An underwater scene with various fish and coral. The background is a deep blue with light rays filtering down. There are several colorful fish: a large blue and white striped fish on the left, a yellow and black striped fish at the bottom left, a blue and yellow fish at the bottom center, a blue fish at the bottom right, and a yellow and orange fish on the right. There are also purple and blue coral-like structures on the left and green plants on the right. The text is centered in a white box.

**City of Oak Harbor**

**City Council Meeting**

**Agenda for**

**August 8, 2012**

**6:00 p.m.**



**Oak Harbor City Council**  
**REGULAR MEETING**  
**6:00 p.m.**  
**Wednesday, August 8, 2012**

*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**

**PLEDGE OF ALLEGIANCE AND INVOCATION**

**ROLL CALL**

**MINUTES** 7/3/12 Regular Meeting, 7/12/12 Workshop

**NON-ACTION COUNCIL ITEMS:**

1. Proclamation – National Assistance Dog Week.
2. Proclamation – Oak Harbor Library Summer Reading Week.
3. Public Comments.

**COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS:**

4. Consent Agenda:

Page oo

- a. Introduction – Ordinance, Credit Card Fees.

Page oo

- b. Introduction – Administrative Approval of Noise Permits.

Page oo

- c. Introduction – Arts Commission Ordinance.

Page oo

- d. Noise Permit – Oak Harbor Jazz and Music Festival.

Page oo

- e. Noise Permit – Pregnancy Care Clinic.

Page oo

- f. Noise Permit – Navy League, Military Appreciation Picnic.

Page oo

- g. Noise Permit – Island Vineyard Community Church.

Page oo

- h. Noise Permit – Teresa Anderson.

Page oo

- i. Noise Permit – Habitat for Humanity.

Page oo

- j. Noise Permit – McClung Memorial Run.

Page oo

- k. Noise Permit – Gizmo's Skateshop Competition.

Page oo

- l. Noise Permit – Madeiros Block Party.

Page oo

- m. Approval of Accounts Payable Vouchers (Pay Bills).

Page oo

5. Discussion Only – Animal Shelter Services.

Page oo

6. Agreement – City Attorney Services with Weed, Graafsta and Benson.

Page oo

7. Equinox (ERCI) Professional Services Agreement for Archaeological Services –Phase 3, Archaeology Recovery.

Page 00

8. Mutual Aid Agreement with Navy.

Page 00

9. Marin Annexation.

Page 00

10. Property Transfer – North Reservoir Site.

Page 00

11. Professional Services Agreement – Hedeem and Caditz, PLLC, North Reservoir Project.

Page 00

12. KPG Engineering Contract – Solid Waste Transfer Station, Phase 1 Engineering Services.

Page 00

13. Council Rules Amendments.

Page 00

14. Revised Navy Jet Fuel Pipeline Easement.

Page 00

15. Clarification of Fiscal Emergency.

Page 00

16. Future City Council Pending Items.

17. Executive Session – Pursuant to RCW 42.30.110(1)(i)): The city council will hold an executive session to discuss pending litigation with legal counsel representing the city because public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the city.

18. City Administrator's Comments.

19. Council Members' Comments.

20. Mayor's Comments.

## **ADJOURN**

*Coming together is a beginning. Keeping together is progress. Working together is success.*  
~Henry Ford

*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.*

**City Council Regular Meeting  
Tuesday, July 3, 2012, 6:00 p.m.  
City Hall – Council Chambers**

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**CALL TO ORDER** Mayor Dudley called the meeting to order at 6:00 p.m.

**INVOCATION** Councilmember Munns gave the Invocation.

**ROLL CALL**

Mayor Scott Dudley

Six Members of the Council,

Rick Almberg

Jim Campbell

Beth Munns

Danny Paggao

Joel Servatius

Councilmember Hizon attended the meeting via telephone

Larry Cort, Interim City Administrator

Grant Weed, Interim City Attorney

Cathy Rosen, Public Works Director

Steve Powers, Development Services Director

Doug Merriman, Finance Director

Lt. John Dyer, Police Department

Eric Johnston, City Engineer

Mike McIntyre, Senior Services Director

Renée Recker, Executive Assistant to the Mayor

Councilmember Severns was absent and formally excused from the meeting.

**The agenda was approved as presented.**

**MINUTES**

6/18/12 Special Meeting – (No quorum for the June 19, 2012 regular meeting date). The minutes were approved as presented.

6/14/12 Workshop – The minutes were approved as presented.

6/5/12 Regular Meeting – The corrections were approved as presented.

**NON-ACTION COUNCIL ITEMS**

**Proclamation** – City of Oak Harbor's Wellness Committee

Councilmember Almberg read the Proclamation which was presented to Wellness Committee members Dina Nichols and Kim Perrine.

**Proclamation** – Christmas in July

Councilmember Munns read the Proclamation which was presented to Help House Executive Director Jean Weiman, Becky King, Cindy Noe and Tim Noe.

**Proclamation** – Riley Borden, National History Day Gold Medalist

Councilmember Campbell read the Proclamation which was presented to Riley Borden.

## **Public Comments**

**Shane Hoffmire, Oak Harbor and Mel Vance, Oak Harbor** addressed the Mayor and Council.

There were no other public comments.

## **COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS:**

### **Consent Agenda**

- A. Noise Permit – Fidalgo Merchant's Association.
- B. Noise Permit – Island Classic Mustang Club.
- C. Noise Permit – Sunrise Rotary – Challenge Series.
- D. Noise Permit – Phi Theta Kappa.
- E. Noise Permit – American Cancer Society – Bark for Life 2012.
- F. Excused Absence Request – Danny Paggao from the 8/8/12 meeting.
- G. Special Assistant City Attorney Agreement – Nikki Esparza.
- H. Approval of Accounts Payable Vouchers (Pay Bills)

**MOTION: Councilmember Campbell moved to approve the Consent Agenda as presented.**

Councilmembers Almberg and Hizon pulled Item G for discussion.

**Councilmember Campbell withdrew his motion.**

**MOTION: Councilmember Munns moved to approve Consent Agenda Items A, B, C, D, E, F and H with Item H paying Accounts Payable check numbers 150462-150592 in the amount of \$761,227.96, Payroll check numbers 95621-95652 in the amount of \$685,374.07 and Payroll check numbers 95653-95680 in the amount of \$91,308.52. The motion was seconded by Councilmember Almberg and carried unanimously.**

Councilmember Almberg requested clarification regarding work load, the term date and the scope of work associated with the agreement. Interim City Attorney Weed and Special Assistant City Attorney Esparza reviewed the work load and typical duties. Mr. Weed noted the application period for a permanent City Attorney will begin in August and prosecution services will be reviewed. It will be determined whether to include the position as a City employee or continue as a contract.

Councilmember Hizon noted an error in Section 3.3 of the agreement in the payment description. This was noted by staff and will be corrected.

**MOTION: Councilmember Munns moved to approve the Professional Services Agreement as corrected for Special Assistant City Attorney Nikki Esparza and authorize the Mayor to sign. The motion was seconded by Mayor Pro Tempore Paggao and carried unanimously.**

**Public Hearing – Discussion of Revenue Projects for the 2013-2014 Biennial Budget**  
Finance Director Merriman gave a powerpoint presentation regarding the 2013-2014 revenue projects, which are the basis for the initial financial structuring of the City's 2013-2014 biennial budget. Mr. Merriman noted the presentation is for informational purposes only and no action is required. The powerpoint information is attached as Exhibit A.

Mr. Merriman discussed the new sewer treatment plant location, the AT&T and Verizon claims, property, sales, utility and miscellaneous taxes, fees associated with licenses and permits, intergovernmental revenues, charges for services, fines and penalties and total general fund revenues. Mr. Merriman discussed sales tax trends, liquor excise tax reinstatement, trends in construction activity, fuel prices and storm drain revenues.

Mayor Dudley opened the public hearing. There were no public comments.

Councilmember Amberg asked when the Mayor's proposed budget would be available. Mr. Merriman advised the Council he would have it to Council in late September or early October.

Council discussion followed regarding the amount of data needed to accurately prepare the preliminary draft budget, upcoming funding needs, the liquor excise tax and restricted and unrestricted revenues.

**MOTION: Councilmember Alberg moved to request the Mayor to produce a preliminary budget by or before the September 4, 2012 meeting. The motion was seconded by Councilmember Servatius.**

Council discussion followed regarding the need to have the budget information as soon as possible, the four bargaining units, possible COLA increases, and the reluctance on the Council's part to rush Mr. Merriman in the timeline.

Mr. Merriman advised he could put together some preliminary figures for the Council, but may have to ask for more time if necessary.

**ACTION: The motion had a tie vote as follows:  
AYE: Councilmembers Alberg, Paggao and Servatius  
NO: Councilmembers Hizon, Campbell and Munns**

**As the motion was tied, Mayor Dudley noted no and the motion failed.**

Mayor Dudley noted Finance Director Merriman is on top of the preliminary budget and it will be brought forward in a timely manner.

**MOTION:** Councilmember Almborg moved to request the Mayor to produce a preliminary budget at the September 18, 2012 meeting. The motion was seconded by Councilmember Servatius.

Council discussion followed regarding state law provisions which establish the budget process, the associated timeline and the need to have the information as soon as possible.

Finance Director Merriman advised he will have the document ready by September 18<sup>th</sup> and would ask for additional time if necessary.

**ACTION:** The motion carried unanimously.

The Council took a brief recess.

**Public Hearing – An ordinance to limit the purchasing authority of the Mayor and City Administrator to \$10,000 and to have all contracts over \$10,000 approved by the City Council**

Finance Director Merriman presented the agenda bill, noting the amended draft ordinance at the dais.

Mayor Dudley opened the public hearing.

**Mel Vance, Oak Harbor and Martha Yount, Oak Harbor addressed the Mayor and Council.**

There being no further comment the hearing was closed.

Councilmember Almborg suggested a change to the wording of Section 2.310.050 to ensure contracts for professional services under \$10,000 would be reviewed by the Finance Director AND the City Attorney prior to signing. This change was noted by staff. Interim City Attorney Weed reviewed the amendments he proposed to the ordinance.

Council discussion followed regarding the current fiscal emergency and special meeting noticing requirements.

**MOTION:** Councilmember Almborg moved to approve the ordinance as amended in the draft that was distributed at the meeting, incorporating the amendments made by Interim City Attorney Weed and the change in wording suggested by Councilmember Almborg. The motion was seconded by Councilmember Munns.

Interim City Attorney Weed read the amendments into the record for Councilmember Hizon's benefit since she was not physically in attendance. He added it was allowable for Councilmember Hizon to vote on the motion as the changes were not substitutive – but clerical in nature.

**ACTION:** The motion carried 5:1 [Councilmember Campbell voted no].

The draft ordinance discussed is attached as Exhibit B.

**Public Hearing - An ordinance to create a Stabilization Fund setting the minimum fund balance of the General Fund at the greater of 25% or \$3,000,000**

Finance Director Merriman presented the agenda bill, noting the proposed Stabilization Fund would add more of a legislative process to the General Fund. He discussed the purpose and operation of the fund.

Mayor Dudley opened the public hearing.

**Martha Yount, Oak Harbor and Mel Vance, Oak Harbor addressed the Mayor and City Council.**

There being no further public comment, the public hearing was closed.

Councilmember AlMBERG discussed the reason for bringing this item forward and his belief the fund is a prudent fiscal policy.

**MOTION:** Councilmember AlMBERG moved to pass the ordinance creating Oak Harbor Municipal Code Chapter 3.09 General Fund Revenue Stabilization Fund. The motion was seconded by Councilmember Munns.

Council discussion followed regarding fund specifics and the fact the fund would be a positive sign to a bond analyst.

**ACTION:** The motion carried unanimously.

**Authorization to Advertise for Bids – Light Rescue Unit**

Fire Chief Merrill presented the agenda bill, noting the Fire Department is requesting authorization to begin the bidding process for a replacement rescue vehicle. He added there is funding available for the purchase in the equipment replacement fund. Chief Merrill gave a powerpoint presentation describing the history of the department's rescue vehicles and described the shortcomings of the current vehicle. A portion of the powerpoint is attached as Exhibit C [some photos removed].

Mayor Dudley opened the meeting to public comment.

There was no comment.

Council discussion followed regarding the timing of the proposal in light of the fact the budget process has not yet begun, the possibility of deferring the purchase, the possible consolidation of the department with North Whidbey Fire and Rescue, the vehicle replacement process and the benefit of purchasing a demo unit as opposed to a new unit.

**MOTION:** Councilmember Campbell moved to authorize staff to proceed with the advertisement to competitively bid on a light rescue vehicle. The motion was seconded by Councilmember Munns and carried unanimously.

### **Future City Council Pending Items**

The Council noted the upcoming items.

### **City Administrator's Comments**

Interim City Administrator Cort discussed the upcoming Fire Department Open House, upcoming City Council meetings and the annual City picnic. He gave a status report on the upcoming positions.

