



PACIFIC CITY COUNCIL AGENDA
Council Chambers - City Hall. 100 3rd Ave. SE

October 17, 2016
Monday

Workshop
6:30 p.m.

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL OF COUNCIL MEMBERS**
- 3. ADDITIONS TO/APPROVAL OF AGENDA**
- 4. DISCUSSION ITEMS**
 - (2) **A. AB 16-103: Transportation Benefit District Funding Discussion** (15 min.)
(Jim Morgan)
 - (14) **B. AB 16-104: Resolution No. 2016-378: Agreement with Washington State Department of Corrections for Community Restitution crew participation.** (5 min.)
(Kelly Rydberg)
 - (23) **C. AB 16-106: Resolution No. 2016-340: Authorizing the execution of Supplement No. 3 to the agreement with AHBL for West Valley Highway Improvements – King County section.** (5 min.)
(Jim Morgan)
 - (44) **D. AB 16-107: Resolution No. 2016-341: Authorizing the execution of a revised Interlocal Agreement with Association of Washington Cities Risk Management Services Agency (AWC RMSA.)** (5 min.)
(Amy Stevenson-Ness)
 - (63) **E. AB 16-108: Approval of Third Quarter Financial Reports** (10 min.)
(Richard Gould)
 - (70) **F. AB 16-109: Budget Discussion** (10 min.)
- 5. EXECUTIVE SESSION** per RCW 42.30.110(1)(i) for potential litigation for 5 minutes.
- 6. ADJOURN**



Agenda Bill No. 16-103

TO: Mayor Guier and City Council Members
FROM: Public Works
MEETING DATE: October 24, 2016
SUBJECT: Transportation Benefit District Code and Funding

ATTACHMENTS:

Ordinance 2016-xxxx – Code Revisions
 Ordinance 2016-xxxx – Material Change Policy
 Ordinance 2016-xxxx – TBD Budget
 TBD Information Sheet

Previous Council Review Date: TBD Public Hearing on July 11, 2016
 TBD Formation on July 25, 2016
 TBD Assumption on August 22, 2016

Summary: On July 11, 2016 the City council held a Public Hearing to citizen comments on the formation of Transportation Benefit District (TBD). On July 25, 2016 the City formed a Transportation Benefit District (TBD) through the passage of Ordinance 2016-1933. On August 22, 2016 the City Council authorized the Assumption of the TBD through the passage of Ordinance 2016-19__.

Recommendation/Action: Staff recommends Council approve Ordinance No. 2016-__

Motion for Consideration: Move to approve Ordinance No. 2016-__, AN ORDINANCE OF PACIFIC, WASHINGTON, RELATING TO THE ESTABLISHMENT OF THE PACIFIC TRANSPORTATION BENEFIT DISTRICT, IDENTIFYING THE GOVERNING BOARD, DESCRIBING THE FUNCTIONS OF THE DISTRICT, DESCRIBING THE MANNER IN WHICH TRANSPORTATION IMPROVEMENTS SHALL BE FUNDED AND HOW THE DISTRICT MAY BE DISSOLVED, ALL AS ALLOWED BY CHAPTER 36.73 RCW, ADDING A NEW CHAPTER 3.92 TO THE PACIFIC MUNICIPAL CODE.”

Budget Impact: The cost of public notification, approximately \$300.

Alternatives: Choose an alternative funding source for the TBD.

PACIFIC, WASHINGTON
TRANSPORTATION BENEFIT DISTRICT
RESOLUTION NO. _____

A RESOLUTION OF THE PACIFIC, WASHINGTON, TRANSPORTATION BENEFIT DISTRICT, AUTHORIZING A TWENTY DOLLAR (\$20.00) VEHICLE LICENSE FEE PURSUANT TO RCW 36.73.065 and RCW 82.80.140.

WHEREAS, the City Council of the City of Pacific has the responsibility under the Constitution of the State of Washington for the improvement, maintenance and protection of public ways within the corporate limits of the City of Pacific, pursuant to RCW 35.23.440(33) and chapter 35.77 RCW; and

WHEREAS, chapter 36.73 RCW provides for the establishment of transportation benefit districts (TBD) by cities and counties and authorization to levy and impose various taxes and fees to generate revenue to support transportation improvements within the district that are consistent with state, regional or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, the City's Transportation Improvement Plan (TIP), the transportation element of the City's Comprehensive Plan, and the Capital Facilities Plan, all outline the key strategies, objectives and investments for improving safety, mobility, modal connectivity and access through providing effective transportation choices; and

WHEREAS, the Pacific City Council created the City of Pacific Transportation Benefit District in Ordinance No. 2016-1933; and

WHEREAS, RCW 36.73.040(3)(b) authorizes a transportation benefit district to impose a vehicle fee in accordance with RCW 82.80.140; and

WHEREAS, RCW 36.73.065(4)(a)(i) allows a transportation district that includes all of the territory within the boundaries of the jurisdiction establishing the district to impose, by majority vote of the governing board of the district, a vehicle fee of up to \$20.00, as authorized in RCW 82.80.140; and

WHEREAS, since 2013, the City of Pacific's revenues from the State Gas Tax have not kept pace with the increase in annual maintenance expenditures, the General Fund has decreased its support of the Streets Fund due to increasing costs; and Real Estate Excise Tax has remained flat; and

WHEREAS, the Governing Board of the Pacific Transportation Benefit District finds that it is appropriate to establish a twenty-dollar annual vehicle license fee that will generate an estimated \$100,000 annually and make investments to enhance pedestrian, bicycle and vehicle mobility within the District boundaries; and

WHEREAS, in accordance with RCW 82.80.140(4), the TBD may fix and impose an annual \$20.00 vehicle license fee, but no fee may be collected until six months after approval under RCW 36.73.065; and

WHEREAS, it is the expectation of the Pacific Transportation Benefit District to contract with the City of Pacific to utilize revenues for transportation purposes; and

WHEREAS, the Pacific Transportation Benefit District considered the adoption of this Resolution during its regular meeting of October 24, 2016; Now, Therefore,

IT IS HEREBY RESOLVED BY THE PACIFIC TRANSPORTATION BENEFIT DISTRICT AS FOLLOWS:

Section 1. Fee Imposed. An annual vehicle license fee in the amount of twenty dollars (\$20.00) is established consistent with RCW 36.73.065, to be collected by the Washington State Department of Licensing on qualifying vehicles, as set forth in RCW 82.80.140 and chapters 36.73 and 46.16 RCW.

Section 2. Use of Revenues. The revenues generated by the license fee shall be used in accordance with the purposes set forth in PMC 3.92. The District plans to contract with the City of Pacific to utilize the revenues generated from the annual vehicle license fee as follows, after accounting for costs associated with the collection and disbursement of revenues for and administering the Pacific Transportation Benefit District:

- A. Preservation and maintenance of the District's transportation infrastructure;
- B. Enhancing bicycle and pedestrian safety and mobility within the District; and
- C. Improving mobility and safety for people with disabilities.

Section 3. Implementation. The Pacific Transportation Benefit District requests that the City Clerk for the City of Pacific notify the Washington State Department of Licensing of the vehicle license fee established in Section 1 of this Resolution and to request that the Department of Licensing take all the steps necessary to implement collection of this fee no later than May 1, 2017 in accordance with RCW 82.80.140.

PASSED by the Pacific Transportation Benefit District this 24th day of October, 2016.

Leanne Guier, Mayor

AUTHENTICATED:

Amy Stevenson-Ness, CMC, City Clerk

APPROVED AS TO FORM:

Carol A. Morris, City Attorney



Agenda Bill No. 16-0xx

TO: Mayor Guier and City Council Members

FROM: Public Works

MEETING DATE: October 24, 2016

SUBJECT: Transportation Benefit District Budget

ATTACHMENTS: Ordinance 2016-XX – TBD Budget

Previous Council Review Date: TBD Public Hearing on July 11, 2016

TBD Formation on July 25, 2016

TBD Assumption on August 22, 2016

Summary: On July 11, 2016 the City council held a Public Hearing to citizen comments on the formation of Transportation Benefit District (TBD). On July 25, 2016 the City formed a Transportation Benefit District (TBD) through the passage of Ordinance 2016-1933. On August 22, 2016 the City Council authorized the Assumption of the TBD through the passage of Ordinance 2016-19__.

The TBD is required to adopt a budget presenting projected revenues and expenses annually.

Recommendation/Action: Staff recommends Council approve Ordinance No. 2016-__

Motion for Consideration: Move to approve Ordinance No. 2016-__, AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON, ADOPTING THE ANNUAL BUDGET FOR THE CITY OF PACIFIC TRANSPORTATION BENEFIT DISTRICT FOR THE YEAR 2017 AND AUTHORIZING FUNDING FOR TRANSPORTATION IMPROVEMENTS."

Budget Impact: The cost of public notification, approximately \$300.

Alternatives: None.

CITY OF PACIFIC, WASHINGTON
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON, ADOPTING THE ANNUAL BUDGET FOR THE CITY OF PACIFIC TRANSPORTATION BENEFIT DISTRICT FOR THE YEAR 2016 AND AUTHORIZING FUNDING FOR TRANSPORTATION IMPROVEMENTS.

WHEREAS, the Pacific City Council created the Pacific Transportation Benefit District in Ordinance No. 2016-1933; and

WHEREAS, the Council assumed the responsibilities of the Transportation Benefit District; and

WHEREAS, chapter 36.73 RCW requires that the Transportation Benefit District adopt an annual budget; and

WHEREAS, the Pacific City Council, acting as the Transportation Benefit District deliberated on the proposed budget for the fiscal year 2017; and

WHEREAS, the SEPA Responsible Official has determined that this Ordinance is categorically exempt under SEPA, WAC 197-11-800(19) as an action relating solely to governmental procedures and containing no substantive standards respecting use or modification of the environment; and

WHEREAS, the Pacific City Council, acting as the Transportation Benefit District considered the adoption of this ordinance during its regular meeting of October 24th, 2016; Now, Therefore,

IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF PACIFIC AS FOLLOWS:

Section 1. Budget Adopted. The 2017 Budget for the Pacific Transportation Benefit District for the period January 1, 2017 through December 31, 2017, totaling \$55,100.00, is hereby adopted.

Section 2. Summary of Revenue and Expenditures. The budget sets forth totals of estimated revenues and estimated expenditures of the Transportation Benefit District, and the aggregate totals for the District's general fund, as summarized below:

Estimated Revenues:		
Use of Fund Balance.	\$	0.00
TBD Vehicle Fees	\$	55,000.00
Investment Interest	\$	100.00
Total 2017 TBD Estimated Revenues:	\$	55,100.00

Estimated Expenditures (Appropriations):

City of Pacific Annual Road Maintenance Program, 2017-____ Capital Improvement Plan (_____)	\$	\$50,000.00
Total 2017 TBD Appropriations, General Fund Budget:	\$	_____

Section 3. Expenditures Authorized. The City Finance Director is authorized to reimburse the City of Pacific for payments made to contractors or for force account expenditures on the transportation improvements included in Section 2 from available revenues of the District, not to exceed the total District General Fund Budget.

Section 4. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 5. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 6. Effective Date. This Ordinance shall take effect and be in full force and effect five days after publication, as provided by law.

PASSED by the Pacific City Council this 24th day of October, 2016.

Mayor Leanne Guier

AUTHENTICATED:

City Clerk

APPROVED AS TO FORM:

Carol A. Morris, City Attorney

PUBLISHED:

EFFECTIVE DATE:



Agenda Bill No. 16-0xx

TO: Mayor Guier and City Council Members
FROM: Public Works
MEETING DATE: October 24, 2016
SUBJECT: Transportation Benefit District Budget and Material Changes

ATTACHMENTS: Ordinance 2016-XX – Material Change Policy

Previous Council Review Date: TBD Public Hearing on July 11, 2016
TBD Formation on July 25, 2016
TBD Assumption on August 22, 2016

Summary: On July 11, 2016 the City council held a Public Hearing to citizen comments on the formation of Transportation Benefit District (TBD). On July 25, 2016 the City formed a Transportation Benefit District (TBD) through the passage of Ordinance 2016-1933. On August 22, 2016 the City Council authorized the Assumption of the TBD through the passage of Ordinance 2016-19__.

This is Ordinance is required by State law and provides accountability to the public that project cost changes are thoroughly evaluated prior to implementation.

Recommendation/Action: Staff recommends Council approve Ordinance No. 2016-__ and Ordinance No. 2016-__.

Motion for Consideration: Move to approve Resolution No. 2016-__, AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON, ACTING AS THE PACIFIC TRANSPORTATION BENEFIT DISTRICT, ADOPTING THE MATERIAL CHANGE POLICY AS REQUIRED BY RCW 36.73.160(1)."

Budget Impact: The cost of public notification, approximately \$300.

Alternatives: None.

CITY OF PACIFIC, WASHINGTON
RESOLUTION NO. _____

AN ORDINANCE OF THE CITY OF PACIFIC, WASHINGTON,
ACTING AS THE PACIFIC TRANSPORTATION BENEFIT
DISTRICT, ADOPTING THE MATERIAL CHANGE POLICY AS
REQUIRED BY RCW 36.73.160(1).

WHEREAS, the Pacific City Council created the Pacific Transportation Benefit District in Ordinance No. 2016-1933; and

WHEREAS, the Pacific City Council assumed the responsibilities of the Pacific Transportation District; and

WHEREAS, chapter 36.73 RCW requires that the Transportation Benefit District adopt a Material Change Policy; and

WHEREAS, the Pacific Transportation Benefit District considered the adoption of this Resolution during its regular meeting of October 24, 2016; Now, Therefore,

IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC AS FOLLOWS:

Section 1. Material Change Policy.

A. *Material Change to Cost.* In the event an approved transportation improvement exceeds the adopted budget by more than twenty per cent (20%) as approved annually by the Governing Board, the Board shall hold a public hearing to solicit comments from the public regarding the manner in which the cost change should be resolved. TBD Staff shall consult with the Board Chair prior to setting the public hearing.

B. *Material Change Scope.* In the event that the scope of a transportation improvement materially changes from that originally anticipated at the time of the annually adopted budget by the City Council (acting as the TBD Board), the TBD or City Staff shall determine whether or not to convene a meeting of the Board for discussion.

C. *Material Change to Schedule.* In the event that the schedule of a transportation improvement materially changes in a way that significantly impacts other TBD budget levels or the schedule changes exceed ninety (90) days, the TBD or City staff shall consult with and review such changes with the Mayor. The Mayor shall determine whether or not to convene a meeting of the Board for discussion.

PASSED by the Pacific City Council this 24th day of October, 2016.

Mayor, Leanne Guier

AUTHENTICATED:

City Clerk

APPROVED AS TO FORM:

Carol A. Morris, City Attorney

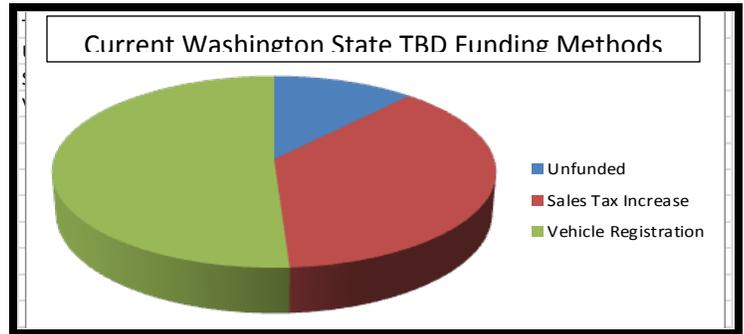
PUBLISHED:
EFFECTIVE DATE:

A TBD has arrived in the City of Pacific

On July 15, 2016 the Pacific City council authorized the formation of a transportation benefit district (TBD). On August 22, 2016 the council assumed the powers to operate the TBD as a function of City government. In Washington State there are approximately 90 cities and towns and 5 counties that have TBDs. More than half of the cities and towns have assumed the power of the TBD within their government system. The first TBD was formed in 1992 by Whatcom County to fund the ferry to Point Roberts. Twelve jurisdictions have not funded there TBD.

A TBD is used to collect funds for the construction of transportation improvements in the city infrastructure: sidewalks, trails, roads, ADA accessibility, etc. The funding options allowed by state law (RCW 37.73) permit a local fee on license tabs, an increase in sales tax, an increase in property taxes, issuance of bonds, or impact fees. The tax alternatives require a vote of the citizens in the district.

