveway trip rates, with adjustments, to derive the net new impact per unit of development, in vehicle-miles-traveled (VMT). See ITE for details of land use cat

ITE LAND USE NAME	ITE LAND USE CODE	ITE LAND USE UNIT <sup>(11)</sup>	ITE AVERAGE SIZE <sup>(9)</sup>	ITE GROSS TRIP RATE / UNIT <sup>(3)</sup>	DISCOUNT PASS-BY TRIPS <sup>(4)</sup>	ITE Pk/Daily K-Factor	NET NEW VMT IMPACT RATE / UNIT <sup>(5)</sup>	FEE PER LAND USE UNIT
<b>RESIDENTIAL</b>		<i>Signature elements: places where people live with active lifestyles. Afternoon peak hour traffic is mainly inbound.</i>						
Single-family (detached) dwelling	210	Dwelling	214	9.6	0%	10.6%	<b>9.6</b>	<b>\$ 4,505</b>
Duplex (detached) dwelling	use 210	Dwelling	same	9.6	0%	10.6%	<b>9.6</b>	<b>\$ 4,505</b>
Multifamily, 3+ bedrooms	use 231	Dwelling	234	7.4	0%	10.5%	<b>7.4</b>	<b>\$ 3,479</b>
Multifamily, under 3 bedrooms	blend 220, 221, 230	Dwelling	250	6.0	0%	10.0%	<b>6.0</b>	<b>\$ 2,676</b>
Mobile Home Park	240	Dwelling	168	5.0	0%	11.2%	<b>5.0</b>	<b>\$ 2,498</b>
Self-contained Retirement Community <sup>(7)</sup>	251	Dwelling	862	3.7	0%	7.0%	<b>3.7</b>	<b>\$ 1,160</b>
Senior Adult Housing-Attached	252	Dwelling	147	3.5	0%	3.2%	<b>3.5</b>	<b>\$ 491</b>

Congregate Care Facility, Nursing Home, Elderly Housing

*please see Non-Retail, assisted living facilities*

<b>NON-RETAIL</b>		<i>Signature elements: places where most traffic is generated by employees, rather than customers, patrons or residents. Includes some public facilities and some assisted-living types of residential facilities. Peak hour main</i>						
<b>Employment Centers</b>								
Office Building (single building)	blend 710, 714, 715	1000 sq. ft.	150-300	11.4	0%	13.1%	<b>11.4</b>	<b>\$ 6,691</b>
Office Park (multiple buildings)	750	1000 sq. ft.	370	11.4	0%	13.1%	<b>11.4</b>	<b>\$ 6,691</b>
Business Park (multiple buildings)	770	1000 sq. ft.	379	12.8	0%	10.1%	<b>12.8</b>	<b>\$ 5,754</b>
Research & Development Center	760	1000 sq. ft.	306	8.1	0%	13.3%	<b>8.1</b>	<b>\$ 4,818</b> <sup>6T<sup>11</sup></sup>
General Light Industrial	110	1000 sq. ft.	357	7.0	0%	14.1%	<b>7.0</b>	<b>\$ 4,372</b> <sup>6T<sup>11</sup></sup>
Industrial Park	130	1000 sq. ft.	447	7.0	0%	12.4%	<b>7.0</b>	<b>\$ 3,836</b> <sup>6T<sup>11</sup></sup>
Manufacturing	140	1000 sq. ft.	325	3.8	0%	19.4%	<b>3.8</b>	<b>\$ 3,301</b> <sup>6T<sup>11</sup></sup>
General Heavy Industrial	120	1000 sq. ft.	1544	1.5	0%	45.3%	<b>1.5</b>	<b>\$ 3,033</b> <sup>6T<sup>11</sup></sup>
<b>Trucking and Storage Facilities</b>								
1 Warehousing (industrial)	150	1000 sq. ft.	354	4.96	0%	9.5%	<b>5.0</b>	<b>\$ 2,097</b> <sup>6T<sup>11</sup></sup>
Mini-warehouse (self-service storage)	151	1000 sq. ft.	58	2.50	0%	10.4%	<b>2.5</b>	<b>\$ 1,160</b>
3 High-Cube Warehouse	152	1000 sq. ft.	302	1.44	0%	6.9%	<b>1.4</b>	<b>\$ 446</b> <sup>6T<sup>11</sup></sup>
4 Truck Terminal	30	Acres	12	81.9	0%	8.0%	<b>81.9</b>	<b>\$ 29,218</b> <sup>6T<sup>11</sup></sup>
<b>Institutions</b>								
Church, with weekday programs	560	1000 sq. ft.	17	30.0	20%	6.7%	<b>24.0</b>	<b>\$ 7,137</b>
School, high	530	1000 sq. ft.	225	12.9	10%	7.9%	<b>11.6</b>	<b>\$ 4,095</b>
School, elementary and junior-high	520	1000 sq. ft.	55	14.5	20%	1.4%	<b>11.6</b>	<b>\$ 714</b>
Church, no weekday programs	560	1000 sq. ft.	17	6.0	0%	6.7%	<b>6.0</b>	<b>\$ 1,784</b>
<b>Assisted Living Facilities</b>								
Nursing Home	620	Beds	99	2.4	10%	9.3%	<b>2.1</b>	<b>\$ 883</b>
Congregate Care Facility, Elderly Housing (Attached)	253	Living unit	164	2.0	10%	8.4%	<b>1.8</b>	<b>\$ 682</b>

**Notes:**

- (1) V.S.P. (Vehicle Servicing Position) = space provided for one vehicle to be fueled or washed; not necessarily "pumps" or "hoses"
- (2) Use total rooms for hotel/motel; 15% vacancy factor is incorporated in gross trip rate. Excludes facilities with major restaurants and meeting places.
- (3) Institution of Transportation Engineers, Trip Generation, 7th edition. Some ITE rates are smoothed and averaged to eliminate statistically insignificant differer
- (4) Pass-by Diversion Reduction eliminates trips diverted from the stream of traffic "passing by" a retail site, which add no vehicle-miles of impact on the road sy
- (5) Net New VMT Impact Trip Rate = ITE Gross Trip Rate \* (1 - % Pass-by)
- (6) For shopping centers over 65,000 sq. ft., see ITE for logarithmic trip rate formula.
- (7) A retirement community is "self-contained" only if it provides a full range of facilities on-site for medical care, recreation, shopping, dining, etc. similar to a sm; For "assisted living" retirement facilities serving the non-driving elderly with caregivers employed on-site, use Congregate Care Centers under NON-RETAIL.
- (8) Average size of developments comprising the ITE database. May be useful to distinguish between otherwise similar-sounding classes.
- (9) Trip rate for any land use not covered by this table shall be determined by the Director of Public Works.
- (10) This land use generates heavy truck travel. Truck surcharge must be calculated.
- (11) Units expressed as 1000 sq. ft. refer to habitable gross building area, not land area. Units expressed as "acres" refer to land area.

**Appendix B. Traffic Impact Rate Table**

**0.091 = Avg K-factor / Avg Daily Fee/Trip = \$ 406**

This table uses ITE<sup>(3)</sup> driveway trip rates, with adjustments, to derive the net new impact per unit of development, in vehicle-miles-traveled (VMT). See ITE for details of land use cat

ITE LAND USE NAME	ITE LAND USE CODE	ITE LAND USE UNIT <sup>(11)</sup>	ITE AVERAGE SIZE <sup>(9)</sup>	ITE GROSS TRIP RATE / UNIT <sup>(3)</sup>	DISCOUNT PASS-BY TRIPS <sup>(4)</sup>	ITE Pk/Daily K-Factor	NET NEW VMT IMPACT RATE / UNIT <sup>(5)</sup>	FEE PER LAND USE UNIT
<b>RETAIL</b>		<i>Signature elements: non-residential activity with traffic generated mainly by customers or patrons, not employees. Inbound and outbound are roughly equal most of the day. Some public facilities are thus "retail".</i>						
<b>Automobile-related Sales</b>								
Auto Parts Sales	843	1000 sq. ft.	8	61.9	50%	9.7%	<b>31.0</b>	<b>\$ 13,338</b>
Auto Care Center (multiple stores)	942	1000 sq. ft.	12	38.9	20%	8.7%	<b>31.1</b>	<b>\$ 12,062</b>
Car Sales, New and Used	841	1000 sq. ft.	30	33.3	10%	8.4%	<b>30.0</b>	<b>\$ 11,241</b>
<b>Automobile Servicing</b>								
Service Station no Mini-Mart	944	V.S.P. <sup>(1)</sup>	8	168.6	80%	8.6%	<b>33.7</b>	<b>\$ 12,990</b>
Carwash	947	V.S.P. <sup>(1)</sup>	7	75.0	50%	7.4%	<b>37.5</b>	<b>\$ 12,356</b>
Service Station with Mini-Mart	945	V.S.P. <sup>(1)</sup>	10	162.8	80%	8.2%	<b>32.6</b>	<b>\$ 11,937</b>
Quick-Lube Vehicle Servicing	941	V.S.P. <sup>(1)</sup>	2	51.9	50%	10.0%	<b>26.0</b>	<b>\$ 11,576</b>
Tire Store	848, 849	V.S.P. <sup>(1)</sup>	8	32.0	50%	10.4%	<b>16.0</b>	<b>\$ 7,405</b>
<b>Social-Recreational Activities</b>								
Drinking Place (pub, tavern, bar)	936	1000 sq. ft.	4	140.0	20%	8.1%	<b>112.0</b>	<b>\$ 40,468</b>
Restaurant, fast food	934	1000 sq. ft.	4	496.0	80%	7.0%	<b>99.2</b>	<b>\$ 30,904</b>
Library	590	1000 sq. ft.	16	54.0	10%	13.1%	<b>48.6</b>	<b>\$ 28,464</b>
Restaurant, quality	931	1000 sq. ft.	9	90.0	20%	8.3%	<b>72.0</b>	<b>\$ 26,729</b>
Restaurant, sit-down	932	1000 sq. ft.	6	127.2	50%	8.6%	<b>63.6</b>	<b>\$ 24,356</b>
Lodge, Fraternal Organization, with dining facilities	591	1000 sq. ft.	n/a	48.0	10%	12.5%	<b>43.2</b>	<b>\$ 24,088</b>
Health/Fitness Club	492	1000 sq. ft.	36	32.9	10%	12.3%	<b>29.6</b>	<b>\$ 16,259</b>
Bowling Alley	437	1000 sq. ft.	24	33.3	10%	10.6%	<b>30.0</b>	<b>\$ 14,212</b>
Recreational Community Center	495	1000 sq. ft.	65	22.9	10%	7.2%	<b>20.6</b>	<b>\$ 6,584</b>
Racquet/Tennis Club	491	1000 sq. ft.	48	14.0	10%	6.0%	<b>12.6</b>	<b>\$ 3,372</b>

**Notes:**

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- (9) Trip rate for any land use not covered by this table shall be determined by the Director of Public Works.
- (10) This land use generates heavy truck travel. Truck surcharge must be calculated.
- (11) Units expressed as 1000 sq. ft. refer to habitable gross building area, not land area. Units expressed as "acres" refer to land area.

**Appendix B. Traffic Impact Rate Table**

0.091 = Avg K-factor / Avg Daily Fee/Trip = \$ 406

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<b>RETAIL</b>								
<i>Signature elements: non-residential activity with traffic generated mainly by customers or patrons, not employees. Inbound and outbound are roughly equal most of the day. Some public facilities are thus "retail".</i>								
<b>Community Retail Focus</b>								
Bank, walk-in	911	1000 sq. ft.	5	156.5	65%	21.2%	54.8	\$ 51,755
Bank, drive-in	912	1000 sq. ft.	4	246.5	75%	18.6%	61.6	\$ 51,008
Convenience Market	851 - 853	1000 sq. ft.	3	640.0	85%	7.8%	96.0	\$ 33,455
Video Rental Store	896	1000 sq. ft.	7	140.0	55%	9.7%	63.0	\$ 27,300
Pharmacy/Drug Store	880, 881	1000 sq. ft.	13	89.1	30%	9.8%	62.4	\$ 27,203
Supermarket, discount supermarket	850, 854	1000 sq. ft.	62	102.2	45%	10.2%	56.2	\$ 25,638
Hardware, paint store	816	1000 sq. ft.	21	51.3	25%	9.4%	38.5	\$ 16,192
Building Materials & Lumber Store	812	1000 sq. ft.	11	45.2	20%	9.9%	36.1	\$ 16,023
Apparel Store	870	1000 sq. ft.	5	66.4	20%	5.8%	53.1	\$ 13,668
Shopping Ctr, under 65,000 sq. ft. <sup>(6)</sup>	820	1000 sq. ft.	50	70.0	50%	6.9%	35.0	\$ 10,706
Specialty retail center (strip mall)	814	1000 sq. ft.	105	44.3	20%	6.1%	35.5	\$ 9,671
<b>Destination Retail Focus</b>								
1 Freestanding Discount Store	815	1000 sq. ft.	111	56.0	30%	9.0%	39.2	\$ 15,800
2 Toy / Children's Superstore	864	1000 sq. ft.	46	60.0	30%	8.3%	42.0	\$ 15,581
3 Discount Club (membership warehouse store)	861	1000 sq. ft.	112	41.8	20%	10.1%	33.4	\$ 15,131
4 Electronics Superstore	863	1000 sq. ft.	37	45.0	30%	10.0%	31.5	\$ 14,051
5 Free-standing Discount Superstore	813	1000 sq. ft.	154	49.2	20%	7.9%	39.4	\$ 13,810
6 Factory Outlet Center	823	1000 sq. ft.	146	26.6	10%	10.0%	23.9	\$ 10,719
7 Home improvement superstore	862	1000 sq. ft.	100	29.8	10%	8.2%	26.8	\$ 9,836
8 Furniture Store	890	1000 sq. ft.	67	5.1	10%	9.1%	4.6	\$ 1,847
# Nursery (Garden Center)	817	Acres	4	96.2	10%	7.8%	86.6	\$ 30,190
# Nursery (Wholesale)	818	Acres	24	19.5	10%	2.7%	17.6	\$ 2,128
<b>SPECIAL CASES</b>								
<i>Signature Elements: Characteristics not matched with groups above</i>								
State Motor Vehicles / Licensing Agency	731	1000 sq. ft.	10	166.0	30%	10.3%	116.2	\$ 53,364
US Post Office	732	1000 sq. ft.	31	108.2	60%	10.1%	43.3	\$ 19,431
Medical/Dental Office or Clinic	630, 720	1000 sq. ft.	71	33.0	10%	11.1%	29.7	\$ 14,694
Day Care	565	1000 sq. ft.	4	79.3	80%	16.6%	15.9	\$ 11,758
Hospital	610	1000 sq. ft.	500	17.6	10%	6.7%	15.8	\$ 4,737
Hotel/Motel - no convention facilities	310-312, 320	Total Rooms <sup>(2)</sup>	200	6.5	10%	8.2%	5.9	\$ 2,128

**Notes:**

- (1) V.S.P. (Vehicle Servicing Position) = space provided for one vehicle to be fueled or washed; not necessarily "pumps" or "hoses"
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- (10) This land use generates heavy truck travel. Truck surcharge must be calculated.
- (11) Units expressed as 1000 sq. ft. refer to habitable gross building area, not land area. Units expressed as "acres" refer to land area.

## Consent Agenda Item C-10

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: CONSIDER RESOLUTION TO ESTABLISH A FUND BALANCE POLICY

ATTACHMENT(S):

1. Proposed Resolution and Exhibit A (Fund Balance Policy)

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

The following policy has been drafted in order to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The major changes to fund balance and fund type definitions are as follows:

- Fund balance is now broken into five categories: 1) nonspendable; 2) restricted; 3) committed; 4) assigned; and 5) unassigned. They replace reserved, unreserved, and designated.
- Committed fund balance must be formally committed by the City Council.
- Assigned fund balance must be formally committed by the City Council or their designee.
- The most significant change to fund type definitions is to special revenue funds. Some special revenue funds may no longer qualify to be reported separately in the Comprehensive Annual Financial Report. Those that do not qualify will be rolled into the General Fund for reporting purposes only.

ALTERNATIVES:

- 1) If not adopted the City will not be in compliance with GASB 54 and could potentially receive a finding from the State Auditor’s Office.
- 2) The Council could choose not to designate the City Manager as able to assign funds or could change the limits that he could assign. The current limits are in line with the City’s purchasing policies.

FISCAL IMPACT: Staff time

No direct fiscal impact. This resolution lays out the framework for how the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

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

**Councilmember \_\_\_\_\_ moves and Councilmember \_\_\_\_\_ seconds, to adopt a resolution relating to establishing an Ending Fund Balance Policy.**

REVIEWED BY: City Manager; City Attorney.

**RESOLUTION NO. 11-10**

**A RESOLUTION OF THE CITY OF COVINGTON,  
WASHINGTON, RELATING TO AN ENDING FUND  
BALANCE POLICY**

WHEREAS, the City Council of the City of Covington has determined that it is in the best interest of the city to adopt a policy for administering Ending Fund Balance; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AS FOLLOWS:

Section 1. Ending Fund Balance Policy. The City of Covington Ending Fund Balance Policy is adopted as set forth in Exhibit A attached to this resolution and incorporated by reference herein.

Section 2. Effective Date. This resolution shall take effect immediately upon adoption by the council.

PASSED in open and regular session on this 13<sup>th</sup> day of December 2011.

\_\_\_\_\_  
MAYOR MARGARET HARTO

ATTEST:

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

APPROVED AS TO FORM:

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

# EXHIBIT A



## City of Covington Fund Balance Policy

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the City to be in a strong fiscal position that will allow for better position to weather negative economic trends.

### Fund Type definitions:

The following definitions will be used in reporting activity in governmental funds.

- **The General Fund** is used to account for all financial resources not accounted for and reported in another fund.
- **Special Revenue Funds** are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.
- **Debt Service Funds** are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.
- **Capital Projects Funds** are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.
- **Permanent Funds** are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the purposes of the City of Covington's programs.

### Fund Balance categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned

- **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form (e.g. prepaids) or funds that legally or contractually must be maintained intact.
- **Restricted Fund Balance** consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
- **Committed Fund Balance** consists of funds that are set aside for a specific purpose by the City's highest level of decision making authority (City Council). Formal action must be taken prior

to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

- **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by the City's highest level of decision making authority (City Council) or official that has been given the authority to assign funds (City Manager). Assigned funds cannot cause a deficit in unassigned fund balance.
- **Unassigned Fund Balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditure and revenue shortfalls. The General Fund is the only fund which can report a positive amount of Unassigned Fund Balance. Conversely, any government fund in a deficit position could report a negative amount of Unassigned Fund Balance.

### **Nonspendable and Restricted Funds**

Nonspendable funds are those funds that cannot be spent because they are either:

- 1) Not in spendable form (e.g. prepaids)
- 2) Legally or contractually required to be maintained intact

Restricted funds are those funds that have constraints placed on their use either:

- 1) Externally by creditors, grantors, contributors, or laws or regulations or other governments
- 2) By law through constitutional provisions or enabling legislation.

### **Unrestricted Fund Balance**

Unrestricted Fund Balance is comprised of Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

### **Order of Use of Restricted and Unrestricted Funds**

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned, and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

### **Authority to Commit Funds**

The City's governing body has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to the end of the fiscal year. If the actual amount of the commitment is not available by the end of the fiscal year, the resolution must state the process or formula necessary to calculate the actual amount as soon as the information is available.

### **Authority to Assign Funds**

Upon passage of the Fund Balance Policy, authority is given to the City Manager to assign funds for specific purposes in an amount not to exceed \$30,000 per purpose or in total to not exceed \$200,000. Any funds set aside as Assigned Fund Balance must be reported to the City Council at their next regular meeting and recorded in the minutes. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote.

The City Council or designee has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

### **Unassigned Fund Balance**

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget amendment by the City Council. In the event of projected revenue shortfalls, it is the responsibility of the Finance Director to report the projections to the City Council on a quarterly basis and shall be recorded in the minutes.

### **Minimum Fund Balance**

An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls. This Fund Balance Policy establishes a minimum Unassigned Fund Balance equal to 10% of the General Fund operating expenditures.

The City has elected to require on certain special revenue funds (Street Fund, Parks Fund, and Surface Water Management Fund) a minimum of 10% of operating expenditures in Unrestricted Fund Balance. The Development Services Fund will be required to have a 15% minimum of operating expenditures in Unrestricted Fund Balance.

In the event that the balance drops below the established minimum level, the City's governing body will develop a plan to replenish the fund balance to the established minimum level as economic conditions allow.

### **Contingency Fund and Cumulative Reserve Fund**

It is the City's policy to maintain a Contingency Fund in accordance with RCW 35A.33.145. The reserve will be available for unforeseen, urgent, or emergency needs. The contingency reserve is intended to provide for unanticipated expenditures or revenue shortfalls of a non-recurring nature. The maximum allowable in the contingency reserve is 37.5 cents per thousand dollars of assessed valuation.

It is the City's policy to maintain a Cumulative Reserve Fund in accordance with RCW 35.21.070.

**Consent Agenda Item C-11**

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: CONSIDER PASSING RESOLUTION TO ESTABLISH CAPITAL ASSET  
POLICIES AND PROCEDURES

ATTACHMENT(S):

1. Proposed Resolution and Exhibit A (Capital Asset Policies and Procedures)

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

Capital asset policies and procedures are currently included in the City's financial management policies. This resolution removes the capital asset section and creates a separate stand alone policy. This new policy expands upon our current guidance by establishing a small and attractive asset section. It also includes new accounting guidance on intangible assets such as easements.

ALTERNATIVES:

- 1) Leave current capital asset section in financial management policies.

FISCAL IMPACT:

No direct fiscal impact.

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

**Councilmember \_\_\_\_\_ moves and Councilmember \_\_\_\_\_  
seconds, to adopt a resolution relating to establishing Capital Asset Policies  
and Procedures**

REVIEWED BY: City Manager; City Attorney.

**RESOLUTION NO. 11-11**

**A RESOLUTION OF THE CITY OF COVINGTON,  
WASHINGTON, RELATING TO A CAPITAL ASSET  
POLICY**

WHEREAS, the City Council of the City of Covington has determined that it is in the best interest of the city to adopt a policy for administering capital assets; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COVINGTON,  
WASHINGTON, AS FOLLOWS:

Section 1. Capital Asset Policy. The City of Covington Capital Asset Policies and Procedures is adopted as set forth in Exhibit A attached to this resolution and incorporated by reference herein.

Section 2. Effective Date. This resolution shall take effect immediately upon adoption by the council.

PASSED in open and regular session on this December 13<sup>th</sup>, 2011.

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MAYOR MARGARET HARTO

ATTEST:

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Sharon Scott, City Clerk

APPROVED AS TO FORM:

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Sara Springer, City Attorney

**CITY OF COVINGTON**  
**Capital Asset Policies and Procedures**

I. Purpose

This policy is established to provide guidelines to ensure adequate stewardship over City resources through control and accountability of all assets, whether capital or small and attractive, and to collect and maintain complete and accurate capital asset information required for preparation of financial statements in accordance with generally accepted accounting principles.

II. Definitions:

“Asset Value” – The cost to acquire an asset and other charges necessary to place the asset in its intended location and condition for use.

“Building” – Permanent structure with an original cost of \$5,000 or more and an estimated useful life or more than one year.

“Control” – Being in charge of, and having the authority to manage the asset. Having the custodial responsibility of the asset that includes, but is not limited to, the caring, keeping, safekeeping, and protecting the asset.

“Capital Assets” –

- Land of any value
- Buildings, improvements other than buildings, and machinery and equipment with an original cost of \$5,000 or more each and an estimated life of more than one year
- Infrastructure with an original cost of \$50,000 or more and an estimated life of more than one year
- Intangibles
- Work in progress

“Improvements Other Than Buildings (Land Improvements)” – Permanent (non-movable) improvements other than buildings that add value to land but do not have an indefinite useful life (i.e., fences, retaining walls, parking lots, and most landscaping).

“Infrastructure” – Long-lived capital asset that is normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets (i.e., roads, bridges, drainage systems, sidewalks, etc.)

“Intangible Asset” – A nonfinancial asset that lacks physical substance and with an initial useful life that extends beyond a single reporting period.

“Inventory” – The process of physically confirming the existence and location of assets.

“Machinery and Equipment” – Vehicles, furnishings, and similar movable items.

“Small and Attractive Assets” are those assets defined as follows:

- assets with a unit cost of more than \$350 but less than \$5,000;
- weapons, firearms, signal guns and accessories, and artwork regardless of cost;
- a useful life of more than one year;
- the City considers the asset particularly vulnerable to loss;
- the asset would have a significant value or use outside the program, i.e., could easily be resold;

- the loss of the asset will impact the department/division's ability to provide services; and
- the cost associated with maintaining control of the asset does not exceed the replacement cost.

"Work in Progress" – Costs incurred to construct or develop a tangible or intangible asset before it is substantially ready to be placed into service.

