

AGENDA

REGULAR MEETING DES MOINES CITY COUNCIL 21630 11th Avenue South, Des Moines, City Council Chambers

January 24, 2013 - 7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

BOARD & COMMITTEE REPORTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORTS

- Waterland Card Buy Local Program
- Snakezilla Half Marathon

CONSENT CALENDAR

Page 1 Item 1: APPROVAL OF MINUTES

Motion is to approve the minutes of the January 10, 2013 regular City Council meetings, minutes from the January 5 and January 10, 2013 Executive Session meetings and minutes from the January 5, 2013 City Council Retreat.

Page 13 Item 2: APPROVAL OF VOUCHERS

Motion is to approve for payment those vouchers and payroll transfers included in the above list and further described as follows:

Claim checks \$

Payroll fund transfers in the total amount of \$

Total certified Wire Transfers, Voids, A/P & Payroll vouchers are \$

Page 15 Item 3: INTERLOCAL AGREEMENT BETWEEN NORMANDY PARK
AND DES MOINES FOR SENIOR SERVICES FOR 2013 AND
2014

Motion is to approve the Interlocal Agreement between the City of Normandy Park and the City of Des Moines for the provision of Senior Services in fiscal years 2013 and 2014 whereby Normandy Park will pay Des Moines for Senior Services in an amount equal to Normandy Park's pro-rata share of costs per year for services based on participation levels and authorize the City Manager to sign the Agreement substantially in the form as submitted.

Page 25 Item 4: DRAFT RESOLUTION NO. 13-001, HRA VEBA

Motion is to approve Draft Resolution No. 13-001 Authorizing establishment of a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association (HRA VEBA) Plan.

Page 37 Item 5: 2013 JOINT HUMAN SERVICES APPLICATION AND FUNDING PROGRAM
Motion is to approve Exhibit A for Des Moines 2013 funding as provided in the 2003 Memorandum of Understanding for the Joint Human Services Funding Program between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Renton, Sea Tac and Tukwila (Attachment 2), substantially in the form as submitted.

Page 57 Item 6: 2013 DES MOINES ROTARY CLUB POVERTY BAY WINE FESTIVAL
Motion is to adopt Draft Resolution No. 13-012, authorizing the use of the Marina parking lot by the Rotary Club of Des Moines' Ninth Annual Poverty Bay Wine Festival event, taking place from March 1 through March 3, 2013; and, to direct the City Manager to execute the Agreement between the City of Des Moines and the Rotary Club of Des Moines for the 2013 Poverty Bay Wine Festival, substantially in the form as attached.

NEW BUSINESS

Page 67 1. INTERLOCAL AGREEMENT, KING COUNTY SOLID WASTE
Staff Presentation: Land Use Planner II Laura Techico

Page 129 2. DRAFT RESOLUTION NO. 13-004, UTILITY TAX BALLOT PROPOSITION FOR PRESERVATION AND MAINTENANCE OF CITY STREET PAVEMENT
Staff Presentation: Interim Public Works Director Dan Brewer

NEXT MEETING DATE

January 31, 2013 Regular City Council Meeting

ADJOURNMENT

1
MINUTES

**REGULAR MEETING
DES MOINES CITY COUNCIL
21630 11th Avenue South, Des Moines, City Council Chambers**

January 10, 2013 - 7:00 p.m.

CALL TO ORDER

Mayor Kaplan called the meeting to order at 7:01 p.m.

PLEDGE OF ALLEGIANCE

The flag salute was led by Councilmember Scott.

ROLL CALL

Present were Mayor Dave Kaplan; Mayor Pro-Tem Matt Pina; Councilmembers Dan Caldwell, Melissa Musser, Jeanette Burrage, Bob Sheckler and Carmen Scott.

Staffs present were City Manager Tony Piasecki; City Attorney Pat Bosmans; Assistant City Manager Lorri Ericson; Interim Public Works Director Dan Brewer; Acting Transportation Manager Brandon Carver; Parks, Recreation & Senior Services Director Patrice Thorell; City Clerk Bonnie Wilkins

CORRESPONDENCE

There was no Correspondence.

COMMENTS FROM THE PUBLIC

- Manuela Ginnett, Housing Director for Multi Service Center, 24909 13th Place S, wanted to thank the City for their ongoing support.

ADMINISTRATION REPORTS

David Nomura and Sandra Carson, from Puget Sound Energy Foundation, presented the Des Moines Legacy Foundation a check in the amount of \$7,000 for the City's Emergency Digital Civic Reader Board Project.

BOARD & COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

Mayor Pro Tem Pina:

- Public Safety and Transportation Committee Meeting
 - 2013 Work plan
 - Updates to 2013-2018 CIP Traffic Safety Program
 - Flashing school zone beacons
 - Pavement plan
- Finance and Economic Development Committee Meeting
 - Economic Development situation
 - Work plan for 2013
 - Discussion on recent Pacific Ridge Tour

Mayor Kaplan:

- Environment Committee
 - Interlocal Agreement with King County regarding solid waste, scheduled for the January 24, 2013 Council Meeting
 - Timeline for SWM rate structure
- 2013 Economic Development State Legislature luncheon, sponsored by SKCEDI, was held at the Des Moines Beach Park Auditorium Friday, January 4, 2013

No Report from Councilmembers Scott, Sheckler, Burrage, Musser and Caldwell

PRESIDING OFFICER'S REPORT

Mayor Kaplan presented the 2012 Lifetime Spirit of Des Moines Award to the following recipients:

- Mary Beth Benson
- Norma Somers
- Jack Kniskern

Mayor Kaplan presented the 2012 Annual Spirit of Des Moines Award to the following recipients:

- Gene Achziger
- Char Schulz

Mayor Kaplan presented the Spirit of Des Moines Award to the following organization:

- Des Moines Farmer's Market

Council announced a break at 7:36 p.m. and resumed at 7:43 p.m.

CONSENT AGENDA

Item 1: APPROVAL OF MINUTES

Motion is to approve the minutes of December 6 & 13, 2012 regular City Council meetings and the Special Meeting to hold an Executive Session on December 13, 2012.

Item 2: APPROVAL OF VOUCHERS

Motion is to approve for payment those vouchers and payroll transfers included in the above list and further described as follows:

Claim checks \$576,971.22

Payroll fund transfers in the total amount of \$849,056.97

Total certified Wire Transfers, Voids, A/P & Payroll vouchers are \$1,426,028.19

Item 3: 2013 LHWMP RECYCLING GRANT

Motion is to authorize the City Manager to sign the 2013 LHWMP Grant #EHS2846 Contract (Attachment 1) between the City of Des Moines and the Seattle-King County Department of Public Health, which will provide funding for recycling activities in 2013.

Direction/Action

Motion made by Mayor Pro Tem Pina to pass the Consent Agenda, seconded by Councilmember Musser.

The motion passed 7-0

NEW BUSINESS

1. UPDATES TO 2013-2018 TRANSPORTATION CIP: TRAFFIC SAFETY PROGRAM

Staff Presentation: Acting Transportation Manager Brandon Carver

Direction/Action

Motion made by Councilmember Musser to prioritize the projects within the Traffic Safety Program as proposed and direct staff to bring forward a corresponding budget amendment in 2013, seconded by Mayor Pro Tem Pina.

The motion passed 7-0

- 3
2. CONTRACT WITH PHILIPS PUBLISHING TO PUBLISH "CITY CURRENTS"
AND "REC 'N ROLL" BROCHURE
Staff Presentation: City Manager Tony Piasecki

Direction/Action

Motion made by Councilmember Sheckler to approve the Publishing Agreement between Philips Publishing and the City of Des Moines for the publishing and mailing of "Des Moines City Currents" and the "Rec 'n Roll" brochure, to include the sale of advertising, and to authorize the City Manager to sign the agreement substantially in the form as submitted, seconded by Councilmember Musser.

The motion passed 7-0

3. 2013 INTERGOVERNMENTAL POLICIES AND POSITIONS
Staff Presentation: City Manager Tony Piasecki

Direction/Action

Councilmembers concur with the following amendments:

- Add to Section B(2)1(c)7, should Metro King County Council receive Motor Vehicle Excise Tax Authority Councilmatically they should restore and enhance services in Des Moines.
- Move Section B(2)(c) to Section B(2)(a).
- Remove Section B(1)(g).
- City supports legislature review of the Growth Management Act with the effort to restore local control.
- Change section B(2)(hh) to The City opposes any reduction in state-shared liquor revenues and supports restoring state shared liquor revenues to the 2011 levels.

Motion made by Councilmember Burrage to remove Section 2(B)(ii) (The City supports legislation that creates a true tax increment financing mechanism), seconded by Councilmember Musser.

The motion failed 3-4

For: Councilmembers Musser, Burrage and Caldwell

Against: Mayor Kaplan, Mayor Pro-Tem Pina, Councilmembers Sheckler and Scott.

Motion made by Councilmember Musser moved to add a new priority, Section 2(B)(jj) (The City supports the 2013 Legislative priority to appropriately fund public education as mandated by court decision), seconded by Mayor Pro Tem Pina.

The motion passed 7-0.

Motion made by Mayor Kaplan that the City will support a light rail alignment on the State Route 509 right-of-way and the West Margin of Interstate-5 as the light rail corridor through Pacific Ridge, seconded by Councilmember Burrage.

The motion passed 7-0

Motion made by Councilmember Sheckler to adopt the 2013 Intergovernmental Policies and Positions as amended by the City Council, seconded by Councilmember Musser.

The motion passed 7-0

NEXT MEETING DATE

January 24, 2013 Regular City Council Meeting

ADJOURNMENT

The meeting was adjourned at 9:10

Respectfully submitted,

Bonnie Wilkins
City Clerk

MINUTES
SPECIAL MEETING TO HOLD EXECUTIVE SESSION
January 5, 2013

CALL MEETING TO ORDER – The Special Meeting was called to order at 2:00 p.m. by Mayor Kaplan at the Council Retreat held at the Des Moines Founder's Lodge.

ROLL CALL - Present were Mayor Dave Kaplan; Mayor Pro-Tem Matt Pina; Councilmembers Melissa Musser, Dan Caldwell and Jeanette Burrage; City Manager Tony Piasecki, Assistant City Manager Lorri Ericson, City Attorney Pat Bosmans, Police Chief George Delgado and Interim Public Works Director Dan Brewer. Councilmembers Bob Sheckler and Carmen Scott were not present.

PURPOSE - The purpose of the special meeting was to hold an Executive Session to discuss pending litigation per Title 42.30.110 RCW. No formal action was taken.

ADJOURNMENT

The Special Meeting was adjourned at 2:35 p.m.

Respectfully submitted,

Lorri Ericson
Acting City Manager

MINUTES
SPECIAL MEETING TO HOLD EXECUTIVE SESSION
January 10, 2013

CALL MEETING TO ORDER: The Special Meeting was called to order at 6:34 p.m. by Mayor Kaplan in the Council Chambers.

ROLL CALL: Present were Mayor Dave Kaplan; Mayor Pro-Tem Matt Pina; Councilmembers Melissa Musser, Dan Caldwell, Bob Sheckler, Carmen Scott and City Manager Tony Piasecki. Councilmember Jeanette Burrage joined the meeting at 6:45 p.m.

PURPOSE: The purpose of the special meeting was to hold an Executive Session to discuss the performance of a public employee under RCW 42.30.110(1)(g). No formal action was taken.

ADJOURNMENT: The Special Meeting was adjourned at 6:55 p.m.

Respectfully submitted,

Lorri Ericson
Acting City Manager

MINUTES
COUNCIL RETREAT
DES MOINES CITY COUNCIL
January 5, 2013 – 9:00 a.m. to 2:30 p.m.

CALL TO ORDER - The City Council Retreat was called to order by Mayor Kaplan at 9:06 a.m. at the Des Moines Founder's Lodge, Des Moines WA 98198.

ROLL CALL - Present were Mayor Dave Kaplan; Mayor Pro-Tem Matt Pina; and Councilmembers Bob Sheckler, Carmen Scott, Jeanette Burrage, Melissa Musser, and Dan Caldwell.

Staff present were City Manager Tony Piasecki, Assistant City Manager Lorri Ericson, City Attorney Pat Bosmans; Finance Director Paula Henderson; Parks Recreation and Senior Services Director Patrice Thorell; Police Chief George Delgado; Interim Director of Community Development Denise Lathrop; Interim Public Works Director Dan Brewer; Harbormaster Joe Dusenbury; Municipal Judge Veronica Alicea-Galvan; Economic Development Manager Marion Yoshino; Court Administrator Jennefer Johnson; Budget Analyst Cecilia Pollock; Management Consultant Grant Fredricks; City Clerk Bonnie Wilkins.

REVIEW OF 2012 STRATEGIC OBJECTIVES AND COUNCIL/CITY SUCCESSES

City Manager Piasecki initiated discussion and spoke on the level of completion of Council's short term strategic objectives.

REVIEW, DISCUSS AND MODIFY AS NEEDED THE CITY COUNCIL VISION AND MISSION STATEMENTS AND GOALS

2013 Des Moines City Council

Vision (No change)

An inviting, livable, safe waterfront community embracing change for the future while preserving our past.

Mission Statement (No change)

We protect, preserve, promote and improve the community by providing leadership and services reflecting the pride and values of Des Moines citizens

Goals

The City Council reviewed, discussed and revised Council goals as follows:

1. Protect people and property
2. Promote economic growth, stability and vitality
3. Maintain the City's infrastructure
4. Enhance the City's infrastructure
5. Provide efficient and effective customer-oriented City services
6. Improve and enhance community communication
7. Preserve and celebrate the historic elements of the City
8. Encourage community involvement
9. Preserve livability for all generations
10. Participate in regional and state issues and decisions
11. Protect the natural environment

BREAK - Council took a break from 10:30 to 10:45 a.m.

REVIEW AND DISCUSS 2013 COMMITTEE AND DEPARTMENT WORK PLANS/ISSUES - Committee and Department work plans were attached to Retreat packets.

COUNCILMEMBERS PRESENT THEIR SHORT AND LONG TERM ISSUES FOR THE CITY TO ADDRESS -

Councilmember Caldwell:

- Improve City Buildings (heat and acoustics).

- Boat launch for trailer boats. 10
- Merge Port of Seattle/Port of Tacoma.
- Work with higher-ed institutions to expand degree offerings.
- Emergency preparedness funding.
- Review building heights.
- Concerns about political signs.

Councilmember Burrage:

- Funding for roads-working with legislature.
- Pacific Ridge development.
- Off leash dog day/event.
- Fraud in work documents/E-Verify.

Councilmember Musser:

- Marina security plan.
- ILA or JUA with Highline Healthy Community Coalition.
- Improved staff recognition – “Silent Hero Award” in honor of Sue Bowman.
- Tenant/communication database of all HOA/condominium management companies/board members.
- Develop annual K-12 education summit.
- Redondo @ Woodmont meeting.
- Continue increased officer presence.

Mayor Pro Tem Pina:

- Maintain roads/transportation system-out to voters for support.
- Light rail discussion.
- Marina and Redondo “after dark” security.
- Use of technology-communication to community.
 - Text messages
 - Cameras for officers to view areas
 - iPads/tablets for Councilmembers
- SCA/PIC transportation Package.
- Pacific Ridge zoning development.

Councilmember Scott:

- Light rail discussion.
- Des Moines Business Park (broaden concept).
- Reconsider zoning characteristics on Pacific Ridge.
- Develop parking across from theater.

Councilmember Sheckler:

- New City Hall/Court/PD complex.

LUNCH BREAK

Council broke for lunch from 11:50 to 12:30 p.m.

Councilmember Scott left the retreat at 12:00 p.m.

REVIEW, DISCUSS AND MODIFY AS NEEDED THE CITY COUNCIL STRATEGIC OBJECTIVES -

Strategic Objectives

Council revised the Strategic Objectives as follows:

Short Term

- Continue and enhance the City's collaborations with the educational communities.
- Implement code changes to address nuisance properties.
- Finalize and begin implementation of a Marina and Beach Park Business Plan.
- Aggressively pursue alternative revenue sources.
- Pursue new road funding both legislative and local options.
- Increase opportunities to recognize community members/organizations and City staff.
- Review and modify, as needed, regulations along commercial corridors.
- Implement and practice City's Emergency Management Plan.
- Develop and implement a plan to improve communications with the community, including enhanced electronic communications and community forums.

Process

Budget

Permit

Councilmember Sheckler left the retreat at 1:20 p.m.

Staff was asked to bring back Long Term goals to Council for review and prioritization. Items discussed include:

Long Term

- Continue and enhance the City's collaborations with the educational communities.
- Develop marketing/branding program for the City.
- Address nuisance properties.
- Identify development regulations to delete or revise.
- Determine how to fund ongoing maintenance of infrastructure and construction of new/upgraded infrastructure including safe, walkable streets.
- Work with the Pool District to keep a pool open in the City.
- Continue to improve interactions with the Police Department, the Des Moines Police Guild and the Des Moines Police Management Association.
- Continue to improve the City's reputation in the business and development community.
- Review and modify, as needed, development regulations in neighborhoods and residential areas.
- Conduct a comprehensive review of Redondo issues and services.
- Study Des Moines Beach Park's future and designations.
- Continue to develop opportunities in 89 acre buyout area known as the Des Moines Creek Business Park.
- Work with local water utilities to identify low cost sources of water ("green lawns").
- Develop a plan to build a new Court House and City Hall in Des Moines.
- Increase opportunities for public safety.

WRAP UP AND SUMMARY - Mayor Kaplan thanked staff for their participation in retreat discussion.

EXECUTIVE SESSION - Council went into Executive Session at 2:00 p.m.

ADJOURNMENT - Mayor Kaplan adjourned the meeting at 2:35 p.m.

Respectfully Submitted,

Bonnie Wilkins
City Clerk

CITY OF DES MOINES
Voucher Certification Approval
24-Jan-13
Auditing Officer Certification

Vouchers and Payroll transfers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the City Council.

As of January 24, 2013 the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers included in the attached list and further described as follows:

The vouchers below have been reviewed and certified by individual departments and the City of Des Moines Auditing Officer.

Claims Vouchers:		Numbers				Amounts
Total A/P Checks/Vouchers		134650	-	134789	140	410,251.98
Electronic Wire Transfers		BOA VISA				45.70
Subtotal for this Council Packet						410,297.68
Voided Claim Checks this check run:						0.00
Voided Claim Checks from previous check runs		134642				(19,000.00)
Total Claims/Wire Transfers/Voids					142	391,297.68

Payroll Vouchers:	DISBURSED 01/21/13				Amounts
Payroll Checks	18012	18032	=	21	19,021.93
Direct Deposit	500001	500127	=	127	266,771.78
Payroll Taxes					58,649.31
Wage/Garnishments					744.07
Voids	0				0.00
Electronic Wire Transfers					75,708.93
ICMA 401 Forfeitures					0.00
Total Claims					420,896.02
Total certified Wire Transfers, Voids, A/P & Payroll vouchers for January 24, 2013					812,193.70

A G E N D A I T E M

SUBJECT:

Interlocal Agreement between
Normandy Park and Des Moines for Senior
Services for 2013 and 2014

FOR AGENDA OF: January 24, 2013

DEPT. OF ORIGIN: Parks, Recreation, & Senior
Services

ATTACHMENTS:

1. Draft Interlocal Agreement
2. Reimbursement Calculation

DATE SUBMITTED: January 4, 2013

CLEARANCES:

[X] Legal TS

[X] Finance TR

[NA] Marina _____

[X] Parks, Recreation & Senior Services TS

[NA] Planning, Building & Public Works _____

[NA] Police _____

[NA] Courts _____

APPROVED BY THE CITY MANAGER
FOR SUBMITTAL: _____

Purpose and Recommendation

The purpose of this Agenda Item is to seek Council authorization to enter into an Interlocal Agreement between the City of Des Moines and the City of Normandy Park for fiscal years 2013 and 2014, whereby Normandy Park will contract for Senior Services from Des Moines in the amount of \$23,042 (for calendar year 2013) which has been determined as the pro-rata cost of direct services to Normandy Park residents.

Suggested Motion:

Motion: "I move to approve the Interlocal Agreement between the City of Normandy Park and the City of Des Moines for the provision of Senior Services in fiscal years 2013 and 2014 whereby Normandy Park will pay Des Moines for Senior Services in an amount equal to Normandy Park's pro-rata share of costs per year for services based on participation levels and authorize the City Manager to sign the Agreement substantially in the form as submitted".

Background

The City of Des Moines has provided Senior Services to the residents of Normandy Park since 1992. In October 2012, the City of Normandy Park was presented with the 2013 Senior

Services funding request in the amount of \$23,042 based on the January through September 2012 Normandy Park average participation at 9%.

The proposed 2013-2014 Interlocal Agreement defines the scope of senior services to be provided by Des Moines and the details for compensation for senior services to be rendered for the next two years based on the pro-rata cost of senior services provided to Normandy Park residents.

Discussion

The proposed 2013-2014 Interlocal Agreement between the City of Normandy Park and the City of Des Moines is for two years. The methodology and funding amount identified in the Interlocal Agreement was reviewed with Normandy Park Acting City Manager Cherie Gibson in late November. Normandy Park's City Council approved the Interlocal Agreement as well as the 2013 funding amount of \$23,042 at its December 11, 2012 meeting.

As in 2012, the 2013 formula used to assess the cost of providing senior services to Normandy Park is based on: i) the percentage of Normandy Park residents served by the Des Moines Senior Activity Center for 2012; and ii) the net budgeted cost for Des Moines senior services programs and services for 2012 (i.e. projected costs for programs and services minus projected program revenues). The percentage of Normandy Park residents served will be determined by senior services staff by tracking and comparing the number of Normandy Park participants against all senior services participants. The cost to Normandy Park will be the percentage of Normandy Park participants times the net budgeted cost for Des Moines senior services programs and services for the current year.

Senior Services staff has determined that the percentage of the senior services participants in 2012 who are Normandy Park residents is 9% and propose that Normandy Park pay for services based on a pro-rata share of the costs for direct services. In 2013 Des Moines Senior Services expenditure budgets totals \$331,022 (for senior services salaries, benefits, supplies, other services and charges and interfund payments) and program revenue totals projected at \$75,000, for a net budget of \$256,022. Therefore, the proposed annual cost to Normandy Park for the term of this agreement for the 2013 calendar year is \$23,042 ($\$256,022 \times 9\% = \$23,042$).

The cost for 2014 will be determined using the same formula at the end of 2013.

The Agreement allows Normandy Park residents access to all of the programs and services provided by Des Moines Senior Activity Center for adults fifty and older such as: classes, trips, health services, special events, legal services, health screenings, nutrition, meals on wheels, medical lending equipment, dances, scholarships for low income participants, pet food assistance, arts and crafts, living well workshops, quarterly newsletters, counseling, caregiver ic support, information and referral, transportation, special interest hobby groups, recreational activities, games and cards, sports, and volunteer recruitment and management. Des Moines will provide the necessary senior services personnel, equipment and facilities to perform the foregoing described senior services in a timely manner and collect fees for programs and services where a cost is involved. Des Moines will promote senior services to Normandy Park residents through the quarterly newsletter delivered to retirement homes, assisted living

centers, Normandy Park City Hall, and businesses in the City of Normandy Park, and the local newspapers and provide the City with current senior programs and services information for marketing purposes on a quarterly basis.

Normandy Park will assist Des Moines by providing classroom or meeting space at Normandy Park City Hall as requested by Des Moines Senior Services staff, if space is available on the date(s) requested. The City will include senior programs and services information in the quarterly Normandy Park "*City Scene*" as space is available and include senior program and services information on the City of Normandy Park web page and through other resources Normandy Park utilizes to communicate with its residents regarding city programs, services, and events.

Alternatives

- 1) City Council may authorize the City Manager to sign the Interlocal Agreement to allow the City of Des Moines to provide Senior Services to the citizens of Normandy Park.
- 2) City Council may consider eliminating the provision of enhanced senior services to Normandy Park residents.