With regard to the City Administrator position, Mayor Dudley added due to action taken regarding the Mayor's reduction in purchasing authority, he will come back to City Council for direction on how to proceed in recruitment efforts. He noted he would like to continue with Interim City Administrator Cort for now.

Interim City Administrator Cort advised the Mayor and Council there is a sink hole on Highway 20 in the right turn lane on Whidbey Avenue. He added it has been covered with a steel plate pending further repairs after the 4<sup>th</sup> of July holiday.

### **Council Members' Comments**

Mayor Pro Tempore Paggao discussed the upcoming Public Works Standing Committee meeting and congratulated the City's Wellness Committee on their recent Well City Award.

Councilmember Campbell had no announcements.

Councilmember Almborg discussed the upcoming Finance Committee meeting, the recent AWC conference, fiscal responsibility and his desire to know what the Mayor's future plans are.

Councilmember Munns discussed the upcoming Public Safety Standing Committee meeting, the recent AWC conference and her re-election to the AWC Board of Directors.

Councilmember Hizon discussed the Youth Commission and the recent AWC conference. She thanked the Council for allowing her participation in the meeting by telephone.

Councilmember Servatius had no announcements.

### **Mayor's Comments**

Mayor Dudley asked Fire Chief Merrill to provide information regarding recent Fire Department accreditation accomplishments, acknowledged the new art in the Council Chambers and encouraged everyone's participation in the upcoming 4<sup>th</sup> of July festivities.

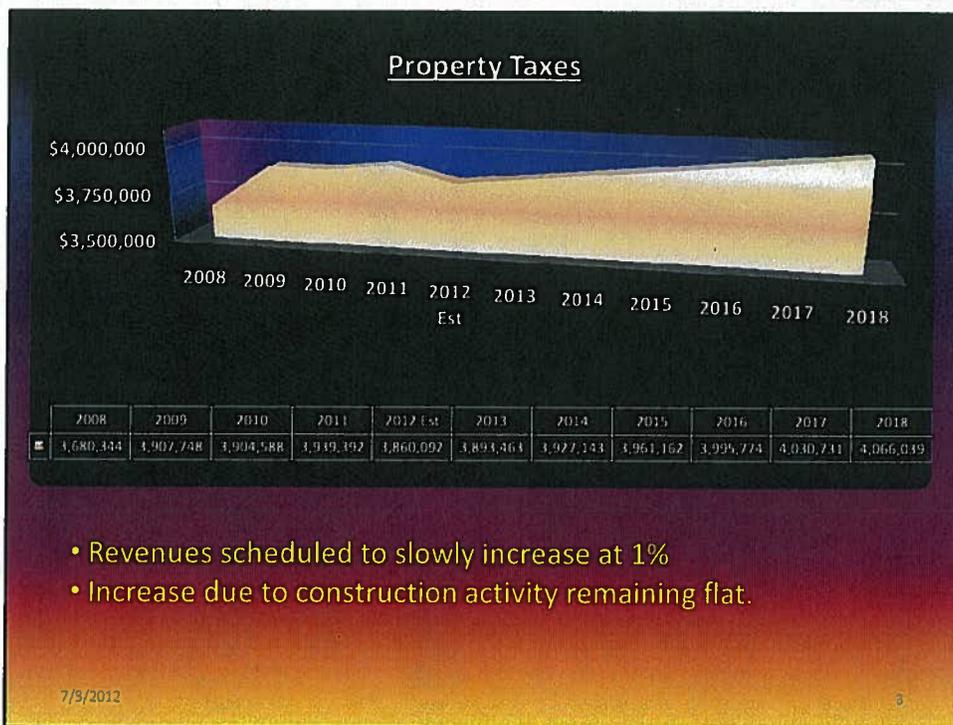
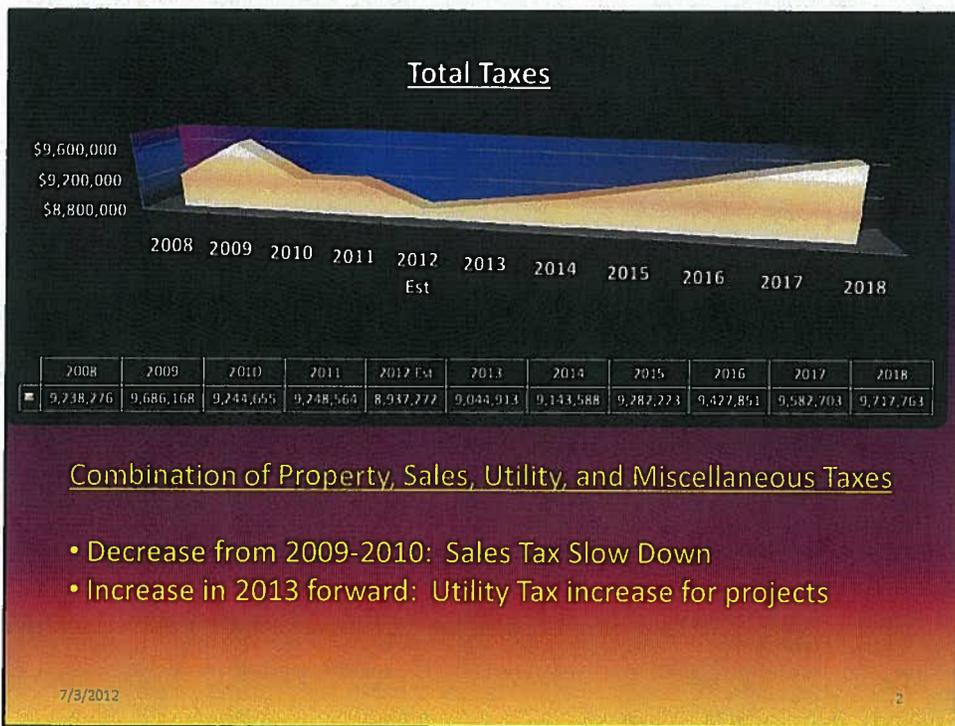
There being no further business to come before the Council, the meeting was adjourned at 8:50 p.m.

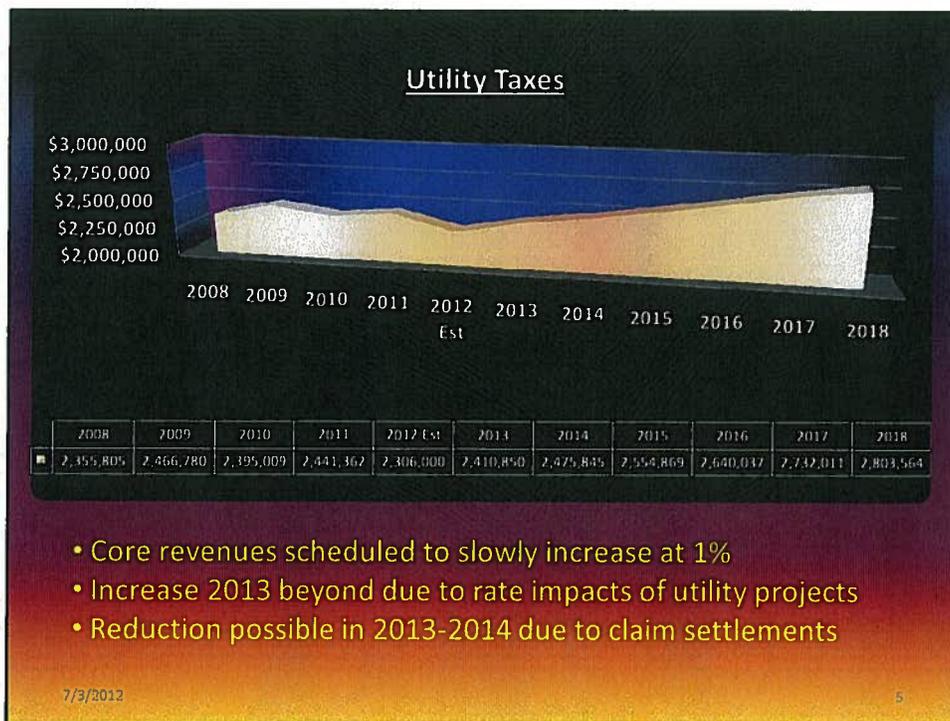
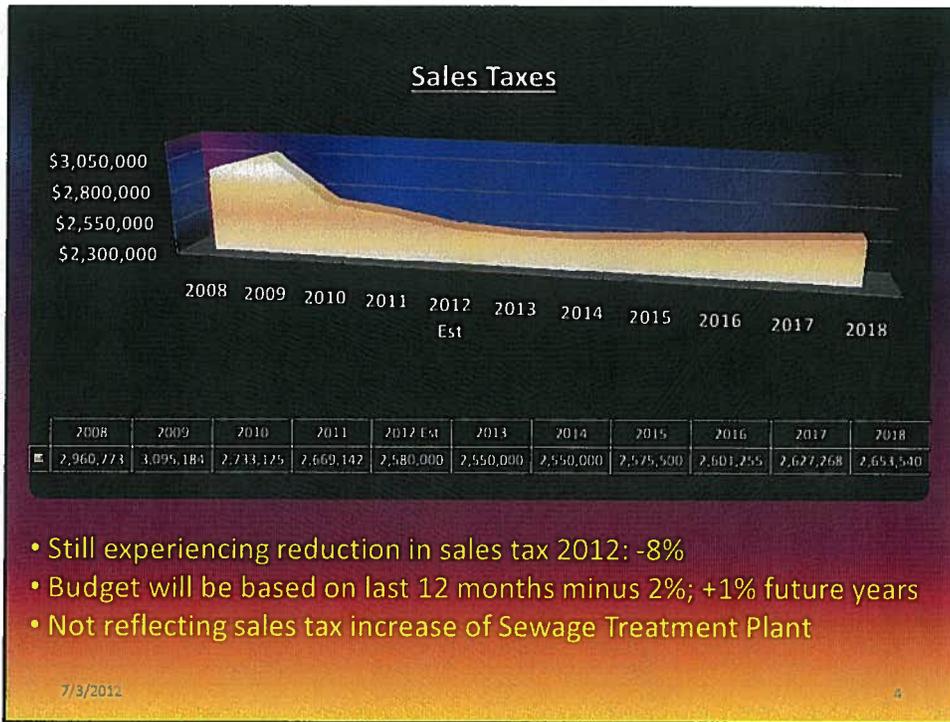
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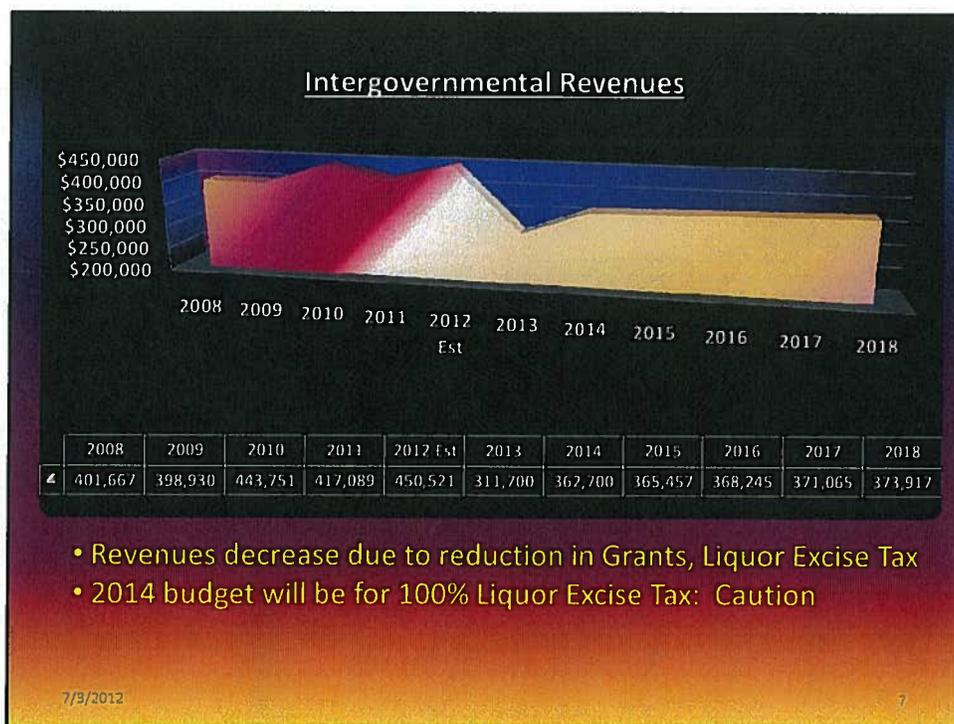
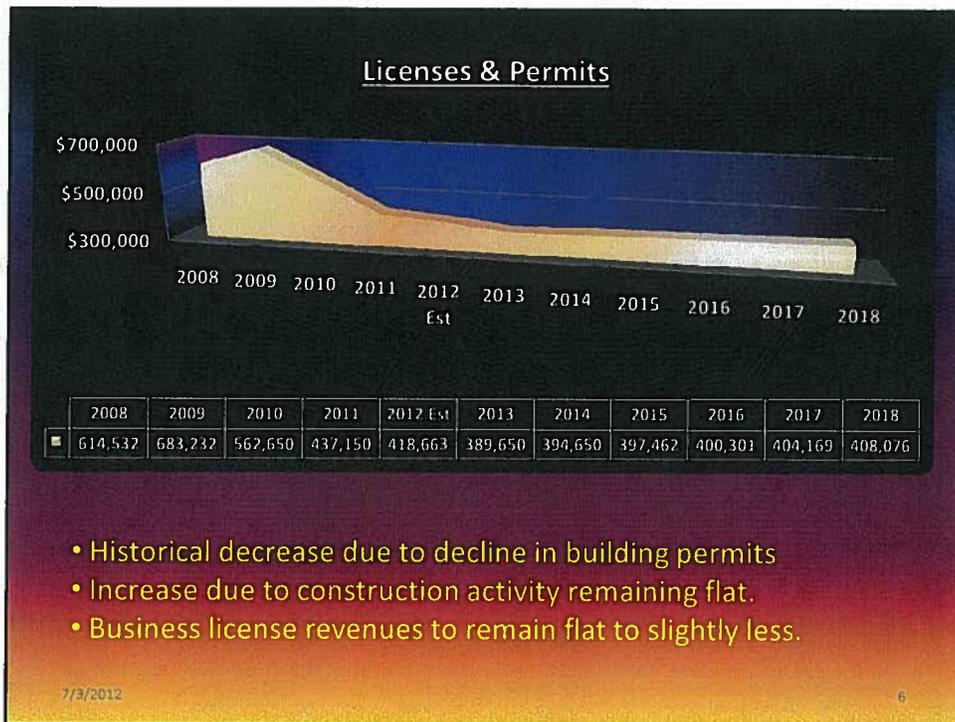
Karen Crouch, Executive Assistant