III. Applicability and Responsibilities

This policy applies to all departments of the City of Covington. Each department is responsible for protecting and controlling the use of City assets assigned to them. Each Department Head must designate someone to be the property custodian for the department. The property custodian is responsible for maintaining and safeguarding the department's capital assets and small and attractive assets. Any time an asset is deleted or transferred, the property custodian will complete the appropriate form which will be submitted to the Finance Department with the related documentation.

The Finance Department will have oversight for the accounting of all capital asset transactions. The Public Works and Community Development Departments shall generate the GASB-34 infrastructure inventory information and provide it to the Finance Department for annual reports as required.

IV. Capitalization Threshold

All non-infrastructure assets with a cost of \$5,000 or more, and infrastructure additions with a cost of \$50,000 or more, will be capitalized. Although small and attractive assets do not meet the City's capitalization threshold, due to ease of conversion to private use, they are considered assets for purposes of marking and identification, recordkeeping, and tracking.

V. Additions

The City may acquire property via purchase, construction, donation, or lease. Capital assets shall be capitalized and purchased from a capital barcode with an object code of either:

- 61 – Land and Land Improvements
- 62 – Buildings and Structures
- 63 – Other Improvements
- 64 – Machinery and Equipment
- 65 – Construction of Capital Assets
- 66 – Capitalized Rentals and Leases

Small and attractive assets will be purchased from a barcode with an object code of 35 – Small Tools and Minor Equipment.

The Finance Department will be responsible for identifying all assets that meet the criteria for capitalization or for small and attractive assets. Finance will assign a unique asset tag number and will prepare an *Asset Checklist Form* which will be sent to the department that purchased the item to complete. When the *Asset Checklist Form* and asset tag are received by the department, the department designee will immediately affix the asset tag to the asset, complete and sign the *Asset Checklist Form*, and return the completed form to Finance. Finance will then update the asset database with the information.

Whenever feasible, each piece of property will be affixed with an asset tag identifying the asset as the property of the City of Covington. Departments may determine where to place the tag on the asset. However, the identification number should be located on the principal body of the asset, rather than a removable part, and should be attached in a prominent and convenient location. Such tag will be removed only when the item is sold, scrapped, or otherwise disposed

of. Should the asset tag be removed or defaced, the item shall be assigned a new asset tag and the new number recorded in the asset database.

Occasionally, it will be impractical or impossible to mark some inventorial assets according to these standards. For example, do not attach a tag if the asset:

- is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements);
- has a unique permanent serial number that can be used for identification, security and inventory control (such as vehicles);
- would lose significant historical or resale value by being tagged; or
- would have its warranty negatively impacted by being permanently marked.

In these cases, the item will still be assigned a number, but the identification tag is not required. The department will need to apply alternative procedures to inventory and identify such assets.

All assets will be recorded and tracked in a database managed by the Finance Department.

#### VI. Improvements, Repairs & Maintenance

Larger assets such as major pieces of equipment and buildings are often modified to increase their lifetime or usefulness. "Improvements" provide *additional value*, whereas "repairs and maintenance" *retain value*.

Improvements may include enhancements or additions, major repairs, or component replacement. Several vouchers may be prepared for the improvement as the work is in progress. Therefore, it is very important to notify the Finance Department so that improvements are coded as capital outlay. The inventory number should be included on the invoice or voucher of the equipment, building, or other structure reflecting what is being modified.

Enhancements or additions to equipment will be capitalized only if the cost or value is \$5,000 or more and the useful life is extended. Additions to City acquired vehicles will be capitalized only if the item is to remain with the vehicle upon disposal.

Routine repair and maintenance costs will be expensed as they are incurred and will not be capitalized. Major repairs will be capitalized if they result in improvements/betterments. To the extent that a project replaces the "old" part of a capital asset, outlays will not be capitalized; and to the extent that the project is an improvement/betterment, outlays will be capitalized.

Costs associated with remodeling or changes to the City's buildings will not be capitalized unless the useful life of the structure is extended.

When the cost of improvement is capitalized, depreciation charges for future periods will be revised based on the new book value and the new estimated remaining useful life beginning with the next full month. No adjustments will be made to prior periods.

#### VII. Transfers

Occasional transfers of property between departments, individuals within a department, or funds may occur. The original controlling department is accountable for all assets in its inventory and for initiating a notice of transfer. When an asset is relocated to another department, the department relinquishing the item shall inform the Finance Department by means of the *Asset Transfer Form*. Interdepartmental transfers may require a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of capital assets.

Small and attractive assets cannot be traded, sold, auctioned, gifted, surplused, transferred, or disposed of without authorization from the Finance Department.

VIII. Deletions

Asset deletion may be required due to the sale of the asset, transfer, donation, scrapping, lost or stolen items, or involuntary conversion (fire, flood, etc.). An *Asset/Equipment Disposal Form* needs to be completed for any asset to be removed from the asset database.

A. Disposal/Surplus

Disposal of capital assets may occur only after being declared surplus by the City Council and completion of the *Asset/Equipment Disposal Form*. Disposal will be made in whichever manner is determined to be the most cost effective for the City. This may include sale, disposal, conversion, or any other means as approved by the City Council in the surplus declaration.

Disposition of small and attractive assets require a completed *Asset/Equipment Disposal Form* and approval of the Finance Director prior to disposal.

All property with an expected value greater than the cost to surplus will be offered through a competitive process, in which at least three interested parties are notified. Property where the expected value is less than the cost to surplus may be destroyed, transferred to another governmental agency, or donated to a qualifying local community non-profit. The City may elect to partner with another governmental agency's auction to save on costs and resources.

The Senior Information Systems Administrator is responsible to cleanse assets of any sensitive information prior to surplus or disposal.

When original or replacement equipment acquired under a grant is no longer needed for the original project or program, disposition of the equipment will be made as follows:

- Items of equipment with a current per-unit fair market value of *less than \$5,000* may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency.
- Items of equipment with a current per-unit fair market value of *\$5,000 or more* may be retained, sold, or otherwise disposed of only as authorized by the awarding agency.
- Items purchased with federal grant funds will be disposed of in accordance with the federal agency's rules and procedures.

B. Lost or Stolen Property:

When suspected or known losses of capital assets or small and attractive items occur, departments should conduct a search for the missing property. The search should include transfers to other divisions or departments, storage, scrapping, conversion to another asset, etc.

If the missing property is not found:

- Notify the department's property custodian, Department Head, and Risk Manager.
- Have the individual deemed to be primarily responsible for the asset, as well as that individual's Department Head, complete and sign the *Asset/Equipment Disposal Form* and attach a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.

- Finance will report known or suspected losses of assets to the State Auditor's office in accordance with RCW 43.09.185.
- Upon receipt of the completed *Asset/Equipment Disposal Form*, Finance will remove the lost or stolen property from the department's inventory and accounting records where applicable.

C. Sale of Assets:

The value received from the sale of surplus property shall be deposited as revenue to credit the appropriate fund.

IX. Capital Leases

A capital lease is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the City. A lease must meet one or more of the following criteria to qualify as a capital lease:

- A. Ownership of the leased property is transferred to the City by the end of the lease term; or
- B. The lease contains a bargain purchase option; or
- C. The lease term is equal to 75 percent or more of the estimated useful life of the leased property; or
- D. If at the inception of the lease, the present value of the future minimum lease payments, excluding executor costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. The interest rate to be used in the computation of present value is the rate in effect at the execution date of the lease.

A capital lease will be accounted for as an acquisition of a capital asset and the incurrence of a liability. If a lease involves the acquisition of more than one asset, each asset is to be capitalized if its fair market value meets the City's capitalization threshold.

If title to a leased asset transfers to the City at the conclusion of an operating lease, capitalize the fair market value of the asset upon receiving title.

X. Physical Inventory

The asset inventory will be verified at least once every two years. A memo and an inventory list will be sent to each Department when the physical asset inventory is to be performed. Each Department will conduct a physical inventory of the items, verifying the existence and condition of each item on the worksheet, and making note of any additions, deletions, interdepartmental transfers, modifications, or leases of property that are not reflected on the list. Inventory staff will note exceptions on the property list such as: 1) asset on inventory list but not found; 2) asset found but not on inventory list; or 3) incorrect description. The final list will be reviewed and signed by the Department Head and returned to the Finance Department.

If an asset cannot be located but it appears that the item may still be on site and has just been misplaced, it will remain on the inventory until the next full physical inventory. Any missing items are to be reported and submitted with the verified physical inventory and an explanation must accompany the report. If the item is still not found in the next inventory, the Finance Department will initiate the process described above for lost or stolen property.

XI. Valuation of Capital Assets

Capital assets shall be valued at cost, including any ancillary charges necessary to place the asset in its intended location and condition for use. However, expenses which do not add to the utility of an asset shall not be capitalized. For example, an expenditure to repair a piece of equipment that was damaged during shipment should be expensed.

Values will be determined in the following manner:

A. Machinery and Equipment

The historical cost of the purchase including:

- taxes (sales tax or use tax)
- transportation or shipping charges
- installation costs
- extended maintenance/warranty contracts if the contract is purchased at the same time (or soon thereafter) as the capital asset
- any normal or necessary costs required to place the asset in its intended location and condition for use

If the historical cost is not practicably determinable, estimated cost will be used.

Furniture, fixtures, or other equipment should be classified as equipment. Since they are not an integral part of a building they are not considered capital improvements.

B. Land

The capitalized value of land includes the purchase price plus costs such as:

- Legal and title fees
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.
- Surveying fees
- Appraisal and negotiation fees
- Damage payments
- Site preparation costs
- Cost related to demolition of unwanted structures
- Excavation costs incurred to put the land in condition for its intended use

The cost of the land also includes indefinite land use rights, such as easements, mineral, timber, and water rights, acquired with the purchase of the underlying land. Land use rights acquired separately from a land purchase and those with definite useful lives are classified as intangible assets.

Until a piece of land has been purchased, the ancillary costs listed above shall be tracked as work in progress.

C. Buildings

The capitalized value of a building includes both acquisition and capital improvement costs such as:

- Professional fees or architects, engineers, attorneys, appraisers, etc.
- Damage payments
- Costs of fixtures permanently attached to a building or structure (i.e., heating and air-conditioning equipment, refrigeration equipment, etc.)
- Insurance premiums, interest, and related costs incurred during construction
- Any other costs necessary to place a building or structure into its intended location and condition for use

D. Infrastructure

Capital assets defined as infrastructure (i.e., roads, bridges, drainage systems, sidewalks, etc.) are those purchased or constructed since January 1, 2003. These costs may include:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.

- Surveying fees
- Appraisal and negotiation fees
- Damage payments
- Site preparation costs
- Costs related to demolition of unwanted structures

E. Self-Constructed Assets

All direct costs associated with construction and management of a construction project will be capitalized.

F. Work in Progress

Work in progress will be closed out and the costs capitalized when a project is complete, accepted, and placed into service. Depreciation will not be applied to work in progress.

If it is determined that a project will not be completed, then the accumulated work in progress will be removed from the asset inventory as a deletion.

G. Donated Assets

Donated assets will be recorded at the fair market value at the time of donation plus all appropriate ancillary costs. If the fair market value is not determinable due to lack of sufficient records, estimated cost will be used. If land is acquired by gift, the capitalized value is to reflect its appraised or fair market value at the time of acquisition.

H. Improvement, Repair, and/or Maintenance Expenditures

Routine repair and maintenance costs will be expensed as they are incurred. Extraordinary repairs, betterments, or improvements will be capitalized if they increase future benefits from an existing capital asset beyond its previously assessed standard of performance. Increased future benefits typically include an extension in the estimated useful life of the asset or an increase in the capacity or efficiency of an existing capital asset.

I. Replacements

For buildings, improvements other than buildings, and equipment, the cost of outlays that replace a part of another capital asset will be capitalized when the cost of the replacement is \$5,000 or more *and* at least 10% of the total replacement value of the asset.

*Example: A \$9,000 replacement of a heating boiler in a building having a replacement value of \$120,000 would not be capitalized. In this case \$9,000 is not at least 10% of the building's replacement value. Had the building's replacement value been less than \$90,000, the \$9,000 boiler replacement would have been capitalized.*

Exceptions to this policy are:

- Replacement roof coverings are not capitalized unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use, where the remodeling does not extend the useful life of the structure itself, unless the conversion increases the capacity or efficiency of the existing asset, are not capitalized.

After replacing a part of another asset, the capitalized value and the associated and accumulated depreciation of the replaced item will be removed from the accounting records, and the costs of the replacement will be capitalized.

In the case of capital outlays that are partly replacements and partly enhancements or improvements, to the extent that the project replaces the “old” part of a capital asset, outlays will not be capitalized. To the extent that the project is an enhancement or improvement, outlays will be capitalized. When the distinction between replacement and enhancement/improvement is not easily determinable, the City will expense the entire cost of the project. When the cost of improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods will be revised based on the new book value and the new estimated remaining useful life.

XII. Depreciation of Capital Assets

The following shall be considered when recording depreciation:

- A. Except for land, artwork, work in progress, and intangible assets with indefinite useful lives, all capital assets will be depreciated.
- B. Salvage value will be ignored in establishing the amount to depreciate.
- C. Depreciation will be based on a reasonable estimate of expected useful life; that is, the number of years that the City expects to use that asset in operations. An asset that is surplus or that is held for possible future use is an investment and will not be depreciated.
- D. Depreciation will be calculated using the straight-line method. In straight-line depreciation, the cost of the asset is pro-rated over the estimated useful life of the asset.

*Example:*

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

- E. Depreciation will be based on the entire cost of the asset, including any amounts contributed or donated.
- F. Depreciation charges will be made for each full calendar month that an asset is in service. In the case of infrastructure, depreciation is not taken on the first year of project completion.
- G. If it is determined that there is a need to revise the expected useful life of an asset, any such change will be applied prospectively; that is, the rate will be recalculated based on the remaining useful life at the time of the revision, and the new rate will be applied in the present and future accounting periods.
- H. No changes will be made to financial records of previous years for revised estimates.
- I. Depreciation will generally begin when an asset is purchased or completed. However, if it is not placed into service immediately, depreciation should begin when the asset is placed into service or otherwise begins to lose value.

## Consent Agenda Item C-12

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: PROPOSED RESOLUTION REPEALING RESOLUTION 07-11 AND  
ADOPTING NEW FINANCIAL MANAGEMENT POLICIES FOR THE CITY

ATTACHMENT(S):

1. Proposed Resolution and Exhibit A (Financial Management Policies)

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

The Financial Management Policies have been amended in order to adopt by reference the following new policies:

- Ending Fund Balance Policy
- Capital Asset Policies and Procedures

We have also updated the petty cash dollar amount which was increased from \$500 to \$600 in 2010 and removed the Distinguished Budget Presentation award language which was removed from the 2011 budget.

ALTERNATIVES:

- 1) This policy is adopting the Ending Fund Balance Policy and the Capital Asset Policies and Procedures by reference. If those two policies aren't adopted then this should remain the same.

FISCAL IMPACT:

No direct fiscal impact.

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

**Councilmember \_\_\_\_\_ moves and Councilmember \_\_\_\_\_ seconds, to adopt a Resolution repealing Resolution 07-11 and adopting new financial management policies for the City.**

REVIEWED BY: City Manager; City Attorney.

**RESOLUTION NO. 11-12**

**A RESOLUTION OF THE CITY OF COVINGTON, WASHINGTON, REPEALING RESOLUTION 07-11, AND ADOPTING NEW FINANCIAL MANAGEMENT POLICIES.**

WHEREAS, the Covington City Council has determined the establishment of Financial Management Policies for the city is a prudent and beneficial undertaking; and

WHEREAS, the City Council believes that these policies should be more comprehensive and include an expanded ending fund balance and capital asset policies and procedures; and

WHEREAS, the policies referenced in Exhibit A of Resolution 07-11 have been included in the new expanded Financial Management Policies therefore Resolution 07-11 should be repealed; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AS FOLLOWS:

Section 1. Repealer. The Covington City Council does hereby repeal Resolution No. 07-11 relating to financial management policies.

Section 2. New Financial Management Policies. The Covington City Council does hereby adopt the Financial Management Policies in the form as attached hereto as Exhibit "A" and incorporated by reference herein.

Section 3. Effective Date. This resolution shall take effect immediately upon adoption by the council.

PASSED in open and regular session on this December 13<sup>th</sup>, 2011.

\_\_\_\_\_  
MAYOR MARGARET HARTO

ATTEST:

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

APPROVED AS TO FORM:

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



## City of Covington Financial Management Policies

### Purpose

Good stewardship of public funds and assets is the hallmark of sound financial policies. The following policies provide the guidelines necessary to stay in legal compliance and meet the needs of the community both now and in the future.

#### A. GENERAL BUDGET POLICIES

- A-1 Department directors have primary responsibility for formulating budget proposals in line with City Council and City Manager priority direction, and for implementing, monitoring, and reporting them once they are approved.
- A-2 The Finance Department is responsible for coordinating the overall preparation and administration of the City's budget and Capital Investment Program Plan. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.
- A-3 The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.
- A-4 The City Council shall adopt the budget by ordinance at the fund level.
- A-5 Interfund charges will be based on recovery of the direct costs associated with providing those services.
- A-6 Regular employee positions will normally be budgeted only in the City's operating funds.
- A-7 Quarterly financial reports, including a review of budgeted expenditures and revenues, will be prepared and reported to the Council at regular meetings. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Washington budgetary statutes. Budget adjustments requiring City Council approval will occur through a process coordinated by the Finance Department and will occur prior to fiscal year end.
- A-8 The Finance Department will review agenda items with potential fiscal impact submitted for City Council action. The objective of these reviews will be to ensure compliance with the budget and disclosure of all fiscal issues to the Council. This information will be presented in the fiscal impact section of each agenda bill.
- A-9 Revenues derived from fees associated with development will be designated for the support of the development activities in the Development Services Fund.
- A-10 The City's budget presentation will be directed at displaying the City's services plan in a Council/constituent-friendly format.

A-11 ~~Fund Balance – See most recently adopted City of Covington Fund Balance Policy s~~

~~a. It is essential that the City maintain adequate levels of unreserved fund balance to mitigate current and future risks and to ensure stable tax rates. As such, unreserved ending fund balances, excluding contingency and cumulative reserve funds, for the operating funds (General, Parks, Street, and Surface Water Management) will be required to have a minimum of 10% of operating expenditures in unreserved ending fund balance. All other funds, such as Development Services and Capital Investment, will be required to have a 15% minimum unreserved ending fund balance of expenditures.~~

~~b. It is the City's policy to maintain a Contingency Fund in accordance with RCW 35A.33.145. The reserve will be available for unforeseen, urgent, or emergency needs. The contingency reserve is intended to provide for unanticipated expenditures or revenue shortfalls of a non-recurring nature. The maximum allowable in the contingency reserve is 37.5 cents per thousand dollars of assessed valuation.~~

~~c. It is the City's policy to maintain a Cumulative Reserve Fund in accordance with RCW 35.21.070.~~

A-12 The City will maintain equipment replacement funds that will receive annually budgeted contributions from the operating expenses of departments owning the capital equipment in an amount necessary to replace the equipment at the end of its useful life. Life cycle assumptions and required contributions will be reviewed annually as part of the budget process. Monies collected from the sale of assets carried on the equipment replacement schedules will be receipted to equipment replacement funds. (See most recently adopted City of Covington Equipment Replacement Fund Policies and Procedures.)

A-13 Interfund loans will be permissible if practical. Interest rates will be computed based on a rolling 12-month average of the State Investment Pool earnings rate.

~~A-14 Distinguished Budget Presentation: The City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each annual budget. The Budget will be presented in a way that clearly communicates the budget to members of the public.~~

## B. REVENUE POLICIES

The City shall be sensitive to the balance between the need for services and the City's ability to raise fees, charges, and taxes to support those services.

B-1 The City should strive to maintain a diversified mix of revenues in order to maintain needed services during periods of declining economic activity.

a. A base of property taxes and other stable revenues should be developed and maintained to provide a reliable base of revenues during periods of economic downturn.

b. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.

B-2 The following factors will be considered when the City's taxes are increased, extended, changed, or reduced:

a. Stability of the tax source over its expected life.

b. Suitability for a pledge against future debt, if that is part of the City Council's long-range intent for the new tax.

c. Spread the tax burden throughout the City's tax base by utilizing a broad array of the tax sources available and by investigating mitigation of inequities and hardships where

- appropriate (e.g., property tax rebates for low-income elderly). Legislative remedies for harmful tax impacts should be sought where appropriate.
- d. Apply the tax impact information for both residential and business taxpayers against a future vision of what the tax policy decision is intended to foster, in addition to the raising of revenues.
- B-3 As much as is reasonably possible, City services that provide private benefit should be supported by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should be fully recovered, including all direct and indirect costs including but not limited to, capital costs, department overhead, and Citywide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such service. When consistent with legal requirements, other City interests such as remaining competitive within the region or meeting other City objectives, may dictate a subsidy of a portion of the costs of such services.
- B-4 Sales tax revenues are designed to support general government operations. As such, they will be allocated between the General Fund and the Parks Fund at a level to be determined during each budget cycle.
- B-5 All regular property tax revenues will be allocated to support General Fund services unless there is a ballot measure approved by the voters that directs a certain amount of the property tax capacity be used for other City services.
- B-6 Revenue estimates should be prepared on a conservative basis to minimize the economic fluctuations that could imperil ongoing service programs during the upcoming budget cycle. Revenue increases greater than inflation will require additional documentation. Major revenue sources will require explanation.
- B-7 The Surface Water Management Fund will be reviewed annually and it must have a rate structure adequate to meet its operations and maintenance and long-term capital requirements.
- B-8 Rate increases should be small and applied frequently to avoid an overly burdensome future increase.

### C. OPERATING POLICIES

- C-1 Ongoing resources should be equal to or exceed ongoing expenditures. Each City fund budget shall identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and non-recurring ending fund balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs.
- C-2 Unless otherwise stated explicitly by the City Council, the City will not earmark unrestricted revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
- C-3 The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
- C-4 Accurate inventories of all physical assets, their condition, life span, and cost will be maintained. ~~(See most recently adopted refer to section K. Fixed Assets~~[City of Covington Capital Asset Policies and Procedures](#))
- C-5 The Finance Department will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by City departments will be deposited the same business day. The Finance Director has oversight and final authority over cash handling policies and procedures.

#### D. PURCHASING AND EXPENDITURE CONTROL

- D-1 It is the general policy of the City that all expenditures be rationally related to some public purpose and is reasonable in the amount and nature.
- D-2 Primary responsibility and authority for the expenditure of monies according to the adopted budget will be vested by the City Manager in the department heads.
- D-3 In addition to the primary responsibilities in Policy A-1, the Finance Director will exercise a secondary oversight responsibility for ALL budget expenditures. This includes responsibility for both technical errors and errors of judgment, which should be brought immediately to the attention of the responsible department head and the City Manager. However, unilateral changes may be made in line item expenditures by the Finance Director if deemed necessary in order to expedite the accounts payable process.
- D-4 All purchase orders and/or invoices will be signed by the responsible department head or his/her designee (or City Manager), and reviewed by the appropriate personnel in Finance for budget authority and proper coding.
- D-5 Invoices for the costs of public utilities, telephone, postage, copy machine expenses, and others shared by more than one department will be reviewed and approved by the Finance Director or his/her designee.
- D-6 All expenditures/expenses shall be pre-audited and certified by the Finance Director or his/her designee prior to submitting them to the City Council.
- D-7 The accounts payable process will occur every other week opposite payroll. City Council approval will occur at the following Council meeting. The execution of checks in advance of City Council approval will occur under the following condition:  
  
Members of the City Council's Finance Committee will review and approve the supporting documentation of such disbursement before the next regularly scheduled meeting.  
  
If the City Council at the subsequent Council meeting (after review), disapproves any such checks, the disapproved claims will be recognized as a receivable of the City and collections of said receivable will be diligently pursued until the amounts disapproved are collected or until the Council is satisfied and approves the claims.
- D-8 All significant purchases should be made only after an effort to compare prices and alternatives from more than one vendor ~~(see Resolution 06-36)~~.
- D-9 Credit cards may be issued to the City Manager, Department Heads, and employees for travel and other business related expenses. (see Ordinance 03-06)
- D-10 Non-employees such as volunteers are required to get prior authorization from staff before making purchases.

#### E. CONTRACT MANAGEMENT

- E-1 When a project is presented to the Council for consideration, a preliminary budget estimate will be included. This estimate will show separate costs for the various phases of the project, including preliminary design, construction, and administration costs. Preliminary budget estimates may also provide for additional contract cost contingencies with the amount dependent upon the type of project and degree of uncertainties. When the Council approves a project they are also authorizing the budget in each contract category including the contingencies budget.