Financial Impact

The \$23,042 funds provided through this Interlocal Agreement with the City of Normandy Park for senior services are calculated based on the direct cost of providing services. Funds support the many programs and services available to its citizens fifty and older. This amount is \$448 less than budgeted and received from Normandy Park in 2012.

For 2013, Des Moines would provide Normandy Park with a quarterly invoice in the amount of \$5,760.50 ($\$23,042 \div 4$) no later than fifteen business days after the end of the calendar quarter. Des Moines will provide quarterly invoices in an amount according to the formula detailed above. Payment will be due 30 days from the date of invoice and made payable to the City of Des Moines. In addition, Des Moines will provide to Normandy Park a report listing Normandy Park attendance for the quarter at the senior activity center.

Recommendation/Conclusion

It is recommended that the City Council approve the 2013-2014 Interlocal Agreement between the City of Normandy Park and the City of Des Moines for senior services.

Concurrence

City Administration, the Des Moines Senior Services Advisory Committee and Parks, Recreation and Senior Services staff recommends the approval of the 2013-2014 Interlocal Agreement between the City of Des Moines and the City of Normandy Park.

**INTERLOCAL AGREEMENT
For
SENIOR SERVICES
Between
THE CITIES OF DES MOINES & NORMANDY PARK**

In Accordance with the Interlocal Cooperation Act (RCW 39.34), the Cities of Des Moines ("Des Moines"), and Normandy Park ("Normandy Park"), each of which is a Washington Municipal Corporation, hereby enter into the following AGREEMENT:

RECITALS

WHEREAS:

A. Des Moines and Normandy Park, through their respective city councils, have declared their intent to create a relationship whereby Normandy Park contracts for senior services from Des Moines.

B. Normandy Park and Des Moines recognize that the cost savings from shared senior services greatly outweigh the increased facility and administrative expenses in creating and maintaining separate facilities and accounting practices associated with senior services programs.

NOW, THEREFORE, Des Moines agrees to provide and Normandy Park agrees to pay for senior services for the benefit of the residents of Normandy Park who are fifty years of age and older on the following terms and conditions:

I. TERM of AGREEMENT and RENEWAL

1.1 Term. This Agreement shall be valid for a period of two (2) years, commencing on January 1, 2013 and ending on December 31, 2014.

1.2 Renewal. This Agreement may be renewed only by written agreement of all of the Parties.

II. DUTIES OF THE PARTIES

2.1 Duties of Des Moines. Des Moines shall perform the following duties:

a) Welcome Normandy Park seniors to participate in all senior services programs that are offered by the Des Moines Parks, Recreation & Senior Services Department, including classes, trips, health services, special events, legal services, health screenings, nutrition, meals on wheels, medical lending equipment, dances, scholarships for low income participation, pet food assistance, arts and crafts, living well workshops, quarterly

Interlocal Agreement for Senior Services
Page 2

newsletters, counseling, caregiver and diabetic support, information and referral, transportation, special interest hobby groups, recreational activities, games and cards, sports, and volunteer recruitment and management;

b) Provide all necessary senior services personnel, equipment and facilities to perform the foregoing described senior services in a timely manner;

c) Collect all fees for programs and services where a cost is involved;

d) Promote senior services to Normandy Park residents through the quarterly newsletter delivered to retirement homes, assisted living centers, Normandy Park City Hall, and businesses in the City of Normandy Park, and the local newspapers; and

e) Provide Normandy Park with all current senior programs and services information for marketing purposes on a quarterly basis.

2.2 Duties of Normandy Park. Normandy Park shall perform the following duties:

a). Provide classroom or meeting space at Normandy Park City Hall as requested by Des Moines Senior Services staff, if space is available on the date(s) requested;

b). Include senior programs and services information in the quarterly Normandy Park "*City Scene*" as space is available;

c). Include senior program and services information on the City of Normandy Park web page;

d). Promote senior programs and services through resources Normandy Park utilizes to communicate with its residents regarding city programs, services, and events;

e). Refer Normandy Park residents to Des Moines Senior Services as needed or requested for information, resources and assistance;

III. COST OF SENIOR SERVICES & PAYMENT

3.1 Cost Basis. Normandy Park shall pay Des Moines for providing senior services based on: i) the percentage of Normandy Park residents served by the Des Moines Senior Activity Center for the previous year; and ii) the net budgeted cost for Des Moines senior services programs and services for the current year (i.e. projected costs for programs and services minus projected program revenues). The percentage of Normandy Park residents served will be determined by senior services staff by tracking and comparing the number of Normandy Park participants

Interlocal Agreement for Senior Services
Page 3

against all senior services participants. The cost to Normandy Park will be the percentage of Normandy Park participants' times the net budgeted cost for Des Moines senior services programs and services for the current year.

- 3.2 Cost for 2013.** Senior services staff has determined that the percentage of the senior services participants in 2012 who are Normandy Park residents is 9% and the net budgeted cost for Des Moines senior programs and services for 2013 is \$256,022.00. Therefore, the annual cost to Normandy Park for the first calendar year term of this agreement (2013 calendar year) will be \$23,042.00 ($\$256,022 \times 9\% = \$23,042$).
- 3.3 Cost for 2014.** The annual cost to Normandy Park for the second calendar year term of this agreement will be calculated using the formula described in Section 3.1 of this Agreement.
- 3.4 Quarterly Reporting and Payment to Des Moines.** For the first year of this Agreement, Des Moines shall provide to Normandy Park a quarterly invoice in the amount of \$5,760.50 ($\$23,042.00 \div 4$) no later than fifteen business days after the end of the calendar quarter. For the following year, Des Moines shall provide a quarterly invoice in an amount to be calculated according to Sections 3.1 and 3.3 of this Agreement. Payment will be due 30 days from the date of invoice and made payable to the City of Des Moines. In addition Des Moines will provide to Normandy Park a report listing Normandy Park attendance for the quarter at the senior activity center.

IV. MISCELLANEOUS PROVISIONS

- 4.1 Effective Date.** This Agreement shall be effective upon ratification by resolution of the governing body and execution by the Chief Executive Officer of each of the Parties.
- 4.2 Amendment.** This Agreement may be amended only upon consent of all Parties hereto. Any amendment hereto shall be in writing and shall be ratified and executed by the Parties in the same manner in which it was originally adopted.
- 4.3 Waiver.** The waiver by any party of any breach of any term, covenant, or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same term, covenant, or condition of this Agreement.
- 4.4 Severability.** If any provision of this Agreement shall be held invalid, the remainder of this agreement shall not be affected thereby.

Interlocal Agreement for Senior Services
Page 4

- 4.5 Entire Agreement.** This Agreement represents the entire understanding of the Parties and supersedes any oral representations that are inconsistent with or modify its terms and conditions.
- 4.6 Counterparts.** This Agreement shall be effective whether signed by all Parties on the same document or whether signed in counterparts.
- 4.7 Notices.** Except as otherwise provided in this Agreement, any notice required to be provided under the terms of this Agreement, shall be delivered by certified mail, return receipt requested or by personal service.

EXECUTED and APPROVED by the Parties in identical counterparts of this Agreement, each of which shall be deemed an original hereof, on the dates set forth below.

CITY OF DES MOINES

By _____
Anthony Piasecki, City Manager
By direction of the City Council

Taken _____

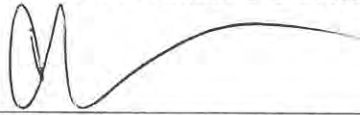
Attest:

City Clerk

Approved as to Form:

Pat Bosmans, City Attorney

CITY OF NORMANDY PARK

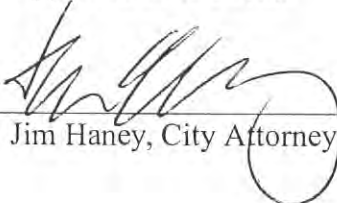
By  _____
Cherie Gibson, Interim City Manager
By direction of the City Council

Taken 12-11-12

Attest:

 _____
City Clerk

Approved as to Form:

 _____
Jim Haney, City Attorney

City of Des Moines
Calculation for Normandy Park Senior Services Reimbursement

	Sr Services 2013 Proposed Budget	Sr Program 2013 Proposed Budget	TOTAL
Salaries	\$148,454	\$28,802	\$177,256
Personnel Benefits	58,026	4,311	62,337
Supplies	7,124	2,800	9,924
Other Services & Charges	12,436	25,480	37,916
Interfund Payments	36,829	3,487	40,316
	<u>\$262,869</u>	<u>\$64,880</u>	
Sub-total			\$327,749
Add: Rec Admin Asst time for assisting in cash receipting - 5%			3,273
Less: Program Fee Revenues (2013 Budget Revenues)			(75,000)
			<u>\$256,022</u>
Base Amount for 2013 request			<u>\$256,022</u>
9% of NP participation			<u>\$23,042</u>

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Draft Resolution No. 13-001
Authorizing establishment of a Health
Reimbursement Arrangement/Voluntary
Employees' Beneficiary Association (HRA
VEBA) Plan

ATTACHMENTS:

1. Draft Resolution no. 13-001
2. "What is HRA VEBA?"
3. List of employers participating in HRA
VEBA in the Pacific Northwest

FOR AGENDA OF:

DEPT. OF ORIGIN:

DATE SUBMITTED:

CLEARANCES:

[NA] Legal _____

[NA] Finance _____

[NA] Marina _____

[NA] Parks, Recreation & Senior Services _____

[NA] Planning, Building & Public Works _____

[NA] Police _____

[NA] Courts _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this report is to seek City Council approval of Draft Resolution No. 13-001 Authorizing establishment of a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association (HRA VEBA) Plan, as agreed to in Memorandums of Understanding between the City and various employee unions and non-represented groups.

Suggested Motion

"I move to approve Draft Resolution No. 13-001 Authorizing establishment of a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association (HRA VEBA) Plan"

Background

In 2010, the City, as part of Memorandums of Understanding (MOU) with employees (both union and non-union) to change to lower cost health insurance, agreed to establish and fund Health Reimbursement Arrangements (HRAs) for each employee. The City contracted with Benefits Coordinators Corporation (BCC) to manage these accounts on behalf of the City.

Discussion

With a budget deficit looming for 2013, the City began negotiating possible concessions with all employees groups in an effort to reduce personnel costs. Employees agreed to a phased in Cost of Living Adjustment (COLA) formula for 2013 and to stop providing health insurance to most domestic partners by the end of 2013. In exchange, the City agreed to change the provider of the HRA's from BCC to HRA VEBA for all employee groups except the Teamsters, who represent maintenance workers, and Court employees. Both of these groups chose to stay with BCC.

This change provides a more flexible HRA program as compared to the HRA under BCC, in particular allowing employees to keep unexpended balances when they leave City employment and to contribute their own funds to the their HRA's, if they so choose. The one negative is the employees will now be responsible for paying the management fees for their HRA's. Under BCC, the City pays the management fees. The City agreed to increase the contribution it makes to each employee's HRA in an amount equal to half the annual fees an employee will be paying on a balance of \$1,100.

Alternatives

None. This change is required per the MOU's entered into with the Des Moines Police Guild, Des Moines Police Management Association, Des Moines Exempt Employees, and Des Moines General Employees.

Financial Impact

The City will enjoy approximately \$100,000 in savings from the phased in COLA in the General Fund and approximately \$3,000 in reduced costs resulting from no longer paying fees to BCC.

Recommendation or Conclusion

Administration recommends adoption of Draft Resolution No. 13-001.

CITY ATTORNEY'S FIRST DRAFT 01/03/2013

DRAFT RESOLUTION NO. 13-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing the establishment of a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association ("HRA VEBA") Plan.

WHEREAS, the Internal Revenue Code Section 501(c)(9) allows for the creation of a voluntary employees' beneficiary association which is a tax-exempt health and welfare trust, and

WHEREAS, IRS regulations and guidelines allow an employer to offer health reimbursement arrangement (HRA) plans, and

WHEREAS, such HRA plans are available to governmental employers in the Northwest, and

WHEREAS, the Voluntary Employees' Beneficiary Association for Public Employees in the Northwest Trust ("Trust") offers and will administer an HRA entitled "Voluntary Employees' Beneficiary Association Medical Expense Plan for Public Employees in the Northwest" ("Plan") as amended and restated, and

WHEREAS, the City of Des Moines ("Employer") has determined that establishing an HRA plan which provides a tax-free defined contribution account for employees to pay for medical, dental, vision and tax qualified long-term care premiums and non-covered healthcare expenses is in the best interest of the Employer and its employees, and

WHEREAS, the Employer desires to establish an HRA plan for its employees, and

WHEREAS, the Employer desires to use the services of the Trust to administer such Plan, and

WHEREAS, such HRA established by the Employer will be administered in accordance with the Plan documents provided by the Trust on file in the City Clerk's office; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Resolution No. ____
 Page 2 of ____

Sec. 1. Effective February 1, 2013, the Employer hereby elects to participate in the Plan and Trust as presently constituted or hereafter amended using the Trust as its plan administrator for the benefit of eligible employees as defined by Employer policies or collective bargaining agreements.

Sec. 2. The Plan will be funded with Employer contributions in amounts determined from time to time pursuant to Employer policies and collective bargaining agreements.

Sec. 3. The City Manager is authorized to execute documents and establish procedures consistent with Plan and Trust provisions and applicable Employer policies and collective bargaining agreement necessary to effect the adoption and administration of the Plan.

ADOPTED BY the City Council of the City of Des Moines, Washington this ____ day of ____, 2013 and signed in authentication thereof this ____ day of ____, 2013.

 M A Y O R

APPROVED AS TO FORM:

 City Attorney

ATTEST:

 City Clerk

1/11/13 2:56 PM



Introductory Overview

What is HRA VEBA?

A health reimbursement arrangement
for public employees in the Northwest



hraveba.org

What is a health reimbursement arrangement?

A health reimbursement arrangement (HRA) is an account-based health plan that reimburses out-of-pocket healthcare costs incurred by you and your family. All contributions from your employer, investment earnings, and withdrawals (claims) are tax-free!

The HRA VEBA plan is offered by a non-profit trust¹ and has been adopted by over 350 governmental employers in Washington, Oregon, and Idaho. Visit hraveba.org for more information, including a list of participating employers.

Why should I have an HRA?

You should have an HRA to cover your family's out-of-pocket medical, dental, and vision costs with tax-free money.

Like most public employees, you're probably struggling to cope with increasing healthcare costs. Active employees face increasing deductibles, copays, and prescription drug costs. Employees eligible to retire are often forced to keep working because they can't afford to pay their retiree medical premiums.

HRA VEBA helps you offset increasing healthcare costs now and during retirement². For example, if you're still working, you can use HRA VEBA to cover your current out-of-pocket healthcare costs. Or, you can save the HRA VEBA contributions you earn today and use the money during retirement when you may need it most. Thousands of public retirees use HRA VEBA every month to reimburse their retiree medical premiums.

You work hard and deserve the most value from your benefits package. HRA VEBA can help.

Plan Benefits

You . . .

...pay no tax on contributions, earnings, and withdrawals (claims)

...can use your account anytime—after becoming claims eligible²

...choose your investments

Your . . .

...spouse and dependents are covered—even if you die

...unused account balance carries over from year to year—no annual “use-it-or-lose-it” requirement

¹ HRA VEBA Trust was formed in 1990 and is a voluntary employees' beneficiary association (VEBA) authorized under Internal Revenue Code § 501(c)(9). HRA VEBA Trust is managed by a board of trustees elected by the plan participants.

² Depending on your employer's plan design, account usage may be subject to vesting or post-separation coverage only.

How do I benefit from HRA VEBA?

HRA VEBA saves you money. You pay zero tax on contributions, earnings, and withdrawals (claims). In other words, the money goes in tax-free, is invested tax-free, and comes out tax-free. You may save up to \$300 or more in taxes for every \$1,000 contributed by your employer (tax savings are approximate and vary by individual).

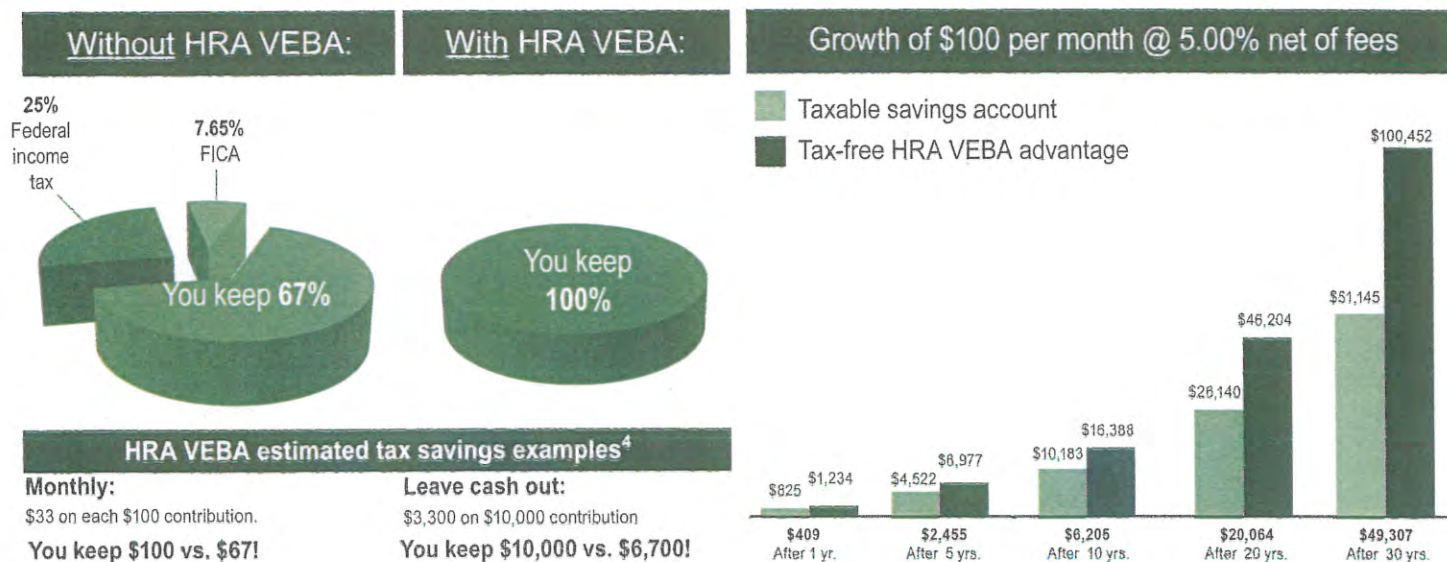
Tax-free Contributions

You and your employer pay zero tax on HRA VEBA contributions. Contributions to tax-deferred programs, such as your IRA, 457, 401(k), or 403(b) plans, are subject to FICA tax, and federal income tax is merely postponed until you make withdrawals.

Below are several of the most common HRA VEBA contribution sources³. In most cases, your employer contributes funds which would otherwise be paid to you as taxable income (e.g. salary, wages, sick leave, etc.). When your employee group elects to exchange taxable income for tax-free HRA VEBA contributions, you get to enjoy significant tax savings — even better than your tax-deferred investments!

1. Mandatory employee contributions (no individual elections)
2. Sick, vacation, personal, and other leave cash outs
3. Part or all of a future pay raise or COLA
4. Unused monthly benefit dollars
5. Premium savings from lower-cost medical plans
6. Other eligible sources

Save tax. Keep more.



Enrollment

After your employee group adopts HRA VEBA and you become eligible to participate, you must submit a completed and signed Enrollment Form. All employee group members defined as eligible must participate per IRS rules.

You will become a participant under the plan on either: (1) the date specified by your employer on your Enrollment Form; or (2) the latter date upon which the third-party administrator has received both your signed Enrollment Form and your first contribution.

³ If you need to confirm how mandatory employee contributions (or other contributions) to HRA VEBA may affect your pension benefit, contact your employer or state's Department of Retirement Systems.

⁴ Tax savings examples (1) are for illustrative purposes only and vary based on your personal tax situation; and (2) assume 25% federal income tax savings on contributions and earnings and 7.65% FICA tax savings on contributions. You should consult a professional advisor regarding your personal tax situation.

Amount today's average public retiree and spouse will spend on health care during retirement:

\$300,000+

Tax-free Investments

Invest your account by choosing either one of two options. You can change your investment selection anytime up to once per calendar month. Fund management fees vary by fund(s) selected. Fund fact sheets and prospectuses are available at hraveba.org.

Option A: Do-it-yourself

Build your own portfolio using funds from among seven individual asset classes.

- Stable Value
- Total Return Bond
- Balanced
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity

Option B: Choose a pre-mix

Select any one of four professionally designed pre-mixed asset allocation portfolios. Each pre-mixed portfolio's risk level gives strong consideration to your projected time horizon (i.e. the length of time until you expect to begin filing claims).

- Immediate Use (0-1 years)
- Short-term Use (2-3 years)
- Medium-term Use (4-5 years)
- Long-term Use (6+ years)

Tax-free Withdrawals (claims)

It's easy to file a claim

After becoming eligible to file claims, simply submit a properly completed and signed Claim Form along with proof of expense. Standard claims processing takes up to **five business days** from the date of receipt, plus **two business days** to execute the necessary investment fund trade(s). If you are not enrolled in direct deposit, remember to allow additional time to receive your paper check in the mail.

Use a Systematic Premium Reimbursement Form to request automatic reimbursement of recurring qualified insurance premiums.

Direct deposit is fast and secure

Sign up for direct deposit (recommended). It's a faster and more secure way to receive your reimbursements. Funds availability is subject to your banking institution's policies and procedures.

Online Services

myHRA VEBA online

After logging in to your account, you can quickly and easily:

- View your account balance and transaction history
- Track claims in progress
- View claims history
- Submit a change of address
- Update your investment selection(s)
- Update your covered spouse and dependent information
- And more!

e-Communication

Get important information quickly and securely by signing up for e-communication (recommended). Instead of waiting to receive private information in the mail, e-communication provides e-mail notification to you as soon as your participant activity statements and explanations of benefits (EOBs) are available for online viewing.

Survivor Benefit

If you pass away, remaining funds in your account may continue to be used by your surviving spouse and qualified dependent(s) to reimburse eligible healthcare expenses and premiums. Surviving spouses and qualified dependents enjoy the same tax advantages as participants.

If you have no eligible survivors, the executor of your estate will be given an opportunity to file claims for any unreimbursed expenses you incurred prior to your death. Any remaining funds will then be forfeited and redistributed per the instructions in your employer's adoption documents. IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

To learn more or to schedule a group presentation, contact the **VEBA Service Group, LLC** office near you.