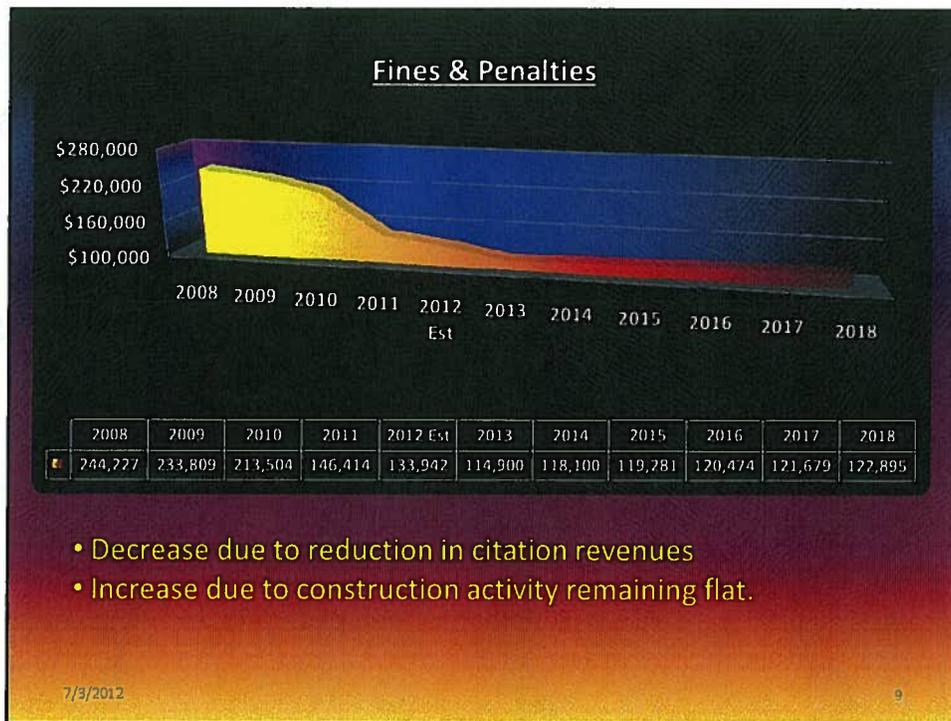
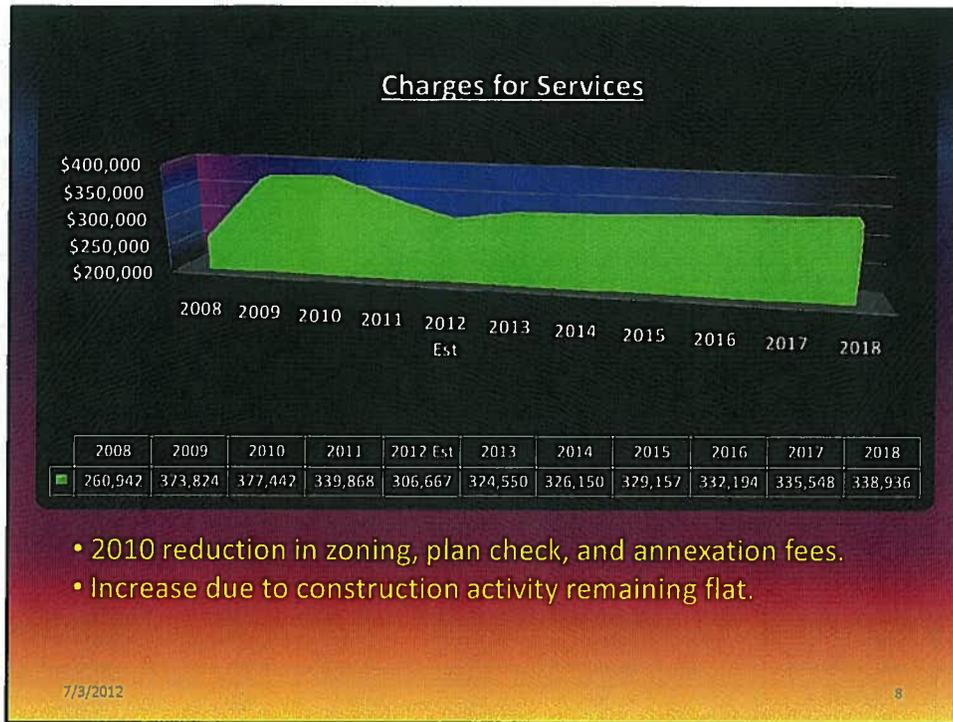
# City of Oak Harbor Revenue Projections For Biennial Period 2013-2014

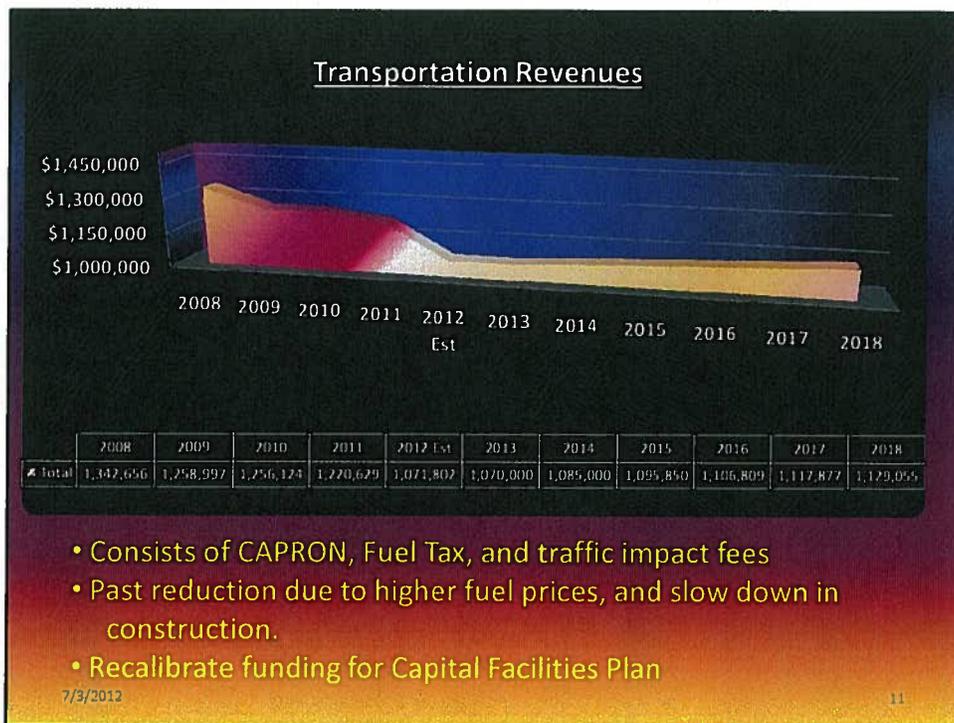
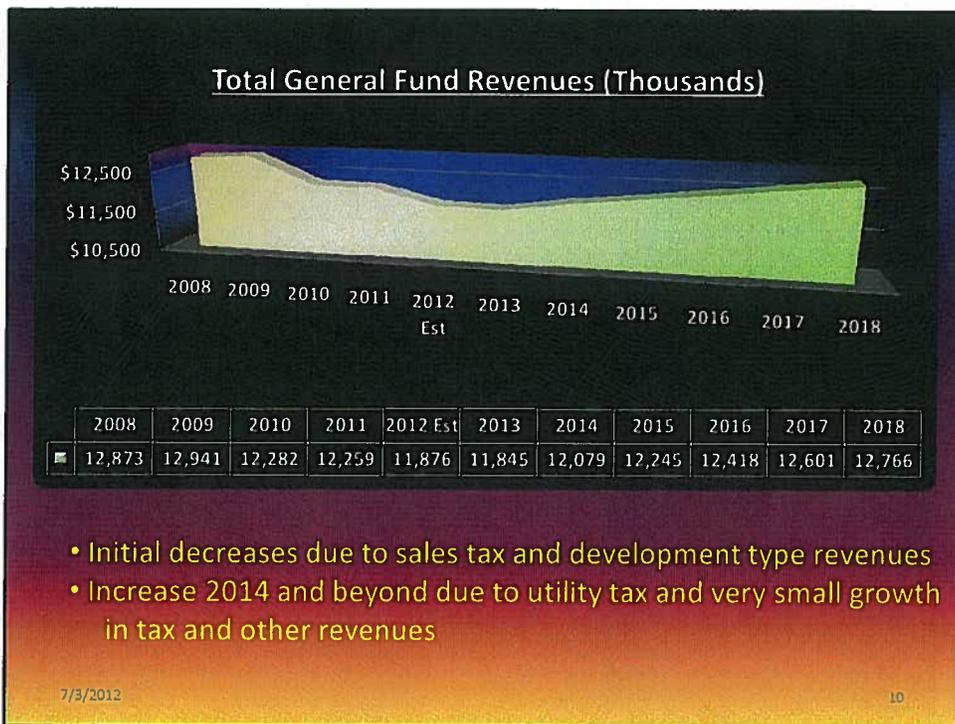