- E-2 Prior to formal bidding for construction services, an engineer's estimate will be approved by the Council. Once the bids are opened, a revised budget may be brought back to the Council for approval, with the request to award the bid. When the Council awards the bid, it will also approve a revised budget or confirm the original budget as it finds to be in the best interest of the City.
- E-3 When awarding professional service contracts the Council will authorize the City Manager to enter into a contract for a written scope-of-work on a cost plus basis with a stated "not-to-exceed" contract total cost. The dollar total will be broken down by major tasks, including a contingency budget if necessary.
- E-4 The City will comply with RCW 39.80.010 when negotiating contracts for architectural and engineering services.
- E-5 Professional service contracts may be authorized with a single consultant for several phases of work on the same project. The contract may be approved by Council, and subsequent phases may be authorized by the Council in the form of contract amendments.
- E-6 The Public Works Director will have the authority to authorize payments up to the total contract only. If the scope-of-work does not change and the total cost is not violated, different amounts may be spent among the tasks within project budget categories. Changes in either the scope-of-work or the authorized budget shall be approved by the City Council as an amendment to the original contract.
- E-7 After the award of contract only the City Manager or his/her designee will have the authority to approve change orders per the [purchasing policy](#). The process for handling change orders will be spelled out in the construction contract.
- E-8 The City Manager will report all change orders to the City Council including the dollar amount.
- E-9 Any proposed change orders that exceed the budget amount will be submitted to Council for approval.
- E-10 All contract and lease agreements will be reviewed by the Finance Director and City Attorney prior to final approval.

## F. GENERAL LEDGER ACCOUNTS

- F-1 A Petty Cash Fund is hereby authorized ~~from the General Fund~~ in the amount of ~~\$500~~\$600 for minor disbursements. It will be periodically restored by a check drawn and charged to applicable accounts. The amount of the check should equal the aggregate of the disbursements.

Petty Cash purchases are limited to expenditures of \$50 or less, and shall be approved by the appropriate Department Head or his/her designee, using a Petty Cash Request Form, prior to receipt of cash.

Individuals receiving Petty Cash shall immediately return to the Finance Department the receipt, any change due, and sign a verifying receipt of cash.

The Finance Director will delegate the custodian of the Petty Cash, and this individual will be independent of cashiering and check signing duties.

The Petty Cash Fund will be periodically audited by a person other than the custodian, usually the Finance Director or his/her designee

- F-2 New revenue and expenditure accounts can only be authorized by the Finance Director or his/her designee and will only be set up if it's in the best interest of the accounting system. Finance will limit the number of new accounts.

## G. DEBT POLICY

### Background

The City of Covington (City) maintains conservative financial policies to assure strong financial health both in the short- and long-term. The City is an infrequent issuer of debt with debt primarily used as a tool to finance large capital investments.

Achieving and maintaining a solid bond rating is an important objective of the City's financial policies. To this end, the City is constantly working to improve its financial policies, budgets, forecasts, and financial health.

### Purpose

This policy sets forth the criteria for issuance and repayment of debt. The primary objective of the Debt Policy is to establish criteria that will protect the City's financial integrity while providing a funding mechanism to meet the City's capital needs. All debt issued will be in compliance with this policy, Chapter 35A.40 Revised Code of Washington (RCW) - Fiscal Provisions Applicable to Code Cities and Chapter 43.80 RCW - Fiscal Agencies along with all other City, State, and Federal laws, rules, and regulations.

### Scope

This Policy provides general guidance for the issuance and management of all City debt.

### Responsibility

Authority to issue and manage debt is derived from titles 35 and 35A RCW (including without limitation RCW 35A.40.080-.090, chapter 35.37 RCW and chapter 35.41 RCW). This section gives the Finance Director authority to act in the capacity of City Treasurer, which includes the duties of debt management.

The Finance Director is responsible for assuring that the activities related to the issuance and payment of bonds or other obligations not jeopardize the bond rating.

#### G-1 Budgeting and Capital Planning

The City shall develop and maintain a capital planning process such as the annual Capital Investment Program for consideration and adoption by the City Council as part of the City's budget process. The Finance Department is responsible for coordinating and analyzing the debt requirements. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current revenue requirements.

Prior to issuance of debt, the City will prepare revenue projections, such as the annual budget or the Financial Forecast, to ensure that there is adequate revenue to make principal and interest payments.

#### G-2 Types of Long-Term Debt

The following is a description of the types of long-term debt the City may issue:

##### 1. General Obligation

This debt is backed by the full faith and credit of the City. State law limits this debt to 2.5% of the value of taxable property within the City for each of three purposes:

#### A. General Purposes

Debt issued in this category can be used for any purpose allowed by law.

##### Non-Voted

The City Council may authorize the issuance of general obligation debt up to 1.5% of the City's assessed value without a vote of the public as long as there is an available source of funding to pay the debt service. This funding source can be the diversion of an existing revenue source or a new revenue coming from the enactment of a new tax or other revenue source. The debt can take the form of bonds, lease-purchase agreements, conditional sales contracts, certificates of participation, or other forms of installment debt.

##### Voted

The City Council may place any general obligation debt issue before the electorate. According to State law, if a debt issue is placed before the City's electorate, it must receive a 60% or greater yes vote and have a turnout of at least 40% of those voting at the previous general election. Voted issues are limited to capital purposes only.

#### B. Open Space and Parks

Debt issued in this category must be used for park and open space and/or recreation facilities. All debt in this category must be approved by the voters, and if so approved, the City is provided with an additional amount of debt capacity up to 2.5% of the value of taxable property within the City.

#### C. Local Option Capital Asset Lending (LOCAL) Program Debt

The City Council may authorize a financing contract with the Office of the State Treasurer under chapter 39.94 RCW. LOCAL borrowings count against the City's non-voted debt limit.

## 2. Revenue Debt

Revenue bonds are generally payable from a designated source of revenue generated by the project which was financed. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to constitutional or statutory debt limitations nor is voter approval required.

## 3. Local Improvement District (LID) Debt

LID bonds are payable solely from assessments of property owners within the local improvement district. Similar to revenue debt, no taxing power or general fund pledge is provided as security, and LID bonds are not subject to statutory debt limitations.

The debt is backed by the value of the property within the district and an LID Guaranty Fund. The LID Guaranty Fund is required by State law.

Assessment Debt (LID) is preferred to General Debt to fund improvements that specially benefit specific properties

## G-3 Short-Term Debt and Interim Financing

The City may utilize short-term borrowing in anticipation of long-term bond issuance or to fund cash flow needs in anticipation of tax or other revenue sources.

The Finance Director is authorized to make loans from one City fund to another City fund for periods not exceeding three months. The Finance Director or designee is required to assure that the lending fund will have adequate cash balances to continue to meet current expenses after the loan is made and until repayment from the receiving fund.

## Interim Financing of Major Capital Projects

Interim financing of major capital projects may be arranged by Bond Anticipation Notes (BANS), interfund loans, or lines of credit with a major financial institution.

a. General Guidelines:

1. To the extent possible the City will utilize interfund loans for interim financing of capital projects, either in whole or in part. Interfund loans provide the lowest borrowing cost to the City as the interest expense to the borrowing fund is offset by interest income to the lending fund. Available funds consist of cash, State Investment Pool balances or other relatively liquid investments. The decision to sell long-term investments to provide funds for interfund loans will be made by the City Council based on applicable policies.
2. The decision to use the City's line of credit or the issuance of BANS should employ a cost/cash flow analysis comparing the two financing options. The administrative costs for bond counsel, underwriter and other fees will be taken into account for the costs of BANS. Other factors impacting the decision, such as the capacity of the line of credit, the timing of issuing permanent financing for paying down the line of credit prior to its maturity date, anticipated interest rate changes and arbitrage regulations will also be considered.

b. Line of Credit: If a line of credit is used the following policies will apply:

1. The line of credit is restricted to use for interim financing of capital projects for which long term-bonds are expected to be issued within two years of adoption of the ordinance or for which reimbursable grant monies are expected.
2. Upon sale of bonds for permanent financing of a project or receipt of grant funds, such funds will be used to immediately pay off the amount of the line of credit utilized by each project, including interest charged for use of the line of credit.
3. Each authorization of the line of credit will identify the particular project eligible and contain a specific not-to-exceed amount for each project.
4. Use of the line of credit for normal operating expenditures is prohibited.
5. The outstanding general obligation line of credit amount in conjunction with the City's other general obligations may not at anytime exceed the City's statutory debt limit.

c. Bond Anticipation Notes (Bond Anticipation Notes). If BANS are used the following policies will apply:

1. The BANS will have a maximum maturity of two years from their issue date.
2. BANS can only be issued after a formally adopted bond ordinance by City Council.
3. The bond ordinance for the BANS will set a specific principal amount and identify the specific project(s) for which the proceeds are to be used.
4. Bond counsel charges, underwriter fees and other issuance costs may be included and paid from the BAN proceeds.
5. BANS will be subordinate to any outstanding bonds of the City.

d. Tax Anticipation Notes (TANs). If TANs are used the following policies will apply:

1. TANs will be used only where there is a significant misalignment between the timing of City tax receipts and City cash needs.
  2. TANs will be structured to conform to federal tax requirements, i.e. no longer than 13 month maturities and state law where they must mature within six months after the end of the fiscal year in which the TANs are issued.
- e. Grant Anticipation Notes (GANs) If GANs are used the following policies will apply:
1. GANs will be used only to assist with City cash flow needs on projects and programs where federal and/or state grants have been committed, but where there is a lag between City expenditures and reimbursement but the granting agency.
  2. GANs will be structured to conform to federal tax requirements.
- f. If an interfund loan is used the following policies will apply.
1. Interfund loans may only be made upon formal adoption of a resolution by the City Council.
  2. The resolution for the interfund loan will set forth the term and amount of the loan, a schedule of repayment including interest; and set a current market rate of interest for loans of similar maturity and amount.
  3. Interfund loans for interim financing of major capital projects made in anticipation of the issuance of long term bonds shall be repaid in full (including accrued interest) upon receipt of the bond proceeds.

The loaning fund shall have adequate funds to make the loan and to meet its anticipated operating needs over the life of the loan.

G-4 Limitation of Indebtedness

In addition to the limitations required by the RCW, the City's indebtedness is further limited by this policy to assure strong financial health. The limitations are applied to the assessed value of the City to arrive at a dollar value of indebtedness. For example, the 2005 assessed valuation used to determine the 2006 property tax levy was \$1.5 billion, and the statutory limitation for general obligation debt is 2.5%. Therefore, the City's statutory debt limitation is \$37.5 million. The following matrix shows the general limitation by type of debt. These limitations may be modified by the City Council up to the statutory limitation at the Council's discretion.

Type of Debt	Statutory Limitations	Policy Limitations	2006 Covington Actual
General Obligation:	2.5%	2.5%	0.0%
General Purpose			
Non-Voted	1.5%	1.5%	0.0%
Voted	1.0%	1.00%	0.0%
Parks, Open Space and Economic Development	2.5%	1.75%	0.0%
Utilities	2.5%	1.75%	0.0%
Revenue	no limit	no limit *	NA
Local Improvement District	no limit	no-limit *	NA

\* Revenue and LID debt is not limited because no taxing power or general fund pledge is provided as

security.

G-5 Structure and Term of Debt

1. Debt Repayment

The City shall pay all interest and repay all debt in accordance with the terms of the bond ordinance. The maturity of bonds issued should be the same or less than the expected life of the applicable project for which the bonds were issued. To the extent possible, the City will seek level or declining debt repayment schedules.

2. Variable-Rate Securities

When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. However, other than for short-term lines of credit and BANS, the City will avoid over use of variable-rate debt due to the potential volatility of such instruments

G-6 Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

1. Bond Counsel

All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt. The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program

2. Financial Advisor

A Financial Advisor(s) will be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.

3. Underwriters

An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

4. Fiscal Agent

A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with Chapter 43.80 RCW, the City will use the Fiscal Agent that is appointed by the State.

G-7 Method of Sale

Presumption of Competitive Sale — The City will generally issue its debt through a competitive process but may use a negotiated process under the following conditions:

- The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.

- The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

Competitive Bid Method — any competitive sale of the City of Covington debt will require approval of the City Council. City of Covington debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost (TIC) to the City. Such bid may take the form of hand-delivered or electronically transmitted offers to purchase the bonds.

Negotiated Bid Method — when deemed appropriate to minimize the costs and risks of the City of Covington’s debt issue, the Finance Director will submit to the City Council a request to sell the debt issue on a negotiated basis. If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarking fees and commissions.

The City of Covington, with assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions shall include prevailing terms and conditions in the marketplace for comparable issuers.

The City of Covington shall, with assistance of its Financial Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- ✓ The bonds are allocated fairly among members of the underwriting team, consistent with the previously negotiated terms and conditions;
- ✓ The allocation process complies with all Municipal Securities Rulemaking Board regulations governing order priorities and allocations; and
- ✓ The lead underwriter shall submit to the Finance Director a complete and timely account of all orders, allocations, and underwriting activities.

The Finance Director shall require a post-sale analysis and reporting for each negotiated bond sale. The independent Financial Advisor shall perform such analysis and provide a final pricing book by the day of the closing. A post-sale analysis will include, but not be limited to:

- ✓ Summary of the pricing, including copies of the actual pricing wires;
- ✓ Results of comparable bond sales in the market at the time of the City’s pricing;
- ✓ Detailed information on a) orders and allocation of bonds, by underwriting firm, b) detailed information on final designations earned by each underwriter, and c) a summary of total compensation received by each underwriter; and
- ✓ Historic comparisons to Municipal Market Data indexes — day of sale basis.

No debt issue will be sold on a negotiated basis without an independent Financial Advisor.

G-8 Credit Ratings

The City will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the City’s general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The City will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts and the financial health of the City.

Credit enhancements may be used to improve or establish a credit rating on a City debt obligation. Credit enhancements should only be used if cost effective.

G-9 Refunding Debt

A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a present value savings of three percent of the principal amount of the refunding debt being issued.

G-10 Arbitrage Rebate Monitoring and Reporting

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract, or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11.

The Finance Director shall, when deemed necessary or when required, procure the services of an arbitrage rebate calculation firm. The purpose of the arbitrage rebate calculation firm is to provide arbitrage rebate compliance services in accordance with the Internal Revenue Code of 1986, as amended ("Code").

The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.

G-11 Covenant Compliance

The City will comply with all covenants stated in the bond ordinance, contract, etc.

G-12 Ongoing Disclosure

The Finance Director shall be responsible for providing annual disclosure information to established national information repositories and for maintaining compliance with disclosure statements as required by state and national regulatory bodies. Disclosure required by the Securities & Exchange Commission shall occur by the date designated in the bond ordinance, which is currently July 31 of each year. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not reasonably contained within the CAFR.

G-13 Structural Elements

**Maturity** — The City of Covington shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).

**Debt Service Structure** — unless otherwise justified and deemed necessary, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified and deemed necessary, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.

**Maturity Structure** — the City of Covington's long-term debt may include serial and term bonds. Unless otherwise justified, term bonds should be sold with mandatory sinking fund requirements.

**Price Structure** — the City of Covington's long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given applicable market conditions,

Coupon Type— unless otherwise justified and deemed necessary, long-term debt will be sold using current interest coupons. If justified and deemed necessary, capital appreciation bonds (zero coupon bonds) may be issued.

Redemption Features — for each transaction, the City of Covington shall evaluate the costs and benefits of call provisions.

Bond Insurance — for each transaction, the City of Covington shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City of Covington shall be competitively procured.

Tax-exemption - Unless otherwise justified and deemed necessary, the City of Covington shall issue its debt on a tax-exempt basis.

G-14 Pledge of revenues — The City of Covington's pledge of revenues shall be determined for each debt issue depending upon the debt instrument:

- ✓ **Unlimited Tax General Obligation Bonds:** Unlimited Tax General Obligation Bonds of the City of Covington shall be repaid from voter- approved excess property taxes on property within the jurisdiction of the City of Covington.
- ✓ **Limited Tax General Obligation Bonds:** Limited Tax General Obligation Bonds of the City of Covington shall be repaid from regular property taxes on property within the jurisdiction of the City of Covington, together with other legally available sources such as sales tax, real estate excise tax, or reserve funds.
- ✓ **Revenue Bonds:** Revenue Bonds of the City of Covington shall be repaid from specified revenues, as defined in the authorizing ordinance.
- ✓ **Special Assessment Bonds:** Special Assessment Bonds of the City of Covington shall be repaid from assessments collected from within a special assessment district formed by the City of Covington pursuant to applicable law.
- ✓ **Local Option Capital Asset Lending (LOCAL) Program Debt:** (LOCAL) Program Debt of the City of Covington shall be repaid from property taxes on property within the jurisdiction of the City of Covington, together with other legally available sources.
- ✓ **Other Debt Instruments [if applicable]:** Other Debt Instruments of the City of Covington shall be repaid from revenues, as defined in the authorizing ordinance

G-15 Rating Agencies

The Finance Department shall manage relationships with the rating analysts assigned to the City of Covington's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- ✓ Full disclosure, on an annual basis, of the financial condition of the City of Covington;
- ✓ A formal presentation, on a regular basis, to the rating agencies, covering economic, financial, operational and other issues that impact the City of Covington's credit;
- ✓ Timely disclosure of any financial events that may impact the City of Covington's credit;
- ✓ Timely dissemination of the Annual Financial Report, following its completion; and
- ✓ Complete and timely distribution of any documents pertaining to the sale of bonds.

Credit Objective - The City of Covington shall seek to maintain and improve its credit rating.

Bond Insurers

The Finance Director shall manage relationships with the analysts at the bond insurers assigned to the City of Covington's credit, using both informal and formal methods to disseminate information.

G-16 Investment of Proceeds

General — The City of Covington shall comply with all applicable Federal, State, and contractual

restrictions regarding the investment of bond proceeds, including City of Covington’s Investment Policy. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds as well as restrictions on the Time period over which some bond proceeds may be invested.

Refunding Escrow – Unless otherwise justified and deemed necessary City of Covington shall utilize State and Local Government Series (SLGS) for the refunding escrow. SLGS are special series of U.S. Treasury securities.

If open markets securities are deemed appropriate the City of Covington shall in consultation with bond counsel comply with each of the following:

- a) Make a bona fide solicitation for securities and, of the bids received, at least three are bona fide bids from sellers that have no involvement in the pricing of the issue; and
- b) Purchase securities from the bidder which made the highest yielding bid and such securities have a yield at least as high as such bid.

G-17 Bond Users Clearinghouse

The City of Covington shall ensure that the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by Chapters 39.44.200 through 39.44.240 RCW and Chapter 365-130 WAG. The information requested by RCW 39.44.210 includes but is not limited to:

- ✓ the par value of the bond issue;
- ✓ the effective interest rates;
- ✓ a schedule of maturities;
- ✓ the purposes of the bond issue;
- ✓ cost of issuance information; and
- ✓ the type of bonds that are issued.

G-18 Legal Covenants

The City of Covington shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

G-19 Refunding Savings Thresholds

Refundings will be conducted in accordance with the Refunding Bond Act, chapter 3953 RCW. Unless otherwise justified, City of Covington will refinance debt to achieve true savings as market opportunities arise.

Unless otherwise justified, an “advance refunding” transaction will require a present value savings of five percent of the principal amount of the refunding debt being issued.

Unless otherwise justified, a “current refunding” transaction will require graduated present value savings as follows:

Years Between Call and Final Redemption	Present Value Standard
1-2 years	1%
3-4 years	2%
5-6 years	3%
7-8 years	4%
9+ years	5%

Selection of maturities to be refunded — unless otherwise justified, all callable maturities of an

issue will be included in a refunding.

G-20 Derivative Products

No derivative products will be utilized unless permitted by law, and not without prior City Council approval. No derivative products shall be utilized without an analysis by an independent financial advisor. No derivative products shall be used for the purpose of interest rate speculation.

G-21 Alternative Financings Schemes

The City of Covington shall not utilize alternative financing schemes to avoid restrictions imposed by law or to utilize tax loop-holes.

G-22 Evaluating Capital Improvement Program Spending

The City of Covington shall integrate its debt issuance with its Capital Improvement Program spending.

G-23 Modeling the Impact of Capital Program Needs

The City of Covington shall develop and maintain a capital finance model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition. To that end, the Finance Department shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- ✓ Historic and projected cash flows for capital and operating expenditures;
- ✓ Historic and projected fund balances;
- ✓ Historic and projected debt service coverage; and
- ✓ Projected revenue requirements.

G-24 Debt Database Management

The City of Covington shall maintain complete information on its outstanding debt portfolio, in a database format. The information in the database shall include, but not be limited to, the following:

- ✓ Issue Name
- ✓ Initial Par Amount of the Issue
- ✓ Dated Date and Sale Date of the Issue
- ✓ Purpose of the Issue
- ✓ Security Type (Fixed or Variable) of the Issue
- ✓ Issue Type (New Money or Refunding) of the Issue
- ✓ Sale type (Competitive or Negotiated) of the Issue
- ✓ TIC, Arbitrage Yield, Avg. Life, and Underwriters Discount of the Issue
- ✓ Underwriter(s) of the Issue
- ✓ Principal Amounts by Maturity
- ✓ Principal Amounts Outstanding by Maturity
- ✓ Coupon Rate and Coupon Type (Current Interest or Zeros) by Maturity
- ✓ Original Yield and Original Price by Maturity
- ✓ Interest Payment Frequency by Maturity
- ✓ First Interest Payment Date by Maturity
- ✓ Call Provisions by Maturity
- ✓ Sinking Provisions by Maturity
- ✓ Credit Enhancement, if any, by Maturity

The City of Covington shall use the debt database for the following purposes:

- ✓ Generate reports;
- ✓ Refunding Analyses; and
- ✓ Output to Fund Accounting System.

G-25 Accounting for the Issuance of Debt

The City of Covington shall account for the issuance of debt using general accepted accounting principals (“GAAP”) as established by the Governmental Accounting Standards Board (“GASB”). Cost of issuance shall be reported as an expenditure rather than netted against proceeds.

G-26 Debt Policy Review

The City of Covington shall review and update its debt policy every four years.

**H. INVESTMENT**

H-1 The City's primary objective is to manage its total cash and cash equivalent assets in a manner that conforms completely to the constraints of this policy while maximizing the interest earnings of the portfolio. This will be done in a manner that supports the government's primary purpose of providing services to its citizens.

The primary purpose in determining a strategy for the City of Covington's investment activities is as follows:

Legality: The City's investments will be in compliance with all statutes governing the investment of public funds. This includes the Revised Code of Washington, the BARS manual, this investment policy and corresponding administrative procedures.

Safety: Safety of principal is of primary importance to the City. Investments of the City will be undertaken in a manner that seeks to guard the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.

Liquidity: The City's investments will remain sufficiently liquid to facilitate the City's need to meet all operating and debt requirements which might be reasonably anticipated.

Yield: The City's investments will be established with the objective of achieving a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics of the portfolio.

H-2 The City has also determined to limit investment purchases to the following investment types, which the City has determined best meet their overall investment strategy. This authorization applies to all City funds.

- a.) Investment deposits, including certificates of deposit, with qualified public depositories as defined in Chapter 39.58 RCW.
- b.) Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States (such as the Government National Mortgage Association). However, this authorization will specifically exclude Collateralized Mortgage Obligations (CMOs), Real Estate Mortgage Investment Conduits (REMICs), and other Principal Only (POs) and Interest Only (IOs) obligations that are secured with mortgages issued by any federal agency, instrumentality or private firm.
- c.) Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.)

- d.) Washington State Local Government Investment Pool.
  - e.) Bonds of the State of Washington and any local government in the State provided they carry a current debt rating in the top three categories of a nationally recognized rating agency at the time of investment.
  - f.) Prime Banker's Acceptances purchased on the secondary market with ratings of A1/P1 by a nationally recognized rating agency.
  - g.) Repurchase agreements for securities listed above, provided that the transaction is structured so that the City of Covington obtains control over the underlying securities and a Master Repurchase Agreement has been signed with the bank or dealer. Collateralization will be required on all repurchase agreements at a level of 102% of the market value of principal and accrued interest. This is to anticipate any market changes and to provide an adequate level of security for all funds. Collateral is limited to the types of investments detailed in this section.
- H-3 The Finance Director will consider all investments as common investments whose ownership is derived from each participating fund. Interest earned by the common investment portfolio will be applied in its entirety to each participating fund on the basis of its available cash balance. Unless specified by the Finance Director, all cash and cash equivalent assets of every fund will be considered available for investment. The only exception to the common investment portfolio will be investments made from the proceeds of bond sales and only to the extent necessary to provide a separate accounting of investment activity.
- H-4 Funds set aside to satisfy City debt in conjunction with an advance refunding agreement will be invested in accordance with appropriate bond documents and not necessarily in compliance with this policy. If bond covenants are more restrictive than this policy, funds will be invested in full compliance with those additional restrictions.
- H-5 All investments of the City of Covington shall be made in compliance with Federal and State law and in accordance with those legal interpretations that apply. The investment of any tax-exempt borrowing proceeds and of any debt service funds shall comply with the 1986 Tax Reform Act if that Act applies to the debt issued.
- H-6 The Finance Director is the investment officer of the City. The Finance Director will develop written procedures for the operation of the investment program consistent with this investment policy and approved by the City Manager. These procedures will include a detailed delegation of authority to persons responsible for investment transactions. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate employees. The Finance Director will ensure a periodic independent annual review of investment activities and internal controls are performed by the external-auditing agency.
- H-7 The City Manager will provide investment oversight to the Finance Director. The Finance Director will report investment activity monthly to the City Manager and semi-annually to the City Council. The City Council will amend the Investment Policy, as needed, by Resolution.
- H-8 Investments will be made with judgment and care, in consideration of the circumstances then prevailing, which person(s) of prudence, discretion and intelligence would exercise in the management of their own affairs for investment purposes, not for speculation, taking into account the probable safety of their capital as well as the probable income expected to be derived.
- H-9 Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program or impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the City Council any substantive financial interest in financial institutions that conduct business within this jurisdiction. They will also disclose any material personal financial or investment

positions that could be related to the performance of the City's portfolio. Employees and Officers will subordinate their personal investment transactions to those of the City of Covington, particularly in regard to the timing of purchases and sales.

