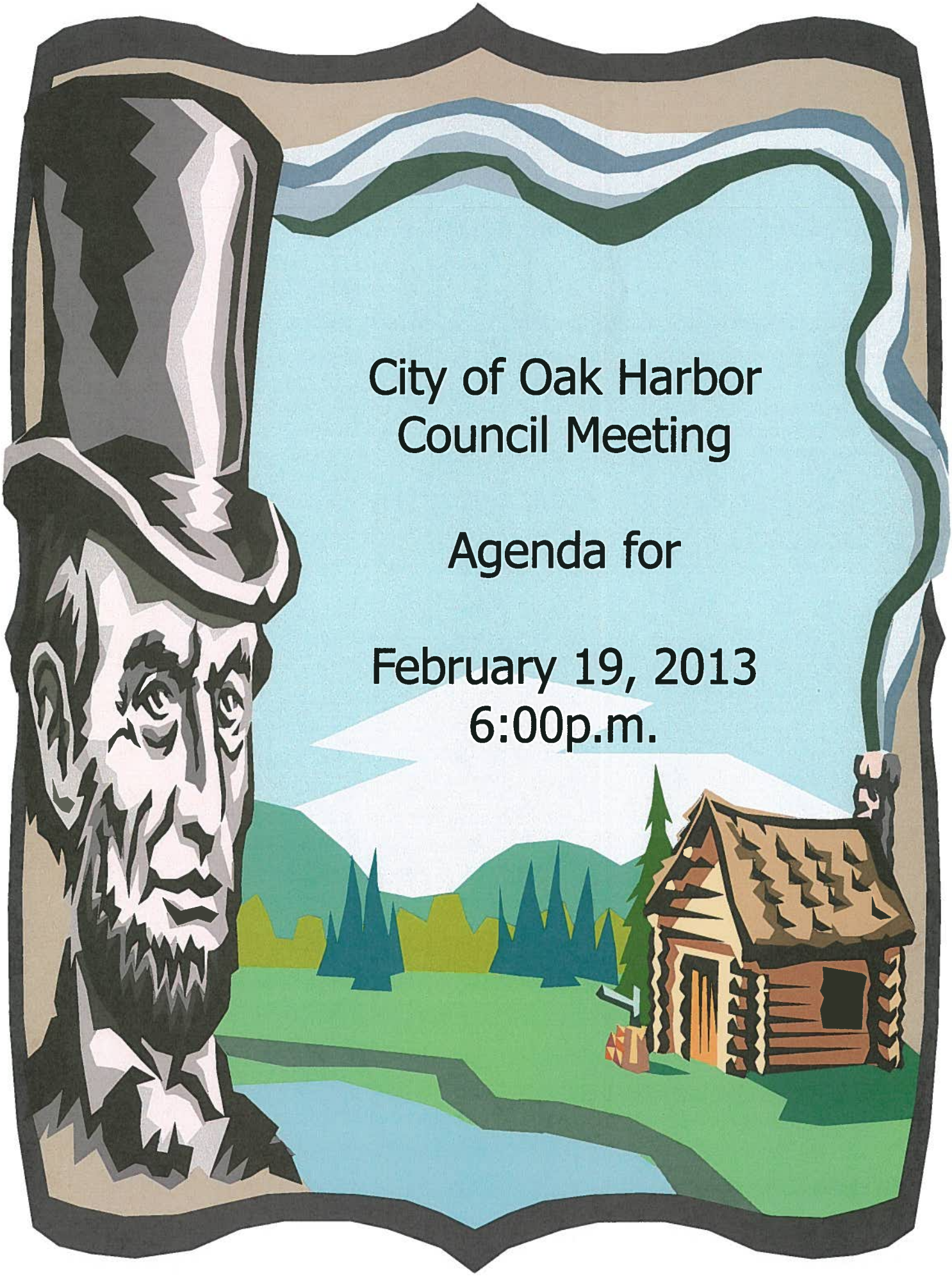

# City of Oak Harbor Council Meeting

## Agenda for

## February 19, 2013
## 6:00p.m.

# Oak Harbor City Council
# REGULAR MEETING
# 6:00 p.m.
# Tuesday, February 19, 2013

*As a courtesy to Council and the audience, **PLEASE TURN YOUR CELL PHONES OFF** before the meeting begins. During the meeting's Public Comments section, Council will listen to your input regarding subjects of concern or interest that are not on the agenda. For scheduled public hearings, please sign your name to the sign-up sheet, located in the Council Chambers if you wish to speak. The Council will take all information under advisement, but generally will not take any action during the meeting. To ensure your comments are recorded properly, state your name and address clearly into the microphone. Please limit your comments to three minutes in order that other citizens have sufficient time to speak. **Thank you for participating in your City Government!***

**CALL TO ORDER**

**ACCEPTANCE OF AGENDA**

**PLEDGE OF ALLEGIANCE**

**INVOCATION**

**ROLL CALL**

**MINUTES**

**Page** Minutes of the Regular City Council meeting held February 5, 2013

Draft City Council Retreat Notes February 9, 2013

**PRESENTATIONS OF OTHER NON-ACTION COUNCIL ITEMS**

- Endorsement – Morgan Young, OHHS, for Association of Washington Cities Scholarship
- Annual Report from Police Community Advisory Board

**CITIZEN COMMENTS PERIOD**

**CONSENT AGENDA**

**Page** **AB 1. a.** Approval of Accounts Payable Vouchers #153061 – 153063 in the amount of $3,242.85

**AB 1 b.** Approval of Accounts Payable Vouchers #153064 – 153227 in the amount of $428,947.12

**Page** **AB 1. c.** Cash Handling Policy

**Page** **AB 1. d.** Interlocal Agreement for Vactor Services with City of Anacortes

**HEARINGS AND ORDINANCES/RESOLUTIONS**

**Page** **AB 2** Public Hearing and adoption of Ordinance 1643 Impact Fee Reduction

**Page** **AB 3** Public Hearing and consideration of revocation of The Element Nightclub license

**OTHER BUSINESS**

**Page** **AB 4** Contract Amendment 4 for ERCI archaeology services related to the Archaeological Recovery Project

**Page** **AB 5** Swinomish Indian Tribal Community Reimbursement for Services Agreement Amendment

| | | |
|---|---|---|
| **Page** | **AB 6** | Mission Communications Purchase |
| **Page** | **AB 7** | Ratification of Oak Harbor Firefighter Local 4504 IAFF Labor Contract |

**FUTURE CITY COUNCIL PENDING ITEMS - In Packet**

**CITY ADMINISTRATOR COMMENTS**

**COUNCILMEMBER'S COMMENTS**

**MAYOR'S COMMENTS**

**EXECUTIVE SESSION - Pursuant to RCW 42.30.110(1)(i)): Labor Negotiations**

**ADJOURNMENT**

***If you have a disability and are in need of assistance, please contact the City Clerk at (360) 279-4539 at least two days before the meeting.***

**Oak Harbor City Council**
**Minutes of the Regular Meeting**
**Tuesday, 6:00 p.m. February 5, 2013**

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**CALL TO ORDER:**

Mayor Dudley called the meeting to order at 6:00 p.m.

**ACCEPTANCE OF AGENDA:**

**MOTION:** Councilmember Munns moved to remove *AB 2 Employment Contract for Renee Recker* and consider it at a future meeting. Councilmember Campbell seconded the motion and the motion carried

**MOTION:** Councilmember Hizon moved *AB 5 Ordinance 1637* to the last item on the agenda. Councilmember Munns seconded the motion and the motion carried. Councilmember Campbell voted no.

**MOTION:** Councilmember Severns moved *AB 7 Professional Services Agreement w/HDR for rate study update* be placed prior to *AB 6 Fort Nugent Picnic Shelters – Contract Award.* Councilmember Munns seconded the motion and the motion carried.

**MOTION:** Councilmember Hizon moved to increase Public Comments to thirty (30) minutes. Councilmember Almberg seconded the motion and the motion carried.

**MOTION:** Councilmember Campbell moved to accept the agenda as amended. Councilmember Severns seconded the motion and the motion carried.

**PLEDGE OF ALLEGIANCE:**

The Mayor led the Pledge of Allegiance to the flag.

**INVOCATION:**

Pastor Ron Lawler gave the invocation.

**ROLL CALL:**

The clerk called the roll.

**Present:**
Mayor Scott Dudley
Councilmember Bob Severns
Councilmember Rick Almberg
Councilmember Jim Campbell
Councilmember Beth Munns
Councilmember Joel Servatius
Councilmember Tara Hizon

**Staff Present:**
City Administrator Larry Cort
Public Works Director Cathy Rosen
Interim City Clerk Nacelle Heuslein
Exec. Assist. To the Mayor Renee Recker
Chief of Police Ed Green
Finance Director Doug Merriman
Fire Chief Ray Merrill
Interim City Attorney Scott Thomas
Development Services Director Steve Powers

**Excused Absence:**
Mayor Pro Tempore Danny Paggao

**MINUTES of the Regular City Council meeting held January 15, 2013**

When there were no additions or corrections to the minutes of January 15, 2013, the Mayor declared them accepted as presented.

**PRESENTATIONS OF OTHER NON-ACTION COUNCIL ITEMS**

**Proclamation V-Day: One Billion Rising's Day of Action February 14, 2013**

Councilmember Almberg read the proclamation requesting *One Billion Rising* to call upon one billion women and men to rise up, take action and demand an end to violence against women and girls on February 14, 2013 and join with the Oak Harbor High School students and Soroptimist International of Oak Harbor to raise awareness of the issue of violence again women and girls through activities at the Oak Harbor High School parking lot.

**CITIZEN COMMENTS PERIOD**

**Brandon Baza, Oak Harbor** resident read Attachment A into the record.

**Lucas Yonkman, Oak Harbor** resident read Attachment B into the record.

**James Fisher, Oak Harbor** resident spoke about his belief in the rule of law. It was very important citizens follow the law and do not overstep their authority.

**Same Vier, Oak Harbor** resident stated he did his best to obey the law and was disheartened to see someone go against the law. He didn't feel it was a good example to set for the young people of the community.

**Shane Hoffmire, Oak Harbor** resident read Attachment C into the record.

**Pam Fick, Oak Harbor** resident requested council pass a resolution asking the Washington State Legislature to permit local governments the power to ban guns in any government building and to ban guns in Oak Harbor City Hall.

**Joe Hawkins, Oak Harbor** resident spoke in favor the Council passing the proposed ordinance.

**Scott Keith**, wanted to showed support for Lucas Yonkman and the other citizens who were at the council meeting defending their second amendment rights.

**William Frail,** supports the constitution in its entirety and requested that both Councilmember Almberg and Servatius resign.

**Sandy Peterson, Oak Harbor** resident read Attachment D into the record.

**Mel Vance, Oak Harbor** spoke against funding to prevent someone from coming into the chambers with a gun. He encouraged Councilmembers to comply with their oaths of office.

**Nick Smith, former Oak Harbor** requested the council follow state law and follow the state preemption. He felt the Council had made their point.

**John Davis, Oak Harbor** resident spoke in favor of the second amendment.

**Richard Everett, Oak Harbor** encouraged both sides to come together in reasonableness, work together and stop grandstanding. He didn't think guns belonged in a public venue and the issue should be discussed at the state level. He thanked Mr. Almberg for bringing it forward.

**MOTION:** Councilmember Campbell moved to extend Citizen Comments an additional thirty (30) minutes. The motion died from lack of a second.

Discussion ensued.

**MOTION:** Councilmember Almberg moved the Council move forward with their agenda. Councilmember Hizon seconded the motion and the motion carried.

**CONSENT AGENDA**

**AB 1** Set Public Hearing date regarding the Element for February 19, 2013, Regular City Council Meeting

**AB 3** Navy Jet Fuel Line Easement – Amendment to easement agreement. The proposed amendment would modify the legal description of the existing agreement to reflect a minor revision to the pipeline's proposed alignment.

**AB 4** Approval of Accounts Payable:

a. Voucher 152780 to 152787 in the amount of $321,684.33
b. Voucher 152788 to 152789 in the amount of $ 24,469.02
c. Voucher 152790 to 152841 in the amount of $117,150.74
d. Voucher 152842 to 153060 in the amount of $696,696.22

**MOTION:** Councilmember Munns moved to accept the consent agenda as presented. Councilmember Campbell seconded the motion. The motion carried unanimously.

**OTHER BUSINESS**

**AB 7 Professional Services Agreement w/HDR for rate study update**

Public Works Director Cathy Rosen stated the purpose of the agenda bill was to approve a professional services agreement with HDR Engineering, Inc., to update the analysis of the City's storm drain, water, solid waste and sewer rates to reflect current operating and capital costs. In addition, HDR will prepare an updated analysis of the City's system development charges and develop a structure for a storm drain fee for the Seaplane Base and a water rate for a new point of delivery to the Navy at the Seaplane Base.

There were no public comments.

**MOTION:** Councilmember Servatius moved to approve the professional services agreement with HDR Engineering, Inc. for a rate and fee update for the City's storm drain, water, solid waste and sewer utilities in an amount not to exceed $39,365 and authorize the Mayor to sign the agreement. Councilmember Almberg seconded the motion and the motion carried.

**AB 6 Fort Nugent Picnic Shelters – Contract Award**

Public Works Director Cathy Rosen stated the agenda bill recommends awarding a contract for construction of the Fort Nugent Park Picnic Shelters project to C. Johnson Construction Company in the amount of $60,872. The City of Oak Harbor is authorized to spend Park Impact Fees under OHMC Section 3.63.070. The funds proposed for expenditure were collected as Community Park Impact Fees and are reserved for park expenditures. To minimize the possibility of delays and the resulting claims, staff requests that the City Engineer be authorized to administratively approve up to $6,000, approximately 10% of the contract amount, for change orders.

There were no public comments.

**MOTION:** Moved by Councilmember Hizon to authorize the Mayor to sign a contract with C. Johnson Construction in the amount of $60,872 and authorize the City Engineer to administratively approve changes to the construction contract totaling not more than $6,000. Councilmember Severns seconded the motion and the motion carried.

**HEARINGS AND ORDINANCES/RESOLUTIONS**

**AB 5 Ordinance 1637 – an ordinance of the City of Oak Harbor, WA amending OHMC Subsection 6.12.010 (1) (h); amending OHMC Section 6.14.070; amending OHMC subsection 6.40.180 (1) (h) relating to weapons; providing for severability and effective date.**

**MOTION:** Councilmember Severns moved to suspend the rules and permit the immediate adoption of proposed Ordinance No. 1637, amending Oak Harbor Municipal Code Sections 6.12.010, 6.14.070 and 6.40.180. Councilmember Almberg seconded the motion and the motion carried unanimously.

**MOTION:** Councilmember Severns moved the Oak Harbor City Council declare a legislative emergency on the grounds that immediate consideration of Ordinance No. 1637 is necessary to protect public property and public peace and treat Ordinance No. 1637 as a "public emergency ordinance," and immediately consider the ordinance for passage. Motion seconded by Councilmember Munns and carried unanimously.

**MOTION:** Councilmember Severns moved upon the Council's declaration of an emergency to adopt Ordinance No. 1637 and direct the ordinance become effective immediately as permitted by RCW 35A.12.130. Councilmember Hizon seconded the motion and the motion carried.

**RESTORATION OF COUNCIL RULES**

**MOTION:** Councilmember Almberg moved to restore the suspension of the rules so as to move forward. Councilmember Munns seconded the motion and the motion carried.

**ADJOURNMENT:**

**MOTION:** Councilmember Munns moved for adjournment at 7:25 p.m. Councilmember Hizon seconded the motion. Motion carried.

*Nacelle J. Heuslein, CMC*

Nacelle J. Heuslein, Interim City Clerk

ATTACHMENT A

Untitled

Brandon Baza, Oak Harbor resident, United States Army Disabled Combat Veteran, Served from May 2000-June 2005. 13 months served in Baghdad in support of Operation Iraqi Freedom 2.

I watched with great interest the actions of Councilman Almberg during the city council meeting of January 15th. I would like to read the oath of office of a city council member:

I, state your name, do solemnly swear that I am a citizen of the United States and of the State of Washington, and that I will support the Constitution and laws of the United States, the Constitution and laws of the State of Washington, and the ordinances of the city of Oak Harbor, and that I will to the best of my judgment, skill and ability, truly and faithfully, diligently and impartially, perform the duties of the Office of Council Member of the City of Oak Harbor Washington, as such duties are prescribed by law.

The right to carry firearms for self-protection at city council meetings is enumerated in the Washington State Constitution, in Article 1 Section 24. The right to carry firearms for self-protection at city council meetings, is protected by Washington State Laws RCW 9.41.290 and 9.41.300. The right to carry firearms for self-protection at city council meetings, is protected by Oak Harbor Municipal Code 6.05.370.

Without even mentioning the 2nd Amendment to the United States Constitution, the actions taken by Councilmember Almberg on January 15th were directly opposite to supporting the Washington State Constitution, the laws of Washington state, and the ordinances of the city of Oak Harbor . In addition, Councilmember Almberg's actions on January 15th, were directly the opposite of diligently, and impartially performing the duties of the Office of Council Member of the City of Oak Harbor. Finally, the actions of Councilmember Almberg on January 15th are certainly worthy of inclusion in the lawsuit already threatened to be filed against the city by the Second Amendment Foundation, regarding the right to carry firearms in public places.

I would challenge any councilmember who is unwilling to fulfill their Oath they are sworn to perform, to immediately resign their position as council member to make room for individuals who will act as professionals, and will not engage in theatrical grandstanding in order to obtain the political support of some of their emotionally driven constituents. Theatrical grandstanding which not only clearly violates the Oath of Office, but also places the city at great risk of financial loss, due to the exact same lawsuit that the City of Seattle has already lost. Thank You for your time.

**Attachment B**

**I come to you tonight with a heavy heart. I see a beautiful country divided and conflicted. I see a constitution being eroded and the rights that so many have fought and died for slowly lost.**

**I see men and women who were elected leaders pushing personal agendas and ramrodding the rights of the people through legislation.**

**I would like to thank Mayor Dudley for being one of the few to take a stand for his oath of office and for what is right and true. Mayor Dudley has proved to his community he understand that it is We the People, Not We the Government. I would also like to thank the council for their role in our local government, and personal sacrifice on the behalf of our city.**

**I also come to you tonight with hope. I see a stirring in the hearts of Americans across the Nation. I see good people standing up for what is right and standing their ground against those who would like to take our rights away. We cannot allow the 2nd amendment or any part of the Constitution to be eroded. We must protect that which has protected us. The 2nd amendment is not just there to allow us to hunt and shoot for sport, or even just to allow us to protect ourselves from criminals who may enter our homes. Isoroku Yamamoto, the commander-in-chief of the Imperial Japanese Navy during World War II once said, "You cannot invade the mainland United States. There would be a rifle behind every blade of grass." Not only does gun ownership and the 2nd amendment help keep us safe from local criminals, and from a tyrannical government, it helps keep us safe from other countries who may mean us harm. I propose that we do something positive and look at ways to improve life and prevent tragedy without diminishing our rights and freedoms.**

**Many people are afraid of firearms for all of the wrong reasons. They have been taught to fear guns and the ones who posses them. It is good to have a healthy respect for something so powerful. The same way that you would respect a chainsaw or a vehicle traveling 60 mph down the freeway. All of these should be handled with care, all of these require training, and all of these can certainly cause tragedy in the wrong hands. I propose that we invest ourselves in training and education for firearms. We must teach our children to respect guns for the right reasons. We must teach them that they are not toys, but instruments of protection which defend our freedom. We must**

**insure that our children can protect themselves, for these same reasons, in the future when we are no longer there to protect them ourselves. Training and education will reduce accidental injury and death, and will provide understanding to those of us who were not raised to understand their purpose. We must also turn to our medical community for answers to the mental illness that has been responsible for so many tragedies in the present and in the past. I believe that we can prevent tragedy by helping people with their issues, and not treating the American people like children who cannot be trusted. The American people cannot be punished for the actions of one sick man.**

**We must remember how important it is for the 2nd amendment to stand, unchanged. We must maintain a well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed. I urge the people of Oak Harbor, and of the United States, do not let our rights be eroded, get involved in your local, state and federal politics. Our rights are far too important to be ramrodded through legislation without in-depth thought and careful attention. Take a stand for the sake of your friends, for your family, for America!**

**Thank you all for listening,**

**Carry on Brothers!!!**

**Submitted by Lucas Yonkman**

**Council Meeting 2.5.2013**

Lucas Yonkman
Public Comments
Attachment B
2.5.2013

**Attachment C**

**Dear Council Members,**

**I write this letter with great concern and sincerity. It has recently been brought to my attention that there is a great possibility of factions within our city government recruiting individuals to attend upcoming council meetings armed to the hilt with firearms. I can't confirm these reports but they come from no less than a half dozen sources, I have even seen where via a third party this reported recruitment process has been posted on a national website.**

**It is crystal clear that given the current state of volatility, attending the February fifth city council meeting in particular would be a threat to the safety of all in attendance.**

**I ask that you please accept this as my formal petition of the Oak Harbor City Council to have a change in venue for upcoming council meetings. It is my wish that until this current situation is figured out that the city council meetings be held in a location such as the local court or a local school where guns aren't allowed. It is my belief that through this process, creating a gun free meeting is the only way for every citizen of Oak Harbor to feel comfortable participating in the democratic process. This is truly the only way that all citizens will have the opportunity to participate and certainly the only way for council to conduct business without being threatened and intimidated.**

**I ask that you accept this petition so that I can participate in our local government which is my constitutional right and I feel it unnecessary to risk my life simply exercising that right.**

**Respectfully, Shane Hoffmire**

**Council Meeting 2.5.2013**

ATTACHMENT D

TO: Oak Harbor City Council

DATE: February 5, 2013

There is talk on the street, in the papers, in letters from citizens to this body, and it seems even within this body to make city parks and council chambers gun free zones.

I urge you to reject these ideas. One is unlawful, the other unnecessary.

In a recent letter to council Mr. Shane Hoffmire urged that tonight's meeting beheld in a school or court. He claimed fear of a multitude of people bearing firearms and his desire that council not be intimidated as his reasons.

He also claimed we would all feel safer in a gun free zone.

He was certainly incorrect in his assumption that ALL citizens would feel safer, as this citizen would not!

And, if council members are intimidated by citizens simply exercising their constitutional right to bear arms, perhaps they need to examine what it is about that that is making them uncomfortable.

People who believe that being in a gun free zone puts them in some kind of a safe bubble may want to reread the news reports of where the 3 most recent nationally reported shootings happened. They will find all such shootings took place in gun free zones. .

Let's be real. Criminals tend to act in stealth and have shown a particular penchant for a lack of regard for gun free zone signage, showing up with weapons they should not have, to perform acts of ill will on the innocent and those unable to protect themselves. Think about it. Is that what you really want to set up?

Some citizens hold a concealed carry permit. To have this additional right, they underwent extensive background checks, which include, but are not limited to, voluntarily submitting fingerprints to a national data base. They are not the law breakers in society and have more than gone thru the paces to have this additional right bestowed upon them. People legally carrying weapons are not of extra concern to you. They are not the people you need to fear.

You know, I would bet there are people in this chamber every meeting who conceal carry. You have never had reason to be concerned before and you have no reason to be now.

There are many things for the council to consider that are of great importance to the people of Oak Harbor. Considering an ordinance taking away the right to protect oneself, is no more in the citizens best interest than was the attempt to restrict the wearing of hats or trying to place public comment at the end of council meeting, if there was time.

Each of you was either elected or appointed to serve we the people.

I urge you, please get back to the things you have jurisdiction over and back off trying to take away our second amendment rights. We will never give them up.

Respectfully submitted,

Sandi Peterson

**Oak Harbor City Council Retreat Notes**
**February 9, 2013**
**Public Works Meeting Room**
**10:15 a.m. – 4:00 p.m.**

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**IN ATTENDANCE**

Mayor Scott Dudley
Seven members of the City Council,
- Danny Paggao, Mayor ProTem
- Jim Campbell
- Rick Almberg
- Beth Munns
- Bob Severns
- Tara Hizon
- Joel Servatius

Larry Cort, City Administrator
Ed Green, Police Chief
Cheryl Lawler, HR Manager
Mike McIntyre, Senior Services Administrator
Ray Merrill, Fire Chief
Doug Merriman, Finance Director
Steve Powers, Development Services Director
Cathy Rosen, Public Works Director
Renée Recker, Executive Assistant

A coffee/social time was held from 10:00 a.m. – 10:15 a.m.

Facilitator Stephanie Smith welcomed everyone to the retreat.

Ms. Smith had each attendee:
1. Introduce themselves;
2. State why they are in the role they are in; and
3. Answer the question, Who do you serve?

Mayor Scott Dudley and City Administrator Larry Cort thanked everyone for attending. Harbormaster Chris Sublet was not able to attend due to illness.

Ms. Smith reviewed the rules:
- Participate
- Share ideas/opinions with the group
- Show respect for different ideas/opinions
- Be present

Ms. Smith introduced how to manage your words:
1. Are these words true?
2. Are they necessary?
3. Are they kind?

If you answer "yes" to all three questions, then it is appropriate to speak.

The Vision, Mission and Goals generated by the Council at the March 2012 Council Retreat were reviewed. (see Attachment 1)

Ms. Smith had each participant list the City's strengths based on the progress made on established City goals:

- Public outreach, e.g. live streaming of Council meetings
- Career staff and Paid on Calls at the Fire Department work well together
- Focus on staff and citizens
- Preserving economic base line during tough times
- Minimized lay-offs and a can do attitude
- Staff and their love of the community
- Cooperation with County, State, Federal and Military partners
- Enhanced relationships with the business community
- Public Safety and interaction with the community
- Staff and their resiliency during change in staffing
- Ability to get projects done in a code environment
- Customer service
- Staff's commitment to the City
- Diversity of thinkers and talents
- Increased focus on safety
- Supportive community volunteers

Ms. Smith had each participant list an area of opportunity based on the progress made on established City goals:

- Set priorities and follow thru, control what you can control
- Avoid distractions
- Better communication between Administration and Council
- Comprehensive City Emergency Plan
- Develop an interest in young people for Public Works Staff, finding there is a lack of qualified manual laborers currently, need for mentorship
- Economic Development in regards to a safer community
- Better regulatory environment
- Identify smaller projects to fund
- Capitalize on our diversity
- To take care of staff and economic development for high-tech business
- Create Oak Harbor the destination for jobs, businesses, recreation and living
- Streamline permitting
- Cultivate State relationships for revenue sources
- Council to become more of a team and to cooperate
- Make the City of Oak Harbor the best place to work
- Build community partnerships to accomplish work

DRAFT

Participants were randomly assigned to a workgroup for the following exercise with each workgroup consisting of two Councilmembers and two Department Heads. Workgroups were tasked to share their thoughts/ideas on which priority projects the City should focus on that impact the community and those that compact the staff.

| Workgroup # | Project | Council Responsibilities | Staff Responsibilities |
|---|---|---|---|
| 1 | Community Impact:<br>• Sidewalks (school routes) | Prioritize projects<br>Engage public | Identify routes<br>Secure funding |
| | • Pioneer Way (Midway to Marina) Promenade | Strong public process<br>Sell to public | Design<br>Funding |
| | Staff Impact:<br>• Empower/Appreciate Staff | Encourage communication – be approachable | Dept Heads can listen & encourage honest & open feedback |
| | • Safety improvements / Remodel City Hall | Authorize funds<br>Encourage Staff feedback<br>Share ideas | Identify safety concerns<br>Be flexible<br>Share ideas |
| 2 | Community Impact:<br>• Windjammer Amphitheater | Establish priority<br>Approve funding<br>Approve design<br>Approve contract | Feasibility<br>Find funding<br>Manage design<br>Manage construction |
| | • Downtown Hotel / Conference Center | Establish priority<br>Approve funding<br>Approve design<br>Approve contract | Feasibility<br>Find funding<br>Manage design<br>Manage construction |
| | Staff Impact:<br>• Information Technology | Set as priority<br>Approve funding<br>Approve contracts | Identify problems<br>Cost projection<br>Purchase/Training<br>Implement |
| | • Council/Admin/Staff Communication | Set priorities<br>Funding<br>Adjustment as needed | Communicate needs and mandates<br>Identify costs<br>Implement<br>Feedback/reporting |

| | | | |
|---|---|---|---|
| 3 | Community Priority:<br>• Public Welfare<br>Public Safety<br>Public Works | Approve & promote action plan (partnership – monitor plan and report to public) | Prepare action plan<br>Execute Council decision |
| 4 | Community Impact:<br>• Wastewater Treatment Plant | Policy<br>Funding | Logistics/Technical<br>Funding opportunities |
| | • Pavement Management | Prioritize areas<br>Funding<br>Communicate to the Public | Report to Council<br>Ranking system for prioritization |
| | Staff Impact:<br>• Succession Plan | Policy<br>Goals | Establish Education & Technical levels |
| | • Recruitment and Retention | Comparables<br>Budget | Performance survey & market analysis<br>Report to Council |

Ideas stemming from this exercise:

- Communication between staff and council is circular…


- Signage along the Waterfront Trail that maps the entire trail.
- Staff recognition program to appreciate the work being done.
- Re-examine Standing Committees to insure that the time is well spent – less emphasize on Agenda Bills and more on communication and upcoming issues. It was suggested to have a Council Workshop to discuss Standing Committees.
- Better communication between staff, council and administration.
- Work to draw our community together.
- Work on succession plan.
- Re-examine goals.

Dr. Cort led a discussion on two emerging fiscal issues:

1. SE Pioneer Way Archaeology Costs (see Attachment 2)

   Ms. Rosen reviewed costs while Mr. Merriman reviewed how those costs will be allocated to the various Funds. Storm Drain Fund 404 will not be able to fund its portion, which is $538,509.39. Mr. Merriman's recommendations are:

   - Search for alternative funding (REET, DAPH, etc)
   - Ask ourselves what can our rate payers absorb that would have the least amount of impact to them.

2. Health Care Costs (see Attachment 3)

   Dr. Cort reviewed the timelines for various benefit changes. Mr. Merriman reviewed the costs associated with the City's benefit package from 2009 to 2012.

Ms. Smith thanked everyone for their participation during the retreat.

The retreat adjourned at 3:30 p.m.

Renée Recker

Renée Recker, Executive Assistant

DRAFT

# RESOLUTION NO. 12-31

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAK HARBOR, WASHINGTON, PROVIDING A NEW RESOLUTION NUMBER FOR RESOLUTION 12-10 WHICH UPDATED THE CITY'S VISION AND MISSION STATEMENTS AND REAFFIRMED THE EXISTING CITY GOALS.

WHEREAS, on the 3rd day of April 2012, the City Council adopted Resolution No. 12-10 updating the City's Vision and Mission Statements and reaffirmed the existing City Goals; and

WHEREAS, on the 17th day of April 2012, the Council approved another Resolution No. 12-10 directing the evaluation of potential sites for a future wastewater treatment facility which caused a duplication in resolution numbers; and

WHEREAS, Resolution No. 12-31 now replaces the duplicated resolution for the Council's Vision and Mission Statements and reaffirms the existing City Goals and reads as follows;

WHEREAS, the Oak Harbor City Council participated in a retreat on March 3, 2012 and during the retreat reviewed and discussed the City's existing vision and mission statements; and

WHEREAS, the City Council, through a collaborative process, but without taking any action, arrived at possible updates to both of these statements; and

WHEREAS, the Council also reviewed the City's existing goals and concluded that Goals 1-7 were in alignment with the possible updates to the vision and mission statements; and

WHEREAS, the Council also determined that existing Goal 8, Annual review of the City's overall performance, was not so much a goal as an accountability statement and did not need to be included in the list of goals; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Oak Harbor that the following vision and mission statements are approved and that the existing Goals 1-7 are reaffirmed and that the City Council :

> **Vision statement:** "Oak Harbor…a vibrant Whidbey Island waterfront community where everyone is welcome and encouraged to thrive.

**Mission statement**: The City of Oak Harbor is committed to creating a vibrant community by delivering quality services, enhancing the quality of life, and fostering economic opportunities.

**Goals:**

| | |
|---|---|
| Goal 1: | Promote a healthy and growing business community. |
| Goal 2: | Improve the appearance and livability of the community. |
| Goal 3: | Encourage a safe community. |
| Goal 4: | Build and enhance community partnerships. |
| Goal 5: | Deliver superior quality service to our customers. |
| Goal 6: | Protect and enhance capital investment in the City. |
| Goal 7: | Promote a healthy work environment and employee excellence. |

PASSED and approved by the City Council this 20th day of November, 2012.