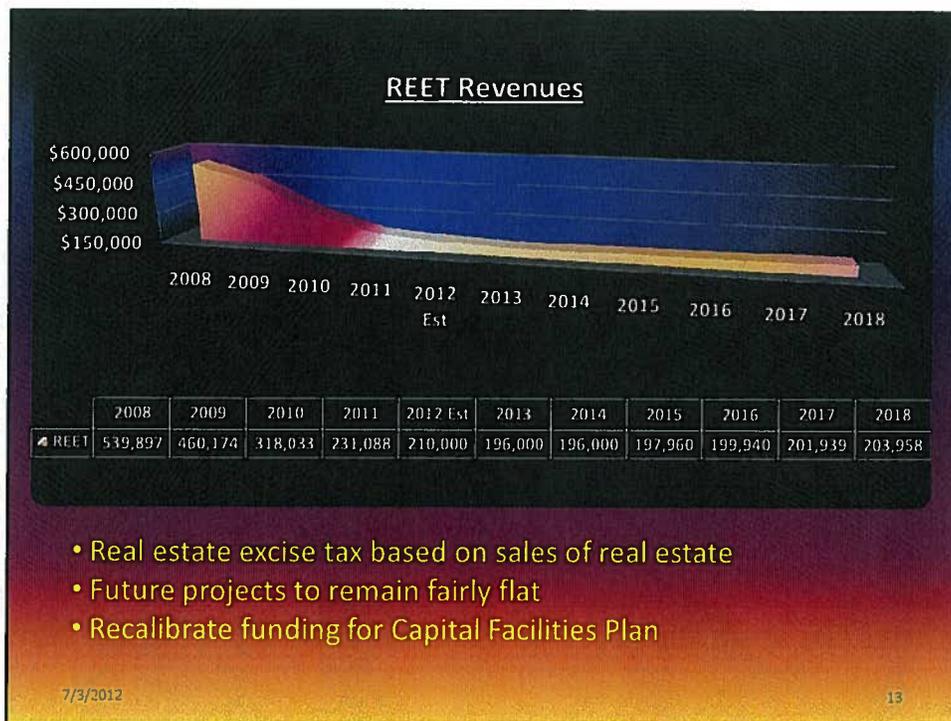
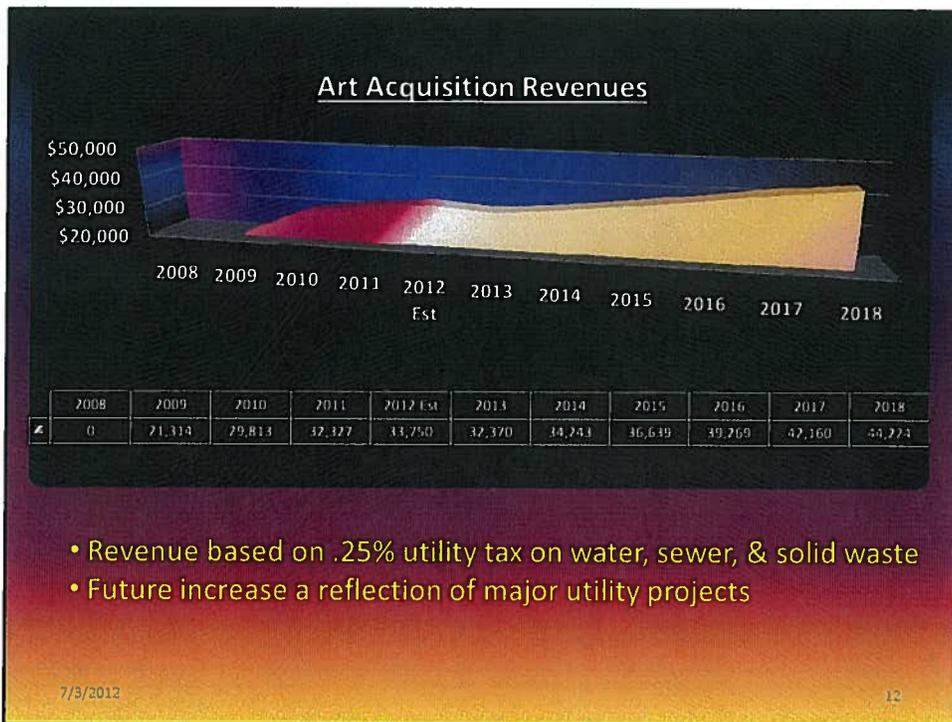












## Enterprise Funds:

Water, sewer, solid waste  
Storm drain, Marina



- 1) HDR review during July
- 2) Anacortes water treatment plant rate impact
- 3) Marina: Vacancy ratio and fuel pricing impacts
- 4) Storm Drain revenues: Archeological impacts

7/3/2012

14

## Looking Ahead:



- 1) Sales tax trends
- 2) Liquor excise tax reinstatement
- 3) Trends in construction activity
- 4) Fuel prices
- 5) Storm Drain revenues



7/3/2012

15



## Discussion

7/3/2012

15

Exhibit B

ADDITIO

AND AMENDMENTS  
OGHC Section 2.310.050

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING THE OAK HARBOR MUNICIPAL CODE SECTIONS 2.390.010, 2.390.020, 2.390.030, AND A NEW SECTION 2.390.070 TO REQUIRE ALL CONTRACTS OVER \$10,000 TO HAVE CITY COUNCIL APPROVAL, AND TO REDUCE THE CONTRACTING AUTHORITY OF THE MAYOR AND CITY ADMINISTRATOR TO \$10,000.

WHEREAS, prudent budget planning is to ensure that a sound, logical, and responsible approach is taken to ensure budgetary compliance during times of financial hardship; and

WHEREAS, a revenue shortfall is defined as any event or condition where revenues are reduced in an amount greater than \$50,000 of the operating budget of any division, program, or fund; and

WHEREAS, with the economic downturn having impacted the revenues of the City, City Council desires to establish stronger controls and approval authority over the purchasing of materials, supplies, equipment and services, and contracts for public works; and

WHEREAS, the City Council directs that any contracts in excess of \$10,000 shall not be let without specific prior Council approval even if mentioned directly in the budget or notes thereto and even if funds are authorized therefore;

WHEREAS, it is the desire of the City Council that no contract shall be authorized by more than one person nor shall the spending authority of more than one person be aggregated to exceed \$10,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR DO ORDAIN as follows:

Section 1. Chapter 2.390 of the Oak Harbor Municipal Code is amended to read as follows:

**Chapter 2.390  
CONTRACT AUTHORITY**

Sections:

- 2.390.010 Council approval.
- 2.390.020 Mayor's authority to contract.
- 2.390.030 City administrator's authority to contract.
- 2.390.040 Departmental authority to contract.
- 2.390.050 Contracts exceeding one year or the limit of the ~~biannual~~ biennial budget.
- 2.390.060 Records and reporting of contracts.
- 2.390.070 Aggregation of purchase 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 ~~\$30,000~~ \$10,000 require council approval. (Ord. 1470 § 8, 2006).

**2.390.020 Mayor's authority to contract.**

The mayor shall, subject to budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures adopted by the mayor and state law, make purchases of materials, supplies, equipment and services and contract for public works and enter into contracts or purchase orders for the same in amounts up to ~~\$30,000~~ \$10,000 without prior council approval so long as the same is within the fund budget; provided, that this restriction does not apply to emergencies or market conditions as defined by state law so long as the conditions and procedures therein imposed are followed for exercise of these powers. (Ord. 1470 § 8, 2006).

**2.390.030 City administrator's authority to contract.**

The city administrator shall, subject to the mayor's direction and control, budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures promulgated by the mayor and state law, make purchases of materials, supplies, equipment and services and enter into contracts or purchase orders for the same in amounts up to ~~\$20,000~~ \$10,000 without prior council approval so long as the same is within the fund budget. (Ord. 1470 § 8, 2006).

**2.390.040 Departmental authority to contract.**

Each department director shall, subject to the mayor's direction and control, budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures adopted by the mayor and state law, make purchases of materials, supplies and equipment and enter into contracts or purchase orders for the same in amounts up to ~~\$20,000~~ \$10,000 without prior council approval. (Ord. 1470 § 8, 2006).

**2.390.050 Contracts exceeding one year or the limit of the biannual biennial budget.**

Authorizations under this chapter shall not authorize contracts to be made by the mayor, city administrator or department director which exceed one year in length or exceed the end of the term of the biannual biennial budget in which contract is made, whichever is longer, unless the same is terminable by ~~the~~ notice with penalty and payments are prorated monthly or based on effort expended or goods supplied. (Ord. 1470 § 8, 2006).

**2.390.060 Records and reporting of contracts.**

The department director, city administrator or mayor making a contract made without specific prior council approval pursuant to the authorizations in this chapter or under other law, ordinance or resolution shall immediately document the same and advise the finance director. In addition, a report of the contracting shall be made to the city council. The report can be by agenda item or separate report in a form determined appropriate to provide information to the council. This provision does not apply to purchase of supplies, materials and equipment since these are normally reported through the accounts payable system. (Ord. 1470 § 8, 2006).

**2.390.070 Aggregation of purchase authority.**

No contract shall be authorized by more than one person such that individual spending authorities are aggregated to exceed the \$10,000 amount requiring City Council approval.

Section  
Section 2. Chapter 2.310.050 of the Oak Harbor Municipal Code is, to read as follows:

**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

*amended*

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 ~~\$30,000~~ \$10,000 shall require approval by the city council. ~~Contracts for professional services under \$30,000~~ Contracts for professional services under \$10,000 shall be reviewed by the finance director <sup>and</sup> the city attorney prior to signing to assure compliance with the Oak Harbor ~~biannual~~ biennial budget, provisions of Chapter 2.350 OHMC and purchasing policies promulgated by the mayor. (Ord. 1470 § 2, 2006).

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED and approved by the City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Mayor

Attest:

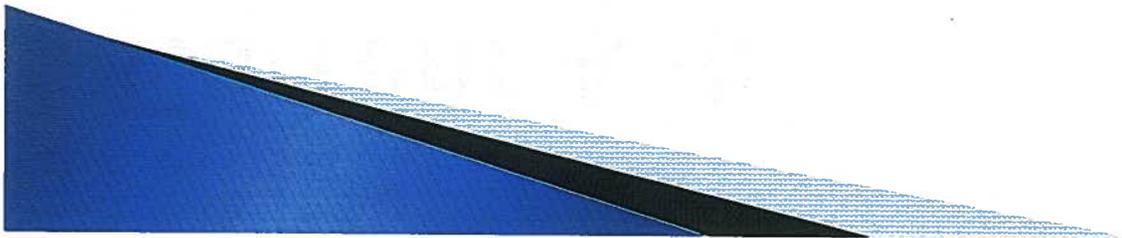
\_\_\_\_\_  
City Clerk

Approved as to form

\_\_\_\_\_  
City Attorney

# Authorization to Bid

- ▶ The Fire Department is requesting authorization to begin the bidding process for a replacement rescue vehicle.



# Current A-81 (S-5, S-81)



# History

- ▶ 1980 Ford / Marion R-5 and R-81



# 1991 – 1993 W-4 / W-6

- ▶ Old Whidbey General Ambulance used for BLS transports



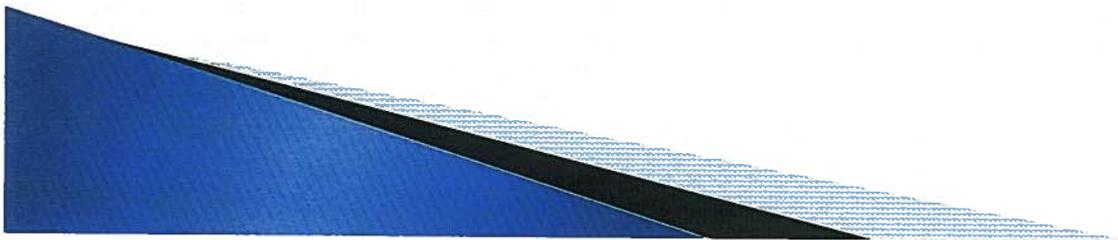
1997 – 2008: Aid – 81

- ▶ 1986 Ford/ Wheeled Coach Ambulance



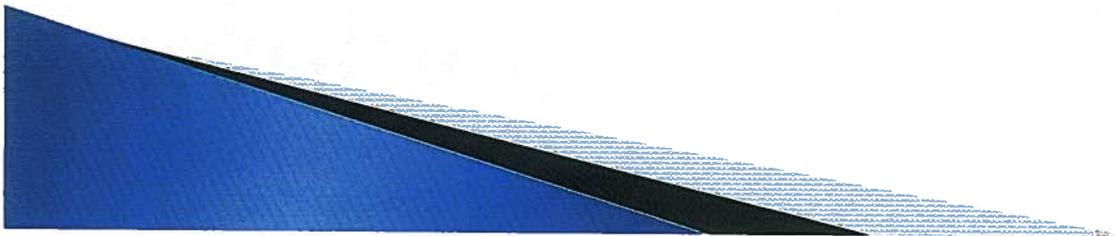
## Time Line Continued

- ▶ A-81 not BLS Certified – turned into glorified rescue – carried extrication tools, SCBA bottles and aid equipment
- ▶ 2008: A-81 wheeled coach out of service – S-81 in service as A-81 – removed cascade system
- ▶ Placed SCBA / Air trailer in service
- ▶ 2008 – present 1986 Chevy in service as A-81



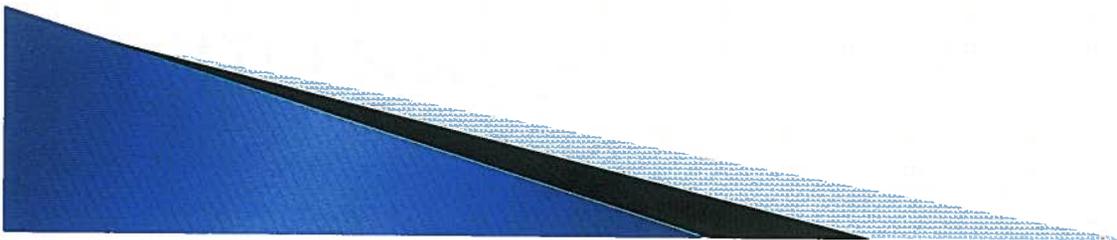
# Current A-81 1986 Chevy 4X4

- ▶ Mileage: 29,100
- ▶ Cost to operate: 2000 - 2011 \$7,244.00  
2009 - 2011 \$3,731.00\*
- \* Not including winch costs \$2,000.00