- H-10 The Finance Director will conduct investment transactions with several competing, reputable investment securities broker/dealers. A list will be maintained of approved security broker/dealers selected for their credit worthiness, industry reputation, knowledge of public sector investment practices, and who maintain an office in the State of Washington. The Finance Director has the authority to remove any broker/dealer from the list, with or without cause by written notice. Broker/dealers may appeal the Finance Director's action by written appeal to the City Manager.
- H-11 The Finance Director will maintain a list of financial institutions as required by the Public Deposit Commission (PDC), authorized to provide investment services as outlined in R.C.W. 39.58.080.
- H-12 All investment securities bought by the City, including collateral being held on repurchase agreements, will be held by the City or in safekeeping for the City by the City's custodian bank. A third party bank trust department may be appointed as agent for the City under the terms of a custody or trustee agreement signed by both the bank and the City. The primary agent of the custodian bank will provide a safekeeping receipt to the City listing the specific instrument, its rate and maturity, and any other pertinent information. All security transactions, including collateral for repurchase agreements, entered into by the City of Covington will be conducted on a delivery-versus-payment (DVP) basis.
- H-13 Repurchase Agreements may be entered into on a safekeeping basis only if a master agreement with the bank or trust department providing the safekeeping service is first obtained. This agreement shall very clearly establish that the bank/trust is acting as a third party agent for the Finance Director, not the broker/dealer arranging the repurchase agreements. Such third party safekeeping arrangements will be documented with a signed agreement between the Finance Director and the bank/trust involved assuring that the Finance Director has absolute control over the securities once they are delivered to safekeeping and that the dealer does not have access to them under any circumstances.
- H-14 Investment officials will be bonded to provide protection to the City against loss due to possible embezzlement or malfeasance.
- H-15 The City will assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities and the State Investment Pool, the City will invest no more than twenty-five percent (25%) of its total investment portfolio in a single security type or with a single financial institution.
- H-16 To the degree possible, the City will attempt to match its investments with anticipated cash flow requirements. Liquidity should be ensured through practices that include covering the next vendor disbursement and payroll dates through maturing investments. Unless specifically matched to a certain cash flow, or estimated to meet cash flow needs, the City will not directly invest in securities maturing more than three (3) years from the date of purchase.
- H-17 The City of Covington's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The City will report investment yield benchmarked to the yield of the six-month Treasury Bill and/or the Average Fed Funds rate and/or the return provided by the State Investment Pool.
- H-18 The Finance Director will actively manage daily cash to the extent that transaction costs do not overcome interest earnings. The goal is to have ninety percent of the city's entire cash and cash equivalent assets invested.

## I. INTERGOVERNMENTAL REVENUES AND RELATIONS POLICIES

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City shall take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

- I-1 The City will refrain from using grants to meet ongoing service delivery needs. In the City's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs.
- I-2 All grant agreements will be reviewed to ensure compliance with state, federal, and City regulations.
- I-3 The City will budget expenditures for grant-funded programs only after a grant award or letter of commitment, and only for the amount of grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted.
- I-4 The City will aggressively oppose state or federal actions that mandate expenditures which the City Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
- I-5. The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. All intergovernmental agreements and contracts for service delivery will be brought forward to the City Council for approval.
- I-6. Capital grants with local matching requirements can only be accepted for with the express approval of the City Council regardless if indicated in the Capital Investment Program.

## J. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's partners and investors that the City is well managed and fiscally sound.

- J-1 The City will maintain its accounting records in accordance with state and federal law and regulations. Budgetary reporting will be in accordance with the state's budget laws and regulations. The City will report its financial condition and results of operations in accordance with state regulations and generally accepted accounting principles applicable to governments.
- J-2 The State Auditor will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR) and the Report on Compliance with the Single Audit Act of 1984 (if required).
- J-3 The City will minimize the number of funds. The funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes.
- J-4 Excellence in Financial Reporting: As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

## K. ~~FIXED CAPITAL ASSETS~~ – See most recently adopted City of Covington Capital Asset Policies and Procedures

- ~~K-1 Fixed assets are defined as land, buildings, equipment, and improvements to existing assets costing more than \$5,000 and having a useful life in excess of one year. Assets with a value or cost under \$5,000 are to be expensed in the year of acquisition.~~

- ~~K-2 Costs associated with remodeling or changes to the City's buildings will not be capitalized unless the useful life of the structure is extended.~~
- ~~K-3 Enhancements or additions to equipment will be capitalized only if the cost or value is \$1,000 or more and the useful life is extended.~~
- ~~K-4 Additions to City acquired vehicles will be capitalized only if the item is to remain with the vehicle upon disposal.~~
- ~~K-5 Each department director is responsible for notifying Finance in writing of all assets sold, traded, transferred, and surplused or lost at the time of the occurrence.~~
- ~~K-6 All assets that can be labeled will have a numbered City of Covington tag attached in a prominent, convenient location. Assets of a lesser value than the capitalization standard of \$5,000, may be tagged where there is a need for property control and accountability. Finance will supply the tags which will be attached by the department receiving the assets.~~
- ~~K-7 All assets, regardless of value or capitalization, are the department director's responsibility with regard to tracking, inventory, and safekeeping. Finance is responsible for keeping and updating the fixed asset database.~~
- ~~K-8 The Finance Director may administratively surplus office equipment, computer equipment, small tools, computer software, minor equipment and police weapons with a value of less than or equal to \$5,000. Titled vehicles, real property, and any City property with a value of greater than \$5,000 will be surplused by City Council resolution.~~
- ~~K-9 All property with an expected value greater than the cost to surplus will be offered through a competitive process, in which at least three interested parties are notified. Property where the expected value is less than the cost to surplus may be destroyed or donated to another governmental agency or local community non-profit. The City may elect to partner with another City's annual auction to save on costs and resources.~~
- ~~K-10 The Finance Director will have oversight for the accounting of all surplus property transactions. In cases of administrative surpluses, the Finance Director will record property description, estimated value, number of bidders, and the lowest-highest bid range for accounting and auditing purposes.~~
- ~~K-11 The Public Works Director shall manage the GASB-34 infrastructure inventory providing the Finance Department with annual reports as required.~~

## M. FINANCIAL PLANNING POLICIES

The City shall develop and maintain a six-year Financial Forecast that estimates resource and expenditure behavior for five years beyond the current budget period. This Forecast will provide the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool must recognize the effects of economic cycles on the demand for services and the City's resources. To this end, the Forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of base economic growth. City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by assuring adequate reliance on ongoing resources in order to support continued City services during economic downturns.

### M-1 Operational and Capital Funds:

- a. The Finance Department will prepare and maintain a Financial Forecast for Operational and Capital Funds based on current service levels and current funding sources. This forecast will include the upcoming year as well as five years beyond the current period (a total of six forecast years). This future-oriented look will provide insight into whether the current mix and level of

resources are likely to continue to be sufficient to cover current service levels. The forecast also allows staff and City Council to test various “what-if” scenarios and examine the fiscal impact on future budget cycles.

- b. The City will periodically test both its planning methodology and use of planning tools in order to provide information that is timely, accurate, and widely disseminated to users throughout the City.
  - c. Departments will forecast and monitor their respective revenues and expenditures with assistance from the Finance Department. The Finance Department will assist departments in developing appropriate systems for such monitoring and will retain overall fiscal oversight responsibility for the General Fund.
- M-2 Expenditure estimates should anticipate contingencies that are reasonably predictable and also differentiate between ongoing expenditures and those that are one-time activities.

## Consent Agenda Item C-13

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: CONSIDER PASSING ORDINANCE TO COMMIT PARKS AND RECREATION FUND AND DEVELOPMENT SERVICE FUND REVENUES

ATTACHMENT(S):

1. Proposed Ordinance

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

The following ordinance has been drafted to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

As addressed in the new ending fund balance policy, some special revenue funds may no longer qualify to be reported separately in the Comprehensive Annual Financial Report (CAFR). Those that do not qualify will be rolled into the General Fund for reporting purposes only. In order for a special revenue fund to remain separate, it must have a committed or restricted revenue source. Restricted fund balance must have externally enforceable limitations on its use, such as grantors or laws and regulations of other governments. Committed fund balance must be formally committed by the City Council prior to the end of the fiscal year.

The City currently has six special revenue funds:

- Street Fund
- Contingency Fund
- Cumulative Reserve Fund
- Development Services Fund
- Parks and Recreation Fund
- Surface Water Management Fund

The Street Fund currently receives restricted revenues and the Surface Water Management Fund already has an ordinance in place to commit funds to the purpose of the fund. The Contingency Fund and Cumulative Reserve Fund do not currently have any ongoing revenue sources and therefore will be rolled into the General Fund for reporting purposes at year end. That leaves the Development Services Fund and Parks and Recreation Fund. If you choose to continue to report these funds individually in the CAFR, you need to formally commit the revenue sources contained within the funds by year end. This ordinance accomplishes that objective.

This new GASB pronouncement does not affect how we budget within these funds. We can still show them individually for budgeting purposes. This will only affect year end reporting.

ALTERNATIVES:

- 1) If not adopted the city will report the Development Services Fund and Parks and Recreation Fund within the General Fund for CAFR purposes only.

FISCAL IMPACT: None

CITY COUNCIL ACTION:      X   Ordinance           Resolution           Motion           Other

**Councilmember \_\_\_\_\_ moves and Councilmember \_\_\_\_\_ seconds, to adopt an ordinance relating to formally committing revenues sources within the Development Services Fund and Parks and Recreation Fund.**

REVIEWED BY: City Manager; City Attorney.

**ORDINANCE NO. 17-11**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, COMMITTING REVENUES TO THE DEVELOPMENT SERVICES FUND AND PARKS AND RECREATION FUND.**

WHEREAS, the Governmental Accounting Standards Board (“GASB”) has adopted Statement 54 (“GASB 54”), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010; and

WHEREAS, the City of Covington elects to implement GASB 54 requirements and to apply such requirements to its financial statements beginning with the current (January 1, 2011-December 31, 2011) fiscal year; and

WHEREAS, all funds receipted into the Development Services Fund are committed to providing services to the citizens of the City of Covington relating to the implementation of the city’s land use and zoning regulations, international building and fire codes, construction regulations, and to further protect the public health, safety, and welfare by assuring that development within the city meets all applicable code requirements and standards; and

WHEREAS, all funds receipted into the Parks and Recreation Fund are committed to providing facilities and services to the residents of and visitors to the city of Covington relating to the acquisition, development, maintenance and operation of open space, parks, trails and recreational facilities, as well as the provision of arts, fitness, recreation and water safety classes, programs and events regardless of age, gender, ethnicity, or ability level;

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

Section 1. The City Council of the City of Covington must now formally commit revenues to the Development Services Fund and Parks and Recreation Fund in order for the funds to remain individually reported in the Comprehensive Annual Financial Report.

Section 2. 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 force and effect.

Section 3. This ordinance shall be in force and take effect five (5) days after its publication according to law.

ADOPTED by the City of Covington City Council at a regular meeting thereof held on the 13th day of December 2011.

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Mayor Margaret Harto

ATTESTED:

PUBLISHED:

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Sharon Scott, City Clerk

EFFECTIVE:

APPROVED AS TO FORM:

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Sara Springer, City Attorney

## Consent Agenda Item C-14

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: PROPOSED ORDINANCE ADOPTING A 2011 BUDGET AMENDMENT

ATTACHMENT(S):

1. Proposed ordinance with exhibit

RECOMMENDED BY: Rob Hendrickson, Finance Director

EXPLANATION:

It is the policy of the city and a requirement of the state auditor and state law to correctly report the budget at year end and account for all changes.

After the November expenditure reports are completed and the financial reports are finalized, staff reviews the year end changes that have occurred in revenues, expenditures, fund balances, and operating transfers. If there are substantive changes that impact the original budget estimates, they are brought forward in the form of amendments to the original budget. This is an annual occurrence due to the changing nature of the budget.

All funds are being amended to reflect the actual audited beginning fund balances. The General Fund, Parks and Recreation Fund, and Capital Investment Program Fund, are being amended to reflect unanticipated grant proceeds and related expenditures. In addition, the General Fund, Street Fund, Capital Investment Program Fund, Cumulative Reserve Fund, Real Estate Excise Tax Fund 1<sup>st</sup> Qtr, and Real Estate Excise Tax 2<sup>nd</sup> Qtr are being amended to account for transfers between funds.

Staff recommends that this ordinance be adopted as presented, as it is a fair and accurate assessment of the anticipated year end revenues, expenditures, operating transfers and fund balances based on current relevant information.

Failure to adopt the budget amendment as presented or to make changes could result in unfavorable audit recommendations and/or findings.

ALTERNATIVES:

- 1.) The Council could elect to postpone or deny adopting this ordinance.
- 2.) The Council could make other amendments to the budget.

FISCAL IMPACT: As noted above

CITY COUNCIL ACTION:  Ordinance  Resolution  Motion  Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to pass an Ordinance amending the 2011 Budget by amending Ordinance No. 22-10.**

**ORDINANCE NO. 18-11****AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF COVINGTON, WASHINGTON,  
AMENDING THE 2011 BUDGET BY AMENDING  
SECTION 2 OF ORDINANCE NO. 22-10**

WHEREAS, the city passed Ordinance No. 22-10 on December 14, 2010, which approved the city's budget for 2011; and

WHEREAS, the city wishes to adjust beginning estimated fund balances to audited fund balances; and

WHEREAS, the city wishes to appropriate unanticipated grant proceeds; and

WHEREAS, the city wishes to adjust transfers between funds;

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

Section 1. The amended budget for the City of Covington, Washington, for the year 2011 is hereby adopted at the fund level in its final form and content, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by this reference.

Section 2. Section 2 of Ordinance No. 22-10 is amended to read as follows:

**Estimated resources, including fund balances or working capital for each separate fund of the City of Covington and aggregate totals for all such funds combined, for the year 2011 are set forth in summary form below, and are hereby appropriated for expenditure at the fund level during the year 2011 as set forth below:**

<b><u>FUND</u></b>	<b><u>AMOUNT</u></b>
General Fund	\$10,699,306
Parks and Recreation Fund	1,447,705
Development Services Fund	1,478,569
Street Fund	1,540,668
Surface Water Management Fund	2,919,642
Capital Investment Program	1,506,193
Local Improvement District	60,424
LID Guaranty Fund	52,268
Unemployment Reserve Fund	173,946
Equipment Replacement Fund	630,628
Cumulative Reserve Fund	1,426,814
Contingency Fund	419,578

Real Estate Excise Tax Fund 1 <sup>st</sup> Qtr	345,898
Real Estate Excise Tax Fund 2 <sup>nd</sup> Qtr	345,698
Long-Term Debt Service Fund	<u>1,282,977</u>
<b>Total All Funds</b>	<b><u>\$24,330,314</u></b>

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 force and effect.

Section 4. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Adopted by the Council on this 13th day of December, 2011.

\_\_\_\_\_  
Mayor Margaret Harto

PUBLISHED: December 16, 2011

EFFECTIVE: December 21, 2011

ATTESTED:

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

APPROVED AS TO FORM:

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

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>GENERAL FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 2,674,479	\$ (322,889)	\$ 2,351,590	87.9%
Operating Revenues	8,330,716	17,000	8,347,716	100.2%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 11,005,195</b>	<b>\$ (305,889)</b>	<b>\$ 10,699,306</b>	<b>97.2%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 6,832,745	\$ 17,000	\$ 6,849,745	100.2%
Operating Transfers Out	1,159,457	(100,384)	1,059,073	91.3%
Ending Fund Balance	3,012,993	(222,505)	2,790,488	92.6%
<b>TOTAL USES</b>	<b>\$ 11,005,195</b>	<b>\$ (305,889)</b>	<b>\$ 10,699,306</b>	<b>97.2%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>DEVELOPMENT SERVICES FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 549,984	\$ 251,290	\$ 801,274	145.7%
Operating Revenues	677,295	-	677,295	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 1,227,279</b>	<b>\$ 251,290</b>	<b>\$ 1,478,569</b>	<b>120.5%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 661,777	\$ -	\$ 661,777	100.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	565,502	251,290	816,792	144.4%
<b>TOTAL USES</b>	<b>\$ 1,227,279</b>	<b>\$ 251,290</b>	<b>\$ 1,478,569</b>	<b>120.5%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>SURFACE WATER MANAGEMENT FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 1,235,797	\$ 60,990	\$ 1,296,787	104.9%
Operating Revenues	1,622,855	-	1,622,855	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 2,858,652</b>	<b>\$ 60,990</b>	<b>\$ 2,919,642</b>	<b>102.1%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 1,475,754	\$ -	\$ 1,475,754	100.0%
Operating Transfers Out	53,500	-	53,500	100.0%
Ending Fund Balance	1,329,398	60,990	1,390,388	104.6%
<b>TOTAL USES</b>	<b>\$ 2,858,652</b>	<b>\$ 60,990</b>	<b>\$ 2,919,642</b>	<b>102.1%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>LID FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 8,227	\$ 9,686	\$ 17,913	217.7%
Operating Revenues	42,511	-	42,511	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 50,738</b>	<b>\$ 9,686</b>	<b>\$ 60,424</b>	<b>119.1%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 50,738	\$ -	\$ 50,738	100.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	-	9,686	9,686	0.0%
<b>TOTAL USES</b>	<b>\$ 50,738</b>	<b>\$ 9,686</b>	<b>\$ 60,424</b>	<b>119.1%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>PARKS AND RECREATION FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 209,215	\$ 24,133	\$ 233,348	111.5%
Operating Revenues	1,001,210	2,000	1,003,210	100.2%
Operating Transfers In	211,147	-	211,147	100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 1,421,572</b>	<b>\$ 26,133</b>	<b>\$ 1,447,705</b>	<b>101.8%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 1,146,723	\$ 2,000	\$ 1,148,723	100.2%
Operating Transfers Out	27,484	-	27,484	100.0%
Ending Fund Balance	247,365	24,133	271,498	109.8%
<b>TOTAL USES</b>	<b>\$ 1,421,572</b>	<b>\$ 26,133</b>	<b>\$ 1,447,705</b>	<b>101.8%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>STREET FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 586,920	\$ 5,317	\$ 592,237	100.9%
Operating Revenues	578,202	-	578,202	100.0%
Operating Transfers In	244,229	126,000	370,229	151.6%
<b>TOTAL RESOURCES</b>	<b>\$ 1,409,351</b>	<b>\$ 131,317</b>	<b>\$ 1,540,668</b>	<b>109.3%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 824,366	\$ 126,000	\$ 950,366	115.3%
Operating Transfers Out	251,012	-	251,012	100.0%
Ending Fund Balance	333,973	5,317	339,290	101.6%
<b>TOTAL USES</b>	<b>\$ 1,409,351</b>	<b>\$ 131,317</b>	<b>\$ 1,540,668</b>	<b>109.3%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>CAPITAL INVESTMENT PROGRAM FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 367,593	\$ 704,694	\$ 1,072,287	291.7%
Operating Revenues	21,406	359,000	380,406	1777.1%
Operating Transfers In	53,500	-	53,500	100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 442,499</b>	<b>\$ 1,063,694</b>	<b>\$ 1,506,193</b>	<b>340.4%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 138,456	\$ 359,000	\$ 497,456	359.3%
Operating Transfers Out	-	36,000	36,000	0.0%
Ending Fund Balance	304,043	668,694	972,737	319.9%
<b>TOTAL USES</b>	<b>\$ 442,499</b>	<b>\$ 1,063,694</b>	<b>\$ 1,506,193</b>	<b>340.4%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>LID GUARANTY FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 52,125	\$ 43	\$ 52,168	100.1%
Operating Revenues	100	-	100	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 52,225</b>	<b>\$ 43</b>	<b>\$ 52,268</b>	<b>100.1%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ -	\$ -	\$ -	0.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	52,225	43	52,268	100.1%
<b>TOTAL USES</b>	<b>\$ 52,225</b>	<b>\$ 43</b>	<b>\$ 52,268</b>	<b>100.1%</b>

**CITY OF COVINGTON**  
**Proposed Budget Amendments**  
**2011**

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>UNEMPLOYMENT FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 101,395	\$ 35,417	\$ 136,812	134.9%
Operating Revenues	37,134	-	37,134	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 138,529</b>	<b>\$ 35,417</b>	<b>\$ 173,946</b>	<b>125.6%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 100,000	\$ -	\$ 100,000	100.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	38,529	35,417	73,946	191.9%
<b>TOTAL USES</b>	<b>\$ 138,529</b>	<b>\$ 35,417</b>	<b>\$ 173,946</b>	<b>125.6%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>CUMULATIVE RESERVE FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 1,411,793	\$ 1,246	\$ 1,413,039	100.1%
Operating Revenues	13,775	-	13,775	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 1,425,568</b>	<b>\$ 1,246</b>	<b>\$ 1,426,814</b>	<b>100.1%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ -	\$ -	\$ -	0.0%
Operating Transfers Out	-	90,000	90,000	0.0%
Ending Fund Balance	1,425,568	(88,754)	1,336,814	93.8%
<b>TOTAL USES</b>	<b>\$ 1,425,568</b>	<b>\$ 1,246</b>	<b>\$ 1,426,814</b>	<b>100.1%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>REAL ESTATE EXCISE TAX FUND 1ST QTR</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ -	\$ 70,092	\$ 70,092	0.0%
Operating Revenues	150,300	-	150,300	100.0%
Operating Transfers In	125,506	-	125,506	100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 275,806</b>	<b>\$ 70,092</b>	<b>\$ 345,898</b>	<b>125.4%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ -	\$ -	\$ -	0.0%
Operating Transfers Out	275,806	50,092	325,898	118.2%
Ending Fund Balance	-	20,000	20,000	0.0%
<b>TOTAL USES</b>	<b>\$ 275,806</b>	<b>\$ 70,092</b>	<b>\$ 345,898</b>	<b>125.4%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>LONG-TERM DEBT SERVICE FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ -	\$ -	\$ -	0.0%
Operating Revenues	-	-	-	0.0%
Operating Transfers In	1,282,977	-	1,282,977	100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 1,282,977</b>	<b>\$ -</b>	<b>\$ 1,282,977</b>	<b>100.0%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 1,282,977	\$ -	\$ 1,282,977	100.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	-	-	-	0.0%
<b>TOTAL USES</b>	<b>\$ 1,282,977</b>	<b>\$ -</b>	<b>\$ 1,282,977</b>	<b>100.0%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>EQUIPMENT REPLACEMENT FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 528,734	\$ (8,425)	\$ 520,309	98.4%
Operating Revenues	110,319	-	110,319	100.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 639,053</b>	<b>\$ (8,425)</b>	<b>\$ 630,628</b>	<b>98.7%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 42,275	\$ -	\$ 42,275	100.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	596,778	(8,425)	588,353	98.6%
<b>TOTAL USES</b>	<b>\$ 639,053</b>	<b>\$ (8,425)</b>	<b>\$ 630,628</b>	<b>98.7%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>CONTINGENCY FUND</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 420,148	\$ (570)	\$ 419,578	99.9%
Operating Revenues	-	-	-	0.0%
Operating Transfers In	-	-	-	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 420,148</b>	<b>\$ (570)</b>	<b>\$ 419,578</b>	<b>99.9%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ -	\$ -	\$ -	0.0%
Operating Transfers Out	-	-	-	0.0%
Ending Fund Balance	420,148	(570)	419,578	99.9%
<b>TOTAL USES</b>	<b>\$ 420,148</b>	<b>\$ (570)</b>	<b>\$ 419,578</b>	<b>99.9%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>REAL ESTATE EXCISE TAX FUND 2ND QTR</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ -	\$ 70,092	\$ 70,092	0.0%
Operating Revenues	150,100	-	150,100	100.0%
Operating Transfers In	125,506	-	125,506	100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 275,606</b>	<b>\$ 70,092</b>	<b>\$ 345,698</b>	<b>125.4%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ -	\$ -	\$ -	0.0%
Operating Transfers Out	275,606	50,292	325,898	118.2%
Ending Fund Balance	-	19,800	19,800	0.0%
<b>TOTAL USES</b>	<b>\$ 275,606</b>	<b>\$ 70,092</b>	<b>\$ 345,698</b>	<b>125.4%</b>

	2011 Adopted Budget	2011 Proposed Amendment	2011 Amended Budget	% Change
<b>SUMMARY</b>				
<b>REVENUES</b>				
Beginning Fund Balance	\$ 8,146,410	\$ 901,116	\$ 9,047,526	111.1%
Operating Revenues	12,735,923	378,000	13,113,923	103.0%
Operating Transfers In	2,042,865	126,000	2,168,865	106.2%
<b>TOTAL RESOURCES</b>	<b>\$ 22,925,198</b>	<b>\$ 1,405,116</b>	<b>\$ 24,330,314</b>	<b>106.1%</b>
<b>EXPENDITURES</b>				
Operating Expenses	\$ 12,555,811	\$ 504,000	\$ 13,059,811	104.0%
Operating Transfers Out	2,042,865	126,000	2,168,865	106.2%
Ending Fund Balance	8,326,522	775,116	9,101,638	109.3%
<b>TOTAL USES</b>	<b>\$ 22,925,198</b>	<b>\$ 1,405,116</b>	<b>\$ 24,330,314</b>	<b>106.1%</b>

## Agenda Item 1

Covington City Council Meeting

Date: December 13, 2011

SUBJECT: ORDINANCE ADOPTING ELECTRIC VEHICLE CHARGING  
INFRASTRUCTURE AMENDMENTS TO CMC TITLE 18 AND TITLE 16.