THE CITY OF OAK HARBOR

Scott Dudley
Mayor

Attest:

City Clerk

Approved as to form:

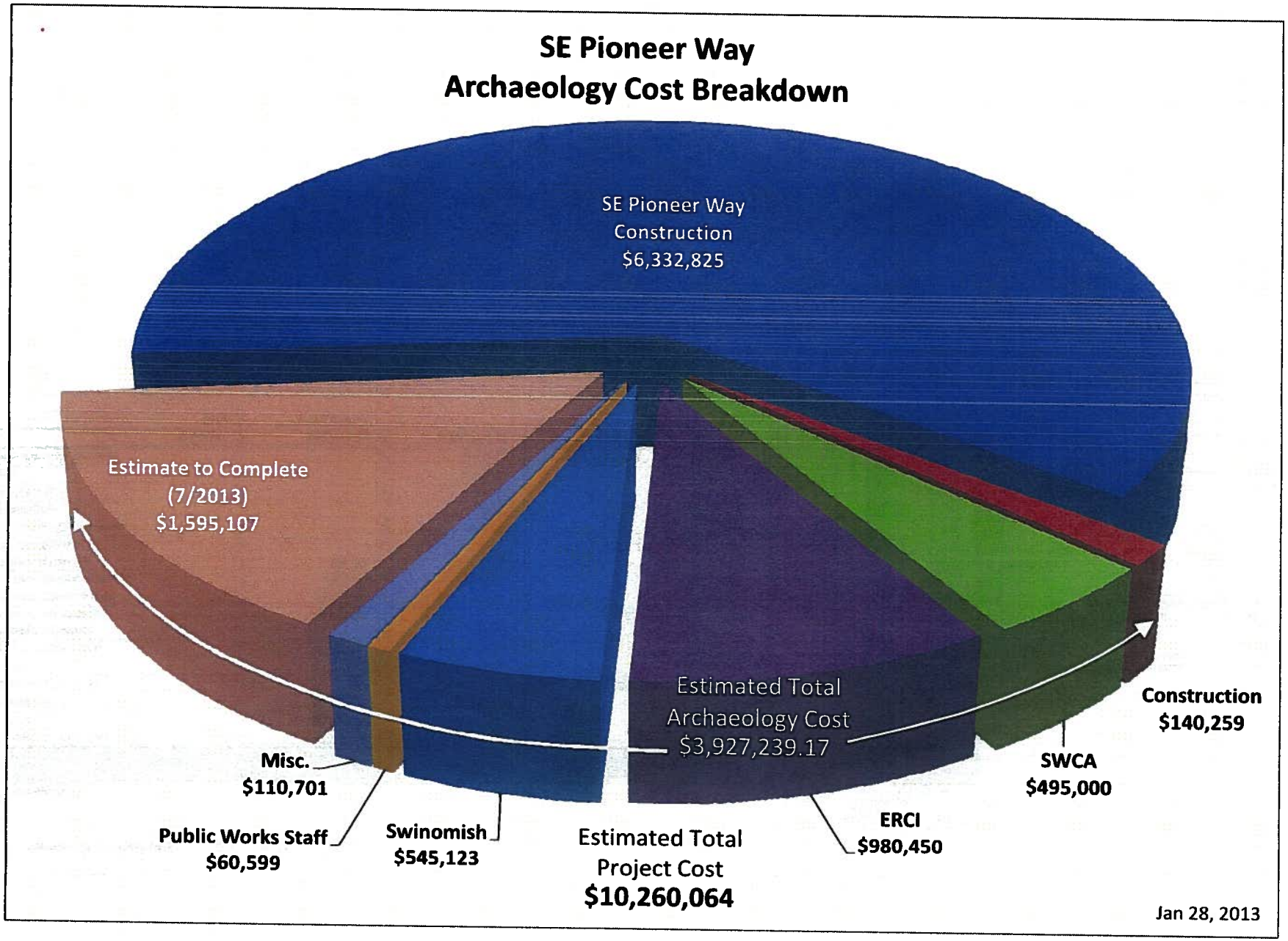
Grant Weed, Interim City Attorney

## SE Pioneer Way Archaeology Recovery Tracking

1/28/2013

**Recovery Costs**

| Vendor | SE Pioneer Way Archaeological Costs | Archaeological Recovery Costs | Outlier Sites | Total Vendor | Estimated Cost to Complete Recovery 3/1/2013 Low Estimate | 7/1/2013 High Estimate | notes |
|---|---|---|---|---|---|---|---|
| Strider Construction | $ 140,258.50 | $ - | $ - | $ 140,258.50 | $ - | $ - | N/A |
| SWCA | $ 495,000.00 | $ - | $ - | $ 495,000.00 | $ - | $ - | N/A |
| Swinomish | $ 88,004.52 | $ 457,118.69 | $ - | $ 545,123.21 | $ 70,859.56 | $ 300,185.68 | based on previous bills |
| Concrete Nor'west | $ - | $ 12,220.08 | $ 11,237.07 | $ 23,457.15 | $ 1,000.00 | $ 3,000.00 | pit road property rental |
| ERCI | $ - | $ 980,449.65 | $ - | $ 980,449.65 | $ 769,550.35 | $ 1,219,550.35 | based on est. $1.75 to $2.2 total cost |
| P & L Construction | $ - | $ 4,130.60 | $ - | $ 4,130.60 | $ 434.80 | $ 1,304.40 | Job Trailer Rental |
| Westgate Homes | $ - | $ 200.00 | $ - | $ 200.00 | $ 800.00 | $ 1,600.00 | Job Trailer Rental |
| City of Oak Harbor | $ 34,589.29 | $ - | $ 26,010.14 | $ 60,599.43 | $ 20,000.00 | $ 60,000.00 | Estimated cost to cover public works staff involvement |
| Security Services NW | $ 50,770.40 | $ - | $ - | $ 50,770.40 | $ - | $ - | N/A |
| Statewide Rent-a-fence | $ 3,904.20 | $ 4,891.95 | $ - | $ 8,796.15 | $ 539.86 | $ 1,619.57 | Fence Rental |
| Diamond Rentals | $ 996.90 | $ 431.50 | $ - | $ 1,428.40 | $ 148.77 | $ 347.13 | Port-a-pot rental |
| Jet City Rentals | $ - | $ - | $ 4,268.25 | $ 4,268.25 | $ - | $ - | N/A |
| C Johnson Construction | $ - | $ - | $ 2,776.74 | $ 2,776.74 | $ - | $ - | N/A |
| Mallliards | $ - | $ 90.00 | $ 3,584.00 | $ 3,674.00 | $ - | $ - | N/A |
| AA Electric | $ - | $ 1,807.87 | $ - | $ 1,807.87 | $ 2,000.00 | $ 3,000.00 | Cost to setup Old City Shops site |
| PSE | $ - | $ 3,793.03 | $ - | $ 3,793.03 | $ 3,500.00 | $ 4,500.00 | Cost to setup Old City Shops site |
| Miscillanious Vendors | $ - | $ 3,108.49 | $ 2,490.17 | $ 5,598.66 | $ - | $ - | N/A |
| **Subtotals** | **$ 813,523.81** | **$ 1,468,241.86** | **$ 50,366.37** | | **$ 868,833.33** | **$ 1,595,107.13** | |
| **Total** | **$ 2,332,132.04** | | | | | | |

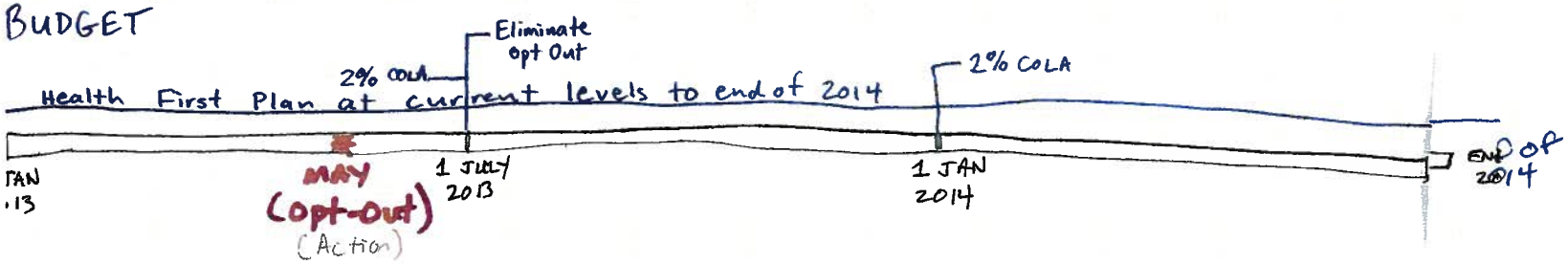

SE Pioneer Way
Archaeology Cost Breakdown
SE Pioneer Way
Construction
$6,332,825
Estimate to Complete
(7/2013)
$1,595,107
Estimated Total
Archaeology Cost
$3,927,239.17
Construction
$140,259
SWCA
$495,000
ERCI
$980,450
Estimated Total
Project Cost
$10,260,064
Swinomish
$545,123
Public Works Staff
$60,599
Misc.
$110,701
Jan 28, 2013

**City of Oak Harbor**
**Historical Cost of AWC Medical Premiums**
**For the Years Ending 2009 through 2012**

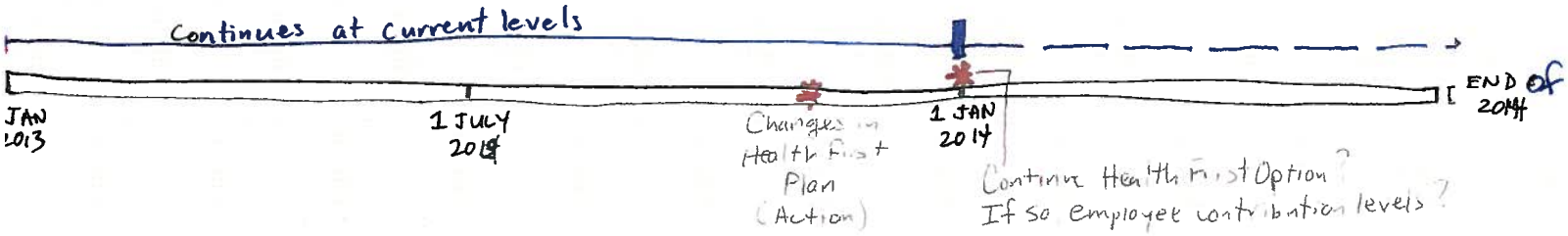
| Classification | 2009 Number of Participants | 2009 City Paid | 2009 Employee Paid | 2009 Total 2009 | 2010 Number of Participants | 2010 City Paid | 2010 Employee Paid | 2010 Total 2010 |
|---|---|---|---|---|---|---|---|---|
| Employee | 139 | $773,584.39 | $0.00 | $773,584.39 | 140 | $842,726.32 | $0.00 | $842,726 |
| Spouse | 77 | 310,900.15 | 103,304.30 | 414,204.45 | 81 | 349,148.40 | 124,088.39 | 473,236 |
| Child #1 | 29 | 48,249.02 | 16,081.23 | 64,330.25 | 28 | 58,631.45 | 18,526.80 | 77,158 |
| Children 2 or more | 33 | 115,875.36 | 38,469.64 | 154,345.00 | 35 | 130,322.78 | 43,439.79 | 173,762 |
| Totals | 278 | $1,248,608.92 | $157,855.17 | $1,406,464.09 | 284 | $1,380,828.95 | $186,054.98 | $1,566,883 |
| Percent increase over previous year: | | | | | 2.16% | 10.59% | 17.86% | 11.41% |

| | 2011 Number of Participants | 2011 City Paid | 2011 Employee Paid | 2011 Total 2011 | 2012 Number of Participants | 2012 City Paid | 2012 Employee Paid | 2012 Total 2012 |
|---|---|---|---|---|---|---|---|---|
| | 131 | $914,396.14 | $0.00 | $914,396.14 | 138 | $949,938.13 | $0.00 | $949,938 |
| | 78 | 387,679.28 | 135,321.46 | 523,000.74 | 79 | 385,321.92 | 127,442.70 | 512,764 |
| | 23 | 52,465.35 | 17,285.25 | 69,750.60 | 23 | 50,513.01 | 17,219.90 | 67,732 |
| | 36 | 162,551.54 | 54,013.32 | 216,564.86 | 37 | 176,344.33 | 58,781.45 | 235,125 |
| | 268 | $1,517,092.31 | $206,620.03 | $1,723,712.34 | 277 | $1,562,117.39 | $203,444.05 | $1,765,561 |
| Percent increase over previous year: | -5.63% | 9.87% | 11.05% | 10.01% | 3.36% | 2.97% | -1.54% | 2.43% |

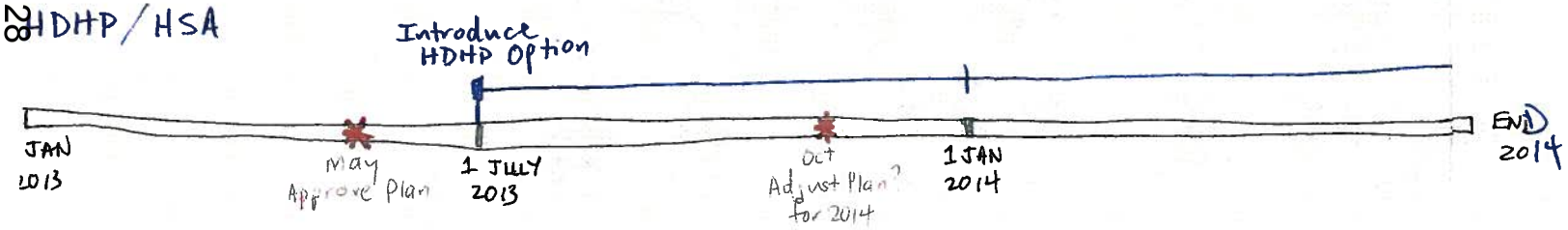
## BUDGET




## HEALTH FIRST




## HDHP/HSA



**City of Oak Harbor**
**Actual Cost Data as of 12/31/2012**
**Pioneer Way Project Cost Allocations and Funding Sources**

## Allocations by Fund

| Year 2009 | Amount | Arterial Fund 104 | REET 1 Fund 311 | REET 2 Fund 312 | Water Fund 401 | Sewer Fund 402 | Storm Drain Fund 404 | Total |
|---|---|---|---|---|---|---|---|---|
| Project Management/Overhead | $232,137.51 | $113,659.31 | $30,502.31 | $30,502.31 | $16,836.68 | $15,854.94 | $24,781.97 | $232,137.51 |
| Power | 5,500.00 | 0.00 | 2,750.00 | 2,750.00 | 0.00 | 0.00 | 0.00 | 5,500.00 |
| Right of Way | 293.49 | 293.49 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 293.49 |
| | 237,931.00 | 113,952.80 | 33,252.31 | 33,252.31 | 16,836.68 | 15,854.94 | 24,781.97 | 237,931.00 |

| Year 2010 | Amount | Arterial Fund 104 | REET 1 Fund 311 | REET 2 Fund 312 | Water Fund 401 | Sewer Fund 402 | Storm Drain Fund 404 | Total |
|---|---|---|---|---|---|---|---|---|
| Project Management/Overhead | 615,659.66 | 301,439.67 | 80,896.19 | 80,896.19 | 44,653.13 | 42,049.41 | 65,725.08 | 615,659.66 |
| Street | 136.70 | 0.00 | 68.35 | 68.35 | 0.00 | 0.00 | 0.00 | 136.70 |
| Right of Way | 38,768.19 | 38,768.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 38,768.19 |
| | 654,564.55 | 340,207.86 | 80,964.54 | 80,964.54 | 44,653.13 | 42,049.41 | 65,725.08 | 654,564.55 |

| Year 2011 | Amount | Arterial Fund 104 | REET 1 Fund 311 | REET 2 Fund 312 | Water Fund 401 | Sewer Fund 402 | Storm Drain Fund 404 | Total |
|---|---|---|---|---|---|---|---|---|
| Project Management/Overhead | 592,565.03 | 290,132.06 | 77,861.61 | 77,861.61 | 42,978.10 | 40,472.05 | 63,259.60 | 592,565.03 |
| Archaeology | 319,922.33 | 103,841.19 | 66,280.98 | 66,280.98 | 25,903.27 | 24,772.81 | 32,843.10 | 319,922.33 |
| Power | 66,387.00 | 0.00 | 33,193.50 | 33,193.50 | 0.00 | 0.00 | 0.00 | 66,387.00 |
| Street | 9,407.94 | 9,407.94 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,407.94 |
| Strider-Reg | 3,602,510.20 | 2,292,580.21 | 174,161.69 | 174,161.69 | 261,816.33 | 254,774.87 | 445,015.42 | 3,602,510.20 |
| Strider-Mgmnt/Overhead | 607,828.75 | 297,605.49 | 79,867.22 | 79,867.22 | 44,085.16 | 41,514.56 | 64,889.09 | 607,828.75 |
| Strider-Archaeology | 135,594.19 | 44,011.50 | 28,092.18 | 28,092.18 | 10,978.71 | 10,499.58 | 13,920.05 | 135,594.19 |
| Sewer | 6,109.20 | 0.00 | 0.00 | 0.00 | 0.00 | 6,109.20 | 0.00 | 6,109.20 |
| Water | 18,535.19 | 0.00 | 0.00 | 0.00 | 18,535.19 | 0.00 | 0.00 | 18,535.19 |
| Storm | 94.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 94.60 | 94.60 |
| Equipment | 595.10 | 595.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 595.10 |
| Plants | 2,722.65 | 2,722.65 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,722.65 |
| Charging Stations | 12,778.00 | 0.00 | 6,389.00 | 6,389.00 | 0.00 | 0.00 | 0.00 | 12,778.00 |
| Right of Way | 10,687.22 | 10,687.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,687.22 |
| | 5,385,737.40 | 3,051,583.36 | 465,846.18 | 465,846.18 | 404,296.76 | 378,143.07 | 620,021.86 | 5,385,737.40 |

| Year 2012 | Amount | Arterial Fund 104 | REET 1 Fund 311 | REET 2 Fund 312 | Water Fund 401 | Sewer Fund 402 | Storm Drain Fund 404 | Total |
|---|---|---|---|---|---|---|---|---|
| Project Management/Overhead | 57,589.66 | 28,197.09 | 7,567.14 | 7,567.14 | 4,176.92 | 3,933.36 | 6,148.02 | 57,589.66 |
| Archaeology | 1,645,056.04 | 533,956.41 | 340,819.98 | 340,819.98 | 133,195.87 | 127,382.99 | 168,880.82 | 1,645,056.04 |
| Power | 12,760.95 | 0.00 | 6,380.48 | 6,380.48 | 0.00 | 0.00 | 0.00 | 12,760.95 |
| Street | 130.40 | 130.40 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 130.40 |
| Strider-Reg | 123,922.90 | 78,862.56 | 5,991.00 | 5,991.00 | 9,006.23 | 8,764.01 | 15,308.10 | 123,922.90 |
| Strider-Mgmnt/Overhead | 20,908.73 | 10,237.34 | 2,747.36 | 2,747.36 | 1,516.49 | 1,428.06 | 2,232.12 | 20,908.73 |
| Strider-Archaeology | 4,664.31 | 1,513.95 | 966.34 | 966.34 | 377.66 | 361.18 | 478.84 | 4,664.31 |
| Sewer | 336.97 | 0.00 | 0.00 | 0.00 | 0.00 | 336.97 | 0.00 | 336.97 |
| Storm | 259.68 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 259.68 | 259.68 |
| Signage | 9,984.88 | 9,984.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,984.88 |
| Equipment | 15,765.22 | 15,765.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,765.22 |
| Underground Utilities | 341,498.23 | 0.00 | 170,749.12 | 170,749.12 | 0.00 | 0.00 | 0.00 | 341,498.23 |
| | 2,232,877.97 | 678,647.86 | 535,221.40 | 535,221.40 | 148,273.16 | 142,206.57 | 193,307.58 | 2,232,877.97 |

| PROJECTED - 2013 | Amount | Fund 104 | Fund 311 | Fund 312 | Fund 401 | Fund 402 | Fund 404 | Total |
|---|---|---|---|---|---|---|---|---|
| Archaeology - Projected | 1,650,000.00 | 535,561.14 | 341,844.26 | 341,844.26 | 133,596.17 | 127,765.82 | 169,388.36 | 1,650,000.00 |
| Reburial | 200,000.00 | 64,916.50 | 41,435.67 | 41,435.67 | 16,193.47 | 15,486.77 | 20,531.92 | 200,000.00 |
| | 1,850,000.00 | 600,477.64 | 383,279.92 | 383,279.92 | 149,789.64 | 143,252.58 | 189,920.29 | 1,850,000.00 |
| **Total Cost Allocations By Fund** | **$10,361,110.92** | **$4,784,869.52** | **$1,498,564.34** | **$1,498,564.34** | **$763,849.37** | **$721,506.57** | **$1,093,756.77** | **$10,361,110.92** |
| Archaeology | $3,814,978.37 | $1,238,275.25 | $790,380.88 | $790,380.88 | $308,888.78 | $295,408.38 | $391,644.21 | $3,814,978.37 |

| | Arterial Fund 104 | REET 1 Fund 311 | REET 2 Fund 312 | Water Fund 401 | Sewer Fund 402 | Storm Drain Fund 404 | Total |
|---|---|---|---|---|---|---|---|
| **Total Cost Allocations By Fund** | **$4,784,869.52** | **$1,498,564.34** | **$1,498,564.34** | **$763,849.37** | **$721,506.57** | **$1,093,756.77** | **$10,361,110.92** |
| **Funding Sources** | | | | | | | |
| Fund 104 Beginning Fund Balance | 2,000,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,000,000.00 |
| .09 Economic Dev Funds | 1,000,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,000,000.00 |
| 2010 Transfers In | 0.00 | 350,000.00 | 350,000.00 | 0.00 | 0.00 | 0.00 | 700,000.00 |
| 2011 Transfers In | 0.00 | 1,169,000.00 | 1,583,000.00 | 0.00 | 0.00 | 0.00 | 2,752,000.00 |
| 2012 Transfers In | 0.00 | 775,832.29 | 554,165.91 | 200,757.01 | 683,915.89 | 365,327.10 | 2,579,998.20 |
| True up: Water/Sewer Contributions | 0.00 | 0.00 | 0.00 | 413,302.72 | (105,661.91) | 0.00 | 307,640.81 |
| Estimated 2013 Transfers In | 0.00 | 0.00 | 0.00 | 149,789.64 | 143,252.59 | 189,920.28 | 482,962.51 |
| Transfer REET to Arterials | 1,784,869.52 | (796,267.95) | (988,601.57) | 0.00 | 0.00 | 0.00 | 0.00 |
| | 4,784,869.52 | 1,498,564.34 | 1,498,564.34 | 763,849.37 | 721,506.57 | 555,247.38 | 9,822,601.52 |
| **Remaining Cash Balance at End of Project** | ($0.00) | ($0.00) | ($0.00) | ($0.00) | $0.00 | **($538,509.39)** | **($538,509.40)** |

| | | | |
|---|---|---|---|
| **Annual Revenue in Storm Drain** | **$1,360,000.00** | **Annual Payment** | **Monthly Impact on $11.45** |
| Rate impact - One Year | 39.60% | $538,509.39 | $4.53 |
| Rate impact - Two Year | 20.10% | $273,300.21 | $2.30 |
| Rate impact - Three Year | 13.46% | $183,105.10 | $1.54 |

# Association of Washington Cities

## 2013 Medical Plan Comparison

(Plans underwritten by Regence BlueShield/Asuris Northwest Health and Group Health)

| Benefits | Regence/Asuris | | | |
|---|---|---|---|---|
| | HealthFirst Plan Preferred Provider Organization (PPO) | | HDHP Preferred Provider Organization (PPO) | |
| | Preferred Providers | Non-Preferred | Preferred Providers | Non-Preferred |
| Rates | Employee: $665.63<br>Spouse: $670.67<br>First Dep: $329.97<br>Second Dep: $273.42 | | Employee: $356.36<br>Spouse: $360.75<br>First Dep: $180.89<br>Second Dep: $148.11<br>HSA Maximum Contribution:<br>Employee Only - $3,250<br>Family - $6,450 | |
| Lifetime Maximum | Unlimited | | | |
| Basic Benefits | $10 Copay | | See Deductible and Out-of-Pocket | |

## Deductible and Out-of-Pocket

| | | |
|---|---|---|
| Annual Per Person Deductible | None | $1,500 - Subject to all services listed below except preventive care |
| Maximum deductible per family/year | None | $3,000 - Subject to all services except preventive care.<br>Prior to benefits paid for any family member entire family deductible must be met |
| Out-of-Pocket Maximum (per calendar year) | $1,000 per person<br>Max of $3,000 per family<br>copays do not apply to out of pocket maximum | $5,000 for employee coverage<br>Max of $10,000 for family coverage<br>Annual deductible will accumulate to the out-of-pocket max |
| | Please see NOTE at end of spreadsheet | |

## In Your Physician's Office

| | | | | |
|---|---|---|---|---|
| Office visit | $10 copay, then paid at 100% | $10 copay, then paid at 70% | 80% | 60% |
| Lab, x-ray & diagnostic | 100% | 70% | | |
| Allergy shots | | | | |

## Preventive Care Services

| | | | | |
|---|---|---|---|---|
| Immunizations for Children | 100% (no copay) | | 100% (not subject to deductible) | Participating: 100%<br>Non-Contracted: 60%<br>(not subject to dedutible) |
| Well Child Care | 100% (no copay) | Participating: 100%<br>Non-Contracted: 70%<br>(no copay) | | |
| Well Adult Care, Including:<br>- Immunizations<br>- Gynecological exam<br>- Mammogram<br>- Prostate Antigen Screen<br>- Colorectal Cancer Screen<br>Women only:<br>- Contraceptive drugs<br>- Contraceptive devices<br>- Sterilization | | | | |

| Benefits | Regence/Asuris | | | |
|---|---|---|---|---|
| | HealthFirst Plan Preferred Provider Organization (PPO) | | HDHP Preferred Provider Organization (PPO) | |
| | Preferred Providers | Non-Preferred | Preferred Providers | Non-Preferred |
| **In the Hospital - Facility** | | | | |
| Semi-private room | $150 copay paid at 90% | $150 copay paid at 70% | 80% | 60% |
| Diagnostic services | 90% | 70% | | |
| Prescription medications-inpatient | | | | |
| Intensive & coronary care units | | | | |
| Use of operating & recovery room | | | | |
| Inpatient radiotherapy services | | | | |
| Emergency room facility charges | $75 copay paid at 90% | | 80% | |
| | Emergency room copay waved if patient is admitted directly to the hospital | | | |
| **In the Hospital - Professional Services** | | | | |
| Physician, surgeons & anesthesiologists | 100% | 70% | 80% | 60% |
| **Maternity Care** | | | | |
| Physician service | $10 copay paid at 100% Employee or spouse only | $10 copay paid at 70% Employee or spouse only | 80% Employee or spouse only | 60% Employee or spouse only |
| Hospital service | $150 copay paid at 90% Employee or spouse only | $150 copay paid at 70% Employee or spouse only | | |
| Note: Routine newborn care covered for 72 hours. If mother is enrolled, newborn covered for 21 days. | | | | |
| **Worldwide Care** | | | | |
| | Yes - Find a provider near you at www.bcbs.com or call 1 (800) 810-2583. | | | |
| **Chemical Dependency Treatment** | | | | |
| Inpatient | $150 copay 100% - Physician 90% - Facility | $150 copay paid at70% | 80% | 60% |
| Outpatient | 100% | 70% | | |
| **Ambulance** | | | | |
| | 80% | | 80% | |

| Benefits | Regence/Asuris | | | |
|---|---|---|---|---|
| | HealthFirst Plan Preferred Provider Organization (PPO) | | HDHP Preferred Provider Organization (PPO) | |
| | Preferred Providers | Non-Preferred | Preferred Providers | Non-Preferred |
| **Rehabilitative Therapy** | | | | |
| Inpatient | $150 copay<br>Therapist - 100%<br>Facility - 90%<br>up to 15 days per calendar year | $150 copay<br>Therapist - 70%<br>Facility - 70%<br>up to 15 days per calendar year | 80%<br>up to 30 days<br>per calendar year | 60%<br>up to 30 days<br>per calendar year |
| Outpatient | 90% up to 99 visits<br>per calendar year | 70% up to 99 visits<br>per calendar year | 80% up to 25 visits<br>per calendar year | 60% up to 25 visits<br>per calendar year |
| | **Must have prescription for Massage and Physical Therapy - Not subject to out of pocket maximum** | | **Prescription required for Massage and Physical Therapy** | |
| **Prosthetics/Home Medical Equipment** | | | | |
| | 90% | 70% | 80% | 60% |
| **Mental Health/Psychiatric** | | | | |
| Inpatient | $150 copay<br>Physician 100%<br>Facility 90% | $150 copay<br>70% | 80% | 60% |
| Outpatient | 100% | 70% | | |
| **Prescription Drugs** | | | | |
| Pharmacy<br>(34-day supply) | $4 generic<br>$15 name brand formulary<br>$35 name brand non-formulary | | 20% copay | |
| Mail Order<br>(90-day supply) | $8 generic<br>$30 name brand formulary<br>$70 name brand non-formulary | | 20% copay | |
| **Alternative Care** | | | | |
| Naturopathic Doctor | Paid the same as physician's office visit (MD) | | | |
| Massage Therapist | Prescription required then pays under the rehab outpatient benefit | | | |
| Acupuncture | 12 visits per year<br>paid at 100%<br>$10 copay applies to initial exam only | 12 visits per year<br>paid at 70%<br>$10 copay applies to initial exam only | 12 visits per year<br>paid at 80% | 12 visits per year<br>paid at 60% |
| Spinal Manipulations | 15 manipulations per year<br>paid at 100%<br>$10 copay applies to initial exam only | 15 manipulations per year<br>paid at 70%<br>$10 copay applies to initial exam only | 10 manipulations per year<br>paid at 80% | 10 manipulations per year<br>paid at 60% |

| Benefits | Regence/Asuris | | | |
|---|---|---|---|---|
| | HealthFirst Plan Preferred Provider Organization (PPO) | | HDHP Preferred Provider Organization (PPO) | |
| | Preferred Providers | Non-Preferred | Preferred Providers | Non-Preferred |

## Specialty Care

| | | | | |
|---|---|---|---|---|
| Skilled Nursing Facility | $150 copay, paid at 90% (facility) to 90 days per calendar year | | 80% to 90 days per calendar year | 60% to 90 days per calendar year |
| Hospice Care | 90% | | 80% | |
| Home Health Care | Paid at 90% to 130 visits per calendar year | | Paid at 80% to 130 visits per calendar year | |

## Health & Well-Being

| | |
|---|---|
| MyWellnessWorks.org | Benefits information, secure online health record, lifestyle improvement programs, articles and video on health topics A - Z. Administered by WebMD. |
| Health Questionnaire (HQ) | Confidential assessment of health status and health risks. Financial reward for participating each fall. Administered by WebMD. |
| Health Screenings | Check your cholesterol, triglycerides, blood pressure and more. Discuss results immediately with an onsite health coach. Offered every other year at the worksite. Administered by StayWell Health Management. |
| Health coaching | WebMD health professionals offer guidance and encouragement to help you reach personal health goals. Administered by WebMD Health Services. |
| Weight management coaching | Enhanced coaching option for those with significant weight management goals. Administered by WebMD Health Services. |
| Employee Assistance Program | Confidential counseling on issues including stress, grief, parenting, relationships, finances, substance abuse, and more. Administered by ComPsych. Included in all Regence/Asuris medical plans at no charge. Available for purchase by employer for Group Health participants and uninsured employees. |
| Nurse Advice Line | Nurses are available 24 - 7 to discuss health issues and treatment options. |
| Tobacco Cessation | Counseling, nicotine replacement therapy, and other resources for those ready to quit tobacco. Quit For Life® Program is administered by Alere (formerly Free & Clear). |
| Wellness Newsletter | Wellness articles, stories, tips, quotes, recipes, and entertaining cartoons delivered monthly to your home. |

**NOTE:** Your maximum out-of-pocket costs provision (see summary by plan for this amount), is basically "insurance on top of your insurance". Once you pay your deductible, you may also have out-of-pocket amounts if your insurance does not pay 100% for certain coverage, e.g. under HealthFirst - Semi-private hospital room covered at 90%. Once your out-of-pocket percentage payments on covered items hits the co-insurance limit ($1,000, $3,000 etc. depending on the Plan), all remaining claims (on covered items) will be paid at 100% for the remainder of the calendar year rather than at the percentage listed. Certain limitations do apply, however. Prescription (does not apply to HDHP) and other co-pays, and examples where otherwise noted in the benefit booklet, are not subject to the co-insurance, which means that those items will never be paid at 100% but as specifically stated in the Plan summary.

**CAUTION:** Do not use this "Medical Plan Comparison" as a complete description of benefit plans. The information is presented in summary form and should be used for general comparison purposes only. Consult the Employee Benefit Handbook for Complete and accurate information on the conditions, exclusion, limitations and coverage of benefits.

# Health Savings Account (HSA)

**What is a HSA?**

- A savings account that is used in combination with a High Deductible Health Plan (HDHP)
- Use it to pay for medical expenses subject to deductible, co-insurance, or other qualified expenses such as dental, orthodontia, vision, or retiree health care premiums
- The monies stay with the employee – it's a bank account in the employee's name – monies roll over year to year, and stay with the employee, even if they drop the HDHP plan, and/or change jobs.
- Reduces taxable income – the money is tax-free when you deposit it and when you withdraw it for qualified health medical expenses; interest earnings are not subject to federal income tax

**Who can have a HSA?**

- Any adult can contribute to an HSA if they:
  - Have coverage under an HSA-qualified HDHP
  - Have no other first-dollar medical coverage (however other types of insurance like specific injury insurance or accident, disability, dental care, vision care, long term care insurance are permitted)
  - Are not <u>enrolled</u> in Medicare
  - Cannot be claimed as a dependent on someone else's tax return
  - Limitations: An employee covered by a HDHP <u>and</u> health FSA or HRA that pays or reimburses qualified medical expenses generally cannot contribute to a HSA

**How is the HSA funded?**

- Contributions can be made by the employee, the employer or both
- Total contributions are limited annually:
  - 2013 self only coverage: $3,250
  - 2013 family coverage: $6,450
  - If age 55 or older, your contribution limit is increased by $1,000
- Contributions stop when no longer enrolled on a HDHP, or when enrolled in Medicare
  - While contributions can no longer be made, the money can continue to be used for qualified expenses

**How do I use funds from my HSA?**

- Debit cards are issued for ease in paying for services
- Use the money to pay for qualified expenses (see IRS publication 502 and 969) for yourself, your spouse, or dependent children – even if they are not enrolled on the HDHP
- **Record keeping/documenting qualified expenses is up to the employee**

**Are there penalties?**

- Any amounts used for purposes other than to pay for qualified medical expenses are taxable as income and subject an additional 20% penalty tax. (After turning 65 or becoming disabled & enrolling in Medicare, the 20% additional tax penalty no longer applies.)

**What fees are involved?**

- HSA Bank: $2.25 per employee per month, can be deducted from employees account & fee is waived when balance is over $3,000
- Discovery Benefits: $1.50 per employee per month, billed to employer and deducted from payroll

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# Expense Eligibility List – Medical FSAs and HSAs

**The following is a summary of common expenses claimed against Medical Flexible Spending Account (FSAs) and Health Savings Accounts (HSAs). Due to frequent updates to the regulations governing FSAs and HSAs, this list does not guarantee reimbursement, but instead is to be utilized as a guide for the submission of claims. A definition of eligibility is as follows (all expenses are assumed to have been incurred during the active plan year):**

**Yes:** The expense is eligible for reimbursement.
**No:** The expense is not eligible for reimbursement under any circumstance.
**Dual-Purpose:** The expense may be eligible for reimbursement if a Medical Necessity letter or signed doctor's note is provided to Discovery Benefits. The expense must be used to treat a medical condition.
**Potentially:** The expense may be eligible for reimbursement provided certain conditions or criteria (as specified in the Comments and Special Rules section) are satisfied.
**Rx:** The expense is eligible for reimbursement once a doctor's prescription has been obtained prior to purchase. The purchase must be at a drug store, pharmacy, non-healthcare merchant that has a pharmacy (Target, Walgreens, etc.) or mail/web based vendors that sell prescription drugs.

| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| **AA meetings, transportation to** | Yes | |
| **Acne treatment** | Rx | Products for the treatment of acne only, regular skin care products do not qualify. Examples: Skin ID, Proactiv and anything that primarily treats acne. |
| **Acupuncture/Acupressure** | Yes | |
| **Adaptive equipment** | Rx | To qualify, the item must be used to relieve or alleviate sickness or disability. Depending on the nature of the item, only amounts above the cost of the regular version of the item will qualify. Includes various items that assist individuals in performing activities of daily living (e.g., feeding, bathing). See also **Capital expenses; Home improvements**. |
| **Adoption, pre-adoption medical expenses** | Yes | Medical expenses incurred before an adoption is finalized will qualify if the child qualifies as your tax dependent when the services/items are provided. |
| **Airborne** | Rx | |
| **Air purifier** | Rx | Special rules may apply. See also **Capital expenses**. |
| **Alcoholism treatment** | Yes | Amounts paid for in-patient treatment (including meals and lodging) at a therapeutic center for alcohol addiction will qualify. |
| **Allergy medicines** | Rx | Examples: Alavert, Claritin, Zyrtec |
| **Alli** | Rx | |
| **Alternative healers, dietary substitutes, and drugs and medicines** | Rx | Non-traditional healing products may qualify if provided to treat a specific medical condition. The treatments must be legal and the expenses will not qualify if the remedy is a food or substitute for food that the person would normally consume in order to meet nutritional requirements. |
| **Ambulance** | Yes | |
| **Antacids** | Rx | Examples: Maalox, Prilosec OTC, Zantac |
| **Antibiotic ointments** | Rx | Examples: Bacitracin, Neosporin |
| **Antifungal products** | Rx | |
| **Anti-itch creams** | Rx | Examples: Benadryl, Cortaid, Ivarest |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| Anti-snore guards | Rx | The expense must be recommended to treat a diagnosed medical condition (e.g., sleep apnea). |
| Appearance improvements | No | See also Cosmetic procedures; Cosmetics; Toiletries. |
| Arch supports | Yes | |
| Arm sling | Yes | |
| Arthritis gloves | Yes | |
| Artificial limbs | Yes | |
| Artificial teeth | Yes | |
| Aspirin | Rx | |
| Asthma treatments | Yes | Includes asthma medications and delivery devices (e.g., inhalers and nebulizers). |
| Athletic mouth guards | No | |
| Baby formula | Rx | If your baby requires a special formula to treat an illness or disorder, the difference in cost between the special formula and routine baby formula can qualify. |
| Baby oil | No | |
| Baby powder | No | |
| Bactine | Rx | |
| Bandages, elastic | Yes | Examples: Ace bandages, arm sleeves, ankle braces |
| Bandages, for torn or injured skin | Yes | Examples: Bank-Aid, Curad |
| Biofreeze | Rx | |
| Birth control pills | Rx | |
| Birthing classes | Potentially | Expenses may qualify to the extent that instruction relates to birth and not childrearing. The fee should be adjusted to exclude instruction in topics such as newborn care. Expenses for the coach or significant other do not qualify. |
| Blood-pressure monitoring devices | Yes | |
| Blood storage | Dual-Purpose | Fees for temporary storage may qualify under some circumstances such as where the blood is collected as part of the diagnosis, treatment, or prevention of an existing or imminent medical condition (e.g., in advance of a scheduled surgery for use in a possible transfusion). Fees for indefinite storage just in case the blood might be needed would not be considered medical care and do not qualify. |
| Blood-sugar test kits and test strips | Yes | |
| Body scans | Yes | Body scans employing MRIs and similar technologies are diagnostic services. See also Diagnostic items/services; Screening tests. |
| Breast pumps | Rx | May qualify if used for medical reasons. To show that the expense is primarily for medical care, a note from a physician recommending the item to treat a specific medical condition (e.g., breast abscess) is required. |
| Breast reconstruction surgery following mastectomy | Dual-Purpose | Will qualify to the extent that surgery was done following a mastectomy due to cancer. This is an exception to the general rules regarding |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| | | cosmetic procedures. See also **Cosmetic procedures.** |
| **Breath rite strips** | Rx | |
| **Bug spray** | Rx | |
| **Caffeine pills** | No | Example: No Doze |
| **Calamine lotion** | Rx | |
| **Callous removers** | Yes | Both the tool and liquid/lotion removers qualify. |
| **Caltrate** | Rx | |
| **Cane, walking** | Yes | |
| **Capital expenses** | Rx | May qualify if done to accommodate a disability. If the improvement is permanent and increases the value of the property, the expense will qualify only to the extent that the improvement cost exceeds the increase in property value. If the improvement does not increase the property value at all, then the entire cost may qualify. Items that usually do not increase property value include constructing entrance or exit ramps, widening or modifying doorways or hallways, installing railings or support bars to bathrooms, lowering or modifying kitchen cabinets or equipment, moving or modifying electrical outlets and fixtures, installing porch lifts, modifying fire alarms or smoke detectors, modifying other warning systems, and modifying stairways. |
| **Cardiac therapy** | Yes | |
| **Carpal tunnel wrist supports** | Yes | |
| **Cast covers** | Yes | |
| **Childbirth classes** | Potentially | Expenses may qualify to the extent that instruction relates to birth and not childrearing. The fee should be adjusted to exclude instruction in topics such as newborn care. Expenses for the coach or significant other do not qualify. |
| **Chiropractic Adjustments** | Yes | Chiropractic adjustments qualify; however, some chiropractors practice massage therapy. Massage therapy is considered dual-purpose and therefore must treat a specific medical condition to be considered a qualifying expense. |
| **Chondroitin** | Rx | |
| **Circumcision** | Yes | |
| **Cold medicine** | Rx | Examples: Comtrex, Sudafed, Nyquil, Dayquil |
| **Cold/hot packs** | Yes | |
| **Compression stockings** | Yes | |
| **Condoms** | Yes | |
| **Contact lenses, materials, and equipment** | Yes | Contact lenses for solely cosmetic purposes (e.g., to change one's eye color) do not qualify. |
| **Controlled substances in violation of federal law** | No | If the substance violates federal law (e.g., the Controlled Substances Act), the expense would not qualify even if a state law allows its use with a physician's prescription (e.g., marijuana or laetrile prescribed to treat a specific medical condition). |
| **Co-payments** | Yes | |
| **Corneal ring segments** | Yes | |
| **Cosmetic procedures** | No | Most cosmetic procedures do not qualify. This includes cosmetic |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| | | surgery or other procedures that are directed at improving the patient's appearance and do not meaningfully promote the proper function of the body or prevent or treat illness or disease. Examples include face lifts, hair transplants, hair removal (electrolysis), teeth whitening, and liposuction. However, procedures necessary to correct a deformity arising from congenital abnormality, personal injury from accident or trauma, or disfiguring disease may qualify. |
| **Cosmetics** | No | Cosmetics are articles used primarily for personal purposes and are intended to be rubbed, poured, sprinkled, sprayed, or otherwise applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance. Examples include skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup, shampoos, permanent waves, hair colors, toothpastes, and deodorants. |
| **Cotton balls** | No | |
| **Cough drops/suppressants** | Rx | Examples: Ludens, Halls, Ricola |
| **Counseling** | Dual-Purpose | Will qualify if for a medical reason (not stress). Marriage counseling does not qualify. |
| **CPAP machine and headgear** | Yes | |
| **Crowns, dental** | Yes | |
| **Crutches** | Yes | |
| **Decongestants** | Rx | Examples: Dimetapp, Sudafed, Mucinex |
| **Dental floss** | No | |
| **Dental implants** | Yes | |
| **Dental sealants** | Yes | |
| **Dental treatment** | Yes | Teeth whitening, veneers, and lumineers are the only exception as they are considered cosmetic in nature and do not qualify. |
| **Dentures and denture adhesives** | Yes | |
| **Denture brush** | No | |
| **Denture cleaners** | Yes | |
| **Diabetic supplies** | Yes | |
| **Diagnostic items and services** | Yes | Includes a wide variety of procedures to determine the presence of a disease or dysfunction of the body, such as tests to detect heart attack, stroke, diabetes, osteoporosis, thyroid conditions, psychological conditions, and cancer. See also **Body scans**; **Blood-pressure monitoring devices**; **Blood-sugar test kits and test strips**. |
| **Diaper rash ointments and creams** | Rx | Example: Desitin |
| **Diapers or diaper service** | No | |
| **Diarrhea medicine** | Rx | Examples: Imodium, Kaopectate, Pepto Bismol |
| **Dietary supplements** | Rx | The cost of dietary supplements, nutritional supplements, vitamins, herbal supplements, and natural medicines do not qualify if they are merely beneficial for general health (e.g., One-A-Day vitamins). |
| **Diet foods** | No | |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| Disabled dependent care of | Dual-Purpose | Such expenses will qualify if they are for medical care of the disabled dependent. |
| Discount programs | No | Fees paid to get access to products/services at a reduced cost will not qualify. |
| Doula | Potentially | Will only qualify to the extent that the doula provides medical care for the mother or child. Services such as emotional support, parenting information, child care, and housekeeping will not qualify. |
| Drug addiction treatment | Yes | Amounts paid for an inpatient's treatment at a therapeutic center for drug addiction will qualify. |
| Drug overdose, treatment of | Yes | |
| Drug screening | Potentially | If court ordered or part of a treatment program, it will qualify. |
| Ear plugs | Rx | |
| Ear wax removal products | Rx | Examples: Debrox, Murine |
| Egg donor fees | Dual-Purpose | Amounts paid for the egg donor fee, an agency fee, an egg donor's medical and psychological testing, and the legal fees for preparation of the egg donor contract will qualify if preparatory to a procedure performed on you, your spouse, or your dependent. |
| Eggs and embryos, storage fees | Dual-Purpose | Fees for temporary storage qualify, but only to the extent necessary for immediate conception. Storage fees for undefined future conception are not considered medical care. |
| Electrolysis or hair removal | Rx | Can be approved in very rare circumstances if recommended by a physician to treat a specific condition such as hirsutism. |
| Epsom salt | Rx | |
| Exercise equipment | Rx | |
| Exercise Programs | Dual-Purpose | |
| Expectorants | Rx | Examples: Comtrex, Robitussin |
| Eye drops | Yes | Example: Visine |
| Eye examinations, eyeglasses, equipment, materials, and repair | Yes | |
| Face creams | No | |
| Face lifts | No | See also **Cosmetic procedures**. |
| Feminine hygiene products | No | Examples: Tampons, maxi-pads |
| Fever-reducing medications | Rx | Examples: Aspirin, Motrin, Tylenol |
| Fiber supplements | Rx | Fiber enriched foods such as wafers or yogurt will not qualify. |
| Finance charges | No | |
| First aid cream | Rx | Examples: Neosporin, Hydrocortisone |
| First aid kits | Yes | |
| Flavoring for medication | Yes | |
| Flu shots | Yes | |
| Funeral expenses | No | |
| Gauze pads | Yes | |
| Glasses | Yes | Eyeglass cleaning supplies, glasses cases, and repair kits are also eligible. |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| **Glucosamine** | Rx | |
| **Glucose-monitoring equipment** | Yes | Items such as blood glucose meters and glucose test strips are diagnostic items and are primarily for medical care. See also **Blood-sugar test kits and test strips.** |
| **Guide dog, other service animal** | Yes | Expenses for buying, training, and maintaining a service animal used by a disabled person would qualify; this includes the expenses of food and inoculations. Veterinary fees for such animals also qualify as medical care. |
| **Hair removal and transplants** | Rx | Can be approved in very rare circumstances if recommended by a physician to treat a specific condition such as hirsutism. |
| **Hand sanitizer** | Rx | |
| **Health club fees** | Dual-Purpose | Prepayments are not eligible until services have been rendered. |
| **Health screenings** | Yes | |
| **Hearing aids** | Yes | The costs of the hearing aid and batteries would qualify. |
| **Heating pad** | Yes | |
| **Hemorrhoid treatments** | Rx | Example: Preparation H |
| **Home improvements** | Rx | May qualify if done to accommodate a disability. If the improvement is permanent and increases the value of the property, the expense will qualify only to the extent that the improvement cost exceeds the increase in property value. If the improvement does not increase the property value at all, then the entire cost may qualify. Items that usually don't increase property value include constructing entrance or exit ramps, widening or modifying doorways or hallways, installing railings or support bars to bathrooms, lowering or modifying kitchen cabinets or equipment, moving or modifying electrical outlets and fixtures, installing porch lifts, modifying fire alarms or smoke detectors, modifying other warning systems, and modifying stairways. |
| **Homeopathic products** | Rx | |
| **Hormone replacement therapy (HRT)** | Rx | |
| **Hospital services** | Yes | Expenses of inpatient care (plus meals and lodging) at a hospital or similar institution qualify if the principal reason for being there is to get medical care. |
| **Humidifier** | Rx | Special rules may apply. See also **Capital expenses**; **Home improvements.** |
| **Hypnosis** | Dual-Purpose | |
| **Hysterectomy** | Yes | |
| **Immunizations** | Yes | |
| **Incontinence supplies** | Yes | Examples: Poise Pads, Depends, Teena |
| **Insect-bite creams and ointments** | Rx | Examples: Benadryl, Cortaid |
| **Insurance premiums** | Depends on the plan | *Medical FSA (Flexible Spending Account)*: Insurance premiums are never eligible with a Medical FSA. |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| | | *HSA (Health Savings Account)*: Payments for health insurance premiums or contributions for self-funded health coverage generally aren't qualifying expenses. However, the following premiums will qualify for reimbursement from an HSA: COBRA coverage, a qualified long-term care insurance contract, any health plan maintained while the individual is receiving unemployment compensation under federal or state law, or, for those age 65 or older (whether or not they are entitled to Medicare), any deductible health insurance (e.g., retiree medical coverage) other than a Medicare supplemental policy. (Note: Long-term care insurance premium reimbursements that exceed certain limits will be treated as taxable and may be subject to an additional 10% excise tax.) |
| **Kleenex** | No | |
| **Lamaze classes** | Potentially | Expenses may qualify to the extent that instruction relates to birth and not childrearing. The fee should be adjusted to exclude instruction in topics such as newborn care. Expenses for the coach or significant other do not qualify. |
| **Language training** | Dual-Purpose | Such expenses will qualify for a child with dyslexia or an otherwise disabled child. |
| **Laser eye surgery; Lasik** | Yes | |
| **Late fees** | No | Example: For late payment of bills for medical services |
| **Latex gloves** | Rx | |
| **Laxatives** | Rx | Example: Ex-Lax |
| **Learning disability, instructional fees** | Dual-Purpose | If prescribed by a physician, tuition fees paid to a special school and tutoring fees paid to a specially trained teacher for a child who has learning disabilities caused by mental or physical impairments (e.g., nervous system disorders) will qualify. |
| **Lifeline screenings** | Yes | |
| **Lice treatments** | Rx | Examples: Rid, professional hair combing |
| **Liquid adhesive for small cuts** | Yes | See also **Bandages, for torn or injured skin**. |
| **Lodging at a hospital or similar institution** | Yes | Will qualify if the principal reason for being there is to receive medical care. |
| **Lodging not at a hospital or similar institution** | Potentially | Up to $50 per night will qualify if the lodging is primarily for and essential to medical care provided by a physician in a licensed hospital or medical care facility related to (or equivalent to) a licensed hospital and there is no significant element of personal pleasure, recreation, or vacation in the travel. If a parent is traveling with a sick child, up to $100 may qualify ($50 for each person). |
| **Lodging while attending a medical conference** | No | |
| **Lotions** | No | |
| **Lubricants** | Yes | Example: KY Jelly |
| **Lumbar support chair cushions** | Rx | |
| **Makeup** | No | |
| **Marijuana or other controlled** | No | See also **Controlled substances in violation of federal law**. |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| substances in violation of federal law | | |
| Massage therapy | Dual-Purpose | |
| Maternity clothing | No | |
| Mattresses | Rx | In rare cases, a portion of the expenditure might qualify if a unique type of mattress is prescribed by a physician to treat a specific medical condition. Only the difference in cost between the specialized mattress and the cost of a regular mattress would be reimbursable. |
| Meals at a hospital or similar institution | Potentially | Meals that are part of the cost of inpatient care at a hospital or similar institution will qualify if the principal reason for the recipient's being there is to receive medical care. |
| Meals not at a hospital or similar institution | No | |
| Meals of a companion | No | Will not qualify even if accompanying a patient for medical reasons. |
| Mederma | Rx | Must contain SPF 30 or higher to be considered eligible. The SPF must be specified on the receipt, or a copy of the box/bottle displaying the price must be included. |
| Medical alert bracelet or necklace | Yes | |
| Medical records charges | Yes | Example: The fee associated with transferring medical records to a new medical practitioner will qualify. |
| Mentally handicapped, special home for | Dual-Purpose | The cost of keeping a mentally handicapped person in a special home (not a relative's home) on a physician's recommendation to help that person adjust to community living may qualify. |
| Midwives | Yes | |
| Mineral supplements | Rx | |
| Missed appointment fees | No | |
| "Morning-after" contraceptive pills | Rx | |
| Motion sickness patches or wristband | Yes | |
| Motion sickness pills | Rx | Examples: Bonine, Dramamine |
| Mouthwash | No | |
| Multivitamins | Rx | |
| Nasal strips or sprays | Rx | Nasal strips or sprays that are used to treat sinus problems qualify as being primarily for medical care, as would those that are used to prevent sleep apnea. However, nasal strips or sprays used to prevent snoring and those used by athletes are not eligible. |
| Nebulizer | Yes | |
| Needle container | Yes | |
| Neti pots | Yes | |
| Nicotine gum or patches | Rx | Examples: Nicorette, Nicoderm |
| Norplant insertion or removal | Yes | |
| Nutritional supplements | Dual- | See also Dietary supplements; Mineral supplements. |

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| Expense | Eligible? Purpose | Comments and Special Rules |
|---|---|---|
| Obstetrical birthing expenses | Yes | Prepayments towards the delivery cannot be reimbursed until the birth. |
| Occlusal guards | Yes | |
| Orthodontia | Yes | |
| Orthopedic shoes | Rx | Costs of specialized orthopedic items qualify to the extent that they exceed ordinary personal use requirements (e.g., only the excess cost of the specialized orthopedic shoe over the cost of a regular shoe qualifies). |
| Orthotic inserts | Yes | |
| Osteopath fees | Yes | |
| Ovulation monitor | Yes | |
| Oxygen and equipment | Yes | |
| Pain relievers | Rx | Examples: Advil, Aspirin, Tylenol, Aleve, Midol |
| Pedialyte | Rx | |
| Pedometer | No | |
| Penile implants | Dual-Purpose | Amounts paid for implants may be eligible if the diagnosis of impotence is due to natural causes such as diabetes, post-prostatectomy complications, or spinal cord injury. |
| Peroxide | Rx | |
| Personal trainer fees | Dual-Purpose | |
| Physical exams | Yes | |
| Physical therapy | Yes | |
| Pregnancy test kits | Yes | |
| Prescription drugs and medicines obtained from other countries | Potentially | Importing prescription drugs from other countries violate federal law. However, a drug or medicine may qualify for reimbursement if: (1) it is purchased and consumed in the other country and is legal in both that country and the U.S. or (2) the FDA announces that it can be legally imported. |
| Prescription drug discount programs | No | Fees for discounts on drugs are not considered medical care. |
| Probiotics | Rx | |
| Prosthesis | Yes | |
| Psychiatric care | Yes | Includes the costs associated at a special center that provides medical care. |
| Psychoanalysis testing | Yes | |
| Psychological care | Dual-Purpose | Will qualify if the expense is for medical care and not just for the general improvement of mental health, relief of stress, or personal enjoyment. |
| Q-tips | No | |
| Recliner chairs | No | May be eligible, in very rare circumstances, if recommended by a physician to treat a specific condition. A signed note from a physician recommending the treatment is required, and only the difference in cost between the specialized recliner and the cost of a regular recliner would qualify. |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| **Rubbing alcohol** | Yes | |
| **Safety glasses** | Potentially | Will not qualify unless lenses are prescription. |
| **Schools and education, residential** | Dual-Purpose | Payments made to a residential school or program to treat an individual for behavioral, emotional, or addictive conditions (tuition, meals, and lodging) will qualify if the principal reason for attending the program is to receive medical care (ordinary education must be an incidental component). Whether someone is attending to receive medical care is a must be determined for each individual—just because a school or program provides medical care to some individuals does not mean that it provides medical care to all individuals. If a child is at a school because the courses and disciplinary methods have a beneficial effect on the child's attitude, the expenses will not qualify. |
| **Schools and education, special** | Dual-Purpose | Payments made for a mentally impaired or physically disabled person to attend a special school (tuition, meals, and lodging) will qualify if the principal reason for attending the school is to overcome or alleviate the disability (ordinary education must be an incidental component). This includes teaching Braille to a visually impaired person, teaching lip reading to a hearing-impaired person, and remedial language training to correct a condition caused by a birth defect. If a child is at a school because the courses and disciplinary methods have a beneficial effect on the child's attitude, the expenses will not qualify. |
| **Screening tests** | Yes | Will qualify if the tests are used for medical diagnoses. Examples include hearing, vision, and cholesterol screenings. |
| **Seeing-eye dog** | Yes | See also **Guide dog, other service animal.** |
| **Shampoos** | No | |
| **Shaving cream or lotion** | No | |
| **Shipping and handling fees** | Yes | Reimbursable if incurred due to a qualifying medical expense. |
| **Sinus medications** | Rx | See also **Nasal strips or sprays.** |
| **Sleep aids** | Rx | |
| **Smoking-cessation medications** | Rx | Amounts paid for prescribed and OTC drugs used to stop smoking will qualify. |
| **Smoking-cessation programs** | Yes | Amounts paid for a stop-smoking program will qualify. |
| **Soaps** | No | |
| **Special foods** | Rx | Will qualify if prescribed by a physician to treat a specific illness or ailment and if the foods do not substitute for normal nutritional requirements. But the amount that may qualify is limited to the amount by which the cost of the special food exceeds the cost of commonly available versions of the same product (e.g., such as foods needed for a gluten-free or salt-free diet). |
| **Speech therapy** | Yes | |
| **Spermicidal foam** | Rx | |
| **Sperm, storage fees** | Dual-Purpose | Fees for temporary storage might qualify, but only to the extent necessary for immediate conception. Storage fees for undefined future conception aren't considered to be for medical care and do not qualify. |
| **Stem cell, harvesting and/or storage of** | Dual-Purpose | Might qualify if there is a specific and imminent medical condition that the stem cells are intended to treat. For example, the cost of harvesting |

www.DiscoveryBenefits.com
Phone 866-451-3399 • Fax 866-451-3245
PO Box 2926 • Fargo, ND 58108-2926

| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| | | and storing stem cells because a newborn has a birth defect and the stem cells would be needed in the near future might be allowable. However, collection and indefinite storage just in case they might be needed is not considered to be for medical care and does not qualify. |
| **Sterilization procedures** | Yes | |
| **Sunburn creams and ointments** | Rx | Example: Aloe |
| **Sunglasses** | Potentially | Prescription sunglasses would qualify. |
| **Sunglasses, clip-on** | Rx | Will qualify if prescribed by a physician to treat a specific medical condition. |
| **Sunscreen** | Rx | |
| **Sun protective clothing** | Rx | Clothing that offers at least 30+ UVA and UVB sun protection for individuals with melanoma or other skin cancer, systemic lupus erythematosus (SLE), acute cutaneous lupus (ACLE), or other significant dermatologic conditions may be eligible. The clothing is reimbursed for the difference between "normal" apparel and this specially-constructed clothing. The receipt must show the purchase was from an accredited sun-protective company such as Solumbra® or Coolibar®. |
| **Support hose/TED stockings** | Yes | |
| **Taxes on medical services and products** | Yes | This includes local, sales, service, and other taxes. |
| **Teeth whitening** | No | |
| **Telephone for hearing-impaired persons** | Yes | The expenses of buying and repairing special telephone equipment for a hearing-impaired person will qualify. This includes teletypewriter (TTY) and telecommunications device for the deaf (TDD) equipment. |
| **Television for hearing-impaired persons** | Yes | Equipment that displays the audio part of television programs as subtitles for hearing-impaired persons will qualify, but the amount that qualifies is limited to the excess cost over the cost of the regular item. For example, the cost of a specially equipped television qualifies only to the extent that it exceeds the cost of a regular model. |
| **Throat lozenges** | Rx | Examples: Cepacol, Chloraseptic. See also Cough drops/suppressants. |
| **Toiletries** | No | A toiletry is an article or preparation that is used in the process of dressing and grooming oneself (e.g., toothpaste, shaving cream or lotion, and cologne). |
| **Toll bridges** | Yes | Eligible if incurred due to a qualifying medical expense. See also **Transportation expenses for person to receive medical care**. |
| **Toothache and teething pain relievers** | Rx | Example: Orajel |
| **Toothbrushes** | No | Will not qualify even if a dentist recommends special ones (e.g., electric or battery-powered) to treat a medical condition like gingivitis. Toothbrushes are items that are used primarily to maintain general health and a person would still use one even without the medical condition. Thus, they are not primarily for medical care. |
| **Toothpaste** | No | Will not qualify even if a dentist recommends a special one to treat a medical condition like gingivitis. See also **Toothbrushes**. |

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| Expense | Eligible? | Comments and Special Rules |
|---|---|---|
| **Transplants** | Yes | Includes surgical, hospital, and laboratory services as well as transportation expenses for organ donors. |
| **Transportation expenses for person to receive medical care** | Yes | Will qualify if the transportation is primarily for and essential to medical care. Includes car expenses; bus, taxi, train, plane, and ferry fares; and ambulance services. Instead of actual car expenses, a standard mileage rate for use of a car to obtain medical care is allowed. Parking fees and tolls can also qualify. |
| **Tuition for special-needs program** | Dual-Purpose | Will qualify if the primary purpose is for medical care. |
| **Umbilical cord, freezing and storing of** | Dual-Purpose | Can qualify if there is a specific medical condition that the umbilical cord is intended to treat. However, collection and indefinite storage just in case it might be needed is not considered to be for medical care and does not qualify. |
| **Vaccines** | Yes | |
| **Vasectomy** | Yes | |
| **Vasectomy reversal** | Yes | |
| **Veneers** | No | |
| **Viagra** | Yes | |
| **Vitamins** | Rx | |
| **Walkers** | Yes | |
| **Warranties/Insurance on a product** | No | |
| **Wart remover treatments** | Rx | Example: Compound W |
| **Water Pik** | No | |
| **Weight loss drugs** | Rx | |
| **Weight-loss programs** | Dual-Purpose | |
| **Wheelchair** | Yes | |
| **Wigs** | Rx | Might qualify if the wig is prescribed by a physician for the mental health of a patient who has lost all of his or her hair from disease or treatment (e.g., chemotherapy or radiation). |
| **Yeast infection medications** | Rx | Example: Monistat |

simplify.

# ILLUSTRATION

## MAXIMUM OUT-OF-POCKET EXPENSES UNDER AWC TRUST MEDICAL PLANS

The annual maximum out-of-pocket expense concept is outlined on the following pages for the AWC HealthFirst® and HDHP Plans. The maximum out-of-pocket expense is also referred to as the maximum coinsurance. Once you reach the maximum coinsurance amount for that year benefits will be paid at 100% of the allowed amount for the remainder of the calendar year, except where specifically noted in the plan booklet.

| | HealthFirst® | HDHP |
|---|---|---|
| Deductible-Individual: | N/A | $1,500.00 |
| Deductible-Family: | N/A | $3,000.00 |
| Coinsurance-Individual: | $1,000.00 | $5,000.00 |
| Coinsurance-Family: | $3,000.00 | $10,000.00 |

**What doesn't apply toward the maximum coinsurance?**

HF:

- non-covered services
- deductible
- copayments
- amounts in excess of allowed amount
- neurodevelopmental therapy
- outpatient rehabilitation services

HDHP:

- non-covered services
- amounts in excess of the allowed amount

**EXAMPLE 1 - WELL ADULT CARE (Insuring employee & spouse)**

*Illustration: Employee sees physician for a full* ***routine*** *check-up and labs. Spouse also visits the doctor for annual gynecological exam.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - physcian & labwork | $600.00 | | $0.00 | $0.00 | $600.00 | $0.00 |
| Spouse - physician & labwork | $200.00 | | $0.00 | $0.00 | $200.00 | $0.00 |
| **Totals** | **$800.00** | | **$0.00** | ***$0.00*** | **$800.00** | **$0.00** |

| HDHP | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - physcian & labwork | $600.00 | $0.00 | $0.00 | $0.00 | $600.00 | $0.00 |
| Spouse - physician & labwork | $200.00 | $0.00 | $0.00 | $0.00 | $200.00 | $0.00 |
| **Totals** | **$800.00** | ***$0.00*** | **$0.00** | ***$0.00*** | **$800.00** | **$0.00** |

**EXAMPLE 2 - INPATIENT HOSPITAL (Insuring employee only)**

*Illustration: Employee has a heart attack and requires open heart surgery.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Hospital | $50,000.00 | | $150.00 | $1,000.00 | $48,850.00 | $1,150.00 |
| Surgeon/Anesthesiologist | $15,000.00 | | $0.00 | $0.00 | $15,000.00 | $0.00 |
| **Totals** | **$65,000.00** | | **$150.00** | ***$1,000.00*** | **$63,850.00** | **$1,150.00** |

| HDHP | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Hospital | $50,000.00 | $1,500.00 | $0.00 | $3,500.00 | $45,000.00 | $5,000.00 |
| Surgeon/Anesthesiologist | $15,000.00 | $0.00 | $0.00 | $0.00 | $15,000.00 | $0.00 |
| **Totals** | **$65,000.00** | ***$1,500.00*** | **$0.00** | ***$3,500.00*** | **$60,000.00** | **$5,000.00** |

**Amounts in *italics* apply to annual maximum Out-of-Pocket**

**EXAMPLE 3 - OUTPATIENT HOSPITAL (Insuring full family)**

*Illustration: It's football season, and in the opening game an employee's son breaks his arm prompting a visit to the emvergency room. Later that year, the employee's spouse has gallstones and requires outpatient gallbladder surgery.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Child-ER hospital & x-ray | $600.00 | | $75.00 | $52.50 | $472.50 | $127.50 |
| Child-Attending ER physician | $425.00 | | $0.00 | $0.00 | $425.00 | $0.00 |
| Spouse-Outpatient hospital | $2,500.00 | | $0.00 | $250.00 | $2,250.00 | $250.00 |
| Spouse-Attending surgeon & anesthesiologist | $1,500.00 | | $0.00 | $0.00 | $1,500.00 | $0.00 |
| **Totals** | **$5,025.00** | | **$75.00** | ***$302.50*** | **$4,647.50** | **$377.50** |
| **HDHP** | **Allowed amount** | **Deductible** | **Copay** | **Coinsurance** | **Regence pays** | **Patient responsibility** |
| Child-ER hospital & x-ray | $600.00 | $600.00 | $0.00 | $0.00 | $0.00 | $600.00 |
| Child-Attending ER physician | $425.00 | $425.00 | $0.00 | $0.00 | $0.00 | $425.00 |
| Spouse-Outpatient hospital | $2,500.00 | $1,975.00 | $0.00 | $105.00 | $420.00 | $2,080.00 |
| Spouse-Attending surgeon & anesthesiologist | $1,500.00 | $0.00 | $0.00 | $300.00 | $1,200.00 | $300.00 |
| **Totals** | **$5,025.00** | ***$3,000.00*** | **$0.00** | ***$405.00*** | **$1,620.00** | **$3,405.00** |

**EXAMPLE 4 - BIRTH & WELL CHILD CARE (Insuring employee, spouse & 1 child)**

*Illustration: An employee gave birth to a newborn baby boy in February, mother and baby are in the hospital for 2 days. The birthing costs and follow-up well child care visits and immunizations at 3, 6 and 9 month are illustrated below.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Doctor - Prenatal & delivery | $1,370.00 | | $10.00 | $0.00 | $1,360.00 | $10.00 |
| Hospital - Newborn | $1,700.00 | | $150.00 | $155.00 | $1,395.00 | $305.00 |
| Hospital - regular birth | $4,850.00 | | $150.00 | $470.00 | $4,230.00 | $620.00 |
| 1st Well baby care visit | $250.00 | | $0.00 | $0.00 | $250.00 | $0.00 |
| 2nd Well baby care visit & shots | $400.00 | | $0.00 | $0.00 | $400.00 | $0.00 |
| 3rd Well baby care visit & shots | $400.00 | | $0.00 | $0.00 | $400.00 | $0.00 |
| **Totals** | **$8,970.00** | | **$310.00** | ***$625.00*** | **$8,035.00** | **$935.00** |
| **HDHP** | **Allowed amount** | **Deductible** | **Copay** | **Coinsurance** | **Regence pays** | **Patient responsibility** |
| Doctor - Prenatal & delivery | $1,370.00 | $1,370.00 | $0.00 | $0.00 | $0.00 | $1,370.00 |
| Hospital - Newborn | $1,700.00 | $1,630.00 | $0.00 | $14.00 | $56.00 | $1,644.00 |
| Hospital - regular birth | $4,850.00 | $0.00 | $0.00 | $970.00 | $3,880.00 | $970.00 |
| 1st Well baby care visit | $250.00 | $0.00 | $0.00 | $0.00 | $250.00 | $0.00 |
| 2nd Well baby care visit & shots | $400.00 | $0.00 | $0.00 | $0.00 | $400.00 | $0.00 |
| 3rd Well baby care visit & shots | $400.00 | $0.00 | $0.00 | $0.00 | $400.00 | $0.00 |
| **Totals** | **$8,970.00** | ***$3,000.00*** | **$0.00** | ***$984.00*** | **$4,986.00** | **$3,984.00** |

**Amounts in *italics* apply to annual maximum Out-of-Pocket**

**EXAMPLE 5 - MULTIPLE OFFICE VISITS (Insuring full family)**

*Illustration: During the course of a year, the employee visits the doctor for flu symptoms and is prescribed an antibiotic. The employee's spouse visits the doctor for bronchitis and a follow-up antibiotic. The employee visits the doctor for his annual check of high blood pressure. Finally, the spouse visits the doctor to check her thyroid medication. Note, these are not billed as preventative care.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - 1st office visit | $100.00 | | $10.00 | $0.00 | $90.00 | $10.00 |
| Prescription - brandname/formulary | $60.00 | | $15.00 | $0.00 | $45.00 | $15.00 |
| Spouse - 1st office visit | $100.00 | | $10.00 | $0.00 | $90.00 | $10.00 |
| Prescription - generic | $30.00 | | $4.00 | $0.00 | $26.00 | $4.00 |
| Employee - 2nd office visit | $250.00 | | $10.00 | $0.00 | $240.00 | $10.00 |
| Spouse - 2nd office visit | $250.00 | | $10.00 | $0.00 | $240.00 | $10.00 |
| **Totals** | **$790.00** | | **$59.00** | ***$0.00*** | **$731.00** | **$59.00** |

| HDHP | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - 1st office visit | $100.00 | $100.00 | $0.00 | $0.00 | $0.00 | $100.00 |
| Prescription - brandname/formulary | $60.00 | $60.00 | $0.00 | $0.00 | $0.00 | $60.00 |
| Spouse - 1st office visit | $100.00 | $100.00 | $0.00 | $0.00 | $0.00 | $100.00 |
| Prescription - generic | $30.00 | $30.00 | $0.00 | $0.00 | $0.00 | $30.00 |
| Employee - 2nd office visit | $250.00 | $250.00 | $0.00 | $0.00 | $0.00 | $250.00 |
| Spouse - 2nd office visit | $250.00 | $250.00 | $0.00 | $0.00 | $0.00 | $250.00 |
| **Totals** | **$790.00** | ***$790.00*** | **$0.00** | ***$0.00*** | **$0.00** | **$790.00** |

**Amounts in *italics* apply to annual maximum Out-of-Pocket**

**EXAMPLE 6 - DIABETES (Insuring employee only)**

*Illustration: Employee has diabetes and requires on-going care. The employee visits the doctor once every 2 months and have blood work and a follow-up doctor appointment every 3 months. The employee has an on-going prescription to control the diabetes.*

| HealthFirst® | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - 1st office visit | $233.00 | | $10.00 | $0.00 | $223.00 | $10.00 |
| Blood work & lab (1st qtr) | $254.00 | | $0.00 | $0.00 | $254.00 | $0.00 |
| Lab work physician visit | $146.00 | | $10.00 | $0.00 | $136.00 | $10.00 |
| Prescription - Generic, mail order | $60.00 | | $8.00 | $0.00 | $52.00 | $8.00 |
| **Totals** | **$693.00** | **$0.00** | **$28.00** | ***$0.00*** | **$665.00** | **$28.00** |

| HDHP | Allowed amount | Deductible | Copay | Coinsurance | Regence pays | Patient responsibility |
|---|---|---|---|---|---|---|
| Employee - 1st office visit | $233.00 | $233.00 | $0.00 | $0.00 | $0.00 | $233.00 |
| Blood work & lab (1st qtr) | $254.00 | $254.00 | $0.00 | $0.00 | $0.00 | $254.00 |
| Lab work physician visit | $146.00 | $146.00 | $0.00 | $0.00 | $0.00 | $146.00 |
| Prescription - Generic, mail order | $60.00 | $60.00 | $0.00 | $0.00 | $0.00 | $60.00 |
| **Totals** | **$693.00** | ***$693.00*** | **$0.00** | ***$0.00*** | **$0.00** | **$693.00** |

**Amounts in *italics* apply to annual maximum Out-of-Pocket**

# City of Oak Harbor
# City Council Agenda Bill

Bill No. _____
Date: February 19, 2013
Subject: AWC Scholarship – Endorsement for Morgan Young

**FROM:** Scott Dudley, Mayor

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

## PURPOSE

The purpose of the agenda bill is to propose an endorsement of Morgan Young of Oak Harbor High School for an Association of Washington Cities scholarship.

## AUTHORITY

General City Council authority is established at Chapter 35A.11 and 35A.12 RCW and Chapter 1.16 OHMC.

## FISCAL IMPACT DESCRIPTION

Funds Required: None
Appropriation Source: NA

## SUMMARY STATEMENT

The Association of Washington Cities, of which the City of Oak Harbor is an active member, grants scholarships to outstanding young leaders from communities across the State who have demonstrated an active interest in governance. This year, the School District has forwarded the name of Morgan Young for the City's endorsement to compete in this scholarship program. Ms. Young is the current president of the Associated Student Body of Oak Harbor High School and also serves as the student representative to the School Board. In the words of school district officials, "she is a wonderful young woman and excellent leader at Oak Harbor High School."

## STANDING COMMITTEE REPORT

This item has not been presented at a Standing Committee.

## RECOMMENDED ACTION

Motion to endorse Morgan Young's application for an Association of Washington Cities scholarship.

**ATTACHMENTS**

**MAYOR'S COMMENTS**

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** CA-AB 1a.
**Date:** 2-19-13
**Subject:** Approval of Accounts Payable Vouchers

**FROM:** **Doug Merriman, Finance Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, Interim City Administrator
Grant Weed, Interim City Attorney

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## SUMMARY

Oak Harbor Municipal Code Chapter 3.72 establishes procedures for claims (vouchers) payment. The documentation that regularly supports the signature cover sheets is included in this agenda packet. Claim cover sheets will continue to be on hand prior to the City Council meeting for City Council signatures.

## AUTHORITY

Oak Harbor Municipal Code Chapter 3.72.

## RECOMMENDED ACTION

Approve accounts payable vouchers.

# Voucher List
## City of Oak Harbor

**Bank code :** bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153061 | 1/31/2013 | 0000490 | LABOR & INDUSTRIES, WASHINGTON S | 123112 | | 4TH QTR 2012/LABOR & INDUSTRIE | 96.83 |
| | | | | | | **Total :** | **96.83** |
| 153062 | 1/31/2013 | 0006769 | BRAUN CONSULTING GROUP | 1605 | | DEC 2012/RETAINER | 2,650.00 |
| | | | | | | **Total :** | **2,650.00** |
| 153063 | 1/31/2013 | 0003883 | STAPLES BUSINESS ADVANTAGE | 3187479733 | | SIGN | 19.71 |
| | | | | 3187479734 | | SIGN | 19.71 |
| | | | | 3187479735 | | SIGN | 19.71 |
| | | | | 3187479736 | | SIGN | 19.71 |
| | | | | 3187479737 | | SIGN | 19.71 |
| | | | | 3187479738 | | SIGN | 19.71 |
| | | | | 3187479739 | | SIGN | 19.71 |
| | | | | 3188679983 | | STAPLER | 8.14 |
| | | | | 3188679984 | | CHAIRMAT/CUP/BINDERS/PAPER C | 48.81 |
| | | | | 3188679985 | | TONER | 125.83 |
| | | | | 3188679987 | | INK | 31.29 |
| | | | | 3188948902 | | MONITOR ARM | 101.62 |
| | | | | 3188948903 | | SANDISK | 42.36 |
| | | | | | | **Total :** | **496.02** |

**3 Vouchers for bank code :** bank — **Bank total :** **3,242.85**

**3 Vouchers in this report** — **Total vouchers :** **3,242.85**

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** CA-AB 1b
**Date:** 2-19-13
**Subject:** Approval of Accounts Payable Vouchers

**FROM:** **Doug Merriman, Finance Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**
Scott Dudley, Mayor
Larry Cort, Interim City Administrator
Grant Weed, Interim City Attorney

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## SUMMARY

Oak Harbor Municipal Code Chapter 3.72 establishes procedures for claims (vouchers) payment. The documentation that regularly supports the signature cover sheets is included in this agenda packet. Claim cover sheets will continue to be on hand prior to the City Council meeting for City Council signatures.

## AUTHORITY

Oak Harbor Municipal Code Chapter 3.72.

## RECOMMENDED ACTION

Approve accounts payable vouchers.