A \$20.00 license tab increase can be authorized by the council without a vote of the residents. Every two years the rate can be raised up to an additional \$20.00 by TBD board vote, until a maximum rate of \$50.00 has been attained. Fifty two entities have adopted a car tab fee ranging from \$10 to \$80. Twenty eight communities have voted to increase the sales tax between 0.10 and 0.20 percent to fund their TBD. There are currently no known TBDs funded with an increase in property taxes.



Costs of Fee Collection

There are costs associated with each funding option. The Department of Licensing charges approximately 1% of the added vehicle registration fee. The property tax and sales tax increases require a fee to place the proposals on the ballot. Bonds will require a commission to the agency selling the bonds.

Additional information about TBDs may be found at the following links (Please see the City website to connect to these links):

<http://mrsc.org/Home/Explore-Topics/Finance/Special-Topics/Transportation-Benefit-Districts.aspx>

<http://www.dol.wa.gov/vehicleregistration/localfees.html>

<http://www.cityofvancouver.us/publicworks/page/frequently-asked-questions-tbd-vehicle-license-fee>

Vehicles subject to fees:

- Passenger vehicles
- Trucks that weigh 6,000 pounds or less
- Motorcycles
- Commercial passenger vehicles and trucks that weigh 6,000 pounds or less
- Combination trucks that weigh 6,000 pounds or less
- Tow trucks
- House moving dollies
- Trucks used exclusively for hauling logs that weigh 6,000 pounds or less
- Taxicabs
- For-hire or stage vehicles with 6 seats or less
- For-hire or stage vehicles with 7 or more seats that weigh 6,000 pounds or less
- Private use trailers over 2,000 pounds
- Motorcycle trailers
- Travel trailers
- Fixed load vehicles that weigh 6,000 pounds or less
- Mobile homes licensed as vehicles

Exempt vehicles:

- All farm vehicles
- Campers
- Off-road vehicles
- Snowmobiles
- Mopeds
- Personal use trailers with a single axle and less than 2,000 pounds scale weight
- Commercial trailers
- Combination trailers
- Trailers used exclusively for hauling logs
- Horseless carriage, collector, or restored-plate vehicles
- Converter gear
- Government vehicles
- Private school vehicles
- Vehicles properly registered to disabled American veterans

Join the TBD conversation on October 17 at the Council workshop. Share your thoughts.



Agenda Bill No. 16-104

TO: Mayor Guier and City Council Members
FROM: Kelly Rydberg, Court Administrator
MEETING DATE: October 24, 2016
SUBJECT: Contract with Department of Corrections (DOC) for a work crew program.

ATTACHMENTS: Resolution 2016- 378
Contract with DOC

Previous Council Review Date: Presentation by Ms. Waters, DOC, September 19, 2016

Summary: This contract would allow the Court to place defendants on work crew instead of incarcerating them, either as a sentence condition or for revocation of a sentence for violations. The cost of jail to the City is anywhere from \$55 per day to \$107 per day, or more. The cost for the DOC work crew program would be \$15 per day. If defendants qualify, the work crew program could substantially reduce the expenses for jail incarceration costs the City incurs. DOC picks up and returns defendants at various locations throughout King County and provides supervisors for the daily program. The program is offered 7 days a week.

Recommendation/Action: Accept the contract with DOC for the work crew option.

Motion for Consideration: I move to adopt Resolution 2016- 378 authorizing the Mayor to execute a contract with the Department of Corrections for access to their work crew program.

Budget Impact: Could reduce jail expenses for the City.

Alternatives: Decline the contract and retain the only option of jail for some defendants.

CITY OF PACIFIC, WASHINGTON

RESOLUTION NO. 2016-378

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC, WASHINGTON, AND THE DEPARTMENT OF CORRECTIONS (DOC) FOR A WORK CREW SERVICE OPTION IN LIEU OF JAIL TIME IMPOSED.

WHEREAS, days in jail are imposed as sentence conditions or sanctions; and

WHEREAS, jail bills are paid by the City which may cost anywhere from \$55 to \$107 per day; and

WHEREAS, DOC work crew is a \$15 per day charge to the City; and

WHEREAS, if alternatives to jail are available to the City and people qualify, it would benefit both the City by lowering costs and the defendant by giving work experience,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC, WASHINGTON, AS FOLLOWS:

Section 1. The Council authorizes the Mayor to execute the contract between the City and DOC for work crew service options, attached as Exhibit A.

Section 2. This Resolution shall take effect and be in force immediately upon its passage.

PASSED BY THE CITY COUNCIL AT ITS REGULAR MEETING THEREOF ON THE _____ DAY OF _____ 2016.

CITY OF PACIFIC

Leanne Guier, Mayor

ATTEST:

Amy Stevenson-Ness, CMC, City Clerk

Approved as to Form:

Carol Morris, City Attorney

**MEMORANDUM OF AGREEMENT
BETWEEN
CITY OF PACIFIC BY AND THROUGH
THE PACIFIC MUNICIPAL COURT
AND
THE WASHINGTON STATE DEPARTMENT OF CORRECTIONS**

THIS MEMORANDUM OF AGREEMENT is entered into on the date this Agreement is signed by all of the duly authorized representatives of the parties. The parties ("Parties") to this Agreement is the City of Pacific, ("CP") a Washington municipal corporations by and through the Pacific Municipal Court ("Court"), and the Washington State Department of Corrections ("DOC").

IT IS THE PURPOSE OF THIS AGREEMENT to provide Community Restitution crew participation as an alternative for Pacific Municipal Court sentences/sanctions.

THEREFORE, IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK

The DOC and the CP and the Court shall furnish the necessary personnel, equipment, material, and/or service(s) and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment "A", attached hereto and incorporated herein.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence on the date this Agreement is signed by the duly authorized representatives of all of the parties, through July 1, 2018, unless terminated sooner as provided herein. Such term may be extended by the mutual agreement of the parties. Any such extension shall be evidenced by a properly completed written amendment to thus Agreement.

PAYMENT

DOC shall receive \$15.00 per day for any crew day completed by a CP worker on the Seattle DOC work crew or for any CP crew worker that "walks-away," is injured or is dismissed from crew after 12:00 Noon on any workday.

BILLING PROCEDURE

The DOC shall submit monthly invoices to the CP by the 25th of the month detailing the CP crew worker hours worked and the worker daily rate. Payment to the DOC for approved and completed work will be made by warrant or account transfer by the CP within 30 days of receipt of the invoice. Upon expiration of the Agreement, any claim for payment not already made shall be submitted within 30 days after the expiration date or the end of the fiscal year, whichever is earlier.

RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents, and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either

party in the performance of the service(s) described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

RIGHTS IN DATA

Unless otherwise provided, data which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by the Department of Corrections. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

INDEMNIFICATION

DOC, its agents, or employees assumes responsibility for any damages resulting solely from the negligence of DOC, its agents, or employees. To the extent permitted by law, DOC shall be required to indemnify, defend, and hold harmless CP only to the extent the claim is caused solely by the negligent acts or omissions of DOC, its agents, or employees.

CP, its agents, or employees assumes responsibility for any damages resulting solely from the negligence of CP, its agents, or employees. To the extent permitted by law, CP shall be required to indemnify, defend, and hold harmless the DOC to the extent the claim is caused solely by the negligent acts or omissions of CP, its agents, or employees.

In accordance with the laws of the state of Washington, if both parties to this agreement are negligent and jointly liable, each party will assume responsibility for its own negligent acts or omissions.

AMENDMENTS

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

TERMINATION

Either party may terminate this Agreement by giving the other party ten (10) working days written notification. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

In addition, DOC may terminate this Agreement upon written notification and without the ten-day notice required if DOC is unable to perform the services herein due to a policy or procedure change by the Secretary of DOC, a change in the law, or judgment of any court.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms, and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

PUBLIC INFORMATION

Neither party shall arrange for news media coverage relative to this Agreement that would specifically include offenders without the consent of the other party, nor shall either party release information to the news media relative to this Agreement concerning offenders without the consent of the other party to the extent allowed by law.

GOVERNANCE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable state and federal statutes and rules;
- b. Statement of Work; and

- c. Any other provisions of the agreement, including materials incorporated by reference.

ASSURANCES

The parties agree that all activity pursuant to this Agreement will be in accordance with all applicable current or future federal, state, and local laws, rules, and regulations.

ASSIGNMENT

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end, the provisions of this Agreement are declared to be severable.

ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

CONTRACT MANAGEMENT

The Program Manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

ATTACHMENT A SCOPE OF WORK

The DOC provides:

1. A work crew supervisor (DOC Correctional Officer) seven (7) days per week to pick up CP crew workers at a designated pick-up location. The DOC Correctional Officer will supervise up to a maximum of five (5) CP crew workers per day or up to the number of transport seats available for crew workers after any DOC or the Municipal Court workers have been seated at the pick-up point. A maximum of 10 crew workers will be transported from the CP pick-up location on any given Community Restitution crew day.
2. Project coordination, record keeping and reporting, as defined in this Agreement, under Records Maintenance, through a Community Corrections Program Manager with assistance from clerical staff.
3. Written documentation to the CP Court within 48 hours of any incident in which a CP crew worker was dismissed, from a DOC Community Restitution crew for disciplinary or safety reasons and will include a recommendation for the temporary or permanent dismissal of the crew worker from further work crew participation.

Note: DOC reserves the right to dismiss a CP crew worker from a DOC Community Restitution work crew for disciplinary or safety reasons.

EQUIPMENT

4. Operating vehicles and shall maintain vehicles and equipment required to meet the scope of work.
5. Litterbags, and necessary tools, equipment and supplies to accomplish the scope of work.

TRAINING

6. Training for Community Restitution crew worker, as necessary, in the handling of illegally dumped materials, or pertaining to watershed plantings, removals or cleanups.
7. Training for Correctional Officers, as follows:
 - Personnel Orientation
 - CPR
 - First Aid/Infectious Disease Control
 - Flag Person Certification
 - Defensive Driving
 - Record Keeping
 - Safety Meetings
 - Incident Review
8. Training for CP Community Restitution crew workers, as follows:

- Orientation to work crew
- Safety orientation – comprised of a standard orientation to sharps, public contact, seat belts, and related safety issues.

RECORD KEEPING AND REPORTING REQUIREMENTS

9. Records maintenance, detailing the daily participation of all CP crew workers in Community Restitution crew activities. These shall be submitted to CP on a monthly basis with the invoice, and shall include, but not be limited to the following:
 - Identify each CP crew worker by name, CP Court case number and dates worked.
 - Provide a total of CP Community Restitution crew worker hours completed, supervisor hours and the daily Community Restitution crew worker rate.
10. Copies of any media reports, comments or written press reports regarding the work completed specific to this Agreement to the CP Court.
11. The inspection and audit of all books and records of DOC which are pertinent to this Agreement, as the CP or Court deems necessary after the expiration or termination of this Agreement.

The CP or Court:

1. Provides the initial screening for all prospective CP crew workers for any physical or mental health limitations that would restrict a Community Restitution crew worker from participating on a DOC Community Restitution crew in a safe manner.
2. Completes the DOC referral (to include required criminal history information) and screening questionnaire with the CP crew worker, and insure that these documents have been received by DOC prior to the crew worker's first Community Restitution crew day.
3. Reimburses DOC within thirty (30) days of receipt of the monthly DOC Invoice, after review and approval of DOC Invoice expenses.

CP Community Restitution Crew Workers:

Assist other Community Restitution crew workers in cleanups of litter and illegal dumping, vegetation cutting and/or removal, or other general labor as defined in the current Seattle DOC WORKCREW contract obligations or as requested and approved by the Program Manager.



TO: Mayor Guier and City Council Members
FROM: Public Works
MEETING DATE: October 24, 2016
SUBJECT: **Supplement No. 3 to West Valley Highway Improvements**
 King County Section

ATTACHMENTS:

- Resolution No. 2016-340
- AHBL Proposed Contract Amendment No. 3 for the King County portion of West Valley Highway Design Services (LAG Format)

Previous Council Review Date:

Background:

On August 13, 2013, in Resolution No. 2013-064, the City Council authorized the execution of a contract with AHBL, Inc. for the design engineering services associated with the West Valley Highway Improvements, in the amount of \$199,701.94.

On July 2, 2014, in Resolution No. 2014-212, the City Council authorized the execution of Supplemental Agreement No. 1, which amended the above contract, for the purpose of expanding the scope of work, extending the deadline for completion and increasing the contract price by \$10,236.47, to \$209,938.47. Additional services included, Title report review for existing easements on private property and expanded topographic survey to determine driveway catch points.

On February 22, 2016, in Resolution No. 2016-317, the City Council authorized the execution of Supplemental Agreement No. 2, which amended the above contract, for the purpose of expanding the scope of work, extending the deadline for completion and increasing the contract price by \$37,958.01, to \$247,896.48. Additional services included, expanded area of topographic survey for private property acquisition for stormwater facilities, Title report review, expanded geotechnical evaluation, re-evaluation of stormwater sizing based on use of pervious surfacing for pedestrian facilities.

Summary: AHBL proposes to amend the original contract with Supplemental Agreement No. 3, in order to perform the scope of work described in Exhibit A-1 (which is attached to the Supplemental Agreement No. 3, also attached to this Staff Report). This additional work is for preparation of roadway plan revisions to reduce rights of way acquisition and finalization

of NEPA documents based on roadway plan revisions and new Federal requirements. The work described in Exhibit A-1 was not contemplated in the original contract or the last amendment because realignment of the road was not expected in the original design. Supplemental Agreement No. 3 extends the deadline for completion to June 30, 2017 and increases the contract amount by \$16,703.40.

If the Council approves this Supplemental Agreement No. 3, the contract price is increased to \$264,599.88, for the King County portion of the Project.

Recommendation/Action: Staff recommends Council authorize the Mayor to execute Supplemental Agreement No. 3, in the amount of \$16,703.40, and approve Resolution No. 2016-340.

Motion for Consideration: Move to approve Resolution No. 2016-340, A RESOLUTION OF CITY OF PACIFIC, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 3 WITH AHBL FOR ADDITIONAL ENGINEERING DESIGN AND PLANNING SERVICES FOR PREPARATION OF PLAN REVISIONS AND NEPA DOCUMENTATION FOR THE KING COUNTY PORTION OF THE WEST VALLEY HIGHWAY IMPROVEMENT PROJECT, IN THE AMOUNT OF \$16,703.40.

Budget Impact: If approved by City Council, the costs of the additional services is \$16,703.40 and would be paid from the transportation budget.

Alternatives: None recommended.

**CITY OF PACIFIC
WASHINGTON**

RESOLUTION NO. 2016-340

A RESOLUTION OF CITY OF PACIFIC, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 3 WITH AHBL FOR ADDITIONAL ENGINEERING DESIGN AND PLANNING SERVICES FOR PREPARATION OF PLAN REVISIONS AND NEPA DOCUMENTATION FOR THE KING COUNTY PORTION OF THE WEST VALLEY HIGHWAY IMPROVEMENT PROJECT, IN THE AMOUNT OF \$16,703.40.

WHEREAS, the City Council, by Resolution No. 2013-064 approved a contract with AHBL for design engineering services for the King County portion of West Valley Highway Improvement Project for \$199,701.94; and

WHEREAS, the City Council, by Resolution No. 2014-212 approved Supplemental Agreement No. 1 to the contract with AHBL for additional design engineering services for the King County portion of West Valley Highway Improvement Project in the amount of \$10,236.47; and

WHEREAS, the City Council, by Resolution No. 2016-317 approved Supplemental Agreement No. 2 to the contract with AHBL for additional design engineering services for the King County portion of West Valley Highway Improvement Project in the amount of \$37,958.01; and

WHEREAS, AHBL has prepared Supplemental Agreement No. 3 in the amount of \$16,703.40 to prepare roadway plan revisions to reduce rights of way acquisition and prepare NEPA documentation; and

WHEREAS, Supplemental Agreement No. 3 increases the total amount of the design engineering services to \$264,599.88 and extends the project to June 30, 2017; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Pacific City Council hereby authorizes the Mayor to execute Supplement No. 3 to the contract authorized by Resolution No 2013-064 between the City of Pacific and AHBL, for additional design engineering and planning services associated with the King County portion of the West Valley Highway Rehabilitation Project. The additional services contemplated by Supplemental Agreement No. 3 will add \$16,703.40 to the contract amount of \$247,896.48 for a new total of \$264,599.88.