RECOMMENDED BY: Richard Hart, Community Development Director  
Salina Lyons, Senior Planner

ATTACHMENT(S):

1. Proposed Ordinance Adopting Electric Vehicle Infrastructure
2. Planning Commission Memo dated May 25, 2011
3. Planning Commission Memo dated August 4, 2011

PREPARED BY: Salina Lyons, Senior Planner

EXPLANATION:

**Background**

In 2009 the state legislature passed House Bill 1481, which the governor signed into law. This law encourages the use of and development of infrastructure required to support electric vehicles. The law requires local governments to develop regulations that allow electric vehicle infrastructure in all zones except resource, residential and critical area zones. As of July 1, 2011, all jurisdictions adjacent to I-5, I-90, I-405 and SR 520 were required to adopt codes that allow electric vehicle infrastructure and battery exchange stations. All other jurisdictions that plan under GMA, such as the City of Covington, are required to adopt the regulations by December 2011.

Staff utilized the model ordinance provide by Puget Sound Region Council (PSRC) in the development of the code language (**Attachment 1, Exhibit 1**). However, instead of adopting the provisions as directly stated in the model, staff integrated the requirements into various sections of the Covington Municipal Code (CMC) in Title 18 Zoning and Title 16 Environment.

The Planning Commission held a public hearing on November 17, 2011. No testimony was received from the public at the public hearing or during the SEPA review process.

**Overview of Regulations**

The Planning Commission reviewed the model ordinance and associated materials produced by PSRC, Puget Sound Energy (PSE) and United States Department of Energy regarding electric vehicle infrastructure and formulated questions for staff to evaluate as part of their review (**Attachments 2 and 3**). Based on the requirements of PSRC and the Planning Commissions' recommendations, the following amendments to the Covington municipal code to allow permitting of electric vehicle infrastructure are proposed:

Amendments to CMC Title 18 include updating the land use definition section (CMC 18.20) to include definitions as provided in PSRC's model ordinance related to electric vehicle infrastructure and as applicable to the City of Covington.

The permitted use tables for the residential land uses (including Community Commercial (CC), Neighborhood Commercial (NC) and Industrial (I) ) were updated to allow electric vehicle charging stations associated with single family residential homes and business services as an accessory use and to allow battery exchange stations in the CC zone with conditions.

The downtown land use chart was amended to allow battery exchange stations in the General Commercial (GC) zone with conditions. Battery exchange stations closely resemble the intent of a gas station; therefore, the zoning for these stations are combined with the requirements for gas stations.

The Planning Commission had a discussion pertaining to the permitting of a private electric vehicle parking facility as a primary use. They agreed that this type of land use should be permitted in the GC zone with the condition that all services and operations should be fully contained within a structure and that the facilities shall be fully screened from the public right-of-way.

A majority of the requirements for installation of the electric vehicle infrastructure are proposed in CMC Title 18.50 Development Standards-Parking and Circulation. In this section, there are prescriptive ratios of parking stalls to charging stations listed for each zone. It was the Planning Commission's desire to keep the ratio of parking stalls to electric charging stations liberal and to let the market provide the demand for electric vehicle charging stations.

Staff provided an evaluation of parking demand in each of the downtown zones and the R-18 zone based on land uses permitted and the overall parking requirements. This evaluation was used to determine an adequate ratio for charging stations. Please refer to **Attachment 3** for a more detailed evaluation of how the parking stalls to electric vehicle ratios were determined.

The Planning Commission was very conscious of the cost of the electric vehicle charging facilities and did not want the regulations to place a costly burden on the smaller, infill, commercial development, with less than 50 parking stalls.

In addition, the Planning Commission also recommended that the Director have the ability to waive the requirement for the installation of electric vehicle charging stations based on a series of conditions related to access, number or existing electric vehicle charging stations and shared use of the charging stations

The Planning Commission made the decision to eliminate the detailed schematics and signage requirements provided in the model ordinance and recommend that the city provide handouts to developers with the specific details. The reason for this decision is that the schematics are more of a recommendation, and the signage has not been adopted by WSDOT or the Federal Highway Administration (FHA) as of the date of their recommendation. Thus, any changes to signage by state or federal agencies wouldn't require city code amendments.

ALTERNATIVES:

- 1) Adopt the proposed ordinance as proposed.
- 2) Return the issue to the Planning Commission and/or city staff for further study and analysis.

FISCAL IMPACT:

No direct fiscal impacts are anticipated from the adoption of the electric vehicle code amendments. The installation and maintenance of these facilities will be the responsibility of the property owner or their designee.

COUNCIL ACTION:     X   Ordinance          Resolution          Motion          Other

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_  
seconds, to pass an ordinance adopting electric vehicle infrastructure  
amendments to CMC Title 18 and Title 14.**

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

**ORDINANCE NO. 19-11**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON AMENDING SECTIONS 18.20 TECHNICAL TERMS AND LAND USE DEFINITIONS, 18.25 PERMITTED USES, 18.31 DOWNTOWN DEVELOPMENT AND DESIGN STANDARDS, 18.50 DEVELOPMENT STANDARDS-PARKING AND CIRCULATION, AND 16.10 STATE ENVIRONMENTAL POLICY ACT OF THE COVINGTON MUNICIPAL CODE TO ADOPT REGULATIONS FOR THE PERMITTING OF ELECTRIC VEHICLE INFRASTRUCTURE.**

WHEREAS, during the 2009 legislative session, the Washington State Legislature passed House Bill 1481 (HB1481) an Act relating to electric vehicles and electric vehicle infrastructure including the structures, machinery and equipment necessary and integral to support an electric vehicle, including battery charging stations, rapid charging stations and battery exchange station; and

WHEREAS, the purpose of HB1481 is to encourage the transition to electric vehicle use and to expedite the establishment of a convenient and cost-effective electric vehicle infrastructure that such a transition necessitates; and

WHEREAS, the legislature agreed that the development of a convenient infrastructure to recharge electric vehicles is essential to increase consumer acceptance of these vehicles and to serve as an economic stimulus to the creation of short-term and long-term jobs as the entire automobile industry, and its associated direct and indirect jobs, transform over time from combustion to electric vehicles; and

WHEREAS, pursuant to the requirements of the Washington State Growth Management Act, the City of Covington is required to develop and adopt development regulations implementing its Comprehensive Plan; and

WHEREAS, RCW 36.70A.130(4) requires that the City of Covington, a “fully planning city within King County,” shall update its Comprehensive Plan and development regulations, as necessary to reflect local needs, new data and current laws; and

WHEREAS, the requirements of the State Environmental Policy Act (SEPA), as adopted in CMC 16.10 have been met; and

WHEREAS, the Covington Planning Commission held a public hearing on the proposed electric vehicle zoning code regulations on November 17, 2011; and

WHEREAS, the Covington Planning Commission unanimously recommended approval of the proposed changes in the permitted categories of land uses in a variety of the city's downtown zones;

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

Section 1. Covington Municipal Code Sections 18.20 Technical Terms and Land Use Definitions, 18.25 Permitted Uses, 18.31 Downtown Development and Design Standards, 18.50 Development Standards-Parking and Circulation, and 16.10 State Environmental Policy Act are amended as provided in the attached Exhibit 1, and fully incorporated herein by this reference.

Section 2. This ordinance shall be in full force and effect five 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 Council in an open public meeting on the 13<sup>th</sup> day of December, 2011.

\_\_\_\_\_  
Mayor Margaret Harto

PUBLISHED: December 16, 2011

EFFECTIVE: December 21, 2011

ATTESTED:

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

APPROVED AS TO FORM:

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

## Electric Vehicle Infrastructure Code Amendments

### Chapter 18.20

#### TECHNICAL TERMS AND LAND USE DEFINITIONS

##### Sections:

[18.20.089.3 Battery charging station.](#)

[18.20.089.9 Battery exchange station.](#)

[18.20.184.8 Charging levels.](#)

[18.20.385 Electric scooters and motorcycles.](#)

[18.20.385.3 Electric vehicle.](#)

[18.20.385.6 Electric vehicle charging station.](#)

[18.20.385.9 Electric vehicle charging station - restricted.](#)

[18.20.385.12 Electric vehicle charging station - public.](#)

[18.20.385.15 Electric vehicle infrastructure.](#)

[18.20.385.18 Electric vehicle parking space.](#)

[18.20.947 Rapid charging station.](#)

#### **18.20.015 Accessory use, commercial/industrial.**

“Accessory use, commercial/industrial” means:

(1) A use that is subordinate and incidental to a commercial or industrial use, including, but not limited to the following uses:

- (a) Administrative offices;
- (b) Employee exercise facilities;
- (c) Employee food service facilities;
- (d) Incidental storage of raw materials and finished products sold or manufactured on-site;
- (e) Business owner or caretaker residence;
- (f) Cogeneration facilities; ~~and~~
- (g) Ground maintenance facilities; ~~and~~
- [\(h\) Electric vehicle charging stations.](#)

(2) Some accessory uses within the scope of this section may be defined separately to enable the code to apply different conditions of approval. (Ord. 42-02 § 2 (21A.06.015))

#### **18.20.020 Accessory use, residential.**

“Accessory use, residential” means:

(1) A use, structure, or activity which is subordinate and incidental to a residence including, but not limited to, the following uses:

- (a) Accessory living quarters and dwellings;
- (b) Fallout/bomb shelters;
- (c) Keeping household pets;
- (d) On-site rental office;
- (e) Pools, private docks, piers;
- (f) Antennas for private telecommunication services;
- (g) Storage of yard maintenance equipment;
- (h) Storage of private vehicles, e.g., motor vehicles, boats, trailers or planes; or
- (i) Greenhouses; [or](#)
- [\(j\) Electric vehicle charging station.](#)

**18.20.089.3 Battery charging station.**

“Battery charging station” means an electrical component assembly or cluster of component assemblies designed specifically to charge batteries within electric vehicles, which meet or exceed any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

**18.20.089.6 Battery exchange station.**

“Battery exchange station” means a fully automated facility that will enable an electric vehicle with a swappable battery to enter a drive lane and exchange the depleted battery with a fully charged battery through a fully automated process, which meets or exceeds any standards, codes, and regulations set forth by chapter 19.27 RCW and consistent with rules adopted under RCW 19.27.540.

**18.20.184.8 Charging levels.**

“Charging levels” means the standardized indicators of electrical force, or voltage, at which an electric vehicle’s battery is recharged. The terms 1, 2, and 3 are the most common EV charging levels, and include the following specifications:

- Level 1 is considered slow charging.
- Level 2 is considered medium charging.
- Level 3 is considered fast or rapid charging.

**18.20.385 Electric scooters and motorcycles.**

“Electric scooters and motorcycles” means any 2-wheel vehicle that operates exclusively on electrical energy from an off-board source that is stored in the vehicle’s batteries and produces zero emissions or pollution when stationary or operating.

**18.20.385.3 Electric vehicle.**

**“Electric vehicle”** means any vehicle that operates, either partially or exclusively, on electrical energy from the grid, or an off-board source, that is stored on-board for motive purpose.

**“Electric vehicle”** includes: (1) a battery electric vehicle; (2) a plug-in hybrid electric vehicle; (3) a neighborhood electric vehicle; and (4) a medium-speed electric vehicle.

**18.20.385.6 Electric vehicle charging station.**

**“Electric vehicle charging station”** means a public or private parking space that is served by battery charging station equipment that has as its primary purpose the transfer of electric energy (by conductive or inductive means) to a battery or other energy storage device in an electric vehicle. An electric vehicle charging station equipped with Level 1 or Level 2 charging equipment is permitted outright as an accessory use to any principal use.

**18.20.385.9 Electric vehicle charging station - restricted.**

**“Electric vehicle charging station - restricted”** means an electric vehicle charging station that is (1) privately owned and restricted access (e.g., single-family home, executive parking, designated employee parking) or (2) publicly owned and restricted (e.g., fleet parking with no access to the general public).

**18.20.385.12 Electric vehicle charging station - public.**

**“Electric vehicle charging station — public”** means an electric vehicle charging station that is (1) publicly owned and publicly available (e.g., Park & Ride parking, public library parking lot, on-street parking) or (2) privately owned and publicly available (e.g., shopping center parking, non-reserved parking in multi-family parking lots).

**18.20.385.15 Electric vehicle infrastructure.**

**“Electric vehicle infrastructure”** means structures, machinery, and equipment necessary and integral to support an electric vehicle, including battery charging stations, rapid charging stations, and battery exchange stations.

**18.20.385.18 Electric vehicle parking space.**

**“Electric vehicle parking space”** means any marked parking space that identifies the use to be exclusively for the parking of an electric vehicle.

**18.20.947 Rapid charging station.**

**“Rapid charging station”** means an industrial grade electrical outlet that allows for faster recharging of electric vehicle batteries through higher power levels and that meets or exceeds

any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

## Chapter 18.25

### PERMITTED USES

#### 18.25.030 Residential land uses

A. Table

KEY								
P – Permitted Use								
C – Conditional Use								
SIC #	SPECIFIC LAND USE	M	US	R4-8	R-18	CC	NC	I
<b>ACCESSORY USES:</b>								
*	Residential Accessory uses		P6	P6, <u>8</u>	P6, <u>8</u>	P6		

B. Development Conditions.

(8) On-street electric vehicle charging stations are not permitted in the R-1 through R-18 zones. Individual electric vehicle charging stations for a single family residence shall follow the *Installation Guide for Charging Stations*, prepared by Puget Sound Regional Council, and as amended.

#### 18.25.060 Government/business services land uses.

A. Table.

KEY								
P – Permitted Use								
C – Conditional Use								
SIC #	SPECIFIC LAND USE	M	US	R4-8	R-18	CC	NC	I
<b>BUSINESS SERVICES:</b>								
	General Business Services					P10, <u>16</u>		
<b>ACCESSORY USES:</b>								

*	Commercial/industrial accessory uses	P			<u>P15</u>	<u>P9, 15</u>	<u>P15</u>	<u>P15</u>
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B. Development Conditions.

(15) Electric vehicle charging stations are permitted in accordance with CMC 18.50.170.

(16) Gasoline service stations and battery exchange stations are limited to the community commercial (CC) zone and subject to the following conditions:

(a) A gasoline service station shall be limited to four (4) pumps, eight (8) price gauges to service no more than eight (8) vehicles.

(b) A battery exchange station shall provide a minimum of three (3) stacking spaces.

(c) Stacking spaces and drive through facilities shall be designed in accordance with CMC 18.50.080.

(d) Any associated materials, equipment storage, outdoor storage tanks and battery exchange activities shall be within a fully enclosed structure, unless otherwise determined by the Director.

## Chapter 18.31

### DOWNTOWN DEVELOPMENT AND DESIGN STANDARDS

18.31.080 (3) Permitted Use Table.

Use Categories	Town Center (TC) <sup>23</sup>	Mixed Commercial (MC)	General Commercial (GC)	Mixed Housing Office (MHO) <sup>1</sup>
Commercial				
Business Services <sup>19</sup>	P <sup>5</sup>	P	P	P <sup>4,5</sup>
<u>Private Electric Vehicle Parking Facility (primary use)</u>			<u>P5, 24</u>	

~~5. Services and operations other than customer parking shall be fully contained within a structure.~~

19. ~~a. Gasoline service stations and battery exchange stations are limited to the general commercial and mixed commercial districts and subject to the following conditions; and~~

~~(a). A gasoline service station shall be limited to eight (8) pumps, sixteen (16) price gauges to service no more than sixteen (16) vehicles, and all associated materials and equipment shall be stored in a fully enclosed structure.~~

~~(b) A battery exchange station shall provide a minimum of three (3) stacking spaces.~~

~~(c) Stacking spaces and drive through facilities shall be designed in accordance with CMC 18.50.080.~~

~~(d) Any associated materials, equipment storage, outdoor storage tanks and battery exchange activities shall be within a fully enclosed structure, unless otherwise determined by the Director.~~

24. Parking facilities shall be fully screened from the public right-of-way with Type 1 landscaping in accordance with CMC 18.40.040.

#### 18.31.110 Parking, access and circulation standards.

(4) Minimum Parking Requirements Table.

Land Use	Minimum Parking Spaces Required
Commercial	
Gasoline service stations/ <u>Battery exchange station</u>	3 per facility plus 1 per 300 square feet of store
<u>Electric vehicle charging station</u>	
<u>All developments that require off-street parking shall be subject to the provisions of the electric vehicle charging stations requirements in CMC 18.50.160 through 18.50.180.</u>	

(11) Additional Parking Requirements and Parking Design Standards Referenced in This Title.

(a) CMC [18.50.050](#) through ~~18.50.150~~[18.50.180](#) for other applicable standards.

## Chapter 18.50

### DEVELOPMENT STANDARDS – PARKING AND CIRCULATION

#### Sections:

18.50.160 Electric vehicle charging station requirements-Downtown zones.

18.50.170 Electric vehicle charging station requirements – R18, NC, CC and I zones.

18.50.180 Electric vehicle charging station design requirements.

#### **18.50.030 Computation of required off-street parking spaces.**

(3) All developments that require off-street parking shall be subject to the provisions of the electric vehicle charging stations requirements in CMC 18.50.160 through 18.50.180.

#### **18.50.160 Electric vehicle charging station requirements – Downtown zones.**

This section applies to all electric vehicle charging stations located in off-street parking facilities or parking garages in the TC, MC, GC, and MHO zones.

(1) New Development located in the TC and GC zones shall provide a minimum of one (1) Level 2 or Level 3 electric vehicle charging station for every 100 vehicle parking spaces.

(2) New commercial development located in the MC and MHO zones shall provide a minimum of one (1) Level 2 or Level 3 electric vehicles charging station for every 50 vehicle parking spaces.

(3) Any new “Government Services” (CMC 18.31.080) shall provide a minimum of one (1) Level 2 or Level 3 electric vehicle charging station regardless of the number of vehicle parking stalls required for the site. If the number of required off street vehicle parking stalls exceed the provisions of sections (1) and (2), then those regulations shall apply.

#### **18.50.170 Electric vehicle charging station requirements- R-18, NC, CC, and I zones.**

This section applies to all electric vehicles charging stations located in off-street parking facilities or parking garages in the R-18, NC, CC and I zones.

(1) New development located in the R-18 zone shall provide a minimum of one (1) Level 2 or Level 3 electric vehicle charging station for every 30 vehicle parking stalls.

(2) New development located in the NC, CC and I zones shall provide a minimum of one (1) Level 2 or Level 3 electric vehicle charging station for every 50 vehicle parking stalls.

(3) Any new "Park", (CMC 18.25.040) that is publicly owned and maintained and any new "Government Services", (CMC 18.25.060) shall provide a minimum of one (1) Level 2 or Level 3 electric vehicle charging station regardless of the number of vehicle parking stalls required for the site. If the number of required off-street vehicle parking stalls exceed the provisions of sections (1) and (2), then those regulations shall apply.

#### **18.50.180 Electric vehicle charging station design standards**

(1) An electric vehicle charging station may be included in the calculation for minimum required parking spaces as required in CMC 18.31.110.4 and CMC 18.50.030.

(2) The Director may reduce or waive the requirement for the installation of electric vehicle charging stations if the applicant can demonstrate:

(a) That a shared parking facility provides access to an adjacent parking facility with a minimum of two (2) existing electric vehicle charging stations; or

(b) That the proposed parking facility is providing cross-access to an adjacent parking facilities with a minimum of two (2) existing electric vehicle charging stations; and

(c) The applicant has a contract for the shared use of the above required electric vehicle charging stations between the appropriate property owners. The contract shall be recorded with King County Records and Elections as a deed restriction that cannot be modified, or revoked without approval by the Director.

(3) Where electric vehicle charging stations are required in parking lots or parking garages, ~~accessible~~ accessible vehicle charging stations shall be provided.

(a) Accessible electric vehicle charging stations should be located in close proximity to the building or facility entrance and shall connect to a barrier free accessible route of travel. It is not required to designate the charging station exclusively for the use of disabled persons.

(4) The provision of electric vehicle parking will vary based on the design and use of the primary parking lot. The following required and additional location and design criteria are provided in recognition of the various parking lot layout options. Where provided, parking for electric vehicle charging purposes shall include the following:

(a) Each charging station space shall be posted with signage indicating the space is only for electric vehicle charging purposes. Days and hours of operation shall be included if time limits or tow away provisions are to be enforced. Refer to the 2009 Manual on Uniform Traffic Control Devices (MUTCD) for electric vehicle and parking signs, specifically D9-11b, D9-11bP, R7-2, and R7-108, and as amended.

(b-) Charging station equipment shall be maintained, including the functioning of the charging equipment. A phone number or other contact information shall be provided on the charging station equipment for reporting when the equipment is not functioning or when other problems are encountered.

(c) Where charging station equipment is provided within an adjacent pedestrian circulation area, such as a sidewalk or accessible route to the building entrance, the charging equipment shall be located so as not to interfere with ADA accessibility requirements.

(d) Where charging station equipment is installed, adequate site lighting shall exist, unless charging is for daytime purposes only.

(e) Charging station outlets and connector devices shall be no less than 36 inches and no higher than 48 inches from the surface where mounted, and shall contain a retraction device or a place to hang permanent cords and connectors sufficiently above the ground or paved surface.

(f) Except for parallel parking stalls, adequate equipment protection, such as wheel stops or concrete-filled steel bollards, shall be used. Curbing may be used in lieu of wheel stops or bollards, if equipment is set back a minimum of 24 inches from the face of the curb.

(5) Parking for electric vehicles should also consider the following:

(a) Information on the charging station, identifying voltage and amperage levels and any time of use, fees, or safety information.

(b) Installation of directional signs at the parking lot entrance and at appropriate decision points to guide motorists to the charging station space(s). Refer to the 2009 Manual on Uniform Traffic Control Devices (MUTCD) for electric vehicle and directional signs, specifically D9-11b, D9-11bP and M6-1, and as amended.

(6) To allow for maintenance and notification, the owner of any private new electric vehicle infrastructure station that will be publically available shall be required to provide information on the station's geographic, location, date of installation, equipment type and model, and owner contact information.

(7) On-Street Electric Vehicle Charging Stations ~~should consider~~ shall conform to the following:

(a) On-street electric vehicle charging stations are not permitted in the R1-R18 zones.

(b) On-street electric vehicle charging stations in the TC, MC, GC and MHO zone shall be installed at either end of designated on-street parking.

(c) Subsequent on-street electric vehicle charging stations should be installed adjacent to existing stations.

(d) Charging station equipment shall be installed in a well lit area, on a hard surface, near the front of the designated parking space and should provided a minimum of 24 inches clearance from the face of the curb and not impede the required minimum ADA accessible route on the sidewalk.

## Chapter 16.10

### STATE ENVIRONMENTAL POLICY ACT

16.10.080 Categorical exemptions (threshold determinations).

This section contains the rules for deciding whether a proposal has a “probable significant, adverse environmental impact” requiring an environmental impact statement (EIS) to be prepared. This section also contains rules for evaluating the impacts of proposals not requiring an EIS.