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153064 | 2/6/2013 | 0005444 SIERRA, GEORGINA D | 012313 | | JAN 2013/PUBLIC DEFENSE | 2,500.00 |
| | | | | | **Total :** | **2,500.00** |
| 153065 | 2/8/2013 | 0002043 RED LION HOTEL | 013013 | | HOTEL ACCOMMODATIONS/SERVA | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153066 | 2/8/2013 | 0002043 RED LION HOTEL | 013013A | | HOTEL ACCOMMODATIONS/PAGGA | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153067 | 2/8/2013 | 0002043 RED LION HOTEL | 013013B | | HOTEL ACCOMMODATIONS/HIZON | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153068 | 2/8/2013 | 0002043 RED LION HOTEL | 013013C | | HOTEL ACCOMMODATIONS/DUDLE | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153069 | 2/8/2013 | 0002043 RED LION HOTEL | 013013D | | HOTEL ACCOMMODATIONS/CAMPE | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153070 | 2/8/2013 | 0002043 RED LION HOTEL | 013013E | | HOTEL ACCOMMODATIONS/ALMBE | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153071 | 2/8/2013 | 0002043 RED LION HOTEL | 013013F | | HOTEL ACCOMMODATIONS/CORT | 243.54 |
| | | | | | **Total :** | **243.54** |
| 153072 | 2/8/2013 | 0000066 AWC EMPLOYEES BENEFITS TRUST | 020813 | | PREMIUMS | 58.43 |
| | | | | | **Total :** | **58.43** |
| 153073 | 2/11/2013 | 0000860 STANDARD INSURANCE COMPANY | 013113 | | LONG TERM DISABILITY | 4,289.95 |
| | | | | | **Total :** | **4,289.95** |
| 153074 | 2/12/2013 | 0000950 LICENSING, WASHINGTON STATE DEP | 020113 | | CONCEALED WEAPONS PERMITS | 1,331.00 |
| | | | | | **Total :** | **1,331.00** |
| 153075 | 2/13/2013 | 0000005 A-1 TOWING | 51006 | | TOWING SERVICES | 199.70 |
| | | | | | **Total :** | **199.70** |
| 153076 | 2/13/2013 | 0000007 AA ELECTRIC | 8186 | | CONNECTORS/COUPLINGS/STRAF | 1,106.25 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153076 | 2/13/2013 | 0000007 0000007 AA ELECTRIC | (Continued) | | Total : | 1,106.25 |
| 153077 | 2/13/2013 | 0000011 ACE INDUSTRIAL SUPPLY | 1236670 | | GLOVES | 705.84 |
| | | | | | Total : | 705.84 |
| 153078 | 2/13/2013 | 0000424 ALL BATTERY SALES AND SERVICE | 50199507 | | BATTERIES | 48.86 |
| | | | | | Total : | 48.86 |
| 153079 | 2/13/2013 | 0000028 ALL ISLAND LOCK & KEY | 21714 | | KEY | 3.59 |
| | | | 21768 | | KEYS | 7.17 |
| | | | | | Total : | 10.76 |
| 153080 | 2/13/2013 | 0000029 ALL PHASE ELECTRIC SUPPLY | 0952-643995 | | PHOTOCONTROL/LAMP | 32.15 |
| | | | 0952-644083 | | LAMP | 12.58 |
| | | | 0952-644098 | | PHOTOCONTROL | 10.70 |
| | | | | | Total : | 55.43 |
| 153081 | 2/13/2013 | 0006325 ALLPLAY SYSTEMS | I2013-003 | | WOODCARPET | 3,668.63 |
| | | | | | Total : | 3,668.63 |
| 153082 | 2/13/2013 | 0000034 AMERICAN PLANNING ASSOCIATION | 152734-1285 | | MEMBERSHIP/SPOO | 429.00 |
| | | | | | Total : | 429.00 |
| 153083 | 2/13/2013 | 0000036 AMERICAN PUBLIC WORKS | 020413 | | REGISTRATION/SMITH | 400.00 |
| | | | | | Total : | 400.00 |
| 153084 | 2/13/2013 | 0000712 AMERIGAS | 3014418717 | | PROPANE/DOG POUND | 216.73 |
| | | | | | Total : | 216.73 |
| 153085 | 2/13/2013 | 0000042 ANACORTES, CITY OF | 900-9080-00 | | JAN 2013/WATER PURCHASED | 93,630.00 |
| | | | 901-9080-01 | | JAN 2013/WATER PURCHASED | 975.67 |
| | | | 901-9080-02 | | JAN 2013/WATER PURCHASED | 9,342.97 |
| | | | | | Total : | 103,948.64 |
| 153086 | 2/13/2013 | 0000046 APPLIED INDUSTRIAL | 7000314306 | | FILTERS | 83.60 |
| | | | | | Total : | 83.60 |
| 153087 | 2/13/2013 | 0005001 ARAMARK | 938116000 | | LAUNDRY SERVICES | 1,187.06 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153087 | 2/13/2013 | 0005001 0005001 ARAMARK | (Continued) | | Total : | 1,187.06 |
| 153088 | 2/13/2013 | 0000053 ARROW PEST CONTROL, INC | 145128 | | PEST CONTROL | 108.70 |
| | | | | | Total : | 108.70 |
| 153089 | 2/13/2013 | 0004256 ARSON INVESTIGATORS, INTERNATIOI | 45313 | | DUES | 115.00 |
| | | | | | Total : | 115.00 |
| 153090 | 2/13/2013 | 0004019 ASSOCIATED PETROLEUM PRODUCTS | 0395548-IN | | FUEL | 6,704.27 |
| | | | 0398600-IN | | FUEL | 4,142.90 |
| | | | | | Total : | 10,847.17 |
| 153091 | 2/13/2013 | 0000064 AVANTI INTERNATIONAL | 27193 | | CARTRIDGES | 1,598.00 |
| | | | | | Total : | 1,598.00 |
| 153092 | 2/13/2013 | 0000069 BAILEY, MICHAEL | EXP REIMB | | EXP REIMB | 99.98 |
| | | | | | Total : | 99.98 |
| 153093 | 2/13/2013 | 0000083 BAZA, ALVIN | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153094 | 2/13/2013 | 0000103 BLADE CHEVROLET, INC | 440507 | | JAN 2013/VEHICLE RENTAL | 600.00 |
| | | | | | Total : | 600.00 |
| 153095 | 2/13/2013 | 0004631 BLAKE, KAY | 1 | | TRAVEL REFUND | 20.00 |
| | | | | | Total : | 20.00 |
| 153096 | 2/13/2013 | 0000109 BLUMENTHAL UNIFORMS | 972986 | | BADGE EMBLEM | 66.85 |
| | | | 974705 | | BOOTS/SAMPSON | 296.70 |
| | | | 974705-81 | | BOOTS/SAMPSON | -296.70 |
| | | | 975480-80 | | SHIRT | -65.17 |
| | | | | | Total : | 1.68 |
| 153097 | 2/13/2013 | 0003097 BOYER, TALLIE | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153098 | 2/13/2013 | 0000131 BROADVIEW APPLIANCE | 31644 | | WASHER REPAIR | 145.60 |
| | | | 31658 | | ACCESSORIES | 53.26 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153098 | 2/13/2013 | 0000131 | BROADVIEW APPLIANCE | (Continued) | | | |
| | | | | 31660 | | OVEN REPAIR | 141.26 |
| | | | | | | **Total :** | **340.12** |
| 153099 | 2/13/2013 | 0005208 | CARTER, SERLOYD | 020713 | | WELLNESS INCENTIVE | 60.00 |
| | | | | | | **Total :** | **60.00** |
| 153100 | 2/13/2013 | 0000160 | CENTRAL WELDING SUPPLY | RN01130982 | | CENTRASHIELD | 12.17 |
| | | | | | | **Total :** | **12.17** |
| 153101 | 2/13/2013 | 0005773 | COMCAST | 8498300270032028 | | XFINITY | 8.04 |
| | | | | | | **Total :** | **8.04** |
| 153102 | 2/13/2013 | 0000197 | CONCRETE NORWEST | 854542 | | 0155A | 346.21 |
| | | | | 855571 | | CRUSHED ROCK | 101.09 |
| | | | | 855654 | | CRUSHED ROCK | 16.85 |
| | | | | 855899 | | WASHED ROCK | 542.95 |
| | | | | | | **Total :** | **1,007.10** |
| 153103 | 2/13/2013 | 0003065 | COVENANT JANITORIAL | 1335788 | | JAN 2013/JANITORIAL SERVICES | 3,465.40 |
| | | | | | | **Total :** | **3,465.40** |
| 153104 | 2/13/2013 | 0000217 | CUES, INC | 381110 | | REPAIR KIT | 405.56 |
| | | | | 381244 | | WHEEL KIT/BRUSH/REPAIR KIT | 1,572.31 |
| | | | | | | **Total :** | **1,977.87** |
| 153105 | 2/13/2013 | 0004084 | DFAS CLEVELAND | 20130131T057 | | JAN 2013/ANIMAL SHELTER | 303.83 |
| | | | | | | **Total :** | **303.83** |
| 153106 | 2/13/2013 | 0000247 | DIAMOND RENTALS | 1-500608-13 | | PORTABLES | 49.95 |
| | | | | 1-500619-13 | | PORTABLES | 49.95 |
| | | | | 1-502855-9 | | PORTABLES | 49.95 |
| | | | | 1-505139-2 | | PORTABLES | 49.95 |
| | | | | 1-506166 | | SNAKE | 48.92 |
| | | | | 1-507193-2 | | PORTABLES | 49.95 |
| | | | | 500627-13 | | PORTABLES | 49.95 |
| | | | | 501576-10 | | PORTABLES | 49.95 |
| | | | | 505564-4 | | PORTABLES | 49.95 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153106 | 2/13/2013 | 0000247 | DIAMOND RENTALS | (Continued) | | | |
| | | | | 505566-4 | | PORTABLES | 49.95 |
| | | | | 505567-4 | | PORTABLES | 49.95 |
| | | | | 507193 | | PORTABLES | 49.95 |
| | | | | | | **Total :** | **598.37** |
| 153107 | 2/13/2013 | 0006724 | DIEKMAN POLYGRAPH SERVICES | 13-03 | | PRE-EMPLOYMENT/KANIA | 200.00 |
| | | | | | | **Total :** | **200.00** |
| 153108 | 2/13/2013 | 0001099 | DISPLAY SALES COMPANY | INV0089181 | | BANNER ROD | 415.00 |
| | | | | | | **Total :** | **415.00** |
| 153109 | 2/13/2013 | 0000254 | DON'S WELDING | 1341 | | RECEIVER HITCH | 244.57 |
| | | | | | | **Total :** | **244.57** |
| 153110 | 2/13/2013 | 0000257 | DUTCH MAID CLEANERS | 1027 | | JAN 2013/LAUNDRY SERVICES | 21.73 |
| | | | | | | **Total :** | **21.73** |
| 153111 | 2/13/2013 | 0005622 | EC POWER SYSTEMS | 415284 | | GENERATOR REPAIR | 830.86 |
| | | | | | | **Total :** | **830.86** |
| 153112 | 2/13/2013 | 0000273 | EDGE ANALYTICAL, INC | 13-01873 | | TESTING SERVICES | 18.00 |
| | | | | 13-01929 | | TESTING SERVICES | 260.00 |
| | | | | | | **Total :** | **278.00** |
| 153113 | 2/13/2013 | 0006209 | ELLIOTT TIRE & SERVICE, INC | 081204 | | TIRES | 547.34 |
| | | | | | | **Total :** | **547.34** |
| 153114 | 2/13/2013 | 0000251 | ENTERPRISE SERVICES, WASHINGTOI | 16-1-41866 | | ADMINISTRATIVE FEE | 100.00 |
| | | | | | | **Total :** | **100.00** |
| 153115 | 2/13/2013 | 0001666 | ENVIRO-CLEAN EQUIPMENT | 3929851 | | RUBBER BLAST ORIFICE | 655.10 |
| | | | | | | **Total :** | **655.10** |
| 153116 | 2/13/2013 | 0004975 | ENVIRONMENTAL ABATEMENT | A12128-6 | | ASBESTOS ABATEMENT | 1,763.66 |
| | | | | | | **Total :** | **1,763.66** |
| 153117 | 2/13/2013 | 0006389 | EQ HARBOR SERVICE, INC | 770 | | OIL | 26.04 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153117 | 2/13/2013 | 0006389 | 0006389 EQ HARBOR SERVICE, INC | (Continued) | | | |
| | | | | | | Total : | 26.04 |
| 153118 | 2/13/2013 | 0006276 | EXPRESS SERVICES, INC | 12033640-9 | | OFFICE SUPPORT | 272.93 |
| | | | | | | Total : | 272.93 |
| 153119 | 2/13/2013 | 0005086 | EZINE INDUSTRIES, INC | 826130 | | JAN 2013/COMMUNITY ALERT NET\ | 9.75 |
| | | | | | | Total : | 9.75 |
| 153120 | 2/13/2013 | 0002900 | FASTENAL | WAOAK13356 | | HCS7/16-14X3 1/2 Z5 | 6.30 |
| | | | | WAOAK13371 | | SAFETY GLASSES/SAWBLADES | 79.22 |
| | | | | | | Total : | 85.52 |
| 153121 | 2/13/2013 | 0000309 | FERGUSON, LARRY | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | | Total : | 20.00 |
| 153122 | 2/13/2013 | 0007033 | FERRER, MARY | 1 | | TRAVEL REFUND | 40.00 |
| | | | | | | Total : | 40.00 |
| 153123 | 2/13/2013 | 0006991 | FIKSE, JOSH | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | | Total : | 20.00 |
| 153124 | 2/13/2013 | 0003413 | FIRE SERVICE BOOKSTORE | 300000745 | | HAZARDOUS MATERIALS FOR FIR\ | 463.68 |
| | | | | | | Total : | 463.68 |
| 153125 | 2/13/2013 | 0000326 | FRONTIER BUILDING SUPPLY | 702542 | | STEEL SLAB | 2,054.43 |
| | | | | 72557 | | HINGES/BOLTS | 235.88 |
| | | | | | | Total : | 2,290.31 |
| 153126 | 2/13/2013 | 0000325 | FRONTIER FORD | 93825 | | E5 JEWELS | 14.66 |
| | | | | | | Total : | 14.66 |
| 153127 | 2/13/2013 | 0002767 | GATEWAY CONTROLS, INC | 2013499 | | SOFTWARE UPGRADE | 1,011.56 |
| | | | | | | Total : | 1,011.56 |
| 153128 | 2/13/2013 | 0000340 | GIFFORD, KATHY | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | | Total : | 20.00 |
| 153129 | 2/13/2013 | 0000349 | GRAINGER | 9044604578 | | RATCHETING WRENCH | 117.94 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153129 | 2/13/2013 | 0000349 GRAINGER | (Continued) | | | |
| | | | 9044939115 | | LUBCRICANT | 39.81 |
| | | | 9052732659 | | WIPERS/GLOVES | 619.28 |
| | | | | | Total : | 777.03 |
| 153130 | 2/13/2013 | 0000999 GRCC/WW | 124284 | | REGISTRATION/BEBEE | 465.00 |
| | | | 124285 | | REGISTRATION/BIDDLE | 465.00 |
| | | | 124286 | | REGISTRATION/GORDON | 465.00 |
| | | | 124289 | | REGISTRATION/JUPIN | 465.00 |
| | | | 124290 | | REGISTRATION/PRICE | 465.00 |
| | | | 124291 | | REGISTRATION/ROBBINS | 465.00 |
| | | | 124299 | | REGISTRATION/SHELLEY | 465.00 |
| | | | 124302 | | REGISTRATION/VONHADEN | 465.00 |
| | | | | | Total : | 3,720.00 |
| 153131 | 2/13/2013 | 0005912 GREENLAYER | 63 | | MARATHON SHIRTS | 1,364.74 |
| | | | | | Total : | 1,364.74 |
| 153132 | 2/13/2013 | 0006990 GRUBB, GARY | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153133 | 2/13/2013 | 0006590 HAFFNER, OTTO | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153134 | 2/13/2013 | 0000380 HEALTH, WASHINGTON STATE DEPT O | 012813 | | EXAM FEE/JUPIN | 87.00 |
| | | | | | Total : | 87.00 |
| 153135 | 2/13/2013 | 0006868 HEUSLEIN, NACELLE | EXP REIMB | | EXP REIMB | 418.36 |
| | | | | | Total : | 418.36 |
| 153136 | 2/13/2013 | 0003095 HOME DEPOT CREDIT SERVICES | 3043949 | | SPRAY BOTTLE/BATTERY/HUSKY/F | 195.38 |
| | | | 3572497 | | ANTIFREEZE | 43.85 |
| | | | 4084859 | | RAKE | 32.56 |
| | | | 5025985 | | OUTLETS/REPAIRS/TIMER/SPRINKI | 148.46 |
| | | | 5572311 | | BUSHINGS | 49.72 |
| | | | | | Total : | 469.97 |
| 153137 | 2/13/2013 | 0001047 HOSTAGE NEGOTIATORS, WASHINGTC | 012313 | | REGISTRATION/GARDNER | 185.00 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153137 | 2/13/2013 | 0001047 0001047 HOSTAGE NEGOTIATORS, WASHI | (Continued) | | | |
| | | | | | Total : | 185.00 |
| 153138 | 2/13/2013 | 0000627 HSBC BUSINESS SOLUTIONS | 137329355211 | | SUPPLIES | 410.16 |
| | | | | | Total : | 410.16 |
| 153139 | 2/13/2013 | 0000392 HUBBARD, SCOTT | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153140 | 2/13/2013 | 0000394 HUMAN RESOURCE SERVICES | 012413 | | FEB 2013/UNEMPLOYMENT SERVI | 110.00 |
| | | | | | Total : | 110.00 |
| 153141 | 2/13/2013 | 0000417 INDUSTRIAL BOLT & SUPPLY | 528250-1 | | NUTS/BOLTS | 160.07 |
| | | | | | Total : | 160.07 |
| 153142 | 2/13/2013 | 0000405 ISLAND COUNTY FIRE CHIEFS | 012313 | | RECRUIT ACADEMY | 3,063.00 |
| | | | | | Total : | 3,063.00 |
| 153143 | 2/13/2013 | 0004410 ISLAND COUNTY PUBLIC HEALTH | 012813 | | MOBILE HOME PARK LICENSE REN | 266.00 |
| | | | | | Total : | 266.00 |
| 153144 | 2/13/2013 | 0000410 ISLAND COUNTY SOLID WASTE | 013113 | | JAN 2013/TIPPING FEES | 72,838.16 |
| | | | | | Total : | 72,838.16 |
| 153145 | 2/13/2013 | 0000411 ISLAND COUNTY TREASURER | 013013 | | 4TH QTR 2012/MUNICIPAL COURT I | 47,774.68 |
| | | | 020113 | | CRIME VICTIM COMPENSATION | 189.12 |
| | | | | | Total : | 47,963.80 |
| 153146 | 2/13/2013 | 0000415 ISLAND DISPOSAL | 020113 | | JAN 2013/RECYCLING | 5,363.55 |
| | | | | | Total : | 5,363.55 |
| 153147 | 2/13/2013 | 0006311 JANSEN, JONATHAN | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153148 | 2/13/2013 | 0004007 KAMAK, RAJESH | TRAVEL REIMB | | TRAVEL REIMB | 12.00 |
| | | | | | Total : | 12.00 |
| 153149 | 2/13/2013 | 0000477 KESSELRING'S | 36942 | | MAGAZINES | 140.23 |
| | | | 36990 | | AMMUNITION | 388.17 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153149 | 2/13/2013 | 0000477 0000477 KESSELRING'S | (Continued) | | | |
| | | | | | Total : | 528.40 |
| 153150 | 2/13/2013 | 0000485 KRIEG CONSTRUCTION | 7808 | | ASPHALT | 146.35 |
| | | | | | Total : | 146.35 |
| 153151 | 2/13/2013 | 0002227 LABORATORY CORPORATION OF | 40145036 | | PRE-EMPLOYMENT | 48.50 |
| | | | | | Total : | 48.50 |
| 153152 | 2/13/2013 | 0000889 LANGUAGE EXCHANGE | 01 | | MUNICIPAL COURT INTERPRETER | 900.00 |
| | | | | | Total : | 900.00 |
| 153153 | 2/13/2013 | 0000506 LEIRA | 021113 | | REGISTRATION/SAMPSON/MAY/NO | 120.00 |
| | | | | | Total : | 120.00 |
| 153154 | 2/13/2013 | 0000979 LES SCHWAB | 41400039428 | | TIRES | 1,549.53 |
| | | | 41400043750 | | TIRES | 55.71 |
| | | | | | Total : | 1,605.24 |
| 153155 | 2/13/2013 | 0004502 LEXISNEXIS RISK DATA MANAGE | 1404645-20130131 | | JAN 2013/MINIMUM COMMITMENT | 54.35 |
| | | | | | Total : | 54.35 |
| 153156 | 2/13/2013 | 0005814 LIBERTY MUTUAL | 195533021 | | BOND/GREEN | 100.00 |
| | | | | | Total : | 100.00 |
| 153157 | 2/13/2013 | 0000515 LOGGERS & CONTRACTORS, INC | 00057864 | | HOSE/PARTS | 596.46 |
| | | | | | Total : | 596.46 |
| 153158 | 2/13/2013 | 0000522 LUEHR, TOM | 1 | | DRIVING SERVICES | 102.00 |
| | | | | | Total : | 102.00 |
| 153159 | 2/13/2013 | 0000530 MAILLIARD'S LANDING NURSERY | 66587 | | YARD WASTE | 182.00 |
| | | | 66588 | | YARD WASTE | 20.00 |
| | | | 66594 | | YARD WASTE | 5.00 |
| | | | 66603 | | YARD WASTE | 105.00 |
| | | | 66620 | | YARD WASTE | 20.00 |
| | | | 66621 | | YARD WASTE | 100.45 |
| | | | 66623 | | YARD WASTE | 10.00 |
| | | | 66649 | | YARD WASTE | 87.85 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153159 | 2/13/2013 | 0000530 MAILLIARD'S LANDING NURSERY | (Continued) | | | |
| | | | 66700 | | YARD WASTE | 20.00 |
| | | | 66702 | | YARD WASTE | 10.00 |
| | | | 66708 | | YARD WASTE | 15.00 |
| | | | 66755 | | YARD WASTE | 20.00 |
| | | | 66774 | | YARD WASTE | 10.00 |
| | | | 66808 | | YARD WASTE | 10.00 |
| | | | 66999 | | YARD WASTE | 5.00 |
| | | | 67026 | | YARD WASTE | 10.00 |
| | | | | | **Total :** | **630.30** |
| 153160 | 2/13/2013 | 0000660 MARKET PLACE FOOD & DRUG | 764388 | | GROCERIES | 510.01 |
| | | | 764391 | | GROCERIES | 532.71 |
| | | | | | **Total :** | **1,042.72** |
| 153161 | 2/13/2013 | 0000040 MATRIX | 608073468 | | LONG DISTANCE | 373.53 |
| | | | | | **Total :** | **373.53** |
| 153162 | 2/13/2013 | 0000561 MERRIMAN, DOUGLAS | EXP REIMB | | EXP REIMB | 4,855.00 |
| | | | | | **Total :** | **4,855.00** |
| 153163 | 2/13/2013 | 0000565 MICROFLEX, INC | 00021112 | | TAXTOOLS MAINTENANCE/SUPPOI | 886.29 |
| | | | | | **Total :** | **886.29** |
| 153164 | 2/13/2013 | 0006992 MOON, ANDREW | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | **Total :** | **20.00** |
| 153165 | 2/13/2013 | 0000593 MUELLER, DEBORAH | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | **Total :** | **20.00** |
| 153166 | 2/13/2013 | 0004423 MUNICIPAL EMERGENCY SERVICES | 00377261_SNV | | HEAD HARNESS | 248.35 |
| | | | | | **Total :** | **248.35** |
| 153167 | 2/13/2013 | 0000608 NC MACHINERY COMPANY | MVCR0033522 | | PARTS | -575.71 |
| | | | MVCR0033790 | | 10W TDTO 5G | -207.55 |
| | | | MVCS0219351 | | PLUGS/SEALS | 87.67 |
| | | | MVCS0219691 | | HARNESS/CONTROL | 482.20 |
| | | | MVCS0220509 | | TDT0 | 207.55 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153167 | 2/13/2013 | 0000608 | NC MACHINERY COMPANY | (Continued) | | | |
| | | | | MVCS0220510 | | SWITCH | 78.38 |
| | | | | MVCS0220541 | | SEAL/TUBE/TDT0 | 565.69 |
| | | | | | | **Total :** | **638.23** |
| 153168 | 2/13/2013 | 0003074 | NICHOLS, DINA | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | | **Total :** | **20.00** |
| 153169 | 2/13/2013 | 0000621 | NIIRO, CEDRIC | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | | **Total :** | **20.00** |
| 153170 | 2/13/2013 | 0000633 | NORTH SOUND BUSINESS SYSTEMS | 9075 | | PRINT CARTRIDGES | 389.15 |
| | | | | | | **Total :** | **389.15** |
| 153171 | 2/13/2013 | 0005767 | NORTHWEST RUNNER MAGAZINE | 4037 | | ADVERTISING | 725.00 |
| | | | | | | **Total :** | **725.00** |
| 153172 | 2/13/2013 | 0000672 | OAK HARBOR ACE | 215119 | | CABLE TIES | 27.69 |
| | | | | 216518 | | RSTP | 21.70 |
| | | | | 216583 | | UNDERCOAT/SEAL/LIQUID NAILS/F | 36.69 |
| | | | | 216653 | | SELF-ADHESIVE WALL P | 9.76 |
| | | | | 216677 | | SHADE | 16.07 |
| | | | | 216715 | | BUSHINGS | 3.24 |
| | | | | 216723 | | BULBS | 13.01 |
| | | | | 216734 | | BRUSH | 9.23 |
| | | | | 216737 | | PHOTOCELL BUTTON | 9.77 |
| | | | | 216768 | | DRILL BITS | 39.05 |
| | | | | 216786 | | AIR FRESHENER/FASTENERS | 4.98 |
| | | | | 216801 | | WATERTIMER | 31.51 |
| | | | | 216811 | | DEODORIZER/BATTERIES | 32.36 |
| | | | | 216829 | | CEMENT/BUSHING/COUPLE/HEATE | 39.62 |
| | | | | 216830 | | ROPE/LIGHTS | 42.71 |
| | | | | 216833 | | FASTENERS | 0.91 |
| | | | | 216846 | | SPONGE/OIL | 19.00 |
| | | | | 216848 | | VALVE/PASTE | 17.91 |
| | | | | 216911 | | SCRUB BRUSH/HARDWARE/TEST | 15.24 |
| | | | | 216956 | | TUBE/TRAP/SLIP JOINT/WASHER/F | 24.92 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153172 | 2/13/2013 | 0000672 | OAK HARBOR ACE | (Continued) | | | |
| | | | | 216959 | | TUBING | 21.52 |
| | | | | 216967 | | LUBE | 3.58 |
| | | | | 216984 | | BATTERIES | 8.14 |
| | | | | 216994 | | GUTTER/WASHER/CHAIN/CAP | 84.30 |
| | | | | 217012 | | FASTENERS | 3.39 |
| | | | | 217029 | | SPLICE/FASTENERS | 11.50 |
| | | | | 217061 | | VINEGAR/CLEANER/WASHER | 29.79 |
| | | | | 217077 | | SEALS | 1.39 |
| | | | | 217131 | | CLIPS/HAMMERITE/KEY HOLDER | 61.75 |
| | | | | 217194 | | TOOL/NUTS | 16.84 |
| | | | | | | **Total :** | **657.57** |
| 153173 | 2/13/2013 | 0000668 | OAK HARBOR AUTO CENTER | 001-155630 | | UNVERSAL WELD | -42.97 |
| | | | | 001-155849 | | UNVIERSAL WELD | -13.92 |
| | | | | 001-155855 | | FILTERS | 45.56 |
| | | | | 001-155891 | | FILTERS | 39.22 |
| | | | | 001-155956 | | TENDER | 141.55 |
| | | | | 001-156038 | | FILTERS | 4.08 |
| | | | | 001-156236 | | LAMP | 4.03 |
| | | | | 001-156248 | | FILTERS | 9.68 |
| | | | | 001-156432 | | FILTERS | 26.01 |
| | | | | 001-156433 | | FILTERS | 48.03 |
| | | | | 001-156584 | | UNVIERSAL WELD | -209.11 |
| | | | | | | **Total :** | **52.16** |
| 153174 | 2/13/2013 | 0003007 | OFFICE DEPOT | 637940494001 | | TONER | 173.47 |
| | | | | | | **Total :** | **173.47** |
| 153175 | 2/13/2013 | 0000665 | OFFICEMAX, INC | 348443 | | INK | 58.35 |
| | | | | | | **Total :** | **58.35** |
| 153176 | 2/13/2013 | 0001377 | ORCA INFORMATION | 317548 | | PRE-EMPLOYMENT/HAFFNER | 75.00 |
| | | | | | | **Total :** | **75.00** |
| 153177 | 2/13/2013 | 0000698 | P & L GENERAL CONTRACTORS | 2811 | | TRAILER RENTAL | 217.40 |
| | | | | | | **Total :** | **217.40** |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | | Amount |
|---|---|---|---|---|---|---|---|---|
| 153178 | 2/13/2013 | 0001618 | PACIFIC NORTHWEST CLEAN WATER | 2013-OKH | | MEMBERSHIP | | 30.00 |
| | | | | | | | Total : | 30.00 |
| 153179 | 2/13/2013 | 0002985 | PACIFIC TIRE CO. INC | 0063614 | | TIRES | | 1,000.45 |
| | | | | | | | Total : | 1,000.45 |
| 153180 | 2/13/2013 | 0000708 | PERRINE, KIM | 020713 | | WELLNESS INCENTIVE | | 20.00 |
| | | | | | | | Total : | 20.00 |
| 153181 | 2/13/2013 | 0004467 | PETEK PHD, THOMAS C | 8346 | | PRE-EMPLOYMENT | | 300.00 |
| | | | | | | | Total : | 300.00 |
| 153182 | 2/13/2013 | 0000724 | PONY MAILING & BUSINESS CENTER | 204648 | | SHIPPING | | 27.19 |
| | | | | | | | Total : | 27.19 |
| 153183 | 2/13/2013 | 0000730 | POWELL, JANIS | 1 | | DRIVING SERVICES | | 99.00 |
| | | | | | | | Total : | 99.00 |
| 153184 | 2/13/2013 | 0004622 | POWERS-RANG, LISA | 020713 | | WELLNESS INCENTIVE | | 20.00 |
| | | | | | | | Total : | 20.00 |
| 153185 | 2/13/2013 | 0006685 | PROFESSIONAL LAW ENFORCEMENT | Q-617 | | REGISTRATION/SEIM | | 250.00 |
| | | | | | | | Total : | 250.00 |
| 153186 | 2/13/2013 | 0006866 | PROTHMAN | 2013-3733 | | CITY ATTORNEY SEARCH | | 6,166.67 |
| | | | | 2013-3737 | | CITY CLERK SERVICES | | 3,801.47 |
| | | | | | | | Total : | 9,968.14 |
| 153187 | 2/13/2013 | 0001665 | PUBLIC SAFETY SELECTION, PC | 2333 | | EVALUATIONS | | 350.00 |
| | | | | | | | Total : | 350.00 |
| 153188 | 2/13/2013 | 0005983 | RACECENTER NW MAGAZINE | 28962 | | ADVERTISING | | 1,400.00 |
| | | | | | | | Total : | 1,400.00 |
| 153189 | 2/13/2013 | 0001210 | RECREATION & PARKS | 020613 | | REGISTRATION/NYDAM | | 430.00 |
| | | | | | | | Total : | 430.00 |
| 153190 | 2/13/2013 | 0002508 | RINEY PRODUCTION SERVICES | 10-924 | | TAPING SERVICES | | 1,886.10 |

Bank code : bank

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|
| 153190 | 2/13/2013 | 0002508 0002508 RINEY PRODUCTION SERVICES (Continued) | | | Total : | 1,886.10 |
| 153191 | 2/13/2013 | 0000852 SENIOR CENTER PETTY CASH | 020713 | | PETTY CASH | 160.57 |
| | | | | | Total : | 160.57 |
| 153192 | 2/13/2013 | 0007029 SERVATIUS, JOEL | TRAVEL REIMB | | TRAVEL REIMB | 546.80 |
| | | | | | Total : | 546.80 |
| 153193 | 2/13/2013 | 0002358 SERVICEMASTER OF THE ISLAND | 8821 | | FEB 2013/JANITORIAL SERVICES | 775.00 |
| | | | | | Total : | 775.00 |
| 153194 | 2/13/2013 | 0000719 SEVERNS, RHONDA | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153195 | 2/13/2013 | 0000817 SHELLEY, TIM | 020713 | | WELLNESS INCENTIVE | 20.00 |
| | | | | | Total : | 20.00 |
| 153196 | 2/13/2013 | 0000964 SHERIFFS & POLICE CHIEFS, WASHIN( | DUES2013-00125 | | ASSOCIATE DUES/STERKEL | 75.00 |
| | | | DUES2013-00238 | | ACTIVE DUES/GREEN | 245.00 |
| | | | | | Total : | 320.00 |
| 153197 | 2/13/2013 | 0000822 SHRED-IT USA, INC | 101333335 | | SHREDDING | 104.40 |
| | | | 1339186 | | SHREDDING | 49.50 |
| | | | | | Total : | 153.90 |
| 153198 | 2/13/2013 | 0004184 SIPES, TAMRA | 022813 | | FEB 2013/RACE COORDINATOR | 2,546.00 |
| | | | | | Total : | 2,546.00 |
| 153199 | 2/13/2013 | 0000831 SIX ROBBLEES', INC | 14-262675-1 | | MDL 10 W/REFLEX | 34.26 |
| | | | 14-262813-1 | | BRACKET | 24.91 |
| | | | 14-262814 | | LED MINIBAR | 314.43 |
| | | | 14-262992 | | DISC FOOT | 11.87 |
| | | | 14-263175 | | GOVERNOR D-2 | 18.16 |
| | | | | | Total : | 403.63 |
| 153200 | 2/13/2013 | 0000814 SKAGIT FARMERS SUPPLY | 135382 | | 0-0-50 SOL/DURATION CRU II | 69.25 |
| | | | 308326 | | ACIDIFIER/MINERAL SUPPLEMENT | 41.26 |
| | | | 316716 | | STRAW | 61.89 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153200 | 2/13/2013 | 0000814 | SKAGIT FARMERS SUPPLY | (Continued) | | | |
| | | | | 317764 | | STUMP OUT GRANULES | 7.60 |
| | | | | 318660 | | GLOVES | 103.21 |
| | | | | 3651 | | TANK RENTAL FEE | 55.44 |
| | | | | | | **Total :** | **338.65** |
| 153201 | 2/13/2013 | 0000835 | SMILEYS INC | 275041 | | ALUMINUM PLATE | 114.69 |
| | | | | | | **Total :** | **114.69** |
| 153202 | 2/13/2013 | 0004341 | SMITH, JACK | TRAVEL ADVANCE | | TRAVEL ADVANCE | 106.50 |
| | | | | | | **Total :** | **106.50** |
| 153203 | 2/13/2013 | 0007031 | SQUAD ROOM EMBLEMS | 010713 | | SHOULDER PATCHES | 171.88 |
| | | | | | | **Total :** | **171.88** |
| 153204 | 2/13/2013 | 0003883 | STAPLES BUSINESS ADVANTAGE | 3189732372 | | DIVIDERS/GUIDE/FILE BOXES | 117.19 |
| | | | | 3190182109 | | TONER | 133.67 |
| | | | | 3190182110 | | BOARD/MARKERS | 320.97 |
| | | | | 3190182111 | | STAMP | 23.03 |
| | | | | 3190662801 | | CREDIT | -2.82 |
| | | | | 3190662802 | | CREDIT | -15.91 |
| | | | | 3191113238 | | SIGN PLATE | 11.19 |
| | | | | 3191113239 | | DIVIDERS/LIQUID PAPER | 43.66 |
| | | | | 3191798423 | | PAD HOLDER/POCKETS | 50.09 |
| | | | | 3191798424 | | TONER | 528.26 |
| | | | | 3191798425 | | SPLS | 1,521.26 |
| | | | | 3191798427 | | TONER/JACKET | 206.68 |
| | | | | 3191798428 | | POWER HEATER/MARKER/SANDIS | 55.86 |
| | | | | IM63089 | | GASKET | 17.28 |
| | | | | | | **Total :** | **3,010.41** |
| 153205 | 2/13/2013 | 0006460 | STATEWIDE RENT-A-FENCE, INC | 25683 | | PANELS RENTAL | 90.40 |
| | | | | | | **Total :** | **90.40** |
| 153206 | 2/13/2013 | 0005786 | STOWES SHOES & CLOTHING | 0007041 | | BOOTS/ROBBINS | 150.00 |
| | | | | | | **Total :** | **150.00** |
| 153207 | 2/13/2013 | 0006730 | SWINOMISH INDIAN TRIBAL | 012813 | | DEC 2012/OAK HARBOR SITE SER\ | 64,962.69 |

Bank code : bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153207 | 2/13/2013 | 0006730 | 0006730 SWINOMISH INDIAN TRIBAL | (Continued) | | Total : | 64,962.69 |
| 153208 | 2/13/2013 | 0005273 | TANDEM SERVICE CORP, INC | 1118632 | | PUMPING SERVICES | 284.70 |
| | | | | | | Total : | 284.70 |
| 153209 | 2/13/2013 | 0000933 | TEREX UTILITIES, INC | 0052908-IN | | DETENT PIN | 43.94 |
| | | | | | | Total : | 43.94 |
| 153210 | 2/13/2013 | 0001053 | TREASURER, WASHINGTON STATE | 020113 | | COURT/BC FEES | 9,804.20 |
| | | | | | | Total : | 9,804.20 |
| 153211 | 2/13/2013 | 0002363 | TRI AIR TESTING, INC | R67192 | | AIR TEST | 408.00 |
| | | | | | | Total : | 408.00 |
| 153212 | 2/13/2013 | 0004518 | TRIANGLE CHARTER SERVICE, LLC | 5040 | | TRANSPORTATION SERVICES | 750.00 |
| | | | | | | Total : | 750.00 |
| 153213 | 2/13/2013 | 0007032 | TRITECH FORENSICS | 88139 | | SECURITY BAGS | 161.56 |
| | | | | | | Total : | 161.56 |
| 153214 | 2/13/2013 | 0000923 | UNITED PARCEL SERVICE | 0000A0182W033 | | SHIPPING | 1.11 |
| | | | | | | Total : | 1.11 |
| 153215 | 2/13/2013 | 0004903 | US BANK | 4485591000119689 | | CREDIT CARD PURCHASES | 1,974.65 |
| | | | | | | Total : | 1,974.65 |
| 153216 | 2/13/2013 | 0004903 | US BANK | 4485590001557665 | | CREDIT CARD PURCHASES | 855.31 |
| | | | | | | Total : | 855.31 |
| 153217 | 2/13/2013 | 0004903 | US BANK | 4485590100104922 | | CREDIT CARD PURCHASES | 420.00 |
| | | | | | | Total : | 420.00 |
| 153218 | 2/13/2013 | 0000930 | USPS FEE RENEWALS | 012013 | | PERMIT RENEWAL/#29 | 190.00 |
| | | | | | | Total : | 190.00 |
| 153219 | 2/13/2013 | 0000934 | UTILITIES UNDERGROUND LOCATION | 3010163 | | JAN 2013/LOCATES | 73.99 |
| | | | | | | Total : | 73.99 |
| 153220 | 2/13/2013 | 0005223 | VELASQUEZ, PETE | 020713 | | WELLNESS INCENTIVE | 20.00 |

**Bank code :** bank

| Voucher | Date | Vendor | | Invoice | PO # | Description/Account | Amount |
|---|---|---|---|---|---|---|---|
| 153220 | 2/13/2013 | 0005223 | 0005223 VELASQUEZ, PETE | (Continued) | | **Total :** | **20.00** |
| 153221 | 2/13/2013 | 0005079 | WASHINGTON INSTITUTE OF SPORTS | OH3001 | | WELLNESS EXAMS | 4,759.19 |
| | | | | | | **Total :** | **4,759.19** |
| 153222 | 2/13/2013 | 0001052 | WASHINGTON STATE PATROL | I13005447 | | BACKGROUND CHECKS | 20.00 |
| | | | | I13005714 | | BACKGROUND CHECKS | 1,798.50 |
| | | | | | | **Total :** | **1,818.50** |
| 153223 | 2/13/2013 | 0001055 | WATERWORX DIVE SERVICE | 011813 | | UNDERWATER SERVICES | 243.76 |
| | | | | | | **Total :** | **243.76** |
| 153224 | 2/13/2013 | 0003067 | WHIDBEY ANIMALS' IMPROVEMENT | 1208 | | JAN 2013/ANIMAL SHELTER | 7,083.33 |
| | | | | | | **Total :** | **7,083.33** |
| 153225 | 2/13/2013 | 0001007 | WHIDBEY CLEANERS | 234434 | | EMBROIDERY | 15.22 |
| | | | | | | **Total :** | **15.22** |
| 153226 | 2/13/2013 | 0001017 | WHIDBEY PRINTERS | 46016 | | BUSINESS CARDS/STERKEL | 54.08 |
| | | | | | | **Total :** | **54.08** |
| 153227 | 2/13/2013 | 0001061 | XEROX CORPORATION | 701603762 | | DEC 2012/COPIER RENTAL | 5,242.12 |
| | | | | | | **Total :** | **5,242.12** |

**164 Vouchers for bank code :** bank **Bank total : 428,947.12**

**164 Vouchers in this report** **Total vouchers : 428,947.12**

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** CA AB 1C.
**Date:** February 19, 2013
**Subject:** Cash Handling Policy

**FROM:** **Doug Merriman, Finance Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

_____ Scott Dudley, Mayor
_____ Larry Cort, City Administrator
_____ Grant Weed, Interim City Attorney, as to form

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**PURPOSE**

The purpose for this agenda bill is for the establishment of a cash handling policy for ensuring adequate internal controls to account for the handling of City cash and to maintain public trust. The term "City cash" applies to currency, coin, checks, credit, charge and debit card payments, other electronic payment media, and other negotiable instruments payable in money to the City.