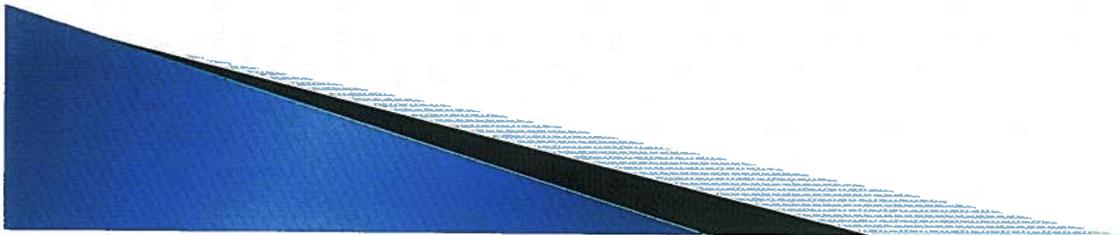
# Rational

- ▶ Vehicle is over loaded – potential for personnel injuries, Compartments full, method for carrying equipment in the ‘basket’ unsafe
- ▶ Emergency lighting is marginal – fails to meet current NFPA 1901 standards
- ▶ Vehicle is 26 years old, repairs are going to become expensive



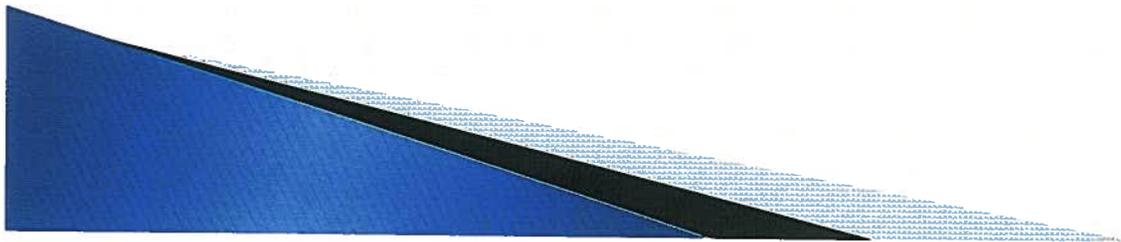
# Funding Source

- ▶ Equipment Replacement Fund
- ▶ 09 Blazer Trailer: \$3,023.00
- ▶ 97 Seagraves \$ 659.00
- ▶ 97 Seagraves \$ 979.00
- ▶ 88 E-1 Engine \$12,500.00
- ▶ 92 Seagraves \$121,114.00
- ▶ Rough Total \$138,273.00



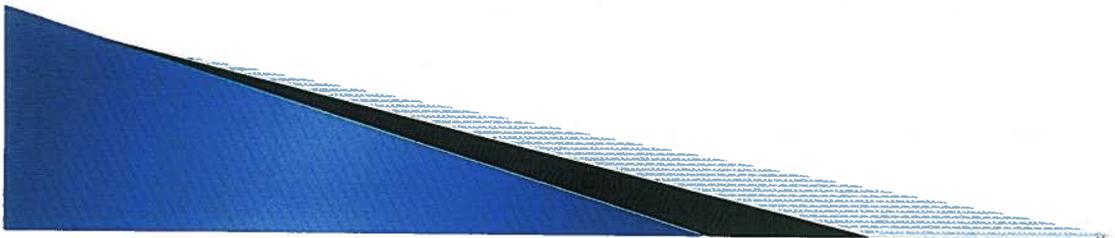
# Equipment Replacement – Leaving

- ▶ 04 Tahoe \$24,947
- ▶ 04 Tahoe \$25,112
- ▶ SCBA's / Mobile air \$96,000
- ▶ Pagers \$ 5,100
- ▶ Radios \$ 5,000
- ▶ Thermal Imagers \$ 9,996



# OPTIONS

- ▶ Replace 1986 Chevy A-81 with Rescue
- ▶ Take A-81 OOS and place equipment on engines - purchase additional equipment
- ▶ S-81 w/rescue equipment only
- ▶ Respond an engine on all calls \$\$\$\$
- ▶ Do nothing



# Projected Costs

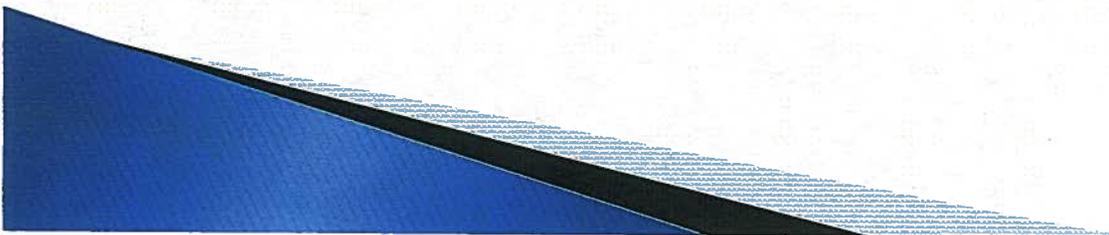
Bidding	\$500.00 – \$1,000.00
Road Trip	\$1,000.00 – \$1,500.00
Vehicle Cost	92,000.00 – 121,000.00
	Plus tax and transportation)





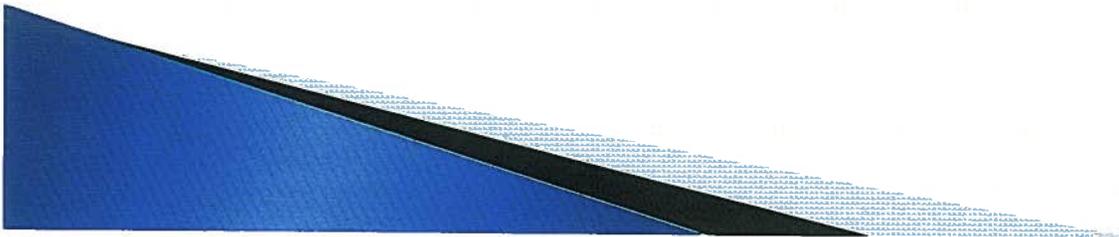
# Timeline:

- ▶ Call for Bid:30 days notice
- ▶ Opening August 7<sup>th</sup>
- ▶ Bring forth to PSSC August 19<sup>th</sup>
- ▶ Present to Council Sept 4<sup>th</sup> meeting
- ▶ Demo unit – immediate pick-up or as agreed
- ▶ Custom Built – 200 / 270 days from date of award.



# Recommendation

- ▶ Begin the bid process –authorize the calling for bids.
- ▶ New or Demo Unit.
- ▶ Questions / Comments





**City Council Special Meeting  
Workshop – Wastewater Treatment Facility, Design Charrette Results  
Thursday, July 12, 2012, 6:00 p.m.  
City Hall – Council Chambers**

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**CALL TO ORDER**

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

**ROLL CALL**

Mayor Scott Dudley

Six Members of the Council,

Rick Almberg

Jim Campbell

Tara Hizon

Danny Paggao

Joel Servatius

Bob Severns

Larry Cort, Interim City Administrator

Cathy Rosen, Public Works Director

Eric Johnston, City Engineer

Renée Recker, Executive Assistant to the Mayor

Beth Munns was absent and excused from the workshop.

City Engineer, Eric Johnston introduced David Christensen, Christensen Design Management and Brian Matson, Carollo Engineers along with members of the design charrette team.

City Engineer Johnston gave an overview of the waste water treatment facility's history and project status and then turned the meeting over to Mr. Christensen. Mr. Christensen defined the word "charrette" which emanated from the École des Beaux Arts as an intense workshop to arrive at consensus. The term is defined on his firm's website as: *A charrette is an intense effort to solve any architectural problem within a limited time. From a creative standpoint, a charrette can be divided into three portions: listen, brainstorm and draw fast.* The WWTP design charrette included 14 community participants who represented property owners, business and organization members, and rate payers. The question asked for each of the two sites: If a treatment plant was built at this site, how does the site incorporate to make the City a better place to live. The facts of each site were presented with an agenda of everything that could be thought of and how the site could best be developed. The two-day charrette was a community-driven and non-binding process. It was not an adversarial charrette and the process generated a number of ideas.

Mr. Christensen gave a PowerPoint presentation which is attached to these minutes as Exhibit A and details:

- Masterplan concepts for the charrette
- Positive issues and negative issues for the Windjammer Site
- Positive issues and negative issues for the Crescent Harbor North Site
- The Blaine, Washington master plan design charrette example

- Next steps: July 31, 2012 Public open house followed by a Council workshop at the Elk's Lodge, Oak Harbor. August 14, 2012 Council meeting at City Hall, Oak Harbor

Council questions and discussion included the commercial center associated with the Windjammer site, acquisition of additional parking, Staysail RV Park at Windjammer, ballfields' reconfiguration and/or relocation, leverage of other values through Bayshore's realignment, and the lack of Windjammer negative issues not attached to financial concern. Council questions and discussion about the Crescent Harbor North site, the economy of an AS facility and state-of-the-art and smaller footprinted MBR facility, concern with pumping from the Crescent Harbor North site, wetland mitigation, reconfiguration of Torpedo Road, loss of three residences to accommodate this site, and that this site is within the Urban Growth Area (UGA).

Mayor Dudley called for public comments from the charrette participants.

**Corky Bridgeford, Property Owner, Torpedo Road.** Mr. Bridgeford talked about the wetlands, the tree farm location (to the north of this proposed site), and the positive education process the charrette provided which changed his opinion of the Crescent Harbor North site as a viable possibility. Mr. Bridgeford also spoke in support of the MBR alternative for this facility and the City's foresight to have built the Fire Department and City Shops complexes with room for future growth.

**Joanne Hartley, Property Owner, Crescent Harbor Road.** Ms. Hartley spoke in support of the charrette experience and that the WWTP charrette was non-combative and positive. Ms. Hartley felt that pumping from the Crescent Harbor site back to the park would be financially wasteful. Using the Windjammer site and suggested changes to Bayshore Drive would allow the facility and area to become a remarkable draw for Oak Harbor. Ms. Hartley felt an MBR facility is the best process and could support the Crescent Harbor site even though it would take her property noting it would be to the City's advantage to take all of the affected properties at one time. In response to people who do not want to give up park area, Ms. Hartley felt they should remain mindful of what is best for the community and she asked Council to facilitate for the people, and though difficult, not be emotional.

**Jeff Trumbore, Rate Payer.** Mr. Trumbore originally opposed the Windjammer site, but through the charrette process, came to see it as a viable opportunity. He had been concerned about the Crescent Harbor property owners who now seem to be supportive of that site. Mr. Trumbore felt the City has two decent options and should look toward a fifty-year horizon. Beyond the opportunities mentioned and more hidden at Crescent Harbor, an interpretative park and wetlands areas could be a positive draw to this site.

Council questions and discussion continued about the UGA and City limits, if preliminary improvement costs would be presented this evening (no), and that design charrette results were meant to take ideas, apply them to each site, and move toward a site decision. Mr. Matson spoke to questions concerning future treatment requirements which are difficult to determine at this point, that AS and MBR can effectively remove suspensions/pollutants, meeting of current regulatory requirements, and that the choice of MBR or AS becomes a balancing act for communities.

Discussion continued regarding Windjammer's existing facility as the proposed site, the acquisition of private property, rezoning, and park zoning. Master plan concepts and those ideals will need future attention but site selection is the present focus. Discussion returned to the ballfields and the increased traffic on Bayshore Drive, size of property on Pioneer to be kept commercial (30,000 sf), right-of-way for the Boyer property, pull-throughs for the RV park which is already considered a City jewel, the give and take of park area, consistency with the Windjammer Plan, that site acquisition was seen as a negative for the Windjammer site and positive (less costly) for the Crescent Harbor North site, the balancing of Pioneer improvements, and Dock Street's asphalt which extends to the water.

There were no representatives from Little League at this evening's meeting but Ken Tyler, North Whidbey Little League had participated in the charrette. City Engineer Johnston noted that moving the ballfields was discussed during the charrette with the "take away" that new fields would need to be in place first (bigger, better, lighted and able to accommodate Little League and adult leagues). The football fields at Ft. Nugent Park took eighteen months to build so there would be time to relocate the ballfields prior to the 2017 wastewater treatment facility construction date.

Discussion returned to the financial-only negatives shown for the Windjammer site and that people don't like this site, that political/social issues were addressed for both sites and that, though citizen concern about this site began as an issue, as the charrette's educational process continued, it didn't become an issue within the charrette's results for positives and negatives at this site. The charrette's results represent what was said.

**Cathy Harbour, Property Owner, Bayshore Drive.** Ms. Harbour spoke with concern about moving the existing ballfields since she enjoys seeing them used beyond League play.

Discussion continued about reestablishing the task force that discussed the ballfields some years ago, relocating the fields yet keeping a play field at Windjammer Park, with discussion returning to costs and if they could be presented at the July 31, 2012 meeting (plant costs and ancillary costs) and question if that would be within Carollo Engineer's purview.

More public comment was invited in response to statements made about people not wanting Windjammer as the selected site.