Section 2. This Resolution shall take effect and be in full force upon passage and signatures hereon.

CITY OF PACIFIC

LEANNE GUIER, MAYOR

ATTEST/AUTHENTICATED:

AMY STEVENSON-NESS, CMC, CITY CLERK

APPROVED AS TO FORM:

Carol Morris, CITY ATTORNEY



Supplemental Agreement Number <u>001</u>		Organization and Address AHBL, INC. 2215 N. 30TH STREET #300 TACOMA, WA 98403	
Original Agreement Number		Phone: (253) 383-2422	
Project Number	Execution Date 10/27/2014	Completion Date 4/30/2015	
Project Title West Valley Highway Improvements	New Maximum Amount Payable \$ 209,938.47		
Description of Work Perform topographic survey of items deemed necessary upon review of originally scoped right of way and topographic survey. Review title reports for selected parcels to determine if easements have been granted for stormwater conveyance. Add additional topographic survey information to existing survey base map. See attached scope of work for Amendment #1.			

The Local Agency of City of Pacific
desires to supplement the agreement entered into with AHBL, Inc.
and executed on 10/27/2014 and identified as Agreement No. _____

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

See attached detailed scope of work for Amendment #1

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion date shall be extended to April 30, 2015

III

Section V, PAYMENT, shall be amended as follows:

The amount payable under this contract has increased by \$10,236.53 from \$199,701.94 to a new total of \$209,938.47. See attached updated Exhibit E

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Sean Comfort, PE - VP

By: _____

Consultant Signature

Approving Authority Signature

Date



Supplemental Agreement Number <u>002</u>		Organization and Address AHBL, INC. 2215 N. 30TH STREET #300 TACOMA, WA 98403	
Original Agreement Number		Phone: (253) 383-2422	
Project Number	Execution Date	Completion Date 6/30/2016	
Project Title W. Valley Highway Improvements (King County)	New Maximum Amount Payable \$ 247,896.48		
Description of Work This Supplement includes additional AHBL civil engineering and land surveying services for the project. Also included are reimbursable services associated with the procurement of Title Reports for fronting and adjacent properties to the project. See attached scope of work for Supplement #2.			

The Local Agency of City of Pacific
desires to supplement the agreement entered into with AHBL, Inc.
and executed on 10/27/2014 and identified as Agreement No. _____

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

See attached detailed scope of work for Supplemental Agreement 2, labeled Exhibit A-1

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion date shall be extended to 06/30/2016

III

Section V, PAYMENT, shall be amended as follows:

The amount payable under this contract has increased by \$37,958.01 from \$209,938.47 to a new total of \$247,896.48. See attached updated Exhibit E-1, Fee-Lump/Fixed/Unit and Exhibit E, Overhead Cost.

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Sean Comfort, PE - VP

By: _____

Consultant Signature

Approving Authority Signature

Date



Supplemental Agreement Number <u>003</u>		Organization and Address AHBL, Inc. 2215 N. 30TH STREET #300 TACOMA, WA 98403	
Original Agreement Number		Phone: (253) 383-2422	
Project Number		10/ ____/2016	06/30/2017
Project Title W. Valley Highway Improvements (King County)		New Maximum Amount Payable \$ 264,599.88	
Description of Work The scope modifications are required to address a change in the roadway section that has occurred to minimize the amount of right of way acquisition area. During the process of completing our 60% Design it was also determined that there are portions of the proposed road widening, retaining walls, transitional slopes and transitions to existing driveways from the road improvements transitions that will impact existing wetlands and wetland buffers in the proposed right of way. (see attached)			

The Local Agency of City of Pacific
desires to supplement the agreement entered into with AHBL, Inc.
and executed on 10/27/2014 and identified as Agreement No. _____

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

See attached detailed scope of work for Supplemental Agreement 3, labeled Exhibit A-1

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion date shall be extended to 06/30/2017

III

Section V, PAYMENT, shall be amended as follows:

The amount payable under this contract has increased by \$16,703.40 from \$247,896.48 to a new total of \$264,599.88. See attached updated Exhibits

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: _____

By: _____

Consultant Signature

Approving Authority Signature

Exhibit A-1

Scope of Work

West Valley Highway Improvements

Supplement #3

King County Segment

AHBL, Inc.



EXHIBIT A-1 AHBL Scope of Work Supplement #3

Supplement No. 3

The following scope is Supplement No. 3 to our LAG Agreement for the West Valley Highway King County Section project only. This Supplement includes additional AHBL civil engineering and planning services for the project.

The scope modifications are required to address a change in the roadway section that has occurred to minimize the amount of right of way acquisition area. During the process of completing our 60% Design it was also determined that there are portions of the proposed road widening, retaining walls, transitional slopes and transitions to existing driveways from the road improvements transitions that will impact existing wetlands and wetland buffers in the proposed right of way. We understand, however that WSDOT will not require a mitigation plan or a Biological Assessment be completed for the NEPA phase. The mitigation plan will be required at the time of permitting.

Our scope of services is listed below.

Civil Engineering – 2130176.10

Wetland Mitigation Coordination

1. Management and project oversight of the wetland subconsultant.
2. Coordination and attendance at meetings with the City of Pacific.
3. Review of subconsultant documents and submittal to the City of Pacific.
4. WSDOT coordination and Meetings for NEPA approval.
5. Preparation of plans for 30% level submittal to WSDOT with new alignment and cross section to accompany NEPA and other project documentation.
6. Preparation of stormwater narrative to describe surface water improvements for project.

Planning – 2130176.30

7. AHBL planners will modify and update the Environmental Justice Report and the Hazardous Waste Report to reflect the project revisions and recent data.
8. AHBL planners will provide additional coordination with WSDOT and the design team during the NEPA approval process.

Reimbursable Expenses

9. Reimbursable expenses for all disciplines including mileage and reprographic expenses. This will be billed on a time and expense basis.

Civil Engineers

Structural Engineers

Landscape Architects

Community Planners

Land Surveyors

Neighbors

TACOMA

2215 North 30th Street
Suite 300
Tacoma, WA 98403-3350
253.383.2422 TEL

www.ahbl.com

Exhibit E-1

Fee- Lump/Fixed/Unit

(backup)

West Valley Highway Improvements

Supplement #3

King County Segment

AHBL, Inc.

**Exhibit E -1
 Consultant Fee Determination Summary Sheet
 (Lump Sum Cost Plus Fixed Fee, Cost per unit Work)**

Project: West Valley Highway Preliminary Design (King County)
Consultant: ABHL, Inc.

Direct Salary Cost (DSC) Original

Classification	Man Hours				Direct Labor	
					Rate	Cost
Principal Civil	41.00	X	\$	64.52	\$	2,645.32
PM Civil	112.00	X	\$	44.23	\$	4,953.76
PE 4 Civil	40.00	X	\$	37.50	\$	1,500.00
PE 4 Civil	236.00	X	\$	34.86	\$	8,226.96
Proj Admin Civil	10.00	X	\$	27.88	\$	278.80
Tech 2 Civil	140.00	X	\$	27.16	\$	3,802.40
Word Proc	3.00	X	\$	22.54	\$	67.62
Prin. Planning	85.00	X	\$	52.88	\$	4,494.80
Planner 3	84.00	X	\$	26.00	\$	2,184.00
Principal Survey	12.00	X	\$	52.88	\$	634.56
PM Survey	24.00	X	\$	42.32	\$	1,015.67
Survey Tech	28.00	X	\$	26.44	\$	740.38
Chief of Parties	6.00	X	\$	38.46	\$	230.77
Party Chief	52.00	X	\$	28.84	\$	1,499.68
Chainman	52.00	X	\$	23.18	\$	1,205.10
Original Contract Sub TOTAL DSC						\$ 33,479.82

**Direct Salary Cost (DSC) Supplement #1
 Direct Salary Rates as of October 1, 2014**

Classification	Man Hours				Direct Labor	
					Rate	Cost
Principal Survey	6.00	X	\$	52.88	\$	317.28
PM Survey	8.00	X	\$	42.71	\$	341.68
Survey Tech	12.00	X	\$	27.24	\$	326.88
Chief of Parties	4.00	X	\$	39.04	\$	156.16
Party Chief	40.00	X	\$	28.84	\$	1,153.60
Chainman	40.00	X	\$	20.00	\$	800.00
Supplement #1 Sub TOTAL DSC						\$ 3,095.60

**Direct Salary Cost (DSC) Supplement #2
 Direct Salary Rates as of Feb 1, 2016**

Classification	Man Hours				Direct Labor	
					Rate	Cost
Principal Civil	3.00	X	\$	67.31	\$	201.93
PM Civil	10.00	X	\$	47.60	\$	476.00
??	0.00	X	\$	38.63	\$	-
PE 5 Civil	80.00	X	\$	38.70	\$	3,096.00
Proj Admin Civil	0.00	X	\$	29.81	\$	-
Tech 3 Civil	32.00	X	\$	29.33	\$	938.56
Word Proc	4.00	X	\$	24.28	\$	97.12
Prin. Planning	0.00	X	\$	52.89	\$	-
Landscape PM	0.00	X	\$	34.52	\$	-
Principal Survey	6.00	X	\$	67.31	\$	403.86
PM Survey	51.00	X	\$	43.96	\$	2,241.96
Survey Tech	17.00	X	\$	29.81	\$	506.77
PM Survey	1.00	X	\$	41.83	\$	41.83
Party Chief	14.00	X	\$	33.65	\$	471.10
Chainman	14.00	X	\$	23.50	\$	329.00
Supplement #2 Sub TOTAL DSC						\$ 8,804.13

Direct Salary Cost (DSC) Supplement #3
Direct Salary Rates as of Feb 1, 2016

Classification	Man Hours			Direct Labor		Cost
				Rate		
Principal Civil	8.00	X	\$	67.31		\$ 538.48
PM Civil	10.00	X	\$	47.60		\$ 476.00
??	0.00	X	\$	38.63		\$ -
PE 5 Civil	48.00	X	\$	38.70		\$ 1,857.60
Proj Admin Civil	0.00	X	\$	29.81		\$ -
Tech 3 Civil	24.00	X	\$	29.33		\$ 703.92
Word Proc	0.00	X	\$	24.28		\$ -
Prin. Planning	22.00	X	\$	52.89		\$ 1,163.58
Planner 3	8.00	X	\$	27.65		\$ 221.20
LS Prin	0.00	X	\$	55.29		\$ -
Principal Survey	0.00	X	\$	67.31		\$ -
PM Survey	0.00	X	\$	43.96		\$ -
Survey Tech	0.00	X	\$	29.81		\$ -
PM Survey	0.00	X	\$	41.83		\$ -
Party Chief	0.00	X	\$	35.00		\$ -
Chainman	0.00	X	\$	23.50		\$ -
	120					
				Supplement #3 Sub TOTAL DSC		\$ 4,960.78

Overhead (OH Cost -- including Salary Additives)

(original)	OH Rate X DSC of	200.88%	X	\$ 33,479.82	:	\$ 67,254.27
(Supplement #1)	OH Rate X DSC of	200.88%	X	\$ 3,095.60	:	\$ 6,218.44
(Supplement #2) FYE 2014 rate issued 8/2015	OH Rate X DSC of	201.80%	X	\$ 8,804.13	:	\$ 17,766.73
(Supplement #3) FYE 2015 rate issued 7/2016	OH Rate X DSC of	190.31%	X	\$ 4,960.78	:	\$ 9,440.86
Subtotal						\$ 100,680.30

Fixed Fee (FF)

(original)	FF Rate x DSC of	29.80%	X	\$ 33,479.82	:	\$ 9,976.99
(Amendment #1)	FF Rate x DSC of	29.80%	X	\$ 3,095.60	:	\$ 922.49
(Amendment #2)	FF Rate x DSC of	29.80%	X	\$ 8,804.13	:	\$ 2,623.63
(Amendment #3)	FF Rate x DSC of	29.80%	X	\$ 4,960.78	:	\$ 1,478.31
Subtotal						\$ 15,001.42

Reimbursables

Printing/reproductions						\$ 1,500.00
Mileage						\$ 307.36
Locate Services for Survey						\$ 2,800.00
				Subtotal		\$ 4,607.36

Supplement #2 - Title Reports (including sales tax from First American Title)						\$ 7,726.80
Supplement #2 - Reproduction						\$ 1,000.00
Supplement #2 - Mileage (34mi round trip AHBL to Pacific x 2 Round trips at 54 cents/mi)						\$ 36.72
				Subtotal		\$ 8,763.52

Supplement #3 - Locate						\$ -
Supplement #3 - Reproduction						\$ 750.00
Supplement #3 - Mileage (34mi round trip AHBL to Pacific x 2 Round trips at 54 cents/mi)						\$ 73.44
				Subtotal		\$ 823.44

SubTotal Reimbursables = \$ 14,194.32

Subconsultants

AMEC						\$ 32,946.53
HRA						\$ 10,424.97
Theresa Dusek						\$ 17,813.00
Transpo						\$ 23,199.00
				Subtotal		\$ 84,383.50

Subconsultant Total

\$ 84,383.50

Original Contract Total						\$ 199,701.94
Supplement #1 subtotal						\$ 10,236.53
Supplement #2 subtotal						\$ 37,958.02
Supplement #3 subtotal						\$ 16,703.39

Grand Total

\$ 264,599.88

AHBL Staff Hours per Task
West Valley Highway Preliminary Design (King County)

8/1/2013

AHBL Overhead rate
Negotiated Fixed Fee

200.88%
29.80%

TASK 1	Work Task	Total Task Cost (\$)	Total Task Hours	CIVIL ENGINEERING							PLANNING	
				SC Principal Civil	TS PM Civil	MSK PE 4 Civil	AB PE 4 Civil	Sheri Proj Admin Civil	Frank Tech 2 Civil	LK Word Proc	LK Prin. Planning	SC Planner 3
	Through Design	\$0.00	0.00									
1.1	Provide Professional Project Management	\$3,048.87	18.00	8	8							2
1.2	Prepare and Update Monthly Schedule	\$5,087.58	36.00	4	12	6	6				4	4
1.3	Provide monthly progress reports in memorandum format to the City	\$5,171.84	36.00	4	12	2	8				6	4
1.4	Provide monthly progress billing to the City	\$1,810.14	11.00	3	8							
1.5	Coordinate with City Staff/WSDOT	\$6,495.61	50.00	6	12		6				6	20
1.6	Provide QA/QC reviews of all submittals (30%, 60%, 90%, and PS&E submittals)	\$0.00	0.00									
Total	TASK 1 Management/Coordination/Administration	\$21,614.04	151.00	25.00	52.00	8.00	20.00	0.00	0.00	0.00	16.00	30.00
	Billing Rate			\$213.35/hr	\$146.26/hr	\$124.01/hr	\$115.28/hr	\$92.19/hr	\$89.81/hr	\$74.54/hr	\$174.86/hr	\$85.98/hr
	Task Total - Civil	\$ 16,236.92		\$ 5,333.87	\$ 7,605.51	\$ 992.04	\$ 2,305.50	\$ -	\$ -	\$ -	\$ 2,797.82	\$ 2,579.30
	Task Total - Planning	\$ 5,377.12										
	Task Total - Survey	\$ -										
	TASK 1 Management/Coordination/Administration	\$ 21,614.04										

TASK 2	Work Task	Total Task Cost (\$)	Total Task Hours	CIVIL ENGINEERING							PLANNING	
				SC Principal Civil	TS PM Civil	MS PE 4 Civil	AB PE 4 Civil	Sheri Proj Admin Civil	Frank Tech 2 Civil	LK Word Proc	LK Prin. Planning	SC Planner 3
2.1	APE Map, Letter & Coordination	\$524.59	3.00								3	0
2.2	Complete Draft ECS	\$5,210.99	42.00								18	24
2.3	Complete Final Draft ECS	\$1,043.36	8.00								4	4
2.4	Complete Final ECS	\$521.68	4.00								2	2
2.5	Coordinate with Suconsultants, Review Reports	\$2,797.82	16.00								16	0
2.6	Prepare Environmental Justice Report	\$1,221.14	8.00								6	2
2.7	Prepare Air Quality Checklist	\$1,645.40	11.00							1	8	2
2.8	Prepare SEPA Checklist, Monitor Decision	\$3,817.90	32.00								12	20
Total	TASK 2 Environmental Permitting	\$16,782.87	124.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	69.00	54.00
	Hourly Rate			\$213.35/hr	\$146.26/hr	\$124.01/hr	\$115.28/hr	\$92.19/hr	\$89.81/hr	\$74.54/hr	\$174.86/hr	\$85.98/hr
	Task Total - Civil	\$ 74.54		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74.54	\$ 12,065.59	\$ 4,642.75
	Task Total - Planning	\$ 16,708.33										
	Task Total - Survey	\$ -										
	TASK 2 Environmental Permitting	\$ 16,782.87										