Spokane: 1-800-888-8322 | **Sumner:** 1-800-422-4023 | **Tri-Cities:** 1-855-735-7713 | **Vancouver:** 1-877-695-3945

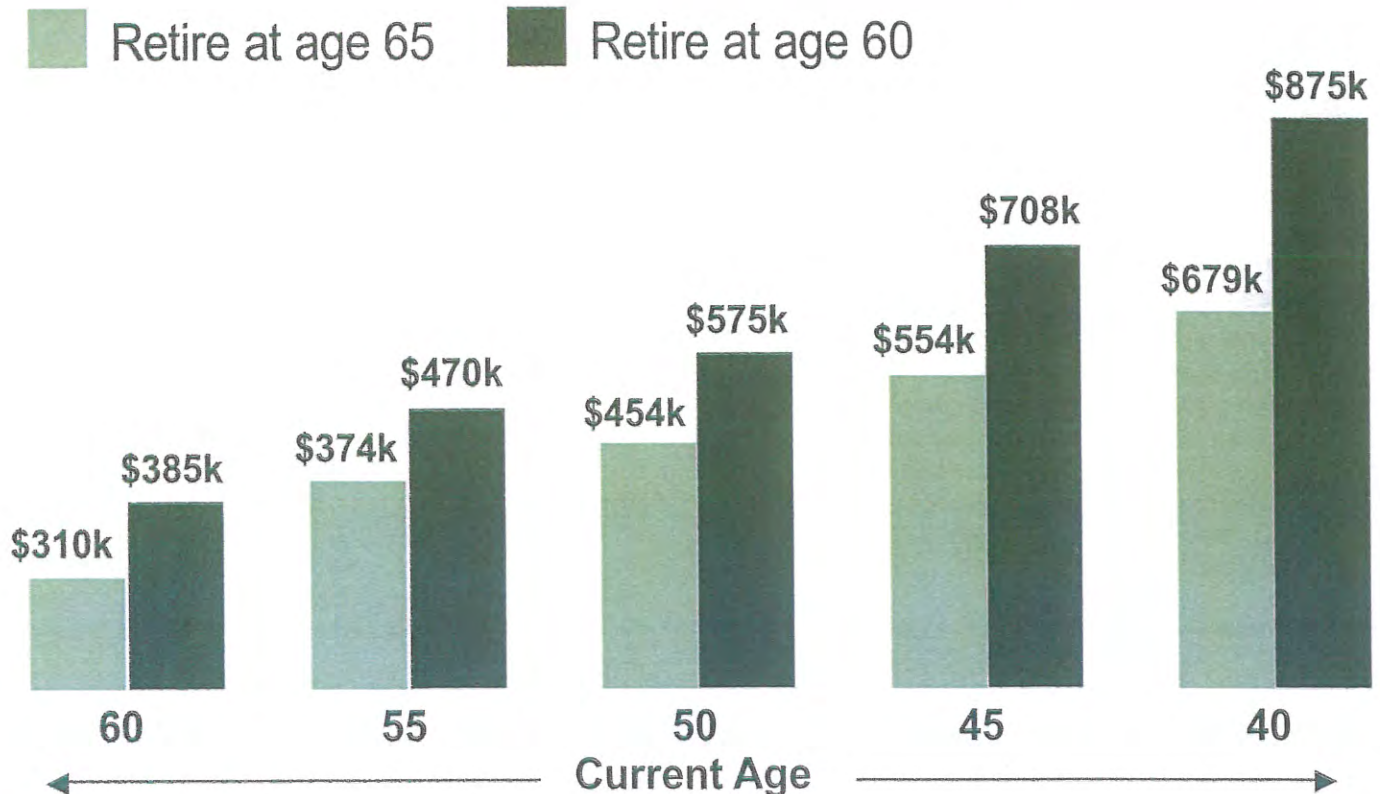
How much will you spend on health care during retirement?

Find your current age on the chart below.

The average 60-year-old public employee and spouse retiring today may spend well over \$300,000 of their own money on healthcare expenses and insurance premiums during retirement! Fortunately, HRA VEBA can help.



Retiree and spouse health insurance premiums average over \$1,000 per month prior to Medicare. After enrolling in Parts A and B of Medicare, this amount may decrease to about \$350 per month.



The above 2011 projections are based on current average PEBB-sponsored retiree medical and dental premium amounts for public retirees in Washington, current standard Medicare Part B premiums, and current average Medicare Part D premiums for subscribers in Washington. Following are the basic assumptions: (1) employee and spouse retire at age 60 or 65 and live to age 84; (2) both parties enroll in PEBB-sponsored retiree medical (\$1,025/month for both parties) and dental (\$85/month for both parties); (3) at age 65, both parties enroll in Part A (no cost), Part B (\$96.40/month per person), and Part D (\$60.70/month per person); (4) reduced PEBB retiree medical premium at age 65 for both parties (\$351/month current average); (5) \$500 per year miscellaneous out-of-pocket costs (deductibles, co-pays, etc.); (6) Five percent annual increase in retiree medical and dental premiums; and (7) Two percent annual increase in Medicare Part B and Part D premiums.

Fees

Plan expenses include claims processing, printing, postage, legal fees, consulting, local servicing, auditing, etc. These costs are paid by a \$1.50/month per participant fee, plus an annualized fee of approximately 1.25%.

The annualized fee is paid by a reduction to investment earnings or, if there are no earnings, charged as a deduction to participant accounts.

Third-party Administrator (TPA)

The third-party administrator, Meritain Health, provides customer service, claims processing, and participant account administration. Meritain Health has more than 30 years of experience and employs a specially-trained service team to assist you.

HRA VEBA Third-party Administrator

Meritain Health | PO Box 27810 | Minneapolis, MN 55427

Phone: 1-888-659-8828 | Fax: (763) 582-3471

E-mail: myHRAVEBA@meritain.com

Qualified Expenses & Premiums

Internal Revenue Code § 213(d) defines qualified expenses and premiums, in part, as "medical care" amounts paid for insurance or "for the diagnosis, cure, mitigation, treatment, or prevention of disease..." Expenses solely for cosmetic reasons generally are not eligible (e.g. face lifts, hair transplants, hair removal, etc.). Below is a partial list of basic qualified expenses and premiums. If you have questions, contact the third-party administrator, Meritain Health, at myHRAVEBA@meritain.com or 1-888-659-8828.

GENERAL EXPENSES		Organ transplants	Antacids	Items not eligible: Cosmetics; face creams Medicated shampoos Tooth brushes (including electronic) Vitamins (most cases)	Hospice care
Acupuncture	Orthodontia	Aspirin	Cold medicines		Hospital stay
Alcoholism and drug treatment center costs	Osteopathy	Cough suppressants	Dietary supplements		Outpatient hospital services
Birth control pills	Physical therapy	Eye products (e.g. Visine®)	First aid creams/liquids	INSURANCE PREMIUMS	Skilled nursing facility stay
Chiropractic	Prescription medicines	Herbal medicines	Nicotine gum/patches		TRICARE (military retirees)
Christian Science	Preventive care	Pain relievers	Sinus medications		Co-pays
Contact lenses, solutions, etc.	Psychiatric	Sleeping aids	St. John's Wort	Medical Dental Vision Long-term care (tax-qualified; subject to IRS limits) Medicare Part B Medicare Part D Medicare supplement plans	Coinurance
Co-pays	Retirement home (costs allocable to medical care)	Weight loss drugs			Deductibles
Coinurance	Stop smoking programs				Vision
Deductibles	Transportation (subject to IRS limits)	No prescription required (non-medicine items):		MEDICARE Co-pays Coinurance Deductibles Home health care	Miscellaneous
Dental	Vaccines	Bandages			Premiums:
Eye glasses	Vasectomy	Crutches			EXTRA
Fertility treatments	Vision	Diagnostic devices (e.g. blood sugar kits)			Medicare Part B
Gynecology/Obstetrics	Wheelchair	Insulin			Medicare Part D
Hearing aids & batteries					PRIME (HMO)
Immunizations	OVER-THE-COUNTER (OTC)				PRIME supplement
Laser eye surgery	Prescription required (medicines and drugs):				Retiree dental
Lifetime care at medical facility	Acne medications				Standard
Medical supplies and equipment	Allergy medicines				
Naturopathic					

Please note the following:

1. Qualified expenses and premiums you submit for reimbursement must be incurred after you become a claims-eligible participant.
2. If you are a participant in a Section 125 healthcare flexible spending account (FSA), you must exhaust your FSA benefits before submitting eligible claims.
3. Qualified insurance premiums are reimbursable beginning with the month in which you become a claims-eligible participant.
4. **IRS regulations provide that insurance premiums paid by an employer or deducted pre-tax through a Section 125 cafeteria plan, are not eligible for reimbursement.** When requesting reimbursement of premiums deducted from your paycheck, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available.
5. Systematic reimbursement of recurring qualified insurance premiums may be set up online after logging in to your account or by submitting a **Systematic Premium Reimbursement Form**.

Participating Employers

Washington Employers

As of September 30, 2011

CITIES & TOWNS

City of Airway Heights
 City of Arlington
 City of Auburn
 City of Bremerton
 City of Brewster
 City of Burien
 City of Cashmere
 City of Centralia
 City of Chehalis
 City of Chelan
 City of Cheney
 City of Cle Elum
 City of Colville
 City of Covington
 City of Dupont
 City of Ellensburg
 City of Elma
 City of Ephrata
 City of Federal Way
 City of Fife
 City of Forks
 City of Gig Harbor
 City of Grandview
 City of Kalama
 City of Kirkland
 City of Langley
 City of Leavenworth
 City of Liberty Lake
 City of Longview
 City of Marysville
 City of McCleary
 City of Medina
 City of Millwood
 City of Monroe
 City of Normandy Park
 City of Palouse
 City of Pasco
 City of Poulsbo
 City of Pullman
 City of Ridgefield
 City of SeaTac
 City of Seattle
 City of Sedro Woolley
 City of Selah
 City of Spokane
 City of Sunnyside
 City of Tacoma
 City of Tukwila
 City of Tumwater
 City of Vancouver
 City of Washougal
 City of Yakima

COUNTIES

Adams County
 Asotin County
 Benton County
 Chelan County
 Clallam County

Columbia County
 Cowlitz County
 Douglas County
 Franklin County
 Grant County
 King County
 Kittitas County
 Lincoln County
 Mason County
 Okanogan County
 Pacific County
 Pend Oreille County
 Pierce County
 San Juan County
 Skamania County
 Snohomish County
 Spokane County
 Stevens County
 Wahkiakum County
 Walla Walla County
 Whitman County
 Yakima County

SPECIAL PURPOSE DISTRICTS

Alderwood Water & Wastewater District
 Bainbridge Island Fire Dept.
 Bainbridge Island Metro Parks
 Beacon Hill Sewer District
 Bellingham Housing Authority
 Ben Franklin Transit
 Benton County PUD
 Benton Franklin Health District
 Birch Bay Water & Sewer Dist.
 Cascade Valley Hospital
 Cedar River Water & Sewer
 Central Kitsap Fire & Rescue
 Central Pierce Fire & Rescue
 Chelan County Fire No. 9
 Chelan County PUD
 Clallam County PUD No. 1
 Clallam Transit System
 Clark County Fire District No. 6
 Clark County Fire District No. 11
 Clark County Fire & Rescue
 Clark County PUD
 Clark County Public Transp.
 Coal Creek Utility District
 Columbia Cty Rural Library Dist.
 Covington Water District
 Cowlitz County Fire Dist. No. 5
 Cowlitz County PUD
 Cross Valley Water District
 Douglas County Fire No. 2
 Douglas County PUD No. 1
 Douglas County Sewer District No. 1
 Duvall Fire
 East Jefferson Fire & Rescue
 East Pierce Fire & Rescue
 East Wenatchee Water District

Eastmont Metro Park District
 Energy Northwest
 Ferry County PUD
 Franklin County Emergency Management
 Franklin County PUD
 Grand Coulee Proj. Hydro.
 Grant County PUD No. 2
 Grays Harbor County PUD
 Greater Columbia Behavioral Health
 Highline Water District
 Jefferson Transit Authority
 Kent Fire Department RFA
 King County Water Dist. No. 20
 King County Water Dist. No. 45
 King County Water Dist. No. 49
 King County Water Dist. No. 111
 King County Water Dist. No. 125
 Kitsap County Fire Dist. No. 18
 Kitsap Health District
 Kittitas County PUD No. 1
 Klickitat County PUD No. 1
 Lake Chelan Reclamation Dist.
 Lake Stevens Fire District
 Lake Stevens Sewer District
 Lake Whatcom Water & Sewer
 Lakehaven Utility District
 Lewis County PUD
 Link Transit
 Malaga Water District
 Manchester Water District
 Marysville Fire District
 Mason County Fire Dist. No. 2
 Mason County Fire Dist. No. 5
 Mason County PUD No. 1
 Midway Sewer District
 Mukilteo Water District
 North Perry Avenue Water Dist.
 NE Sammamish Sewer & Water
 Okanogan County Fire No. 15
 Okanogan County PUD No. 1
 Olympic View Water & Sewer District
 Pacific County PUD No. 2
 Pangborn Memorial Airport
 Pend Oreille County PUD
 Peninsula Development District
 Peninsula Light Company
 Pierce County Library System
 Port Ludlow Fire & Rescue
 Port of Bremerton
 Port of Camas
 Port of Centralia
 Port of Chehalis
 Port of Chelan
 Port of Ephrata
 Port of Kalama
 Port of Kennewick
 Port of Longview
 Port of Moses Lake
 Port of Olympia

Port of Peninsula
 Port of Port Angeles
 Port of Port Townsend
 Port of Skamania County
 Port of Tacoma
 Port of Vancouver
 Port of Walla Walla
 Puget Sound Regional Council
 Ronald Wastewater District
 Shoreline Fire Department
 Shoreline Water District
 Silver Lake Water District
 Silverdale Water District
 Skagit 911
 Skamania County PUD No. 1
 Skyway Water & Sewer District
 Snohomish County Fire Dist. No. 3
 Snohomish County Fire Dist. No. 4
 Snohomish County Fire Dist. No. 5
 Snohomish County Fire Dist. No. 7
 Snohomish County Fire Dist. No. 26
 Snohomish Health District
 Soos Creek Water & Sewer District
 South King County Water Dist.
 Southwest Suburban Sewer Dist.
 Spokane County Fire Dist. No. 4
 Spokane County Fire Dist. No. 9
 Spokane County Noxious Weed Board
 Spokane Transit Authority
 Spokane Valley Fire Dept.
 Stevens County PUD
 Tacoma Metro Parks
 Thurston County Fire Dist. No. 11
 Thurston County Fire Dist. No. 13
 Thurston County PUD No. 1
 Timberlands Regional Support Network
 Tri-County Economic Development District
 Valley Regional Fire
 Valley Transit
 Valley View Sewer District
 Valley Water District
 Vera Water & Power
 Wahkiakum PUD
 Washington Cities Insurance Authority
 Washington PUD Association
 Water & Sewer Risk Mgmt. Pool
 West Sound Utility District
 West Thurston Regional Fire Authority
 Whitworth Water District No. 2
 Woodinville Water District
 Yakima County Fire District 5
 Yakima Health District

Total Washington Employers: 225

Participating Employers

Idaho and Oregon Employers

As of September 30, 2011

IDAHO

CITIES & TOWNS

City of Boise
City of Coeur d'Alene
City of Hailey
City of Idaho Falls
City of Lewiston
City of Moscow
City of Orofino
City of Pocatello
City of Post Falls
City of Rexburg
City of Rigby
City of St. Maries

COUNTIES

Fremont County
Kootenai County
Latah County
Nez Perce County
Shoshone County

SPECIAL PURPOSE DISTRICTS

Association of Idaho Cities
Basin School District No. 72
Blackfoot Charter Community
Community Library District
Idaho Science & Technology
Charter School
Kootenai Medical Center
Lakeland Joint SD No. 272
Lakes Highway District
Latah County Library District
Lewiston Orchards Irrigation
District
Northern Lakes Fire District
Post Falls Highway District
Sagle Fire District
Valley Regional Transit

Total Idaho Employers: 31

OREGON

CITIES & TOWNS

City of Ashland
City of Bay City
City of Beaverton
City of Canby
City of Central Point
City of Columbia City
City of Cottage Grove
City of Dallas
City of Dundee
City of Forest Grove
City of Garibaldi
City of Gladstone
City of Grants Pass
City of Gresham
City of Harrisburg
City of Hermiston
City of Hillsboro
City of Hood River
City of Independence
City of John Day
City of Junction City
City of La Grande
City of Lake Oswego
City of Medford
City of Milwaukie
City of Molalla
City of Newberg
City of Oakridge
City of Oregon City
City of Pendleton
City of Philomath
City of Phoenix
City of Pilot Rock
City of Portland
City of Roseburg
City of Salem
City of Sheridan
City of St. Helens
City of Stayton
City of Talent
City of The Dalles
City of Tigard
City of Tualatin
City of West Linn

COUNTIES

Clackamas County
Columbia County
Coos County
Curry County
Hood River County
Jefferson County
Klamath County

Morrow County
Multnomah County
Tillamook County
Umatilla County
Wallowa County
Yamhill County

SPECIAL PURPOSE DISTRICTS

Applegate Valley RFPD
Arch Cape Sanitary District
Arch Cape Water District
Ashland Parks & Recreation
Commission
Astoria School District
Athena-Weston School District
Aurora Rural Fire Protection
Boring Fire District
Camas Valley School District
Canby Fire District No. 62
Cannon Beach Rural Fire
Protection District
City County Insurance
Clackamas River Water District
Clatskanie PUD
Clatskanie School District
Clean Water Services
Coburg Fire Board
Columbia 911 Communications
Columbia River Fire & Rescue
Columbia River PUD
Condon School District
Corbett School District
Crescent Rural Fire Protection
Crook County Fire & Rescue
Crooked River Ranch Fire &
Rescue
Emergency Communication of
Southern Oregon
Estacada Rural Fire Dist. No. 69
Eugene Water & Electric Board
Goshen Fire District
Green Sanitary District
Hermiston Fire & Emergency
Hermiston School District
Hood River School District
Housing Authority of Clackamas
County
Jackson County Fire Dist. No. 5
Jefferson County FPD #1
Jewell School District
Keizer Rural Fire Protection
Klamath County Fire No. 1
Knappa School District
Lake County ESD
Lane County Fire

Lane Rural Fire & Rescue
Lane Transit District
Lebanon Community School Dist.
Lincoln County School District
McKenzie Fire & Rescue
McMinnville School District
Medford Water Commission
MINET
Morrow County School District
Nestucca Rural Fire District
Nestucca Valley School District
North Lincoln Fire & Rescue Dist.
North Marion County (NORCOM#11)
Northern Wasco School District
Northern Wasco County PUD
Northwest Regional ESD
Pendleton School District
Perrydale School District
Philomath Fire & Rescue
Philomath School District
Polk County Fire
Port of St Helens
Rogue Valley Transportation
Salem Firefighters
Salem Area Mass Transit District
Sandy Rural Fire
Santa Clara RFPD
Scappoose Rural Fire District
Scio School District
Seal Rock Fire District
Sherwood School District
South Fork Water Board
South Gilliam County Health
District
South Lane Fire & Rescue
South Lane School District
Springfield Utility Board
Tangent Rural Fire Protection
Dist.
Tigard-Tualatin School District
Tillamook PUD
Tillamook County Emergency
Communications Dist.
Tillamook County Transp. Dist.
Tillamook School District
Tualatin Valley Water District
Umatilla County School Dist. 6R
Willamette Valley Fire & Rescue
Yamhill County Housing Authority

Total Oregon Employers: 145

The HRA VEBA plan is a tax-free health reimbursement arrangement (HRA) for governmental employees in Washington, Oregon, and Idaho. For more information, please contact a VEBA Service Group, LLC representative near you. In Eastern Washington or Idaho, call 1-800-888-VEBA (8322). In Western Washington, call 1-800-422-4023. In Oregon and Southwest Washington, call 1-877-695-3945.

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT:
2013 Joint Human Services Application and Funding Program

FOR AGENDA OF: January 24, 2013

DEPT. OF ORIGIN: Parks, Recreation, & Seniors
Senior Services

DATE SUBMITTED: January 15, 2013

ATTACHMENTS:

1. Exhibit A to Memorandum of Understanding between the Cities- Calendar Year 2013
2. 2003 Memorandum of Understanding

CLEARANCES:

[X] Parks, Recreation & Senior Services *RS*
 [X] Legal *DB*
 [NA] Marina *N/A*
 [NA] Planning, Building & Public Works *N/A*
 [NA] Police *N/A*
 [NA] Courts *N/A*

**APPROVED BY THE CITY MANAGER
FOR SUBMITTAL:** *Sub*

Purpose and Recommendation

The purpose of this agenda item is to seek City Council authorize the 2013 Joint Human Services Funding Program Agreement between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Renton, SeaTac, and Tukwila for planning, funding and continuation of a Joint Human Services Application and Funding Program.

Suggested Motion

"I move to approve Exhibit A for Des Moines 2013 funding as provided in the 2003 Memorandum of Understanding for the Joint Human Services Funding Program between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Renton, SeaTac, and Tukwila (Attachment 2), substantially in the form as submitted."

Background

In 2003, the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Renton, SeaTac and Tukwila began making the most efficient use of their limited resources by streamlining the funding process with the implementation of the Joint Human Services Funding Program in order to provide services for residents.

The Joint Human Services Funding Program by execution of the Memorandum of Understanding in 2003 was initiated between the above-listed cities to allow for selected King County human service providers to submit one application for funding, one invoice for payment, and one quarterly report of performance measures and specific city demographics as opposed to completing individual applications, invoice requests and quarterly reports for each city.

Des Moines participates in this process through annual approval of Exhibit A (Attachment A) to the 2003 MOU (Attachment 2). The City may terminate its participation with 30 days written notice but remains responsible for its funding responsibilities through the end of the calendar year.

Discussion

The 2003 MOU for Joint Human Services Funding Program consolidates the human services funding process. This results in a more efficient use of government resources and human service provider staffing and resources. The processing of fewer annual quarterly payment invoices and quarterly agency performance and demographic report forms saves significant staff time. The 2013 Exhibit A includes nine human service providers; however, not all of the programs receive Des Moines funds. Based on City of Des Moines' 2013 budget, the programs receiving funds from Des Moines are:

Crisis Clinic (Telephone Referral, 211 & Teen Link)	\$ 4,800.00
DAWN- Continuum of Housing	\$ 5,000.00
DAWN- Community Advocacy)	\$ 1,000.00
HealthPoint (Medical and Dental)	\$ 7,500.00
King Co. Sexual Assault Resource Center	\$ 4,100.00
Multi-Service Center Emergency Housing	\$ 4,000.00
Senior Services (Meals on Wheels And Senior Shuttle)	\$ 4,250.00
Total:	\$30,650.00

Alternatives

City Council can choose not to authorize the signing of the 2013 Joint Human Services Funding Program Agreement.

Financial Impact

There is no additional cost for the 2013 Exhibit A to the 2003 MOU for Joint Human Services Funding Program between the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Renton, SeaTac, and Tukwila. The amounts have been previously budgeted for the 2013 Budget.

Recommendation/Concurrence

Des Moines Administration and the Des Moines Human Services Advisory Committee recommend that the City Council approve the 2013 Exhibit A to the 2003 MOU for Joint Human Services Funding Program with the Cities of Auburn, Burien, Covington, Federal Way, Renton, SeaTac and Tukwila as attached.

Final
Calendar Year 2013

Exhibit A to Memorandum of Understanding (MOU) between the Cities for planning, funding, and implementation of a joint human services application and funding program.

Name of Nonprofit Agency & Program	Participating Cities	Funding
Catholic Community Services for Emergency Assistance	Federal Way - Lead City	\$ 13,500
	Covington	8,500
	Burien	10,500
	Renton	10,609
	SeaTac	12,000
	TOTAL	\$ 55,109
Catholic Community Services for Volunteer Chore Services	Federal Way - Lead City	\$ 9,000
	Auburn	3,000
	Covington	3,000
	Renton	5,000
	SeaTac	5,000
	TOTAL	\$ 25,000
Child Care Resources for Information & Referral	Covington - Lead City	\$ 3,585
	Burien	5,000
	Renton	5,000
	SeaTac	5,000
	Tukwila	5,000
	TOTAL	\$ 23,585
Crisis Clinic for telephone referral line and 2-1-1	2-1-1 \$1,000; 24 hr line \$1,000	Auburn - Lead City \$ 2,000
	2-1-1 \$8,500; 24 hr line None	Burien 8,500
	2-1-1 \$2,000; 24 hr line \$2,400	Covington 4,400
	2-1-1 \$2,600; 24 hr line \$1,700	Des Moines 4,300
	2-1-1 \$9,000; 24 hr line \$3,000	Federal Way 12,000
	2-1-1 \$15,000; 24 hr line \$5,000	Renton 20,000
	2-1-1 \$4,500; 24 hr line \$2,500	SeaTac 7,000
	2-1-1 \$1,500; 24 hr line \$2,620	Tukwila 4,120
	TOTAL	\$ 62,320

Final
Calendar Year 2013

Exhibit A to Memorandum of Understanding (MOU) between the Cities for planning, funding, and implementation of a joint human services application and funding program.