**Joanne Hartley, Property Owner, Crescent Harbor Road.** Ms. Hartley said the charrette was not a political issue. The site choice is a personal and emotional issue: I don't know anyone more emotional (than me) about having my house taken. But, we came around and do understand now from participating in the charrette.

**Corky Bridgford, Property Owner, Torpedo Road.** It was not a political issue since the plant has to be built. We were asked how we want it to look, what if we put it there (for each site), and then how we would deal with it.

**Jeff Trumbore, Rate Payer.** As Mr. Trumbore had stated earlier, he was adamantly against Windjammer, but as the charrette progressed, he understood; it was not

political. There are still issues and there needs to be a strong public information program. Sewer plants have changed. The technology has moved forward considerably.

Discussion followed about water quality from an MBR facility (could it be drinking water quality). Mr. Matson talked about the measure of suspended solids - the lagoon is at 40 milligrams per liter, AS would produce 30 milligrams per liter but could then be filtered, and MBR brings 1 milligram per liter. There are restrictions on how reclaimed water can be used (do not think of it in terms of drinking water) and an MBR plant will provide the highest class, Class A, of water; AS can provide such water through filtration. In terms of regulation, they are equal. In terms of perception, they are not equal. If sited at Windjammer, Mr. Matson personally commented it would be a shame to put MBR-quality water into the ocean since reclaimed water can be used.

Next steps were discussed in terms of the July 31, 2012 and August 14, 2012 meetings.

### **ADJOURN**

With no other discussion coming forth, Mayor Dudley adjourned the meeting at 7:35 p.m.

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Connie T. Wheeler  
City Clerk



# WWTP DESIGN CHARRETTE

June 26-27

2012



**Thursday, July 12, 2012**

**Council Workshop – Clean Water Facility  
Design Charrette Presentation**

- **Introductions**
- **Project Status**
- **Design Charrette Overview**
  - Participant Selection
  - Results
- **Next Steps**

CLEAN WATER FACILITY

# Design Charrette Masterplan Concepts



## CLEAN WATER FACILITY

# Design Charrette Masterplan Concepts

### Participants, (Non City / Consultants)



- David Acton, Ratepayer
- Corky Bridgeford, Property Owner
- Mike Horrobin, Property Owner
- Gray Giordan, Waterside Condos
- Joanne & Russ Hartley, Property Owners
- John Koetje, Ratepayer
- Robyn Kolaitis, Ratepayer
- Jill Johnson, Chamber of Commerce
- Bruce Neil, Planning Commission
- Sean Rafferty, Ratepayer
- Daisy Sapida, Parks Board
- Dale Smith, Whidbey Island Bank
- Jeff Trumbore, Ratepayer
- Ken Tyler, North Whidbey Little League

CLEAN WATER FACILITY

# Design Charrette Masterplan Concepts

## Agenda

1. Goals for the Masterplan Charrette:
2. History of the process so far
3. Environmental
4. Infrastructure
5. Transportation
6. Land Use
7. Financial
8. Political / Social
9. Examples of other Facilities
10. How is *this* site best developed?
11. Political and Regulatory
12. Final thoughts & summary conclusion in relation to:
  - Technical,
  - Financial,
  - Social and
  - Environmental aspects.



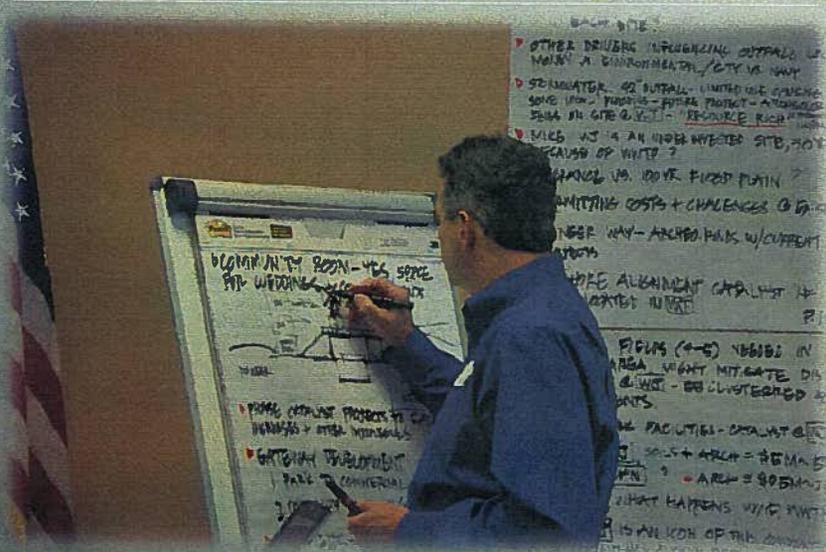
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day One: Windjammer Site*



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day One: Windjammer Site*



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day One: Windjammer Site*



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day Two: Crescent Harbor North Site*



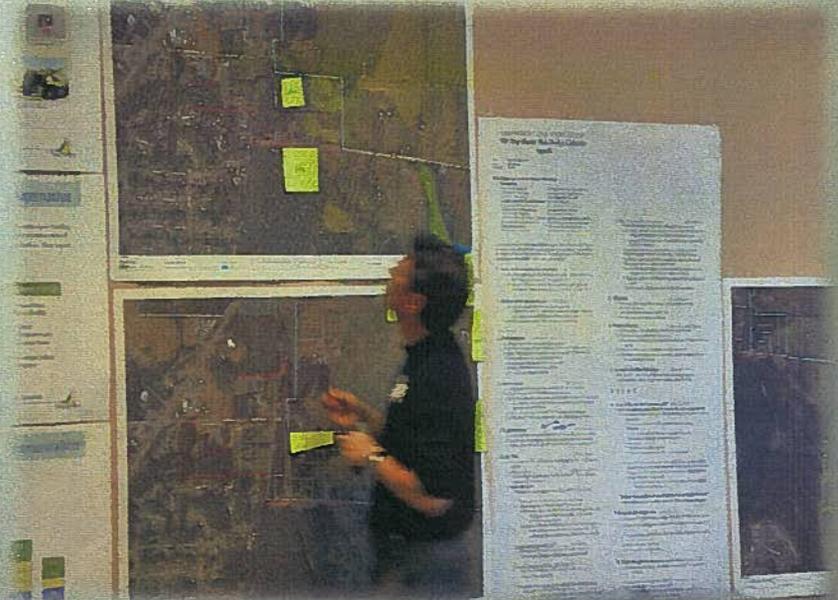
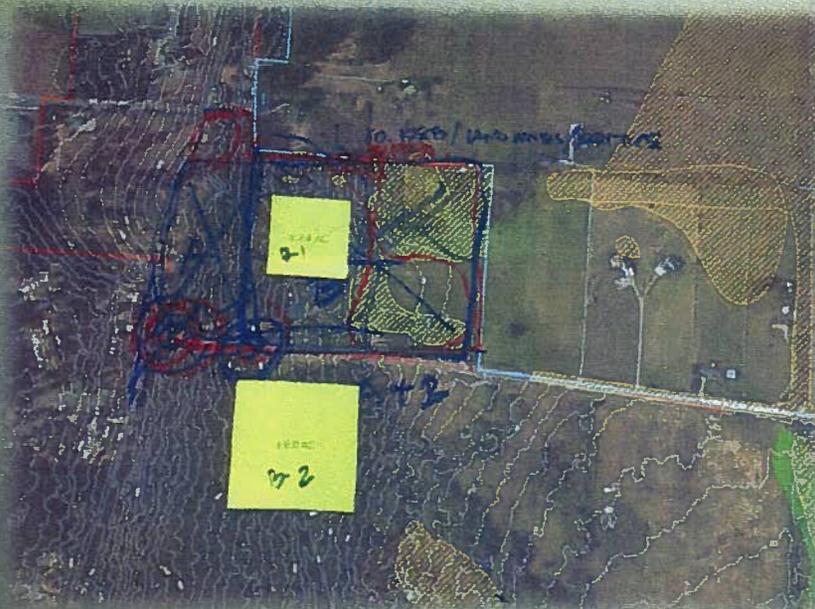
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day Two: Crescent Harbor North Site*



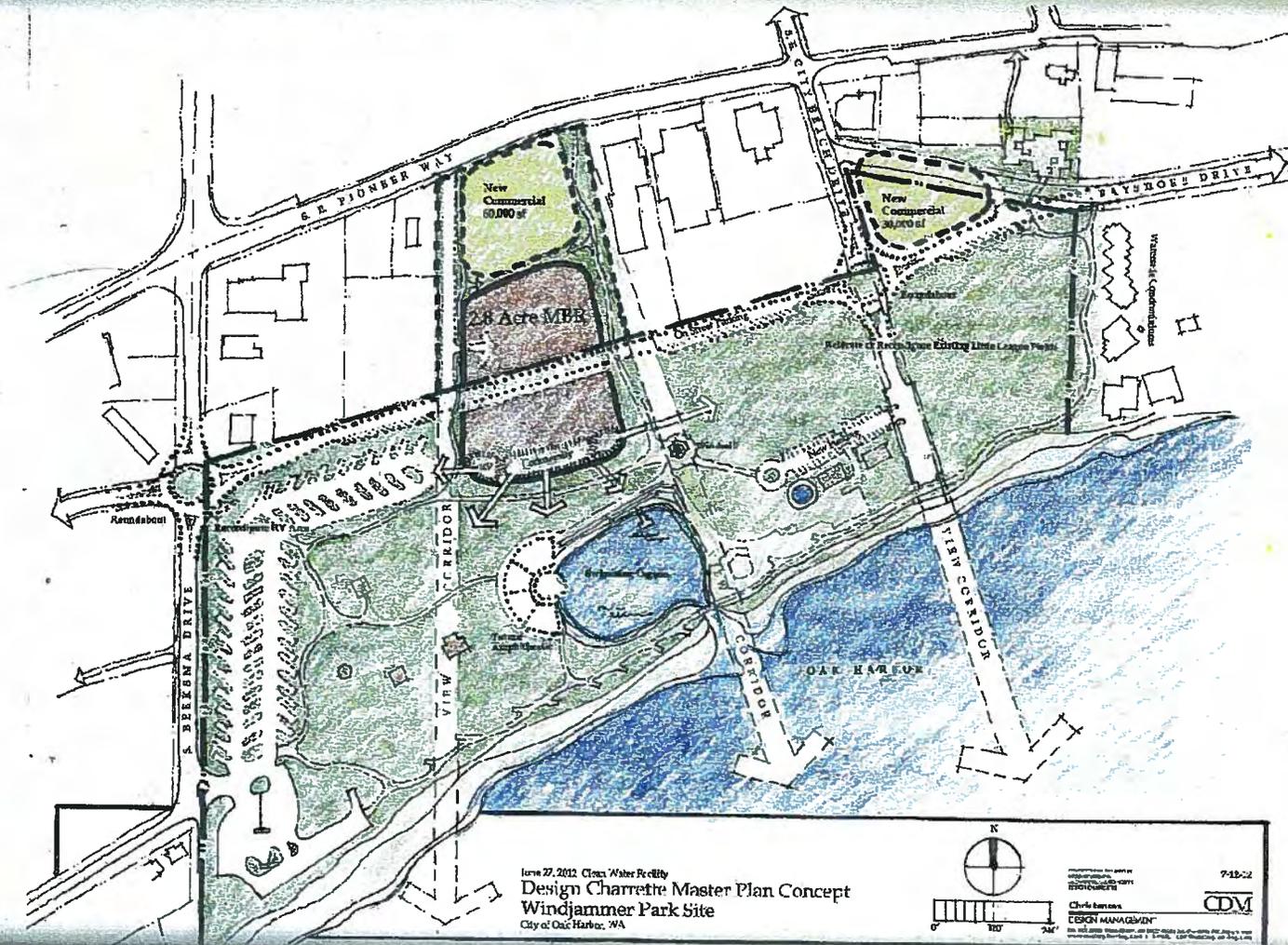
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*Day Two: Crescent Harbor North Site*



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

# Windjammer Site Concept



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts  
*Windjammer Site Concept*  
***Positive Issues***

- Existing Utilities at site saves on new infrastructure costs.
- The entire shoreline area could remain open and add to the usable area.
- RV area can remain in place, and enhanced with services in a new Facility.
- Open green space is maintained near Waterside Condos.
- New restrooms, community room, educational & cultural areas accessible to Park.
- New facility could help facilitate a Bayshore Drive connection.
- A new Bayshore Drive connection would add value to existing commercial parcels.
- Bayshore realignment would add commercial land at the Bayshore / City Beach Rd. and a better pedestrian connection to Park from old town area
- A new Bayshore Drive could add additional on-street parking accessible to Park.
- Provides pedestrian view corridor into Park site from Pioneer Way.
- Provides opportunity for smaller scale commercial on Pioneer Way in a depressed, an existing under-used commercial area.
- Could provide a “Wow” Architectural structure as a Gateway to the Park.
- New Bayshore Drive connection could help solve flooding issues at west end.
- The location could provide services for a future amphitheatre area.
- All the potential ancillary improvements could be phased in, without affecting usability of the chosen MBR site location.
- A smaller footprint MBR facility will have improved water quality beyond current requirements into the future.
- Site area is designed for anticipation of a 50-year growth need.
- No separate Pump Station would be required. (Integrated in new facility)
- Some of the chosen MBR site is city-owned property.
- This location allows the project to leverage other needed improvements at Park.