TASK 3	Work Task	Total Task Cost (\$)	Total Task Hours	CIVIL ENGINEERING							PLANNING	
				SC Principal Civil	TS PM Civil	MS PE 4 Civil	AB PE 4 Civil	Sheri Proj Admin Civil	Frank Tech 2 Civil	LK Word Proc	LK Prin. Planning	SC Planner 3
3.1	Prepare plan sheets 1"=40' plan views per sheet, 16 sheets	\$20,426.50	184.00		24		100			60		
3.2	Prepare 30%/60% Detail Sheets	\$6,021.95	60.00		4		16			40		
3.4	Prepare 30%/60% summary memo	\$4,700.55	38.00	2	4		32					
3.5	Prepare 30%/60% Cost Estimate	\$3,848.19	30.00	2	4	8	16					
3.6	Prepare 30%/60% Outline Specifications	\$2,861.97	22.00	2	4	10	4				2	
3.7	Quality Review (30% & 60%)	\$3,407.33	22.00	6	8	4	4					
3.8	Submittal 30%/60% to City and WSDOT for review	\$2,394.78	20.00	2	4		4	10				
3.9	30% & 60% Plan revisions	\$11,040.35	100.00	2	8	10	40			40		
Total	TASK 3 Preliminary Design	\$54,701.61	476.00	16.00	60.00	32.00	216.00	10.00	140.00	2.00	0.00	0.00
	Hourly Rate			\$213.35/hr	\$146.26/hr	\$124.01/hr	\$115.28/hr	\$92.19/hr	\$89.81/hr	\$74.54/hr	\$174.86/hr	\$85.98/hr
	Task Total - Civil	\$ 54,701.61		\$ 3,413.68	\$ 8,775.59	\$ 3,968.16	\$ 24,899.41	\$ 921.94	\$ 12,573.78	\$ 149.07	\$ -	\$ -
	Task Total - Planning	\$ -										
	Task Total - Survey	\$ -										
	TASK 3 Preliminary Design	\$ 54,701.61										

AHBL Staff Hours per Task
West Valley Highway Preliminary Design (King County)

8/1/2013

TASK 4	Work Task	Total Task Cost (\$)	Total Task Hours	LAND SURVEYING										
				DF Principal Survey	BD PM Survey	TD Survey Tech	DR Chief of Parties	TW Party Chief	RL Chainman					
4.1	Research Record Drawing and other record Data	\$ 559.77	4.00		4									
4.2	Boundary/ROW Mapping	\$ 3,498.31	24.00	4	20									
4.3	Topographic Survey-field	\$ 8,944.15	104.00					52		52				
4.4	Topographic Survey-office	\$ 2,861.65	30.00			24	6							
4.5	Quality Review	\$ 699.45	4.00	4										
4.6		\$ -	0.00											
4.7	Submittal to City and WSDOT for review	\$ -	0.00											
	Plan Revisions	\$ 1,049.21	8.00	4		4								
Total	TASK 4 Survey	\$17,612.55	174.00	12.00	24.00	28.00	6.00	52.00	52.00	0.00	0.00	0.00	0.00	0.00
	Direct labor Rate	+		\$ 52.88	\$ 42.32	\$ 26.44	\$ 38.46	\$ 28.84	\$ 23.18					
	Hourly Rate			\$174.86/hr	\$139.94/hr	\$87.44/hr	\$127.18/hr	\$95.37/hr	\$76.64/hr	\$0.00/hr	\$0.00/hr	\$0.00/hr	\$0.00/hr	\$0.00/hr
	Task Total - Survey	\$ 17,612.55		\$ 2,098.36	\$ 3,358.63	\$ 2,448.30	\$ 763.11	\$ 4,959.13	\$ 3,985.02	\$ -	\$ -	\$ -	\$ -	\$ -
	TASK 4 Survey	\$ 17,612.55												

AMD 1	Work Task	Total Task Cost (\$)	Total Task Hours	LAND SURVEYING						PLANNING	
				DF Principal Survey	BD PM Survey	TD Survey Tech	DR Chief of Parties	RC Party Chief	CD Chainman	LK Prin	BM PM
AMD 1.1	Additional topo outside of ROW	\$ 9,106.66	102.00	6		12	4	40	40		
AMD 1.2	Review Title reports	\$ 1,129.87	8.00		8						
		\$ -	0.00								
Total	AMD 1 Survey Amendment #1 October 2014	\$10,236.53	110.00	6.00	8.00	12.00	4.00	40.00	40.00	0.00	0.00
	Direct labor Rate	+		\$ 52.88	\$ 42.71	\$ 27.24	\$ 39.04	\$ 28.84	\$ 20.00		
	Hourly Rate			\$174.86/hr	\$141.23/hr	\$90.08/hr	\$129.10/hr	\$95.37/hr	\$66.14/hr	\$74.54/hr	\$174.86/hr
	Task Total - Survey	\$ 10,236.53		\$ 1,049.18	\$ 1,129.87	\$ 1,080.93	\$ 516.39	\$ 3,814.72	\$ 2,645.44	\$ -	\$ -
	AMD 1 Survey Amendment #1 October 2014	\$ 10,236.53									

AHBL Staff Hours per Task
West Valley Highway Preliminary Design (King County)

8/1/2013

AHBL Overhead rate FYE 2014 issued Aug 11, 2015 **201.80%**

Supp 2	Work Task	Total Task Cost (\$)	Total Task Hours	CIVIL ENGINEERING							PLANNING	
				SC Principal Civil	BF PM Civil	??	AB PE 5 Civil	Sheri Proj Admin Civil	Frank Tech 3 Civil	LK Word Proc	LK Prin. Planning	SS Landscape PM
S2.1	Change from Underground Detention to Above Ground Detention	\$6,003.92	49.00	1	4		28		16			
S2.2	Change Full Section Pavement Removal to Pavement Overlay	\$3,370.22	27.00	1	2		16		8			
S2.3	Change Standard Pavement Along Shared Use Paths to Pervious Pavement	\$2,281.34	19.00		1		12		6			
S2.4	Change Stomwater Qunaty and and Quality Calculations and reports	\$3,622.03	29.00	1	2		20		2	4		
S2.5	Change the Opinion of Probable Costs	\$671.16	5.00		1		4					
S2.6		\$0.00	0.00									
S2.7		\$0.00	0.00									
S2.8		\$0.00	0.00									
Total	Supp 2 - Supplemental Agreement #2 King County - Civil	\$15,948.67	129.00	3.00	10.00	0.00	80.00	0.00	32.00	4.00	0.00	0.00
	Hourly Rate			\$67.31/hr	\$47.60/hr	\$38.63/hr	\$38.70/hr	\$29.81/hr	\$29.33/hr	\$24.28/hr	\$52.89/hr	\$34.52/hr
	Task Total - Civil	\$ 15,948.67		\$ 669.60	\$ 1,578.42	\$ -	\$ 10,266.34	\$ -	\$ 3,112.26	\$ 322.05	\$ -	\$ -
	Task Total - Planning	\$ -										
	Supp 2 - Supplemental Agreement #2 King County - Civil	\$ 15,948.67										

AHBL Overhead rate FYE 2014 issued Aug 11, 2015 **201.80%**

Supp 2	Work Task	Total Task Cost (\$)	Total Task Hours	LAND SURVEYING								
				DF Principal Survey	BD PM Survey	TD Survey Tech	DR PM Survey	DV Party Chief	GD Chainman			
S2.1	Additional topo of Jovita Culvert downstream route	\$3,187.24	33.00			4	1	14	14			
S2.2	Review Title reports and plot easements	\$7,491.28	53.00		48	5						
S2.3	Quality Review	\$892.80	4.00	4								
S2.4	Prep. of a 60% ROW plan for proposed ROW acquisition for project improvements	\$1,674.51	13.00	2	3	8						
S2.5		\$0.00	0.00									
S2.6		\$0.00	0.00									
S2.7		\$0.00	0.00									
S2.8		\$0.00	0.00									
S2.9		\$0.00	0.00									
Total	Supp 2 - Supplemental Agreement #2 King County - Land Surveying	\$13,245.83	103.00	6.00	51.00	17.00	1.00	14.00	14.00	0.00	0.00	0.00
	Direct labor Rate	+		\$ 67.31	\$ 43.96	\$ 29.81	\$ 41.83	\$ 33.65	\$ 23.50			
	Hourly Rate			\$223.20/hr	\$145.77/hr	\$98.85/hr	\$138.71/hr	\$111.58/hr	\$77.93/hr			
	Task Total - Suvey	\$ 13,245.83		\$ 1,339.20	\$ 7,434.34	\$ 1,680.45	\$ 138.71	\$ 1,562.17	\$ 1,090.96	\$ -	\$ -	\$ -
	Supp 2 - Supplemental Agreement #2 King County - Land Surveying	\$ 13,245.83										

AHBL Staff Hours per Task
West Valley Highway Preliminary Design (King County)

8/1/2013

AHBL Overhead rate FYE 2015 issued July 26, 2016 190.31%

Supp 3	Work Task	Total Task Cost (\$)	Total Task Hours	CIVIL ENGINEERING							PLANNING		
				SC Principal Civil	BF PM Civil	??	AB PE 5 Civil	Sheri Proj Admin Civil	Frank Tech 3 Civil	LK Word Proc	LK Prin. Planning	AC Planner 3	
S3.1	Management and Project Oversight of the Wetland Subconsultant	\$2,919.60	20.00	2	2		8					6	2
S3.2	Coordination and Attendance at meetings with the City of Pacific	\$1,908.43	12.00	2	2		4					4	
S3.3	Review of Subconsultant Documents and Submittal to the City of Pacific	\$1,138.89	8.00		2		4					2	
S3.4	WSDOT Coordination and Meetings for NEPA approval	\$1,349.78	10.00				4					4	2
S3.5	Update NEPA DCE Documents and Split out from Pierce County	\$1,369.88	10.00									6	4
S3.6	Preparation of plans for 30% level submittal	\$6,697.85	56.00	4	4		24			24			
S3.7	Preparation of stormwater narrative	\$495.53	4.00				4						
S3.8		\$0.00	0.00										
Total	Supp 3 - Supplemental Agreement #3 King County	\$15,879.95	120.00	8.00	10.00	0.00	48.00	0.00	24.00	0.00	22.00	8.00	
	Hourly Rate			\$67.31/hr	\$47.60/hr	\$38.63/hr	\$38.70/hr	\$29.81/hr	\$29.33/hr	\$24.28/hr	\$52.89/hr	\$27.65/hr	
	Task Total - Civil	\$ 11,447.13		\$ 1,723.73	\$ 1,523.72	\$ -	\$ 5,946.36	\$ -	\$ 2,253.32	\$ -	\$ 3,724.74	\$ 708.08	
	Task Total - Planning	\$ 4,432.82											
	Task Total - Landscape	\$ -											
	Supp 3 - Supplemental Agreement #3 King County	\$ 15,879.95											

AHBL Overhead rate FYE 2015 issued July 26, 2016 190.31%

Supp 3	Work Task	Total Task Cost (\$)	Total Task Hours	LAND SURVEYING									
				DF Principal Survey	BD PM Survey	TD Survey Tech	DR PM Survey	DV Party Chief	GD Chainman				
S3.1	Boundary control and wetland delineation survey	\$0.00	0.00										
S3.2	Boundary calculations for offsite mitigation parcels	\$0.00	0.00										
S3.3	Quality Review	\$0.00	0.00										
S3.4	Prep. of wetland mitigation exhibit maps	\$0.00	0.00										
S3.5		\$0.00	0.00										
S3.6		\$0.00	0.00										
S3.7		\$0.00	0.00										
S3.8		\$0.00	0.00										
S3.9		\$0.00	0.00										
Total	Supp 3 - Supplemental Agreement #3 King County - Land Surveying	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Direct labor Rate	+		\$ 67.31	\$ 43.96	\$ 29.81	\$ 41.83	\$ 35.00	\$ 23.50				
	Hourly Rate			\$215.47/hr	\$140.72/hr	\$95.42/hr	\$133.90/hr	\$112.04/hr	\$75.23/hr				
	Task Total - Suvey	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Supp 3 - Supplemental Agreement #3 King County - Land Surveying	\$ -											

AHBL Staff Hours per Task
West Valley Highway Preliminary Design (King County)

8/1/2013

PROJECT SUMMARY

	CIVIL	PLANNING	SURVEY	TOTAL			
TASK 1 Management/Coordination/Administration	\$ 16,236.92	\$ 5,377.12	\$ -	\$ 21,614.04			
TASK 2 Environmental Permitting	\$ 74.54	\$ 16,708.33	\$ -	\$ 16,782.87			
TASK 3 Preliminary Design	\$ 54,701.61	\$ -	\$ -	\$ 54,701.61			
TASK 4 Survey	\$ -	\$ -	\$ 17,612.55	\$ 17,612.55			
Supplement #1 Survey	\$ -	\$ -	\$ 10,236.53	\$ 10,236.53			
Supplement #2 Civil + Survey	\$ 15,948.67	\$ -	\$ 13,245.83	\$ 29,194.50			
Supplement #3 Civil + Planning + Survey	\$ 11,447.13	\$ 4,432.82	\$ -	\$ 15,879.95			
PROJECT TOTAL	\$ 98,408.87	\$ 26,518.28	\$ 41,094.91	\$ 166,022.05	\$ 166,022.05	\$ -	
Reimbursable Expenses							
Locate Services for Survey				\$ 2,800.00			
Reproduction				\$ 1,500.00			
Mileage (34mi round trip AHBL to Pacific x 16 Round trips)				\$ 307.36	From E-1	Back check Diff	
Total				\$ 4,607.36	\$ 4,607.36	\$ -	
Reimbursable Expenses Supplement #2							
Title Reports (including sales tax from First American Title)				\$ 7,726.80			
Reproduction				\$ 1,000.00			
Mileage (34mi round trip AHBL to Pacific x 2 Round trips at 54 cents/mi)				\$ 36.72	From E-1	Back check Diff	
Total				\$ 8,763.52	\$ 8,763.52	\$ -	
Reimbursable Expenses Supplement #3							
Locate Services for Survey				\$ -			
Reproduction				\$ 750.00			
Mileage (34mi round trip AHBL to Pacific x 4 Round trips at 54 cents/mi)				\$ 73.44	From E-1	Back check Diff	
Total				\$ 823.44	\$ 823.44	\$ -	
Grand Total Reimbursables				\$ 14,194.32			
Subconsultant Original Contract							
AMEC				\$ 32,946.53			
HRA				\$ 10,424.97			
Theresa Dusek				\$ 17,813.00			
Transpo				\$ 23,199.00	From E-1	Back check Diff	
Total Subconsultant				\$ 84,383.50	\$ 84,383.50	\$ -	
Subconsultant Supplement #3							
Theresa Dusek				\$ -	From E-1	Back check Diff	
Total Subconsultant Supplement #3				\$ -	\$ -	\$ -	
Total Subconsultants				\$ 84,383.50	\$ 84,383.50	\$ -	
Original Contract Total				\$ 199,701.94	\$ 199,701.94	\$ -	
Supplement #1 Total				\$ 10,236.53	\$ 10,236.53	\$ -	
Supplement #2 Total				\$ 37,958.02	\$ 37,958.02	\$ -	
Supplement #3 Total				\$ 16,703.39	\$ 16,703.39	\$ -	
Grand Total				\$ 264,599.88	\$ 264,599.88	\$ -	

Exhibit F
Overhead Cost
(backup)
West Valley Highway Improvements
Supplement #3
King County Segment

AHBL, Inc.