Name of Nonprofit Agency & Program	Participating Cities	Funding
Crisis Clinic for Teen Link	Auburn - Lead City	\$ 1,000
	Burien	1,000
	Covington	2,671
	Des Moines	500
	Federal Way	3,000
	Renton	5,000
	SeaTac	2,500
	Tukwila	1,500
	TOTAL \$	17,171
Domestic Abuse Women's Network (DAWN) for Community Advocacy and Crisis Line	Covington - Lead City	\$ 8,000
	Burien	2,000
	Des Moines	1,000
	Federal Way	5,000
	Renton	5,780
	SeaTac	5,000
	Tukwila	4,000
	TOTAL \$	30,780
Domestic Abuse Women's Network (DAWN) for Transitional Housing (Shelter)	Burien - Lead City	\$ 8,000
	Des Moines	5,000
	Federal Way	20,000
	SeaTac	8,000
	Tukwila	7,000
	TOTAL \$	48,000
Dynamic Partners for Children with Special Needs	Tukwila - Lead City	\$ 6,750
	Auburn	10,000
	Burien	5,000
	Covington	9,000
	Federal Way	10,000
	Renton	10,200
	SeaTac	13,000
	TOTAL \$	63,950
HealthPoint - DENTAL	Renton - Lead City	\$ 5,000
	Covington	3,181
	Des Moines	2,600
	Federal Way	15,900
	SeaTac	14,000
	Tukwila	4,550
	DENTAL TOTAL \$	45,231

Final
Calendar Year 2013

Exhibit A to Memorandum of Understanding (MOU) between the Cities for planning, funding, and implementation of a joint human services application and funding program.

Name of Nonprofit Agency & Program	Participating Cities	Funding
HealthPoint - MEDICAL	Renton - Lead City	\$ 28,350
	Burien	10,000
	Covington	4,000
	Des Moines	4,900
	Federal Way	15,000
	SeaTac	47,000
	Tukwila	5,000
	MEDICAL TOTAL	\$ 114,250
King County Sexual Assault Resource Center (KCSARC) for Comprehensive Sexual Assault Services	Covington - Lead City	\$ 4,864
	Auburn	22,500
	Burien	7,500
	Renton	32,000
	Des Moines	4,100
	Federal Way	25,000
	SeaTac	8,100
	Tukwila	8,305
	TOTAL	\$ 112,369
Multi-Service Center for Emergency Shelter and Transitional Housing	Burien - Lead City	4,000
	Des Moines	4,000
	Federal Way	38,000
	Renton	6,631
	SeaTac	7,000
	Tukwila	4,000
	TOTAL	\$ 63,631
Senior Services for Meals on Wheels	Renton - Lead City	\$ 10,000
	Auburn	7,000
	Burien	5,000
	Des Moines	3,750
	Federal Way	10,000
	SeaTac	11,000
	Tukwila	7,079
	TOTAL	\$ 53,829
Senior Services for Volunteer Transportation Services and Senior Shuttles	Renton - Lead City	\$ 11,180
	Auburn	5,000
	Burien (Sr. Shuttle)	2,000
	Des Moines (Sr. Shuttle)	500
	Federal Way	10,000
	SeaTac	4,000
	Tukwila	2,048
	TOTAL	\$ 34,728

**Final
Calendar Year 2013**

Exhibit A to Memorandum of Understanding (MOU) between the Cities for planning, funding, and implementation of a joint human services application and funding program.

Name of Nonprofit Agency & Program	Participating Cities	Funding
<u>Summary of Lead Cities:</u> Auburn: Crisis Clinic - 2-1-1 & 24 hr line Crisis Clinic - Teen Link Burien: DAWN - Shelter Multi-Service Center -Emergency Housing Covington: Childcare Resources - Info & Referral DAWN - DV Advocacy/Crisis Line KSCARC Federal Way: CCS - Emergency Assistance CCS - Volunteer Chore Services Renton: HealthPoint - Dental HealthPoint- Medical Senior Services - Meals on Wheels Senior Services - Volunteer Transportation Tukwila: Dynamic Partners		

MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITIES OF AUBURN, BURien, DES MOINES,
FEDERAL WAY, KENT, RENTON, SEATAC, AND
TUKWILA FOR PLANNING, FUNDING, AND
IMPLEMENTATION OF A JOINT HUMAN
SERVICES APPLICATION AND FUNDING
PROGRAM.

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into pursuant to Chapter 39.34 RCW by the Cities of Auburn, Burien, Des Moines, Federal Way, Kent, Renton, SeaTac, and Tukwila, Washington hereinafter referred to as "Cities"; to provide for planning, funding, and implementation of a joint human services application and funding program.

WHEREAS, the Cities engage in activities which support human service providers in King County; and

WHEREAS, the parties wish to make the most efficient use of their resources by cooperating to provide funding to support human service providers in south King County; and

WHEREAS, through the Interlocal Cooperation Act, the parties have the authority to engage in cooperative efforts which result in more efficient use of Government resources; and

NOW THEREFORE, and in consideration of the terms, conditions and performances made herein, it is agreed as follows:

1. Purpose of MOU: The purpose of the MOU is to set up a cooperative arrangement between the Cities to consolidate the human services application and funding process. Four nonprofit human services agencies, commonly funded by many of the Cities, have been designated by the Cities for calendar year 2003. Nonprofit agencies may be added or deleted each year as determined by the Cities for the cooperative program.

2. Joint Participation.

a) Lead City. A Lead City will be designated by the Cities for each Nonprofit Agency, as shown in Exhibit A, to act as the fiscal and administrative agent for the Cities for that Nonprofit Agency. A Lead City is usually established by the amount of funding and/or support to the particular Nonprofit Agency. The responsibilities of the Lead City are described in Section 4.

b) Participating City. A Participating City is a city participating in the cooperative funding of a Nonprofit Agency, who is not a Lead City. Participating Cities for each Nonprofit Agency are identified in Exhibit A. A Participating City shall review quarterly reports from the Nonprofit Agency.

Joint Human Services Application and Funding MOU
Page 2 of 7

If a Participating City becomes concerned with a Nonprofit Agency's services, it will promptly notify the Lead City. If a Participating City determines that a Nonprofit Agency is not performing satisfactorily for their city, the Participating City reserves the right to request the Lead City to withhold payments to the Nonprofit Agency for their share of funding. In the event that a claim or lawsuit is initiated by a Nonprofit Agency against any City for withholding payment, the City requesting the withholding of payment shall be responsible for settling or defending the claim or lawsuit. In addition, in the event of any settlement of or judgment on the claim or lawsuit, the City requesting that payment be withheld shall be fully responsible for the payment of such settlement of judgment and shall indemnify, defend, and hold harmless the other Cities for such settlement or lawsuit.

- c) Nonprofit Agency. For calendar year 2003, the Cities identified and agreed that they will coordinate to consolidate the human services application and funding process for the following four Nonprofit Agencies: Crisis Clinic, King County Sexual Assault Resource Center, Community Health Center, and the Part-Time Domestic Violence Planner through the King County Coalition Against Domestic Violence. Nonprofit Agencies may be added or deleted each year as determined by the Cities for the cooperative program.

3. Funding Arrangement.

- a) Allocation. Each Participating City shall provide to the Lead City no later than March 31st of each year, the total annual funding allocation approved by their City Councils for the Nonprofit Agency, as described in Exhibit A. No administrative costs shall be imposed by the Lead City to the other Participating Cities. Exhibit A will be updated each year to show the Nonprofit Agencies, Lead Cities, Participating Cities, and funding amounts for that calendar year. *{For City of Des Moines only, the last sentence of this paragraph was changed to read: "Exhibit A will be updated each year by approval of amendment to this agreement to show the Nonprofit Agencies, Lead Cities, Participating Cities, and funding amounts for that calendar year."}*
- b) Return of Unspent Funds. Any monies that the Nonprofit Agency(s) does not spend during the calendar year shall be proportionately returned to each Participating City. On or before March 31st of the next calendar year the Lead City will provide the unspent funds to each Participating City.

4. Responsibilities of Lead City. A Lead City has been designated to act as the fiscal and administrative agent for the Cities for each Nonprofit Agency, as shown in Exhibit A. The responsibilities of the Lead City shall include the following:

- a) Send an invoice to each Participating City by January 30th of each year for their annual approved allocation to the Nonprofit Agency.

Joint Human Services Application and Funding MOU
Page 3 of 7

- b) Contract with the Nonprofit Agency each year, for the total funding allocated by the Participating Cities, detailing performance measures to be performed by the Nonprofit Agency for each City.
- c) Receive, review, and process the quarterly invoices and reports from the Nonprofit Agency. Quarterly reports shall describe services provided specifically to each City. Disputes regarding billings will be resolved among the Participating Cities.
- d) Provide copies of quarterly reports to the Participating Cities, if the reports are not provided directly by the Nonprofit Agency.
- e) Provide the Nonprofit Agency with a funding application and technical assistance as required.
- f) Perform an annual monitoring visit of the Nonprofit Agency, to include the participation of another Participating City.
- g) Maintain accounts and records which properly reflect transactions related to this MOU.

5. Duration. This MOU shall become effective when it is approved by a majority of the Cities and shall remain in effect through December 31, 2003, with automatic extensions annually, unless terminated as described in section 6.

6. Termination. Any party may terminate its participation in the MOU without cause by giving the other Cities a thirty day written notice. The terminating party shall remain fully responsible for meeting its funding responsibilities and other obligations established by this MOU through the end of the calendar year in which such notice is given.

7. Notices. Notices to the Cities shall be sent to the following persons:

City	Contact
Auburn	Planner, currently Shirley Aird
Burien	Management Analyst, currently Lori Fleming
Des Moines	Senior Services Manager, currently Sue Padden
Federal Way	Human Services Manager, currently Lydia Assefa-Dawson
Kent	Human Services Manager, currently Katherin Johnson
Renton	Contract Specialist, currently Dianne Utecht
SeaTac	Senior Project Coordinator, currently Soraya Lowry
Tukwila	Human Services Manager, currently Evelyn Boykan

8. Indemnification.

Each City agrees to indemnify the other Cities from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage and bodily injury, including death, caused solely by the negligence or willful misconduct of such City, the City's employees,

Joint Human Services Application and Funding MOU
Page 4 of 7

affiliated corporations, officers, and lower tier subcontractors in connection with this MOU.

Each City hereby waives its immunity under Title 51 of the Revised Code of Washington for claims of any type brought by any City agent or employee against the other Cities. This waiver is specifically negotiated by the parties and a portion of the City's payment hereunder is expressly made the consideration for this waiver.

9. Insurance. Each City shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000.00 per occurrence/aggregate for personal injury and property damage. In the event that a City is a member of a pool of self-insured cities, the City shall provide proof of such membership in lieu of the insurance requirement above. Such self insurance shall provide coverage equal to or greater that required of non-self insurance pool member Cities.

10. Oversight Committee. This Agreement shall be managed by an Oversight Committee made up of one representative of each City. The representative of each City shall be that person designated in section 7 of this Agreement. The Oversight Committee shall meet at least annually to discuss the terms of the Agreement and manage the services provided pursuant to the Agreement.

11. Applicable Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorney's fees and costs of suit.

12. Counterparts. This document may be executed in any number of counterparts, each one which shall be considered an original.

IN WITNESS WHEREOF, the undersigned have entered into this MOU as of this _____ day of _____, 2003.

Joint Human Services Application and Funding MOU
Page 4 of 5

Each City hereby waives its immunity under Title 51 of the Revised Code of Washington for claims of any type brought by any City agent or employee against the other Cities. This waiver is specifically negotiated by the parties and a portion of the City's payment hereunder is expressly made the consideration for this waiver.

9. Insurance. Each City shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance, with a minimum coverage of \$1,000,000.00 per occurrence/aggregate for personal injury and property damage. In the event that a City is a member of a pool of self-insured cities, the City shall provide proof of such membership in lieu of the insurance requirement above. Such self insurance shall provide coverage equal to or greater that required of non-self insurance pool member Cities.

10. Oversight Committee. This Agreement shall be managed by an Oversight Committee made up of one representative of each City. The representative of each City shall be that person designated in section 7 of this Agreement. The Oversight Committee shall meet at least annually to discuss the terms of the Agreement and manage the services provided pursuant to the Agreement.

11. Applicable Law; Venue; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorney's fees and costs of suit.

IN WITNESS WHEREOF, the undersigned have entered into this MOU as of this 3rd day of February, 2003.

CITY OF RENTON

By: Jesse Tanner
Jesse Tanner

Title: Mayor

Date: 2-3-2003

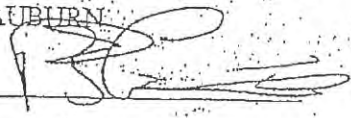
Attest: Bonnie I. Walton
City Clerk, Bonnie I. Walton

Approved As To Form:

Lawrence Warner
City Attorney

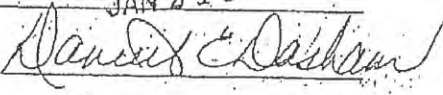
IN WITNESS WHEREOF, the undersigned have entered into this MOU as of this
21st day of January, 2003.

CITY OF AUBURN

By: 

Title: Mayor

Date: JAN 21 2003

Attest: 

Approved As To Form


City Attorney

Joint Human Services Application and Funding MOU
Page 5 of 7

CITY OF BURIEN

By: Darryl P. Long

Title: City Manager

Date: 1-21-03

Attest: _____

Approved As To Form:

[Signature]
City Attorney

CITY OF COVINGTON

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form:

City Attorney

CITY OF DES MOINES

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form:

City Attorney

CITY OF FEDERAL WAY

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form:

City Attorney

Joint Human Services Application and Funding MOU
Page 5 of 7

CITY OF BURIEN

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF COVINGTON

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF DES MOINES

By: [Signature]

Title: City Manager

Date: 1/28/03

Attest: _____

Approved As To Form: _____

[Signature]
City Attorney

CITY OF FEDERAL WAY

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

Joint Human Services Application and Funding MOU
Page 6 of 8

CITY OF FEDERAL WAY

By: [Signature]

Title: CITY MANAGER

Date: 3/26/03

Attest: [Signature]

Approved As To Form: [Signature]

City Attorney

CITY OF KENT

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF RENTON

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF SEATAC

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

Joint Human Services Application and Funding MOU
Page 6 of 7

CITY OF KENT

By: Judy Woods

Title: Mayor Pro Tem

Date: 2/4/03

Attest: _____

Approved As To Form: _____

DEPUTY City Attorney

CITY OF RENTON

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF SEATAC

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

CITY OF TUKWILA

By: _____

Title: _____

Date: _____

Attest: _____

Approved As To Form: _____

City Attorney

Joint Human Services Application and Funding MOU
Page 6 of 7

CITY OF KENT

By: _____

Approved As To Form: _____

Title: _____

City Attorney

Date: _____

Attest: _____

CITY OF RENTON

By: _____

Approved As To Form: _____

Title: _____

City Attorney

Date: _____

Attest: _____

CITY OF SEATAC

By: Bruce Rayburn
Bruce Rayburn, City Manager

Approved As To Form: _____

Title: _____

John L. McAdams
City Attorney

Date: 3/3/03

Attest: _____

CITY OF TUKWILA

By: _____

Approved As To Form: _____

Title: _____

City Attorney

Date: _____

Attest: _____

Joint Human Services Application and Funding MOU
Page 6 of 7

CITY OF KENT

By: _____

Approved As To Form:

Title: _____

City Attorney

Date: _____

Attest: _____

CITY OF RENTON

By: _____

Approved As To Form:

Title: _____

City Attorney

Date: _____

Attest: _____

CITY OF SEATAC

By: _____

Approved As To Form:

Title: _____

City Attorney

Date: _____

Attest: _____

CITY OF TUKWILA

By: Spencer Mullet

Approved As To Form:

Title: Mayor

[Signature]
City Attorney

Date: 1/16/03

Attest: Jane E. Cantu
City Clerk

ORIGINAL

Addendum 1

to

MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITIES OF AUBURN, BURIEN, DES MOINES, FEDERAL
WAY, KENT, RENTON, SEATAC, AND TUKWILA FOR
PLANNING, FUNDING, AND IMPLEMENTATION OF A
JOINT HUMAN SERVICES APPLICATION AND
FUNDING PROGRAM.

The attached Memorandum of Understanding between the Cities for the planning, funding, and implementation of a joint human services application and funding program shall be modified to include the City of Covington, Washington.

Provision 7. Notices on page 3 shall be changed to include the City of Covington, with the contact person being the Human Services Manager, currently Victoria Throm.

All other terms and conditions of the above referenced contract shall remain the same.

These changes shall become effective on January 1, 2005.

CITY OF COVINGTON

By: Title: Acting City ManagerDate: 2-24-05

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: 2013 Des Moines Rotary Club
Poverty Bay Wine Festival

ATTACHMENTS:

1. Draft Resolution No. 13-012
2. Draft Agreement for the 2013 Des Moines Rotary Poverty Bay Wine Festival

FOR AGENDA OF: 1/24/2013

DEPT. OF ORIGIN: Legal

DATE SUBMITTED: 1/15/2013

CLEARANCES:

- ☒ Legal TS
☒ Finance JP
☒ Marina TS
☐ Parks, Recreation & Senior Services N/A
☐ Planning, Building & Public Works N/A
☒ Police TS
☐ Courts N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL TS

Purpose and Recommendation

The purpose of this agenda item is to request that the City Council adopt Draft Resolution No. 13-012 authorizing the use of the Des Moines Marina parking lot by the Rotary Club of Des Moines for Poverty Bay Wine Festival parking and shuttle services to and from the Landmark Event Center from March 1 through March 3, 2013.

Suggested Motion

Motion: "I move to adopt Draft Resolution No. 13-012, authorizing the use of the Marina parking lot by the Rotary Club of Des Moines' Ninth Annual Poverty Bay Wine Festival event, taking place from March 1 through March 3, 2013; and, to direct the City Manager to execute the Agreement between the City of Des Moines and the Rotary Club of Des Moines for the 2013 Poverty Bay Wine Festival, substantially in the form as attached."

Background:

The Rotary Club of Des Moines will hold its Ninth Annual Poverty Bay Wine Festival March 1-3, 2013 at Landmark Event Center. For the past five years the event has been held at this location, with event parking at the Des Moines Marina parking lot area. The event features several Washington Wineries,

Food Booths, Art and Music. The three-day festival has been very successful drawing approximately 2,000 wine spectators annually.

The 2013 event dates and hours are as follows: on Friday, 5:00 p.m. to 10:00 p.m.; on Saturday 12:00 p.m. to 7:00 p.m.; and on Sunday, 12:00 p.m. to 5:00 p.m. The hours were selected to support the evening restaurant businesses in the area.

The Marina parking lot would be used for festival parking and as a site to shuttle event attendees between the downtown and the Landmark Event Center from 4:00 p.m. to 11:00 p.m. on Friday, 11:00 a.m. to 8:00 p.m. on Saturday, and 11:00 a.m. to 6:30 p.m. on Sunday.

Discussion:

The intent of the request for the use of the Marina parking lot for a shuttle service is to draw festival attendees into downtown Des Moines to provide exposure to local restaurants and businesses and enhance tourism opportunities. Impacts to Marina tenants and neighboring residents are minimal with little or no vehicular spillage onto side streets or neighboring parking lots.

Event set-up for the shuttle will begin at 4:00 p.m. on Friday, and 11:00 a.m. on both Saturday and Sunday. The Marina parking lot would be the location of event parking and shuttle service only. No other uses/activities are planned by the Rotary Club at this location.

The Rotary Club works closely and cooperatively with City and Fire District to ensure event safety and security. The Rotary Club provides insurance liability coverage for the event.

It is projected that approximately 2,000 wine spectators will attend the Festival over a three-day festival period. Funds raised will be reinvested for charitable, community and educational projects supported by the Rotary Club. Sponsorships ranging from \$250 to \$50,000 in cash and/or in-kind services have been solicited from businesses to finance festival overhead.

Alternatives:

None provided.

Financial Impact:

There will be minimal impact to the City of Des Moines Marina operations. In past years, there were no issues affecting City departments such as Police, Marina and Parks & Recreation regarding this event and staff is convinced that the event will not detract from normal city operations in 2013.

In fact, the event is intended to highlight the Des Moines waterfront facilities and Marina District drawing tourism from surrounding communities and from the boating community to promote the local economy and fill the Marina's available transient moorage during the off-season.

Recommendation/Conclusion:

The Rotary Club of Des Moines' Poverty Bay Wine Festival is a positive economic draw for the Des Moines community and therefore staff recommends approval of the use of the Marina parking lot for this special event.

CITY ATTORNEY'S FIRST DRAFT 1/14/2013**DRAFT RESOLUTION NO. 13-012**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing the Rotary Club of Des Moines ("Rotary Club") to provide parking for its 2013 Poverty Bay Wine Festival ("Festival") at the Marina and listing conditions under which such permission is granted.

WHEREAS, the Rotary Club wishes to provide parking for its ninth annual Festival in March 2013 at the Des Moines Beach Park and Marina, and

WHEREAS, the Rotary Club has designed the Festival to raise funds for charitable, community, and educational projects supported by the Rotary Club, and to promote the Des Moines community and area businesses, and

WHEREAS, the Festival will enhance the quality of life for residents of the City of Des Moines, and

WHEREAS, the City of Des Moines wishes to permit the Rotary Club Festival; and, at the same time, be held harmless from any liability arising from the existence of such activity; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. Permission to utilize City facilities and marketing opportunities to conduct the 2013 Poverty Bay Wine Festival ("Festival") March 1, 2013 through March 3, 2013 is granted to the Des Moines Rotary Club, subject to the following conditions:

(1) The Rotary Club shall defend and hold the City of Des Moines harmless from any liability which may result from the conduct of the Festival or its activities; and an authorized official of the Rotary Club shall sign a written agreement, on behalf of the Rotary Club, that approval of this 2013 Festival resolution does not constitute a waiver of the Rotary Club's obligation to defend and hold the City of Des Moines harmless

Resolution No. ____
 Page 2 of 3

from any liability that may result from the conduct of the Festival event or its activities.

(2) The prime leadership of all Festival committees shall be non-City personnel and it shall be clearly understood that assistance by City personnel is advisory to the Rotary Club.

(3) The Rotary Club shall provide liability insurance in the amount of two million dollars (\$2,000,000.00) and shall name the City of Des Moines as a named additional insured. Proof of such insurance must be delivered to the City fifteen (15) days prior to the event.

(4) The Rotary Club shall be permitted to erect such special signage as is appropriate in the thirty (30) days prior to and during the event. The Rotary Club must remove all such signage within ten (10) days after the final day of the Festival.

(5) An authorized official of the Rotary Club shall execute a written agreement, on behalf of the Rotary Club, acknowledging its responsibilities for the conduct of Festival activities and accepting such limitations as are contained in this resolution, in addition to such limitations as may be imposed by the City Council or City Manager, including, but not limited to:

(a) The Rotary Club agrees to take whatever measures are necessary to prevent damage to City facilities and to be responsible for any damage that may occur as a result of the Festival.

(b) The hours of Festival parking operations utilizing Marina facilities shall be as follows:

Friday, March 1, 2013	4:00 p.m. to 11:00 p.m.
Saturday, March 2, 2013	11:00 a.m. to 8:00 p.m.
Sunday, March 3, 2013	11:00 a.m. to 6:30 p.m.

(c) Set-up and take-down hours shall be determined by the City Manager or his designee.

Resolution No. ____
 Page 3 of 3

(d) The Rotary Club will use all reasonable efforts to advertise the Festival as a community festival.