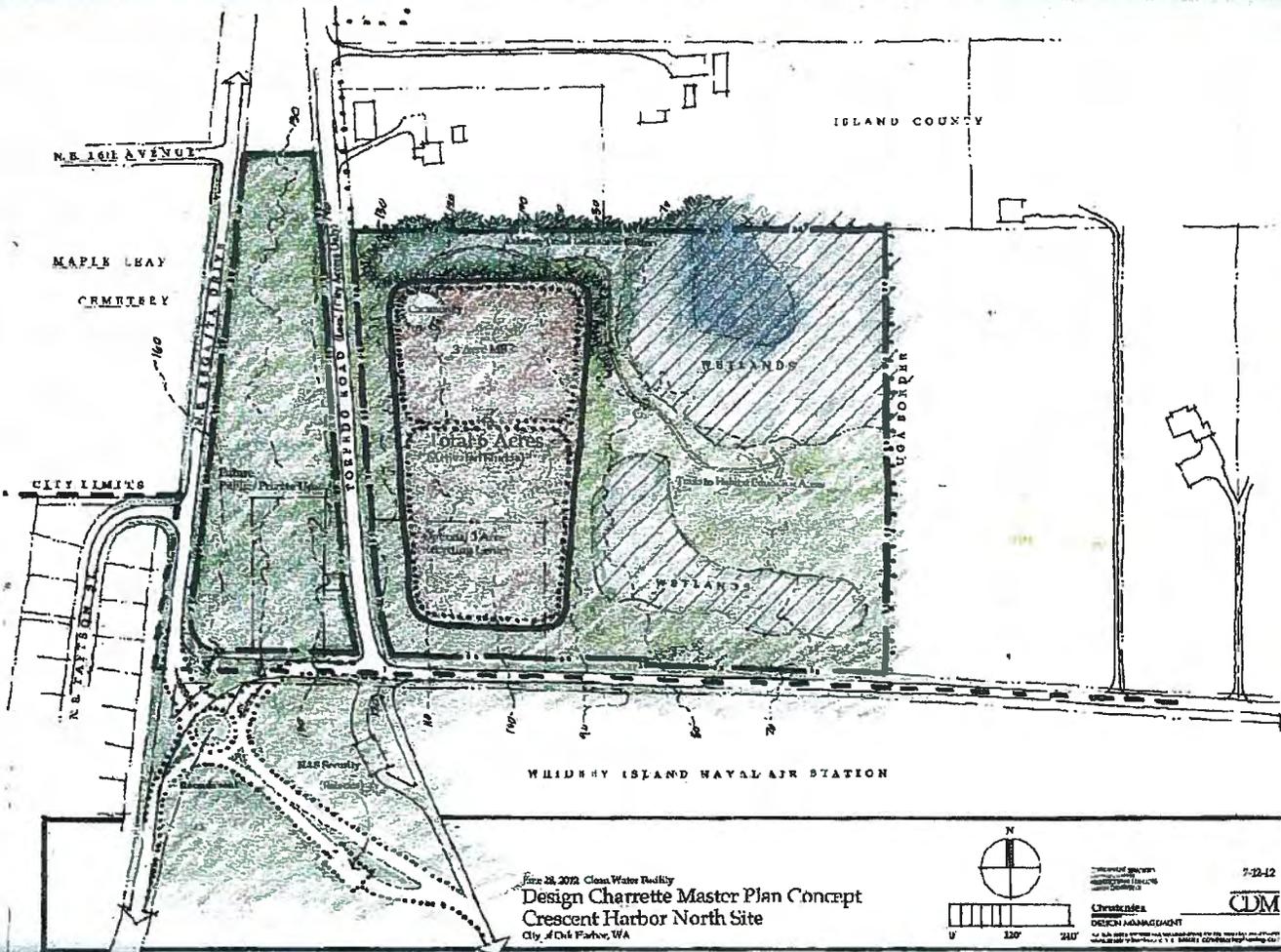
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts  
*Windjammer Site Concept*

## ***Negative Issues***

- Probable archeological finds will affect costs and schedule.
- Iconic architecture will cost approximately 5% more.
- Community rooms, restrooms, etc. will add to the expense.
- MBR facility costs more than an AS facility, but less of a “footprint” (2.5 - 3 acres).
- Chosen site requires acquisition of some commercial private property and a zone change on any city-owned land.
- New Bayshore Drive connection is an additional expense, if chosen.
- Reconfiguration, or relocation of little League fields required if Bayshore Dr. built.

CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

# *Crescent Harbor North Site Concept*



CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts  
*Crescent Harbor North*

## ***Positive Issues***

- Land is mostly undeveloped, except for some residences.
- Approximately 6-24 acres would have to be acquired at existing market values.
- Large site area allows for expansion of other City uses, besides a treatment facility.
- Site allows for construction of an AS type facility, which is less costly, but needs, a larger “footprint” (6 acres) and can be phased-in easier over time.
- Building architecture can be more economical, if hidden from view with buffers.
- Opportunity for some educational facilities to access trails down to wetland habitat areas.
- Topography potentially assists gravity-assist AS systems.
- Potential for some commercial use parcels fronting on Regatta Road once utilities are in place with a new facility.
- Large site allows maximum flexibility for the future

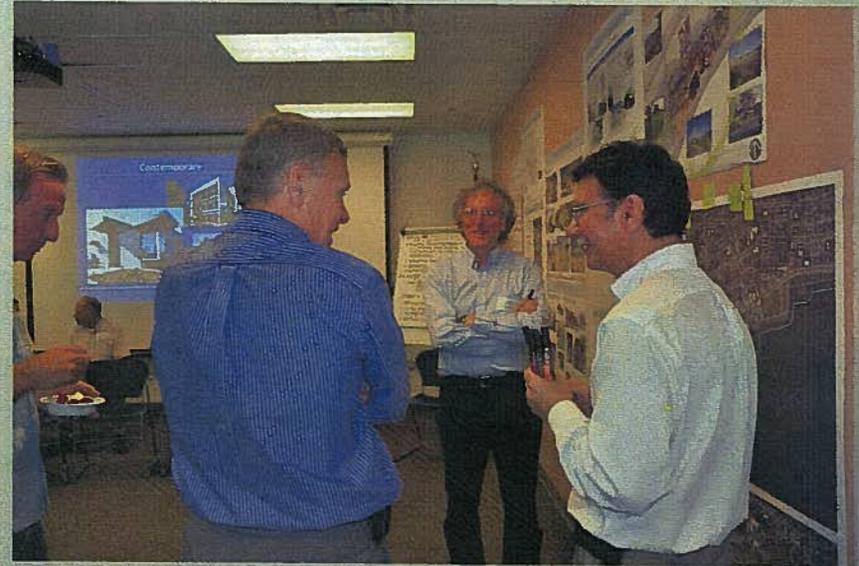
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts  
*Crescent Harbor North*

## *Negative Issues*

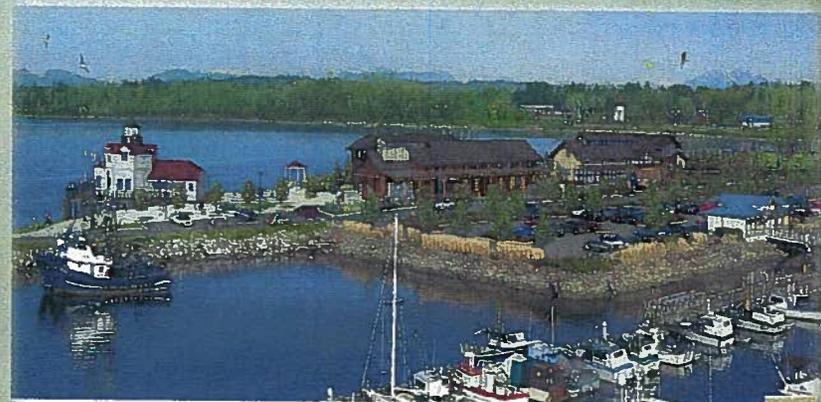
- All effluent/ waste water would have to be pumped from the exist. WJ site, up to this site, and back down to WJ site again, after treatment. This requires new utility piping expense and pump stations.
- Topography will require additional expense for several retaining wall systems to create flat areas for development and internal roads.
- Stormwater control expense will be required on west side of site along Regatta and/or Torpedo Roads.
- Decommissioning Torpedo Road, will require additional expense for improvements to Regatta and Crescent Harbor Roads, including curb/gutter sidewalk at frontage and possible new roundabout to access Navy Base entrance.
- Critical areas on site at easterly end will require delineation and adequate buffers.
- If more land is utilized for other uses (i.e. Solid waste, etc.), a smaller footprint MBR facility will cost more than an AS system.
- A Pump Station structure will be required at Windjammer site.
- Site will have to go through a City Annexation process, and Land use Zone change.



# CLEAN WATER FACILITY Design Charrette Masterplan Concepts



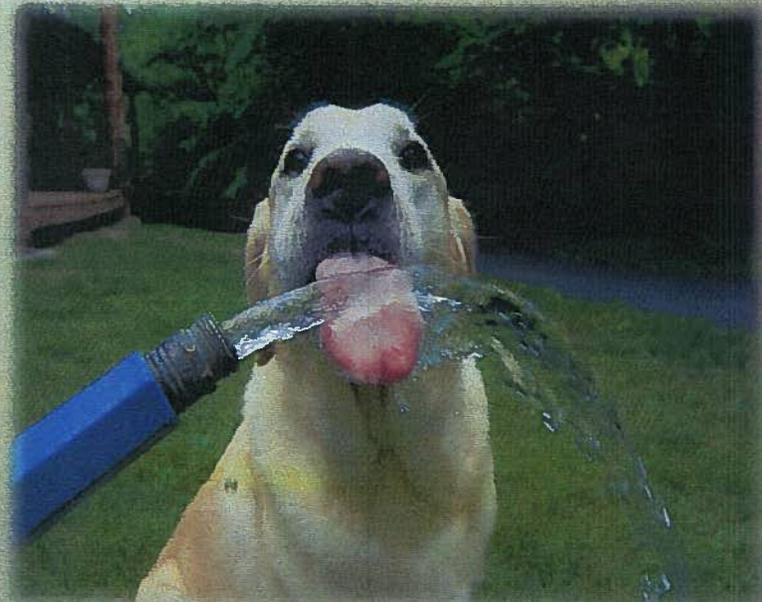
CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts  
**Blaine Master Plan Design Charrette Example**



             
**Lighthouse Point Water Reclamation Facility**  
Wastewater Treatment

CLEAN WATER FACILITY  
Design Charrette Masterplan Concepts

*“...the right thing to do for the entire Community...”*



# Next Steps...

## **Tuesday, July 31<sup>st</sup> – Public Meeting**

5:30 – 6:30<sub>pm</sub>: Public Open House

6:30 – 8:30<sub>pm</sub>: Council Workshop

Location: Elks Lodge, 155 NE Ernst Street

## **Tuesday, August 14<sup>th</sup> – Special Council Meeting**

6:00 pm

Location: City Hall

# City of Oak Harbor

OFFICE OF THE MAYOR  
SCOTT DUDLEY  
MAYOR



## **PROCLAMATION IN RECOGNITION OF ASSISTANCE DOG WEEK AUGUST 5-11, 2012**

**WHEREAS**, Assistance dogs transform the lives of their human partners living with physical and mental disabilities; and

**WHEREAS**, they serve as devoted companions, helpers, aides, best friends and close family members; and

**WHEREAS**, assistance dogs include service dogs, guide dogs, therapy dogs and hearing alert dogs; and

**WHEREAS**, service dogs assist people with disabilities with walking, balance, dressing, transferring from place to place, retrieving and carrying items, turning lights on and off, opening doors and drawers, pushing buttons, pulling wheelchairs and aiding with household chores such as putting in and removing clothes from the washer or dryer; and

**WHEREAS**, hearing alert dogs signal people with a hearing loss to the presence of specific sounds such as doorbells, telephones, crying babies, sirens, another person, buzzing timers or sensors, knocks at the door as well as smoke, fire and clock alarms; and

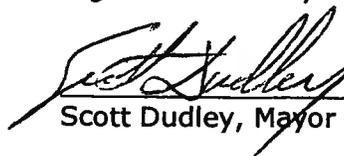
**WHEREAS**, guide dogs assist people with vision loss, leading these individuals around physical obstacles and to destinations such as seating, crossing streets, entering or exiting doorways, elevators and stairways; and

**WHEREAS**, International Assistance Dog Week, August 5-11, 2012, provides an opportunity for us to raise awareness of the selfless way all types of assistance dogs aid individuals with mitigating their disability-related limitations; and

**WHEREAS**, Summit Assistance Dogs is joining forces with assistance dog partners, organizations, and concerned citizens throughout Oak Harbor and America to raise awareness of assistance dogs and observe International Assistance Dog Week.