July 26, 2016

AHBL, Inc.
2215 N 30th Street, Suite 300
Tacoma, WA 98403

Subject: Acceptance FYE 2015 ICR – Risk Assessment Review

Dear Ms. Joyce Bell:

Based on Washington State Department of Transportation's (WSDOT) Risk Assessment review of your Indirect Cost Rate (ICR), we have accepted your proposed FYE 2015 ICR of 190.31%. This ICR acceptance is in accordance with 23 CFR 172.7 and must be updated on an annual basis. This rate may be subject to additional review if considered necessary by WSDOT and will be applicable for:

- WSDOT Agreements
- Local Agency Contracts in Washington State only

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

This was not a cognizant review. Any other entity contracting with the firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at (360) 705-7104 or via email consultantrates@wsdot.wa.gov.

Regards;

ERIK K. JONSON
Manager, Consultant Services Office

EKJ:kms

AHBL, Inc.
Indirect Cost Rate Schedule
Year Ending December 31, 2015

Account	P & L Amount	Unallowable Adjustment		Adjusted Amount	%
Direct Labor Base	3,623,383	18,903	L	<u>3,604,480</u>	
Salary O.M.					
Health Care	663,737	18,629	H	645,108	17.90%
Disability Insurance	12,861			12,861	0.36%
Life Insurance	2,096			2,096	0.06%
Officer Life Insurance	8,272	8,272	K	0	0.00%
Bonuses	1,701,422	931,499	P	769,924	21.36%
Holiday	193,766			193,766	5.38%
Sick	93,914			93,914	2.61%
Vacation	441,935			441,935	12.26%
Pension & 401K	73,341			73,341	2.03%
Payroll Taxes	650,867			650,867	18.06%
Deferred Comp.	750,656	233,212	I	517,444	14.36%
Total Salary O.M.	<u>4,592,865</u>	<u>1,191,611</u>		<u>3,401,254</u>	<u>94.36%</u>
General & Administrative					
Indirect Salaries	1,914,655	148,584	A,L,S,U	1,766,070	49.00%
Advertising/Marketing	27,450	27,450	A	0	0.00%
Bank Charges	2,870			2,870	0.08%
Computer & Software	234,501			234,501	6.51%
Contributions	15,688	15,688	C	0	0.00%
Equipment Rental	20,649			20,649	0.57%
Depreciation/Amortization	119,939	74,040	O	45,899	1.27%
Dues & Subscriptions	22,064	3,759	R	18,305	0.51%
Education	15,912			15,912	0.44%
Entertainment	7,745	7,745	E	0	0.00%
Employee Relations	68,167	60,580	D,F,G	7,587	0.21%
Insurance-General	116,214			116,214	3.22%
Office Supplies	96,873			96,873	2.69%
Parking/Auto Expenses	22,919	14,678	Q	8,241	0.23%
Postage	6,776			6,776	0.19%
Printing	53,845	0	A	53,845	1.49%
Professional Services	32,603	10,022	J	22,581	0.63%
Interest Expense	5,327	5,327	B	0	0.00%
Professional Registration	11,053			11,053	0.31%
Recruitment	67,039			67,039	1.86%
Temporary Help	31,504			31,504	0.87%
Rent/Utilities	564,049	7,560	M	556,490	15.44%
Tenant Improvements	2,856			2,856	0.08%
Repairs & Maintenance	20,274			20,274	0.56%
Taxes	273,395			273,395	7.58%
Telephone	71,900			71,900	1.99%
Travel	8,921	1,451	N	7,470	0.21%
Total General & Administrative	<u>3,835,187</u>	<u>376,883</u>		<u>3,458,304</u>	<u>95.94%</u>
Total Overhead Expenses	<u>8,428,052</u>	<u>1,568,494</u>		<u>6,859,558</u>	<u>190.31%</u>
Overhead Rate	<u>232.60%</u>			<u>190.31%</u>	

References

- A** Advertising unallowable per 48 CFR 31.205-1(f).
- B** Interest unallowable per 48 CFR 31.205-20.
- C** Contributions unallowable per 48 CFR 31.205-8.
- D** Gifts unallowable per 48 CFR 31.205-13.
- E** Entertainment unallowable per 48 CFR 31.205-14.
- F** Alcoholic beverages unallowable per 58 CFR 31.205-51.
- G** Local meals unallowable per 48 CFR 31.205-14, WSDOT Audit Guide for Consultants CH. 6-Overhead Costs & WSDOT accounting Manual M13-82, Ch. 10, section 3.6-Meals
- H** Fringe Benefits estimate associated with the disallowed portion of Marketing Labor unallowable per 48 CFR 31.205-1(f) & AASHTO Audit Guide Ch. 8.13 & 8.24
- I** Deferred Comp unallowable per 48 CFR 31.205-6 (k).
- J** Unallowable legal fees per 48 CFR 31.205-3 & 31.205-27.
- K** Key persons life insurance unallowable per 48 CFR 31.205-19
- L** Unallowable estimated overtime premium per WSDOT policy
- M** Common Control Rent Adjustment per 48 CFR 31.205-36 (b) (3) - Tacoma Rent Only \$223,170.20
- N** Unallowable Travel Expenses
- O** Re-organizational costs unallowable per 31.205-27(a)
- P** Anniversary/Recruiting bonuses in the amount of \$25,500, principal profit sharing in the amount of \$450,000 and principal unallowable per 48 CFR 31.205-6(f) and 2012 AASHTO Audit Guide Ch. 7.11
- Q** Principal & Project Manager parking in the amount of \$14,678 per 48 CFR 31.201-2(d), 48 CFR 31.201-3 and 48 CFR 31.205-6(m)
- R** Costs of memberships in civic and community organization unallowable per 48 CFR 31.205-1(f)(7).
- S** Excess executive compensation for \$4,252 is unallowable per 48 CFR 31.205-6(p)
- T** Unallowable Travel Expenses
- U** Adjust Indirect Labor to get to PSMJ indirect labor ratio of 45% - Reduce by \$63,925

Appendix A. Example Contractor Cost Certification

Certification of Final Indirect Costs

Firm Name: AHBL, Inc.

Indirect Cost Rate Proposal: 191.08

Date of Proposal Preparation (mm/dd/yyyy): 07/22/2016

Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): 01/01/2015 to 12/31/2015

I, the undersigned, certify that I have reviewed the proposal to establish final indirect cost rates for the fiscal period as specified above and to the best of my knowledge and belief:

- 1.) All costs included in this proposal to establish final indirect cost rates are allowable in accordance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31.*
- 2.) This proposal does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.*

All known material transactions or events that have occurred affecting the firm's ownership, organization and indirect cost rates have been disclosed.

Signature: 

Name of Certifying Official (Print): Sean M. Comfort

Title: Vice President/Principal

Date of Certification (mm/dd/yyyy): 7/22/2016



TO: Mayor Guier and City Council Members
FROM: Amy Stevenson-Ness, City Clerk
MEETING DATE: October 24, 2016
SUBJECT: Revised Interlocal Agreement with AWC RMSA

ATTACHMENTS:

- Resolution 2016-341
- AWC RMSA Interlocal Agreement

Previous Council Review Date: October 17, 2016

Summary: The City joined the Association of Washington Cities Risk Management Service Agency’s Risk Management pool on January 1, 2014 (AWC RMSA). The revised ILA provides for self-insurance pooling and group purchasing power of insurance coverage, while receiving risk management services and property and liability claims administration.

Recommendation/Action: It is recommended that the Council adopt Resolution No. 2016-341, to continue the risk pool membership with AWC RMSA.

Motion for Consideration: I move to approve Resolution No. 2016-341, authorizing the Mayor to execute a revised interlocal agreement with AWC RMSA for continued membership in the Risk Management pool effective January 1, 2017.

Budget Impact: Cost of external legal review.

**CITY OF PACIFIC
WASHINGTON**

RESOLUTION NO 2016-341

**A RESOLUTION OF THE CITY OF PACIFIC, WASHINGTON,
APPROVING THE INTERLOCAL AGREEMENT WITH THE
ASSOCIATION OF WASHINGTON CITIES (AWC) RISK
MANAGEMENT SERVICE AGENCY (RMSA) AND ITS
MEMBERS**

WHEREAS, the Association of Washington Cities Risk Management Service Agency (AWC RMSA), authorized and formed under RCW 48.62, offers pooled self-insurance providing cost stability and the potential for long-term savings; and

WHEREAS, AWC RMSA is sponsored by the Association of Washington Cities as a service to Washington cities and towns; and

WHEREAS, the City of Pacific has reviewed and analyzed the AWC RMSA Interlocal agreement, bylaws, and coverages; with legal counsel for consistency with city code/charter, of the City of Pacific ; and

WHEREAS, the City of Pacific acknowledges that after becoming a member of the AWC RMSA, the City of Pacific shall be subject to assessments and any future reassessments as required by statute and the AWC RMSA; and

WHEREAS, the City of Pacific concludes that the Interlocal Agreement of the AWC RMSA would be beneficial in managing the municipal risks involved in providing services to our citizens;

NOW, THEREFORE, the City of Pacific does hereby agree to enter into and abide by the Interlocal agreement, which, along with this Resolution, constitutes a contract between the City of Pacific and the AWC RMSA.

APPROVED by the governing body of the City of Pacific, Washington on this 24th day of October, 2016

Leanne Guier, Mayor

Attest:

Amy Stevenson-Ness, CMC, City Clerk

Approved as to form:

Susan Drummond, Attorney

INTERLOCAL AGREEMENT OF
THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY
(AWC-RMSA)

DRAFT

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DRAFT

INTERLOCAL AGREEMENT: OF THE ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT SERVICE AGENCY

PREAMBLE

State law authorizes the formation of pooling organizations to provide such insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of claims. This Agreement provides for self-insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage for all Local Governmental Entities. This Agreement is made and entered into in the State of Washington by and among the Members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members", and individually as "Member", which are parties signatory to this Agreement. Said Members are sometimes referred to herein as "Parties".

RECITALS

WHEREAS, Chapter 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods;

WHEREAS, the Association of Washington Cities, the sponsoring entity, of the Risk Management Service Agency ("Agency"), would like to maintain the long-standing relationship that has been achieved over the years because of the mutual goals of both entities, which is to support all cities and towns in Washington State;

WHEREAS, the Association of Washington Cities as sponsor of the Agency desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint protection Self-Insurance program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

ARTICLE 1 Definitions

The following definitions shall apply to the provisions of this Agreement:

- 1.1 _____ **"Administrative Agent,"** shall mean the Association of Washington Cities that provides ~~third party administration (TPA) services to the Agency.~~ the contracted administrative services for the Agency.

- 1.2 “Agency” shall mean the Association of Washington Cities Risk Management Service Agency (RMSA).
- ~~1.3~~ ~~X.XX~~—“Agreement” shall mean the Interlocal Agreement, however amended, among and between the Agency and the Member.
- 1.43 “Assessment” shall mean the monies paid by the Members to the Agency.
- 1.54 “Association” shall mean the Association of Washington Cities.
- 1.65 “Board of Directors” or “Board” shall mean the governing body of the Risk Management Service Agency (RMSA) as duly elected by the members of the Agency.
- ~~X.XX~~1.7 ———“Bylaws” shall mean the document(s) that provides for the governance and operation of the Agency. “Bylaws” mean the Bylaws adopted by the Board of Directors of the Agency and all duly adopted amendments and revisions thereto, however amended.
- 1.86 ~~“Claim(s)” shall mean demands made against the Agency arising out of occurrences which are within the Agency’s Joint Protection Program as developed by the Board of Directors.~~ Means a demand for payment for damages against the Agency arising out of occurrences within the Coverage Agreement; or policy benefit because of the occurrence of an event that includes, but is not limited to, the destruction or damage of property or reputation, bodily injury or death and alleged civil rights violations.
- ~~1.9X.XX~~ ———“Coverage Agreement” shall mean the coverage document(s) established by the Board of Directors and intended to address the general claims operations of the Agency.
- 1.107 “Excess insurance” shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.
- 1.118 “Fiscal Year” shall mean that period of 12 months, from January 1 to December 31, which is established as the fiscal year of the Agency.
- 1.129 “Insurance” shall mean and include self-insurance through a funded program and/or commercial insurance contract.
- ~~1.13X.XX~~ ———“Interlocal Agreement” means an Agreement established under the Interlocal Cooperation Act defined in Chapter 39.34 RCW which permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and therefore, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.
- 1.140 ~~“Joint Protection Program” shall mean the program established by the Board of Directors and intended to address the general operation of the Agency.~~
- ~~1.14X.XX~~ ———“Joint Self-Insurance Program” means two or more Local Government Entities which have entered into a cooperative risk sharing Agreement subject to regulation under 48.62 RCW.
- 1.154 “Local Governmental Entity” shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts,

public utility districts, water districts, sewer districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.

~~1.16X.XX~~ —“**Member**” – shall mean any eligible entity which participates in the Agency, pays the annual Assessment and is signatory to the Agency’s Interlocal Agreement.

~~1.17X.XX~~ —“**Member Standards**” shall mean the required ~~and~~ advisory standards ~~were~~ adopted by the Board of Directors in an effort to provide consistent administrative practices for members, with the goal of reducing property and liability losses.

1.182 “**Operating Committee**” shall mean the standing advisory committee ~~of the Agency to the Board~~.

~~1.19X.XX~~ —“**Reassessment**” shall mean additional monies ~~sevs~~ paid by the Members to the Joint Self-Insurance Program if claims shall exceed assets.

1.20 “**Risk Sharing**” means a decision by the Members of a Joint Self Insurance Program to jointly absorb certain or specific financial exposures to risks of loss through the creation of a formal program of advance funding of actuarially determined anticipated losses; and/or joint purchase of Insurance or reinsurance as a member of a Joint Self Insurance Program formed under Chapter 48.62 RCW.

1.2143 “**Signatory**” or “**Signatories**” shall mean those parties who sign this Agreement, including execution by ~~C~~counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.

~~1.22X.XX~~ —“**Special Committee**” – shall mean committees of the Agency created by the Board of Directors.

ARTICLE 2

Purposes Risk Sharing

2.1 This Agreement is entered into by the Members to provide for ~~Joint s~~Self-~~in~~Insurance pooling and/or the economical purchase of ~~primary~~ Insurance ~~and/or Excess Insurance~~ coverage, risk management services, and property and liability claims administration, ~~for all forms of Insurance available or required by law for Local Governmental Entities and for which state law authorizes the formation of pooling organizations to provide such Insurance,~~ Furthermore, the purpose of the Agreement is to reduce the amount and frequency of the Members' losses; and to decrease the cost incurred by the Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Services Agency, to direct and administer a Joint ~~Protection~~Self-Insurance Program wherein the Members will engage in certain activities, including but not limited to the following:

2.1.1 ~~Pool their losses and Claims~~Risk Sharing;

2.1.2 Jointly purchase of insurance which may include, but is not limited to EeExcess Insuranceand or reinsurance; and

2.1.3 Jointly purchase of administrative and other services including:

2.1.1.1 Claims adjusting;

2.1.1.2 Data processing;

- 2.1.1.3 Risk management consulting;
- 2.1.1.4 Loss prevention;
- 2.1.1.5 Legal; and
- 2.1.1.6 Miscellaneous related services.

2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and ~~m~~Members of the Agency, subject to approval by the Board of Directors.

2.3 ~~It is also the purpose of t~~ This Agreement ~~to~~ may but is not required to provide, to the extent permitted by law, that the Agency may, at the discretion of its ~~d~~Directors, contract with non-member Local Government Entities in the State of Washington.

Article 3 Agency Offices

3.1 Principal Executive Office

The principal executive office for the transaction of business of the Agency shall be located at 1076 ~~South~~ Franklin St. SE, Olympia, WA 98501. The Administrative Agent in cooperation with the Board of Directors of the Agency shall have the authority to change the location of the principal executive office from time to time.

3.2 Other Offices

Other business offices may be at any time be established by the Administrative Agent in cooperation with the Board of Directors of the Agency at any place or places where the Agency is qualified to do business.

ARTICLE 4 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and ~~S~~signatories of this Agreement pursuant to Article 14. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 16 and 17, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5 Term of Agreement

This Agreement shall become effective on January 1, 20107, and shall be of unlimited duration, but not less than one year, and will continue unless terminated as hereinafter provided in Article 19.

ARTICLE 6 Financial Obligations of Agency

Pursuant to Chapter. 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any ~~party~~ Member to this Agreement.