The City adopts the following provisions of the Washington Administrative Code by reference, as now existing or as hereafter amended:

#### WAC

197-11-300 Purpose

197-11-305 Categorical exemptions

197-11-310 Threshold determination required

197-11-315 Environmental checklist

197-11-330 Threshold determination process

197-11-335 Additional information

197-11-340 Determination of nonsignificance (DNS)

197-11-350 Mitigated DNS

197-11-355 Optional DNS process

197-11-360 Determination of significance (DS) – Initiation of scoping

197-11-390 Effect of threshold determination

[The city adopts the following section of the Revised Code of Washington by reference, as supplemented in this chapter.](#)

#### RCW

[43.21C.410 Battery charging and exchange station installation](#)

# Memo

To: Planning Commission  
From: Salina Lyons, Senior Planner  
CC: Richard Hart, Community Development Director  
Brian Bykonen, Associate Planner  
Darren Mhoon, Management Assistant  
Date: May 25, 2011  
Re: **Electric Vehicle Charging Stations- Follow up Questions**

---

At the May 19, 2011 Planning Commission staff presented information on the State's requirements for the permitting of Electric Vehicle (EV) Charging Stations

1. Are there industry standard signs for EV charging stations, and if so what are they?

The Department of Commerce issued a Guide for Local Governments in Washington State that includes a model ordinance, model development regulations, and information on the infrastructure such as batteries, charging stations and signage. This document will be baseline for creating regulations for the City of Covington and provides useful information on a variety of issues associated with EV charging stations. (Attachment A) Examples of the permitted signage are on page 30 and 31.

All signage must comply with the current Manual on Uniform Traffic Control Devices (MUTCD), published by the Federal Highway Administration. In searching for additional information, staff found a memo to the FHA on behalf of Washington and Oregon to provide a new standard for signage (Attachment B).

2. Is there information on how many public charging stations are in the area, where they are located, and how much they are being used at this point?

The US Department of Energy website [http://www.afdc.energy.gov/afdc/fuels/electricity\\_locations.html](http://www.afdc.energy.gov/afdc/fuels/electricity_locations.html) has an interactive map that allows searches for a variety of alternative fueling stations. This map is managed by the Department of Energy and relies on data collaboration with infrastructure equipment and fuel providers.

Staff did a quick search for electric charging stations in the State of Washington (Attachment C) and within 25 miles of the City of Covington (Attachment D). There are stations planned for the Tukwila Sounder Station, and many located within the Bellevue/Issaquah region. Not currently shows on the map are the charging stations at the Kent –King County Court House parking garage. In addition Bellevue Collection Shopping District- added 15 charging stations in their parking lots and Fred Meyers is planning stations at the new store in Maple Valley.

3. Question on if there will be any enforcement on charging stations stalls (i.e. non electric vehicles parking in charging station parking stalls). The police department does not regulate parking requirements in private parking areas.

The EV stations will be the responsibility of the company where they are provided and it will be up to them to enforce their standards, similar to signs that limited the duration of parking on-site. Enforcement on private properties is dictated by State law and includes matters of life and safety, such as ADA parking and fire lanes/hydrants.

Staff contacted the City of Tukwila since they are one of only cities that provides regulations for fine and removal of the vehicle if improperly parked in a “publicly accessible spaces” which by their definition extends onto private property (shopping centers.) Other cities have limited their enforcement action for improper use to public owned facilities (right-of-way, park-n-ride lots, government buildings, etc.) The enforcement of this policy falls on the Tukwila police department or its police volunteers. To date, Tukwila does not have any charging stations and the police enforcement on private property has not been challenged in this case.

If the City would like a policy similar to Tukwila for private property enforcement actions we would need to further examine the authority under the State statute. In the case of Tukwila they manage their own (much larger) police department; whereas the City of Covington contracts with King County and has limited officers available. In addition Tukwila has volunteer officers that can handle their parking violation issues, whereas Covington is does not. The City may not be in a position to regulate the parking of these facilities on private property at this time, due to availability of enforcement resources.

4. What is the noise levels associated with the EV charging stations?

Staff reviewed specification from numerous of EV charging stations manufactures and there was no indication of noise level. These units run off electricity and distribute the electricity to the car. Much like the electric cars there is little to no noise associated with electricity. It is staff opinion that noise will not be a factor.

Attachments:

- A Electric Vehicle Model Ordinance Guide
- B FHA Memo re: Sign Regulations
- C US Department of Energy- Fueling Stations in Washington
- D US Department of Energy – Fueling Station within 25 miles of Covington

# Memo

**To:** Planning Commission Members

**From:** Salina Lyons, Senior Planner;  
Brian Bykonen, Associate Planner

**CC:** Richard Hart, Community Development Director  
Glenn Akramoff, Public Works Director  
Don Vondran, City Engineer

**Date:** August 4, 2011

**Re:** **Draft Electric Vehicle Charging Stations (Infrastructure) Ordinance and Questions for discussion.**

---

Based on the requirements of the State regarding Electric Vehicle Charging Stations, staff is providing the Planning Commission a draft of the proposed code amendments that would implement the requirements. There are various sections of the Code that are affected by the amendments: Definition, Permitted Use, Downtown Zoning, Parking Standards, and SEPA review.

As staff was drafting the code provisions, we identified questions that need to be resolved. These include the questions that staff presented in May to the Planning Commission and a few additional questions.

## Questions:

### 1. In what zones should EVI be allowed?

*PC: The general consensus was to be as liberal as possible and allow them in all of the zones. Commercial zones and R-18 would be the primary focus, as well as residential land zones where parks, churches, and public assembly uses are allowed.*

**Staff:** The draft ordinance permits EV charging stations in all zones. In the residential zones and commercial zones they are allowed as an accessory use. This means that there has to be a primary use in order for the charging stations to be allowed. This is accomplished by adding EV Charging Stations, as an accessory use, to the permitted use tables and modifying the definitions for residential and commercial accessory uses accordingly. One amendment that staff did not include in this draft, is the requirements for government buildings, parks, and churches, most of which are located within residential zones; therefore, there are no requirements for installation as proposed in other zones.

PC should discuss the following:

- a. Would we like EV charging stations to be mandatory for these types of uses?
- b. Would they only be required for new developments?
- c. What are the thresholds for installation?
- d. Would there be a threshold to install EV charging station if parks, churches, and public assembly are redeveloped:

**2. Should there be any type of design regulations or minimal signage requirements?**

*PC: There may be additional design regulations to consider including signage and design. The sign code may need to be amended. Clarification will also be needed as to whether the police will be able to ticket vehicles that are not charging on private property. Currently, law enforcement can only ticket if they have permission by state statute.*

Staff: Many other cities have adopted the sign provisions as outlined in the model ordinance and have incorporated them into the EV ordinances. Staff can include the signage in the ordinance or leave it out. Either way signage for the stations will be dictated by the MUTCD Manual. In addition, developers will be provided a reference guide that identifies the signage. Staff recommends leaving the signage out of the adopted code provisions and to reference the MUTCD standards, as applicable. This eliminates the need to update the code as the FHA updates and standardizes these standards.

**3. Should regulations apply only to new development? Or should it also apply to re-development above some threshold of size or parking spaces?**

PC: The Planning Commission and staff will continue to discuss whether existing businesses will become a non-conforming use. Consideration should be given to whether requiring electric vehicle charging stations will drive away development. More information is needed about what the demand will be. At this stage, the Planning Commission is working to determine where they are allowed.

Staff: If the PC implements specific standards for the installation of the EV charging stations, then existing parking lots associated with the business will become a legal non-conforming use, not the business itself. The requirements under the non-conforming code sections, CMC 18.31 (Downtown Zoning) and 18.85 (Non-conforming), already provide “thresholds” for redevelopment when a site is legally non-conforming. Under this process, any action, that expands the non-conformance (e.g. parking expansion) the specific regulations for installation of EV charging stations would be required. This process is currently written into the draft ordinance, new section CMC 18.50.160 and 170.

Alternatively, the PC can state that there is no minimum required for EV charging stations and leave it to the developer and let the free market system determine if they would like to install the stations, or eliminate any requirements for redevelopment, or a combination thereof.

Staff recommends that the PC look at standards and minimum numbers of EV stations required and eliminate the requirement for redevelopment proposals.

Staff could not find any other City that requires charging stations for redevelopment.

**4. What ratio of EVI should there be for the total parking spaces?**

PC: It was suggested that there may be 1 station for every 100 parking stalls. Market demand may increase that number. Additional research and information is needed.

Staff: Staff proposes that a minimum number of EV charging stations be required for the R-18 zone and commercial zones. We have split the requirements between TC and GC, MC and MHO, R-18 and NC and CC. Staff agrees that 1 EV charging station per 100 parking stalls is reasonable for the TC and GC zones because the reality of a larger development with more than 100 parking stalls is feasible.

In the MC and MHO zones, it is fairly unlikely that we will have large enough development that will have more than 100 stalls. Most projects will occur on 1-2 acre properties (slightly higher if aggregated) and based on the size and parking requirements, few projects will even come close to 40 stalls. We recommend 1 EV charging station for every 50 stalls in the MC and MHO zone. This lower calculation would essentially pertain to a larger (aggregated and/or with residential) development and would not be a strict requirement on small developments where the cost and demand is lower.

In the R-18 zone we discussed the density vs. parking demand for the uses allowed, which allow small office and high density residential uses. We recommend 1 EV charging station for every 30 stalls per required parking spaces. This lower requirement is more applicable for an apartment/condo unit where tenants don't have a private location to install an EV charging station. Similar to the theory for the MC and MHO zone, the provisions would not be applicable to smaller developments.

Example: 3 acre residential development in the R-18 zones

Total units allowed 54 (18 x 3= 54)

<b>Number of Bedrooms:</b>	<b>1 bedroom (25 units)</b>	<b>2 bedroom (15 units)</b>	<b>3 bedroom (14 units)</b>
<b>Required parking ratio:</b>	1.5	1.7	2.0
<b>Total parking:</b>	37.5	25.5	28
Total parking for the development = 91 stalls			
Charging Stations as proposed = 3			

- a. If the PC agrees that we should specify a minimum number of EV charging stations per parking stall then what should be the minimum number required? Does the PC concur with Staff's recommendation?
- b. Would the PC agree to the following statement: If EV charging stations are required the Director may have the ability to reduce the number of EV charging stations if appropriate justifications are provided by the applicant and certain conditions exist?
  - a. The conditions could include distance from existing EV charging station, shared charging stations with an adjacent use or other conditions.

**5. Should there be a minimum of 1 EVI for any new development? For all development or above what threshold of size?**

*PC: Growth and development could be slow over the next 5 years, but could start ramping up as costs come down. It was suggested that new development with less than 100 parking spaces would not be required to install EVI.*

Staff: Please review comments in No. 4.

**6. Should we also add provisions to allow EVI at existing gasoline stations?**

*PC: Yes, but stations may not want someone parking for long periods of time. This type of accessory use is not currently allowed at fueling stations.*

Staff: Staff amended the permitted use tables to allow business services, which permits gas stations, to include battery exchange stations. The battery exchange stations, as well as gas stations will only be allowed in the GN, MC and NC zones. Conditions were included to state that any battery operations should be within an enclosed building. These regulations would also extend to other Business Services such as tire stores and automotive repair stores located in the MC and GC zones.

- a. Would we allow a stand alone EV Charging Station parking lot? This would be similar to a stand along parking lot, but for the sole purpose of charging stations. Currently, we do not allow parking lots in the DN zones. As written, the EV stations are permitted only as accessory uses; therefore they would not be allowed. Does the PC concur with staff's recommendation?

Attached are the following items:

- 1.) Draft EV Charging Station Ordinance
- 2.) Installation guide for Charging Stations – Residential
- 3.) Installation guide for Charging Stations - Commercial

SUBJECT: AWARD CONTRACT TO TRI-TEC COMMUNICATIONS FOR A  
REPLACEMENT PHONE SYSTEM

RECOMMENDED BY: Glenn Akramoff, Public Works Director

ATTACHMENT(S):

1. Proposed contract

PREPARED BY: Mayson Morrissey, SR Information Systems Administrator; and  
Sharon Scott, Executive Assistant/City Clerk

EXPLANATION:

The city hall land line phone system was purchased as used equipment in May 1997 and signs of pending failure have been occurring for several months. Callers are not always able to transfer to internal phone extensions, some extensions can no longer receive voice mail, several desk sets are no longer working, and there have been brief periods of time that the phone system has gone off line and we have not been able to make or receive phone calls. Additionally, due to the age of the phone system it is difficult and sometimes impossible to find parts and/or technicians to work on the hardware and system.

The replacement phone system proposed by Tri-Tec Communications would encompass a replacement of the disjointed phone systems used at city hall, the maintenance facility, and the aquatics center with a single VOIP (voice over internet protocol) PBX and voice mail system. This system was chosen based upon its satisfaction of requirements set forth in the Request for Proposals (RFP) and subsequent scoring of received proposals based upon evaluation criteria set forth by a committee of city staff. Of the proposals received it was deemed most advantageous to the city based upon criteria such as cost, relevant features, support, and expected ability to meet future demands.

**Consistent phone environment**

There are currently different phone systems servicing each of the city's three facilities - the aquatics center, maintenance facility, and city hall. This project would unify the dissimilar systems creating a single overarching system allowing for streamlined communication among the facilities, streamlined administration of the voicemail systems, and streamlined training since only one phone system needs to be learned by staff.

**Basic modern phone features**

The new phone system will bring many basic phone system features that are lacking in the existing, antiquated system. This includes caller ID, direct dial numbers, transfer to outside phone numbers, basic conference call setup, paging service to groups of phones, customizable voice mail options per person, centralized shared address book, and email/text notification of messages.

**Analysis**

This phone system proposed by Tri-Tec Communications is the mid-range of the proposals received in terms of cost. An evaluation of the proposals determined that the feature set of the higher end proposal was not significantly improved enough to warrant the increased cost. Conversely, the low end proposal did not completely integrate the efficiency features that the mid-range proposal did, such as computer and email integration, and would not be adequate to serve our needs for the foreseeable future.

Expected total cost is \$47,586.26 which includes hardware, installation and staff training. This cost includes expenses outside the contract related to changes to our network infrastructure needed to support the phone system upgrade. Costs related to migrating the Aquatics Center phone lines to the new system are still being calculated and staff will advise council if there are any significant impacts to the budget as a result. Ongoing annual costs are \$2,825 for software updates and technical support. Ongoing annual savings are \$2,160 for the costs of analog phone lines at city hall, the maintenance facility, and the aquatics center that will no longer be needed.

Staff recommends awarding the phone system contract to Tri-Tec Communications.

ALTERNATIVES:

Not buy a replacement system and continue using the existing phone system.

FISCAL IMPACT:

\$47,586.26 initial purchase and approximately \$665 net annually for software upgrades and support. Capital funds to come out of Equipment Replacement Fund.

CITY COUNCIL ACTION:    \_\_\_Ordinance    \_\_\_Resolution    \_\_\_Motion      X  Other

**Council member \_\_\_\_\_ moves, Council member \_\_\_\_\_ seconds, to award a contract in substantially the form attached to Tri-Tec Communications for a replacement phone system.**

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



**INSTALLATION AND SECURITY AGREEMENT**

THIS AGREEMENT is made between TRI-TEC COMMUNICATIONS, INC., with its principle office at 25130 - 74<sup>th</sup> Avenue South, Kent, Washington 98032 (hereafter referred to as "TRI-TEC") and

Name of Firm (hereafter referred to as "Customer"):		DBA:		
City of Covington				
Street Address:	City:	State:	County:	Zip Code:
16720 SE 271st Street	Covington	WA	King	98042
Telephone:	Fax Number:	Website Address:		Federal Employee ID Number:
(253)638-1110 Extension	(253)638-1122	www.		

IN CONSIDERATION of the mutual promises contained herein, TRI-TEC agrees to sell to Customer and Customer agrees to purchase from TRI-TEC (unless Customer elects to exercise the lease option below) the communications equipment listed on Schedule "A" attached hereto and incorporated by reference (hereafter referred to as the "Equipment"), in accordance with the following terms and conditions.

**1. INSTALLATION SITE:** TRI-TEC shall install the Equipment at:

Street Address:	City:	State:	County:	Zip Code:
same as above				

The Equipment and all parts, additions and accessions thereto:  Are  **Are Not** fixtures on the real property legally described as:  
(The legal description may be added to this Agreement by TRI-TEC after the date of execution.)

Street Address:	City:	State:	County:	Zip Code:
same as above				

- INSTALLATION:** TRI-TEC shall furnish all the necessary hardware, labor and other items for installation of the Equipment. TRI-TEC shall perform the installation in workmanlike manner, but shall not be responsible for damages to the premises not resulting from TRI-TEC negligence. Customer is responsible for the timely acquisition of all necessary permits, licenses, consents and approvals (the "Approvals") in connection with the installation of the Equipment, including but not limited to consents from landlord, building owner, or other parties having an interest in the installation site. If customer requests and TRI-TEC agrees to obtain such Approvals on Customer's behalf, Customer shall be responsible for all costs incurred by TRI-TEC and TRI-TEC shall use reasonable efforts to obtain Approvals without liability in the event TRI-TEC is unable to do so. TRI-TEC is not responsible for cabling of the workstations unless stated in the Schedule A.
- SCOPE OF WORK:** TRI-TEC's obligations under this Installation and Security Agreement are contingent upon Customer's acceptance of and compliance with the attached Scope of Work documents. To the extent not inconsistent with this Installation and Security Agreement, the attached Scope of Work governs Customer's obligations regarding the install.
- RISK OF LOSS/TITLE:** Customer shall assume risk of loss to the Equipment upon delivery of the Equipment to Customer's premises. Title to the Equipment shall pass to Customer upon payment in full of the purchase price as well as any subsequent work orders or additional purchased equipment associated with the initial installation.
- SECURITY INTEREST:** Customer grants TRI-TEC a Security Interest in the Equipment together with all parts, additions and accessions thereto and any resulting proceeds. This Agreement creates a valid and perfected first priority security interest to secure the payment of Customer's obligations created herein or hereafter, including but not limited to maintaining and preserving the Equipment, and paying the Purchase Price, lease payments, subsequent service or equipment orders, costs of collection, and default interest. A copy of this Agreement is sufficient as a financing statement to perfect the security interest. Customer agrees to execute all documents required by TRI-TEC to perfect such security interest, including but not limited to an UCC-1 Financing Statement and/or an UCC-2 Fixture Statement.
- THE TERMS AND CONDITIONS SET FORTH ON THE FACE AND REVERSE SIDE OF THIS AGREEMENT ARE AS MUCH A PART HEREOF AS IF WRITTEN ABOVE THE SIGNATURES OF THE PARTIES.**
- CUSTOMER, HAVING CAREFULLY READ ALL PROVISIONS OF THIS AGREEMENT, ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT AND THE SCHEDULES MADE A PART HEREOF WHICH ARE THE FINAL EXPRESSION OF THE AGREEMENT OF THE PARTIES, AND THE COMPLETE AND EXCLUSIVE STATE OF THE TERMS AGREED UPON, ALL PRIOR AGREEMENTS AND UNDERSTANDINGS BEING MERGED HEREIN, AND THAT THERE ARE NO REPRESENTATIONS, WARRANTIES OR STIPULATIONS, EITHER ORAL OR WRITTEN, NOT HEREIN CONTAINED. NO MODIFICATION OF THIS AGREEMENT MAY BE MADE EXCEPT BY A LIKE SIGNED AGREEMENT. CUSTOMER FURTHER ACKNOWLEDGES THAT THE SALES REPRESENTATIVE'S ACCEPTANCE OF THIS AGREEMENT DOES NOT BIND TRI-TEC AND THAT THIS AGREEMENT DOES NOT CONSTITUTE A BINDING CONTRACT, UNTIL IT IS ACCEPTED AND SIGNED BY AN OFFICER OF TRI-TEC.**

Customer Signature:		TRI-TEC Sales Representative Signature:		Date:
Print Name:		TRI-TEC Officer Signature:		Date:
Title:	Date:	Print Name:	Title:	
		<b>Scott Grieben</b>	President/Owner	

8. **FINANCIAL OBLIGATIONS:** Customer shall purchase the Equipment for the Purchase Price of **\$ 42,525.89** or shall exercise its option to lease the Equipment

as follows: [check and complete either (a) or (b) - do not check and complete both].

(a) **PURCHASE:** Customer shall purchase the Equipment from TRI-TEC and shall pay to TRI-TEC the Purchase Price stated above. The Purchase Price does not include any sales, use excise, property or other tax applicable to the use, delivery or installation of the Equipment or other taxes applicable to this Agreement. Such amounts will be added to the Purchase Price when the invoice for payment of the Equipment is presented to the Customer. TRI-TEC shall assume responsibility for payment of the sales tax after it has been paid by Customer to TRI-TEC. Whether the Equipment is purchased or leased, TRI-TEC shall not be required to commence the installation of the Equipment until Customer's credit has been approved by an officer of TRI-TEC at its principal office and a review of Customer's installation site has been made by TRI-TEC technical personnel. TRI-TEC shall have the right to terminate this Agreement, in its sole discretion, based upon its review of Customer's credit and installation site. The Purchase Price shall be paid as follows:

- (i) 20% of the Purchase Price upon execution of this Agreement by Customer,
- (ii) 70% of the Purchase Price five (5) working days prior to system cut-over,
- (iii) the balance due on the Installation Completion Date [as defined in Paragraph 8(b) below].

(b) **LEASE OPTION:** Customer shall enter into a binding agreement with a leasing company or other financial institution (the "Lessor") satisfactory to TRI-TEC and providing for a lease of the Equipment by Customer from Lessor for **60** months rental of approximately \$ \_\_\_\_\_ plus applicable taxes under the terms set forth in Lessors standard lease. TRI-TEC will cooperate with Customer in arranging such lease. Upon execution of this Agreement, Customer shall deposit with TRI-TEC \$ \_\_\_\_\_ which is an amount equal to **2** monthly rental payments including tax. Upon the effective date of such lease, TRI-TEC will credit to the Customer's account with Lessor all deposits paid under the terms of this Agreement. TRI-TEC shall not be required to commence the installation of the Equipment until it has received a copy of such lease executed by Customer and Lessor and the deposit of \$ \_\_\_\_\_ referred to above. The Estimated Installation Date specified herein may be extended by TRI-TEC in its sole discretion in the event of a delay in receiving the executed lease and deposit.

(c) **CONVERTIBILITY TERMS:** Customer may elect by written notice to TRI-TEC during the forty-five (45) day period after the date hereof to convert the purchase of the Equipment into a lease as provided by Paragraph 7(b) hereof. TRI-TEC shall credit to Customer's account with Lessor to the extent deposits are required under such lease and the balance of such amount, if any, shall be remitted to Customer within thirty (30) days from the receipt of the lease by TRI-TEC. Customer may elect by written notice to TRI-TEC during the forty-five (45) day period after the date hereof to convert the lease of the Equipment into a purchase of the Equipment as provided by paragraph 7(a) hereof. In which event, Customer shall deposit with TRI-TEC 20% of the Purchase Price upon such election, 70% of the Purchase Price five (5) days prior to system cutover, balance due on the Installation Completion Date as provided by paragraph 7(a) hereof. If the installation of the Equipment was completed, as defined in paragraph 8(b) below, at the time of Customer's election, Customer shall pay the entire Purchase Price plus all applicable taxes upon such election.

(d) **TERMINATION:** In the event Customer terminates this agreement for any cause whatsoever, Customer shall forfeit its deposit to TRI-TEC, however, TRI-TEC shall retain all other rights, privileges, powers and remedies provided by the law and this agreement.

9. **PERFORMANCE BY TRI-TEC:**

(a) The Estimated Completion Date will be **Feb. 1st, 2012**

(b) TRI-TEC shall complete the installation adhering to TRI-TEC's standard installation practices. TRI-TEC shall perform its standard review and acceptance of the installed Equipment. Upon successful completion thereof, TRI-TEC shall notify Customer that the Equipment has been installed and operates in accordance with applicable tests and performance specifications. The date of such notification shall be the Installation Completion Date.

(c) The Installation Completion Date and any other performance by TRI-TEC whether the Equipment is purchased or leased, shall be subject to delays caused by Acts of God, war, riot, fire, flood, sabotage, inability to obtain fuel or power, governmental laws, regulations or strike, lockout or injunction (whether or not such labor event is within the reasonable control of TRI-TEC). In the event of any delay, the dates set forth herein and times for performance of any other TRI-TEC obligation may be extended by TRI-TEC for additional periods of time to cover such periods of delay.

(d) Whether the Equipment is purchased or leased, TRI-TEC shall use its best efforts to make timely delivery and installation. However, all stated delivery or installation dates are approximate and TRI-TEC SHALL UNDER NO CIRCUMSTANCES BE LIABLE FOR DAMAGES, SPECIAL, CONSEQUENTIAL, OR OTHERWISE, FOR DELAYS IN DELIVERY OR INSTALLATION.

10. **INTERCONNECTION WITH UTILITY FACILITIES (IF APPLICABLE):** TRI-TEC's obligations shall be limited to installing the Equipment on the subscriber side of the interface equipment connecting the Equipment to the telephone system operated by the local telephone utility. TRI-TEC shall not be responsible in the event the utility fails to make interconnect services available in a timely manner. TRI-TEC shall not be obligated to pay the interconnect tariff or other charges with respect to such services.