**AUTHORITY**

The City has authority under RCW 35A.11.020 to regulate its internal affairs and to provide for the improvement of public ways in the rendering of local social, cultural, recreational, educational, governmental, or corporate services, including operating and supplying of utilities and municipal services commonly or conveniently rendered by cities or towns and authority under RCW 35A.40.080 to issue bonds, coupons and warrants and other forms of debt.

**FISCAL IMPACT DESCRIPTION**

Funds Required: $ Not Applicable
Appropriation Source: Not Applicable

**SUMMARY STATEMENT**

The proposed cash handling policy sets the scope and general policy elements of handling cash assets for the City of Oak Harbor. The policy outlines the administrative procedures, the duties of City staff tasked with the handling and remitting of cash and cash equivalents, and the procedural requirements necessary to ensure City assets are properly safeguarded.

**STANDING COMMITTEE REPORT**

The Finance Standing Committee discussed this item at their November 14, 2012 meeting.

**RECOMMENDED ACTION**

1. Adopt Policy FIN #13-01.

**ATTACHMENTS**

1. Draft cash handling policy.

# *CITY OF OAK HARBOR*

**SUBJECT: CASH MANAGEMENT** **INITIAL EFFECTIVE DATE:**

**TITLE: CASH HANDLING POLICY**

## POLICY STATEMENT

The Cash Management Program is established for ensuring adequate internal controls to account for the handling of City cash and to maintain public trust. The term "City cash" applies to currency, coin, checks, credit, charge and debit card payments, other electronic payment media, and other negotiable instruments payable in money to the City.

## PURPOSE

A. The purpose of this Cash Handling Policy ("Policy") is to assist all City departments by defining and communicating what is an acceptable level of control for Cash Handling operations.

B. Due to the decentralized nature of revenue collection within the City, procedures vary from location to location. Although the customer service impact of this structure is positive, the various control environments sometimes fall below what is acceptable to City management.

C. The objectives of this policy are to set forth minimum standards to ensure clear and consistent practice within the City for the handling of cash and for limiting not only the City's losses, but also the City's involvement in investigations of losses of funds. This policy will serve to standardize a sound system of cash controls within the City as well as to provide guidance to departments on improving Cash Handler skill and accountability. Additionally, this policy incorporates providing assistance to departments that need help in meeting the minimum standards. Overall compliance with this policy will allow the City to prevent or detect Losses related to Cash Handling and to assign responsibility to an individual in a timely manner in order to minimize Losses.

D. The ability to ascertain individual accountability for each Loss will reduce the impact of failing to protect honest employees from unnecessary suspicion. A sound system of cash controls should protect and support employees who do their job with integrity. Employees not involved in cash errors and/or irregularities deserve to work in an organization that insists on a control system that can show their innocence when errors and/or irregularities do occur.

Specifically, this policy is designed to avoid the following types of circumstances:

1. A Loss (or Losses) of funds.
2. An inability to detect missing funds.
3. Detection of missing funds when recovery is no longer possible.
4. An inability to determine who is responsible for the Loss.
5. An inability to investigate Losses.

E. The resources of the City are assets held in trust for its taxpayers. Every employee, from a front line Cash Handler to a department director, is responsible to protect the assets of the City. A clear responsibility lies with management to install and maintain a Cash Handling control system that will prevent, detect, and deter fraud and losses.

**ADMINISTRATIVE PROCEDURES**:

**I. Enforcement of the cash management program include but are not limited to the following:**

A. A random drawer audit conducted under the direction of the Finance Director or the Finance Director's designee.

B. Any deficiencies in regard to the set procedures will be reported to the Finance Director and the City Administrator in the form of a memorandum outlining the deficiencies.

C. The Finance Director will notify the Department Director involved and explain these deficiencies, and the Department Director will be responsible for taking appropriate action to correct deficiencies.

D. If in a subsequent audit these deficiencies still exist, the Finance Director will advise the City Administrator that the deficiencies still exist.

E. The Finance Director and the City Administrator will notify the Department Director involved and the Mayor of the existing situation.

F. The Mayor will review the existing situation and may take appropriate action to resolve deficiencies and ensure that the procedures as outlined are administered properly.

**II. Delegation of Authority**

A. The Director of Finance, or designee, is authorized to promulgate rules for establishing procedures for the receipt, handling and deposit by City officers and employees of City cash into the City Treasury for: the method of documentation on all such transactions; regular reporting to the Finance Director; inspection of departmental cash records, including overages or shortages; inspection of departmental practices and procedures in handling City cash; and contracting with agents to collect City cash and their collection procedures. The Finance Director may enforce these rules through onsite inspections and, in the event of noncompliance by a department or office, requiring that payments to personnel be authorized by the Finance Director, or deposited at his/her office.

B. The Finance Director, as the City's banker, is required by law to receive, retain, and disburse all City revenue and keep detailed records of these transactions. The Finance Director is charged with the responsibility of overseeing the proper receipting and to safeguard all City funds. Finance staff will be conducting periodic cash drawer audits (unannounced) under the direction of the Finance Director.

## III. Duties of City Departments

The Director of any City department who anticipates receiving city cash on a regular basis in the course of its activities shall:

A. Assign the receiving of City cash only to those persons who are certified by the Finance Director for performing these functions;

B. Collaborate with the Finance Director to establish and maintain a system of procedures, documentation and reporting on receipts handling and deposit of City money;

C. Notify the Police Department of any loss or theft of City cash immediately upon discovery. Written notice shall be given no later than twenty-four hours after discovery.

D. Allow the Finance Director or his/her designee to make on-site inspections and observe the processing of City cash, and to make inspections of departmental collection records.

E. Ensure the safeguarding of City funds.

F. Require clearly written and approved procedures for all areas of their department's Cash Handling operation.

G. Ensure that procedures in place in their departments comply with this policy.

H. Assume accountability for exceptions to and deviations from this policy.

## IV. Duties of City Personnel

Any City officer or employee, who receives City cash in the normal scope and course of his/her duties, shall:

A. Immediately deposit the Cash with a City depository designated by the Finance Director to the credit of the City. The delivery or deposit must be made on the same day to the Finance Department before 4:30 p.m.

B. Comply with rules promulgated by the Finance Director for handling and processing of City cash and for documentation and dissemination of records, and with departmental internal procedures, established in conformity with the Finance Director's procedures;

C. Notify the employee's supervisor and Department Director of any loss or theft of City money immediately upon discovery. Written notice shall be given to them no later than twenty-four hours after discovery;

D. Be subject to disciplinary action, up to and including termination for failure to comply with each department's operating policies, Finance Director' procedures, collective bargaining agreements and/or duties described in this policy.

E. Use due diligence in handling City assets so that reasonable protection is provided to those assets at all times.

F. Report to their departmental management, or to the Finance Director, any instance that is deemed to be a serious failure to give proper care to City cash, securities or other valuables, whether or not such failure has resulted in a Loss.

G. Report to their departmental management, or to the Finance Director, any instance where a City employee has knowledge or suspicion of a misuse of funds or dishonest act by another City employee.

## V. Duties of the Finance Department:

A. Conduct whatever investigations or cash control reviews deemed necessary.

B. Coordinate and collaborate with the Oak Harbor Police Department as appropriate.

C. Review annual reports from departments documenting exceptions to and deviations from this policy.

D. Upon request, assist departments with developing controls to mitigate the potential effects of necessary exceptions or deviations from this policy.

## VI. Liability for Loss

A. As between a department and its officers and the Finance Director, the department has primary responsibility for care and liability for loss of City cash in its custody until deposited in the City Treasury or entrusted to a cashier certified by the Finance Director. When deposit is made in an after-hours drop box of the City's financial institution, or an armored car service making collection for the City, losses are assigned to the control of the Finance Director.

## VII. Establishment/Increase of Cash Funds

All requests for the establishment of cash funds must be made to the Finance Director. The Finance Director will maintain a complete listing of all cash funds. The department location, custodian and the amount of the cash fund are to be maintained upon this written listing.

A. A check request should be submitted to the Finance Director for the amount of the funds requested.

B. A written memorandum to the Finance Director from the Department Director requesting the establishment or increase of a cash fund shall be forwarded with the check request for consideration. The memo should explain the need for the establishment or increase of the fund.

C. A copy of the memo should be attached to the file copy of the voucher by the Finance Director when the check is issued by the Finance Department.

D. No funds are to be established out of cash receipts by any department.

E. Upon establishment of a cash fund, a fund custodian should be appointed by the Department Director. Cash funds must have one fund custodian responsible for the disbursement of cash. In the absence of the fund custodian, the department/division head should make all disbursements from the cash fund. Should it become necessary to change fund custodians, the Department Head should notify the Finance Director and request an audit of the cash fund to be performed prior to transferring the cash fund to the new custodian. The Finance Director will forward a copy of the cash audit worksheet to the Department Director upon completion of the cash audit.

## VIII. Termination of Cash Funds

A. The Department Director should notify the Finance Director that the cash fund is to be closed and request that an audit be performed prior to closing the cash fund. The Department Director should furnish the Finance Director with a memorandum outlining the reasons for closing the cash fund.

B. The Finance Director and/or his staff will perform an audit of the cash fund and provide the Department Director with a copy of the final cash audit worksheet. Any shortages or variances are to be investigated and resolved by the Department Director and the Finance Director. If the shortages or variances cannot be resolved, the Department Director is to provide a written explanation to the effect that a shortage or variance has occurred of which he or she could not resolve. This response should be addressed to the Finance Director. A copy of the written explanation should be forwarded to the City Administrator.

C. Upon completion of the cash audit, the cash custodian should deposit any cash on hand with the Finance Department and provide a copy of the Finance Department deposit slip with any outstanding vouchers.

D. A copy of the final cash audit worksheet which details the expense accounts to be debited for preparation of a journal entry to close the cash fund. A copy of the Department Director's memo outlining the reasons for closing the cash fund will also be provided to Finance. A copy of the final cash audit worksheet and the Department Director's memo should also be attached to the journal entry as supporting documentation.

## IX. Security of Cash Funds

Strict control must be maintained over the access to funds at all times. Dual control over the processing and storage of all cash funds must be used, where practical. It is the City's policy that access to vaults and safes shall be limited and controlled including:

A. Cash funds are to be kept in locked boxes or drawers. The locked box is to be kept in a secure area where only the designated cashier or custodian, and the Department or Division Head, have keys and access to the funds.

B. Provisions should be made in departments where more than one cash fund exists to secure all funds which are not being utilized. Only the Department or Division Head, or his/her designated custodian, should have access to an employee's cash fund in the event of their absence.

C. Only the person responsible for the cash fund and the Department or Division Head should maintain keys and have access to the funds.

D. Bank bags must be locked and kept out of sight when transporting city funds for deposit to the Finance Department.

F. All funds must be reviewed randomly by the fund supervisor or designated personnel.

G. The use of surveillance cameras may be used to monitor city funds. A signed certificate of acknowledgement from the fund custodian and fund supervisor must be obtained verifying that they have been informed about the possible use of surveillance camera.

H. Individuals handling cash must be provided separate and secure work areas. When Single Control over cash is expected, each individual must be provided space, equipment and supplies to achieve Single Control.

I. Private areas must be provided for cash reconciliation and deposit preparation. Only authorized individuals will be allowed in Cash Handling areas.

J. Physical facilities for any Cash Handling operation must be approved by the Oak Harbor Police Department.

K. Each Cash Handler is responsible to see that their cash drawer is locked when they leave their station. No funds are to be left unattended and unsecured.

L. During non-business hours and during business periods where access to cash is not required, all funds are required to be stored in a locked vault or safe.

M. Safes and vaults must be positioned so that they are not visible to the general public. Partitions, rugs or barriers must be positioned to conceal cash storage receptacles.

N. Vault combinations must be limited to the smallest number of individuals practicable, given the business needs of the work unit.

O. Vault or safe combinations must never be written down in the Cash Handling area. Safe combinations held by individuals who serve as back up to the everyday users of the safe, who may need to write down the combination, must keep the combination offsite or on their person.

P. When an individual who knows the vault or safe combination leaves City employment, the safe combination must be changed.

Q. Cash Handlers are to be in sole possession of their cash drawer or cash box key.

R. Duplicate keys will be placed in a locked key box under Dual Control.

S. It is the Cash Handler's responsibility to immediately notify their supervisor in the event a key is lost. No replacement key shall be made, but rather the lock on the cash receptacle in question is to be promptly replaced.

## X. Transferring and/or transporting funds.

It is the City's policy to require witnessed cash counts and reconciliations whenever City funds change hands. Whether transferring funds between Cash Handlers within a work unit or transporting funds between locations, individual accountability can only be maintained by protecting the chain of custody.

A. All transports of cash between locations will be made in locked transport bags. Couriers must not have keys to the transport bags. Only the sending and receiving units will have keys.

B. A cash count, reconciliation and receipt will be issued whenever City funds change hands. When dealing with a large amount of cash, it may not be feasible for the courier to remain while the cash is counted and reconciled by the receiving custodian. In that instance, the cash count and reconciliation will be completed and a receipt sent via interoffice mail or given to the courier during their next visit.

C. The transfer of funds between locations or units must be performed under appropriate security. Regular cash deposits will be transported to the bank by armored car, where feasible.

## XI. Regulation of Petty Cash Funds

Petty cash funds are available for making emergency or immediate purchases of items that are not routinely carried by the Department. Petty cash funds are to be maintained only for this purpose, and no department shall possess a petty cash fund without establishing such a fund as outlined above.

A. Maintenance of Petty Cash Funds

1. Cash funds must have one fund custodian responsible for the disbursement of cash. In the absence of the fund custodian, the department/division head should make all disbursements from the petty cash fund.

2. Each cash fund should have a set amount of funds to be accounted for. Finance Department will not process payment authorizations to reimburse petty cash if the request exceeds the established amount of the petty cash fund.

3. The petty cash fund is to be reconciled on a daily basis by the fund custodian.

4. The cash custodian should process a payment authorization to reimburse their petty cash fund as necessary. The payment authorization requesting reimbursement of petty cash is to be processed with enough lead-time to prevent the remaining petty cash funds from being depleted prior to the issuance of the reimbursement check. All check payments to reimburse the petty cash fund are to made payable to the City of Oak Harbor.

5. A petty cash voucher must be completed to support all disbursements of cash from the petty cash fund. The petty cash voucher must be completed in its entirety and approved by the Department/Division Head prior to the disbursement of any cash from the custodian.

6. Each petty cash voucher must be accompanied by a receipt ticket upon reimbursement or return of unused funds.

7. Three signatures are required on all petty cash vouchers. All petty cash vouchers must be signed by the employee receiving the cash and by the Department/Division head approving the transaction. The petty cash custodian will then sign the voucher as cash is actually disbursed from the fund.

8. Petty cash in advance is not to be held by any employee longer than a twenty-four period. Receipts and used funds must be returned and be reconciled to vouchers within the twenty-four hour period.

9. Expenditures for purchases made from the petty cash fund are not to exceed $50.00. Purchases that exceed $50.00 should be purchased on a departmental purchase requisition, as a normal purchase for items not regularly carried by Central Stores.

B. Prohibited expenses include the following:

1. Loans to employees
2. IOUs for employee personal use
3. Cashing personal checks for the Department/Division Head, petty cash custodian, or other employees
4. Traveling or training expenses (i.e. use of personal vehicle, parking and entertainment) – These expenditures should be reimbursed by submitting the proper expense report form to the Finance Department for audit, approval, and issuance of a reimbursement check. Petty cash funds may be used for official organized activities of the City Council or the various boards that function as part of City government.

C. Documents Which Serve as Support for Disbursement of Petty Cash

1. A cash register receipt, provided that the date is current enough to support said purchase;
2. Cash receipt tickets from the place of purchase provided that the date is current, items purchased are listed and the ticket is signed by the employee as receiving said merchandise;
3. Proof of purchase in the form of a valid receipt provided the date is current and the type of the purchase or expenditure can be easily determined; and,
4. No refunds for purchases will be made without proof of purchase.
5. A petty cash voucher properly completed with authorizations for a cash advance.

D. Proper Completion of a Petty Cash Voucher

1. All petty cash vouchers must be completed in ink or typewritten.
2. Three signatures are required on all vouchers:

   a) The Department Director must sign on the line approving the transaction.

   b) The petty cash custodian must sign or initial, beside the Department Director's signature.

   c) The employee receiving the cash must sign for cash received.

3. The date of the petty cash disbursement must be completed.
4. Items must be listed separately in the place provided for each item description and the individual cost must be listed separately under item price.
5. The budget account number to be charged for the petty cash purchase must be properly completed.

6. Two copies should be made of the voucher. The original copy of the voucher is to be retained by the petty cash custodian, while the first copy of the form is to be returned and attached to the original to complete the transaction. The second copy of the form is to be retained for the department's records.

## XII. Regulation of Change Funds

Changes funds, or cash drawers, are to be maintained for the purpose of making change. Change funds are not to be co-mingled with other cash funds. Change funds are to be maintained only for this purpose and no department shall possess a change fund without establishing such a fund with the Finance Director.

A. Maintenance of a Change Fund

1. Each change fund should have one person responsible for that fund or drawer at any one given time. In the areas where more than one change fund is used, each employee should work out of his/her own change fund. Employees are not to work out of another employee's change fund.

2. Each change fund should be established for a set amount as outlined in Section VIII. Establishment of Cash Fund, and this same amount should be maintained at all times. If an increase in a cash fund is needed, a memorandum sent to the Finance Director outlining the need and amount of funds requested is required.

3. Change funds are not to be used as petty cash funds. They are to be used only for making change.

4. Cash receipts are not to build up in a change fund. These receipts are to be removed and deposited as outlined in Section XIV Regulation of Deposits.

5. Receipts for all cash should be utilized so that an audit may be done at any time and the amount of the change fund can be verified.

B. Cashing of Personal Checks from a Change Fund

1. The cashing of personal, payroll, and expense checks is strictly prohibited from all remote change funds.

2. The cashing of personal, payroll, and expense checks is also strictly prohibited.

## XIII. Regulation of Deposits

The City of Oak Harbor utilizes a central cash receiving unit, as all monies are paid or deposited to the Finance Department. Interdepartmental deposits made to the Finance Department shall be made according to the procedure as outlined below. City agencies, or departments, shall deliver their

deposits daily to Customer Service before 4:30 p.m. All deposits must be verified by a Finance Department Cashier.

Those departments that do not collect revenue on a daily basis must ensure that the deposit is made with the Finance Department on the same day as receipt. Deposits for these departments should also be made the day prior to a scheduled holiday to remove all cash during a holiday.

A. Preparation of a Deposit

1. All departments making deposits will be furnished with a three (3) part deposit slip. All three (3) copies of the completed deposit slip will be forwarded with the deposit itself in locked deposit bags. The deposit slip shall include the initials of the person preparing the deposit, as well as the department name, in the lower right hand corner of the slip.

2. Deposit slips should be filled out to reflect currency (or bill), coin and check totals, with a sum total for these at the bottom. An adding machine tape reflecting these totals should accompany the deposit slip to avoid the need for listing each check separately.

3. Departments (such as the Police, Fire, Marina, Senior Center, and) that collect monies to be posted to various accounts shall submit a summary sheet denoting the accounts that monies are to be posted to. These summary sheets shall be included with each deposit.

B. Deposit and Verification of Receipts

1. Deposits shall be made to the Finance Department.

2. When deposits are made to the Finance Department Cashiers, the Cashier will verify the deposit by performing a recount of monies and a review of the deposit slip. Once a deposit is verified as correct, a copy of the deposit slip will be stamped by a verification stamp and returned immediately to the person making the deposit for the depositing department's own record.

3. The Cashier will maintain a logbook to record the receipt of locked bank bags with deposits after she/he has completed verification. The deposit date, bag number, and cashier initials will be entered on the log upon deposit to indicate receipt. The person delivering the locked bank bag will also initial the logbook to verify delivery.

4. Each time a deposit is made, a new bank bag will be issued to the person making the deposit. Each department shall have designated bags for use by their department only.

C. Maintenance of Bank Bags and Keys

1. Bank bags with deposits shall be kept locked at all times when not preparing or verifying deposits. The keys to the locked bank bags will be maintained by designated persons for each depositing department, the Finance Department, and the bank.

2. The Cashier is responsible for ensuring safe transfer of all deposits to the bank or armored car service on a daily basis.

3. It will be the responsibility of the Department Head to secure and limit access to bank bag keys. Access to these keys should be limited to the person or persons preparing the deposit. Personnel changes which affect the possession of keys or the preparation of deposits should be reported to the Finance Director.

D. Losses/Shortages/Overages

The Finance Director makes a clear distinction between a "Loss" and "Shortage" of City money. This is determined by the cash handler's ability to obtain physical custody of the money and how that person safeguards the money.

1. A shortage is an unintentional collection error such as a change making error. An overage occurs when a cash handler has collected too much money and cannot immediately return the excess to a specific customer.

2. On the other hand, a loss of City money is when a cash handler has obtained physical custody of money and then due to reasons like negligence, an act of God or an unlawful action, cannot deposit that money into the City Treasury.

3. An example of negligence is leaving City money unattended and not properly safeguarding that money from loss. Cash Custodians must report all losses to their supervisor and the Finance Director immediately. A detailed statement as to the circumstances of the loss must be forwarded to the Finance Director within twenty-four hours.

E. Armored Car Procedures

The Finance Director recognizes the advantage of maximizing cash handler safety and increasing the amount of deposited cash available to the City's investment programs. Investment income from timely deposits provides additional revenue for City services. As a result, the City may contract armored transport service available for the use of departments.

1. The fund custodian must prepare a receipt that lists each item or group of items to be picked up. The armored car personnel will sign the receipt in acceptance of the deposit and provide a copy of that receipt to the fund custodian. This receipt should include the pick-up date and the number(s) impressed on the deposit bag(s). At this point the fund custodian's responsibility is released to the armored car service.

2. Fund custodians are encouraged to identify armored car personnel by requesting to see their identification and comparing that ID against the armored car company's authorization list.

3. A copy of the armored car receipt must be forwarded to the Finance Department.

## XIV. Regulation of Return Checks

A. All return checks will be charged a return check fee as determined by city council. The fee is applicable when a customer, taxpayer, or employee check for payment of fees, fines, court costs, taxes, utilities, or other charges has been dishonored by the maker's bank and returned to the City of Oak Harbor. The fee plus the base amount of check will be payable to the city by means of cash, money order, or cashiers check.

B. If a customer, taxpayer, or employee fails to honor the returned check within thirty days, the check will be turned over for collection.

## XV. Action Taken in Event of Theft

The danger of security and loss is a constant threat when handling money. Fund custodians are expected to safeguard City funds against loss. Custodians should be familiar with what to do in times of emergency. In these circumstances, protecting human life should be the first concern. Thefts are to be reported and handled in compliance with the "Fraud Discovery Policy" in the City of Oak Harbor Public Network Drive under "Policies".

Following the complete investigation performed in accordance with the "Fraud Discovery Policy", the Finance Director will conduct a review of the cash handling procedures and related internal controls and issue a report of his/her conclusions on improvements to cash handling procedures. The report will be discussed for implementation with the related department director in an effort to prevent future thefts from occurring.

A. Written robbery procedures. Each area handling cash must have written procedures for use should a robbery take place. Cash Handlers must be instructed in how to act during and after a robbery to ensure their safety and that of co-workers. Each department is encouraged to consult with the Topeka Police Department on its specific needs, as necessary.

## XVI. DEFINITIONS

A. *Cash Handling* - The receiving, transmitting, safeguarding and depositing of all funds received by the City, whether cash or check.

B. *Cash Handler (or Fund Custodian)* - Any employee whose job description includes the responsibility for receiving, transmitting, safeguarding and/or depositing City funds, whether cash or check.

C. *Cash Shortage (or Shortage)* - Occurs when an unintentional collection error is made - e.g., does not obtain physical custody of money or a change making error occurs.

D. *Cash Overage (or Overage)* - Occurs when too much money is collected and the excess cannot immediately be returned to the customer.

E. *Loss* – A cash handler obtains physical custody of money and then, due to negligence, theft, misfeasance or natural disaster (e.g. fire, flood, tornado, etc.), cannot deposit that money with the Finance Department. Leaving City money unattended and not properly safeguarded is an example of a Cash Handler's negligence that could result in a Loss.

F. *Dual Control* - Where two Cash Handlers have responsibility for funds. The underlying theory is that the two Cash Handlers can vouch for each other's action. Theft is less likely in operations with Dual Control since it would require the complicity of two Cash Handlers. One type of Dual Control is demonstrated when a safe requires two combinations or a combination and a key to open. When the combinations or combination and key are assigned to two Cash Handlers, access requires dual control. In this circumstance, a vault or safe could not be opened without two people being present.

G. *Single Control* - When a Cash Handler is solely responsible for funds. Since only one person has access to the funds, that one individual can be held accountable in the event of a Loss. If funds are under Single control, they must not be accessible to others. Therefore, if a safe accessed by multiple Cash Handlers is used for overnight storage of funds under Single Control, those funds must be secured separately within the safe. This ensures that Cash Handlers with access to the safe do not also have access to the single controlled funds.

H. *Segregation of Duties* - No single person handles a transaction from beginning to end. If possible, different people within a cash handling operation should perform the following four basic functional categories.

1. Authorization or approval of transactions.
2. Recording of transactions.
3. Custody of funds.
4. Monitoring to ensure compliance with control procedures.

If one person does perform two or more of these functions, there is no independent check for mistakes and errors and/or irregularities are very likely to go undiscovered for long periods. It is not practical for the City to maintain strict Segregation of Duties due to limited staff size. Other control measures used to assist in this area should include a rotation of duties between personnel and stricter supervision to include special spot-checking of a Cash Handler's work.

## XVII. Hiring, training and evaluating Cash Handling positions.

A. Minimum hiring qualifications:

1. An individual with criminal history record information that reveals a recent and relevant conviction may not serve in a City cash handling capacity.

2. Cash Handling training.

   a. All individuals required to handle City funds must be properly trained to do so. The City will provide basic Cash Handling training to all individuals who handle funds. Individual departments must have the responsibility to see that the policies and procedures are adhered to.

3. Evaluation of Cash Handling positions:

   a. Citywide performance standards will be established for Cash Handlers. These standards will specify what type of personnel action will be taken based on the size and frequency of Shortages and/or Overages. Although management must be allowed some latitude in the administration of this policy, in general, all employees must be treated similarly.

   b. All Cash Handlers will be reviewed on a periodic basis and will be measured against the performance standards specified above.

DRAFT

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** CA-AB 1d.
**Date:** February 19, 2013
**Subject:** Interlocal Agreement for Vactor Services w/City of Anacortes

**FROM:** **Cathy Rosen, Public Works Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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**PURPOSE**

The purpose of this agenda bill is to authorize the City of Oak Harbor to enter into an Interlocal Agreement to establish mutual aid and cooperation in allowing both the City of Oak Harbor and the City of Anacortes to utilize one another's Vactor trucks in the case of an emergency.

**AUTHORITY**

RCW 39.34 Interlocal Cooperation Act-Declaration.

It is the purpose of this chapter to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities. [1967 c 239 § 1.]

**FISCAL IMPACT DESCRIPTION**

Funds Required: None

Appropriation Source: _____

**SUMMARY STATEMENT**

The City of Anacortes has requested the City of Oak Harbor to enter into an Interlocal Agreement to establish mutual aid and cooperation in allowing both the City of Oak Harbor and the City of Anacortes to utilize one another's Vactor trucks in the case of an emergency.

This Interlocal Agreement has been created to aid both cities and promote cooperation that is mutually beneficial. This agreement allows each city to utilize existing equipment more efficiently, provides an additional Vactor at our disposal without the high ownership cost and allows for an additional layer of preparedness in case of unforeseen events.

The Interlocal Agreement contains provisions to terminate the agreement, provides insurance coverage in order to protect both the City of Oak Harbor and the City of Anacortes, and provides disposal of each jurisdiction's decant and debris.

Staff contacted the Municipal Research and Services Center of Washington (MRSC) and found that there are many of these mutual aid and cooperation Interlocal Agreements in place. The City of Oak Harbor has many Interlocal Agreements in place for purchasing, but this would be the first Interlocal Agreement for equipment sharing to date.

**STANDING COMMITTEE REPORT**

The Public Works Standing Committee reviewed this item at their meeting on February 7, 2013.

**RECOMMENDED ACTION**

A motion to authorize the Mayor to sign the Interlocal Agreement for Mutual Aid and Cooperation with the City of Anacortes.

**ATTACHMENTS**

Interlocal Agreement for Mutual Aid and Cooperation.

**INTERLOCAL AGREEMENT FOR MUTAL AID AND COOPERATION OF SEWER JET TRUCK BETWEEN THE CITY OF OAK HARBOR, WASHINGTON AND THE CITY OF ANACORTES, WASHINGTON**

**THIS AGREEMENT** is made and entered into this _____ day of _____, 2013, by and between the CITY OF OAK HARBOR, WASHINGTON, a municipal corporation, hereinafter referred to as "Oak Harbor", and the CITY OF ANACORTES, WASHINGTON, a municipal corporation, hereinafter referred to as "Anacortes".

**WINESSETH:**

**WHEREAS**, Anacortes desires to rent a sewer jet truck, also referred to as the Vactor, from Oak Harbor in case of an emergency; and

**WHEREAS**, Oak Harbor desires to rent a sewer jet truck, also referred to as the Vactor, from Anacortes in case of an emergency; and

**WHEREAS**, the Interlocal Cooperation Act, as amended and codified in Chapter 39.34 RCW provides for interlocal cooperation between government agencies.

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

**Purpose:** The purpose of this agreement is to establish mutual aid and cooperation in allowing both Oak Harbor and Anacortes to utilize one another's Vactor trucks in case of an emergency.

**Responsibilities of Oak Harbor**: Oak Harbor shall have the following duties and responsibilities under this Agreement:

1. Oak Harbor shall provide a Sewer Jet truck with an operator for use by Anacortes, at the discretion of the City of Oak Harbor's Public Works Director, and shall be allowed only if such rental does not interrupt or interfere with Oak Harbor's regularly scheduled or emergency sanitary sewer or storm sewer maintenance activities.
2. Oak Harbor shall provide the Vactor fully fueled and ready to operate by a certified operator who will also transport the Vactor to the designated Anacortes facility.
3. Oak Harbor shall be responsible for all maintenance of their Vactor.
4. Oak Harbor shall invoice Anacortes for the use of the Vactor on a monthly basis.
5. Oak Harbor shall provide a location for Anacortes to decant and empty debris collected while doing work in Oak Harbor.
6. Oak Harbor shall provide a location to fill up Anacortes' Vactor with clean water, at no charge, for the operation of Anacortes' Vactor in Oak Harbor.

**Responsibilities of Anacortes**: Anacortes shall have the following duties and responsibilities under this Agreement;

1. Anacortes shall provide a Sewer Jet truck with an operator for use by Oak Harbor, at the discretion of the Public Works Director, and shall be allowed only if such rental does not interrupt or interfere with Anacortes' regularly scheduled or emergency sanitary sewer or storm sewer maintenance activities.
2. Anacortes shall provide the Vactor fully fueled and ready to operate by a certified operator who will also transport the Vactor to the designated Oak Harbor facility.
3. Anacortes shall be responsible for all maintenance of their Vactor.
4. Anacortes shall invoice Oak Harbor for the use of the Vactor on a monthly basis.
5. Anacortes shall provide a location for Oak Harbor to decant and empty debris collected while doing work in Anacortes.
6. Anacortes shall provide a location to fill up Oak Harbor's Vactor with clean water, at no charge, for the operation of Oak Harbor's Vactor in Anacortes.

**Representation, Warranties, and Indemnities:**

A. Oak Harbor represents and warrants to Anacortes that it has authority to enter into this Interlocal Agreement pursuant to RCW 39.34.030(2).
B. Anacortes represents and warrants to Oak Harbor that it has authority to enter into this Interlocal Agreement pursuant to RCW 39.34.030(2).
C. It is understood and agreed between the parties hereto that both Oak Harbor and Anacortes agree to protect, defend, indemnify and hold harmless one another, its council, agents, departments and employees against any and all liabilities, claims, damages, penalties, actions, costs, and expenses (including reasonable attorney's fees) which may arise for any reason as a result of the performance of the Agreement by either party.

**Duration of Agreement.** This agreement will not expire unless terminated by either party.

**Termination of Agreement.** Either party may terminate this Agreement, by providing written notice to the designated contact for each party identified in the "Notices" section of this Agreement. This written notice must be served on the other party within thirty days (30) of the date of termination.

**Partial Invalidity.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. Any provisions of this Agreement, which shall prove to be invalid, void, or illegal, shall in no way affect, impair, or invalidate any other provisions herein, and such other provisions shall remain in full force and effect.

**No Third-Party Rights.** Except as expressly provided herein, nothing in this Agreement shall be construed to permit anyone other than the parties hereto and their successors and assigns to rely upon the covenants and agreements herein not to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of nonperformance hereunder.

**Assignability.** The rights, duties, and other obligations of either party to this Agreement may not be assigned to any third party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

**Interlocal Cooperation Act.** No special budget or funds are anticipated, nor shall be created. It is not intended that a separate legal entity be established to conduct this cooperative undertaking, nor is the acquisition, holding, or disposing of real or personal property other than as specifically provided within the terms of this Agreement anticipated. Oak Harbor shall be designated as the Administrator of this Interlocal Agreement.

**Entire Agreement.** This Agreement and any amendments thereto mutually agreed to by the parties, constitutes the entire Agreement between the parties hereto 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 to the Agreement. Proposed changes that are mutually agreed upon shall be incorporated by written amendment hereto.

**Insurance.** Each party shall maintain in effect insurance with limits in the amount each entity currently has in place.

**Dispute Resolution.** It is the parties' intent to resolve any disputes relating to the interpretation or application of this Agreement informally through discussions at the staff level. In the event disputes cannot be resolved informally at the staff level, then the parties agree to first submit the dispute to non-binding mediation/dispute resolution before resorting to litigation.

**Litigation.** In the event that any suite or action is instituted by either party to enforce compliance with or interpret any of the terms, covenants, or conditions of this Agreement, the prevailing party shall be entitled to collect, in addition to necessary court costs, such sums as the court may adjudge as reasonable attorney fees. The venue for any action to enforce and interpret this Agreement shall lie in the Superior Court for Island County, Washington.

**Notices.** All notices and demands shall be in writing and sent to the parties hereto at their address as follows:

**To Oak Harbor:**

Cathy Rosen

Public Works Director

865 SE Barrington Drive

Oak Harbor, WA 98277

**To Anacortes:**

**Filing of Agreement.** Executed copies of this agreement shall be filed as required by Section 39.34.040 of the Revised Code of Washington prior to this agreement becoming effective.