Sec. 2. The City Manager is authorized, at his discretion, to grant permission to the Rotary Club to use and occupy for the purpose of the Festival City facilities at the Des Moines Marina.

Sec. 3. The City Manager is authorized, at his discretion, to grant permission to the Rotary Club to use, for the purpose of the Festival, article space in the *City Currents* newsletter.

ADOPTED BY the City Council of the City of Des Moines, Washington this ____ day of _____, 2013 and signed in authentication thereof this ____ day of _____, 2013.

 M A Y O R

APPROVED AS TO FORM:

 Assistant City Attorney

ATTEST:

 City Clerk

**AGREEMENT BETWEEN THE CITY OF DES MOINES AND THE ROTARY CLUB
OF DES MOINES
2013 POVERTY BAY WINE FESTIVAL**

THIS AGREEMENT is entered into by and between the CITY OF DES MOINES, WASHINGTON (hereinafter "City"), a municipal corporation of the State of Washington, and the ROTARY CLUB OF DES MOINES (hereinafter "Rotary Club") for the 2013 Poverty Bay Wine Festival.

WHEREAS, the City finds that the Festival enhances the quality of life for residents of the City of Des Moines, and

WHEREAS, the Rotary Club, as sponsor of the Festival, carries out all activities as a Rotary Club function, and

WHEREAS, the City of Des Moines wishes to permit the Poverty Bay Wine Festival activities of the Rotary Club while at the same time being held harmless from any liability arising from the existence of such activities and to have the Rotary Club sponsor the Festival pursuant to certain terms and conditions; now therefore,

IN CONSIDERATION of the mutual benefits and conditions listed below, the parties agree as follows:

(1) The Rotary Club agrees as follows:

(a) The Rotary Club shall conduct the 2013 Festival in compliance with all federal, state, and local statutes, ordinances, and regulations. The Rotary Club further agrees as follows:

(b) The prime leadership of all Festival committees shall be non-City personnel and it is clearly understood that assistance by City personnel is advisory to the Rotary Club.

(c) The Rotary Club of Des Moines shall defend, indemnify and hold the City of Des Moines, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the conduct of the event or its associated activities, except for injuries and damages caused by the sole negligence of the City. In the event that any suit based upon such claim, injury, damage, or loss is brought against the City, the Rotary Club of Des Moines shall defend the same at its sole cost and expense; provided, that the City retains the right to participate in said suit if any principal of governmental or public law is involved; and if final judgment be rendered against the City and its officers, agents, employees, or any of them, or jointly against the City and the Rotary Club of Des Moines and their respective officers, agents, and employees, or any of them, the Rotary Club of Des Moines shall satisfy the same.

(d) The Rotary Club shall provide liability insurance in the amount of two million dollars (\$2,000,000) and shall name the City of Des Moines as an additional named insured. Proof of such insurance shall be delivered to the City no later than fifteen (15) days prior to the event.

(e) The Rotary Club shall remove all signage within ten (10) days after the final day of the Festival.

(f) The Rotary Club acknowledges its responsibilities for the conduct of Festival activities and accepts such limitations as are contained herein, in addition to such limitations as may be imposed by the City Council or City Manager.

(g) The Rotary Club agrees to take whatever measures are necessary to prevent damage to the Marina facility and to be responsible for any damage that may occur as a result of the Festival.

(h) The hours of Festival parking operations at the Marina shall be:

Friday, March 1, 2013 from 4:00 p.m. to 11:00 p.m.
(Parking for shuttle to Landmark Event Center)

Saturday, March 2, 2013 from 11:00 a.m. to 8:00 p.m.
(Parking for shuttle to Landmark Event Center)

Sunday, March 3, 2013 from 11:00 a.m. to 6:30 p.m.
(Parking for shuttle to Landmark Event Center)

(i) The Rotary Club will use all reasonable efforts to advertise the Festival as a Community Festival.

(2) The City agrees as follows:

(a) Upon execution of this Agreement, the City grants permission to the Rotary Club to use and occupy, for the purpose of the Festival parking, property located at the southeast corner of the Des Moines Marina parking lot.

(b) The City shall permit the Rotary Club to erect such special signage as is appropriate in the thirty (30) days prior to and during the event.

(c) The City Manager is authorized, at his discretion, to grant permission to the Rotary Club to use, for the purpose of the Festival, article space in the City Currents newsletter.

(3) Duration of Agreement. This Agreement will commence upon date of execution and ends upon renewal of this Contract, execution of a new Contract, City's written termination of the Contract as described in Section 4 of this Agreement, or the Rotary Club's decision not to have the Festival, whichever is sooner. Provided, however all indemnification and hold harmless provisions of this Agreement shall survive the termination of this Agreement.

(4) Termination. This Agreement may be terminated by the City for good cause upon thirty (30) days' written notice to the Rotary Club of the City's intention to terminate the same. Good cause is defined as either:

(a) Failure of the Rotary Club to perform any requirement of this contract within ten (10) days after the City makes written demand for such performance; or

(b) Termination required for purposes of public health, safety, welfare or the public interest, as determined by a majority of the Des Moines City Council in open public meeting.

(5) Discrimination Prohibited. The Rotary Club shall not discriminate against any employee, applicant, vendor, or any person seeking to participate in Festival festivities on the basis of race, color, religion, creed, sex, national origin, marital status, sexual orientation, or presence of any sensory, mental, or physical handicap.

(6) Entire Agreement. This Agreement contains the entire agreement between the parties and no other agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or bind any of the parties. Either party may request changes in the Agreement. Proposed changes mutually agreed upon will be incorporated by written amendments to this Agreement.

(7) Governing Law. The existence, validity, construction, and enforcement of this Agreement shall be governed in all respects by the laws of the State of Washington.

(8) Mediation/Arbitration Clause. If a dispute arises from or relates to this Agreement or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under the American Arbitration Association's Rules before resorting to arbitration. The mediator may be selected by agreement of the parties or through the American Arbitration Association. Following mediation, any unresolved controversy or claim arising from or relating to this Agreement or breach thereof shall be settled through arbitration which shall be conducted under the American Arbitration Association's Arbitration Rules. The arbitrator may be selected by agreement of the parties or through the American Arbitration Association. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

(9) Amendments/Authorization for Additional Services. This Agreement may be modified or amended and additional conditions may be authorized during the term of this Agreement upon the mutual written consent of the parties.

(10) Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competitive jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated as a result of such decision.

(11) Waiver. The waiver by either party of any breach of any term, condition, or provision of the Agreement shall not be deemed a waiver of such term, condition, or provision or any subsequent breach of the same or any condition or provision of this Agreement.

(12) Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(13) Time of Essence. Time is of the essence for each and all of the terms, covenants, and conditions of this Agreement.

(14) Concurrent Originals. This Agreement may be signed in counterpart originals.

(15) Ratification and Confirmation. Any acts consistent with the authority and prior to the effective date of this Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

CITY OF DES MOINES

ROTARY CLUB OF DES MOINES

 By: Anthony A. Piasecki
 Its City Manager

By _____
 Its _____

At the direction of the Des Moines City
 Council In Open Public Meeting on

Date: _____

Date _____

APPROVED AS TO FORM:

 Assistant City Attorney

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT:

Amended and Restated Solid Waste
Interlocal Agreement with King County

FOR AGENDA OF: January 24, 2013

DEPT. OF ORIGIN: Planning, Building, & Public
Works

DATE SUBMITTED: January 17, 2013

ATTACHMENTS:

1. Amended and Restated Solid Waste
Interlocal Agreement
2. ILA Term Sheet
3. Solid Waste Governance
4. System Map
5. Effect of Different Bond Terms on Fees
6. Frequently Asked Questions
7. King County PowerPoint Presentation

CLEARANCES:

[X] Planning, Building & Public Works DEL
[X] Legal DB

APPROVED BY CITY MANAGER FOR
SUBMITTAL: File

Purpose and Recommendation:

The purpose of this agenda item is to seek City Council authorization of the Amended and Restated Solid Waste Interlocal Agreement (ILA) with King County. This Agreement is entered into for the purpose of extending, restating and amending the 1988 Solid Waste ILA between the County and the City of Des Moines. The City Council is required to approve all ILAs between the City and other public agencies.

Suggested Motion:

"I move to approve the Amended and Restated Solid Waste Interlocal Agreement with King County, effective through 2040, and to authorize the City Manager to sign substantially in the form submitted."

Background:

King County and Cities have been working together over the past two years to negotiate an extension of the Solid Waste ILA of 1988, which lasts through June 2028 and has been adopted by all cities in King County, with the exception of Seattle and Milton. A 12.5 year extension of the agreement to 2040 will allow for the financing of transfer station system improvements with long-term bonds of at least twenty years, as well as provide the opportunity to update the agreement to reflect changes in policy, law and conditions of the transfer system.

In mid-2012, negotiations stalled over environmental liability. Sound Cities Association (SCA) adopted liability principles, which were subsequently agreed to by the King County Executive and included in the draft ILA (Attachment 1). The Amended and Restated Solid Waste ILA was distributed to cities at the end of December for their review and approval by April 30, 2013.

While each city signs an individual contract with King County for solid waste disposal services, the contract is designed to be applicable to all cities and requires a significant majority of cities to sign in order for the system to remain cost effective. If an individual city does not sign the extension, the existing agreement remains in effect through 2028.

Amended and Restated Solid Waste Interlocal Agreement

The Amended and Restated ILA updates many issues, including the following key changes (ILA Term Sheet included in Attachment 2):

Term: The ILA is extended 12.5 years, from June 2028 to the end of 2040. The ILA recognizes the need for solid waste transfer system improvements, which are being designed to last fifty years. Extension of the ILA will allow for longer-term bonds to finance these improvements, keeping solid waste rates lower. Estimated rate savings on debt from long-term bonds is \$7 to \$9 per ton, with system-wide savings of about \$4 million in the 2013/2014 rate period.

Liability: The ILA contains updated liability provisions to protect City and County general funds from environmental liability, per principles adopted by SCA:

- Nothing in the agreement creates new environmental liability or releases any third party from environmental liability;
- A protocol is established for setting aside solid waste system funds to pay for environmental liability and, if necessary, a fair and equitable process for distributing funds; and
- Recognition of the intent of the parties to protect City and County general funds to the extent possible from environmental liability, including:
 - Purchasing insurance;
 - Establishing an environmental reserve fund;
 - Pursuing grants to cover costs; and
 - Developing a financial plan, including a rate schedule to cover costs.

Governance: Formalizes and increases the City role in solid waste system planning. The Metropolitan Solid Waste Advisory Committee (MSWAC) is memorialized in the ILA. This committee is currently established in the King County Code, but not in the current ILA. A framework is established for reviewing financial policies and long-term disposal options upon the closure of the Cedar Hills

Landfill (2025 is the earliest anticipated closure of Cedar Hills). The policy role of the Regional Policy Committee as provided by the King County Charter is retained. (Attachment 3)

Dispute Resolution: Adds new dispute resolution section with more standard provisions, similar to those used in other multi-party agreements with the County, including non-binding mediation.

Cedar Hills Landfill Rent: Provides for the payment of rent for the use of the Cedar Hills Landfill and the process for establishing rent, including City input and appraisals to guide the establishment of rent.

Mitigation: Adds new mitigation provisions for host and neighboring cities, guided by principles adopted by Sound Cities Association and in accordance with state law. These provisions acknowledge that solid waste facilities are regional facilities, that host and neighboring cities may sustain impacts, and identify three types of mitigation to mitigate impacts of these facilities. (Attachment 4)

King County distributed the Amended and Restated ILA at the end of 2012. The County has requested from cities a non-binding statement of interest in signing the ILA by January 31, 2013 as the County must issue bonds in February 2013 to finance the new Bow Lake Transfer Station, since short-term financing expires next month.

Alternatives:

1. The City Council may approve the Amended and Restated Solid Waste Interlocal Agreement with King County, effective through 2040.
2. The City Council may choose not to approve the Amended and Restated Solid Waste Interlocal Agreement with King County and continue to operate under the existing ILA through 2028.
3. The City Council may continue this Agenda Item and request that staff provides additional information on the amended ILA.

Financial Impact:

If the City Council chooses to remain with the current ILA that expires in 2028, it will pay County disposal rates that include the additional amount needed to pay for the shorter bonds. The additional amount will be in the range of \$7 to \$9 per ton (Attachment 5). Cities that choose to remain with the original ILA will also not receive the benefits of the new ILA, including those related to potential environmental liability.

Recommendation:

Staff recommends that the City Council choose Alternative 1 to authorize the City Manager to sign the Amended and Restated Solid Waste Interlocal Agreement, substantially in the form submitted.

AMENDED AND RESTATED SOLID WASTE INTERLOCAL AGREEMENT

This Amended and Restated Solid Waste Interlocal Agreement ("Agreement") is entered into between King County, a political subdivision of the State of Washington and the City of _____, a municipal corporation of the State of Washington, hereinafter referred to as "County" and "City" respectively. Collectively, the County and the City are referred to as the "Parties." This Agreement has been authorized by the legislative body of each jurisdiction pursuant to formal action as designated below:

King County: Ordinance No. _____

City: _____

PREAMBLE

- A. This Agreement is entered into pursuant to chapter 39.34 RCW for the purpose of extending, restating and amending the Solid Waste Interlocal Agreement between the Parties originally entered into in _____ (the "Original Agreement"). The Original Agreement provided for the cooperative management of Solid Waste in King County for a term of forty (40) years, through June 30, 2028. The Original Agreement is superseded by this Amended and Restated Agreement, as of the effective date of this Agreement. This Amended and Restated Agreement is effective for an additional twelve (12) years through December 31, 2040.
- B. The Parties intend to continue to cooperatively manage Solid Waste and to work collaboratively to maintain and periodically update the existing King County

Comprehensive Solid Waste Management Plan (Comprehensive Plan) adopted pursuant to chapter 70.95 RCW.

- C. The Parties continue to support the established goals of Waste Prevention and Recycling as incorporated in the Comprehensive Solid Waste Management Plan, and to meet or surpass applicable environmental standards with regard to the Solid Waste System.
- D. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates;
- E. The County, as the service provider, is in the best position to steward funds System revenues that the County and the Cities intend to be available to pay for environmental liabilities; and
- F. The County and the Cities recognize that at the time this Agreement goes into effect, it is impossible to know what the ultimate environmental liabilities could be; nevertheless, the County and the Cities wish to designate in this Agreement a protocol for the designation and distribution of funding for potential future environmental liabilities in order to protect the general funds of the County and the Cities.
- G. The County began renting the Cedar Hills Landfill from the State of Washington in 1960 and began using it for Disposal of Solid Waste in 1964. The County acquired ownership of the Cedar Hills Landfill from the State in 1992. The Cedar Hills Landfill remains an asset owned by the County.
- H. The Parties expect that the Cedar Hills Landfill will be at capacity and closed at some date during the term of this Agreement, after which time all Solid Waste under this Agreement will need to be disposed of through alternate means, as determined by the

Cities and the County through amendments to the Comprehensive Solid Waste Management Plan. The County currently estimates the useful life of the Cedar Hills Landfill will extend through 2025. It is possible that this useful life could be extended, or shortened, by System management decisions or factors beyond the control of the Parties.

- I. The County intends to charge rent for the use of the Cedar Hills Landfill for so long as the System uses this general fund asset and the Parties seek to clarify terms relative to the calculation of the associated rent.
- J. The County and Cities participating in the System have worked collaboratively for several years to develop a plan for the replacement or upgrading of a series of transfer stations. The Parties acknowledge that these transfer station improvements, as they may be modified from time-to-time, will benefit Cities that are part of the System and the County. The Parties have determined that the extension of the term of the Original Agreement by twelve (12) years as accomplished by this Agreement is appropriate in order to facilitate the long-term financing of transfer station improvements and to mitigate rate impacts of such financing.
- K. The Parties have further determined that in order to equitably allocate the benefit to all System Users from the transfer station improvements, different customer classes may be established by the County to ensure System Users do not pay a disproportionate share of the cost of these improvements as a result of a decision by a city not to extend the term of the Original Agreement.
- L. The Parties have further determined it is appropriate to strengthen and formalize the advisory role of the Cities regarding System operations.

The Parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement the following definitions shall apply:

“Cedar Hills Landfill” means the landfill owned and operated by the County located in southeast King County.

“Cities” refers to all Cities that have signed an Amended and Restated Solid Waste Interlocal Agreement in substantially identical form to this Agreement.

"Comprehensive Solid Waste Management Plan" or "Comprehensive Plan" means the Comprehensive Solid Waste Management Plan, as approved and amended from time to time, for the System, as required by chapter 70.95.080 RCW.

“County” means King County, a Charter County and political subdivision of the State of Washington.

"Disposal" means the final treatment, utilization, processing, deposition, or incineration of Solid Waste but shall not include Waste Prevention or Recycling as defined herein.

“Disposal Rates” means the fee charged by the County to System Users to cover all costs of the System consistent with this Agreement, all state, federal and local laws governing solid waste and the Solid Waste Comprehensive Plan.

"Divert" means to direct or permit the directing of Solid Waste to Disposal sites other than the Disposal site(s) designated by King County.

"Energy/Resource Recovery" means the recovery of energy in a usable form from mass burning or refuse-derived fuel incineration, pyrolysis or any other means of using the heat of combustion of Solid Waste that involves high temperature (above 1,200 degrees F) processing. (chapter 173.350.100 WAC).

"Landfill" means a Disposal facility or part of a facility at which Solid Waste is placed in or on land and which is not a land treatment facility.

“Metropolitan Solid Waste Advisory Committee” or “MSWAC” means the advisory committee composed of city representatives, established pursuant to Section IX of this Agreement.

"Moderate Risk Waste" means waste that is limited to conditionally exempt small quantity generator waste and household hazardous waste as those terms are defined in chapter 173-350 WAC, as amended.

“Original Agreement” means the Solid Waste Interlocal Agreement first entered into by and between the Parties, which is amended and restated by this Agreement. “Original Agreements” means collectively all such agreements between Cities and the County in substantially the same form as the Original Agreement.

“Parties” means collectively the County and the City or Cities.

"Recycling" as defined in chapter 70.95.030 RCW, as amended, means transforming or remanufacturing waste materials into usable or marketable materials for use other than landfill Disposal or incineration.

“Regional Policy Committee” means the Regional Policy Committee created pursuant to approval of the County voters in 1993, the composition and responsibilities of which are prescribed in King County Charter Section 270 and chapter 1.24 King County Code, as they now exist or hereafter may be amended.

"Solid Waste" means all putrescible and nonputrescible solid and semisolid wastes including but not limited to garbage, rubbish, ashes, industrial wastes, swill, commercial waste, sewage sludge, demolition and construction wastes, abandoned vehicles or parts thereof, contaminated soils and contaminated dredged materials, discarded commodities and recyclable materials, but shall not include dangerous, hazardous, or extremely hazardous waste as those terms are defined in chapter 173-303 WAC, as amended; and shall further not include those

wastes excluded from the regulations established in chapter 173-350 WAC, more specifically identified in Section 173-350-020 WAC.

"Solid Waste Advisory Committee" or "SWAC" means the inter-disciplinary advisory forum or its successor created by the King County Code pursuant to chapter 70.95.165 RCW.

"System" includes King County's Solid Waste facilities used to manage Solid Wastes which includes but is not limited to transfer stations, drop boxes, landfills, recycling systems and facilities, energy and resource recovery facilities and processing facilities as authorized by chapter 36.58.040 RCW and as established pursuant to the approved King County Comprehensive Solid Waste Management Plan.

"System User" or "System Users" means Cities and any person utilizing the County's System for Solid Waste handling, Recycling or Disposal.

"Waste Prevention" means reducing the amount or type of waste generated. Waste Prevention shall not include reduction of already-generated waste through energy recovery, incineration, or otherwise.

II. PURPOSE

The purpose of this Agreement is to foster transparency and cooperation between the Parties and to establish the respective responsibilities of the Parties in a Solid Waste management System, including but not limited to, planning, Waste Prevention, Recycling, and Disposal. .

III. DURATION

This Agreement shall become effective as of _____, and shall remain in effect through December 31, 2040.

IV. APPROVAL

This Agreement will be approved and filed in accordance with chapter 39.34 RCW.

V. RENEGOTIATION TO FURTHER EXTEND TERM OF AGREEMENT

5.1 The Parties recognize that System Users benefit from long-term Disposal arrangements, both in terms of predictability of System costs and operations, and the likelihood that more cost competitive rates can be achieved with longer-term Disposal contracts as compared to shorter-term contracts. To that end, at least seven (7) years before the date that the County projects that the Cedar Hills Landfill will close, or prior to the end of this Agreement, whichever is sooner, the County will engage with MSWAC and the Solid Waste Advisory Committee, among others, to seek their advice and input on the Disposal alternatives to be used after closure of the Cedar Hills Landfill, associated changes to the System, estimated costs associated with the recommended Disposal alternatives, and amendments to the Comprehensive Solid Waste Management Plan necessary to support these changes. Concurrently, the Parties will meet to negotiate an extension of the term of the Agreement for the purpose of facilitating the long-term Disposal of Solid Waste after closure of the Cedar Hills Landfill. Nothing in this Agreement shall require the Parties to reach agreement on an extension of the term of this Agreement. If the Parties fail to reach agreement on an extension, the Dispute Resolution provisions of Section XIII do not apply, and this Agreement shall remain unchanged.

5.2 Notwithstanding any other provision in this Agreement to the contrary, the Parties may, pursuant to mutual written agreement, modify or amend any provision of this Agreement at any time during the term of said Agreement.

VI. GENERAL OBLIGATIONS OF PARTIES

6.1 King County

6.1.a Management. The County agrees to provide Solid Waste management services, as specified in this Section, for Solid Waste generated and collected within the City, except waste eliminated through Waste Prevention or waste recycling activities. The County agrees to dispose of or designate Disposal sites for all Solid Waste and Moderate Risk Waste generated and/or collected within the corporate limits of the City which is delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules, or regulations, as those laws are described in Subsection 8.5.a. The County shall maintain records as necessary to fulfill obligations under this Agreement.

6.1.b Planning. The County shall serve as the planning authority for Solid Waste and Moderate Risk Waste under this Agreement but shall not be responsible for planning for any other waste or have any other planning responsibility under this Agreement.

6.1.c Operation. King County shall be or shall designate or authorize the operating authority for transfer, processing and Disposal facilities, including public landfills and other facilities, consistent with the adopted Comprehensive Plan as well as closure and post-closure responsibilities for landfills which are or were operated by the County.

6.1.d Collection Service. The County shall not provide Solid Waste collection services within the corporate limits of the City, unless permitted by law and agreed to by both Parties.

6.1.e Support and Assistance. The County shall provide support and technical assistance to the City consistent with the Comprehensive Solid Waste Management Plan for a Waste Prevention and Recycling program. Such support may include the award of grants to support programs with System benefits. The County shall develop educational materials related to Waste Prevention and Recycling and strategies for maximizing the usefulness of the educational materials and will make these available to the City for its use. Although the County will not be required to provide a particular level of support or fund any City activities related to Waste Prevention and Recycling, the County intends to move forward aggressively to promote Waste Prevention and Recycling.

6.1.f Forecast. The County shall develop Solid Waste stream forecasts in connection with System operations as part of the comprehensive planning process in accordance with Article XI.

6.1.g Facilities and Services. The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan and the Solid Waste Transfer and Waste Management plan as adopted and County Solid Waste stream forecasts.

6.1.h Financial Policies. The County will maintain financial policies to guide the System's operations and investments. The policies shall be consistent with this Agreement and shall address debt issuance, rate stabilization, cost containment, reserves, asset ownership and use, and other financial issues. The County shall primarily use long term bonds to finance transfer System improvements. The policies shall be developed and/or revised through

discussion with MSWAC, the Regional Policy Committee, the County Executive and the County Council. Such policies shall be codified at the same time as the Comprehensive Plan updates, but may be adopted from time to time as appropriate outside the Comprehensive Plan process.