ARTICLE 7
Powers of the Agency

- 7.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:
- 7.1.1 Contract or otherwise provide for risk management, claims administration and loss ~~control~~ prevention services;
 - 7.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 7.1.3 Consult with the Washington State Risk Manager and State Auditor;
 - 7.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 7.1.5 Incur debts, liabilities, or obligations;
 - 7.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 7.1.7 Sue and be sued in its own name;
 - 7.1.8 Hire employees and agents; and
 - 7.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- 7.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 8

The Board of Directors and their Powers and Responsibilities

- 8.1 The Agency, its funds and service programs shall be administered by a Board of Directors.
- 8.2 Number of Directors
There shall be seven (7) Directors of the Agency, who shall be elected officials representing members of the Agency.
- 8.3 Acceptance of Appointment by Directors
Each Director shall sign a document accepting their appointment as Director and agreeing to abide by the terms and provisions of this ~~Interlocal~~ Agreement and the Bylaws.
- 8.4 Powers and Responsibilities of the Board of Directors
The Board of Directors of the Agency shall have the following powers and functions:
- 8.4.1 The Board shall have the power to review, amend, modify, adopt, override, or reject the Operating Committee's recommendations.
 - 8.4.2 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
 - 8.4.3 The Board shall receive and review periodic accountings of all funds of the Agency.

- 8.4.34 Annually the Board shall review, amend, adopt, or reject the Operating Committee's recommendation of the ~~a~~Assessment, or Reassessment rate to be charged to the ~~m~~ Members of the Agency.
- 8.4.45 The Board ~~shall~~ may review, modify if necessary, and approve the ~~Joint Protection Program (JPP) Coverage Agreement, which identifies Agency and Member coverages,~~ the Agency's Bylaws, ~~and manuals~~ policies and Member Standards.
- 8.4.56 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
- 8.4.67 The Board shall determine and select ~~all necessary~~ Insurance, ~~including Excess Insurance,~~ necessary to carry out the Joint Self-Insurance Protection Program ~~of~~ for the Agency.
- 8.4.78 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, an ~~a~~Administrative ~~a~~Agent, claims adjusting, loss ~~control~~prevention, risk management consulting services, independent actuary services, insurance brokerage services, independent claims auditing services, and ~~general~~ legal counsel.
- 8.4.89 The Board shall have such other powers and functions as are provided for in this Agreement, and the Bylaws, ~~or those~~ which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts.

ARTICLE 9 Operating Committee

The Operating Committee shall consist of nine (9) representatives from Members entities participating in the Agency. All members of the Operating Committee shall be appointed non-elected officials not elected officials. It is the Board's intent that the Operating eCommittee assists is advisory to the Board and/or the Administrative Agent, with regarding the operations of the Agency, ~~and to keep the Board advised on all aspects of Agency operations including professional standards.~~

ARTICLE 10 Coverage

- 10.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 10.2 The Board may arrange approve purchase of ~~a group policy~~ additional types or limits of coverage for Members interested in obtaining additional types or limits of coverage at additional cost to those participating of other Members. Such additional cost may include an administrative fee for the Agency's services.
- 10.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 11 Bond Requirements

The Board may require that the Administrative Agent authorized to disburse funds of the Agency, provide a fidelity bond in the amount as set by the Board, and provide that such bond be paid by the Agency.

ARTICLE 12 Responsibility of the Agency

~~12.1~~ The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

- 12.~~412~~ Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage or reinsurance, and other insurance, ~~s~~Such insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;
- 12.~~223~~ Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;
- 12.~~334~~ Provide loss prevention, ~~safety, and~~ consulting services to Members as required;
- 12.~~45~~ Provide Claims adjusting and subrogation services for Claims covered by the Agency's ~~Joint Protection Program;~~Coverage Agreement;
- 12.~~556~~ Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;
- 12.~~667~~ Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and ~~i~~Insurance provisions;
- 12.~~778~~ Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the ~~a~~AAdministrative ~~a~~Agency, and/or an independent auditor may be retained by contract to conduct the audits;
- 12.~~889~~ Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in their official or individual capacity or both, on account of an act or omission within the scope of their agency as an agent of the Agency;
- 12.~~9910~~ Abide by the rules and regulations as stated or hereinafter amended of RCW Chapter 48.62 and WAC ~~82-69;~~ 200-100; and
- 12.~~10101~~ The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 13 Responsibilities of Members

~~13.1~~ Members shall have the following responsibilities:

- 13.~~112~~ All ~~Agency m~~Members must maintain membership in the Association of Washington Cities.
- 13.~~223~~ Each ~~m~~Member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency ~~as to risk management~~.
- 13.~~334~~ Each Member shall implement a risk management policy which shall~~ould include maintain an active safety officer and/or committee, and shall consider all implementing~~completeing loss prevention recommendations, and complying with the Member Standards ~~of the Agency~~.

~~concerning including but not limited to the development and implementation of a loss control risk management policy to prevent unsafe and, and practice(s).~~

13.45 Each Member shall be responsible for payment of any Member-elected deductible, and/or appropriate deductible associated with the Member Standards.

~~13.4~~ Each Member shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Agency's loss reporting system.

13.556 Each Member shall promptly pay its aAssessment, Reassessment, and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any additional Reassessment and accrued interest at a rate determined by the Board, when and if required of it by the Board.

13.667 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the Joint Protection Program under provisions of this Agreement.

13.778 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all Bylaws, rules, and regulations policies, procedures and Member Standards as adopted or amended by the Board of Directors.

~~13.889 All members shall cooperate with the Agency and assist with investigations, making settlements, and defense or prosecution of suits; cooperate and assist the Agency in enforcing any right of contribution, indemnity or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, interlocal aAgreement or the Joint Protection Program (JPP); attend hearings and trials and assist in the securing and giving evidence and obtaining the attendance of witnesses; use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.~~
All members shall cooperate with the Agency and assist with any investigations, settlement discussions, defense or prosecution of suits, and cooperate and assist the Aagency in enforcing any right of contribution, indemnity, or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, this Aagreement, or the Coverage Agreement. Members shall also assist the Agency and attend hearings and trials as well as securing and giving evidence and obtaining the attendance of witnesses. Further, the members shall undertake appropriate due diligence and concur in exercising all things reasonably practicable to avoid or diminish any loss of or damage to the property insured under this agreement.

ARTICLE 14 New Members

14.1 Additional Members shall be permitted to become Signatories to this Agreement, ~~and to the Joint Protection Program~~. All potential members to the Agency must be members of the Association of Washington Cities or become members prior to acceptance into the Agency. The Directors Agency shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.

- 14.2 Members entering under this Article may be required to pay their share of expenses as determined by the Board, including those necessary to analyze their loss data and determine their ~~a~~Assessment.

ARTICLE 15 Defense of Agents

- 15.1 For purposes of this article, "agent" means any person who is or was: a ~~d~~Director, an Operating Committee member, a Special Committee member, an officer, or an agent acting on behalf of the Agency or Administrative Agent.
- 15.42 The Agency shall provide for the defense of any agents and paying of any valid judgments and claims brought against any such agent arising from their actions or conduct in their official or individual capacity or both, on account of an act or omission within the scope of their responsibility; provided, however, this section shall not apply to those occurrences covered by an Agency policy of liability insurance or if the claim or judgment results from the intentional misconduct of said agent.

ARTICLE 16 Withdrawal

- 16.1 A Member signing this Agreement may not withdraw as a party to this Agreement and as a Member of the Agency for a one-year period commencing on the date said Member signs the Agreement.
- 16.1.1 After the initial one-year non-cancellable commitment provided pursuant to this Agreement, a Member may withdraw only at the end of ~~the Agency's any~~ Fiscal Year, provided ~~the Member~~ has given the Agency a minimum of 12-month written notice of its intent to withdraw from this Agency.
- 16.2 A Member shall be entitled to withdraw from the Agency where ~~the Member~~ presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.
- 16.3 No Member withdrawing from the Agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.

ARTICLE 17 Termination by Agency

- 17.1 The Agency shall have the right to terminate any Member's participation in the ~~Joint Protection Program Agreement~~ upon a motion approved by a three-quarters (75%) vote of 66% or more of the entire Board of Directors. ~~The Board of Directors may, p~~Prior to taking action on such a motion, the Board may, but is not required to, request that the Operating Committee review and make recommendations to the Board on any allegation giving rise to the request to terminate, including but not limited to failure to: comply with a written condition, disregard of ~~safety or~~ risk management recommendations or Member sStandards, noncompliance with any provision of this ~~Interlocal Agreement,~~ and/or the Bylaws of the Agency.

17.2 Any Member so ~~cancelled~~ terminated from the Agency, shall be given at least one hundred eighty (180) days notice prior to the effective date of the ~~cancellation~~ termination. Any Member so ~~cancelled~~ terminated shall have a period of up to six (6) months coverage under the terms of this Agreement, or may affect alternate insurance or self-insurance arrangements if it so desires. Upon written receipt of confirmation from the terminating Member that the terminating Member has in force valid insurance or membership in another risk sharing pool, the effective date of the termination may be adjusted by the Agency. Any Member so ~~cancelled~~ terminated shall be treated as if it had voluntarily withdrawn.

17.3 Upon termination from this Agreement, a no-Member shall not be terminated from the agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.

~~17.4 A terminated Member shall be responsible for any Reassessment issued in the future covering dates the terminated entity was a Member of the Agency.~~

ARTICLE 18

Effect of Withdrawal or Termination

18.1 The withdrawal of any Member from this Agreement shall not terminate the same for purposes of continuing to comply with all conditions and requirements of the Agreement, and survives the withdrawal or termination of any Member.-

18.2 No Member by withdrawing or terminating from the Agreement shall be entitled to payment or return of any ~~a~~ Assessment, Reassessment, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.

18.3 The withdrawal or termination of any Member shall not ~~terminate~~ cease its responsibility to contribute its share or ~~a~~ Assessment, Reassessment, or funds to any fund or Joint Self-Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17, *Termination by Agency*, of this Agreement.

18.4 The withdrawn or terminated Member shall be responsible for any applicable deductible that would have been applied related to a claim the same as if the Member was still in good standing with the Agency.

~~18.45~~ Any withdrawing ~~n~~ or terminated Member ~~may shall~~ not be permitted to rejoin the Agency, or allowed to submit an application to rejoin the Agency for a period of three (3) years after the effective date of the Member's withdrawal or termination without Board approval.

ARTICLE 19

Termination and Distribution

19.1 This Agreement may be terminated at any time by the written consent of three-fourths (75%) of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise ~~winding up and~~ liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such ~~winding up and~~ liquidation, including the power to require Members, including those ~~which~~ who were ~~are~~ Members at the time the claim arose or at

the time the loss was incurred, to pay their share of any additional amount of Reassessment deemed necessary by the Board for final disposition of all Claims, losses, and liabilities covered by this Agreement. Such additional Reassessment shall be determined and thereafter adjusted, if necessary.

19.2 Upon termination of this Agreement, all assets of the Agreement Agency shall be distributed only among the parties that are Members in good standing of the Joint Protection Program Agency on the date of termination of this Agreement.; The assets shall be distributed in accordance with and proportionate to their cash payments Assessment, Reassessment and property contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.

19.3 The Board is vested with all powers of the Agency for the purpose of winding-up liquidating and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all Claims and losses covered by this Agreement. A Member's share of such additional assessment shall be determined on the same basis as that provided for annual assessments, and shall be treated as if it were the next year's annual assessment for that Member.

ARTICLE 20

Bylaws and Manual Policy, Procedures and Member Standards

The Board has developed may adopt Agency Bylaws, and a policy ies, -and procedures, manual and Member Standards or other documents that governs the day-to-day operations of the Agency. Each Member shall have access in electronic or written format. -electronically or in written format ~~Each Member shall receive a copy of any Bylaws, policy statement, or manual developed under this Article.~~

ARTICLE 21

Notices

Notices to Members hereunder shall be sufficient if mailed to the last address, or electronic mail, provided to the Agency by the respective Member postal mail will be deemed received three (3) days after mailing.

ARTICLE 22

Amendment

This Agreement may be amended at any time by the written approval of the majority three-quarters (75%) of all Members of the Agency. Amendments to the Agreement shall be adopted by ordinance or resolution of the governing board or council of each Member, signed by an authorized representative of each member, and a certified copy returned to the Agency

ARTICLE 23

Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any City Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorney's fees.

ARTICLE 24

Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, assessment, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 25

Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 26

Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 27

Conflicts

In the event of a conflict between this Agreement and the adopted Bylaws, policies, or procedures, or the Member Standards, this Agreement shall take precedence.”

Article 28

Supersession

This Agreement supersedes and replaces all prior Interlocal Agreements and amendments thereto pertaining to the Agency.”

Article 29

Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

Article 30

Section Headings

The section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the sections they identify and introduce.”

Article 31

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.”

Article 32

Time

Time is of the essence in this Agreement and each and every provision hereof.

ARTICLE 332830
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a certified copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA)

(Member Name)

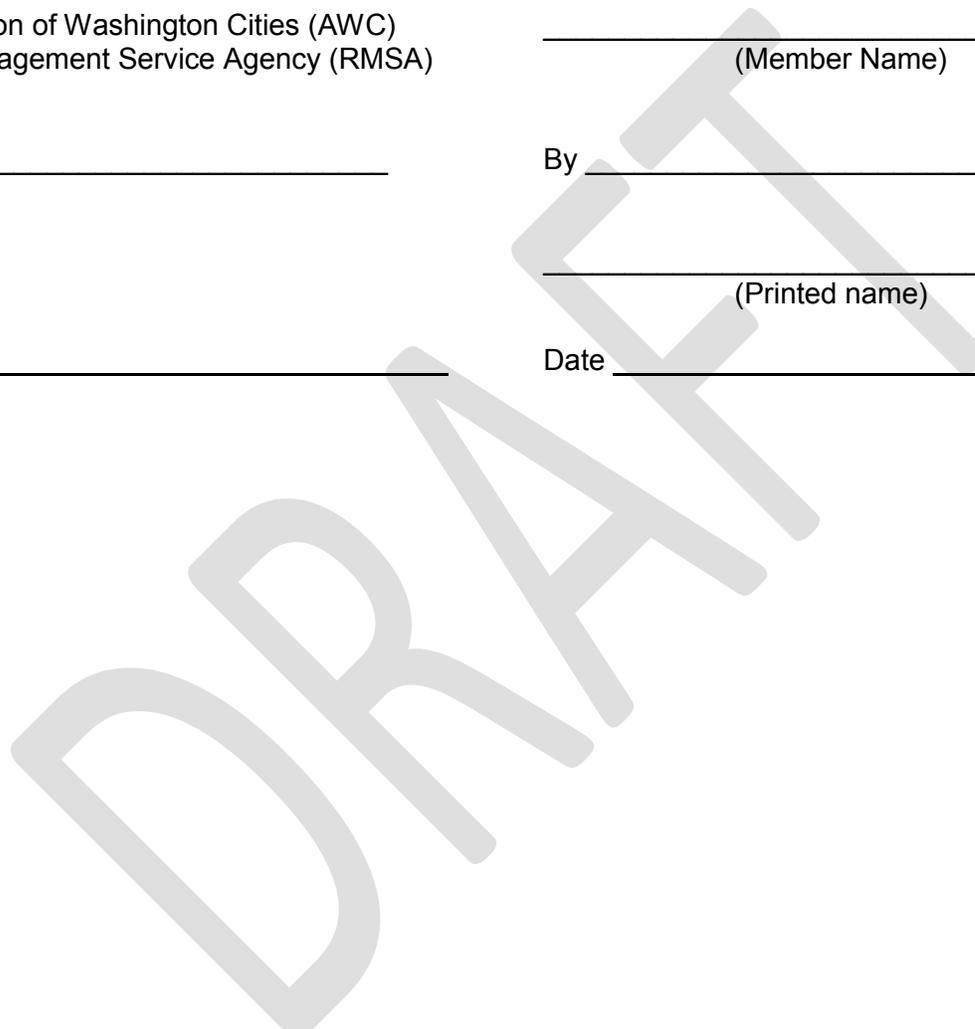
By _____

By _____

_____, Mayor
(Printed name)

Date _____

Date _____





Agenda Bill No. 16-108

TO: Mayor Guier and City Council Members

FROM: Richard A. Gould, City Administrator

MEETING DATE: October 17, 2016

SUBJECT: Motion to approve the 2016 Third Quarter financial reports

ATTACHMENTS: 2016 Third Quarter Financial Reports, which include a cash flow report, an investment report and the Third Quarter Summary Financial Report. Also included is a narrative for the quarterly report.