**Evidence of Authority.** Upon execution of this Agreement, Oak Harbor shall provide Anacortes and Anacortes shall provide Oak Harbor with a copy of the resolution, ordinance, or other authority given to execute this Agreement pursuant to RCW 39.34.030(2), and said document with be attached hereto and incorporated herein as **Exhibit "A"** (Oak Harbor) and **Exhibit "B"** (Anacortes).

**IN WITNESS WHEREOF** said parties have caused this Agreement to be signed by the duly authorized officials on the day and year first above written.

**ENTERED this ____ day of _____, 201__.**

**CITY OF OAK HARBOR**

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

**CITY OF ANACORTES**

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

# City of Oak Harbor
# City Council Agenda Bill

**Bill No.** AB-2
**Date:** February 19, 2013
**Subject:** Impact Fee Reduction Code

**FROM:** Steve Powers
Development Services Director

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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## PURPOSE

This agenda bill presents an ordinance that amends Oak Harbor Municipal Code Sections 3.63.020, 3.63.030 and 3.63.065 by temporarily reducing the amount of impact fees paid by residential development. The proposed ordinance is intended to act as an incentive to residential development.

## AUTHORITY

RCW 82.02.050 provides that cities required to plan under the Growth Management Act may impose, by ordinance, impact fees on development activity as part of the financing for public facilities. When those fees are collected is a matter of local choice.

## FISCAL IMPACT DESCRIPTION

Funds Required: N/A
Appropriation Source: N/A

The adoption of the proposed ordinance will result in a temporary decrease in the amount of parks and transportation impact fees collected with new residential development building permits. Given the temporary nature of the decrease and the likelihood that a relatively small number of permits will be issued, staff does not anticipate that adoption of this ordinance will significantly affect the City's ability to undertake parks and transportation capital projects. Please see 'Discussion' section below for additional information.

## SUMMARY STATEMENT

The Skagit Island Builders Association (SICBA) approached the City of Oak Harbor and requested that it consider changing the point in time when impact fees are collected during the development process. Oak Harbor, like many cities, requires that impact fees be paid at the time of building permit issuance. SICBA asked the City to consider adopting an ordinance that would delay the collection of those fees to the time when a certificate of occupancy is issued or to the closing of sale for the home. Delaying the

collection of impact fees reduces the initial out-of-pocket expenses the builder pays; this delay is a form of incentive.

An ordinance proposing to modify when impact fees are collected was originally scheduled for the City Council meeting of January 15, 2013. The draft code proposed a method by which the payment of impact fees could be deferred for specified periods of time. In exchange for deferring the collection of fees to the final inspection stage, the builder would record a lien against the property for the amount of the deferred fees.

After reviewing the draft code, SICBA expressed concerns with the administrative costs of the program (application and recording fees). Given current interest rates, they believe that any savings to the builder from deferring the impact fees would be eliminated the administrative fees. After hearing their concerns, staff requested that the item be removed from the January 15th agenda.

During the course of reviewing SICBA's comments, staff discovered that one of our neighboring cities (Mt. Vernon) has implemented a different approach to providing temporary relief from the cost of impact fees. Their approach provides for a temporary reduction in the amount of impact fees paid; the cost of impact fees is reduced by 50% for permits issued within one year from when the ordinance took effect. After that time the fees return to their normal amount. Staff discussed this concept and believed it had merit. The discussion points were summarized in a brief memo (please see Attachment 1). As a result, a new ordinance was drafted using the temporary reduction method (please see Attachment 2).

**DISCUSSION**

Impact fees are collected and used to help build capital projects necessary to support new growth. When considering a program that temporarily reduces the amount of fees collected, it is appropriate to estimate what impact the reduction may have on the City's ability to construct planned parks and transportation projects. The total impact fee revenue collected in any one year is a function of the number of building permits issued and the dollar amount of those impact fees.

The 1990's saw an average of 71 single-family permits issued per year. By comparison, the period of 2002-2006 were the most robust years in recent history. During that time, the City issued an average of 148 permits per year. As shown on the next page, the permit totals for the last five years have been considerably less:

| New Residential Construction Totals | | |
|---|---|---|
| **Year** | **Single-family residential** | **Multifamily residential** |
| 2008 | 85 | 9 |
| 2009 | 50 | 0 |
| 2010 | 57 | 0 |
| 2011 | 27 | 0 |
| 2012 | 40 | 0 |

While 2012 saw an increase in permits over 2011, it is too early to tell how many permits may be issued in 2013 (four new single-family permits were issued in January). If that number of permits per month holds steady for the entire year, it would still only yield 48 permits total.

The amount of impact fees collected per new residential unit are shown below:

| Impact Fees per Unit | | |
|---|---|---|
| **Impact fee type** | **Single-family residential** | **Multifamily residential** |
| Transportation | $907 | $907 |
| Community park | $1,243 | $990 |
| Neighborhood park | $430 | $354 |
| **Typical impact fee** | **$2,580** | **$2,251** |

Using the fees per unit shown in the table above, the City collected park impact fees in the amount of $66,920 and transportation impact fees in the amount of $36,280 for a total of $103,200 in 2012. Last year's total can be used to create a rough estimate of the fiscal impact of the proposed code amendment. If the fee reduction program is put into place and if the City issues the same number of permits over the next twelve months, the City would collect a total of $51,600 in park and transportation impact fees ($33,460 for parks and $18,140 for transportation).

In considering this ordinance it is also appropriate to consider how the reduced revenue may affect the City's ability to complete capital projects. On one hand, most capital projects are expensive; outside funding sources are becoming scarce and the City will likely need to rely more on itself to fund projects. On the other hand, time and the number of permits likely to be issued will work in favor of the City. It is unlikely that an extremely large number of single-family permits will be issued. This in turn means that the amount of fee not

collected by the City over a one year period should not amount to a significant percentage of the overall cost of any planned improvements. As the Council is aware, it usually takes several years to plan, design and fund a parks or transportation capital project. The amount of time that the 'reduced' impact fee will be collected will at most be one year out of a several year timeframe.

Finally, the City Council can re-evaluate the City's ability to provide this program should there be a dramatic increase in the number of residential building permits issued in 2013.

## CONCLUSION

The City of Oak Harbor was asked to consider adopting a code that deferred the collection of impact fees from the time of building permit issuance until the time of closing or occupancy. This request was made by the Skagit Island Builders Association (SICBA), on the theory that this delay would provide assistance (a form of incentive) to home builders. After completing a draft code, staff invited SICBA to comment on it. SICBA expressed concerns the administrative costs of the program would cancel out any savings to the builder from deferring the impact fees.

After considering their comments and new information, staff has drafted an ordinance that if adopted by the Council will temporarily reduce by 50% the dollar amount of impact fees paid by residential builders. The temporary reduction method has the advantage of being a direct benefit to the builder and the home buyer and, unlike the previously proposed deferral concept, is relatively simple to implement. Assuming a level of permit activity similar to that of last year, staff believes that a temporary reduction in the amount of impact fees collected should not significantly affect the City's capital improvement program for parks and transportation.

## STANDING COMMITTEE REPORT

The impact fee deferral concept was discussed with the Governmental Services Standing Committee at their November and December 2012 and January 2013 meetings. It was also presented to the Finance and Public Works Standing Committees at their December 2012 meetings.

The impact fee temporary reduction draft code was discussed with the Finance Standing Committee at their February 6, 2013 meeting. The Governmental Services Standing Committee is not meeting in February due to the AWC Cities Legislative Action Conference.

## RECOMMENDED ACTION

- Conduct public hearing
- Adopt Ordinance No.1643

## ATTACHMENTS

1. 'Temporary reduction in impact fees' memo dated January 17, 2013
2. Draft ordinance

P:\CC\13\2-19-13\Impact fee code\agenda bill final (2).docx

**City of Oak Harbor**
**Development Services**
**Department**

# Memo

**To:** Mayor Dudley, Larry Cort and Doug Merriman

**From:** Steve Powers, Director SP

**CC:**

**Date:** 1/17/13

**Re:** Temporary reduction in impact fees

---

We have briefly discussed the possibility of temporarily reducing by 50% the dollar amount of impact fees paid for residential development as an alternative to implementing a payment deferral program. This brief memo attempts to provide some information that may be of use as we continue to discuss this concept.

- The deferral concept delays when payment of the fee is required, but the full fee[1] must eventually be paid by the builder and by extension the homeowner. The savings to the builder in this program comes from not paying interest on the fee amounts. However, given current interest rates it is likely that any savings in interest paid will be cancelled out by the costs of recording and then releasing the lien.

- Reducing the dollar amount of the impact fee that is paid results in an immediate and real savings to the builder and (presumably) to the homeowner.

- Implementation of the deferral concept will result in the City developing a separate process for issuing and tracking those building permits where the fees are deferred. There will be a staff cost associated with this new process; this cost will be ongoing for the life of the program. The deferral process also directly involves other entities (Island County, title companies, and lending institutions) which complicate its implementation.

- Beyond a brief amount of time to revise the fees in the computer permit system, it is not anticipated there will be any significant staff cost associated with implementing the temporary reduction concept. Permits would be issued in the normal fashion.

- The current draft code proposes a method to defer the collection of impact fees for parks, transportation and fire, and utility system development charge (SDC) for water and sewer, for both residential and non-residential projects. As was noted above, under this approach the total amount of fees due would still be paid.

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[1] The full fee for a typical single-family home equals $2,580.

- The present proposal does not have the support of SICBA. They object to portions of the code that our legal counsel believes are important to safeguarding the City's interest. Other communities have also found these provisions to be important.

- At least one other nearby community, Mt. Vernon, has implemented the fee reduction concept for a one year period of time. City staff was informed that they chose this approach after no one took advantage of the deferral process they had previously put into place.

- A program that temporarily reduces the dollar amount of the fees paid should be limited to just residential projects and only to impact fees (and not SDC) for the following reasons:

    - Given the current state of the new residential development market, it is unlikely that an extremely large number of permits will be issued. This means that the amount of fee not collected by the City over a one year period should not significantly affect our ability to plan for and implement new park and transportation projects.

    - Conversely, some non-residential projects generate significant amounts of traffic and must pay a significant fee. Collecting only half the fee for a single large commercial project could result in the 'loss' equivalent to the amount collected for all of 2012's residential permits.[2]

    - Not collecting the full amount of transportation impact fees could affect our ability to follow through on street projects. (Note: non-residential projects do not pay park impact fees so they are not at issue.)

    - Water and sewer projects identified in the CFP are funded by a combination of SDC and rates. Reducing the amount of SDC collected could adversely impact these projects. The OHMC already provides a method by which the developer may receive a credit against the SDC in exchange for the oversizing of certain infrastructure.

- The tables below show the impact fees collected for a single-family and a multifamily unit and the total number of new residential permits issued for the last five years:

| **Impact Fees per Unit** | | |
|---|---|---|
| **Impact fee type** | **Single-family residential** | **Multifamily residential** |
| Transportation | $907 | $907 |
| Community park | $1,243 | $990 |
| Neighborhood park | $430 | $354 |
| **Typical impact fee** | **$2,580** | **$2,251** |

[2] A project that generates 124 new peak hour trips would be required to pay $73,036. The total amount of residential transportation impact fee collected in 2012 was $36,280.

| New Residential Construction Totals | | |
|---|---|---|
| **Year** | **Single-family residential** | **Multifamily residential** |
| 2008 | 85 | 9 |
| 2009 | 50 | 0 |
| 2010 | 57 | 0 |
| 2011 | 27 | 0 |
| 2012 | 40 | 0 |

- The period of 2002-2006 saw the most robust years in terms of single-family permits in recent history. During that time, the City issued an average of 148 permits per year. The average for the 1990's was 71 permits per year. Both of these numbers are significantly above last year's total of 40 units.
- For 2012, the City collected $103,200 in park and transportation impact fees for single-family residential units (40 units x $2,580). (The park fees equaled $66,920 and the transportation fees equaled $36,280.)
- Using the above as the basis for an example: If the fee reduction program is put into place and if the City issues the same number of permits over the next twelve months, the City would collect $51,600 in park and transportation impact fees ($33,460 for parks and $18,140 for transportation), instead of the $103,200 noted above.
- If the housing market suddenly explodes the City could re-evaluate our ability to provide this program.
- The current OHMC provides an incentive for qualified affordable housing projects in the form of a fee waiver. A temporary reduction in the dollar amount of impact fees for other residential projects helps provide an incentive for other segments of the housing market.

# ORDINANCE NO. 1643

AN ORDINANCE OF THE CITY OF OAK HARBOR AMENDING SECTIONS 3.63.020, 3.63.030 AND 3.63.065 OF THE OAK HARBOR MUNICIPAL CODE RELATING TO THE PAYMENT OF IMPACT FEES AND TEMPORARILY REDUCING THE AMOUNTS OF THOSE FEES AS AN INCENTIVE TO DEVELOPMENT

WHEREAS, the City of Oak Harbor is required to plan under the Growth Management Act; and

WHEREAS, cities that are required to plan under the Growth Management Act are authorized under RCW 82.02.050 to impose, by ordinance, impact fees on development activity as part of the financing for public facilities; and

WHEREAS, also under RCW 82.02.050 cities may establish regulations by which those impact fees are collected; and

WHEREAS, Chapter 3.63 of the Oak Harbor Municipal Code presently requires the payment of impact fees either at the time of subdivision or at the time of building permit issuance; and

WHEREAS, the collection of impact fees at this stage in a project represents a significant upfront expense, which a developer must pay before the project is generating any revenues; and

WHEREAS, in recognition of the fact that local, regional and national economic recessionary conditions have particularly impacted the homebuilding industry; and

WHEREAS, the recovery of that portion of the economy is often viewed as a necessary precursor to recovery in other areas as well; and

WHEREAS, the City Council of the City of Oak Harbor believes it important to provide incentives for developers and builders of residential projects; and

WHEREAS, the City Council has determined that a temporary reduction by fifty percent (50%) in the amount of impact fees collected for residential development is a practical and easily implemented incentive.

THE CITY COUNCIL OF THE CITY OF OAK HARBOR do ordain as follows:

**Section One**. Oak Harbor Municipal Code Sections 3.63.020 and 3.63.030 last amended by Section 2 of Ordinance 1473 in 2006 are hereby amended to read as follows:

**3.63.020 Payment and amount of park impact fees by subdivider.**

(1) All persons proposing any subdivision of property zoned for residential use ~~shall~~ may pay the impact fee set out hereinafter in accordance with the provisions of this chapter at the time that the plat of the subdivision receives preliminary approval. Payment for short plats ~~shall~~ may be at the time the subdivision receives administrator's approval; provided, however, that the impact fees herein assessed may be paid at or before the time of final approval of a long subdivision if such fees are bonded as an additional cost. Impact fees not paid at the time of subdivision or short plat approval shall be paid at the time of building permit issuance.

(2) The neighborhood park impact fee imposed in this section shall be ~~$430.0~~ $215.000 for a single-family residence lot and ~~$354.00~~ $177.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(3) The community park impact fee imposed in this section shall be ~~$1,243~~ $621.50 for a single-family residence lot and ~~$990.00~~ $495.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(4) The combined park impact fee imposed in this section shall be ~~$1,673~~ $836.50 for a single-family residence lot and ~~$1,344~~ $672.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

**3.63.030 Payment and amount of park impact fees~~by builder~~.**

(1) Prior to the issuance of any building permit for any single-family residence, multiple-family residence, or for installation of any modular or mobile home, the park impact fees imposed herein shall be paid, less any credit for impact fees paid under this chapter at time of subdividing property.

(2) The neighborhood park impact fee imposed in this section shall be ~~$430.00~~ $215.00 for a single-family residence lot and ~~$354.00~~$177.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(3) The community park impact fee imposed in this section shall be ~~$1,243~~ $621.50 for a single-family residence lot and ~~$990.00~~$495.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(4) The combined park impact fee imposed in this section shall be ~~$1,673~~ $836.50 for a single-family residence lot and ~~$1,344~~ $672.00for a multiple-family, mobile home or modular home lot as computed in the appendix.

(5) Where a building consisting of one or more dwelling units is replaced by another building of one or more dwelling units, there shall be a credit against the payment of the fees imposed herein of the amount that would have been paid for the destroyed or removed building had it been assessed hereunder, or, if it was assessed hereunder, of the amount actually paid.

**Section Two**. Oak Harbor Municipal Code Section 3.63.065 last amended by Section 6 of Ordinance 1103 in 1997 is hereby amended to read as follows:

**3.63.065 Payment and amount of transportation impact fees for development activities.**

~~(1) Any person proposing any development activity shall determine peak hour trip generation according to guidelines established by the city engineer.~~

(~~2~~1) The owners of property in which development activity takes place shall pay a transportation impact fee set out hereinafter in accordance with this chapter. Such transportation impact fee shall be deposited with the city prior to written approval from the city which authorizes commencement of such development activity.

(~~3~~2) "Development activity at the time the building permit is issued according to RCW 82.020.090(1)" means any construction or expansion of a building structure or use, any change in use of a building or structure, or any changes in the use of land, that create additional demand and need for transportation facilities. Transportation impact fees shall be collected at the time the building permit is issued.

(~~4~~3) The transportation impact fee imposed in this section shall be $589.00 per peak hour trip generated for nonresidential activities and ~~$907.00~~ $453.50 per residential unit developed. Peak hour trip generation shall be determined as per OHMC Chapter 11.32.

**Section Six**. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

**Section Seven**. Effective Date. This Ordinance shall be in full force and effect on March 1, 2013. The portions of the ordinance that reduce the amount of impact fees collected shall remain in effect for one year and shall expire on February 28, 2014.

PASSED by the City Council this ___ day of _____ 2013.

CITY OF OAK HARBOR

Approved ( )
Vetoed ( )

_____
Scott Dudley, Mayor

_____
Date

ATTEST:

_____
City Clerk

Approved as to Form:

_____
City Attorney

Introduction:_____

Passed:_____

Published:_____

ORDINANCE NO. 1643

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WHEREAS, also under RCW 82.02.050 cities may establish regulations by which those impact fees are collected; and

WHEREAS, Chapter 3.63 of the Oak Harbor Municipal Code presently requires the payment of impact fees either at the time of subdivision or at the time of building permit issuance; and

WHEREAS, the collection of impact fees at this stage in a project represents a significant upfront expense, which a developer must pay before the project is generating any revenues; and

WHEREAS, in recognition of the fact that local, regional and national economic recessionary conditions have particularly impacted the homebuilding industry; and

WHEREAS, the recovery of that portion of the economy is often viewed as a necessary precursor to recovery in other areas as well; and

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(2) The neighborhood park impact fee imposed in this section shall be $215.000 for a single-family residence lot and $177.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(3) The community park impact fee imposed in this section shall be $621.50 for a single-family residence lot and $495.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

(4) The combined park impact fee imposed in this section shall be $836.50 for a single-family residence lot and $672.00 for a multiple-family, mobile home or modular home lot as computed in the appendix.

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(1) The owners of property in which development activity takes place shall pay a transportation impact fee set out hereinafter in accordance with this chapter. Such transportation impact fee shall be deposited with the city prior to written approval from the city which authorizes commencement of such development activity.

(2) "Development activity at the time the building permit is issued according to RCW 82.020.090(1)" means any construction or expansion of a building structure or use, any change in use of a building or structure, or any changes in the use of land, that create additional demand and need for transportation facilities. Transportation impact fees shall be collected at the time the building permit is issued.

(3) The transportation impact fee imposed in this section shall be $589.00 per peak hour trip generated for nonresidential activities and $453.50 per residential unit developed. Peak hour trip generation shall be determined as per OHMC Chapter 11.32.

**Section Six**. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

**Section Seven**. Effective Date. This Ordinance shall be in full force and effect on March 1, 2013. The portions of the ordinance that reduce the amount of impact fees collected shall remain in effect for one year and shall expire on February 28, 2014.

PASSED by the City Council this ___ day of _____ 2013.

CITY OF OAK HARBOR

Approved ( ) _____
Vetoed ( ) Scott Dudley, Mayor

_____
Date

ATTEST:

_____
City Clerk

Approved as to Form:

_____
City Attorney

Introduction:_____

Passed:_____

Published:_____

**City of Oak Harbor**
**City Council Agenda Bill**

Bill No. AB3
Date: February 19, 2013
Subject: Element Nightclub License Revocation Hearing – Request for Continuance

**FROM:** Larry Cort, City Administrator
Edgar Green, Police Chief

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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## PURPOSE

The purpose of the agenda bill is to request that the City Council open and immediately move to continue the public hearing to consider revocation of the Nightclub License for the Element Nightclub. The proposed date and time certain is to a Special Council Meeting on March 25, 2013 beginning at 6:00 pm at the City Council chambers.

## AUTHORITY

General City Council authority is established at Chapter 35A.11 and 35A.12 RCW and Chapter 1.16 OHMC.

## FISCAL IMPACT DESCRIPTION

Funds Required: None
Appropriation Source: NA

## SUMMARY STATEMENT

The public hearing to consider revocation of the Element's Nightclub License was first set by the City Council on January 15, 2013 for a Special Council meeting on January 29, 2013. On January 25, 2013, both the City and the licensees sought in writing to delay the hearing date, with the City proposing February 19, 2013 and the licensees proposing a date no earlier than February 11, 2013.

On January 30, 2013, the City responded to the licensee's January 25, 2013 letter seeking to confirm that the February 19, 2013 hearing date was acceptable. Hearing no response from the licensees, the City Council on February 5, 2013 set a public hearing date of February 19, 2013 to consider revocation of the Element's Nightclub License.

In accordance with the attached letter to Mike Kummerfeldt, General Manager of the Element Nightclub and registered agent for Daddy's Money, Inc., the administration is requesting that the City Council open the public hearing and immediately move to continue the hearing to a date and time certain. The proposed date and time is Monday, March 25, 2013 at 6:00 pm in the Council Chambers. We are also recommending that the Council consider reserving a second date, March 26, 2013, in case the hearing needs to be continued.

## STANDING COMMITTEE REPORT

This item has not been presented at a Standing Committee.

## RECOMMENDED ACTION

1. Open the public hearing.
2. Immediately move to continue the public hearing considering revocation of the Element Nightclub License to a Special Council meeting on Monday, March 25, 2013 beginning at 6:00 pm in the Council Chambers and to reserve Tuesday, March 26, 2013 at 6:00 pm as a date and time to complete this hearing if needed.

## ATTACHMENTS

1. Letter from Oak Harbor Police Chief to Mike Kummerfeldt, 12 February 2013.

## MAYOR'S COMMENTS

**NOTICE OF A PUBLIC HEARING**
**BEFORE THE OAK HARBOR CITY COUNCIL**

**CC 13-03**

Notice is hereby given that a Public Hearing pursuant to OHMC 5.22.070 will be held before the Oak Harbor City Council in the Council Chambers at City Hall, 865 SE Barrington Drive, Oak Harbor, Washington on Tuesday, February 19, 2013 at 6:00 p.m. or as soon as possible thereafter, to consider revocation of the nightclub license for the business known as *The Element* located at 656 Bayshore Drive, Suite 1, Oak Harbor, WA 98277

Information is available at City Hall, 865 SE Barrington Drive, Oak Harbor, Washington; 279-4500.

Nacelle Heuslein
Interim City Clerk

Published: Whidbey News Times
Saturday, February 9, 2013,

To WNT: February 5, 2013

CITY OF Oak Harbor
WHIDBEY ISLAND, WASHINGTON

POLICE DEPARTMENT

Scott Dudley, Mayor
Edgar J. Green, Chief of Police

860 SE Barrington Drive • Oak Harbor WA • (360) 279-4600 • FAX (360) 279-4609

Tim Sterkel
Captain

Martha Folsom
Admin. Assistant

HAND DELIVERED

February 12, 2013

Jerry and La Donna Kummerfeldt, Owners
Daddy's Money, Inc. dba Element Nightclub
17730 W. Interurban Bl.
Snohomish, WA 98296

Mr. and Mrs. Kummerfeldt:

As you are aware, the revocation hearing for The Element's Nightclub license is scheduled for Tuesday, February 19, 2013. This letter is written to advise you that in light of the anticipated number of witnesses and documents which may be presented at the revocation hearing, and to ensure that you have full and fair opportunity to respond and present your defense, City Staff is requesting that the City Council continue the hearing to March 25, 2013. City staff is also requesting that the City Council set aside time on March 26, 2013 in the likely event that the hearing cannot be completed in one session. The City Council will entertain this request to reschedule the revocation hearing and to set aside March 25 and 26 for the new hearing dates, at next Tuesday's hearing. Staff anticipates that the Council will approve a motion to reschedule the hearing.

With regard to your letter dated January 25, 2013, to the extent you may consider it a request under the Public Records Act, the City will supply the information you requested, no later than March 15, 2013.

If you have additional questions, you are welcome to contact me or City Administrator Larry Cort.

Sincerely,

Edgar J. Green, Chief of Police

cc. Jerry and LaDonna Kummerfeldt
Scott Dudley, Mayor
Larry Cort, City Administrator

**City of Oak Harbor**
**City Council Agenda Bill**

Bill No. AB 4
Date: February 19, 2013
Subject: ERCI Professional Services Contract Amendment 4

**FROM: Cathy Rosen, Public Works Director**
**Joe Stowell, City Engineer**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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## PURPOSE

The purpose of this agenda bill is to authorize the Mayor to sign Amendment No. 4 to the professional services agreement with Equinox Research and Consulting International (ERCI) for archaeology services related to the Archaeological Recovery Project, specifically an additional 18 weeks of field work. The proposed amendment would expand the scope of services to include Phase 5 of the project and increase the not to exceed contract amount to $2,151,357.00.

## AUTHORITY

Oak Harbor Municipal Code states:

***2.310.050 Professional service contracts.***
*Contracts for professional services, including contracts for legal and consulting services, are not subject to the bidding requirements of Chapters 2.310 through 2.390 OHMC. The mayor or his/her designee shall promulgate procedures and standards for the approval of such contracts. Contracts for architectural and engineering services shall be awarded in accordance with Chapter 2.350 OHMC and Chapter 39.80 RCW. For purposes of this section, "professional services" are those services involving skill, education and special knowledge and where the work is predominately mental and intellectual, rather than physical and mechanical. The mayor shall establish guidelines and procedures for obtaining professional services. Professional service contracts in excess of $10,000 shall require approval by the city council. Contracts for professional services under $10,000 shall be reviewed by the finance director or the city attorney prior to signing to assure compliance with the Oak Harbor biannual budget, provisions of Chapter 2.390 OHMC and purchasing policies promulgated by the mayor. (Ord. 1629 § 1, 2012; Ord. 1470 § 8, 2006).*

## FISCAL IMPACT DESCRIPTION

Funds Required: $943,770.25
Appropriation Source: Various

## SUMMARY STATEMENT

Immediately following the June 16, 2011 inadvertent discovery of ancestral human remains during the Pioneer Way Reconstruction Project, just over 100 truckloads of construction spoils

removed from Pioneer Way were identified and isolated at a gravel pit location. On June 18, 2011, representatives from the Washington State Office of Archaeology and Historic Preservation (DAHP) visited the gravel pit location and identified ancestral human remains within several piles. The site was subsequently recorded as a 'redeposited site' (No. 45IS300) within the State of Washington Archeological Inventory database.

On March 6, 2012, the City Council approved a Professional Services Agreement between the City of Oak Harbor and Equinox Research and Consulting International (ERCI) covering Phase 1 of the Archaeological Recovery Project. Phase 1 encompassed project orientation, initial research, Tribal and State consultation, document control, and permit preparation and submittal. These tasks were all pre-requisites to acquiring a new Archaeological Excavation Permit to commence field work for the offsite recovery. As approved by the City Council, the Phase 1 Agreement was for a total (not to exceed) contract amount of $30,000.

On April 17, 2012, the City Council approved an amendment to the Professional Services Agreement to include Phase 2 of the Archaeological Recovery Project. Phase 2 covered the mobilization and first eight weeks of field work at the Pit Road site. Phase 2 included the following five components: 1) planning, administration, documentation and reporting; 2) archaeological analysis; 3) field equipment; 4) field labor; and 5) housing and travel. Phase 2 had an estimated budget of $288,758.25. A conservative budget allowed staff to extend Phase 2 from 8 weeks to 12 weeks without exceeding the authorized budget.

The original plan presented to Council included three phases that would have taken us to completion in October 2012. While work is going well, it is taking longer than anticipated to process the material. With that, staff believed it was appropriate to add additional phases. This has allowed Council and staff the ability to closely track the progress and adjust the scope of work as needed. Several conditions initially caused time delays to the project but, overall, the projected cost has not increased beyond what was originally presented.

This proposed amendment to the Professional Services Agreement will extend the contract for another 18 weeks and increase the authorized amount by $943,770.25. The scope of work remains the same and will likely not change through completion of the project.

Staff has reviewed the attached estimate for Phase 5 work from ERCI and concludes that they are reasonable based on the scope of work.

Staff recommends approval of Contract Amendment No. 4 to the Professional Services Agreement with Equinox Research and Consulting International (ERCI) to expand the scope of services to include Phase 5 of the Archaeological Recovery Project and increasing the not to exceed contract amount from $1,207,586.75 to $2,151,357.00.

**PREVIOUS COUNCIL ACTIONS**

*March 6, 2012* – City Council approved a Professional Services Agreement with Equinox Research and Consulting International (ERCI) in the amount of $30,000.

*April 17, 2012* – City Council approved Amendment 1 to the Professional Services Agreement with ERCI in the amount of $288,758.25 for a total of $318,758.25.

*August 8, 2012* – City Council approved Amendment 2 to the Professional Services Agreement with ERCI in the amount of $352,476.25 for a total of $671.234.50.

*October 16, 2012* – City Council approved Amendment 3 to the Professional Services Agreement with ERCI in the amount of $536,352.25 for a total of $1,207,586.75.

**STANDING COMMITTEE REPORT**

ERCI Professional Services Contract Amendment No. 4 was presented to the Public Works Standing Committee on January 3 and February 7, 2013 and the Government Services Standing Committee on January 8, 2013.

**RECOMMENDED ACTION**

Authorize the Mayor to sign Amendment No. 4 to the Professional Services Agreement with Equinox Research and Consulting International (ERCI) to expand the scope of services to include Phase 5 of the Archaeological Recovery Project and increasing the not to exceed contract amount by $943,770.25, from $1,207,586.75 to $2,151,357.00 .

**ATTACHMENTS**

Professional Services Contract Amendment No. 4

| **Professional Services Agreement**<br>**Amendment Number 4** | Organization and Address<br><br>City of Oak Harbor<br>865 SE Barrington Drive<br>Oak Harbor, WA 98239<br><br>Phone: 360-279-4539 | |
|---|---|---|
| Original Agreement Title:<br><br>Pioneer Way Archaeological Recovery Project | | |
| Project Number:<br><br>ENG-12-02 | Execution Date | Completion Date (Prior)<br><br>12/31/2013 |
| Project Title<br><br>Archaeology Recovery | New Maximum Amount Payable<br><br>$2,151,357.00 | |
| Description of Work<br><br>Phase 5 of archaeology recovery efforts at Pit Road and associate off site areas. | | |

The City of Oak Harbor desires to supplement the agreement entered into with ERCI and executed on 3/7/2012 and identified as Professional Services Agreement with ERCI

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

The changes to the agreement are described as follows:

**SCOPE OF WORK** is hereby amended to add the following:
See attached scope of work and fee.

**SCOPE OF WORK** is hereby changed and supplemented with the following:
NO CHANGE.

**PROJECT COMPLETION DATE AMENDED TO:** December 31, 2013
**TIME OF COMPLETION – SCOPE OF SERVICES:** December 31, 2013

**PAYMENT** shall be amended as follows:
Amendment reflects an increase in time necessary to complete the work required under the permit as Phase 4 of the archaeology recovery. The maximum amount payable under the contract is increased by $943,770.25, from $1,207,586.75 to $2,151,357.00, as outlined in the attached spreadsheet.

Payment shall be made in accordance with the terms and conditions described in the original contract.

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

By: _____

_____
Consultant Signature

By: _____

_____
Approving Authority Signature

_____
Date

# City of Oak Harbor
# City Council Agenda Bill

Bill No. AB-5
Date: February 19, 2013
Subject: SITC Reimbursement for Services Agreement Amendment

**FROM: Cathy Rosen, Public Works Director**
**Joe Stowell, City Engineer**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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**PURPOSE**
The purpose of this agenda bill is to authorize the Mayor to sign an amendment to the Swinomish Indian Tribal Community (SITC) Reimbursement for Services Agreement, increasing the contract amount by $360,000, bringing the total not-to-exceed contract amount to $960,000.

**AUTHORITY**
The authority to enter into agreements for professional services is granted to the City of Oak Harbor under RCW 35A.11.020.

**FISCAL IMPACT DESCRIPTION**
Funds Required: $360,000
Appropriation Source: Funds 104, 351, 352, 401, 402, 404

**SUMMARY STATEMENT**
On May 15, 2012, City Council authorized the Mayor to sign a Reimbursement for Services Agreement between the SITC and the City of Oak Harbor in the amount of $600,000. This agreement stipulated the terms for reimbursing the Swinomish Tribe for work performed under Archaeological Excavation Permit 2012-19.

The original agreement assumed work would continue for 32 weeks with approximately 15 tribal members assisting Equinox Research and Consulting International (ERCI) in the recovery effort at the Pit Road site as well as the four outlying properties. As work has progressed, the actual volume of material to be processed has increased over the original estimate, which has in turn caused the timeline to extend.

The proposed amendment will increase the budgeted cost by $360,000, which will account for the additional time it has taken to process the additional material.

The archaeological work to be performed under this Agreement will be paid for out of the same combination of funds that paid for the Pioneer Way Project (i.e., Water, Sewer, Storm, Arterial, REET).

## PREVIOUS COUNCIL ACTIONS

*September 20, 2011* – City Council Authorized the Mayor to sign a Reimbursement Agreement between the Swinomish Tribal Community and the City of Oak Harbor for work related to Archaeological Excavation Permit 2011-33 in the amount of $160,000.

*October 4, 2011* – City Council Authorized the Mayor to sign a contract with the Swinomish Indian Tribal Community for site security on SE Pioneer Way in the amount of $25,000.

*May 15, 2012* – City Council Authorized the Mayor to sign a Reimbursement Agreement between the Swinomish Tribal Community and the City of Oak Harbor for work related to Archaeological Excavation Permit 2012-19 in the amount of $600,000.

## STANDING COMMITTEE REPORT

SITC Reimbursement for Services Agreement Amendment was presented to the Public Works Standing Committee on February 7, 2013.

## RECOMMENDED ACTION

Authorize the Mayor to sign the Amendment to the Reimbursement for Services Agreement between Swinomish Indian Tribal Community and the City of Oak Harbor for services rendered under the terms of Archeological Excavation Permit No. 2012-19, as issued by the State Department of Archaeology and Historic Preservation.

## ATTACHMENTS

Amended Reimbursement for Services Agreement

**AMENDED REIMBURSEMENT FOR SERVICES AGREEMENT BETWEEN SWINOMISH INDIAN TRIBAL COMMUNITY AND CITY OF OAK HARBOR**

This Amended Reimbursement Agreement is made and entered into this _____ day of _____, 2013, by and between the Swinomish Indian Tribal Community ("Tribe" or "SERVICE PROVIDER"), a federally recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of 1934 (25 U.S.C. § 476), acting under the authority of its Constitution and Bylaws, and the City of Oak Harbor ("City"), a Noncharter Code City and political subdivision of the State of Washington with authority to act pursuant to 35A.12 RCW, acting under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW, and other applicable law. This Agreement supercedes the Reimbursement for Services Agreement Between Swinomish Indian Tribal Community and the City of Oak Harbor which was executed by the parties on May 15, 2012.

For and in consideration of the promises, covenants and agreements contained herein, the Parties recognize, affirm, and agree as follows:

## 1. Purpose and Scope of Work.

The sole purpose of this agreement is to obligate the City to reimburse the Tribe for expenditures related to work that the Tribe has or will perform at archaeological site 451S300 in order to facilitate the City's compliance with certain conditions of Archaeological Excavation Permit No. 2012-19 for the Pit Road site and outlier sites and/or any extension of that permit granted to the City by the department of Archaeology and Historical Preservation (DAHP) (hereinafter "the Permit").

The permit requires the City to consult with the Tribe regarding development of a reburial plan for those human remains removed or recovered from site 451S300. The Permit also provides that the Tribe shall transport any recovered grave goods, artifacts, bone, or human remains to the secure City facility at 1400 NE 16th.

This agreement does not create new or supersede existing law; waive, limit or settle any rights or causes of action under existing law; create any new causes of action under existing law; waive any defenses or immunities under existing law; or imply that the Tribe's interests are not protected under or derived from federal, state, local, tribal, and/or common law.

This agreement confers on the City the benefit of securing the services of the Tribe which are necessary for the City to satisfy certain of its obligations under the Permit and certain of its legal obligations regarding proper handling and reburial of grave goods, artifacts, bone, or human

remains, and confers on the Tribe the contractual right to have Tribal spiritual leaders, monitors and handlers monitor and assist archaeological work and excavation, handle human remains, and consult with the City.

## 2. Responsibilities.

As required by the Permit, at the Tribe's direction and under the Tribe's control, Tribal spiritual leaders, Tribal handlers, and Tribal monitors have and will continue to monitor and assist archaeological work and excavation and handle human remains at the above-identified site and consult with the City regarding the above-referenced site. The City agrees to reimburse the Tribe for work that has been or will be performed by Tribal spiritual leaders at the above-identified site at the rate of $25/hour and to reimburse the Tribe for work that has been or will be performed by Tribal handlers and/or monitors at the above-identified site at the rate of $18/hour. The City also agrees to reimburse the Tribe for benefits and indirect costs at the rate of 40% of the total wages earned by Tribal spiritual leaders, handlers, and monitors. See Section 4, below.