6.2 City

6.2.a Collection. The City, an entity designated by the City or such other entity as is authorized by state law shall serve as operating authority for Solid Waste collection services provided within the City's corporate limits.

6.2.b Disposal. The City shall cause to be delivered to the County's System for Disposal all such Solid Waste and Moderate Risk Waste which is authorized to be delivered to the System in accordance with all applicable Federal, State and local environmental health laws, rules or regulations and is generated and/or collected within the corporate limits of the City and shall authorize the County to designate Disposal sites for the Disposal of all such Solid Waste and Moderate Risk Waste generated or collected within the corporate limits of the City, except for Solid Waste which is eliminated through Waste Prevention or waste Recycling activities consistent with the Comprehensive Solid Waste Management Plan. No Solid Waste generated or collected within the City may be Diverted from the designated Disposal sites without County approval.

6.3 JOINT RESPONSIBILITIES.

6.3.a Consistent with the Parties' overall commitment to ongoing communication and coordination, the Parties will endeavor to notify and coordinate with each other on the development of any City or County plan, facility, contract, dispute, or other Solid Waste issue that could have potential significant impacts on the County, the System, or the City or Cities.

6.3.b The Parties, together with other Cities, will coordinate on the development of emergency plans related to Solid Waste, including but not limited to debris management.

VII. COUNTY SHALL SET DISPOSAL RATES

AND OPERATING RULES FOR DISPOSAL; USE OF SYSTEM REVENUES

7.1 In establishing Disposal Rates for System Users, the County shall consult with MSWAC consistent with Section IX. The County may adopt and amend by ordinance rates necessary to recover all costs of the System including but not limited to operations and maintenance, costs for handling, processing and Disposal of Solid Waste, siting, design and construction of facility upgrades or new facilities, Recycling, education and mitigation, planning, Waste Prevention, reserve funds, financing, defense and payment of claims, insurance, System liabilities including environmental releases, monitoring and closure of landfills which are or were operated by the County, property acquisition, grants to cities, and administrative functions necessary to support the System and Solid Waste handling services during emergencies as established by local, state and federal agencies or for any other lawful solid waste purpose, and in accordance with chapter 43.09.210 RCW. Revenues from Disposal rates shall be used only for such purposes. The County shall establish classes of customers for Solid Waste management services and by ordinance shall establish rates for classes of customers.

7.2. It is understood and agreed that System costs include payments to the County general fund for Disposal of Solid Waste at the Cedar Hills Landfill calculated in accordance with this Section 7.2, and that such rental payments shall be established based on use valuations provided to the County by an independent-third party Member, Appraisal Institute (MAI) certified appraiser selected by the County in consultation with MSWAC.

7.2.a A use valuation shall be prepared consistent with MAI accepted principles for the purpose of quantifying the value to the System of the use of Cedar Hills Landfill for Disposal of Solid Waste over a specified period of time (the valuation period). The County shall establish a schedule of annual use charges for the System's use of the Cedar Hills Landfill which shall not exceed the most recent use valuation. Prior to establishing the schedule of annual use charges, the County shall seek review and comment as to both the use valuation and the proposed payment schedule from MSWAC. Upon request, the County will share with and explain to MSWAC the information the appraiser requests for purposes of developing the appraiser's recommendation.

7.2.b Use valuations and the underlying schedule of use charges shall be updated if there are significant changes in Cedar Hills Landfill capacity as a result of opening new Disposal areas and as determined by revisions to the existing Cedar Hills Regional Landfill Site Development Plan; in that event, an updated appraisal will be performed in compliance with MAI accepted principles. Otherwise, a reappraisal will not occur. Assuming a revision in the schedule of use charges occurs based on a revised appraisal, the resulting use charges shall be applied beginning in the subsequent rate period.

7.2.c The County general fund shall not charge use fees or receive other consideration from the System for the System's use of any transfer station property in use as of the effective date of this Agreement. The County further agrees that the County general fund may not receive payments from the System for use of assets to the extent those assets are acquired with System revenues. As required by chapter 43.09.210 RCW, the System's use of assets acquired with the use of other separate County funds (e.g., the Roads Fund, or other funds)

will be subject to use charges; similarly, the System will charge other County funds for use of System property.

VIII. LIABILITY

8.1 Non-Environmental Liability Arising Out-of-County Operations. Except as provided in this Section, Sections 8.5 and 8.6, the County shall indemnify and hold harmless the City and shall have the right and duty to defend the City through the County's attorneys against any and all claims arising out of the County's operations during the term of this Agreement and settle such claims, provided that all fees, costs, and expenses incurred by the County thereby are System costs which may be satisfied from Disposal Rates as provided in Section VII herein. In providing such defense of the City, the County shall exercise good faith in such defense or settlement so as to protect the City's interest. For purposes of this Section "claims arising out of the County's operations" shall mean claims arising out of the ownership, control, or maintenance of the System, but shall not include claims arising out of the City's operation of motor vehicles in connection with the System or other activities under the control of the City which may be incidental to the County's operation. The provisions of this Section shall not apply to claims arising out of the sole negligence or intentional acts of the City. The provisions of this Section shall survive for claims brought within three (3) years past the term of this Agreement established under Section III.

8.2 Cooperation. In the event the County acts to defend the City against a claim under Section 8.1, the City shall cooperate with the County.

8.3 Officers, Agents, and Employees. For purposes of this Section VIII, references to City or County shall be deemed to include the officers, employees and agents of either Party,

acting within the scope of their authority. Transporters or generators of waste who are not officers or employees of the City or County are not included as agents of the City or County for purposes of this Section.

8.4 Each Party by mutual negotiation hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

8.5 Unacceptable Waste

8.5.a All waste generated or collected from within the corporate limits of the City which is delivered to the System for Disposal shall be in compliance with the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.) (RCRA), chapters 70.95 and 70.105 RCW, King County Code Title 10, King County Board of Health Rules and Regulations, the Solid Waste Division operating rules, and all other Federal, State and local environmental health laws, rules or regulations that impose restrictions or requirements on the type of waste that may be delivered to the System, as they now exist or are hereafter adopted or amended.

8.5.b For purposes of this Agreement, the City shall be deemed to have complied with the requirements of Subsection 8.5.a if it has adopted an ordinance requiring waste delivered to the System for Disposal to meet the laws, rules, or regulations specified in Subsection 8.5.a. However, nothing in this Agreement is intended to relieve the City from any obligation or liability it may have under the laws mentioned in Subsection 8.5.a arising out of the City's actions other than adopting, enforcing, or requiring compliance with said ordinance, such as liability, if any exists, of the City as a transporter or generator for improper transport or Disposal of regulated dangerous waste. Any environmental liability the City may have for

releases of pollutants or hazardous or dangerous substances or wastes to the environment is dealt with under Sections 8.6 and 8.7.

8.5.c The City shall hold harmless, indemnify and defend the County for any property damages or personal injury caused solely by the City's failure to adopt an ordinance under Subsection 8.5.b. In the event the City acts to defend the County under this Subsection, the County shall cooperate with the City.

8.5.d The City shall make best efforts to include language in its contracts, franchise agreements, or licenses for the collection of Solid Waste within the City that allow for enforcement by the City against the collection contractor, franchisee or licensee for violations of the laws, rules, or regulations in Subsection 8.5.a. The requirements of this Subsection 8.5.d shall apply to the City's first collection contract, franchise, or license that becomes effective or is amended after the effective date of this Agreement.

8.5.d.i If waste is delivered to the System in violation of the laws, rules, or regulations in Subsection 8.5.a, before requiring the City to take any action under Subsection 8.5.d.ii, the County will make reasonable efforts to determine the parties' responsible for the violation and will work with those parties to correct the violation, consistent with applicable waste clearance and acceptance rules, permit obligations, and any other legal requirements.

8.5.d.ii If the violation is not corrected under Subsection 8.5.d.i and waste is determined by the County to have been generated or collected from within the corporate limits of the City, the County shall provide the City with written notice of the violation. Upon such notice, the City shall take immediate steps to remedy the violation and prevent similar future violations to the reasonable satisfaction of the County which may include but not be

limited to removing the waste and disposing of it in an approved facility; provided that nothing in this Subsection 8.5.d.ii shall obligate the City to handle regulated dangerous waste, as defined in WAC 173-351-200(1)(b)(i), and nothing in this Subsection shall relieve the City of any obligation it may have apart from this Agreement to handle regulated dangerous waste. If, in good faith, the City disagrees with the County regarding the violation, such dispute shall be resolved between the Parties using the Dispute Resolution process in Section XII or, if immediate action is required to avoid an imminent threat to public health, safety or the environment, in King County Superior Court. Each Party shall be responsible for its own attorneys' fees and costs. Failure of the City to take the steps requested by the County pending Superior Court resolution shall not be deemed a violation of this Agreement; provided, however, that this shall not release the City for damages or loss to the County arising out of the failure to take such steps if the Court finds a City violation of the requirements to comply with applicable laws set forth in Subsection 8.5.a.

8.6 Environmental Liability.

8.6.a Neither the County nor the City holds harmless or indemnifies the other with regard to any liability arising under 42 U.S.C. § 9601-9675 (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) or as hereafter amended or pursuant to chapter 70.105D RCW (MTCA) or as hereafter amended and any state legislation imposing liability for System-related cleanup of contaminated property from the release of pollutants or hazardous or dangerous substances and/or damages resulting from property contaminated from the release of pollutants or hazardous or dangerous substances (“Environmental Liabilities”).

8.6.b Nothing in this Agreement is intended to create new Environmental Liability nor release any third-party from Environmental Liability. Rather, the intent is to protect the general funds of the Parties to this Agreement by ensuring that, consistent with best business practices, an adequate portion of Disposal Rates being collected from the System Users are set aside and accessible in a fair and equitable manner to pay the respective County and City's Environmental Liabilities.

8.6.c The purpose of this Subsection is to establish a protocol for the setting aside, and subsequent distribution of, Disposal Rates intended to pay for Environmental Liabilities of the Parties, if and when such liabilities should arise, in order to safeguard the Parties' general funds. To do so, the County shall:

8.6.c.i Use Disposal Rates to obtain and maintain, to the extent commercially available under reasonable terms, insurance coverage for System-related Environmental Liability that names the City as an Additional Insured. The County shall establish the adequacy, amount and availability of such insurance in consultation with MSWAC. Any insurance policy in effect on the termination date of this Agreement with a term that extends past the termination date shall be maintained until the end of the policy term.

8.6.c.ii Use Disposal Rates to establish and maintain a reserve fund to help pay the Parties' Environmental Liabilities not already covered by System rates or insurance maintained under Subsection 8.6.c.i above ("Environmental Reserve Fund"). The County shall establish the adequacy of the Environmental Reserve Fund in consultation with MSWAC and consistent with the financial policies described in Article VI. The County shall retain the Environmental Reserve Fund for a minimum of 30 years following the closure of the Cedar Hills Landfill (the "Retention Period"). During the Retention Period, the Environmental Reserve Fund

shall be used solely for the purposes for which it was established under this Agreement. Unless otherwise required by law, at the end of the Retention Period, the County and Cities shall agree as to the disbursement of any amounts remaining in the Environmental Reserve Fund. If unable to agree, the County and City agree to submit disbursement to mediation and if unsuccessful to binding arbitration in a manner similar to Section 39.34.180 RCW to the extent permitted by law.

8.6.c.iii Pursue state or federal grant funds, such as grants from the Local Model Toxics Control Account under chapter 70.105D.070(3) RCW and chapter 173-322 WAC, or other state or federal funds as may be available and appropriate to pay for or remediate such Environmental Liabilities.

8.6.d If the funds available under Subsections 8.6.c.i-iii are not adequate to completely satisfy the Environmental Liabilities of the Parties to this Agreement then to the extent feasible and permitted by law, the County will establish a financial plan including a rate schedule to help pay for the County and City's remaining Environmental Liabilities in consultation with MSWAC.

8.6.e The County and the City shall act reasonably and quickly to utilize funds collected or set aside through the means specified in Subsections 8.6.c.i-iii and 8.6.d to conduct or finance response or clean-up activities in order to limit the County and City's exposure, or in order to comply with a consent decree, administrative or other legal order. The County shall notify the City within 30 days of any use of the reserve fund established in 8.6.c.iii.

8.6.f In any federal or state regulatory proceeding, and in any action for contribution, money expended by the County from the funds established in Subsections 8.6.c.i-iii and 8.6.d. to pay the costs of remedial investigation, cleanup, response or other action required

pursuant to a state or federal laws or regulations shall be considered by the Parties to have been expended on behalf and for the benefit of the County and the Cities.

8.6.g In the event that the funds established as specified in Subsections 8.6.c.i-iii and 8.6.d are insufficient to cover the entirety of the County and Cities' collective Environmental Liabilities, the funds described therein shall be equitably allocated between the County and Cities to satisfy their Environmental Liabilities. Factors to be considered in determining "equitably allocated" may include the size of each Party's System User base and the amount of rates paid by that System User base into the funds, and the amount of the Solid Waste generated by the Parties' respective System Users. Neither the County nor the Cities shall receive a benefit exceeding their Environmental Liabilities.

8.7 The County shall not charge or seek to recover from the City any costs or expenses for which the County indemnified the State of Washington in Exhibit A to the Quitclaim Deed from the State to the County for the Cedar Hills Landfill, dated February 24, 1993, to the extent such costs are not included in System costs.

IX. CITY ADVISORY COMMITTEE

9.1 There is hereby created an advisory committee comprised of representatives from cities, which shall be known as the Metropolitan Solid Waste Advisory Committee ("MSWAC"). The City may designate a representative and alternate(s) to serve on MSWAC. MSWAC shall elect a chair and vice-chair and shall adopt bylaws to guide its deliberations. The members of MSWAC shall serve at the pleasure of their appointing bodies and shall receive no compensation from the County.

9.2 MSWAC is the forum through which the Parties together with other cities participating in the System intend to discuss and seek to resolve System issues and concerns.

MSWAC shall assume the following advisory responsibilities:

9.2.a Advise the King County Council, the King County Executive, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of Solid Waste management and planning;

9.2.b Consult with and advise the County on technical issues related to Solid Waste management and planning;

9.2.c Assist in the development of alternatives and recommendations for the Comprehensive Solid Waste Management Plan and other plans governing the future of the System, and facilitate a review and/or approval of the Comprehensive Solid Waste Management Plan by each jurisdiction;

9.2.d Assist in the development of proposed interlocal Agreements between King County and cities for planning, Waste Prevention and Recycling, and waste stream control;

9.2.e Review and comment on Disposal Rate proposals and County financial policies;

9.2.f Review and comment on status reports on Waste Prevention, Recycling, energy/resources recovery, and System operations with inter-jurisdictional impact;

9.2.g Promote information exchange and interaction between waste generators, cities, recyclers, and the County with respect to its planned and operated Disposal Systems;

9.2.h Provide coordination opportunities among the Solid Waste Advisory Committee, the Regional Policy Committee, the County, cities, private waste haulers, and recyclers;

9.2.i Assist cities in recognizing municipal Solid Waste responsibilities, including collection and Recycling, and effectively carrying out those responsibilities; and

9.2.j Provide input on such disputes as MSWAC deems appropriate.

9.3 The County shall assume the following responsibilities with respect to MSWAC;

9.3.a The County shall provide staff support to MSWAC;

9.3.b In consultation with the chair of MSWAC, the County shall notify all cities and their designated MSWAC representatives and alternates of the MSWAC meeting times, locations and meeting agendas. Notification by electronic mail or regular mail shall meet the requirements of this Subsection;

9.3.c The County will consider and respond on a timely basis to questions and issues posed by MSWAC regarding the System, and will seek to resolve those issues in collaboration with the Cities. Such issues shall include but are not limited to development of efficient and accountable billing practices; and

9.3.d. The County shall provide all information and supporting documentation and analyses as reasonably requested by MSWAC for MSWAC to perform the duties and functions described in Section 9.2.

X. FORUM INTERLOCAL AGREEMENT

10.1 As of the effective date of this Agreement, the *Forum Interlocal Agreement* and *Addendum to Solid Waste Interlocal Agreement and Forum Interlocal Agreement* by and between the City and County continue through June 30, 2028. After 2028 responsibilities assigned to the Forum shall be assigned to the Regional Policy Committee. The Parties agree that Solid Waste System policies and plans shall continue to be deemed regional countywide policies

and plans that shall be referred to the Regional Policy Committee for review consistent with King County Charter Section 270.30 and chapter 1.24 King County Code.

XI. COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN

11.1 King County is designated to prepare the Comprehensive Solid Waste Management Plan (Comprehensive Plan) and this plan shall include the City's Solid Waste Management Comprehensive Plan pursuant to chapter 70.95.080(3) RCW.

11.2 The Comprehensive Plan shall be reviewed and any necessary revisions proposed. The County shall consult with MSWAC to determine when revisions are necessary. King County shall provide services and build facilities in accordance with the adopted Comprehensive Plan.

11.3 The Comprehensive Plans will promote Waste Prevention and Recycling in accordance with Washington State Solid Waste management priorities pursuant to chapter 70.95 RCW, at a minimum.

11.4 The Comprehensive Plans will be prepared in accordance with chapter 70.95 RCW and Solid Waste planning guidelines developed by the Department of Ecology. The plan shall include, but not be limited to:

11.4.a Descriptions of and policies regarding management practices and facilities required for handling all waste types;

11.4.b Schedules and responsibilities for implementing policies;

11.4.c Policies concerning waste reduction, Recycling, Energy and Resource Recovery, collection, transfer, long-haul transport, Disposal, enforcement and administration; and

11.4.d Operational plan for the elements discussed in Item c above.

11.5 The cost of preparation by King County of the Comprehensive Plan will be considered a cost of the System and financed out of the rate base.

11.6 The Comprehensive Plans will be “adopted” within the meaning of this Agreement when the following has occurred:

11.6.a The Comprehensive Plan is approved by the King County Council; and

11.6.b The Comprehensive Plan is approved by cities representing three-quarters of the population of the incorporated population of jurisdictions that are parties to the Forum Interlocal Agreement. In calculating the three-quarters, the calculations shall consider only those incorporated jurisdictions taking formal action to approve or disapprove the Comprehensive Plan within 120 days of receipt of the Plan. The 120-day time period shall begin to run from receipt by an incorporated jurisdiction of the Forum's recommendation on the Comprehensive Plan, or, if the Forum is unable to make a recommendation, upon receipt of the Comprehensive Plan from the Forum without recommendation.

11.7 Should the Comprehensive Plan be approved by the King County Council, but not receive approval of three-quarters of the cities acting on the Comprehensive Plan, and should King County and the cities be unable to resolve their disagreement, then the Comprehensive Plan shall be referred to the State Department of Ecology and the State Department of Ecology will resolve any disputes regarding Comprehensive Plan adoption and adequacy by approving or disapproving the Comprehensive Plan or any part thereof.

11.8 King County shall determine which cities are affected by any proposed amendment to the Comprehensive Plan. If any City disagrees with such determination, then the City can request that the Forum determine whether or not the City is affected. Such

determination shall be made by a two-thirds majority vote of all representative members of the Forum.

11.9 Should King County and the affected jurisdictions be unable to agree on amendments to the Comprehensive Plan, then the proposed amendments shall be referred to the Department of Ecology to resolve any disputes regarding such amendments.

11.10 Should there be any impasse between the Parties regarding Comprehensive Plan adoption, adequacy, or consistency or inconsistency or whether any permits or programs adopted or proposed are consistent with the Comprehensive Plan, then the Department of Ecology shall resolve said disputes.

XII. MITIGATION

12.1 The County will design, construct and operate Solid Waste facilities in a manner to mitigate their impact on host Cities and neighboring communities pursuant to applicable law and regulations.

12.2 The Parties recognize that Solid Waste facilities are regional facilities. The County further recognizes that host Cities and neighboring communities may sustain impacts which can include but are not limited to local infrastructure, odor, traffic into and out of Solid Waste facilities, noise and litter.

12.3 Collaboration in Environmental Review. In the event the County is the sole or co-Lead Agency, then prior to making a threshold determination under the State Environmental Policy Act (SEPA), the County will provide a copy of the SEPA environmental checklist, if any, and proposed SEPA threshold determination to any identifiable Host City (as defined below) and adjacent or neighboring city that is signatory to the Agreement and that may be affected by the

project ("Neighboring City") and seek their input. For any facility for which the County prepares an Environmental Impact Statement (EIS), the County will meet with any identified potential Host City (as defined below) and any Neighboring City to seek input on the scope of the EIS and appropriate methodologies and assumptions in preparing the analyses supporting the EIS. However, nothing in this Section shall limit or impair the County's ability to timely complete the environmental review process.

12.4 Collaboration in Project Permitting. If a new or reconstructed Solid Waste facility is proposed to be built within the boundaries of the City ("Host City") and the project requires one or more "project permits" as defined in chapter 36.70B.020(4) RCW from the Host City, before submitting its first application for any of the project permits, the County will meet with the Host City and any Neighboring City, to seek input. However, nothing in this Section shall limit or impair the County's ability to timely submit applications for or receive permits, nor waive any permit processing or appeal timelines.

12.5 Separately, the County and the City recognize that in accordance with 36.58.080 RCW, a city is authorized to charge the County to mitigate impacts directly attributable to a County-owned Solid Waste facility. The County acknowledges that such direct costs include wear and tear on infrastructure including roads. To the extent that the City establishes that such charges are reasonably necessary to mitigate such impacts, payments to cover such impacts may only be expended only to mitigate such impacts and are System costs. If the City believes that it is entitled to mitigation under this Agreement, the City may request that the County undertake a technical analysis regarding the extent of impacts authorized for mitigation. Upon receiving such a request, the County, in coordination with the City and any necessary technical consultants, will develop any analysis that is reasonable and appropriate to identify impacts. The cost for such

analysis is a System cost. The City and County will work cooperatively to determine the appropriate mitigation payments and will document any agreement in a Memorandum of Agreement. If the City and the County cannot agree on mitigation payments, the dispute resolution process under chapter 36.58.080 RCW will apply rather than the dispute resolution process under Section XII of the Agreement.

XIII. DISPUTE RESOLUTION

13.1 Unless otherwise expressly stated, the terms of this Section XIII shall apply to disputes arising under this Agreement.

13.2 Initial Meeting.

13.2.a Either Party shall give notice to the other in writing of a dispute involving this Agreement.

13.2.b Within ten (10) business days of receiving or issuing such notice, the County shall send an email notice to all Cities.

13.2.c Within ten (10) business days of receiving the County's notice under Subsection 13.2.b, a City shall notify the County in writing or email if it wishes to participate in the Dispute Resolution process.

13.2.d Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the initial notice of dispute issued under Subsection 13.2.a, the County shall schedule a time for staff from the County and any City requesting to participate in the dispute resolution process ("Participating City") to meet (the "initial meeting"). The County shall endeavor to set such initial meeting a time and place convenient to all Participating Cities and to the County.

13.3 Executives' Meeting.

13.3.a If the dispute is not resolved within sixty (60) days of the initial meeting, then within seven (7) days of expiration of the sixty (60)-day period, the County shall send an email notice to all Participating Cities that the dispute was not resolved and that a meeting of the County Executive, or his/her designee and the chief executive officer(s) of each Participating City, or the designees of each Participating City (an “executives' meeting”) shall be scheduled to attempt to resolve the dispute. It is provided, however, that the County and the Participating Cities may mutually agree to extend the sixty (60)-day period for an additional fifteen (15) days if they believe further progress may be made in resolving the dispute, in which case, the County’s obligation to send its email notice to the Participating Cities under this Subsection that the dispute was not resolved shall be within seven (7) days of the end of the extension. Likewise, the County and the Participating Cities may mutually conclude prior to the expiration of the sixty (60)-day period that further progress is not likely in resolving the dispute at this level, in which case, the County shall send its email notice that the dispute was not resolved within seven (7) days of the date that the County and the Participating Cities mutually concluded that further progress is not likely in resolving the dispute.