Previous Council Review Date: City Council Workshop on August 1, 2016 and the Finance Committee Meeting on July 27, 2016

Summary: The Finance Committee met with staff on Wednesday, July 27th to discuss the 2016 Second quarter financial reports. Staff has reviewed these reports with the Mayor and City Administrator during the week of the Finance Committee and City Council.

Recommendation/Action: Staff recommends that the City Council approve the 2016 Second quarter financial reports.

Motion for Consideration: I move to approve the 2016 Second Quarter Financial Reports as reviewed by the Finance Committee and staff.

Budget Impact: N/A

Alternatives: N/A

2016 Third Quarter Financial Reports

Enclosed are the fund reports as of September 30th (year to date) 2016.

Staff is presenting the summary reports for the City Council's review. The line item reports are in greater detail and reviewed by the Mayor and City Administrator. Then they are distributed to the department heads to review with the City Administrator and Mayor once again over each area of control. The Finance Committee has reviewed the department level reports at the Committee meeting on October 12th and approved them to go to the Council for review and a motion to approve (October 24th 2016).

The third quarter is usually more indicative of the budget due to its inclusion of three-quarters of the year revenues and expenditures, such as property tax revenue and the liability insurance annual payment. Last year at this time the City's cash position was up by \$47K, a slight increase. This year shows a large decrease of \$791K which is primarily caused by the water capital portion of the Valentine project (over \$1.2M). This was paid for by Public Work Trust Fund loans of which over \$800K was received in 2015. If we remove the impact by the Water Capital Fund (406) of a \$923K decrease, then the impact on cash position through three quarters is a positive \$133K. That is why I am not concerned with the City of Pacific's cash position decrease in the first nine months of 2015.

- The General Fund (001) is down by \$19K which is primarily due to the \$31K cost of the generator project which was not budgeted for.
- The General Fund Equipment Reserve Fund (098) is in the "red" \$45K due to most of the budgeted expenses having been spent (97.7%) and the projected beginning fund balance exceeding the actual beginning balance by \$29K. This will be corrected for in the annual budget amendment.
- The Street Fund (101) is up by \$145K primarily due to the real estate excise taxes (REET) exceeding budgeted amounts by 44%.
- The Roads Capital Improvement Fund (301) is down due to the Interurban trail right of way acquisition and engineering costs for the Milwaukee sidewalk upgrade (\$115K). Grant funding has yet to be received but will in the fourth quarter.
- The Valentine Road Project Fund (308) is up by \$89K as no significant expenditures yet. We are waiting on funding in the fourth quarter (line of credit) to pay the balance of the project to the City of Sumner. Nothing unexpected.
- The West Valley Road Project (309) Fund is down (\$33.8K) putting this fund in the negative, due engineering costs that were budgeted. Though much of these expenses will be grant reimbursed, some are matching funds and I am expecting that this fund will most likely see a decrease by year's end. However, it will not be in the red based on budgeted projections.
- The Water (401) Fund is "gushing" funds badly (\$263K). This is due to rate increases not keeping pace with annual expenditure growth along with infrastructure repairs. Staff has worked with a consultant on a utility rate study that does support significant rate increases in 2017. This is not a surprise as it has been going on since late 2015.
- The Sewer Fund (402) is up by \$47K, however this is misleading as the expenditures do not include 9 monthly payments to King County for the sewer plant approximately \$110K which would put this fund in the red, again a problem cause by the lack of rates keeping up with expenditures, annually.

- The Water Capital Improvement Fund (406) is down by \$923.2K due to the \$1.2M payment to the City of Sumner for the water infrastructure related to the Valentine Roads Project. This was funded by Public Works Trust Fund loans of which \$800K was received in 2015, so this drop is not unexpected.
- The Sewer Cumulative Fund (408) is up \$95K due to transfers that were budgeted for and no expenditures used as of the \$435K budgeted as of yet. This may even out in the 4th quarter or be delayed until next year.
- The Stormwater (409) Fund is down by \$49.5K due to the lack of rates keeping up with expenditures, annually.
- The Utilities Equipment Reserve Fund (499) is up by \$131K as many of the planned purchases have been delayed due to staff not having the time to invest in the purchase workup.

These numbers surpass 2015's third quarter reports by \$781K (greater decrease in cash) due to the Valentine water infrastructure payment.

Please feel free to contact me to discuss any matters with this report.

Richard A. Gould
City Administrator

DRAFT

Fund Cash change:

Fund		2015	2016	Net Gain (loss)
001	General Fund	\$ 2,027,946.94	\$ 2,008,663.10	\$ (19,283.84)
098	General Fund Equipment Reserve	\$ 11,979.67	\$ (44,943.07)	\$ (56,922.74)
099	General Fund Cumulative Reserve	\$ 380,573.15	\$ 381,621.40	\$ 1,048.25
101	Street Fund	\$ 255,055.16	\$ 399,767.70	\$ 144,712.54
107	Tourism Fund	\$ 110,034.61	\$ 118,830.23	\$ 8,795.62
206	LID 3 Redemption Fund	\$ -	\$ -	\$ -
300	Municipal Capital Improvements Fund	\$ 434,521.24	\$ 436,886.62	\$ 2,365.38
301	Stewart/8th St Corridor Fund	\$ 297,165.80	\$ 178,207.21	\$ (118,958.59)
305	Parks Capital Improvement Fund	\$ 113,743.61	\$ 116,437.14	\$ 2,693.53
308	Valentine Road Project Fund	\$ 69,582.15	\$ 158,714.84	\$ 89,132.69
309	West Valley	\$ 26,357.28	\$ (7,419.58)	\$ (33,776.86)
310	Stewart/Thornton Ave Rd Project	\$ 918.47	\$ 24,556.19	\$ 23,637.72
333	Fire Capital Improvement	\$ 76,197.31	\$ 82,871.48	\$ 6,674.17
401	Water Fund	\$ 592,590.97	\$ 329,368.48	\$ (263,222.49)
402	Sewer Fund	\$ 429.61	\$ 47,465.48	\$ 47,035.87
403	Garbage Fund	\$ 275,920.01	\$ 277,168.32	\$ 1,248.31
406	Water Capital Improvement Fund	\$ 1,469,505.96	\$ 546,307.79	\$ (923,198.17)
408	Sewer Cumulative Fund	\$ 621,982.92	\$ 717,279.41	\$ 95,296.49
409	Stormwater Fund	\$ 821,820.04	\$ 772,335.73	\$ (49,484.31)
410	Stormwater Facility Fund	\$ 161,117.06	\$ 281,608.23	\$ 120,491.17
411	Pierce County Water Area Fund	\$ 145,016.79	\$ 129,738.59	\$ (15,278.20)
499	Utilities Equipment Reserve Fund	\$ 329,447.16	\$ 460,217.51	\$ 130,770.35
601	Customer Deposits Fund	\$ 5,159.91	\$ 5,159.91	\$ -
630	Developer Deposits Fund	\$ 67,955.78	\$ 66,095.78	\$ (1,860.00)
635	Pacific Court	\$ 58,121.39	\$ 58,121.39	\$ -
640	Algona Court Fund	\$ 8,354.25	\$ 25,009.03	\$ 16,654.78
800	Payroll EE Benefit Clearing	\$ 10,915.18	\$ 11,825.44	\$ 910.26
		\$ 8,372,412.42	\$ 7,581,894.35	\$ (790,518.07)

2016 FUND TOTALS

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REVENUES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
001 General Fund	2,392,377.63	341,167.37	256,328.55	542,342.79	545,616.88	290,955.91	474,733.53	305,155.21	243,540.96	0.00	0.00	0.00	5,392,218.83	6,328,675.00	85%
098 General Fund Equipment Reserve	22,053.54	10,073.83	10,064.96	10,075.21	10,069.32	10,088.68	10,065.52	10,062.50	10,062.50	0.00	0.00	0.00	102,616.06	162,446.00	63%
099 General Fund Cumulative Reserv	380,708.00	0.15	36.29	134.03	273.12	178.00	39.02	225.73	27.06	0.00	0.00	0.00	381,621.40	335,992.13	114%
101 Street	297,365.24	30,930.85	33,702.60	38,878.36	36,608.63	80,999.85	49,183.14	35,117.00	56,324.63	0.00	0.00	0.00	659,110.30	661,068.91	100%
107 Tourism	111,292.59	958.03	938.18	1,416.82	1,242.90	1,415.61	1,196.78	2,101.49	2,571.94	0.00	0.00	0.00	123,134.34	100,025.00	123%
206 LID 3 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0%
300 Municipal Capital Improvements	435,351.37	489.74	41.54	153.46	312.67	203.78	44.67	258.42	30.97	0.00	0.00	0.00	436,886.62	432,000.00	101%
301 Roads Capital Improvements	298,861.46	226.77	19.24	70.02	142.79	92.21	16.39	114.09	13.01	0.00	0.00	0.00	299,555.98	666,083.62	45%
305 Parks Capital Improvement	113,880.35	154.78	12.74	531.01	1,015.18	2,860.04	1,582.69	68.60	476.22	0.00	0.00	0.00	120,581.61	294,350.00	41%
308 Valentine Road Project	81,044.05	11,597.14	10,508.21	10,531.05	10,576.00	10,554.43	14,888.01	14,959.03	1,761.13	0.00	0.00	0.00	166,419.05	6,451,800.00	3%
309 West Valley	30,771.93	4,409.61	4,377.54	4,361.00	4,375.00	17,350.98	0.00	0.00	13,125.00	0.00	0.00	0.00	78,771.06	246,700.00	32%
310 Stewart/Thornton Ave Rd Projec	918.47	0.00	0.00	174,943.64	93,224.63	25.59	5.61	31.23	1.74	0.00	0.00	0.00	269,150.91	452,000.00	60%
333 Fire Capital Improvement	76,273.11	85.79	7.28	519.94	1,041.13	2,994.39	1,402.28	48.72	498.84	0.00	0.00	0.00	82,871.48	82,263.77	101%
401 Water	670,611.46	91,064.40	76,845.42	77,784.19	89,118.27	114,850.64	89,811.03	103,329.28	96,789.41	0.00	0.00	0.00	1,410,204.10	1,750,041.03	81%
402 Sewer	164,920.37	171,248.80	161,690.62	165,866.74	175,501.51	167,268.95	163,965.11	180,339.90	179,924.76	0.00	0.00	0.00	1,530,726.76	2,251,751.45	68%
403 Garbage	276,194.47	310.69	26.35	97.23	198.37	129.28	28.34	163.94	19.65	0.00	0.00	0.00	277,168.32	291,880.76	95%
406 Water Capital Improvement	1,470,136.02	5,054.88	195.06	5,552.41	11,079.66	30,722.37	420,966.57	1,147.82	5,190.96	0.00	0.00	0.00	1,950,045.75	5,543,100.00	35%
408 Sewer Cumulative Fund	629,164.12	12,570.57	6,623.67	8,790.62	11,033.73	18,874.54	12,632.79	8,976.62	8,612.75	0.00	0.00	0.00	717,279.41	622,250.00	115%
409 Storm	884,276.37	64,572.51	59,845.16	57,899.15	61,259.15	61,312.39	56,630.71	63,305.99	60,790.55	0.00	0.00	0.00	1,369,891.98	1,319,260.44	104%
410 Stormwater Facility Fund	173,985.67	12,722.86	12,726.14	13,228.58	13,760.84	15,514.08	13,633.09	12,859.60	13,177.37	0.00	0.00	0.00	281,608.23	1,205,200.00	23%
411 Pierce County Water Area	145,161.05	0.00	13.50	49.21	99.12	63.78	13.80	78.81	9.32	0.00	0.00	0.00	145,488.59	189,000.00	77%
499 Utilities Equipment Reserve	351,441.55	21,666.67	21,698.19	21,785.04	21,923.96	21,844.46	21,707.07	21,913.22	21,697.77	0.00	0.00	0.00	525,677.93	526,200.00	100%
601 Customer Deposits	5,159.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,159.91	5,160.00	100%
630 Developer Deposit	68,705.78	600.00	3,400.00	5,120.00	3,150.00	0.00	250.00	2,250.00	1,870.00	0.00	0.00	0.00	85,345.78	73,900.00	115%
635 Pacific Court	58,121.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58,121.39	0.00	0%
640 Algona Court	17,303.84	11,058.19	16,584.64	11,475.80	12,556.66	14,856.94	9,515.76	12,445.49	12,089.50	0.00	0.00	0.00	117,886.82	209,370.00	56%
800 Payroll EE Benefit Clearing	10,915.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,915.18	0.00	0%
	9,166,994.92	790,963.63	675,685.88	1,151,606.30	1,104,179.52	863,156.90	1,342,311.91	774,952.69	728,606.04	0.00	0.00	0.00	16,598,457.79	30,202,518.11	55%
EXPENDITURES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
001 General Fund	294,745.63	490,848.54	323,004.05	352,315.22	309,553.52	474,822.09	337,318.14	388,738.91	412,209.20	0.00	0.00	0.00	3,383,555.30	4,558,114.90	74%
098 General Fund Equipment Reserve	0.00	0.00	0.00	36,474.97	-36,474.97	36,474.97	90,034.11	20,767.54	282.51	0.00	0.00	0.00	147,559.13	151,050.00	98%
101 Street	19,303.61	37,824.95	37,557.97	21,798.61	27,217.22	28,010.44	37,015.88	24,930.80	25,683.12	0.00	0.00	0.00	259,342.60	510,185.69	51%
107 Tourism	0.00	0.00	0.00	0.00	0.00	0.00	470.00	3,834.11	0.00	0.00	0.00	0.00	4,304.11	14,075.00	31%
206 LID 3 Redemption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,536.92	0%
301 Roads Capital Improvements	97,271.90	0.00	2,776.74	0.00	1,823.13	37,362.15	-32,571.62	9,425.67	5,260.80	0.00	0.00	0.00	121,348.77	406,825.00	30%
305 Parks Capital Improvement	0.00	4,144.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,144.47	183,299.95	2%
308 Valentine Road Project	0.00	6,464.21	0.00	1,240.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,704.21	5,775,300.00	0%
309 West Valley	0.00	8,541.29	10,410.75	36,678.13	9,034.18	12,292.04	0.00	8,313.36	920.89	0.00	0.00	0.00	86,190.64	129,500.00	67%
310 Stewart/Thornton Ave Rd Projec	973.00	0.00	0.00	213,300.95	0.00	0.00	2,104.83	28,215.94	0.00	0.00	0.00	0.00	244,594.72	450,000.00	54%
333 Fire Capital Improvement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,000.00	0%
401 Water	54,416.97	101,115.02	106,994.69	69,240.86	231,141.51	125,582.22	71,213.88	78,111.38	243,019.05	0.00	0.00	0.00	1,080,835.58	1,274,438.72	85%
402 Sewer	63,244.33	186,438.75	176,299.05	283,378.74	176,265.87	71,789.23	178,099.17	174,846.33	172,899.77	0.00	0.00	0.00	1,483,261.24	2,248,071.33	66%
403 Garbage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,980.00	0%
406 Water Capital Improvement	13,125.00	13,125.00	13,125.00	16,652.69	13,125.00	13,125.00	13,125.00	14,862.22	1,293,473.05	0.00	0.00	0.00	1,403,737.96	4,304,059.66	33%
408 Sewer Cumulative Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	434,712.50	0%
409 Storm	62,189.40	72,851.58	62,301.44	86,468.62	61,444.37	60,498.06	61,343.13	64,342.90	66,116.71	0.00	0.00	0.00	597,556.21	853,927.84	70%