Certain expenses are associated with work that has been or will be performed by the Tribe and/or its representatives. The City agrees to reimburse the Tribe for the following expenses related to the Tribe's work at the above-identified site: mileage from the Swinomish Indian Reservation to the above-identified site at the rate of $0.51/mile; bankers boxes, which are needed to temporarily store human remains and archaeological resources, at the rate of $25/case; and cedar boxes, which are needed to rebury human remains and grave goods, at the rate of $225/box. See Section 4, below.

## 3. Term of Agreement.

This contract shall become effective upon being approved by the Oak Harbor City Council and the Swinomish Indian Senate and upon recordation with the Island County Auditor pursuant to RCW 39.34.040. The term of this Agreement shall be from May 1, 2012, until the expiration of the Permit and any extensions of the Permit granted to the City by DAHP, unless extended by written agreement executed by the parties hereto.

## 4. Manner of Financing.

The City agrees to reimburse the Tribe for all of the work performed and expenses incurred by the Tribe and/or its representatives in accordance with the rates established in Section 2 above. Such payment shall be full compensation for services rendered or expenses incurred under this agreement, but shall not be or be deemed to be full compensation for or satisfaction of any other damages sustained by the Tribe that are not the subject of this agreement. The Tribe shall submit all invoices to the City on a monthly basis for all reimbursements authorized by this Section,

supported by detailed statements of hours expended and costs incurred at the rates established in Section 2 above. The City shall pay all properly supported invoices within thirty (30) days of receipt. No payment shall be made under this agreement for any service rendered by the Tribe under this agreement except for services identified and set forth in this agreement.

The estimated costs associated with the work and expenses described in Section 2 above are:

| Work/Expense | Description | Approximate Cost |
|---|---|---|
| Tribal spiritual leaders | 240 days x 8 hours x 1 position x $25/hour | $48,000 |
| Tribal handlers/monitors | 240 days x 8 hours x 15 positions x $18/hour | $518,400 |
| Benefits and indirect costs | 40% of wages | $226,560 |
| Mileage | ((240 days x 2 cars x 55 miles) + (5 days x 1 car x 115 miles)) x $0.55/mile | $14,836.25 |
| Bankers boxes | 80 days x 4 boxes/day x $2.08/box | $665.60 |
| Cedar boxes | 40 boxes x $225/box | $9,000 |
| **TOTAL ESTIMATED COST** | | $817,461.85 |

The parties understand that the above figures represent only estimates of the numbers of hours that will be required to complete the project. In consideration of these estimates, the parties agree that the total amount of compensation pursuant to this contract shall not exceed the amount of $960,000.00 without a written agreement executed by the parties hereto. In the event that actual costs exceed the above- estimated costs and the actual costs are supported by properly supported invoices submitted to the City, the parties agree to modify the agreement to reflect the actual costs incurred. The City agrees to act in good faith when negotiating any proposed amendment to the not-to-exceed amount of this agreement.

**5. <u>Reports and Inspections.</u>**

5.1 The SERVICE PROVIDER at such times and in such forms as the CITY may require, shall furnish to the CITY copies of such statements, records, reports, data, and information as the CITY may request pertaining to work performed under this Contract, provided that any such statement, record, report, data, or information is not confidential, privileged, or otherwise protected from disclosure under applicable law.

5.2 The SERVICE PROVIDER shall at any time during normal business hours and as often as the CITY or State Auditor may deem necessary, make available for

examination all of its records and data with respect to all work performed under this Contract provided that any such record or data is not confidential, privileged, or otherwise protected from disclosure under applicable law, and shall permit the CITY or its designated authorized representative to audit and inspect, at the CITY's own expense, its records and data relating to all work performed under this Contract, provided that any such record or data is not confidential, privileged, or otherwise protected from disclosure under applicable law. The CITY may receive a copy of any audit report made as to the SERVICE PROVIDER'S performance under this Contract, provided that any such audit report is not confidential, privileged, or otherwise protected from disclosure under applicable law.

**6. Independent Contractor Relationship.**

6.1 The parties intend that an independent contractor relationship will be created by this Contract. The CITY is interested primarily in the results to be achieved; subject to paragraphs herein, the implementation of services will lie solely with the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of this Contract.

6.2 In the performance of the services herein contemplated, the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory completion thereof.

**7. Service Provider Employees/agents.**

The CITY may at its sole discretion request that the SERVICE PROVIDER remove an employee(s), agent(s) or servant(s) from employment on the work for the City provided herein. The SERVICE PROVIDER agrees to act in good faith in considering the request.

**8. Hold Harmless/Indemnification.**

8.1 SERVICE PROVIDER shall defend, indemnify and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees caused by the negligence of the SERVICE PROVIDER, its agents, employees, servants or representatives during the course of SERVICE PROVIDER's performance of this Contract. In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the SERVICE PROVIDER and the CITY, its officers, officials, employees, or volunteers, the SERVICE PROVIDER'S liability hereunder shall be only to the extent of the SERVICE PROVIDER'S negligence. This subsection 8.1 does not apply to injuries and damages caused by the sole negligence of the CITY.

8.2 The CITY shall defend, indemnify and hold the SERVICE PROVIDER, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees caused by the negligence of the CITY, its agents, employees, servants or representatives arising out of or in connection with this Contract. In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the CITY and the SERVICE PROVIDER, its officers, officials, employees, or volunteers, the CITY's liability hereunder shall be only to the extent of the CITY's negligence. This subsection 8.2 does not apply to injuries and damages caused by the sole negligence of the SERVICE PROVIDER. It is further specifically and expressly understood that the indemnification provided herein constitutes the CITY's waiver of immunity under Industrial Insurance Act. Title 51 RCW, solely for the purposes of this indemnification. The parties expressly agree that this waiver of workers' compensation immunity has been negotiated.

8.3 This agreement does not create new or supersede existing law; waive, limit or settle any rights or causes of action under existing law; create any new causes of action under existing law; waive any defenses or immunities under existing law; or imply that the SERVICE PROVIDER's interests are not protected under or derived from federal, state, local, Tribal, and/or common law. No liability shall attach to the CITY by reason of entering into this Contract except as expressly provided herein.

8.4 The provisions of this Section 8 shall survive the expiration or termination of this Contract.

## 9. <u>Insurance.</u>

The SERVICE PROVIDER shall procure and maintain for the duration of the Contract, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the SERVICE PROVIDER, its agents, representatives, or employees.

9.1 Minimum Scope of Insurance. SERVICE PROVIDER shall procure and maintain insurance of the types described below:

a. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

b. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide Aggregate Per Project Endorsement ISO form CG 25 03.11.85 or an equivalent endorsement. There shall be no endorsement or modification of the Commercial General Liability Insurance for liability arising from explosion, collapse or underground property damage. The CITY shall be named as an insured under the SERVICE PROVIDER'S Commercial General Liability insurance policy with respect to the work performed for the CITY using ISO additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

c. Workers' Compensation coverage as required by the Workers' Compensation Code of the Swinomish Indian Tribal Community, Swinomish Tribal Code Chapter 14-02.

9.2 Minimum Amounts of Insurance. SERVICE PROVIDER shall maintain the following insurance limits:

a. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of One Million Dollars ($1,000,000) per accident.

b. Commercial General Liability insurance shall be written with limits no less than One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) general aggregate and Two Million Dollars ($2,000,000) products-completed operations aggregate limit.

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

a. The SERVICE PROVIDER'S insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the SERVICE PROVIDER'S insurance and shall not contribute with it.

9.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

9.5 Verification of Coverage. If requested in writing by the CITY, SERVICE PROVIDER shall furnish the CITY with original certificates and a copy of the amendatory endorsements including, but not necessarily limited to, the additional insured endorsement, evidencing the insurance requirements of the SERVICE PROVIDER.

**10. <u>Compliance with Laws.</u>**

The SERVICE PROVIDER, in the performance of this Contract, shall comply with all applicable Tribal, federal, state or local laws and ordinances.

**11. <u>Nondiscrimination.</u>**

The CITY is an equal opportunity employer. Unless otherwise allowed pursuant to Tribal or federal law, including but not limited to Title 14, Chapter 1 of the Swinomish Tribal Code - Tribal Employment Rights:

11.1 Nondiscrimination in Employment. In the performance of this Contract, the SERVICE PROVIDER will not discriminate against any employee or applicant

for employment on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability, or the use of a trained dog guide or service animal by a person with a disability; provided that the prohibition against discrimination in employment because of disability, or the use of a trained dog guide or service animal by a person with a disability, shall not apply if the particular disability prevents the proper performance of the particular worker involved; and provided further that the SERVICE PROVIDER may give preference in its hiring and employment practices to members of the Swinomish Indian Tribal Community or other tribes, who have met all requirements for that position, including state requirements, and as may be provided by tribal laws and policies, including but not limited to Title 14, Chapter 1 of the Swinomish Tribal Code - Tribal Employment Rights. The SERVICE PROVIDER shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The SERVICE PROVIDER shall take such action with respect to this Contract as may be required to ensure full compliance with applicable Tribal, federal, state or local laws prohibiting discrimination in employment.

11.2 Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Contract on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained guide dog or service animal by a person with a disability.

11.3 If any assignment and/or subcontracting has been authorized by the CITY, said assignment or subcontract shall include appropriate safeguards against discrimination. The SERVICE PROVIDER shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

**12. <u>Assignment/subcontracting.</u>**

12.1 The SERVICE PROVIDER shall not assign its performance under this Contract or any portion of this Contract without the written consent of the CITY, and it is further agreed that said consent must be sought in writing by the SERVICE PROVIDER not less than thirty (30) days prior to the date of any proposed assignment. The CITY reserves the right to reject without cause any such assignment.

12.2 Any work or services assigned hereunder shall be subject to each provision of this Contract.

## 13. Maintenance and Inspection of Records.

13.1 The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Contract and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Contract. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Contract, provided that any such record is not confidential, privileged, or otherwise protected from disclosure under applicable law.

13.2 The SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this Contract, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period, provided that any such material is not confidential, privileged, or otherwise protected from disclosure under applicable law.

## 14. Notice.

Notice provided for in this Contract shall be sent by certified mail to the addresses designated for the parties on the last page of this Contract.

## 15. Administration.

The following individuals are designated as representatives of the respective parties. The representatives shall be responsible for administration of this agreement and for coordinating and monitoring performance under this agreement. In the event such representatives are changed, the party making the change shall notify the other party in writing.

15.1 The City's representative shall be: Larry Cort, City Administrator

City of Oak Harbor
865 SE Barrington Drive
Oak Harbor, WA 98277
Tel: (360) 279-4501 Fax: (360) 279-4507
Email: lcort@oakharbor.org

15.2 The Tribe's representative shall be

Charlie O'Hara, Planning Director
Swinomish Indian Tribal Community
11404 Moorage Way
La Conner, WA 98257
Tel: (360) 466-7203 Fax: (360) 466-1615
Email: cohara@swinomish.nsn.us

**16. Treatment of Assets and Property.**

No fixed assets or personal or real property will be jointly or cooperatively acquired, held, used, or disposed of by the parties pursuant to this agreement.

**17. Changes, Modifications, Amendments and Waivers.**

This agreement may be changed, modified, amended or waived only by written agreement executed by the parties hereto. Waiver or breach of any term or condition of this agreement shall not be considered a waiver of any prior or subsequent breach.

**18. Termination.**

This agreement may be terminated by written agreement executed by the parties hereto, or by either party giving at least seven (7) days written notice to the other party. In the event of a failure of appropriation on the part of the City, the City shall promptly provide notice of the failure of appropriation to the Tribe, and the City shall not be deemed in breach of the Agreement. In such an event, the City shall reimburse the Tribe for services performed and costs incurred by the Tribe prior to receipt of notification of the failure of appropriation.

**19. Dispute Resolution.**

If a dispute concerning the making, formation, validity, obligations under or breach of this agreement arises between the Tribe and the City, both parties agree that they will attempt to resolve the dispute through negotiation. In the event that the parties are not able to resolve the dispute through negotiation within thirty (30) days from the date a party requests negotiation in writing, the parties agree to engage in non-binding mediation to attempt to resolve the dispute. Mediation may be requested in writing by either party. The parties shall attempt to jointly select a mediator, but if they are unable to agree, each party may select a mediator, both of which shall jointly appoint a third person to conduct the mediation. The parties agree to share the costs of mediation equally, provided, however, that each party shall bear its own attorney's fees. If the parties are unable to resolve the dispute through mediation within thirty (30) days from the date party requests mediation in writing, each party is free to pursue its interests independent from the other party.

**20. Severability.**

In the event any term or condition of this agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications of this agreement which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this agreement are declared severable.

**21. Entire Agreement.**

This Agreement contains all the terms and conditions agreed upon by the parties regarding the subject matter of this Agreement. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto. Both parties recognize time is of the essence in the performance of this contract. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

**22. No Partnership or Joint Venture.**

No partnership and/or joint venture exists between the parties, and no partnership and/or joint venture is created by and between the parties by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, and/or other representative of the parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other party.

**23. No Third Party Beneficiaries.**

This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, the general public, property owners or residents, or any other organization or entity, or any agent, contractor, subcontractor, consultant, employee, volunteer, or other representative of any party.

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 2013.

**SWINOMISH INDIAN TRIBAL COMMUNITY:**

BY: _____
Name: _____
Title: _____

**CITY OF OAK HARBOR:**

BY: _____
Name: _____
Title: _____

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** AB 6
**Date:** February 19, 2013
**Subject:** Mission Communications Purchase

**FROM:** **Cathy Rosen, Public Works Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

Scott Dudley, Mayor
Larry Cort, City Administrator
Doug Merriman, Finance Director
Grant Weed, Interim City Attorney, as to form

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## PURPOSE

The purpose of this agenda bill is to authorize the purchase of ten (10) Mission-110 alarm monitoring units in the amount of $28,370.70.

## AUTHORITY

2.390.010 Council approval.

Unless otherwise authorized or directed by law, ordinance or council resolution (for example, responding to an emergency), all contracts over $10,000 require council approval. (Ord. 1629 § 1, 2012; Ord. 1470 § 8, 2006).

## FISCAL IMPACT DESCRIPTION

Funds Required: $28,370.70

Appropriation Source: 402.10.594.035.6300

## SUMMARY STATEMENT

Currently, the City of Oak Harbor uses a traditional SCADA system (landline telephone) to monitor operational issues on the 10 sewer lift stations the City owns and operates. These traditional systems are outdated and do not provide users with detailed data necessary to adequately monitor operations and compliance issues. Some of the reasons to move from the traditional SCADA systems to the new systems are:

- Complete systems for less than half the cost, initially and over 10 years.
- Higher end-to-end uptime and reliability.
- Runtimes, flows and rainfall monitoring aid in identifying trouble early and aid engineering studies.
- Interfaces with existing Open Architecture HMI packages.
- More hardware, software, notification and data delivery features.
- Security and encryption standards approved by AWWA.
- Fill-in or backup for existing telephone or radio based SCADA systems.
- Complete system up and running within just a few hours.

The 2013-2014 biennial wastewater budget includes $30,000 to upgrade our existing SCADA system with a

new system that will allow the City of Oak Harbor to increase reliability, efficiency and to remain compliant. In addition, operators will have detailed information, such as runtimes, flows and rainfall information at their disposal, as well as faster notification and data delivery. This new system will be compatible with the new technology that will be implemented when the new treatment plant is built.

Our current purchasing policy recommends that staff try to obtain at least three written quotes when purchasing items that cost between $1,000 and $30,000. Therefore, staff solicited for three quotes. Two were obtained from Correct Equipment who represents two competing products called Link2Site and Mission Communications. The third quote staff tried to obtain was from Icontrol who is represented by ICS. ICS declined to quote due to the fact that we were not located in California and that they could not compete with the added cost of sending their staff to Oak Harbor when necessary. There are other vendors, but they are also out of state, mainly across the country.

Correct Equipment has been supplying, installing, and servicing pumps, process equipment, controls, and instrumentation to the municipal water and wastewater industry since 2000. They have provided staff with a great deal of information and their customer service thus far has been excellent. They have recommended the purchase of Mission Communications in lieu of Link2Site for two main reasons:

1. Link2Site only works with Siemens Lift Station Controller, the LC150. Mission works with any lift station or water system control system.
2. Link2Site will not work with floats. Oak Harbor's control system is floats. We would need to convert to the LC150 and transducers and this would more than quadruple our upfront cost.

Staff asked Correct Equipment to provide us with a list of clients. They provided a list of 13 clients in Washington State and 19 in Oregon. Staff contacted the City of Port Townsend, City of Gig Harbor, City of Arlington, Kitsap County Sewer District and Port Gamble Water and Sewer Utility and found that, not only is their product excellent, but their customer and technical services are exemplary. The City's Operations Manager has seen this product live at many of these cities and believes that this product would definitely enhance our current capabilities and be a tremendous tool for our Wastewater Division.

The initial purchase price includes three years of service, after that time, the cost will be $24.60 per month per site. Currently the City is paying approximately $26.00 per month per site.

It is recommended that the City Council authorize the purchase of ten Mission-110 alarm monitoring units from Correct Equipment in the amount of $28,370.70.

**STANDING COMMITTEE REPORT**

The Public Works Standing Committee reviewed this item at their meeting on February 7, 2013.

**RECOMMENDED ACTION**

A motion to authorize the purchase of ten (10) Mission-110 alarm monitoring units in the amount of $28,370.70.

**ATTACHMENTS**

February 19, 2013 – Mission Communications Purchase

**City of Oak Harbor**
**City Council Agenda Bill**

**Bill No.** AB 7
**Date:** February 19, 2013
**Subject:** Labor Agreement: OHFF Local 4504 IAFF

**FROM:** **Doug Merriman, Finance Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

_____ Scott Dudley, Mayor
_____ Larry Cort, City Administrator
GW Grant Weed, Interim City Attorney, as to form

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**PURPOSE**

The purpose of this agenda bill is to present for approval the draft labor agreement between the City of Oak Harbor and the Oak Harbor Firefighters Local 4504 IAFF. The proposed agreement covers the time period of January 1, 2013 through December 31, 2014. The agreement covers both the firefighter and lieutenant employee classes consisting of eight authorized positions within the fire department.

**AUTHORITY**

| | |
|---|---|
| RCW 35A.11.020 | Powers vested in legislative bodies of non-charter and charter code cities. |
| RCW 41.56 | Public Employee's Collective Bargaining |
| RCW 41.56.100 | Authority and duty of employer to engage in collective bargaining -- Limitations -- mediation, grievance procedures upon failure to agree. |

**FISCAL IMPACT DESCRIPTION**

Funds Required: $ Not Applicable

Appropriation Source: Not Applicable

**SUMMARY STATEMENT**

The negotiations for the 2013-2014 collective bargaining agreement between the City of Oak Harbor and the Oak Harbor Firefighters Local 4504 IAFF have been completed with tentative agreement reached on all areas under discussion. The proposed agreement will cover a two year period beginning January 1, 2013 through December 31, 2014. The following areas represent those topics of discussion that have been incorporated into the new agreement:

1) Article 6 – Salary and Wages. The labor agreement contains a cost of living adjustment of 2% effective July 1, 2013, and again on January 1, 2014. In addition to the cost of living adjustments, a comparable analysis is performed on the firefighter salary scales of seven similarly sized cities. Since the time of the Union's initial contract, the City and the Union have agreed to use the arithmetic average comparable salary as the benchmark in determining the base salary levels for both the firefighter and lieutenant pay scales. The analysis using the 2013 Union contracts from the comparable cities showed that the firefighter classification was 5.245% lower than the 50%

benchmark, and that the lieutenant classification was 7.877% lower than the 50% benchmark. The contracted resets the base salaries to these averages effective January 1, 2013.

**2)** Article 21 – Insurance. The labor agreement contains a new provision at section 21.4 which effectively eliminates the City's opt out program effective July 1, 2013. In addition, The City and Union mutually agree to a re-opener of Article 21.7 to address a potential restructuring of medical benefits during the term of this agreement.

**3)** Article 18 – Holidays. Beginning January 1, 2013, twelve hour shift employees assigned to work on a City recognized holiday that occurs on a Monday (14 hour day) shall not be required to take two hours of vacation from 19:00 to 21:00. Shift shall end at 19:00.

## STANDING COMMITTEE REPORT

No report.

## RECOMMENDED ACTION

1. Authorize Mayor to sign agreement.

## ATTACHMENTS

1. Draft agreement

# LABOR AGREEMENT

**BY AND BETWEEN**

***CITY OF OAK HARBOR***

**AND**

***OAK HARBOR FIREFIGHTERS LOCAL 4504 IAFF***

**Contract Ending December 31, 2014**

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## Table of Contents

## Article 1 - Recognition

1.1 The City hereby recognizes that the Union is the sole and exclusive bargaining representative of all regular full-time uniformed personnel as defined in RCW 41.56. PERC has specified a unit for this bargaining unit, which is defined as:

"All uniformed personnel of the City of Oak Harbor Fire Department as defined in RCW 41.56.030(7), excluding supervisors, confidential employees and all other employees."

1.2 This unit covers all firefighters and lieutenants in the Oak Harbor Fire Department. There are no captains at this time.

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## Article 2 - Union Membership

2.1 All employees of the City covered by this Agreement shall become and remain members in good standing in the Union or pay a service fee as a condition of employment to the Union not exceeding the amount of regular Union dues and initiation fees and not exceeding the maximum agency service fee that may be assessed as a matter of law; provided: objections to joining the Union which are based on bona fide religious tenets or teachings of a church or religious body of which such employee is a member will be observed. Any such employee shall pay an amount of money equivalent to regular Union dues and initiation fees to a non-religious charity or to another charitable organization mutually agreed upon by the employee affected and the bargaining representative to which such employee would otherwise pay the dues and initiation fees. The employee shall furnish written proof to the Union that such payment has been made. If the employee and the bargaining representative do not reach agreement on such matter, the Public Employment Relations Commission shall designate the charitable organization.

2.2 The Union may notify the City to terminate the employment of any employee not in compliance with the provisions of Section 2.1 above. The City shall terminate the employment of any such employee within seven (7) days of receiving notice from the Union and verification that the employee is not in compliance with Section 2.1 above.

2.3 The Union shall indemnify and defend the City and hold it harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any action taken by the City for the purposes of complying with the provisions of this Article.

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## Article 3 - Union Business

3.1 Grievance Committee - One member designated by the Union shall be granted leave from duty with full pay and benefits for all meetings between the City and the Union for the purpose of processing grievances, when such meetings take place at a time during which such members are scheduled to be on duty. The designee shall remain available to respond to emergency calls based upon the City's staffing needs.

Upon notification to the Fire Chief, the Union and its representatives shall be allowed permission to meet at the Oak Harbor Fire Station, during pre-arranged "non-structured" time, with employees covered by this Agreement to investigate possible grievances and ascertain that this agreement is being adhered to. Such permission is conditional on no disruption of Department business activities, normal work duties, and adherence to the safety standards. In the event that a meeting was interrupted due to emergency activities, the meeting shall be continued to a time mutually agreed upon between the Union and the Fire Chief or his/her designee.

3.2 Other Union Business - The City shall provide a bulletin board, located conspicuously at each fire station, for the posting of notices relating to local Union business and local Union activities, which are approved by the Union President or designee.

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## Article 4 - Management Rights

4.1 Any and all rights concerned with the management and operations of the Department are vested exclusively in the City unless otherwise provided for by the terms of this Agreement. The City has the authority to adopt reasonable rules for the operation of the Department and the conduct of its employees, provided such rules are not in conflict with the provisions of this Agreement. The City has the right to (among other actions) discipline or discharge employees for just cause, to lay off employees due to financial reasons or other legitimate business reasons; to transfer and promote employees; to assign work and determine duties of employees consistent with the traditional duties of Firefighters; to schedule hours of work; to determine the number of personnel to be assigned to duty at any one time; to establish reasonable performance and productivity standards; to introduce and use new improved, or automated methods and equipment; to build, move, or modify its facilities; to take action on any matter in the event of an emergency; and to perform all other functions not expressly limited by this Agreement.

4.2 The Employer reserves the right to contract out for goods and services, provided said contracting out does not displace any members of the bargaining unit. In the event of the Employer's business or budgetary necessity results in a reduction or elimination of Fire service operations, the Employer and the Union shall negotiate the effects of such changes.

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## Article 5 - Prevailing Rights

5.1 The Union and Employer agree that the "wages, hours and working conditions" in effect at the time of signature of this Agreement and which are not addressed in this Agreement nor waived in the Management Rights clause herein will remain in effect unless the Employer wishes to change a mandatory subject of bargaining not addressed or waived. If so, the Employer agrees to bargain regarding such changes not addressed or waived pursuant to its obligation under Chapter 41.56 RCW.

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## Article 6 - Salary and Wages

6.1 Pay Period - Wages shall be payable bi- monthly, on the fifteenth (15th) and the last business day of the month, to the employees of the Union.

6.2 Monthly Salaries - Effective January 1, 2013, the base monthly wages shall be:

Firefighter EMT-Defib

| A | B | C | D | E | F |
|---|---|---|---|---|---|
| 4,616 | 4,826 | 5,047 | 5,277 | 5,518 | 5,771 |

There shall be six (6) months of service between steps A and B, thereafter there shall be one (1) year between each step.

Shift Lieutenant

| A | B | C | D | E | F |
|---|---|---|---|---|---|
| 5,332 | 5,575 | 5,830 | 6,096 | 6,375 | 6,666 |

There shall be (6) months of service between steps A and B, thereafter there shall be one (1) year between each step.

Support Services Lieutenants

| A | B | C | D | E | F |
|---|---|---|---|---|---|
| 5,332 | 5,575 | 5,830 | 6,096 | 6,375 | 6,666 |

There shall be six (6) months of service between steps A and B, thereafter there shall be one (1) year between each step.

The employee's hourly rate shall be calculated by dividing the employee's annual salary by the number of hours in the employees assigned annual work schedule. (For example, the employee's hourly rate on a 40-hour work week would be derived by taking the employee's annual salary and dividing that by (40 x 52) hours.) The salaries reflected on the schedule include a component intended to compensate for all incentive type payouts.

6.3 Deferred Compensation - The City shall maintain a City sponsored Deferred Compensation Plan.

6.4 Effective July 1 of 2013, the wage rates contained in this Article shall be increased by 2%. Effective January of 2014, the wage rates in effect at that time shall be increased by 2%.

## Article 7 - Probation

7.1 Probation Period - New employees shall be subject to a twelve (12) month probation period following successful completion of recruit training as determined by the Fire Chief or designee. Said probation period may be extended one (1) time only for up to an additional six (6) months. During this period, such employee shall be evaluated by the Employer and may be terminated at the sole discretion of the Employer.

7.2 Promoted employees shall serve a probationary period of twelve (12) months. If during that time the employee fails to perform the duties of the new position satisfactorily, he will be permitted to return to his previous position without loss of seniority. The Employer shall provide each probationary promoted employee with an objective written evaluation of his job performance and progress every ninety (90) days.

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## Article 8 - Work Out of Classification

8.1 An employee who performs the duties of a Lieutenant, for a minimum of four (4) hours shall receive a 10% premium pay for the shift worked in the acting capacity.

8.2 The following criteria shall be used for assignments to acting in the capacity of Lieutenant:

Short-term vacancies (two (2) months or less) the senior firefighter on shift will be assigned. Department seniority will be used.

Long-term vacancies (more than two (2) months) will be filled by the employee at the top of the current Lieutenant's promotion list. Civil Service Rules shall apply to determine eligibility for such assignments. Where there is no current list for the position, the senior firefighter will be assigned.

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## Article 9 - Payroll Deduction

9.1 Pursuant to RCW 41.56.110, upon the written authorization of an employee within the bargaining unit, the City shall deduct from the pay of such employee the monthly amount of dues as certified by the secretary of the Union and shall transmit the same to the treasurer of the Union.

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## Article 10 - Hours of Duty

10.1 Day Shift - The normal working hours for employees assigned to the eight (8) hour day shift shall be from 0800 to 1700, Monday through Friday, not to exceed (40) hours per work week, and not to include a one (1) hour lunch period. Employees covered under this section of the Agreement may work a flexible work schedule, with mutual agreement of the employee and the Chief.

10.2 Twelve hour shift (0700 to 1900) - The normal hours of work for the employees assigned to the twelve (12) hour shift shall be from 0700 to 1900 for four (4) consecutive days followed by four (4) consecutive days off. Shift work falling on Mondays/drill days shall be fourteen (14) hour workdays.

10.3 Twenty-four (24) hour shift (0700 to 0700) - The normal working hours for employees assigned to the twenty-four (24) hour shift shall be from 0700 to 0700. The work schedule shall be illustrated in the following manner: 24 hours on duty, 24 hours off duty, 24 hours on duty, 24 hours off duty, 24 hours on duty, and 96 hours off duty with this cycle repeated. Refer to Section 10.4 for average work week.

10.4 Kelly Day - DEFINITION: A continuous twenty-four (24) hour period starting at 0700 and ending at 0700 the following day.

In order to reduce the average work week to an annual average total of 2,728 hours, each employee assigned to a twenty-four hour shift shall be granted (8) eight Kelly Days per year, to be scheduled by the Chief. Under the provisions of FSLA 7(k), the normal work week for employees assigned to the twenty-four (24) hour shift is 204 hours in a 27-day work period.

10.5 Notice of Shift Change - All Employees covered by this Agreement shall receive notice, when possible, fourteen (14) calendar days in advance of a change from one shift to another; such notice shall be in writing. This time limit may be waived at the discretion of the Chief in the case of permanent appointments to a promotional position within the bargaining unit and necessary shift adjustments caused by such appointments.

10.6 Change in Work Schedule for Training - For the purposes of training, an employee's work schedule may be changed, with fourteen (14) calendar days advance notice, in order to manage overtime costs and to take advantage of training programs.

10.7 Other Hours of Work - Other hours of work changes may be made by mutual agreement between the employee and the employee's supervisor with the final approval of the Chief or the Chief's designee.

10.8 Right to Assign - The employer retains the right to assign any member of the Union to any one of the above shifts set forth in Sections 10.1, 10.2, and 10.3.

10.9 The scheduling of employee days of work and days off shall be determined by the type of shift.

## Article 11 - Overtime and Call Back

11.1 Overtime shall be defined as any hours or portions of hours worked beyond an employee's normally scheduled work hours.

11.2 Overtime shall be compensated at one and one-half (1 ½) times the employee's hourly rate calculated by dividing the employee's annual salary by the number of hours in the employees assigned annualized work schedule. For example, the employee's hourly rate on a 40-hour work week would be derived by taking the employee's annual salary and dividing that by (40 x 52) hours and multiplying the result by one point five (1.5).

11.3 In the event that overtime is the beginning of, or the extension of an employee's shift, overtime shall be computed to the next thirty minute increment (e.g. 1-30 minutes = ½ hour of overtime, 31-60 minutes = 1 hour of overtime)

11.4 In the event overtime is not the extension of or the beginning of an employee's shift, a minimum of one (1) hour of overtime shall be paid to the employee when the employee is requested to return to duty or involved in activities as defined in section 11.5. After the one (1) hour, overtime shall be paid in increments as defined in section 11.3.

11.5 An employee shall be entitled to overtime pay when off shift and required to attend a meeting or training. For training purposes, an employee shall be entitled to overtime if given less than fourteen (14) calendar days advance notice as specified in Section 10.6.

11.6 Overtime callback for night shift coverage - Minimum staffing for Night D-Shift will be determined by City administration (Mayor /Council) approved positions. POC personnel may request unfilled night shift position/s until noon each day for that night's shift. After that time, Command will fill positions with career personnel. Career personnel of like positions (i.e. Firefighter / Firefighter, Officer / Officer) shall be contacted on a rotating basis.

## Article 12 - Vacation and Leave

12.1 Accruals

Eight (8) Hour Day shift employees:

| Time Period | Regular Vacation | In lieu of holidays | Combined | Monthly Accrual | Maximum Accrual |
|---|---|---|---|---|---|
| 0 - 5 Years | 96 | N/A | 96 | 8 | 192 |
| 6 - 10 years | 120 | N/A | 120 | 10 | 240 |
| 11 - 15 years | 160 | N/A | 160 | 13.33 | 320 |
| 16 - 20 years | 180 | N/A | 180 | 15 | 360 |
| 21 - + years | 200 | N/A | 200 | 16.66 | 400 |

Twelve (12) Hour Shift employees (Includes vacation in lieu of holidays and floating holiday):

| Time Period | Regular Vacation | In lieu of holidays | Combined | Monthly Accrual | Maximum Accrual |
|---|---|---|---|---|---|
| 0 - 5 Years | 103 | 94 | 197 | 16.417 | 206 |
| 6 - 10 years | 130 | 94 | 224 | 18.667 | 260 |
| 11 - 15 years | 173 | 94 | 267 | 22.250 | 346 |
| 16 - 20 years | 195 | 94 | 289 | 24.083 | 390 |
| 21 - + years | 216 | 94 | 310 | 25.833 | 432 |

Twenty-four (24) hour shift employees (Includes vacation in lieu of holidays and floating holiday):

| Time Period | Regular Vacation | In lieu of holidays | Combined | Monthly Accrual | Maximum Accrual |
|---|---|---|---|---|---|
| 0 - 5 Years | 200 | 94 | 294 | 24.500 | 256 |
| 6 - 10 years | 246 | 94 | 340 | 28.333 | 348 |
| 11 - 15 years | 292 | 94 | 386 | 32.167 | 440 |
| 16 - 20 years | 314 | 94 | 408 | 34.000 | 482 |
| 21 - + years | 330 | 94 | 424 | 35.333 | 516 |

12.1.1 Employees shall accrue 1/12th of their authorized vacation and holiday leave credit on the last pay period of each month. The payroll process will debit for the vacation leave used during each month during the last pay period of each month. (This is based on twenty four (24) pay periods per year.)

12.1.2 Vacation benefits shall be accrued from the date of hire and the rate change will be effective on the pay period of the employee's anniversary date, unless the anniversary date falls on the pay period, which shall then become the effective date. An employee shall not be eligible to take paid vacation until he or she has completed 6 months of service.

12.1.3 If employees are not authorized to take vacation leave due to circumstances beyond their control, the Mayor or designee shall authorize the employee an additional 120 calendar days to use accrued vacation leave in excess of maximum accrual limits without loss of benefit.

12.2 Leave Schedule - Employees shall schedule all annual vacation leave no later than January 1 of each year. The time which employees shall take their vacation shall be approved by the Fire Chief or his designee with regard for the needs of the Fire Department.

12.2.1 Annual vacation leave may be changed after all leave is scheduled with agreement by both the employee and the Chief.

12.3 Termination Payment - If permitted by State law, an employee's accrued vacation will be paid in one lump sum upon termination of employment. Payment shall be at the affected employee's current rate.

12.4 Transfer of Work Shifts - If an employee is transferred from one shift to another, the vacation leave bank and accrual rate shall be adjusted to meet the new schedule, either increased or decreased based on the change in the average hourly work week.

## Article 13 - Sick Leave

13.1 Non-duty Sick Leave for LEOFF II - All employees whose retirement benefits are provided by State law under LEOFF II shall receive non-duty sick leave for sickness and injuries that are non-duty related pursuant to applicable State Law. Full-time employees shall accumulate sick leave at the rate listed below in Section 13.1.1.

| 13.1.1 First year bank | Annual | Monthly | Maximum accrual |
|---|---|---|---|
| Day Shift employee | 96 hours | 8 | 1440 |
| 12 hour employee | 104 hours | 8.66 | 1440 |
| 24 hour employee | 144 hours | 12 | 1440 |

13.2 Non-duty Sick Leave may be used for the following reasons.

13.2.1 Personal illness, injury, or incapacity of the employee to perform his/her duties.
13.2.2 Enforced quarantine of the employee by a public health official.
13.2.3 May be used for personal doctor or dental appointments, for an emergency, or as otherwise approved by the Chief.

13.3 Family and Medical leave shall be provided for qualifying conditions in accordance with State law.

13.4 Duty Related Disability for LEOFF II employees qualifying for supplemental disability leave pursuant to RCW 41.04.500 - .550, shall be granted adequate on-duty injury sick leave to provide the full benefits provided by such RCW sections for up to six (6) months for each new and separate duty related disability.

In cases of prolonged illness or injury of six (6) months, the Employee shall be placed on an inactive status and the employee's position shall no longer be held open. A new employee may be hired to replace the disabled employee and the disabled employee shall be moved to the first position on the hire list and shall fill the first vacancy as long as the employee is 1) released as rehabilitated by the Department of Labor and Industries, 2) passes a departmental physical examination and 3) is certified to perform the essential functions of the job by a qualified physician.

13.5 Notification When Unable to Report - An employee must notify the Command Officer as soon as possible prior to the beginning of a shift if they are not able to report for duty due to reasons listed in Section 13.2., 13.3, and 13.4.

13.6 Verification - The employer may require that an employee produce a doctor's verification of the employee's need of absence from work if a pattern or practice of absence is noted, or as required by federal, state, or local laws for family medical leave.

13.7 Transferring Vacation Leave - Employees shall have the ability to transfer vacation leave from their accrued vacation to another employee's sick leave bank by the agreement of the City and both employees. The level of sickness, injury, or other infirmary must be of a life threatening nature, and the donating employee must maintain a minimum of 48 hours of accrued vacation. When a transfer occurs between two different shift types, a conversion shall be made to convert the number of hours to the same basis as the accrual rate of the receiving employee.