13.3.b Within seven (7) days of receiving the County’s notice under Subsection 13.3.a each Participating City shall notify the County in writing or email if it wishes to participate in the executives' meeting.

13.3.c Within not less than twenty-one (21) days nor more than thirty (30) days of the date of the notice of the executives' meeting issued under Subsection 13.3.a, the County shall schedule a time for the executives' meeting. The County shall endeavor to set such

executives' meeting a time and place convenient to all Participating Cities that provided notice under Subsection 13.3.b and to the County.

13.4. Non-Binding Mediation.

13.4.a If the dispute is not resolved within thirty (30) days of the executives' meeting, then any Participating City that was Party to the executives' meeting or the County may refer the matter to non-binding mediation by sending written notice within thirty-five (35) days of the initial executives' meeting to all Parties to such meeting.

13.4.b Within seven (7) days of receiving or issuing notice that a matter will be referred to non-binding mediation, the County shall send an email notice to all Participating Cities that provided notice under Subsection 13.3.b informing them of the referral.

13.4.c Within seven (7) days of receiving the County's notice under Subsection 13.4.b, each Participating City shall notify the County in writing if it wishes to participate in the non-binding mediation.

13.4.d The mediator will be selected in the following manner: The City(ies) electing to participate in the mediation shall propose a mediator and the County shall propose a mediator; in the event the mediators are not the same person, the two mediators shall select a third mediator who shall mediate the dispute. Alternately, the City(ies) participating in the mediation and the County may agree to select a mediator through a mediation service mutually acceptable to the Parties. The Parties to the mediation shall share equally in the costs charged by the mediator or mediation service. For purposes of allocating costs of the mediator or mediation service, all Cities participating in the mediation will be considered one Party.

13.5 Superior Court. Any Party, after participating in the non-binding mediation, may commence an action in King County Superior Court after one hundred eighty (180) days from

the commencement of the mediation, in order to resolve an issue that has not by then been resolved through non-binding mediation, unless all Parties to the mediation agree to an earlier date for ending the mediation.

13.6 Unless this Section XIII does not apply to a dispute, then the Parties agree that they may not seek relief under this Agreement in a court of law or equity unless and until each of the procedural steps set forth in this Section XIII have been exhausted, provided, that if any applicable statute of limitations will or may run during the time that may be required to exhaust the procedural steps in this Section XIII, a Party may file suit to preserve a cause of action while the Dispute Resolution process continues. The Parties agree that, if necessary and if allowed by the court, they will seek a stay of any such suit while the Dispute Resolution process is completed. If the dispute is resolved through the Dispute Resolution process, the Parties agree to dismiss the lawsuit, including all claims, counterclaims, and cross-claims, with prejudice and without costs to any Party.

XIV. FORCE MAJEURE

The Parties are not liable for failure to perform pursuant to the terms of this Agreement when failure to perform was due to an unforeseeable event beyond the control of either Party (“force majeure”). The term “force majeure” shall include, without limitation by the following enumeration: acts of nature, acts of civil or military authorities, terrorism, fire, accidents, shutdowns for purpose of emergency repairs, industrial, civil or public disturbances, or labor disputes, causing the inability to perform the requirements of this Agreement, if either Party is rendered unable, wholly or in part, by a force majeure event to perform or comply with any obligation or condition of this Agreement, upon giving notice and reasonably full particulars to

the other Party, such obligation or condition shall be suspended only for the time and to the extent practicable to restore normal operations.

XV. MERGER

This Agreement merges and supersedes all prior negotiations, representation and/or agreements between the Parties relating to the subject matter of this Agreement and constitutes the entire contract between the Parties [except with regard to the provisions of the Forum Interlocal Agreement]; provided that nothing in Section XV supersedes or amends any indemnification obligation that may be in effect pursuant to a contract between the Parties other than the Original Agreement; and further provided that nothing in this Agreement supersedes, amends or modifies in any way any permit or approval applicable to the System or the County's operation of the System within the jurisdiction of the City.

XVI. WAIVER

No waiver by either Party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach whether of the same or a different provision of this Agreement.

XVII. THIRD PARTY BENEFICIARY

This Agreement is not entered into with the intent that it shall benefit any other entity or person except those expressly described herein, and no other such person or entity shall be entitled to be treated as a third-party beneficiary of this Agreement.

XVIII. SURVIVABILITY

Except as provided in Section 8.1, 8.2, 8.3, Section 8.6.c, except 8.6.ciii and Section 8.6d, no obligations in this Agreement survive past the expiration date as established in Section III.

XIX. NOTICE

Except as otherwise provided in this Agreement, a notice required to be provided under the terms of this Agreement shall be delivered by certified mail, return receipt requested or by personal service to the following person:

For the City:

For the County:

Director
King County Solid Waste Division
201 South Jackson Street, Suite 701
Seattle, Washington 98104

IN WITNESS WHEREOF, this Agreement has been executed by each Party on the date set forth below:

CITY of

KING COUNTY

(Mayor/City Manager)

King County Executive

Date

Date

Clerk-Attest

Clerk-Attest

Approved as to form and legality

Approved as to form and legality

City Attorney

King County Deputy Prosecuting Attorney

Date

Date

***Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities***

ILA Term Sheet

- Accountability
- Durability: address long-term needs
- Transparency
- Simplicity

Part I: Contract Term, Capital Financing, and Ability to Terminate Agreement in Advance	
Contract Term	ILA is extended 12.5 years, through December 2040. As of June 2012, there would be 28.5 years remaining on the contract.
Bond Term How long could the financing term be for bonds funding the Transfer Station improvement plan?	20 to 28 years, depending on when each series of bonds to finance the transfer station projects is issued.
Disposal Fees (tonnage rates)	Significantly lower cost per ton is possible as compared to the “no extension” option The longer the term, the higher the total price paid for the improvements (more interest paid).
Negotiated ILA Extension	An ILA extension is likely to be necessary at some point during the term of the amended ILA in order to accommodate a cost-effective long-term disposal solution after Cedar Hills closes. The ILA will include language describing the parties’ intent to enter into negotiations to extend the ILA before Cedar Hills closes, but after such time as the region has made a decision on the long-term disposal option; that decision will require amending the Comprehensive Solid Waste Management Plan (CSWMP). The parties could choose to begin the negotiations before ratification of the CSWMP amendment is complete. The amended ILA cannot compel either party to agree to a future extension of the term.
If Cedar Hills closes on schedule (2025), what happens if the ILA is <u>not</u> extended again?	The County would have to provide disposal at another location for 15 years (2025 through 2040). The City will continue to be part of the County system during that time. This is a relatively short time period and as a result the assumption is that costs would likely be considerably more expensive than disposal at Cedar Hills.
Early Termination Will cities have the ability to terminate the ILA early?	No. If a city has the ability to terminate the ILA early, the County will, in exchange, need to be able to recoup from that city, at a minimum, all the debt service costs associated with the terminating city’s share of the transfer station system upgrades. Not included because the cost of prepaying debt service for a city’s share of transfer station system improvements is likely to be so expensive that no city would choose

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between King County and Cities***

ILA Term Sheet

	to exercise this option. It would imply the city would prepay for a 50-year asset after a few years, and, the terminating city would not be assured of having access to the system assets after leaving.
What if some cities don't agree to extend the ILA?	Non-extending cities would be in a different customer class than extending cities. Non-extending cities would be charged rates to ensure their portion of transfer station debt is fully repaid by June 2028. As a result, their rates would be \$7-\$9 per ton higher than for cities extending the ILA.
Part 2: Governance	
Cities Advisory Committee	The Cities advisory committee (MSWMAC) is memorialized within the ILA as the Metropolitan Solid Waste Advisory Committee (MSWAC). Its structure and operations are no longer controlled by County Code. It has the same composition, same rules as today: • Each city may appoint a delegate and alternates to MSWAC. • MSWAC retains its existing responsibilities. • MSWAC will elect a chair and vice-chair, and adopt its own bylaws. • MSWAC will be staffed by the County. • MSWAC remains an advisory body. It will coordinate with the Solid Waste Advisory Committee (SWAC) and provide advice to SWAC as it deems appropriate. MSWAC will also provide recommendations to the County Executive, County Council, and other entities. The County agrees to consider and respond on a timely basis to questions and issues from MSWAC, including but not limited to development of efficient and accountable billing practices.
Regional Policy Committee (RPC)	The role of the RPC is not affected by the amended and restated ILA. The RPC will retain its current charter role in acting on Comprehensive Solid Waste Management Plan (CSWMP) amendments and financial policies. Its existing responsibilities as the Solid Waste Interlocal Forum will continue through the end of the current ILA in June 2028. After 2028 those responsibilities will go to the RPC.
Part 3: Comprehensive Solid Waste Management Plan	
Process The CSWMP is reviewed and amended as needed. Several years before the Cedar Hills Landfill closes, the CSWMP will be amended to include language defining the regional disposal option.	The ILA will confirm current practice that the County Council acts to approve the CSWMP <i>subject to ratification</i>, in the same way that Countywide Planning Policies are now first approved by the County and then subject to ratification. The County will act after seeking input from MSWAC, among others. Once the County action is effective, the ratification period would run for 120 days.

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ILA Term Sheet

Ratification Requirement The current ILA requires that jurisdictions representing 75% of the contract city population must approve CSWMP changes. The 75% is determined based on those cities taking a position.	The negotiating team considered modifying the ratification requirement. Because of the difficulties of administering two different ratification processes if some cities extend and others do not, the current process was left unchanged. It has been used several times over the term of the agreement without significant problems.
Part 4: Other Issues	
Parties Obligations to Communicate	The parties will endeavor to notify each other in the event of the development of any plan, contract, dispute, use of environmental liability funds or other solid waste issue that could have potential significant impacts on the City and/or Cities, the County and/or the regional solid waste system.
Emergency Planning	The County and the cities will coordinate on the development of emergency plans related to solid waste, including but not limited to debris management.
Grants	The ILA will include a provision confirming that grants to cities in support of programs that benefit the Solid Waste system are a permissible use of system revenues.
Mitigation	The ILA will acknowledge that solid waste facilities are regional facilities and host cities and neighboring cities may sustain impacts for which there are three types of mitigation: 1. When new facilities are sited, or existing facilities are reconstructed, mitigation will be determined with advance input from host communities and neighboring cities, and per state law. The County will collaborate with potential host cities and neighboring cities in advance of both the environmental review and permitting processes, including seeking advance input from such cities as to potential impacts that should be addressed in scoping of environmental studies/documents, or in developing permit applications. 2. With respect to existing facilities, the County will continue the full range of operational mitigation activities required under law (odor and noise control, maintenance, litter cleanup, etc.). 3. The ILA will recognize the rights of cities to charge the County for direct impacts from operations consistent with State law (RCW 36.58.080). Cities that believe they are entitled to such mitigation may request the County undertake technical studies to determine the extent of such impacts; the County will undertake analysis it determines is reasonable and appropriate. The costs of such studies will be System costs. Dispute resolution would occur per the state statute provision, rather than the ILA dispute resolution provisions. Cities retain their full regulatory authority with respect to design, construction or operation of facilities within their jurisdiction.

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ILA Term Sheet

Cedar Hills Landfill Rent The County began leasing the Cedar Hills Landfill from the state in 1960 at a time when the solid waste function was still part of County General Fund operations. Throughout the '60s, '70s and into the '80s, the solid waste system was operated as part of the General Fund through a mix of County General Fund monies and solid waste fees. In 1983, the County formally began the effort to transform the solid waste system from a General Fund operation to a self-sustaining utility enterprise, fully funded from system revenues-- primarily tipping fees charged at the Cedar Hills Landfill. The Landfill was acquired by the General Fund from the state in 1992 and remains a General Fund asset. The General Fund began charging the Division for the use of this asset in 2004.	The ILA will acknowledge that rent is charged to the Division for use of the Cedar Hills Landfill, and clarify how the rent will be determined. The County will continue to charge the Solid Waste System rent for use of the Cedar Hills Landfill. The Landfill is a General Fund asset. The ILA will ensure that Landfill rent will be based on third party professional valuations using accepted MAI valuation principles. Cities will have input into the selection of the appraiser and will have an opportunity to review and comment on data inputs provided by the System to the appraiser for purposes of conducting the appraisal. The December 2011 appraisal setting the rent value for the period from 2013 through 2025 (the current estimated end of the Landfill's useful life) will be adjusted downward to ensure that the System is not charged for Landfill capacity that was included and paid for by the System per the previous (2004) appraisal. The same adjustment will be made with respect to any future appraisal. The ILA will define a clear process by which the value of Cedar Hills to the Division, and the associated rent, may be revalued during the Agreement, and will ensure engagement of MSWAC in that process. Rent costs are an operating cost to the Division that will be incorporated into solid waste rates. MSWAC will have input on all rate proposals, as well as the specific schedule of rent payments derived from the new appraisal. The County will commit to not charge General Fund rent for any transfer station property now in use, and will not charge General Fund rent for assets acquired in the future solely from System revenues. Assets owned by other County funds (e.g., the Roads Division, or other funds) will be subject to rent (and vice versa). Any revenue generated from System owned assets will be treated as revenues of the System.
Financial Policies	The County will develop financial policies to guide the Division's operations and investments. The policies will address debt issuance, cost containment, reserves, asset ownership and use, and other financial issues. The policies will be developed through discussion with MSWAC, RPC, the County Executive and the County Council. Such policies will periodically be codified at the same time as CSWMP updates, but may be adopted from time to time as appropriate outside the CSWMP update cycle.
Dispute Resolution	The ILA will replace the current dispute resolution provisions involving State DOE (State DOE is not willing to serve the role ascribed to it in the current ILA) with more standard provisions, similar to those used in other multi-party County ILAs. In event of a dispute, the first step will be for staff from the parties to meet. If the issue is not resolved, then the City Manager/Administrator from the city(ies) and the County Executive will meet. If the issue is still not resolved, non-binding mediation may be pursued if any party so chooses, prior to pursuing formal legal action. All cities will be notified of disputes at each step, and may join the dispute if they so choose. Costs of mediation will be split, with the cities (all those participating in the matter) paying half of the costs and the County paying half of the costs.

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ILA Term Sheet

Liability	SCA Principles as agreed to by Executive Constantine form the basis for the Environmental Liability section. The County and the Cities agree that System-related costs, including environmental liabilities, should be funded by System revenues which include but are not limited to insurance proceeds, grants and rates. A protocol for payment of liabilities if and when they arise is established including: • Insurance, if commercially available with cities as additional insured • Any reserves established for environmental liability shall survive for 30 years after the closure of the Cedar Hills Landfill. • Grants to the extent available • Developing a financial plan including a rate schedule in consultation with MSWAC Specific language is included indicating it is the intent of the parties to protect their general funds from Environmental Liabilities to the greatest extent feasible.
Severability	Team agreed not to include a severability section. Effect is that in the event one section of the contract is found to be invalid the Parties will need to meet to discuss how to remedy the issue
Survivability	No obligations of the agreement shall survive the expiration of the contract except portions of the liability section including: • A three year obligation for tort related operational liability • Any insurance in effect at the end of the agreement shall continue for the term of the policy • Reserve fund is retained for 30 years following Cedar Hills closure
Flow Control	Language in Section 6.2 is simplified to state "The City shall cause to be delivered to the County disposal system..." It does not specify what means the City shall use to accomplish this.
County Commitment to Transfer Station Plan	Section 6.1.g is amended to state "The County shall provide facilities and services pursuant to the Comprehensive Solid Waste Management Plan <i>and the Solid Waste Transfer and Waste Management Plan as adopted...</i>"
Long-Term Bonds	Section 6.1.f includes "The County shall primarily use long term bonds to finance transfer system improvements." This recognizes that in the past these improvements have been partially funded by cash. This section also includes a commitment to develop, through discussions with MSWAC, financial policies.

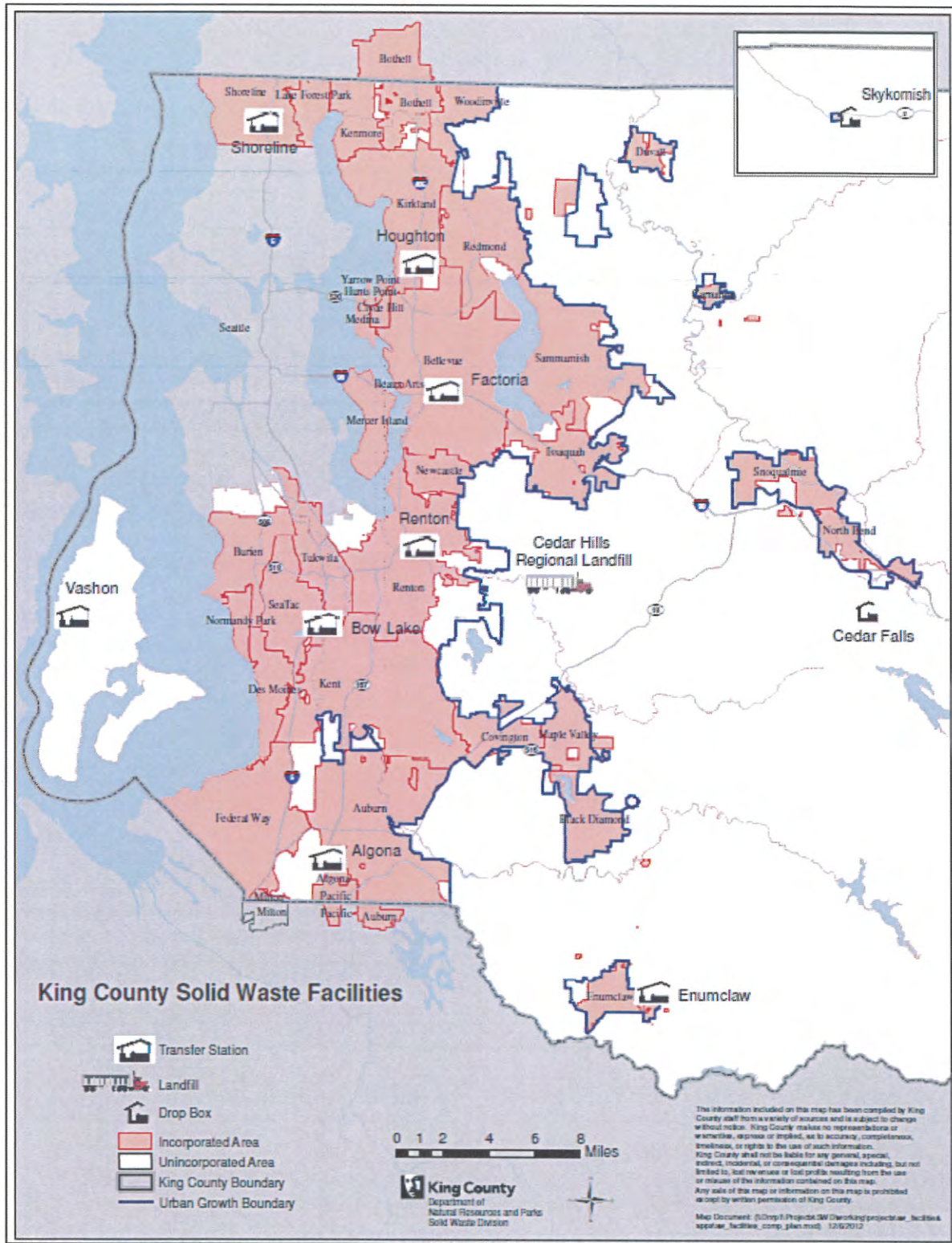
***Amended and Restated Solid Waste Interlocal Agreement
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Solid Waste Governance

	Solid Waste Advisory Committee	Metropolitan Solid Waste Advisory Committee	Solid Waste Interlocal Forum
Basis	RCW 70.95; KCC 10.28	Amended and Restated Interlocal Agreement	Forum Agreement (Addendum to 1988 ILA)
Appointment	Executive appointments; Council confirms	Cities appoint	County Council and Sound Cities Association appoint
Membership	Interested citizens; local elected officials; waste management industry; recycling industry; labor; public interest groups; marketing interests	Cities – staff, elected officials and consultants	Regional Policy Committee members excluding City of Seattle representatives
Advises	King County	King County Executive and Council, Solid Waste Division, Solid Waste Advisory Committee, Solid Waste Interlocal Forum and Regional Policy Committee	King County Executive and Council, and other jurisdictions
Duties	Advise King County on all aspects of solid waste management planning; assist in development of programs and policies concerning solid waste management	Advise the King County Executive and Council, Solid Waste Division, Solid Waste Advisory Committee, and other jurisdictions as appropriate, on all policy aspects of solid waste management and planning	Advise the King County Executive and Council, and other jurisdictions as appropriate, on all policy aspects of solid waste management and planning

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System Map



Rate Differences Between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement

The chart below compares estimated fees for Cities that choose to remain with the original 1988 ILA that expires in 2028 and those Cities that choose to sign the new ILA that expires in 2040.

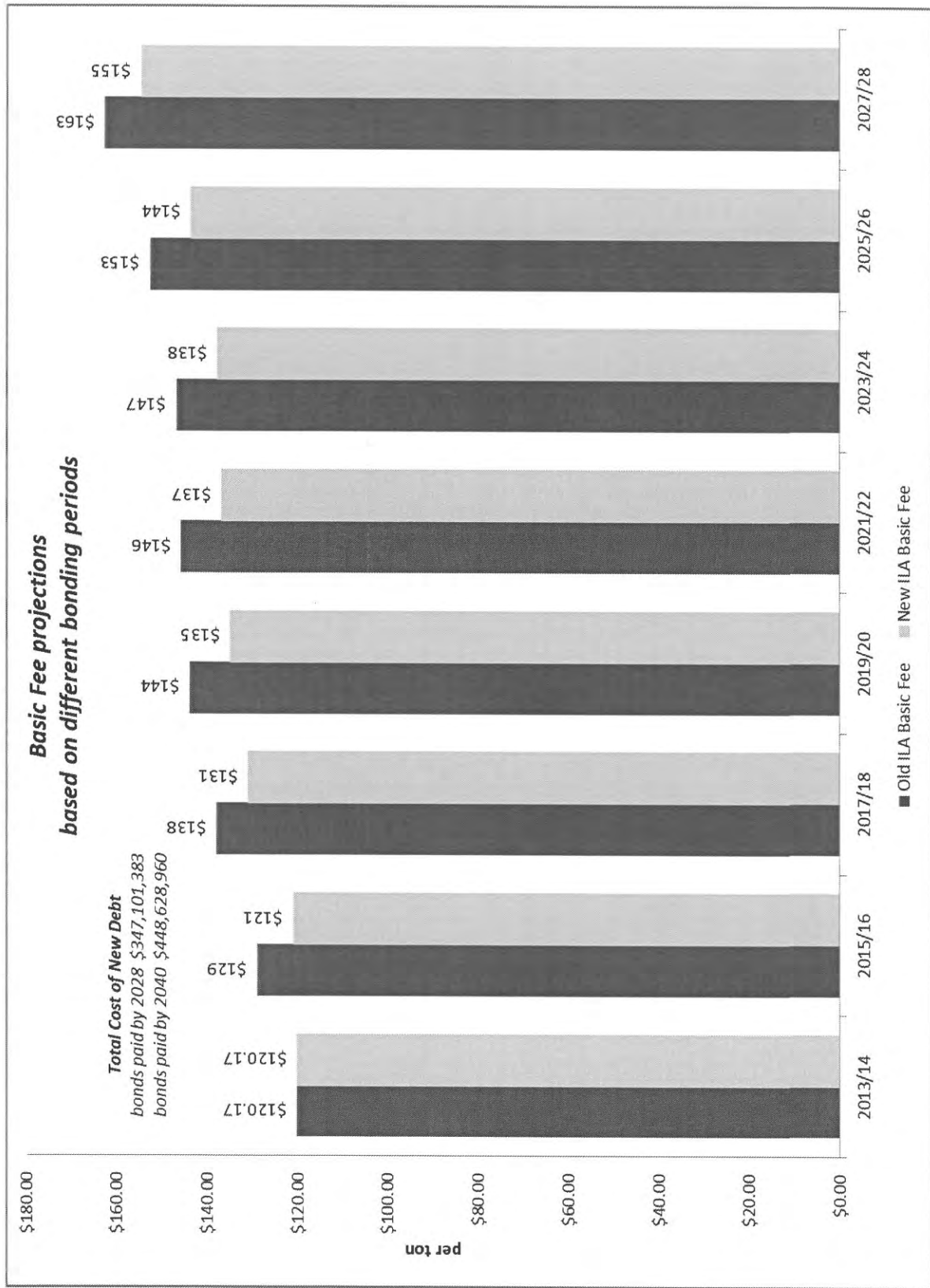
	2013/14	2015/16	2017/18	2019/20	2021/22	2023/24	2025/26	2027/28
Original ILA Basic Fee	\$120.17	\$129.00	\$138.00	\$144.00	\$146.00	\$147.00	\$153.00	\$163.00
New ILA Basic Fee	\$120.17	\$121.00	\$131.00	\$135.00	\$137.00	\$138.00	\$144.00	\$155.00
Difference	\$0.00	\$8.00	\$7.00	\$9.00	\$9.00	\$9.00	\$9.00	\$8.00

See chart on page 2.