2016 FUND TOTALS

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EXPENDITURES	January	February	March	April	May	June	July	August	September	October	November	December	Total	Budgeted Amt	%
410 Stormwater Facility Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	840,525.00	0%
411 Pierce County Water Area	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	0.00	0.00	0.00	15,750.00	21,000.00	75%
499 Utilities Equipment Reserve	42,250.00	0.00	14,370.12	1,199.96	0.00	7,640.34	0.00	0.00	0.00	0.00	0.00	0.00	65,460.42	225,000.00	29%
630 Developer Deposit	0.00	250.00	5,250.00	4,000.00	2,500.00	1,000.00	2,000.00	2,000.00	2,250.00	0.00	0.00	0.00	19,250.00	18,743.25	103%
640 Algona Court	0.00	8,949.59	11,058.19	16,750.69	11,427.15	12,556.66	14,856.94	9,515.76	12,445.49	0.00	0.00	0.00	97,560.47	196,350.00	50%
800 Payroll EE Benefit Clearing	289.80	-902.13	-1,093.20	2,547.32	-1,147.81	-1,120.48	413.06	1,199.46	-1,096.28	0.00	0.00	0.00	-910.26	0.00	0%
	649,559.64	931,401.27	763,804.80	1,143,796.76	807,659.17	881,782.72	777,172.52	830,854.38	2,235,214.31	0.00	0.00	0.00	9,021,245.57	22,634,695.76	40%
FUND GAIN/LOSS:	8,517,435.28	-140,437.64	-88,118.92	7,809.54	296,520.35	-18,625.82	565,139.39	-55,901.69	-1,506,608.27	0.00	0.00	0.00	7,577,212.22		
FUND NET POSITION:	8,517,435.28	8,376,997.64	8,288,878.72	8,296,688.26	8,593,208.61	8,574,582.79	9,139,722.18	9,083,820.49	7,577,212.22	7,577,212.22	7,577,212.22	7,577,212.22			

City of Pacific 3rd Quarter Financial Reports-2016-Summary

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Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General Fund	6,328,675.00	5,392,218.83	85.2%	4,558,114.90	3,383,555.30	74.2%
005 Parks	0.00	0.00	0.0%	0.00	0.00	0.0%
007 Tourism	0.00	0.00	0.0%	0.00	0.00	0.0%
098 General Fund Equipment Reserve	162,446.00	102,616.06	63.2%	151,050.00	147,559.13	97.7%
099 General Fund Cumulative Reserve	335,992.13	381,621.40	113.6%	0.00	0.00	0.0%
100 Springbrook GF	0.00	0.00	0.0%	0.00	0.00	0.0%
101 Street	661,068.91	659,110.30	99.7%	510,185.69	259,342.60	50.8%
107 Tourism	100,025.00	123,134.34	123.1%	14,075.00	4,304.11	30.6%
206 LID 3 Redemption	2,000.00	0.00	0.0%	1,536.92	0.00	0.0%
207 LID 3 Reserve	0.00	0.00	0.0%	0.00	0.00	0.0%
208 2000 Fire GO Bond	0.00	0.00	0.0%	0.00	0.00	0.0%
300 Municipal Capital Improvements	432,000.00	436,886.62	101.1%	0.00	0.00	0.0%
301 Roads Capital Improvements	666,083.62	299,555.98	45.0%	406,825.00	121,348.77	29.8%
305 Parks Capital Improvement	294,350.00	120,581.61	41.0%	183,299.95	4,144.47	2.3%
308 Valentine Road Project	6,451,800.00	166,419.05	2.6%	5,775,300.00	7,704.21	0.1%
309 West Valley	246,700.00	78,771.06	31.9%	129,500.00	86,190.64	66.6%
310 Stewart/Thornton Ave Rd Project	452,000.00	269,150.91	59.5%	450,000.00	244,594.72	54.4%
333 Fire Capital Improvement	82,263.77	82,871.48	100.7%	30,000.00	0.00	0.0%
401 Water	1,750,041.03	1,410,204.10	80.6%	1,274,438.72	1,080,835.58	84.8%
402 Sewer	2,251,751.45	1,530,726.76	68.0%	2,248,071.33	1,483,261.24	66.0%
403 Garbage	291,880.76	277,168.32	95.0%	7,980.00	0.00	0.0%
406 Water Capital Improvement	5,543,100.00	1,950,045.75	35.2%	4,304,059.66	1,403,737.96	32.6%
408 Sewer Cumulative Fund	622,250.00	717,279.41	115.3%	434,712.50	0.00	0.0%
409 Storm	1,319,260.44	1,369,891.98	103.8%	853,927.84	597,556.21	70.0%
410 Stormwater Facility Fund	1,205,200.00	281,608.23	23.4%	840,525.00	0.00	0.0%
411 Pierce County Water Area	189,000.00	145,488.59	77.0%	21,000.00	15,750.00	75.0%
499 Utilities Equipment Reserve	526,200.00	525,677.93	99.9%	225,000.00	65,460.42	29.1%
601 Customer Deposits	5,160.00	5,159.91	100.0%	0.00	0.00	0.0%
630 Developer Deposit	73,900.00	85,345.78	115.5%	18,743.25	19,250.00	102.7%
635 Pacific Court	0.00	58,121.39	0.0%	0.00	0.00	0.0%
640 Algona Court	209,370.00	117,886.82	56.3%	196,350.00	97,560.47	49.7%
800 Payroll EE Benefit Clearing	0.00	10,915.18	0.0%	0.00	-910.26	0.0%
	30,202,518.11	16,598,457.79	55.0%	22,634,695.76	9,021,245.57	39.9%



Agenda Bill No. 16-109

TO: Mayor Guier and City Council Members
FROM: Richard Gould, City Administrator
MEETING DATE: October 17, 2016
SUBJECT: 2017 Proposed Preliminary Budget discussion.

ATTACHMENTS:

- **2017 Proposed Preliminary Budget Synopsis**

Previous Council Review Date: August 29, 2016 and September 19, 2016

Summary: Budget objectives and priorities were discussed at the workshop on August 29th. Council then reviewed the proposed preliminary budget that the Mayor and staff presented at the meeting on the 19th of September workshop. This synopsis has been provided for Council to review a final time for any additions or questions that they may have before the preliminary budget is presented to them on November 2nd.

Recommendation/Action:

Motion for Consideration:

Budget Impact:

Alternatives:

2017 Proposed Preliminary Budget Synopsis Update

The proposed preliminary budget is the earliest (rough) draft of the 2017 Budget. Staff presents this budget with some input from the City Council but with oversight from the Mayor. The goal is to balance the funds, though some funds may not be balanced due to projects which include grant matching funds that are included in the fund balance brought forward or as is the case with the General Fund projects budgeted in 2016 but not fully paid for until 2017. An example of this would be the Valentine Ave Rd Project Fund (308).

The budget process includes three iterations of the budget, this proposed preliminary budget, the preliminary budget (November) and the *final* budget (December). During this process staff will be using the 2016 projected yearend financial reports to calculate the starting fund balances in 2017. The methodology used to prepare this iteration of the 2017 budget are based upon: (1) conservatism for projecting 2017 revenues, (2) prior year trends (looking at 2015 and 2016), (3) economic indicators (CPI and other related trends), and (4) staff/intergovernmental source data (such as AWC Salary Survey and projected labor contract negotiation increases along with range and step changes related to experience).

The General Fund is projected to have more expenditures than revenues (\$86K) in 2017 due to two factors: (1) an estimated reduction in most revenues of 2% (factored into the projections for the tax revenues). This is due primarily to a possible recession beginning later in 2017 though this is still only speculation, and (2) Two significant projects; the City Center needs and assessment study and the City Hall generator project, “spilling over” into 2017. These two projects total about \$375,000 and were budgeted for 2016 completion. However these projects are now known to reach completion in 2017. The amount of the cost to be budgeted in 2017 is estimated to be \$240,000. This is an increase over initial projections of \$190,000. This contributes significantly to the rise in expenditures exceeding revenues in 2017. However, the initial projected 2016 ending Fund balance of \$2.135M has now been revised to \$2,327M an increase of \$192K. We are still waiting for the 2017 liability insurance costs and health benefit costs for the union employees (we have used a place holder of a 5% increase). We have also accounted for a possible increase due to the uniform negotiations as the current contract (CBA) expires on June 30, 2017. We should have the benefit numbers by the time we have prepared the preliminary budget in early November.

The Street Fund (101) is projected to see a \$140K decrease in 2017 due to conservative real estate excise tax (REET) estimates along with an increase in road maintenance. This could be offset by the funding of the Transportation Benefits District (TBD) with licensing, which would provide \$50K in 2017 and then approximately \$100K in 2018.

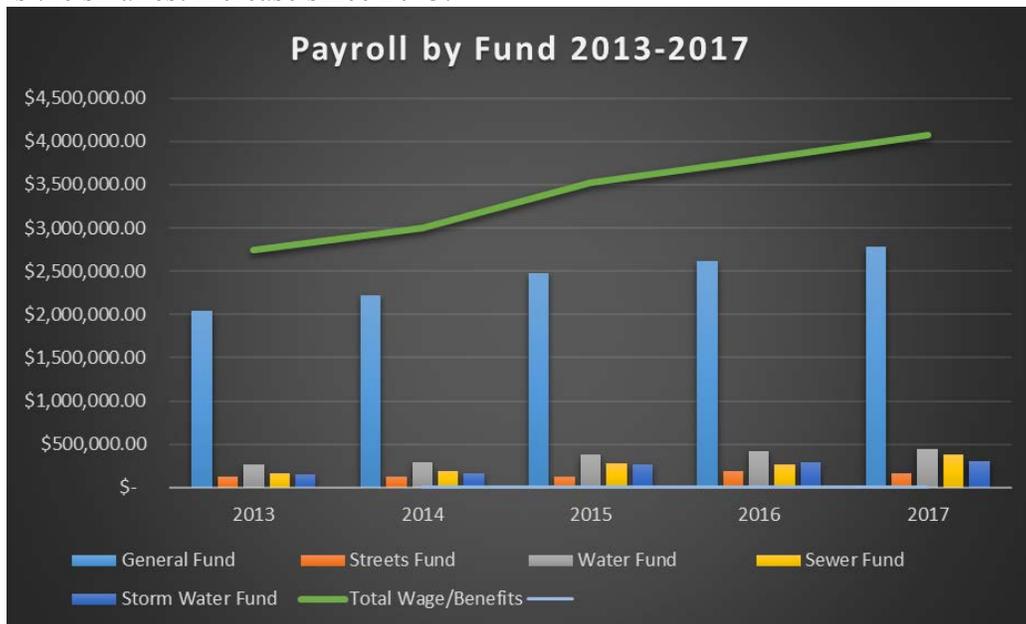
The Municipal Capital Improvement Fund (300) will be transferring \$100K to help offset the cost of two projects, the Civic Center needs and assessment study along with the generator project for the City’s Civic Center. This is appropriate as the fund was first established for funding municipal capital improvement projects. This causes the fund to see a \$96.5K decrease in 2017.

The Roads Capital Improvement Fund (301) experiences greater activity due to the proposed Milwaukee Street upgrades (\$1M) and TIB-preservation of roads (\$482K) that will be grant driven. The Valentine Road Project Fund (308) is over expended by \$21K due to projected expenses late in 2016 not getting settled until 2017. The Stewart Capital Fund (310) will be down in 2017 approximately \$27,450 due to final expenses on the project. The Fire Capital Improvement Fund (333) shows appropriation of \$30K for upgrades to fire hydrants. Some of this will be offset by the receipt of impact fees (approximately \$7,500).

The Water (401) fund projects expenditures to exceed revenues by \$30K in 2017. This is after an increase in average rates of \$15.73 per household/business. Jim Morgan and I have reduced the expenditures in this fund significantly. The Sewer Fund (402) rates are proposed to increase from \$63.25 to \$72.47 to cover current expenditures and the Stormwater Fund (409) projects its rates to increase from \$13.25 to \$16.50 in 2017 to cover annual expenditures.

The Water Capital Fund (406) projects a \$107K decrease due to the water meter project and other smaller projects being completed (the public works building and design for example). The Stormwater Facility Fund (410) also projects a significant loss in 2017 of \$79.5K due to the public works building and design along with other as of yet unidentified capital projects (\$100K).

Payroll costs will increase by 7.4% in 2017 over those of 2016. The increase is due to the cost of living, the projected police contract negotiations and individual range and step increases. The addition of a public works crew member and having a third sergeant for the entire year also play into this increase over 2016. This is the smallest increase since 2013.



The proposed preliminary budget for 2017 shows projected revenues to be \$18.2M and expenditures at \$18.6M for a \$449K decrease in the City’s cash position. Staff continues to review and research these numbers over the month of October to identify this decrease and report back to Council.

Included with this proposed preliminary budget are the year to date financial reports for 2016 (through September 30) and the 2015 budget and actual yearend numbers.

Richard A. Gould
 City Administrator

	2016 Projected End Balance	2017	2017	2017	
	Beginning Fund Balance	Revenue	Expense	End Fund Balance	Increase/(Decrease)
General Fund	\$ 2,327,233.10	\$ 4,749,685.56	\$ 4,835,723.79	\$ 2,241,194.87	\$ (86,038.23)
General Fund Equipment Reserve	\$ 10,575.71	\$ 120,150.00	\$ 67,000.00	\$ 63,725.71	\$ 53,150.00
General Fund Cumulative Reserve	\$ 382,249.49	\$ 1,500.00	\$ -	\$ 383,749.49	\$ 1,500.00
Street Fund	\$ 461,459.29	\$ 482,800.00	\$ 622,328.11	\$ 321,931.18	\$ (139,528.11)
Tourism Fund	\$ 140,853.49	\$ 13,225.00	\$ 17,500.00	\$ 136,578.49	\$ (4,275.00)
Municipal Capital Improvements Fund	\$ 438,050.01	\$ 3,500.00	\$ 100,000.00	\$ 341,550.01	\$ (96,500.00)
Road Capital Improvements	\$ 176,657.06	\$ 2,363,180.00	\$ 2,528,670.00	\$ 11,167.06	\$ (165,490.00)
Parks Capital Improvement Fund	\$ 120,467.42	\$ 42,800.00	\$ 29,300.00	\$ 133,967.42	\$ 13,500.00
Valentine Road Project Fund	\$ 250,682.84	\$ 1,528,599.40	\$ 1,550,000.00	\$ 229,282.24	\$ (21,400.60)
West Valley Highway Capital Imp	\$ 549.54	\$ 420,003.00	\$ 416,830.00	\$ 3,722.54	\$ 3,173.00
Stewart/Thornton Ave Rd Project	\$ 36,374.94	\$ 50,050.00	\$ 77,500.00	\$ 8,924.94	\$ (27,450.00)
Fire Capital Improvement	\$ 56,731.00	\$ 6,500.00	\$ 30,000.00	\$ 33,231.00	\$ (23,500.00)
Water Fund	\$ 281,310.67	\$ 1,443,086.58	\$ 1,473,142.21	\$ 251,255.04	\$ (30,055.63)
Sewer Fund	\$ (109,697.57)	\$ 2,313,719.58	\$ 2,191,102.44	\$ 12,919.57	\$ 122,617.14
Garbage Fund	\$ 286,637.33	\$ 21,000.00	\$ 20,000.00	\$ 287,637.33	\$ 1,000.00
Water Capital Improvement Fund	\$ 464,534.62	\$ 2,568,600.00	\$ 2,676,000.00	\$ 357,134.62	\$ (107,400.00)
Sewer Cumulative Fund	\$ 465,732.92	\$ 578,750.00	\$ 483,750.00	\$ 560,732.92	\$ 95,000.00
Stormwater Fund	\$ 744,044.43	\$ 915,647.50	\$ 865,850.19	\$ 793,841.74	\$ 49,797.31
Stormwater Facility Fund	\$ 338,902.01	\$ 132,500.00	\$ 212,000.00	\$ 259,402.01	\$ (79,500.00)
Pierce County Water Area Fund	\$ 199,763.37	\$ 50,200.00	\$ 33,000.00	\$ 216,963.37	\$ 17,200.00
Utilities Equipment Reserve Fund	\$ 466,379.83	\$ 172,500.00	\$ 200,000.00	\$ 438,879.83	\$ (27,500.00)
Customer Deposits Fund	\$ 5,160.00	\$ -	\$ -	\$ 5,160.00	\$ -
Developer Deposits Fund	\$ 69,235.78	\$ 17,900.00	\$ 18,743.25	\$ 68,392.53	\$ (843.25)
Pacific Court	\$ 61,294.60	\$ -	\$ -	\$ 61,294.60	\$ -
Algona Court Fund	\$ 16,093.13	\$ 199,870.00	\$ 196,350.00	\$ 19,613.13	\$ 3,520.00
	\$ 7,691,275.00	\$ 18,195,766.62	\$ 18,644,789.99	\$ 7,242,251.63	\$ (449,023.37)