13.8 Transfer of Work Shifts - If an employee is transferred from one shift to another, the sick leave bank and accrual rate shall be adjusted to meet the new schedule, either increased or decreased based on the change in the average hourly work week.

13.9 Cash out of sick leave - Regular employees hired before October 20, 1998, who retire or voluntarily separate from the City shall receive payment of any accumulated sick leave in accordance with the following schedule:

After 5 years of service ---- 10% of accumulated sick leave
After 10 years of service ---- 25 % of accumulated sick leave
After 15 years of service ---- 35% of accumulated sick leave
After 20 years of service ---- 45% of accumulated sick leave
After 25 years of service ---- 50% of accumulated sick leave
After 30 years of service ---- 60% of accumulated sick leave

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## Article 14 - Light Duty

14.1 Personnel who are injured or sick and therefore on leave for duty-related or non-duty related reasons, may be assigned to light duty if appropriate work is available and both the Chief and the employee agree in writing to the assignment. Employees assigned to light duty shall work their regular scheduled shifts unless otherwise agreed by both the Fire Chief and the employee.

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## Article 15 - Compensatory Time

15.1 Employees entitled to overtime pay may request compensatory time off instead of cash payment. This request may be approved by the Chief on a case-by-case basis as not to compromise coverage or disrupt normal Oak Harbor Fire Department operations. If compensatory time is exercised, the employee is credited with one and one-half times the hours worked as overtime. The maximum accrual of compensatory time to be held at any time shall be 240 hours. After maximum accrual, overtime compensation shall be paid.

15.2 Employees must use compensatory time within six months of the time it was authorized and earned. Compensatory time not used within six months of the time it was authorized shall be paid to the employee. Each department shall maintain records of overtime and compensatory time and ensure that the departmental budget is accurately reflecting such activity. A review should be conducted periodically as part of the City's budget process.

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## Article 16 - Separations

16.1 Separations - Only employees employed by the City on the effective date of this Agreement shall be compensated under the terms of this Agreement. Separated employees shall receive compensation in effect at the time of the employee's separation.

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## Article 17 - Clothing and Equipment

17.1 Clothing - The department shall provide clothing in the form of uniforms and station wear as specified by Department Policy. Items shall be replaced at no cost to the employee, subject to fair wear and tear.

17.2 Cleaning Allowance - The department shall provide an allotment of $20 per month of active on-duty employment for routine cleaning of uniforms.

17.3 Protective Clothing and Equipment - Protective clothing and equipment shall be provided by the City and maintained by the City at no cost to the employee. All Articles of protective clothing and equipment shall be as specified by the Department.

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## Article 18 - Holidays

18.1 Day Shift Employees - For those employees scheduled to work the eight (8) hour day shift, the holidays as described in Section 18.1.1 shall be recognized and observed:

18.1.1 New Year's Day
Martin Luther King Day
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas

Any holiday falling on Saturday will be celebrated on the preceding Friday. Any holiday falling on Sunday will be celebrated on the following Monday.

18.1.2 In addition to Section 18.1, eight (8) hour shift employees shall receive one (1) floating holiday shift per year. An employee shall not be eligible to the paid floating holiday until he or she has completed 6 months of service.

18.2 In lieu of holidays and the floating holiday, employees assigned to twelve (12) or twenty-four (24) hour shifts shall accrue (94) hours of holiday leave as outlined in article twelve.

Beginning January 1, 2013, twelve hour shift employees assigned to work on a City recognized holiday that occurs on a Monday (14 hour day) shall not be required to take two hours of vacation from 19:00 to 21:00. Shift shall end at 19:00.

## Article 19 - Shift Trade

19.1 Personnel shall have the option to trade shifts or portions of shifts when it does not interfere with the operation of the Fire Department. Shift trades are an agreement between two employees of like rank and are done on a voluntary basis. Shift trades shall result in no additional cost to the City nor interfere with the operation of the Department as determined by the Fire Chief or designee. The City shall have no obligation to keep records of such trades nor to revise hours of work to reflect the substitutions, except as required by the Fair Labor Standards Act.

19.2 Personnel must obtain prior written approval from the duty command officer prior to trading shifts.

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## Article 20 - Bereavement Leave

20.1 Upon notification to the Fire Chief or designee an employee shall be allowed time off from work on scheduled workdays because of death in the employee's immediate family. The employee will be paid for such time up to a maximum of three days for 24-hour shifts, four days for 12-14 hour shift employees, and up to five days for 40-hour week employees. For the purpose of this section, immediate family is defined as: spouse, mother, father, sister, daughter, brother, son, mother-in-law, father-in-law, step-parent, step-child, grandparent, grandchildren, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or any other relative who is an actual member of the employee's household. Depending upon staffing levels, the Fire Chief or designee may approve the use of accumulated vacation and/or holiday leave to supplement the bereavement leave.

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## Article 21 - Insurance

21.1 The City will offer a health plan to employees in the bargaining unit. The City shall pay for the employee's premium.

21.2 The City shall also provide employee dental insurance, long term disability and life insurance, at no cost to the employee. The employee will have the option to purchase additional life insurance at the employee's cost.

21.3 The City shall pay 75% of the dependent medical and dental coverage.

21.4 For the period of January 1, 2013 through June 30, 2013, the City shall also reimburse to bargaining unit members, employed as of January 1, 2001, 40% of employee medical/dental premiums, and spouse/dependent medical/dental premiums that the employee chooses not to use. For any change in benefit selections, or for persons hired after January 1, 2001, the reimbursements rate for the above unused premiums will be at 25%. Beginning July 1, 2013, this reimbursement program, in total, will effectively terminate.

21.5 The City reserves the right to change or provide alternate insurance carriers, health maintenance organizations, or benefit levels or to self-insure as it deems appropriate for any form or portion of insurance coverage referred to in this Article, so long as the new coverage and benefits are substantially similar to the conventional insurance provided herein. The City will not be responsible for changes unilaterally imposed by an insurance provider in benefits, co-payment provisions or deductibles so long as the City uses its efforts to minimize changes in incumbent insurance providers from one plan year to another.

21.6 The City agrees to enroll, effective on the first day of the month following the execution by both parties of this agreement, in the Medical Reimbursement plan (MERP) that is made available by the Washington State Council of Firefighters. Payment of the monthly premiums related to MRP shall be paid by the employee through payroll deduction the sum of $75.00 per month.

21.7 The City and Union mutually agree to a re-opener of Article 21 to address a potential restructuring of medical benefits during the term of this agreement.

## Article 22 - Education Reimbursement/Training/Certification

22.1 Expenses of Special Training and Education - The expenses of special training and education required by the City shall be reimbursed by the City including:

Registration
Transportation
Food and lodging (per thresholds established by City policy)

The employee driving to/from and time spent in attendance at such training and education will be compensated at the appropriate rate of pay (either straight time or overtime).

22.2 Educational Reimbursement - The City may consider payment of up to two approved job related college courses per academic quarter (or semester) taken from accredited college when the following conditions are met:

22.2.1 The need for additional training is required by statute or law.
22.2.2 The required skills are not available in the local labor market.
22.2.3 The incumbent that is seeking training is considered to be the most qualified candidate for the training and will be able to provide training for other employees.
22.2.4 The request for reimbursement must be approved prior to the employee starting a course.

The employee's supervisor shall provide a written request to be routed through the Fire Chief and include a description of the course, how it relates to the employee position and the approximate cost of tuition. If approved, reimbursement is based on successful completion of the course. Letter grade of A or B, 100% reimbursement; letter grade of C, 85% reimbursement. Any grade lower than C will not qualify for tuition reimbursement. Employees that receive this benefit will complete a summary of their training and will design a training session based upon their course work. The employee will be available to train other employees in similar positions.

22.3 Required Certifications - Certifications may be required by the City. Lodging, travel expenses and tuition costs will be paid by the City, if applicable. Hours spent to complete City required certifications or re-certifications will be compensated at the appropriate rate of pay (either straight time or overtime).

22.4 Scheduling - The City retains the right to alter an employee's work schedule with fourteen calendar days' advance notice to manage the financial and operational impacts on the Fire Department (e.g. to avoid the necessity of having to pay overtime for the purposes of this Article).

## Article 23 - Off-Duty Employment

23.1 No employee shall utilize their employment or position with the Oak Harbor Fire Department for personal financial gain.

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## Article 24 - Work Stoppage

24.1 The Union agrees there shall be no strikes, slowdowns, stoppage of work or any interference with the efficient management of the fire department, during the term of this Agreement.

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## Article 25 - Drug and Alcohol Testing

25.1 General Rule: The Employer and Union jointly recognize the need for a drug and alcohol free workplace and the appropriate use of drug and alcohol testing. Employees shall be subject to substance screening when the facts, circumstances, physical evidence, physical symptoms or a pattern of performance or behavior cause management to reasonably conclude that an employee has reported to work or is working impaired.

25.2 The following testing mechanisms shall be used for drug and alcohol testing performed on members of the Union:

25.2.1 Screening Test. Any screening test shall be performed for drug testing using the Immunoassay (IA) method and for alcohol using breathalyzer or blood test.

25.2.2 Positive Results. Any positive results on the initial screening test shall be confirmed through the use of Gas Chromatography/Mass Spectrometry (GC/MS).

25.3 Drug Testing Procedures - The testing procedure shall be used whenever an employee is required to give a urine sample.

25.3.1 Listing of Drugs Taken. Prior to testing, the employee will be requested to list all drugs currently being used by the employee on a form to be supplied by the testing facility.

25.3.2 Sampling. A urine sample will be taken of the employee. The test shall be given in such a manner as to protect the authenticity and reliability of the sample and the privacy of the individual.

25.3.3 Tests. The sample will first be tested using the screening procedure set forth in Section 25.2.1. If the sample tests are positive for any prohibited drug, the confirmatory test specified in Section 25.2.2 will be employed.

25.3.4 Procedure After Positive Results. If the confirmatory test is positive for the presence of an illegal drug, the employee will be notified of the positive result, and will be provided with copies of all documents pertinent to the test sent to or from the employer by the laboratory. The employee will then have the option of having the untested sample submitted to a NIDA Certified lab of the employee's own choosing, to be tested at the employee's cost. If the retest results in a negative, the employer will reimburse the employee for all costs. The employer and employee will be given a copy of the results.

25.3.5 Documentation. Each step in collecting and processing of the urine specimens shall be documented to establish procedural integrity and a chain of evidence.

25.3.6 Right of Access. The employer and any employee who tests positive shall be given access to all written documentation available from the testing laboratory which verifies the accuracy of the equipment used in the testing process, the chain of custody of the specimen and the accuracy rate of the laboratory.

25.4 First Offense - Limitation or Action "First Offense". Any action taken by the employer for a "first offense" shall be rehabilitative in nature (i.e., counseling referral, treatment.), except when the employee is involved in criminal activity.

25.5 Second Offense - Second or more offenses by an employee shall be subject to disciplinary action, up to and including dismissal.

25.6 Informing Employees - All employees shall be fully informed of the Employer's drug and alcohol testing policy. Employees will be provided with information concerning the impact of the use of alcohol and drugs on job performance. In addition, the Employer shall inform the employees on how the tests are conducted, what the test can determine and the consequence of testing positive for drug use. All newly hired employees will be provided with this information on their initial date of hire. No employee shall be tested before this information is provided to him/her. Employees who voluntarily come forward and ask for assistance to deal with the drug or alcohol problem shall not be disciplined by the Employer for doing so. No disciplinary action will be taken against an employee unless he/she refuses the opportunity for rehabilitation, fails to complete a rehabilitation program successfully, or again tests positive for drugs or alcohol after completing an appropriate program.

25.7 Employee Testing - Employees shall not be subjected to random medical testing involving urine or blood analysis or other similar or related tests for the purpose of discovering possible drug or alcohol abuse. If, however, objective evidence exists establishing probable cause to believe an employee's work performance is impaired due to drug or alcohol abuse, the Employer will require the employee to undergo a medical test consistent with the conditions as set forth in the Policy.

25.7.1 In the event an employee is involved in an accident with serious injury requiring off-site medical treatment, the employee may be ordered to submit to drug testing where surrounding circumstances provide an articuable suspicion that the employee is impaired.

25.7.2 "For Cause" (also known as "Reasonable Cause") is defined as work-related performance, behaviors and actions that a reasonable and prudent person would believe constitute a potential hazard, either to oneself or others which could indicate that an employee may be under the influence of an illegal drug, or may be abusing a prescription or over the counter (OTC) drug, or alcohol.

25.8 Sample Collection. May allow for testing by a lab that may not be SAMSHA certified but whose procedures substantially comply.

25.8.1 The collection and testing of the samples shall be performed only by a laboratory and by a physician or health care professional qualified and authorized to administer and determine the meaning of any test results. The laboratory performing the test shall be one that is certified by the National Institute of Drug Abuse (NIDA). The laboratory chosen must be agreed to between the Union and the Employer. The laboratory used shall also be one whose procedures are periodically tested by NIDA where they analyze unknown

samples sent to an independent party. The results of employee tests shall be made available to the Medical Review Physician.

25.8.2 Collection of blood or urine samples shall be conducted in a manner which provides the highest degree of security for the sample and freedom from adulteration. Recognized strict chain of custody procedures must be followed for all samples as set by NIDA. The Union and the Employer agree that security of the biological urine and blood samples is absolutely necessary; therefore, the Employer agrees that if the security of the sample is compromised in any way, any positive test shall be invalid and may not be used for any purpose.

25.8.3 Blood or urine sample will be submitted as per NIDA Standards. Employees have the right for Union or legal counsel representatives, whichever is more readily accessible, to be present during the submission of the sample. Employees shall not be witnessed while submitting a urine specimen. Prior to submitting a urine or blood sample, the employee will be required to sign a consent and release form (as attached to this Policy).

25.8.4 A portion of the original sample will be separated by the lab in all cases for an independent analysis in the event of a positive test result. All samples must be stored in a scientific acceptable preserved manner as established by NIDA. All positive confirmed samples and related paperwork must be retained by the laboratory for at least twelve (12) months or for the duration of any grievance disciplinary action or legal proceedings, whichever is longer. At the conclusion of this period, the paperwork and specimen shall be destroyed. Tests shall be conducted in a manner as to ensure that an employee's legal drug use and diet does not affect the test results.

25.9 Drug Testing - The laboratory shall test for only the substances and within the limits as follows for the initials and confirmation test as provided within NIDA standards. The initial test shall use an immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for drugs or classes of drugs.

**INITIAL TESTING**

| | |
|---|---|
| Marihuana metabolites | 100 ng/ml |
| Cocaine metabolites | 300 ng/ml |
| Opiate metabolites (1) | 300 ng/ml |
| Phencyclidine | 25 ng/ml |
| Amphetamines | 1,000 ng/ml |
| <u>Barbiturates:</u> | |
| Secobarbital | 300 ng/ml |
| Phenobarbital | 1000-3000 ng/ml |
| Butalbital | 1000 ng/ml |
| <u>Benzodiazepines</u>: | |
| Oxazepam | 300 ng/ml |
| Chlordiazepoxide | 3000 ng/ml |

| | |
|---|---|
| Diazepam | 2000 ng/ml |
| Methadone | 300 ng/ml |
| Methaqualone | 300 ng/ml |
| Propoxyphene | 300 ng/ml |
| Ethanol | 0.03 g/dl |

If immunoassay is specific for free morphine, the initial test level is 25 ng/ml. If initial testing results are negative, testing shall be discontinued, all samples destroyed and records of the testing expunged from the employee's file. Only specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the following listed cutoff values:

**CONFIRMATORY TESTING**

| | |
|---|---|
| Marihuana metabolites (1) | 15 ng/ml |
| Cocaine metabolites (2) | 150 ng/ml |
| Opiates | |
| Morphine | 300 ng/ml |
| Codeine | 300 ng/ml |
| Phencyclidine | 25 ng/ml |
| Amphetamines | |
| Amphetamine | 500 ng/ml |
| Methamphetamine | 500 ng/ml |
| Barbiturates | 200 ng/ml |
| Benzodiazepines | 200 ng/ml |
| Methadone | 100 ng/dl |
| Methaqualone | 300 ng/ml |
| Propoxyphene | 100 ng/ml |
| Ethanol | 0.03 g/dl |

(1) *Delta-9-tetrahydrocannabinol-9-carboxylic acid*
(2) *Benzoylecgonine*

If confirmatory testing results are negative, all samples shall be destroyed and record of the testing expunged from the employee's file.

25.10 Alcohol Testing - Alcohol Consumption Disclosure - An employee who has consumed any alcoholic beverage and who is called in on off-duty time will advise his/her supervisor of that consumption.

25.11 Medical Review Physician - The Medical Review Physician shall be chosen and agreed upon between the Union and the Employer and must be a licensed physician with a knowledge of substance abuse disorders. The Medical Review Physician shall be familiar with the characteristics of test (sensitivity, specificity and predictive value), the laboratories running the tests and the medical conditions and work exposures of the employee.

The role of the Medical Review Physician will be to review and interpret the positive test results. He must examine the alternate medical explanations for any positive test

results. This action shall include conducting a medical review with the affected employee, review of the employee's medical history and review of any other relevant biomedical factors. The Medical Review Physician must review all medical records made available by the tested employee when a confirmed positive test could have resulted from legally prescribed medication.

25.12 Laboratory Results - The laboratory will advise only the employee and the Medical Review Physician of the positive results. The results of a positive drug or alcohol test can only be released to the Employer by the Medical Review Physician once he has completed his view and analysis of the laboratory's test. The Employer will be required to keep the results confidential and it shall not be released to the general public.

25.13 Testing Program Costs - The Employer shall pay for all costs involving drug and alcohol testing as well as the expenses involved with the Medical Review Physician. The Employer shall also reimburse each employee for their time and expenses including travel incurred involved in the testing procedure only, if outside normal shift schedule.

25.14 Union Held Harmless - This drug and alcohol testing program was initiated by the Employer. The Union and its members agree to the program. However, the Union shall be held harmless for the violation of any employee rights arising from the administration of the City's drug and alcohol testing program.

25.15 Changes in Testing Procedures - The parties recognize that during the life of this Agreement, there may be improvements in the technology of testing procedures which provide more accurate testing. In that event, the parties will bargain in good faith whether to amend this procedure to include such improvements. If the parties are unable to agree on the amendments they will be submitted to dispute resolution procedures as agreed upon in this contract.

25.16 No employee may refuse to take a drug or alcohol screen test when so ordered by a supervisor. No employee may contaminate, tamper with or alter in any way a urine drug/alcohol screen specimen or provide false information when responding to required questions for a drug or alcohol screen test.

25.17 Consent Forms - Drug and Alcohol Testing Consent Form (which will apply to all testing but alcohol breath test). A different form for breathalyzer testing will be provided by the Employer.

## Article 26 - Military Leave

26.1 The City agrees to pay military leave of up to 21 days per year for military service pursuant to RCW 38.40.060.

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## Article 27 - Seniority Article

27.1 Seniority – An employee's seniority shall be defined as that period from the employee's most recent first day of uniformed full-time compensated work with the Oak Harbor Fire Department.

27.2 Employees with the same date of hire shall be assigned a seniority order, based on the individual's total score from the entire testing process of the Employer (i.e. Civil Service and the Department). The higher the total score, the higher the seniority ranking.

27.3 A seniority list shall be maintained by the Employer and shall be brought up to date prior to January 31st of each year. This list shall be forwarded to the Secretary of the Union. The list shall show date of hire and date promoted, if any.

27.4 Seniority shall prevail in lay-offs for all employees who have completed their initial probationary period, provided the senior employee is capable of performing the duties of the less senior employee. No new employee shall be hired until the laid off employees have been given the opportunity to return to work. Employees who are laid off shall be placed on a recall list for a period of three (3) years. Employees, if recalled, shall be recalled in inverse order of their layoff. Recalled employees returning from layoff in excess of one year will be subject to a physician's examination and must demonstrate within (90) ninety days of their recall that they are able to meet the physical demands associated with the work to be performed. Employees who are eligible for recall shall be given (30) thirty calendar days notice of recall sent by registered mail. The recalled employee must notify the City of their intention to return to work within fourteen (14) calendar days of their receipt of the recall notice. The City shall have fulfilled its obligations by mailing the recall notice by registered mail, return receipt requested, to the mailing address provided by the departing employee. It shall be the obligation and responsibility of the employee who was laid off to keep the City informed of their latest mailing address.

27.5 During the period that any employee is on an authorized leave of absence without pay, seniority shall accrue. If an employee is on layoff status, seniority shall not accrue. Upon returning to work after such leave or layoff, the employee shall be granted the level of seniority previously accrued.

## Article 28 - Jury and Witness Duty

28.1 Jury Duty - Employees shall be granted up to 4 weeks leave with full pay while required to perform jury duty. In order to receive such leave, employees must surrender to the City all compensation except reimbursement for meals and mileage connected with their jury duty. Employees released from jury duty or while waiting to be impaneled shall report to the Chief or his designee for assignment. Any jury duty period beyond 4 weeks shall be without pay.

28.2 Witness Duty - Employees shall be released from duty without loss of pay to appear and testify in court when the matter arose out of the good faith performance of the employee's official duties.

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## Article 29 - Physical Fitness

29.1 The City and the Union recognize the physical and mental health of bargaining unit employees is of vital importance in fulfilling the responsibilities of the job of Firefighter.

29.2 The City and the Union define and establish a Physical Fitness Wellness program for the members of the bargaining unit utilizing the guidelines established in the "Fire Service Joint Labor Management Wellness-Fitness Initiative" which is a partnership between the International Association of Firefighters and the International Association of Fire Chiefs.

The Wellness portion of the program contains an annual medical exam which will include at a minimum:

A) Medical History Questionnaire
B) Physical examination by a medical doctor
   a. Vital signs
   b. Head, eyes, ears, nose, throat
   c. Neck
   d. Cardiovascular
   e. Pulmonary
   f. Gastrointestinal
   g. Genitourinary
   h. Rectal
   i. Lymph Nodes
   j. Neurological
   k. Musculoskeletal
   l. Skin
   m. Respirator screening

All information gathered as a result of the pre-screening and wellness testing process shall remain confidential between the medical or other service provider and the employee. The physician shall be allowed to provide the City with information which relates to the employee's medical fitness for duty according to a mutually agreed upon standard set by the Union and the City. The standard is set at 11 METS (see form in Appendix A). This Physical Fitness Program shall be non-punitive.

The Physical Fitness portion of the program will include an annual fitness evaluation that measures at a minimum:

A) Aerobic Capacity
B) Muscular Strength
   a. Grip Strength
   b. Leg Strength
   c. Arm Strength
C) Muscular Endurance
D) Flexibility

29.3 Employees will be allowed sixty (60) minutes per shift for physical fitness and up to fifteen (15) minutes to shower and change of clothes, provided said physical fitness

conditioning periods shall not interfere with scheduled shift work such as drills, training, inspections or emergency responses. Work-outs will be scheduled by the Lieutenants, subject to the approval of the Chief. Employees not participating in scheduled physical fitness will use that time performing operational duties and projects.

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## Article 30 - Non-Discrimination

30.1 The parties agree to be silent on the issue of non-discrimination, unless otherwise agreed.

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## Article 31 - Grievance Procedure

31.1 It is understood and agreed between the parties to this agreement that this grievance procedure is the only grievance procedure applicable to members of the Union. This is the only procedure agreed to by the Union and Employer to settle their disputes or grievances under this agreement. For the purposes of this Article, days shall be Monday through Friday except for paid holidays.

31.2 A grievance is defined as an alleged misapplication or violation of the City rules and regulations, or the contract clauses of this agreement. An aggrieved person is the individual Employee who is making claim that his/her rights have been violated or believes that he/she has received inequitable treatment because of some condition of his/her employment in the areas indicated above, or the Union on behalf of its membership. Any aggrieved Employee may personally, or with the assistance of his/her Union representative, seek relief through this process.

31.3 In the presentation of grievances at all levels, Employees shall be safe from restraint, interference, discrimination, or reprisal.

31.4 Only individual Employees, or groups of Employees, or the Union representatives shall have the right to file grievances under this Article, provided further that the grievance is filed in compliance with other criteria established under this Article.

31.5 Individual Employees or groups of Employees shall have the right to present grievance in person or with the assistance of the Union representative provided that any settlement reached is not inconsistent with the provisions of this agreement and that the grievance has been properly filed and adjudicated according to the established procedure as set forth in this Article.

31.6 When possible, all grievances shall be heard on City time.

31.7 If a grievance hearing extends beyond the Employee's normal shift, no overtime will be paid for the time beyond the Employee's normal hours of work. Extension of time for hearing a grievance beyond that indicated may be secured, provided that both parties are in agreement. This extension must be in writing and signed by the appropriate representatives of the City and personally by the Employee, or his/her representative.

31.8 If a grievance is pursued to arbitration, the arbitration board or arbitrator shall have no power to add to, subtract from, or modify any of the terms of this agreement, or any supplement thereof, or add to, subtract from, or modify any arbitration submission agreed to by the parties of this agreement.

31.9 Submission to arbitration: Upon receipt of a written request for arbitration, the City and the Union shall attempt to prepare a submission to be signed by the Union and the City setting forth the issues in dispute. If the City and the Union cannot agree upon the submission for arbitration, each party, at least two (2) days in advance of the hearing, shall submit to the other a statement of the issues it considers in dispute. The arbitrator or arbitrators shall determine, at or before the hearing, the issue or issues to be arbitrated. All issues in dispute must be arbitrable under the terms of this agreement. Such questions

of arbitrariness must be ruled on by the arbitrator or arbitrators prior to hearing the issues of the case provided they are found to be arbitrable.

31.10 The grievance procedure provided below shall be exclusive and shall replace any other grievance procedure for adjustment of any disputes arising from the application and interpretation of this agreement.

31.11 Field or full-time Union business representatives who wish to investigate a grievance on City time must secure permission from the Chief prior to his/her investigation.

31.12 Prior to filing of a formal written grievance, an Employee must discuss the problem with his/her immediate supervisor. If the problem cannot be solved at this level, the Employee or his/her representative may submit his/her grievance to the Chief.

31.13 STEP 1 - FIRE CHIEF: If an Employee, or the Union, has not been satisfied during oral presentation of his/her grievance to the Chief, the Employee, or his/her representative, may present it to the Chief in writing. A grievance must be filed within ten (10) days of when the alleged grievance occurred. The grievant should state the reasons for his/her grievance, the time (date) that the grievance occurred, relief sought and the Article and clause of the contract, which has been misapplied. The grievance must be heard within ten (10) working days after it is received by the Chief. It is the responsibility of the Chief to attempt to resolve the grievance. He/She must make formal written answer to the Employee within (10) working days after the grievance hearing is completed. If the Employee feels the matter is not resolved, then the grievance may be filed into the second step.

31.14 STEP 2 - MAYOR OR HEARING OFFICER DESIGNEE: If the Employee wishes to pursue the grievance, the Employee must submit his/her request in writing within ten (10) working days after the receipt of the written answer. The grievance will be submitted to the Mayor, or his/her designee, with a copy to the Chief, after which a hearing will be held within (10) working days of its receipt.

31.15 The Mayor or his/her designee will provide a written answer within ten (10) working days after the hearing has been completed. If the Employee is not satisfied with the answer given by the Mayor, or his/her designee, and if he/she wishes to pursue the grievance, he/she may, within five (5) working days after receipt of the answer at step 2, request mediation of the grievance.

31.16 MEDIATION PROCEDURES: If the employee requests mediation, the Union or the City Administrator shall forward a request to the Public Employees Relations Commission (PERC) to assign a mediator from the PERC staff. Upon designation of the mediator, the parties will make every attempt to schedule a date for mediation within fifteen (15) days.

31.17 Proceedings before the mediator shall be confidential and informal in nature. No transcript or other official record of the mediation conference shall be made.

31.18 The mediator shall attempt to ensure that all necessary facts and considerations are revealed. The mediator shall have the authority to meet jointly and/or separately with the parties and gather such evidence as deemed necessary.

31.19 The mediator shall not have the authority to compel resolution of the grievance. If the mediator is successful in obtaining agreement between the parties, he/she shall reduce the grievance settlement in writing. Said settlement shall not constitute a precedent unless both parties so agree.

31.20 If the parties to the dispute mutually agree that the mediation is not producing a resolution or if the mediator concludes that further proceedings will not be productive, the mediation will be ended.

31.21 If mediation fails to settle the dispute, the mediator may not serve as arbitrator in the same matter nor appear as a witness for either party. None of the statements or offers of compromise made in mediation can be used in any future arbitration as evidence against the City or the Employee.

31.22 STEP 3 - ARBITRATION: If the employee does not choose to pursue mediation, he/she may, within (5) working days after receipt of the answer at step 2, file his/her grievance in writing to a board of arbitration of 2 members, 1 representing the employer and 1 representing the Union. If said board cannot agree within five (5) days, upon mutual consent of both parties, a third member, who must be a disinterested party, shall be selected from a list of arbitrators supplied by the Federal Mediation and Conciliation Service, or the State Public Employees Relation Commission (PERC) and the decision of the board of arbitration shall be binding. It is further agreed by both parties hereto that during such arbitration there shall be no suspension of work. It is further understood and agreed that said arbitration board is not vested with power to change this agreement in any of its parts, but only to interpret the same. All differences submitted by either party to arbitration shall be settled within fifteen (15) days following notice being served on the arbitration board.

31.23 Issues raised by the City or Union which are of general concern regarding application or interpretation of this agreement may be initiated in arbitration after the Mayor, or his/her designated representative, and the chief business agent of the Union, or his/her designee, have had an opportunity to discuss and investigate the issue. Decisions reached in this type of issue are not subject to retroactivity, but subject only to future application, or interpretation, of the specific Article or paragraph of this contract in question.

31.24 Grievances may be processed through either the Grievance Procedure or City of Oak Harbor Civil Service Rules and Regulations. The choice of the administrative process shall preclude the utilization of the other.

## Article 32 - Savings Clause

32.1 If any provision of this agreement or any Addendum hereto is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable statutes, all other provisions of this Agreement shall remain in full force and effect for the duration of this Agreement and the City and Union will meet for renegotiation of such unlawful or unenforceable provisions for the purpose of a reasonable and lawful replacement.

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## Article 33 - Duration

33.1 This Agreement, and all of the terms and conditions herein, shall be the entire collective bargaining Agreement of the parties. It shall become effective and shall remain in full force and effect until December 31, 2014.

Dated this 19th day of February, 2013

| | |
|---|---|
| Mayor<br>City of Oak Harbor | President<br>Oak Harbor Firefighters, Local 4504 IAFF |

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## APPENDIX A

## WELLNESS FITNESS FORM FOR MEETING THE STANDARD OF 11 METS
## WASHINGTON INSTITUTE OF SPORTS MEDICINE & HEALTH

Fire Fighter: _____ Physical Exam Confirmation Date_____

I authorize Washington Institute of Sports Medicine & Health to release this document to the Oak Harbor Fire Administration. Only information as it relates to Maximal Mets Achieved on the treadmill Test will be released to the department. Fitness for Duty, as defined by Oak Harbor Fire Department, is determined by the Fire Fighter achieving 11METs. Information given to the department will note whether Fire Fighter Did Not Meet/ Met/ Exceeded 11 MET Standard. No other medical information or other personal information or findings of the Wellness/Physical Exam is to be shared with the department and remains confidential between Washington Institute of Sports Medicine & Health, and myself.

_____
Firefighter Signature

The physical Exam components include the following:

- Past Medical/Health History
- History of Surgeries / Accidents / Hospitalizations / Allergies / Medications / Vaccination Status / Social history / Family Health History
- General Physical Exam Components: skin / head / eyes / ears / nose / throat / neck / lymph nodes / lings / back / cardiac / pulses / abdomen / GI / GU / rectal / heme / neuro / musculoskeletal / endocrine / genital / extremities

As Part of the overall exam process the flowing components were assessed:

- Fasting Blood Chemistry profile
- Urinalysis
- Resting EKG
- Body Composition
- Functional Movement Screening or Strength Testing
- Flexibility Tests
- Pulmonary Function (including FEV1 & VC)
- Maximal Treadmill Exercise Stress Test with EKG and Hemodynamics (BP)
- Comprehensive Computerized Health Risk Appraisal

The patient will be given a comprehensive review of the findings. Patient will be given a plan of action for lowering specific health risk findings, and improving overall health. If referral for further evaluation and treatment was indicated by the findings, this was accomplished. The physical exam was performed by Thomas DePuydt, MD.

_____ (circle one) Did Not Meet / Met / Exceeded the Oak Harbor Fire Department FITNESS FOR DUTY STANDARD of 11 METS Maximal Functional Capacity on the Maximal Treadmill Test.

Sincerely,

## APPENDIX B

Confidential Reinstatement Agreement
Oak Harbor Firefighters Union

I, _____, request reinstatement to my former position with the City of Oak Harbor. I understand that my reinstatement to employment is conditional, subject to the following terms:

1. I have successfully completed an approved rehabilitation program at a licensed, approved facility and will actively comply with any and all follow-up requirements as stated by the program mandates.

2. I understand that any future violation of the substance abuse policy, or failure to comply with and complete the follow-up terms of the approved treatment program will result in my immediate termination of employment.

3. I understand and recognize the importance of involving, (if applicable) my spouse, family or the significant other person in my life in the process of my recovery program.

4. I understand and agree that, as a condition to reinstatement, I am expected to meet all established requirements of the policies and procedures and that I will continue to be subject to established procedures for failure to comply with these standards.

5. I understand that my past conduct and my recovery program require that I comply with random drug screening requests during the period of this Agreement. My failure to comply with this section may result in my immediate termination.

6. I understand that I will be subject to the terms of this Reinstatement Agreement for a period of twelve (12) months from the date of my reinstatement. Upon completion of this twelve (12) month period, I will receive a formal, written review of my work performance and recovery progress during such period. This evaluation will determine if the terms of this Agreement have been met, require modification or, if special detailed circumstances warrant, should be extended.

ACKNOWLEDGMENT

I understand and agree that my reinstatement and continued employment are conditioned upon my satisfactory compliance with the terms listed above. I have discussed these terms with my supervisor(s) and understand that, should I fail to comply with the terms of those sections specifically cited or in all other sections not so noted, I will be subject to further disciplinary action, up to and including termination of employment with the City of Oak Harbor.

Date:_____ _____

Employee Signature

Copy received and acknowledged: _____

Print Name of Employee

Initials_____

## ADDENDUM C

## DRUG TESTING
## CONSENT / RELEASE

I consent to the collection of a urine sample by _____, and its analysis by _____, for those drugs specified in the Collective Bargaining Agreement.

The laboratory administering the tests will be allowed to release the results to my Employer only after the laboratory's results have been reviewed and interpreted by the Medical Review Physician. The information provided to the Employer shall be only whether the tests were confirmed positive or were negative and not any other results of the test without my written consent.

The laboratory is not authorized to release the results of this test to any other person without my written consent.

I understand that I have the right to my complete tests results and that the laboratory will preserve the sample for at least twelve months. I have the right to have this sample separated at the lab and a portion tested at my expense at a second NIDA Certified laboratory of my choice, in the event the test results are confirmed positive.

I understand that the Employer is requiring me to submit to this testing as a condition of my employment and that alteration of the sample or failure to reasonably cooperate with the collection of a urine sample may result in disciplinary action by the Employer.

I understand that a confirmed positive test may result in a requirement that I undergo rehabilitation.

By signing this consent form, I am not waiving any of my rights under any federal, state or local law, statute, constitution, ordinance, administrative rule or regulation or common law provision. I understand that I have the right to challenge any confirmed positive test result and any Employer action based thereon, by filing a grievance under the Collective Bargaining Agreement.

Date _____ Employee _____

**City of Oak Harbor**
**Proposed Fire Adjustments to Salary - 2013**

| **Firefighter** | Steps A | B | C | D | E | F |
|---|---|---|---|---|---|---|
| 2012 Salary | 4,386 | 4,586 | 4,795 | 5,014 | 5,243 | 5,483 |
| 2012 Rates based on Comparables | 4,616 | 4,826 | 5,047 | 5,277 | 5,518 | 5,771 |
| Percentage Difference in Salary levels | | | | | | 5.245% |
| Low to High Ratio | 80% | | | | | |

| **Shift Lieutenant** | Steps A | B | C | D | E | F |
|---|---|---|---|---|---|---|
| 2009 Salary | 5,079 | 5,282 | 5,493 | 5,713 | 5,941 | 6,179 |
| 2009 Rates based on Comparables | 5,332 | 5,575 | 5,830 | 6,096 | 6,375 | 6,666 |
| Percentage Difference in Salary levels | | | | | | 7.877% |
| Low to High Ratio | 80% | | | | | |

| **Support Services Lieutenant** | Steps A | B | C | D | E | F |
|---|---|---|---|---|---|---|
| 2009 Salary | 5,079 | 5,282 | 5,493 | 5,713 | 5,941 | 6,179 |
| 2009 Rates based on Comparables | 5,332 | 5,575 | 5,830 | 6,096 | 6,375 | 6,666 |
| Percentage Difference in Salary levels | | | | | | 7.877% |
| Low to High Ratio | 80% | | | | | |

| **Less: Lacey/Centralia Comparables** | Firefighters Upper | Lieutenants Upper |
|---|---|---|
| Anacortes | 6,012.90 | 6,762.19 |
| Mount Vernon | 5,747.65 | 6,322.42 |
| Tumwater | 6,387.67 | 7,025.27 |
| Aberdeen | 5,615.00 | 6,993.00 |
| Arlington | 6,176.27 | 6,794.41 |
| Centralia | 4,956.18 | 6,443.34 |
| Port Angeles | 5,786.00 | 6,806.00 |
| Averages | 5,770.58 | 6,665.70 |