11. **INTERFACING:** TRI-TEC shall not be responsible for interfaces between Equipment and any other type of hardware. Customer must have software ready for interface when TRI-TEC installs Equipment. Customer may not delay payment to TRI-TEC because interface hardware and software is not available or complete.

12. **TOLL FRAUD DISCLAIMER WARNING:** The system described herein has been designed to be reasonably secure from unauthorized usage and intrusions, however, the system is not invulnerable to fraud or hacking. TRI-TEC disclaims any express or implied warranty that the system is technically immune from or prevents fraudulent intrusions into and/or unauthorized use of the system (including its interconnection to the long distance network). Customer is hereby warned that fraudulent use of the system, including but not limited to DISA, auto-attendant, voice mail, toll free calls, 900 service and 1010xxx, is possible. TRI-TEC makes no express or implied warranty against such fraud or hacking, and will not be responsible for consequential, incidental or special costs, including, without limiting the generality of same, telephone line charges resulting from such activity.

13. **WARRANTY:**

(a) **Equipment Warranty:** The Company warrants that each item of the Equipment of its own manufacture will be free from defects in material and workmanship for a period of one year after the Date of Cutover. Warranty coverage on Equipment not manufactured by Company is limited to the coverage provided by the manufacturer of such Equipment.

(b) **Software Warranty:** The Company does not warranty software, however all software sold by the Company carries a warranty from, the software developer and/or manufacturer.

(c) **Rights and Remedies:** Company shall either repair or replace with new or refurbished equipment, at its sole option, any defective part of the Equipment or Software, provided Customer has provided written notice to Company promptly after discovery and within the warranty period. Such repair or replacement shall be Customer's sole and exclusive remedy. All replaced parts will become the property of Company. Customer agrees that any rights it may have pursuant to this warranty are independent of its obligation to make its payments due to Company hereunder on a

timely basis and that any claim under this warranty or otherwise against Company shall not give rise to a right to withhold any payments due or a right of setoff hereunder or under any other agreement with Company.

(d) **Maintenance:** After the Date of Cutover, Company shall perform maintenance on a time and materials basis unless otherwise superseded by a written and signed maintenance agreement between the parties. All labor associated with replacement of a product still under the manufacturers warranty will be billed at the standard service rate(s) or in accordance with a maintenance agreement between the parties. All labor will be done during business hours (8 AM to 5 PM) Monday through Friday except holidays.

(e) **Disclaimers:** THE WARRANTIES CONTAINED IN THIS SECTION ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. THESE WARRANTIES SHALL BE VOID AS TO PRODUCT DAMAGED OR RENDERED UNSERVICEABLE OR NONFUNCTIONAL BY ACTS OR OMISSIONS OF PERSONS OR ENTITIES OUTSIDE OF THE COMPANY, OR MISUSE, THEFT, VANDALISM, ACTS OF GOD, FIRE, LIGHTNING, COMMERCIAL POWER FAILURES, POWER SURGES, WATER OR OTHER PERIL, BY FAILURE OF CUSTOMER TO COMPLY WITH REQUIREMENTS SPECIFIED IN SCHEDULE A OR BY SERVICES OR PRODUCTS OF OTHER VENDORS, INCLUDING WITHOUT LIMITATION THE CENTRAL OFFICE LINES OF ANY TELEPHONE COMPANY. REPAIR, RELOCATION, OR ALTERATION OF THE PRODUCT NOT AUTHORIZED BY COMPANY Voids THE WARRANTY. LIABILITY OF COMPANY HEREUNDER IS EXPRESSLY LIMITED TO THE REPAIR OR REPLACEMENT DESCRIBED ABOVE, AND IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS LOST SALES, LOST PROFITS OR INJURY TO PROPERTY, OR ANY OTHER DAMAGES WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE. IN NO EVENT SHALL ANY REVOCERY AGAINST COMPANY BE GREATER IN AMOUNT THAN THE TOTAL CUSTOMER CHARGE. NO EXPRESS OR IMPLIED WARRANTY IS MADE AGAINST INTRUSIONS INTO THE COMPANY'S VOICE PROCESSING SYSTEMS BY FRAUDULENT CALLERS OR AGAINST ANY TOLL FRAUD. THIS LIMITATION OF LIABILITY SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

(f) **Non-transferability:** Company's obligations under this warranty are limited to Customer unless Company has provided its written consent to the transfer of the Product to another Customer.

14. **CUSTOMER'S SERVICE:** Commencing on the date the Equipment is delivered to the installation site, Customer at its expense shall:

- (a) Allow employees or agents of TRI-TEC free access to premises and facilities where the Equipment is to be installed at all hours consistent with the requirements of the installation;
- (b) Assure that the installation site will meet all temperature, humidity controlled, air conditioned and other environmental requirements set forth in the applicable Equipment specifications, and be dry and free from dust and in such condition as not to be injurious to the employees or agents of TRI-TEC or the Equipment to be installed;
- (c) Provide all supplemental equipment necessary for the installation, such as conduits, back boards, high voltage wiring and outlets;
- (d) Provide necessary openings and ducts for cable and conductors in the floors and walls;
- (e) Provide electronic current on a dedicated circuit for any necessary purpose with suitable outlets in the rooms as required;
- (f) Provide and install metallic ground(s) as required;
- (g) Provide for the termination of any existing service agreement with its local telephone utility and for the removal of any existing equipment and cable, as required; and
- (h) Provide suitable and easily accessible floor space and lighting at the equipment installation location.

15. **MAINTENANCE:** Customer shall maintain and preserve the Equipment in the same condition, repair and working order as when new, ordinary wear excepted, and shall in the case of loss or damage to any of the Equipment, make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable to such end.

16. **ASSIGNMENT/SUBCONTRACTING:** This Agreement may be assigned by TRI-TEC in whole or in part and TRI-TEC may freely subcontract any or all of the work hereunder. Customer may not transfer the Equipment without the consent of TRI-TEC, which TRI-TEC shall not unreasonably withhold.

17. **COVENANT NOT TO COMPETE:** Neither TRI-TEC nor Customer shall induce or attempt to persuade any employee, agent, manager, consultant, director, or other participant in the other's business to terminate such employment or other relationship in order to enter into any relationship with the other or use contracts, proprietary information, trade secrets, confidential information, customer lists, mailing lists, goodwill or other intangible property used or useful in connection with the other's business.

18. **DEFAULT:** If Customer fails to pay any of its financial obligations to TRI-TEC when due hereunder or any subsequent work requests or invoices, fails to perform any other obligations hereunder, including but not limited to maintaining or preserving the Equipment, or executing any UCC statements required by TRI-TEC, or breaches any other provision hereof, Customer shall be in DEFAULT.

(a) Upon Customer's default:

- (i) Customer agrees to remain fully liable to TRI-TEC for all delinquent payments under this Agreement and any subsequent work requests or invoices;
- (ii) All unpaid amounts under this Agreement, and any subsequent work requests or invoices shall, at TRI-TEC's option, become immediately due and payable;
- (iii) Customer agrees to make the Equipment available to TRI-TEC for repossession at the installation site or upon the agreement of both parties, at another location;
- (iv) TRI-TEC shall have all rights and remedies available under the Uniform Commercial Code as adopted in Washington now and as amended from time to time, and under any other laws. No remedy of TRI-TEC hereunder shall be exclusive of any other remedy provided herein or by law, but such remedies shall be cumulative and in addition to every other remedy; and

(b) As long as any part of Customer's account remains outstanding, title to the Equipment shall remain in TRI-TEC until all amounts due are fully paid.

(c) Customer agrees to pay all of TRI-TEC's cost of collection, including attorney fees whether or not suit is commenced, to enforce any part of this Agreement.

19. **JURISDICTION/VENUE:** Customer agrees that if a suit is instituted to enforce the terms of this Agreement, the courts of the state of Washington and federal courts located in the state of Washington shall have personal jurisdiction over Customer. Customer further agrees that in the event of a suit, the venue, at the option of TRI-TEC, shall be in King County, Washington.

20. **DEFAULT IN INTEREST:** Customer agrees that all amounts not paid when due, including all amounts in default, shall bear interest at the rate of eighteen percent (18%) per annum until paid.

21. **SEVERABILITY:** In the event that any provision hereof is held to be illegal, invalid or unenforceable, such provision shall be deemed to be separate from all of the other provisions hereof and all of such other provisions shall remain in full force and effect as if such illegal, invalid or enforceable provisions were not a part hereof.

22. **NOTICES:** All notices and other communications provided hereunder shall be in writing and conveyed via U.S. first class mail or fax to the address and/or fax number provided on this Agreement or as designated by either party in a written notice to the other party.

## Schedule A

Prepared For:  
**City of Covington**

16720 SE 271st Street  
 Suite 100  
 Covington, WA 98042

### Scope of Work

Order and install the Mitel 3300 MCD controller equipped with (1) PRI trunk port, (49) 5330 IP phones, (2) 5340 IP phones (6) cordless headsets/modules, (5) cordless handsets/modules, (1) cordless handset only, (4) analog station ports, (2) Unified Communicator Advanced Console Applications, (50) Unified Communicator Advanced desk phone applications, and a Nupoint voicemail equipped with (65) mailboxes, (65) Call Director user portals, (5) Mobile extension user/client licenses, and (50) Advanced Unified Messaging licenses. Peripheral equipment includes (2) 24 port HP PoE data switches, (3) 24/12 PoE data switches, and a PowerEdge R210 server to support the voicemail and UC software.

Analog Trunks	Digital Trunks	Digital Stations	Analog Stations	IP Stations	Voice Mail Ports	Voice Mail Hours
6	24	0	4	51	20	450

### Mitel 3300 ICP

Qty	Part Number	Description	
1	50003560	Embedded Digital Trunk Module	
1	50006269	3300 Mxe III Controller	
1	50006271	PWR CRD C13 10A 125V- NORTH AMERICAN	
1	50006513	3300 Mxe III 160G SATA HD	
1	54004971	MCD Standalone PBX Software, Includes: -Remote Management -Tenanting -Advanced Voice Mail -16 Standard User Licenses -1 Network Link (T-1/PRI) License	
35	54004976	MCD Standard User License Includes Hot Desk capability	
Product SubTotal			\$11,015.00

# Schedule A

(continued)

## Mitel Desktop Devices

Qty	Part Number	Description
2	50005071	5340 IP Phone (Backlit)
1	50005405	Cordless (DECT) Handset w/Charging Plate (NA)
5	50005711	Cordless (DECT) Handset & Module Bundle (NA)
6	50005712	Cordless (DECT) Headset & Module Bundle (NA)
49	50005804	5330 IP Phone (Backlit)
Product SubTotal		\$23,289.99

## Mitel Application Suite

Qty	Part Number	Description
1	54004626	UC Mobile User Uplift(5 User)
1	54003576	Mobile Extension Client License 5 Pack
1	54004223	MAS Nupoint Advanced UM 50 Users
2	54004763	10 User License Mailbox & Call Director - 3300
1	54004764	50 User License Mailbox & Call Director - 3300
1	54005441	MAS 3.0 Base Software, includes: (1) NuPoint Messaging Base (1) AWC Audio & Web Base (1) Mitel Border Gateway Base (1) UC Mobile Base (1) Mitel Unified Communicator Advanced Base
Product SubTotal		\$6,419.99

## Servers / Workstations

Qty	Part Number	Description
1	PowerEdge R210/3	Dell PowerEdge R210, Quad Core, 160 GB HD, No OS, 1U Rack Mount
Product SubTotal		\$1,512.25

## Networking Components

Qty	Part Number	Description
2	J9087A	HP ProCurve Switch 2610-24-PWR
3	J9086A	HP ProCurve Switch 2610-24/12 PWR
Product SubTotal		\$4,221.65

# Schedule A

(continued)

## Mitel Unified Communicator

Qty	Part Number	Description	
1	54004267	UC Advanced 50 Deskphone License	
2	54004823	UC Advanced Console Option	
Product SubTotal			\$6,154.99

## Summary

Mitel 3300 ICP	\$11,015.00
Mitel Desktop Devices	\$23,289.99
Mitel Application Suite	\$6,419.99
Servers / Workstations	\$1,512.25
Networking Components	\$4,221.65
Mitel Unified Communicator	\$6,154.99
SubTotal	\$52,613.88
Hardware / Software	\$52,613.88
Labor	\$13,320.00
Misc. Hardware	\$100.00
Discount	(\$23,507.99)
Grand Total	\$42,525.89

<b>COMPANY NAME</b>		<b>Main Telephone Number:</b>
City of Covington		253-638-1110
Installation Address		Contact Name:
16720 SE 271st Street Covington, WA. 98042		Mayson Morrissey
<b>TRI-TEC RESPONSIBILITIES</b>		
✓ Pre-Install Preparation	✓ Dialtone Coordination	
✓ Equipment Preparation	✓ Install and Post Install	
✓ Site Readiness		

**Pre-Install Preparation:**

- \* Assign a TRI-TEC Project Manager to be the single point of contact for all project support issues associated with the Schedule A and Scope of Work.
- \* Develop time table of events, due dates for information from Customer, and schedule TRI-TEC technical staff for install.
- \* Schedule and conduct database meeting with Customer's main contact to review floor plan, design call flow, gather telephone line information, station configurations, toll restrictions, work group requirements, and other related programming details.
- \* If needed, contact cable vendor to discuss infrastructure.
- \* Prepare custom user guides for training.

**Prior to Install (Site Readiness):**

- \* Perform site walk-through inspection with Customer.
- \* Review with Customer the required equipment room specifications.
- \* Review Customer's cable plant and provide recommendations to Customer.

**Dial Tone Coordination:**

(Note: For the purpose of this Scope of Work, "Dial Tone Provider" refers to a company that provides dial tone services i.e. standard telephone lines, DSL lines, T-1 circuits, PRI, etc.)

- \* Answer dial tone provider's questions in regard to requirements for equipment to be installed.
- \* Confirm date and time of install, testing, turn up and porting (if applicable) with dial tone provider.
- \* Test, turn up, and port (if applicable) services provided by dial tone provider.
- \* Cutover equipment to dial tone services.
- \* For dial tone issues outside this Scope of Work TRI-TEC is available to coordinate and consult on a time and materials basis.

**Equipment Preparation:**

- \* Receive equipment and check inventory for accuracy.
- \* Assemble, test and burn in equipment.
- \* Pre-program equipment based on database meeting between TRI-TEC Project Manager and Customer's main contact (Complete programming may not occur until on site).
- \* As needed, label telephones based on feature selections.
- \* Record system greetings for voice mail applications.

**Install and Post Install:**

- \* Transport equipment from TRI-TEC to Customer's on-site staging area(s).
- \* Install and connect all equipment in accordance with manufacturer specifications.
- \* Connect server based equipment to Customer's network.
- \* Program and initialize one client for software applications such as unified messaging, faxing, and Unified Communicator, ACD Agent or Supervisor clients. At Customer's request, TRI-TEC can install additional clients on a time and material basis.
- \* Test and verify operation of installed equipment.
- \* Provide on-site assistance with first-use transition.
- \* Notify Customer of project completion.

<b>CUSTOMER RESPONSIBILITIES</b>	
✓ Assign Main Point of Contact	✓ Equipment Location
✓ Cabling	✓ Environment
✓ Dialtone Coordination	✓ Project Completion

**Designate a *single point* of contact who can speak for the diverse requirements of your organization:**

* Contact Name:	Mayson Morrissey
* Contact Phone Number (DID preferred):	253-638-1110 x-2271
* Contact e-mail address:	<a href="mailto:mmorrissey@ci.covington.wa.us">mmorrissey@ci.covington.wa.us</a>
* LAN/WAN contact:	same as above
* LAN/WAN contact's phone number:	same as above
* LAN/WAN contact's email address:	same as above

**CUSTOMER RESPONSIBILITIES Continued**

**Main Contact's Role:**

- Ensure site readiness per Scope of Work (i.e. Cabling, Dial Tone, Equipment Location, Environment, UPS, Power for Phones, etc.)
- If multiple sites, identify primary and backup on-site contacts for all installation sites.
- Provide contact name and telephone number of cable vendor.
- Provide contact name and telephone number of dial tone provider.
- Prepare for initial database meeting with TRI-TEC's Project Manager based on details provided by TRI-TEC Project Manager.
- Collect programming information (employee's first and last names, call flow requirements, work group requirements, and other programming information as requested).
- Prepare floorplans labeled with location of each telephone set, fax machine, and modem.
- Provide and/or collect information for client based applications which interface with LAN/WAN's such as, but not limited to, unified messaging, server based faxing, call manager, conference bridges, and Contact Center applications.
- Ensure TRI-TEC's request for information or documentation is delivered within the agreed upon time frame.
- Notify TRI-TEC Project Manager of any adds, moves, changes or deletions.
- Notify TRI-TEC Project Manager of schedule changes no later than 5 working days prior to any scheduled activity.
- Provide adequate secured storage areas on Customer's premise for equipment for the duration of project.
- Provide security clearance, keys, and escorts as required to access site for installation.
- Install and verify good working operation of all Customer provided equipment (i.e. UPS, modem, network equipment, etc.).
- Act as primary interface with other vendors as required.
- Assist TRI-TEC Project Manager in organizing location and times for end user training sessions, and encourage staff to attend.
- Designate appropriate staff to attend TRI-TEC conducted system admin training and/or client implementation training.
- All Personal Computers and Servers provided by the Customer for any software applications on the system must be shipped to TRI-TEC facilities in advance of installation for programming, burn-in and testing. The provided platform must be new and meet or exceed the specifications provided by TRI-TEC.

**Equipment Location:**

- \* Provide structurally sound open wall surface with plywood sheet mounted and large enough to support distribution blocks and system cabinets.
- \* If rack(s) are Customer provided for mounting equipment in Schedule A, provide model/brand, rack dimensions and sufficient space for ShoreGear, servers, monitors, and keyboards.

**Environment:**

- \* Sufficient work space, accessibility, good lighting for installation with adequate ventilation.
- \* Maximum temperature range of 32 degrees to 104 degrees F.
- \* Normal humidity (non-condensing) is acceptable. Exposure to areas where water damage may occur must be avoided.
- \* Equipment location must be free of electrical interference, vibrations, and remain clear of copy machines.
- \* Dedicated minimum 15 amp outlet, AC line powered with an identified circuit breaker that is labeled, "DO NOT TURN OFF."
- \* Power receptacle must not be controlled by a switch & location should prevent accidental removal of power cord except for maintenance.
- \* A nearby earth ground to provide a good grounding source for equipment.
- \* Equipment room should not be carpeted so that risk of static electricity is minimized.
- \* Provide earthquake bracing if required.
- \* Perform all network and infrastructure upgrades and changes identified and required in Scope of Work prior to system installation.

**Cabling:**

- \* Cabling must be in place and terminated prior to commencement of equipment installation.
- \* If terminating to patch panel, system and station patch cords must be provided by Customer unless listed in Schedule A.
- \* Dial tone services must be in place at telephone system backboard. *(See Dial Tone Coordination section of Scope of Work for detailed explanation).*

**Dial Tone Coordination** *(Note: For the purpose of this Scope of Work, "Dial Tone Provider" refers to a company that provides dial tone services i.e. standard*

- \* Assume responsibility for all dial tone and network service provider liaison activities, including the ordering and delivery coordination.
- \* Provide Project Manager with accurate dial tone provider records identifying all existing dial tone and any new dial tone services that are being ordered, including the expected delivery dates of new services.
- \* The delivery date will be mutually agreed upon by TRI-TEC, dial tone provider and Customer.
- \* In the event dial tone provider documentation given to the Project Manager is inaccurate, TRI-TEC's labor required to verify and document existing dial tone services and/or TRI-TEC coordination of the delivery of new services is subject to an additional charge.
- \* Have dial tone provider extend D-Marc to telephone system backboard if needed.

**Network & Client Software Deployment:**

- \* Configure DHCP server for VOIP options.
- \* If Network Assessment is included in install, installation of Net Ally agent software on PCs at Customer sites is Customer's responsibility.
- \* Deployment of Personal Call Manager software on individual workstations. TRI-TEC will install one client and is available to install additional clients on a time and materials basis.

**Project Completion:**

- \* Project is complete unless Customer notifies TRI-TEC within 2 business days after system is in production, of work not done.

**Additional Notes**

- \* Customer's planned network shall not change between date of Customer's execution of this Scope of Work & completion of all services.
- \* Any work not submitted to the TRI-TEC Project Manager by completion of project will be billed on a time and materials basis.
- \* TRI-TEC has considered labor (on Schedule A) based on this Scope of Work. For design and/or equipment changes, TRI-TEC will generate a work order and perform this work on a time and materials basis.
- \* For unforeseen problems, TRI-TEC will generate a work order for billing on a time and materials basis.
- \* Additional labor/expenses due to delays caused by incomplete site preparation, failure to meet any responsibilities as specified within this SOW on part of Customer or any third party not under control of TRI-TEC, will be billed by TRI-TEC on a time & materials basis.
- \* Installation/documentation of any station or feeder cabling is not included unless specified in Scope of Work.
- \* Moving, configuring, or extending of dial tone services to telephone system backboard is not included unless specified in Schedule A. (See Dial Tone Coordination section of this Scope of Work).
- \* Spare jacks where there isn't a telephone set slated to be installed can be toned and/or activated by TRI-TEC on a time and materials basis.
- \* Moving or disconnecting of any equipment other than equipment being replaced is not included unless noted in Schedule A.
- \* Customer provided headsets can be connected and tested by TRI-TEC on a time and materials basis.
- \* Configuration of LAN/WAN switches and routers is Customer's responsibility unless otherwise specified in Scope of Work.
- \* Troubleshooting CPE, station or feeder cable and/or dial tone services is available by TRI-TEC on a time and materials basis.
- \* Security is the responsibility of the Customer. This includes, but is not limited to toll fraud & interrupted network service.
- \* TRI-TEC recommends a UPS for all systems.
- \* TRI-TEC will not support or troubleshoot printers, hubs or switches behind the IP phones or unmanaged switches.
- \* TRI-TEC will only support power bricks when attached to the phones locally.
- \* System passwords will not be provided until Customer has made final payment.
- \* Customer understands that Music-on-Hold is localized to the trunks' originating site.
- \* Customer is responsible for understanding and interpreting laws in regard to using telephone system "record a call" feature.
- \* ARS (Automatic Route Selection) programming will be programmed to the area code level. Additional ARS programming can be done by TRI-TEC on a time and materials basis.
- \* TRI-TEC is not responsible for quality of service of IP phones via Internet.
- \* IP phones at remote locations can be installed by TRI-TEC on a time and materials basis.
- \* Because of their personal usage, headsets purchased from TRI-TEC are non-returnable and non-refundable.

**Authorization**

TRI-TEC Account Representative Signature	Date:
Customer Signature	Date:

**TELEPHONE SYSTEM**

**TRI-TEC RESPONSIBILITIES**

- Training:**
- \* Prior to system cutover, conduct 30 minute basic end user classes for 8-15 people each class: answer a call, place a call, intercom call, transfer, hold, conference, redial, paging, DND, mute, station speed dial.
  - \* Following install, conduct a one (1) hour system admin training to teach basic programming: Routine database backups, look up feature codes, clear alarms and basic troubleshooting, program system speed dials, change names on extensions, and keymap programming.
  - \* At Customer's request, TRI-TEC will provide additional training on a time and materials basis.
  - \* No charge for end user training performed at TRI-TEC facility for as long as you own the system.

**Application Overview**

Install the Mitel 3300 MCD controller equipped with (1) PRI trunk port, (49) 5330 IP phones, (2) 5340 IP phones (6) cordless headsets/modules, (5) cordless handsets/modules, (1) cordless handset only, (4) analog station ports, (2) Unified Communicator Advanced Console Applications, (50) Unified Communicator Advanced desk phone applications, and a Nupoint voicemail equipped with (65) mailboxes, (65) Call Director user portals, (5) Mobile extension user/client licenses, and (50) Advanced Unified Messaging licenses. Peripheral equipment includes (2) 24 port HP PoE data switches, (3) 24/12 PoE data switches, and a PowerEdge R210 server to support the voicemail and UC software.

**Equipment Details**

**Cut-Over Date & Time:**

- \* System will be installed on this date.
- \* Customer's hours of operation are (ie 8-5, Mon-Fri):
- \* Customer cut-over expectations are (i.e. on a weekday immediately after 5pm, etc.)
- \* Is Customer expecting end user post cut follow-up on a Saturday or Sunday?
- \* Number of additional end-user classes required (beyond allocated one class per 8-15 employees):

estimated Feb. 1st, 2012
Mon-Fri 8-5
after 5PM
No
0

**Telco:**

- \* Number of analog loop start trunks being installed on the system:
- \* Number of T-1 or PRI to be installed at this branch (please specify T-1 or PRI):
- \* Analog Stations must be terminated in a 110 or 66 block. There is a 110 or 66 block available. (Y/N)
- \* Local CO Trunks for 911outbound traffic
- \* Telco provider is:
- \* Long Distance Provider is:
- \* WAN Provider is:
- \* Internet Provider is:
- \* Describe changes that need to be made to telco by the Customer: (prior to cutover)

Quantity:
0
1 PRI
Yes
No
Integra
Integra
Integra
Integra

Customer will have Integra change analog lines at main site to PRI.