Notes:

- This is a planning level projection - actual fees may vary depending on a variety of circumstances, including the exact mix of Cities signing the Amended and Restated ILA
- For Cities not signing the new ILA, the fee includes the additional amount needed to pay for shorter-term financing - estimated fees assume interest rates for borrowing for 15 years at 2 percent and for 28 years at 3.25 percent
- New ILA 2015/16 fee reflects savings for longer-term bonds issued during the previous period (the 2013/14 fee of \$120.17 was based on an assumption of issuing shorter term bonds)
- Estimated fees are rounded to the nearest dollar
- Estimated fees differ from the 2012 Rate Study because assumptions for inflation and interest rates have been updated
- Fee estimates are based on current forecasts for tonnage, interest rates, inflation, transfer system improvements, etc.
- Operating expenses (labor costs, fuel, etc.) are assumed to increase at rate of inflation based on the King County Economic Forecast Council's August 2012 Seattle Annual CPI-U Forecast

Rate Differences Between the Solid Waste Interlocal Agreement of 1988 and the Amended and Restated Solid Waste Interlocal Agreement



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Frequently Asked Questions

1. What is the timeframe for Cities to adopt the new ILA?

By mid-2014 the Solid Waste Division will propose rates for the 2015/16 rate period. Financial policies developed in collaboration with the Metropolitan Solid Waste Advisory Committee will inform the rate study. To allow sufficient time to develop those policies and complete the rate study, the County needs each City to act on the ILA by April 30, 2013.

2. What is the purpose of the non-binding statement of interest?

The County is asking each City to provide a non-binding statement of interest that indicates likely participation in the new ILA by January 31, 2013. This information will be helpful to the County as it moves forward with a variety of planning efforts, including updating the Draft Comprehensive Solid Waste Management Plan.

3. What are the capital project financing needs in 2013 and 2014?

Presently, the division has \$75 million in Bond Anticipation Notes (BANs) that will expire on February 28, 2012. Those BANs will be converted to long-term bonds. Later in 2013, an additional \$13 million will be required for anticipated capital project expenditures. In 2014, it is anticipated that \$35 million will be needed.

4. How does City participation in the new ILA affect capital project financing?

Financing for transfer system capital improvements will be primarily by long-term bonds. Ensuring adequate revenue to repay the bonds is critical and that revenue is directly dependent on City participation in the system. If enough cities sign the extended ILA, the County will issue bonds of 20 years or longer (out to 2040), which will mean lower per ton fees. Conversely, if cities do not choose to extend the ILA, bonds will only be issued out to 2028, which will increase rates. A mix of longer and shorter bonds may be possible if some cities extend the ILA and others do not.

5. What are the implications for a City that chooses not to sign the new ILA?

Cities that choose to remain with the original ILA that expires in 2028 will pay rates that include the additional amount needed to pay for the shorter bonds. The additional amount will be in the range of \$7 to \$9 per ton. Cities that choose to remain with the original ILA will also not receive the benefits of the new ILA, including those related to potential environmental liability.

6. How long do cities have to adopt the new ILA?

In order to move forward with development of financial policies that will inform the 2015/16 rate period and other planning efforts, the County needs each City by April 30, 2013 to decide whether to sign the new ILA.

7. How would insurance coverage and liability reserves be established?

The insurance coverage and liability reserves provided for under the new ILA would be established based on what is commercially available and determined appropriate in consultation with the Metropolitan Solid Waste Advisory Committee (MSWAC - note that the name of this committee changes in the new ILA from the Metropolitan Solid Waste Management Advisory Committee or MSWMAC).

***Amended and Restated Solid Waste Interlocal Agreement
between King County and Cities***

Frequently Asked Questions

8. *Does this ILA lock Cities into the current Transfer System Plan?*

No. In the new ILA the County commits to provide facilities and services pursuant to adopted plans. The ILA also acknowledges that plans for transfer station improvements may be modified.

9. *How does the ILA relate to the comprehensive solid waste management plan?*

The ILA provides a framework for Cities and the County to work collaboratively to maintain and update the comprehensive solid waste management plan and for adoption of the plan. Specific policies, plans, and strategies are not included in the ILA.

10. *What about disposal after Cedar Hills closes?*

The ILA provides a framework for Cities and the County to plan for disposal post-Cedar Hills. At least seven years before the date that the landfill is projected to close, the County will seek advice and input from MSWAC and others on disposal alternatives.

11. *Does the new ILA address Cedar Hills landfill rent?*

The ILA establishes a clear process for rent for Cedar Hills, limiting when rental payments can be changed, requiring a certified appraisal process be followed, and seeking review and comment from the Cities. It clearly states that the solid waste system shall not pay rent to the general fund for use of other county properties for transfer stations.

12. *What if my City has more questions about this new ILA?*

If you have any questions or would like to schedule a briefing, please call or email Pat McLaughlin at 206-296-4385 or pat.mclaughlin@kingcounty.gov.

Solid Waste Interlocal Agreement between King County and Cities



King County

Department of Natural Resources and Parks

Solid Waste Division

Background/History

- 2010-2012: ILA Drafting Committee updates ILA incorporating MSWMAC recommendations; Negotiations stalled over environmental liability
- July 2012: RPC briefed on status
- August 15, 2012: SCA adopts liability principles
- October 2012: City/County team convenes to restart discussions
- December 2012: ILA drafting complete; Amended and Restated ILA transmitted to Cities for review and approval

SCA Principles: Environmental Liability

Principles on liability were adopted by the SCA Board on August 15, 2012:

- SCA believes that solid waste system costs, which includes liability, should be funded by the utility;
- The solid waste interlocal agreement (ILA) between King County and participating cities should fairly allocate risk between both the cities and the county and should, to the greatest extent possible, protect both the county's general fund and cities' general funds against liability for cleanup claims arising at Cedar Hills Landfill;
- Neither party should receive priority in terms of the use of grant funds, insurance proceeds, reserve funds, or disposal rates to satisfy environmental liability;
- The ILA should establish that grant funding, if available, and disposal rates shall be used to set up a line of first defense to protect both the county's general fund, and the cities' general fund.
- The ILA should provide that:
 - The county will purchase and maintain liability insurance using disposal rates to cover liability arising out of the Cedar Hills Landfill, if such insurance is available under commercially reasonable terms and conditions. Said insurance shall cover both the county, and the cities;
 - The county will establish and maintain a reserve fund from disposal rates to cover both the city and the county for liability not covered by insurance. The county shall consult with the Metropolitan Solid Waste Management Advisory Committee (MSWMAC) as to the amount of the reserve fund;
 - In the event that liability for cleanup exceeds the funds available through the insurance and reserve fund, disposal rates should be used to cover both county and city liability to the fullest extent legal and feasible.

Key Improvements Over Current ILA

- Extends the ILA 12.5 years, through December 2040, allowing long-term financing to keep rates lower and providing long-term stability
- Updates liability section guided by principles from Sound Cities Association (SCA) to protect City and County general funds from long-term liability
- Expands City role in System planning
- Adds new mitigation section guided by principles from SCA
- Adds new dispute resolution section
- Updated to be consistent with current conditions and laws

Key Improvements Over Current ILA: Environmental Liability

- Nothing in the agreement creates new environmental liability or releases any third party from environmental liability
- Establishes a protocol for setting aside funds to pay for environmental liability and, if necessary, a fair and equitable process for distributing those funds
- Explicitly recognizes the intent of the parties to protect City and County general funds to the extent possible from environmental liability, including:
 - Purchasing insurance
 - Establishing an environmental reserve fund
 - Pursuing grants to cover costs
 - Developing a financial plan, including a rate schedule to cover costs

Key Improvements Over Current ILA: Governance

- Metropolitan Solid Waste Advisory Committee (MSWAC) memorialized in ILA
- Maintains consistency with role of the RPC as provided by the King County Charter
- Increased City role in System planning, including a framework for reviewing financial policies and long-term disposal options
- Dispute resolution provisions

The Transfer System

- ILA recognizes the need for transfer system improvements
- Extension of the ILA will facilitate long-term financing of those improvements while mitigating rate impacts – longer-term bonds will keep rates lower
- Recognizes that the Plan can be modified

Benefits of New ILA

- Parties to the revised ILA will benefit from longer term bonds and estimated rate savings of \$7 to \$9 per ton on debt
- System-wide savings of about \$4 million in the 2013/14 rate period and over \$8 million per year by 2019
- Provides long-term protection for City and County general funds from environmental liability
- Expanded City role in system planning, including financial policies and long-term disposal options – ILA allows for full range of future disposal options to be considered through Comprehensive Plan process
- City mitigation for transfer facilities
- Long-term stability in planning and financing of solid waste system for residents and businesses

Next Steps

- County requests a non-binding statement of interest in signing the new ILA by January 31, 2013
- In order to have sufficient time to develop, in collaboration with MSWAC, financial policies that will affect the next rate study, the County needs each City to act on the ILA by April 30, 2013

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Funding for City Street Pavement
Overlays and Rehabilitation

AGENDA OF: January 24, 2013

DEPT. OF ORIGIN: Planning, Building & Public
Works

ATTACHMENTS:

DATE SUBMITTED: January 14, 2013

1. Draft Resolution 13-004
2. 2013 Primary & General Election Calendar

CLEARANCES:

- [X] Legal RB
 [X] Finance CP
 [] Marina N/A
 [] Parks, Recreation & Senior Services N/A
 [X] Planning, Building & Public Works DOB
 [] Police N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: Kap

Purpose and Recommendation

The purpose of this Agenda Item is to discuss voter approval of a proposition to fund City street pavement overlays and rehabilitation. Draft Resolution 13-004 is provided as Attachment 1.

Suggested Motion

Motion 1: "I move to approve Draft Resolution 13-004 and the ballot language contained therein and establishing August 6, 2013 as the election date for the question on whether to increase the Utility Occupation Tax rate from 6% to 8%. Funds from the increased utilities taxed would provide for City street pavement overlays and rehabilitation for ten (10) years."

Background

Due to the decline of the real estate market and impacts to the overall economic health of our region, state and nation, the collection of Real Estate Excise Tax (REET) and the associated reduction of property values have drastically reduced these sources of revenue which for many years provided adequate funding for the City's street overlay projects. The City has had an excellent track record of applying for federal and state grant funds to match its REET and property tax; however, these funding sources have dried up due to state and federal budget cuts resulting in many unfunded projects.

RCW 35.21.870 authorizes cities to impose a tax on electric, gas, solid waste, cable TV, telephone services and city utilities business at a rate up to six percent (6%) by legislative approval, and at a rate that exceeds six percent (6%) if approved by a majority of the voters of the city approving the proposition.

Increasing the tax on electric, gas, solid waste, cable TV, telephone services and City utilities (the businesses operating in the City that are subject to the tax) from six percent (6%) to eight (8%) percent would result in revenue of approximately \$1,090,000 annually.

In November 2011, Des Moines citizens were asked the question on whether to increase the Utility Occupation Tax rate from 6% to 9% to fund Des Moines Beach Park capital projects, Beach Park maintenance and operations, and for City street pavement overlays. The combined tax increase was not approved by voters.

Discussion

The City's street pavement overlay program is many years behind schedule and requires at least \$1.4 million per year to keep the pavement condition on the City street system in acceptable condition and minimize its overall street life cycle costs. The City is responsible for a street system consisting of 100 centerline miles and approximately 215 lane miles of pavement.

A voter approved Utility Occupation Tax increase of up to 3% could be ongoing or for a limited term. A simple majority (50% plus one) of voter approval is required for this option. If City Council authorized placing a proposition to increase Utility Occupation Tax on the August 6, 2013 Election, a Resolution would be due to King County Director of Elections by May 10, 2013.

Financial Impact

The proposed Utility Occupation Tax increase from 6% to 8% would provide about 3/4 of the annual funding needed to support the ideal pavement management program. While it would not fund the entire program, it would go a long way to providing the funding needed to support the improvements. Individual projects would be identified based on pavement condition and the optimum time to minimize overall street system preservation, reactive maintenance and rehabilitation costs. The City would strive to (1) maintain geographic balance in the program so that all parts of the City would benefit, (2) group projects so that contracting efficiencies and economies of scale would be achieved, and (3) minimize disruptions to the community when work occurs.

The election cost to place the voted tax measure on the ballot is approximately \$30,000. The only additional cost would be if this was placed on the April 23 ballot, or if we don't have any of our Council races have a primary election. The cost of Administrative, Legal and Planning, Building and Public Works staff time required in preparation for a voter initiative would be added to this King County cost.

Alternatives

Council could opt to place a voted general obligation bond. This option could provide up to \$226,205 funds annually based on an assessment of \$.10/1,000 Assessed Value (AV) (2013 AV = \$2,262,054,010). Proceeds could be dedicated only to debt service for the bond and 60% voter approval is required for this option. \$.30/1,000 AV would be needed for the recommended City street pavement overlay and rehabilitation projects.

Council could opt to increase the Utility Occupation Tax at a different level, up to a maximum of 3%. Council could also opt to have the tax increase be ongoing, or be longer or shorter than 10 years.

Council could also request the Transportation Benefit District (TBD) Board to pass a resolution placing a license tab increase from the current \$20 per tab to \$70 per tab to generate an additional \$1,000,000 per year in revenues that could be dedicated to pavement management on City arterials. Note, however, that King County has just started imposing a \$20 per tab fee for temporary Metro transit financial support.

Council could opt not to place this measure on the ballot. Should the Council opt not to place a measure on the ballot, the City's financial obligations to protect and restore Des Moines' infrastructure would be put on hold until other funding sources become available. Due to the City's current economic situation, it is not expected that funding will become available for these projects in the near future. As a result, restoration will be more expensive or may not be affordable at all.

Council could opt to select a different election date, either April 23, 2013 or November 5, 2013. If City Council selected the November 5, 2013 General Election, a Resolution would be due to King County Director of Elections by August 6, 2013. If City Council selected the April 23, 2013 Election, a Resolution would be due to King County Director of Elections by March 8, 2013. Additionally, if the City Council selected the April 23, 2013 election date, in order to meet King County deadlines, the Draft Resolution would need to be approved by January 24, 2013. A schedule of dates for each election is provided as Attachment 2.

Recommendation or Conclusion

Staff recommends an increase in the Utility Occupation Tax from 6% to 8% to provide for City street pavement overlays and rehabilitation, and establishing August 6, 2013 as the election date.

Concurrence:

The Legal, Finance, and Planning, Building, and Public Works Departments concur.

CITY ATTORNEY'S FIRST DRAFT (1-8-13)**DRAFT RESOLUTION NO. 13-004**

A RESOLUTION OF THE CITY OF DES MOINES, WASHINGTON providing for the submission of a proposition to the qualified voters of the City of Des Moines at the August 6, 2013 election for their ratification or rejection, providing for authority to increase the utility occupation tax rate from 6% to 8% for 10 years to provide funding to protect and rehabilitate the City's pavement; setting forth the ballot proposition; directing the City Clerk to certify to the County Auditor a certified copy of this Resolution; and providing for other matters properly related thereto.

WHEREAS, RCW 35.21.870 authorizes cities to impose a tax on the privilege of conducting a electric, gas, solid waste, cable TV, telephone services and city utilities business at a rate up to six percent (6%) by legislative approval, and at a rate that exceeds six percent (6%) if approved by a majority of the voters of the city voting on such proposition, and

WHEREAS, increasing the tax on electric, gas, solid waste, cable TV, telephone services and City utilities (the businesses operating in the City that are subject to the tax) from six percent (6%) to eight (8%) percent would result in revenue of approximately \$1,090,000 annually, and

WHEREAS, revenues are needed to provide approximately three-fourths of the funds needed for the preservation and rehabilitation of 100 miles of Des Moines City streets with pavement overlays and rehabilitation, and without these investments the streets would not realize their full design lives and the City would incur substantially higher pavement costs in the future, and

WHEREAS, the City Council of the City of Des Moines (the "City") finds it is appropriate to submit to the voters of the City of Des Moines a proposition asking whether the City should impose an increase of the tax on electric, gas, solid waste, cable TV, telephone and City utilities from six percent (6%) currently taxed to eight percent (8%) for ten (10) years in order to provide revenues for the City-wide street pavement overlays; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. Utility Occupation Tax Levy proposition submitted to voters. An election is hereby requested to be called, conducted and held within the City on August 6, 2013 for the purposes of submitting to the qualified electors of the City for their ratification or rejection, a proposition pursuant to RCW 35.21.870 to impose an increase of the tax on electric, gas, solid waste, cable TV, telephone services and City utilities from six percent (6%) currently taxed to eight percent (8%) for ten (10) years. This proposition would provide two percent (2.0%) for City street pavement overlays and rehabilitation.

Sec. 2. Submission to the County. The City requests the Director of Records and Elections of King County as Supervisor of Elections for King County, to submit to the qualified electors of the City for their approval or rejection at the August 6, 2013 election a proposition authorizing the City to impose the tax as described in section 1 of this Resolution.

Upon the approval by a majority of the voters of the proposition set forth below, the City may increase the tax on electric, gas, solid waste, cable TV, telephone services and City utilities from six (6.0%) percent currently taxed to eight percent (8%). This proposition would provide two percent for City street pavement overlays and rehabilitation.

Sec. 3. Ballot proposition and submission to voters at general election. The City Clerk is authorized and directed to certify to the Director of Records and Elections of King County, by May 10, 2013, a copy of this resolution and the proposition, prepared by the City Attorney in accordance with RCW 29A.36.071, to be submitted at the election in the following form:

PROPOSITION NO. 1
UTILITY OCCUPATION TAX FOR DES MOINES STREETS

This proposition increases the City Utility Occupation Tax to pay for City street paving improvements.

The Des Moines City Council proposes to improve City streets to prevent their further deterioration. This

proposition increases the current 6% utility occupation tax to 8% for ten (10) years authorizing 2.0% for City street paving improvements.

Should this proposition be:

APPROVED? _____
REJECTED? _____

The election will be held on Tuesday, August 6, 2013. The Director of Records and Elections of King County, Washington, shall cause a notice of election to be published as provided by law prior to the election. The Director of Records and Elections of King County, Washington, as the City's ex officio Supervisor of Elections, shall conduct the election, canvas the vote, and certify the results in the manner provided by law.

Sec. 4. Notice of ballot title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the City Council hereby designates the City Attorney as the individual to whom the Auditor shall provide such notice.

ADOPTED BY the City Council of the City of Des Moines this _____ day of _____, 2013 and signed in authentication thereof this _____ day of _____, 2013.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

2013 Primary & General Election Calendar:

	DATE OF ELECTION		
	April 23, 2013	August 6, 2013	November 5, 2013
Candidate filing information available online	-	Early April	-
First day candidate filings may be accepted by mail - RCW 29A.24.081	-	April 29, 2013	-
Council Packet for Resolution on Ballot Language and Election Date Due to City Clerk	January 14, 2013	March 4, 2013	June 3, 2013
City Council Resolution on Ballot Language and Election Date	January 24, 2013	March 14, 2013	June 13, 2013
Advertisement of City Seeking Residents to Write Pro & Con Statements	January 28, 2013	March 25, 2013	June 24, 2013
Pro/Con Committee Applications Due to City Clerk	February 15, 2013	April 12, 2013	July 12, 2013
Council Packet for Pro/Con Committee Appointments due to City Clerk	February 18, 2013	April 15, 2013	July 15, 2013
City Council Pro/Con Committee Appointments	February 28, 2013	April 25, 2013	July 25, 2013
Resolution requesting special election - RCW 29A.04.330	March 8, 2013	May 10, 2013	August 6, 2013
Resolution requesting a local voters' pamphlet	March 8, 2013	-	-
Resolution requesting NOT to participate in local voter's pamphlet	-	May 10, 2013	August 6, 2013
Candidate filing - RCW 29A.24.050	-	May 13-17, 2013	-
Explanatory statement and committee appointments for local voters' pamphlet due	March 8, 2013	May 14, 2013	August 9, 2013
Committee appointments for local voters' pamphlet due	March 8, 2013	-	-
Last day for candidates to withdraw - RCW 29A.24.131	-	May 20, 2013	-
Pro/con statements for local voters' pamphlet due	March 11, 2013	May 20, 2013	August 15, 2013
Pro/con statements for local voters' pamphlet exchanged to committee members	March 12, 2013	May 21, 2013	August 16, 2013
Rebuttal statements for local voters' pamphlet due	March 13, 2013	May 22, 2013	August 19, 2013
First day to submit candidate statements and photos for local voters' pamphlet	-	-	July 22, 2013
Candidate statements and photos for local voters' pamphlet due	-	May 29, 2013	August 23, 2013
Proof of local voters' pamphlet page sent to committee members and candidates	March 15, 2013	June 14, 2013	September 13, 2013
Deadline for committees and candidates to respond to local voters' pamphlet proof	March 18, 2013	June 17, 2013	September 16, 2013
Overseas and service ballots typically mailed	March 23, 2013	June 21, 2013	September 20, 2013
Legal deadline to mail overseas and service ballots - RCW 29A.40.070	March 24, 2013	June 22, 2013	September 21, 2013
Last day for mail in and online voter registrations and transfers -RCW 29A.08.140	March 25, 2013	July 8, 2013	October 7, 2013
Local voters' pamphlets typically mailed and available	-	July 16, 2013	October 15, 2013
Mail ballots are typically mailed and available - RCW 29A.40.070	April 3, 2013	July 17, 2013	October 16, 2013
Ballot drop-off locations open	April 4, 2013	July 18, 2013	October 17, 2013
Elections Accessible Voting Center opens - RCW 29A.46.020	April 5, 2013	July 19, 2013	October 18, 2013
Legal deadline to mail ballots - RCW 29A.40.070	April 5, 2013	July 19, 2013	October 18, 2013
Last day for in-person registration for voters not currently registered in Washington - RCW 29A.08.140	April 15, 2013	July 29, 2013	October 28, 2013
Other accessible voting sites open	April 22, 2013	August 5, 2013	November 4, 2013
Election certified - RCW 29A.60.190	May 7, 2013	August 20, 2013	November 26, 2013

Resolution deadline	Election Date	Resolution Deadline
	April 23, 2013	March 8, 2013
	August 6, 2013	May 10, 2013
	November 5, 2013	August 6, 2013
	February 11, 2014	December 27, 2013