**Controller Information at this location:**

- \* Controller Type (CXi, CX, MXell, MX Server)
- \* Redundant Power Supplies (yes or no)
- \* Redundant Hard Drives (yes or no)
- \* Number of locations networked:
- \* System on Network is (New/Existing): *Please see LAN/WAN portion of Scope of Work for more details.*

MXell
NO
NO
3
existing VPN to two sites

**Equipment Mounting:**

- \* Location of phone system is (existing or new telephone room/closet, existing or new data room):
- \* Telephone system will be mounted on the wall or a data rack.
- \* Data Rack to be provided by TRI-TEC or Customer.
- \* Equipment will be installed in a new or existing location at the branch.

existing data room
Data Rack
existing customer rack
existing

**Cable:**

- \* Cable work provided by TRI-TEC or Customer:
- \* Station cables are **currently** terminated as follows (66 blocks, 110 blocks, or patch panel):
- \* Analog Stations must be terminated in a 110 or 66 block. Is there a 110 or 66 block available. (Y/N)
- \* Is TRI-TEC or Customer providing Patch Panels?
- \* Is TRI-TEC or Customer providing Patch Cords?
- \* What cable work needs to be done at the site prior to install?

TBD
current Cat 5 on patch panel
Yes
TBD
Customer

Customer will need to run new cables where there is only Cat 3 cables.

**IP Telephones:**

Model:	Quantity:
* 5340	2
* 5330	49
*	
*	
*	
*	
*	
*	
* Cordless Accessories - HEADSETS	6
* Cordless Accessories - HANDSETS	6

**Console Information:**

- \* Console Type(s) (5550, SC 1000, IP Phone Type w/PKM, none)
- \* If applicable, Attendant Console Software will reside on a dedicated PC or shared PC?
- \* If applicable, does Attendant PC have two monitors (yes/no)?

2 UCA Receptionist
shared
Yes

**Unified Communications Client:**

- \* Express
- \* Advanced

Quantity:
0
50

**Analog Telephones & Devices Connected to the System:**

Type/Model:	Quantity:
*	0
*	
*	
* fax machines	0
* credit card authorization machines	0
* modems	0

**Analog Telephones & Devices **NOT** Connected to the System:**

- \* Number of standalone fax machines
- \* Number of stand alone credit card authorization machines
- \* Number of stand alone modems

Quantity:
4
0
0

**Call Routing:**

- \* Incoming calls during DAY will be handled by auto-attendant, receptionist, or other?
- \* Incoming calls during NIGHT will be handled by auto-attendant, receptionist, or other?
- \* Customer requires the following number of hunt groups:
- \* If Customer site consists of multiple businesses, describe how calls will be handled:

Auto-Attendant
Auto-Attendant
TBD

**Account Codes:**

- \* Will Customer use forced account codes via the telephone system? Yes/No
- \* If yes, will these account codes be verified via the telephone system? Yes/No
- \* Number of account codes needed:
- \* Number of digits in account code:

No
0
0

**Call Accounting:**

- \* Customer is purchasing a new call accounting system from TRI-TEC (yes/no):
- \* Is SMDR output required for Customer provided call accounting system?
- \* The cable required for SMDR is included in Schedule A (yes/no):
- \* Third party call accounting vendor participation is necessary (include contact information):

No
No
No

N/A

**Paging:**

- \* IP Phones will be used for Paging.
- \* If overhead paging will be used, is it new or existing equipment?
- \* If new, who is providing this equipment?
- \* If existing, will it need re-located to a new telephone room?
- \* Number of paging zones needed.

via phones
1/1/1900

**Features:**

- \* The following special features are of interest to the Customer (i.e. record a call, transfer to hold, pick up, hunt groups, etc):

--

- \* Does the customer need System Speed Dials pre-programmed? If yes, how many?

No
----

**Work that needs to be completed by Customer prior to install:**

Telco ordering
----------------

**Customer has purchased the following equipment that will not be installed/used at time of initial installation:**

--

**Customer is interested in purchasing the following equipment/applications in the future:**

--

Customer wishes to use the following Customer provided equipment (CPE). Please include all quantities:

--

**Removal of OLD Equipment**

\* The following old Customer equipment should be delivered to TRI-TEC warehouse as follows (please include quantities):

--

**Miscellaneous:**

\* Please describe anything of concern that the TRI-TEC Project Manager should survey prior to install (i.e. cabling):

--

\* Other vendors (besides cable and telco) that need to be involved in install as follows (please include all contact information):

--

**Authorization**

TRI-TEC Account Representative Signature

Date:

--	--

Customer Signature

Date:

--	--

**VOICE MAIL**

**TRI-TEC RESPONSIBILITIES**

**Training:**

- \* Prior to system cutover, conduct 30 minute basic end user classes for 8-15 people per class: how to set up a voice mailbox, record personal greetings, retrieve messages and send messages.
- \* Following install, conduct a one (1) hour system admin training to teach basic programming: Add mailbox, delete mailbox, change name on a mailbox, reset password on mailboxes, re-record system greetings, back-ups.
- \* At Customer's request, TRI-TEC will provide additional hours of training on a time and materials basis.
- \* No charge for end user training performed at TRI-TEC facility for as long as you own the system.

**Application Overview**

Install Nupoint voicemail with 65 mailboxes, 65 Call Director user portal, and 50 Advanced UM.

**Equipment Details**

<b>Voice Mail Specifications:</b>	
* If multiple sites, voice mail central to this location or distributed at other locations?	Yes
* Number of voice mailboxes for on-site employees:	55
* Number of voice mailboxes for off-site employees:	1/10/1900
* In addition to Main greeting, Night greeting, and Holiday greeting, number of greetings/menus required (i.e. open hours, driving directions, etc.):	TBD
* SMTP Transfer to e-mail is required?	No
* Number of additional end-user classes required (beyond allocated one class per 8-15 employees):	0

**Miscellaneous:**

- \* Please describe anything of concern that the TRI-TEC Project Manager should survey prior to install:

**Authorization**

TRI-TEC Account Representative Signature	Date:
Customer Signature	Date:

VoIP Network	
TRI-TEC RESPONSIBILITIES	
<b>General Network:</b>	
* The following network application is planned (VOIP LAN, VOIP WAN, VOIP Internet):	VOIP LAN
* Voice IP traffic is going to travel on copper PSTN lines (yes/no):	No
* Modems will be handled in this VOIP environment (yes/no):	No
* 911 is going to be handled in this VOIP environment as follows: <i>(Note: Enhanced PRI is required for E911 on analog lines).</i>	
Call 911 call will go out via PRI circuit. The carrier of the PRI will have to identify the calls from the 3 locations and give correct addresses for 911 calls. Integra's responsibility	
* Wireless applications are planned to be deployed in this network as follows: <i>( 802.11b phones require a separate access point).</i>	
NA	
* A DHCP sever is active on the network (yes/no. If yes, please include scope and type):	Yes
* A DHCP server is active at remote locations (yes/no. If yes, please include scope):	No
* UPS's are going to be provided for the VoIP Gear and Data/PoE Switches (yes/no):	TBD
<b>Internet:</b>	
* Customer's Internet Service Provider is:	Integra
* The Internet connection resides at the following location:	
City Hall, Maint Facility, and Pool	
* Internet service is provided via (T-1, PRI, DSL, Frame, Cable etc.):	PRI at CH, DSL at MF and Pool
* Hardware that the Internet service is being provided on is (Cisco, Vina, Adtran, CSU/DSU or other router):	Adtran
* Dial tone and Internet is being split using a CSU/DSU (yes/no):	No
* The following amount of bandwidth is for channelized voice:	no channelization
* The following amount of bandwidth is for channelized data:	no channelization
* The Public IP address range is <i>(Note: Some equipment requires public IP addressing):</i>	Yes, possible 1 available
* The Public IP subnet is:	
* The Public IP gateway is:	
* The ISP's DNS Server addresses are:	
* The firewall and model number are:	Zyxel Zywall 2+
* Customer VOIP is using VPN's (yes/no):	Yes
* The VPN's are (hardware based or software based):	Hardware Based
* Port forwarding is required (yes/no. If yes, please specify which ports. i.e. Outlook Web Access):	Yes
* Web servers will be hosted on site (yes/no):	Yes
* A Proxy is being utilized (yes/no): If yes, please specify:	No
<b>Private Wide Area Network:</b>	
* Voice is going to be traveling across the WAN (yes/no):	No
* Number of simultaneous calls needed across the WAN from one location to the other <i>(Note: If more than 12 on one T-1, compression would be required):</i>	NA
* Video traffic will travel on the WAN (yes/no):	No
* The type of connectivity is (Frame, Point-to-Point T-1, Internet, MPLS, Internet VPN):	Internet VPN
* The following amount of bandwidth is available for this leg of the WAN:	NA
* If T-1, is any part of it going to be channelized (yes/no)?	NA
* Voice and data are going to be converged (yes/no):	Yes
* The following amount of bandwidth is allocated for voice:	NA
* The following amount of bandwidth is allocated for data:	NA
* The following amount of bandwidth is allocated for video:	NA
* The following types of routers are planned for voice on this WAN <i>(Note: If point to point T-1, Cisco 1751 with Version 12.2 or higher is recommended):</i>	Zyxel Zywall 2+

**Local Area Network:**

- \* The following type of cable is available for IP telephones (Cat3, Cat5, Cat5E, Cat6):
- \* Cables for the telephones are **separate** or **shared** with the computer:
- \* Telephones will be using the following types of switches:
- \* The switches are powered (yes/no):
- \* The switches are managed (yes/no):
- \* The switches are currently VLAN'd (yes/no):
- \* The switches are 100Mb capable (yes/no):
- \* The switches are capable of 802.1P/Q (yes/no):
- \* The following type of backbone is in place (fiber or copper):
- \* The backbone bandwidth is (gig or 100Mb):
- \* If not using power over Ethernet switches, POE can be supplied from (one closet or multiple distribution points through out the office):
- \* The following number of Data IDF's exist:
- \* The following number of cables at each closet require POE:
- \* The following protocols are being used on network:
- \* The following virus software is being used (please specify version number):
- \* Active Directory is currently deployed (yes/no):
- \* The workstation Operating System is:
- \* The Outlook version is:
- \* Personal firewall software is run on the LAN (yes/no):

Cat5E
Separate
HP 2610
Yes
Yes
needs to be programmed
Yes
Yes
Copper
gig
NA
4
TBD
TCP/IP
AVG 2011/2012 business edition
No
XP
2007
No

**Most installations of web services require the client machines to be the newest version of Internet Explorer.**

**QOS:**

- \* Compression is going to be used as follows:

- 729 (8K)
- ADPCM (32K)
- 711 (64K)

- \* Prioritization for any devices such as video is required as follows:

--

**QOS required to guarantee quality. 802.1p/Q in the LAN is necessary & Cisco routers with Version 12.2 or higher are required.**

**Include a detailed drawing with IP addresses & subnets for applicable telephony hardware, switches, routers & firewalls.**

### Authorization

TRI-TEC Account Representative Signature	Date:
Customer Signature	Date:

**Agenda Item 3**  
Covington City Council Meeting  
Date: December 13, 2011

**SUBJECT: CONSIDER PROPOSED ORDINANCE ADOPTING THE CY2012 OPERATING AND CAPITAL BUDGET AND IMPLEMENTING THE CY2012 COST OF LIVING ADJUSTMENT FOR CITY EMPLOYEES**

**ATTACHMENT(S):**

1. Proposed 2012 Budget Ordinance with exhibits.

**RECOMMENDED BY: Rob Hendrickson, Finance Director**

**EXPLANATION:**

The City Council has received the 2012 budget, held public hearings, and listened to presentations from staff about their respective departments. The City Manager presented an overview of the budget and gave his perspective on current and future budgets. In addition, Council reviewed the 6-year financial forecast.

Based on direction from the Council, this ordinance represents the final known budget that the Council wishes to adopt for CY2012. The Council will be hearing additional public comment at this meeting and additional modifications may be made before final consideration planned for December 13<sup>th</sup>.

**ALTERNATIVES:**

1. The Council could amend the proposed budget for CY2012.
2. The budget could be adopted at a later date; however the budget is required to be adopted prior to the beginning of the new calendar year.

**FISCAL IMPACT:**

The CY2012 Budget, including transfers-in (out), totals \$27,661,265.

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

**Councilmember \_\_\_\_\_ moves, Councilmember \_\_\_\_\_ seconds, to pass an Ordinance adopting the CY2012 Operating and Capital Budget.**

**ORDINANCE NO. 20-11**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, ADOPTING THE CY2012 OPERATING AND CAPITAL BUDGET AND IMPLEMENTING THE CY2012 COST OF LIVING ADJUSTMENT FOR CITY EMPLOYEES.**

WHEREAS, Chapter 35A.33 RCW requires the city to adopt an annual budget and provides procedures for the filing of estimates, a preliminary budget, deliberations, public hearings, and final adoption of the budget; and

WHEREAS, a preliminary budget for the year 2012 was prepared and filed with the City Clerk; and

WHEREAS, public hearings were scheduled and properly noticed for October 25, 2011, at 7:00 pm and November 22, 2011, at 7:00 pm for the purpose of making and adopting the final budget for the year 2012; and

WHEREAS, the City Council did hold said hearings and deliberated and made such changes as deemed necessary and proper; and

WHEREAS, the estimated expenditures set forth in said budget being all necessary to carry on the government of the City of Covington for the year 2012 and being sufficient to meet the needs of the City of Covington for this period;

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

Section 1. The budget for the City of Covington, Washington, for the year 2012 is hereby adopted at the fund level in its final form and content as set forth in the document entitled "City of Covington 2012 Budget" dated December 13, 2011, a true and correct copy of which is attached hereto as Exhibit "A".

Section 2. Estimated resources, including fund balances or working capital for each separate fund of the City of Covington for the year 2012, and aggregate totals for all such funds combined are set forth in summary form below and are hereby appropriated for expenditure at the fund level during the year 2012 as set forth below:

<b><u>FUND</u></b>	<b><u>AMOUNT</u></b>
General Fund	11,044,312
Street Fund	1,153,138
Development Services Fund	2,683,580
Parks and Recreation Fund	1,478,188
Surface Water Management Fund	3,453,753
Capital Investment Program	3,603,870
Cumulative Reserve Fund	1,351,199
Contingency Fund	420,562
Real Estate Excise Tax Fund 1 <sup>st</sup> Qtr	162,800
Real Estate Excise Tax Fund 2 <sup>nd</sup> Qtr	162,800
Local Improvement District	39,678
LID Guaranty Fund	52,368
Long-Term Debt Service Fund	1,281,323
Unemployment Reserve Fund	162,440
Equipment Replacement Fund	<u>611,254</u>
<b>Total All Funds</b>	<b><u><u>27,661,265</u></u></b>

Section 3. The 2012 budget provides funding for and it is hereby authorized that a 2.9348% Cost of Living Adjustment (COLA) for all regular (non-contract) city employees is to take effect on January 1, 2012.

Section 4. The 2012 budget provides funding for and it is hereby authorized that a step increase be awarded to all employees on that date which is one year from their date of hire or the date of their last step increase. The exact details of the step program are to be established by the City Manager, subject to the funded level in the budget.

Section 5. The 2012 Salary Schedule for authorized positions is attached hereto as Exhibit "B".

Section 6. A complete copy of the final budget as adopted herein shall be transmitted to the Division of Municipal Corporations in the office of the State Auditor and to the Municipal Research and Services Center of Washington. Three copies of the final budget as adopted herein shall be filed with the City Clerk and shall be available for use by the public.

Section 7. 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 force and effect.

Section 8. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Adopted by the Council on this 13<sup>th</sup> day of December, 2011.

\_\_\_\_\_  
Mayor Margaret Harto

ATTESTED:

PUBLISHED: December 16, 2011

EFFECTIVE: December 21, 2011

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

APPROVED AS TO FORM:

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

## 2012

**City of Covington**  
Proposed Budget - By Fund  
For the Fiscal Year 2012

	General Fund	Street Fund	Development Services Fund	Parks Fund	Surface Water Management Fund	Capital Investment Program Fund	Cumulative Reserve Fund
Beginning Fund Balances (Projected), January 1, 2012	\$ 2,805,408	\$ 336,247	\$ 1,307,272	\$ 269,649	\$ 1,605,026	\$ 925,119	\$ 1,342,599
Projected Revenues:	8,238,904	571,000	1,350,288	996,960	1,759,952	2,436,751	8,600
Projected Expenditures:	(7,290,777)	(906,217)	(803,398)	(1,218,589)	(1,541,911)	(3,266,891)	-
Fund Transfers In:	-	245,891	-	211,579	-	242,000	-
Fund Transfers (Out):	(1,520,710)	-	-	(27,483)	(107,000)	-	-
Excess (Deficiency) of Revenues Over Expenditures	(572,583)	(89,326)	546,890	(37,533)	111,041	(588,140)	8,600
Base Budget Projected Ending Fund Balances, December 31, 2012	\$ 2,232,825	\$ 246,921	\$ 1,854,162	\$ 232,116	\$ 1,716,067	\$ 336,979	\$ 1,351,199
<b>Decision Packages:</b>							
Decision Packages Expenditures:	(38,500)	(1,875)	(78,530)	(425)	(93,215)	-	-
Related Revenues	-	-	26,020	-	88,775	-	-
Fund Transfers In:	-	-	-	-	-	-	-
Fund Transfers (Out):	-	-	-	-	-	-	-
Debt Proceeds:	-	-	-	-	-	-	-
Total Decision Packages	(38,500)	(1,875)	(52,510)	(425)	(4,440)	-	-
Assigned Ending Fund Balance	1,490,515	-	-	41,521	-	73,432	-
Adjusted Ending Fund Balances, December 31, 2012	\$ 703,810	\$ 245,046	\$ 1,801,652	\$ 190,170	\$ 1,711,627	\$ 263,547	\$ 1,351,199
Totals for Budget Ordinance Sources	\$ 11,044,312	\$ 1,153,138	\$ 2,683,580	\$ 1,478,188	\$ 3,453,753	\$ 3,603,870	\$ 1,351,199
Totals for Budget Ordinance Uses	(11,044,312)	(1,153,138)	(2,683,580)	(1,478,188)	(3,453,753)	(3,603,870)	(1,351,199)

# 2012

**City of Covington**  
Proposed Budget - By Fund  
For the Fiscal Year 2012

Contingency Fund	Real Estate Excise Tax Fund 1st Qtr%	Real Estate Excise Tax Fund 2nd Qtr%	L.I.D. 99-01 Fund	L.I.D. Guaranty Fund	Long-Term Debt Service Fund	Unemployment Insurance Reserve Fund	Equipment Replacement Fund	Total
\$ 420,562	\$ -	\$ -	\$ 9	\$ 52,268	\$ -	\$ 124,107	\$ 503,133	\$ 9,691,399
-	162,800	162,800	39,669	100	-	38,333	108,121	15,874,278
-	-	-	(39,678)	-	(1,281,323)	(50,000)	(101,065)	(16,499,849)
-	-	-	-	-	1,281,323	-	-	1,980,793
-	(162,800)	(162,800)	-	-	-	-	-	(1,980,793)
-	-	-	(9)	100	-	(11,667)	7,056	(625,571)
\$ 420,562	\$ -	\$ -	\$ -	\$ 52,368	\$ -	\$ 112,440	\$ 510,189	\$ 9,065,828
-	-	-	-	-	-	-	-	(212,545)
-	-	-	-	-	-	-	-	114,795
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(97,750)
-	-	-	-	-	-	-	-	1,605,468
\$ 420,562	\$ -	\$ -	\$ -	\$ 52,368	\$ -	\$ 112,440	\$ 510,189	\$ 7,362,610
\$ 420,562	\$ 162,800	\$ 162,800	\$ 39,678	\$ 52,368	\$ 1,281,323	\$ 162,440	\$ 611,254	\$ 27,661,265
(420,562)	(162,800)	(162,800)	(39,678)	(52,368)	(1,281,323)	(162,440)	(611,254)	\$ (27,661,265)

## EXHIBIT B

**City of Covington**  
**Employee Positions/Salary Range Schedule**  
**For the Fiscal Year 2012**

<b>Position</b>	<b>Salary Range Annual</b>	
City Manager	\$ 138,134	- \$ 164,938
Community Development Director	\$ 109,417	- \$ 130,648
Finance Director	\$ 109,417	- \$ 130,648
Parks & Recreation Director	\$ 109,417	- \$ 130,648
Public Works Director	\$ 109,417	- \$ 130,648
Building Official	\$ 89,192	- \$ 106,501
City Engineer	\$ 89,192	- \$ 106,501
Development Review Engineer	\$ 79,381	- \$ 94,785
City Clerk/Executive Assistant	\$ 74,887	- \$ 89,419
Personnel Manager	\$ 72,769	- \$ 86,891
Maintenance Supervisor	\$ 70,649	- \$ 84,360
Community Relations Coordinator	\$ 70,649	- \$ 84,360
Plans Examiner/Building Inspector	\$ 70,649	- \$ 84,360
Recreation & Aquatic Manager	\$ 70,649	- \$ 84,360
Senior Information Systems Administrator	\$ 68,649	- \$ 81,970
Senior Planner	\$ 68,649	- \$ 81,970
Accountant	\$ 66,649	- \$ 79,582
Aquatic Supervisor	\$ 66,649	- \$ 79,582
Engineering Tech III	\$ 66,649	- \$ 79,582
Permit Center Coordinator	\$ 62,877	- \$ 75,078
Associate Planner	\$ 61,097	- \$ 72,954
Code Enforcement Officer	\$ 59,318	- \$ 70,830
Senior Maintenance Worker	\$ 59,318	- \$ 70,830
Personnel & HS Analyst	\$ 57,639	- \$ 68,826

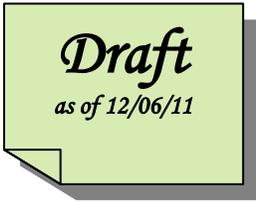
**City of Covington**  
**Employee Positions/Salary Range Schedule**  
**For the Fiscal Year 2012**

<b>Position</b>	<b>Salary Range Annual</b>	
Finance Specialist	\$ 55,961	\$ 66,818
Maintenance Worker	\$ 55,961	\$ 66,818
Deputy City Clerk	\$ 54,377	\$ 64,930
Engineering Technician II	\$ 54,377	\$ 64,930
Office Supervisor/PW	\$ 54,377	\$ 64,930
Assistant Planner	\$ 52,794	\$ 63,039
Accounting Clerk	\$ 49,804	\$ 59,469
Aquatics Specialist	\$ 49,804	\$ 59,469
Engineering Tech I	\$ 49,804	\$ 59,469
Office Technician II - PW or EO	\$ 43,071	\$ 51,429
Management Assistant	\$ 38,333	\$ 45,771
Senior Lifeguard	\$ 42,714	\$ 51,001
Specialty Instructor	\$ 31,452	\$ 37,555
Water Safety Instructor	\$ 31,452	\$ 37,555
Lifeguard	\$ 25,007	\$ 29,860
Engineering/GIS Technician/Intern	\$ 27,834	\$ 33,235
Maintenance Worker (Seasonal)	\$ 26,236	\$ 31,327
Office Assistant	\$12/hr flat rate	

**DISCUSSION OF  
FUTURE AGENDA TOPICS:**

**December 27, 2011 – City Council Regular Meeting**

**(Draft Agenda Attached)**



Covington: Unmatched quality of life



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

**Tuesday, December 27, 2011**  
**7:00 pm**

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

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**CALL CITY COUNCIL MEETING TO ORDER**

**ROLL CALL/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**PUBLIC COMMUNICATION - NONE**

**PUBLIC COMMENT** *Persons addressing the Council shall state their name, address, and organization for the record. Speakers shall address comments to the City Council, not the audience or the staff. Public Comment shall be for the purpose of the Council receiving comment from the public and is not intended for conversation or debate. Public comments shall be limited to no more than four minutes per speaker. If additional time is needed a person may request that the Council place an item on a future agenda as time allows.\**

**APPROVE CONSENT AGENDA**

**NEW BUSINESS**

**COUNCIL/STAFF COMMENTS**

- Future Agenda Topics

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

**EXECUTIVE SESSION: If Needed**

**ADJOURN**

*Any person requiring disability accommodation should contact the City of Covington at (253) 638-1110 a minimum of 24 hours in advance. For TDD relay service, please use the state's toll-free relay service (800) 833-6384 and ask the operator to dial (253) 638-1110.*