**NOW, THEREFORE, WE**, Scott Dudley, Mayor, and Councilmembers of the City of Oak Harbor do hereby proclaim the week of **August 5-11, 2012** as **Assistance Dog Week** and reaffirm our commitment to respect, celebrate and recognize assistance dogs and their partners this week and throughout the year in our community.

Signed this 8<sup>th</sup> day of August, 2012

  
Scott Dudley, Mayor



# City of Oak Harbor

OFFICE OF THE MAYOR  
SCOTT DUDLEY  
MAYOR



## **PROCLAMATION IN RECOGNITION OF**

# **OAK HARBOR LIBRARY SUMMER READING WEEK** **AUGUST 12-18, 2012**

**WHEREAS,** The City of Oak Harbor recognizes the value of reading for lifelong learning; and

**WHEREAS,** children increase their reading skills by reading for enjoyment and information; and

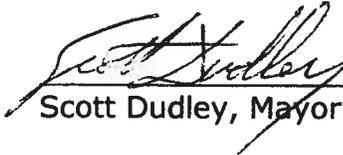
**WHEREAS,** children and teens who participate in the Summer Reading program at the Oak Harbor Library improve their skills and build their imaginations; and

**WHEREAS,** children and teens who read during the summer are more successful in school; and

**WHEREAS,** the Oak Harbor Library provides universal access to ideas, inspiration and the tools of democracy for all ages.

**NOW, THEREFORE, WE,** Scott Dudley, Mayor, and Councilmembers of the City of Oak Harbor do hereby proclaim the week of **August 12-18, 2012** as **Summer Reading Week** in the City of Oak Harbor and urge all citizens to recognize and applaud the effort and initiative of our young readers.

Signed this 8<sup>th</sup> day of August, 2012

  
\_\_\_\_\_  
Scott Dudley, Mayor



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

Bill No.

3

Date:

AUGUST 8, 2012

Subject:

**PUBLIC COMMENTS**

FROM: Scott Dudley, Mayor *SD*

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

*LC* Larry Cort, Interim City Administrator

*DM* Doug Merriman, Finance Director

*GW* Grant Weed, Interim City Attorney

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**SUMMARY STATEMENT**

City Council will accept public comments for items not otherwise on the agenda for the first 15 minutes of the Council meeting. You may also speak to any of the consent agenda items.



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

Bill No. N/A 4A  
Date: August 8, 2012  
Subject: Introduction: Credit Card Fee Ordinance

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, as to form

**PURPOSE**

An ordinance allowing the City of Oak Harbor to pay the transactional costs related to customer use of debit and credit cards.

**AUTHORITY**

Under RCW 35A.11.020, The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title and its charter, if any; and to define the functions, powers, and duties of its officers and employees;

**SUMMARY STATEMENT**

Currently, the City accepts payments for goods and services from customers using cash and credit methods. Customers paying by cash pay for the actual cost of the goods and services being purchased. Credit or debit card customers pay the actual cost, plus a small transactional fee for their using a card or debit card. This difference in cost to two different groups of customers creates difficulties in the payment process. First, customer feedback has provided that a credit customer being charged an additional fee is unfair. Second, many credit and debit card vendors contractually prohibit cities from charging an add-on fee to customers simply for the privilege of using a card. Finally, the cost of logistically requiring an additional fee with the related internal control safeguards and programming challenges outweigh the revenue gained from charging a fee (example: Registration expo for the Whidbey Island Marathon).

The City of Oak Harbor is encouraging the use of credit or debit card processes for customers purchasing goods and services, especially as commercial transactions are becoming more electronic. The benefits to the customer are the speed of the transaction and the convenience of making online payments. The related benefits to the City are the ability to streamline the payment process, and the ability to avoid the increased costs of additional staffing and administrative processing required for payments received over the counter in the Utilities office. To implement the mutually beneficial process of the customer use of credit or debit card payments, the Finance Department proposes an ordinance authorizing the City to remove the requirement for credit or debit card users to pay the transactional fees related to credit or debit card transactions.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ Not Applicable  
Appropriation Source: Not Applicable

Impact of eliminating transaction fee is minimal. Cost savings from eliminating collection procedures outweighs revenue obtained.

**STANDING COMMITTEE REPORT**

This topic has not been presented to Standing Committees.

**RECOMMENDED ACTION**

1. Set a public hearing for this matter for the first City Council meeting in September.

**ATTACHMENTS**

1. Draft Ordinance
2. State Auditor response to SAO Help Desk ticket #6494.

AN ORDINANCE AUTHORIZING THE CITY OF OAK HARBOR TO ABSORB THE TRANSACTION COSTS/FEE'S ASSOCIATED WITH PAYMENT MADE WITH CREDIT AND DEBIT CARDS AND AMENDING OAK HARBOR MUNICIPAL CODE CHAPTER 3.68.

WHEREAS, in an effort to streamline the payment process and to reduce costs to the City in terms of administrative processing and staff time, the City has offered its residents the ability to pay bills through the use of a credit or debit card;

WHEREAS, providing customers with the ability to make such payments has resulted in cost savings to the City and has resulted in increased convenience to the City's customers;

WHEREAS, there are certain transactional costs associated with the use of credit and debit cards to purchase goods and services;

WHEREAS, the cost savings to the City outweighs any associated transactional costs;

WHEREAS, it is the desire of the City Council to pay the transactional costs without passing those additional costs on to its customers that choose to make payments through the use of credit or debit cards;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR DO ORDAIN as follows:

Section 1. Chapter 3.68, of the Oak Harbor Municipal Code is hereby amended to read as follows:

**Chapter 3.68  
BANK CHECKS OR WARRANTS**

Sections:

3.68.010 Claims – Payment.

3.68.020 Banks.

3.68.030 Authorized officers.

3.68.040 Payment of city obligations.

3.68.041 ~~City obligations excluded from electronic payment.~~

**3.68.010 Claims – Payment.**

The ~~city clerk-treasurer~~ Finance Director is authorized to pay claims or other obligations of the city which are payable out of solvent funds by warrant or check; provided, that no check shall be issued when the applicable fund is not solvent at the time payment is ordered, but a warrant shall be issued therefor. (Ord. 752 § 1, 1986).

**3.68.020 Banks.**

The banks in which such funds may be placed and upon which checks can be drawn are as follows:

(1) ~~Mt. Baker Mutual Savings Bank~~ U.S. Bank of Washington

(2) Whidbey Island Bank;

(3) ~~Interwest Bank~~ Wells Fargo Bank.

**3.68.030 Authorized officers.**

~~The authorized officers to sign such checks are the city clerk treasurer, or the deputy clerk treasurer in the absence of the city clerk treasurer and the mayor, or the city supervisor in the absence of the mayor. (Ord. 752 § 3, 1986).~~ The authorized officers to sign checks or warrants are the Mayor and the Finance Director. The City Clerk may sign in the absence of the Finance Director. The City Administrator may sign in the absence of the Mayor.

**3.68.040 Payment of city obligations.**

~~The city finance department is authorized to accept credit cards, charge cards, debit cards, federal wire, and automatic clearinghouse system transactions, or other electronic communication, for payment of fees, rates, and charges. A payer desiring to pay by a credit card, charge card, debit card, federal wire, automatic clearinghouse system, or other electronic communication shall bear the cost of processing the transaction in an amount to be determined by the finance department. Such determination shall be based upon costs incurred by the finance department including handling, collecting, discount, disbursing, and accounting for the transaction. (Ord. 1098 § 1, 1997).~~ The City of Oak Harbor shall pay the transactional costs associated with credit and debit card payments and those costs will not be passed on to the customers as the City and its customers realize the cost savings and benefits associated with the ability to make credit or debit card payments.

**~~3.68.041 City obligations excluded from electronic payment.~~**

~~Any payment applying to the city's current expense fund will be excluded from electronic payment. (Ord. 1098 § 1, 1997).~~

Section 2. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED and approved by the City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

## **Douglas A. Merriman**

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**From:** THORSONR@SAO.WA.GOV  
**Sent:** Thursday, March 01, 2012 1:21 PM  
**To:** Douglas A. Merriman  
**Cc:** ehlingerc@sao.wa.gov; osborne@sao.wa.gov; armijos@sao.wa.gov  
**Subject:** Response to Client Helpdesk Request 6494

Your request # 6494 for Oak Harbor, City of has been resolved.

**Your question was:**

May a City elect to absorb the transaction costs/fees associated with payments made with credit and debit cards in regards to all types of funds - governmental and proprietary?

**The background information you provided was:**

RCW 36.29.190 allows Counties to absorb the cost of credit card fees, rather than passing them on to the user, if the legislative body determines it is in the best interest of the County to not to pass the fees on to customers. Is there a similar provision for cities to absorb the transaction costs/fees associated with payments made with credit and debit cards in an effort to streamline the payment process and to reduce costs to the City in terms of administrative processing and staff time? We are aware of two cities which have passed ordinances implementing this practice.

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**Our response is as follows:**

Oak Harbor is a code city. We are not aware of any general statute that addresses this question for code cities (as RCW 36.29.190 does for Counties, for example).

It is our understanding that a first class or code city would be allowed to accept payment by credit card and make a policy decision regarding whether to absorb or pass along the associated fees.

In accepting payment by credit cards, the city must establish appropriate internal controls to protect sensitive information such as the credit card account numbers. Management might benefit by obtaining some familiarity with the Payment Card Industry Data Security Standard (PCI DSS) and the Fair and Accurate Credit Transactions Act of 2003 (FACTA) . The standard includes 12 requirements for any business that stores, processes or transmits payment cardholder data. FACTA requires proper safeguards in place to protect customers from the unauthorized disclosure of personally identifiable information.

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If you have additional follow-up questions, please reference this request number when you contact us again. A copy of this response is provided to your audit team to ensure that we are consistent and efficient when working with you.

Sincerely,  
Rick Thorson

Disclaimer: Answers are informational only and are based on the specific circumstances presented. As laws and circumstances change, or additional facts are presented, the answer is subject to change. The information provided by the Washington State Auditor's client helpdesk is not a legal or a binding opinion.



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

Bill No. CA 4B  
Date: August 8, 2012  
Subject: Introduction: Noise permit ordinance

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, as to form

**PURPOSE**

An ordinance changing OHMC 6.56.030(2)(a) to give administrative approval authority for noise permits to the Mayor or the Mayor's designee.

**AUTHORITY**

Under RCW 35A.11.020, The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title and its charter, if any; and to define the functions, powers, and duties of its officers and employees

**SUMMARY STATEMENT**

For the last several months, the City has received numerous applications for a noise permits. Currently, OHMC 6.56.030(2)(a) assigns the authority to City Council to grant noise permits to applicants. At times, the City Council agenda packet will include several applications for noise permits which are typically assigned to the consent portion of the Council agenda. The preparation of the agenda bill for each permit application, and the associated listing of the agenda bill on the Council, takes considerable staff time and effort, and fills the City Council agenda with an item that could be handled at the staff level. It has been a rare occasion where a permit application has been pulled from the consent agenda for discussion. Accordingly, staff recommends to City Council an amendment to the Oak Harbor Municipal Code to make the approval process administrative in nature by giving the granting authority for noise permits to the Mayor or the Mayor's designee. This change in granting authority would both increase the efficiency of the noise permit approval process, and eliminate the need to put extraneous items on the City Council agenda.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ Not Applicable  
Appropriation Source: Not Applicable

**STANDING COMMITTEE REPORT**

This topic has not been presented to Standing Committees.

**RECOMMENDED ACTION**

- 1) Schedule a public hearing for this matter for the first City Council meeting in September.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF OAK HARBOR TO AMEND THE OAK HARBOR MUNICIPAL CODE CHAPTER 6.56.030(2)(a) TO GIVE ADMINISTRATIVE AUTHORITY TO THE MAYOR, OR THE MAYOR'S DESIGNEE, TO GRANT A NOISE PERMIT.

WHEREAS, OHMC 6.56.030(2)(a) requires noise permits to be granted by the City Council.; and

WHEREAS, the number of applications for noise permits has increased to such a degree that staff recommends changing the City Council approval requirement to an administrative approval methodology where the Mayor or Mayor's designee is given the authority to grant a noise permit; and

WHEREAS, the proposed administrative methodology is suggested as a measure of streamlining the both the permitting process, and the City Council agenda, by making the approval process administrative.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR DO ORDAIN as follows:

Section 1. Chapter 6.56.030(2)(a) of the Oak Harbor Municipal Code is amended to read as follows:

(2) Noise Permit and Parade Permit as Exceptions.

(a) Noise Permit. ~~The city council~~ Mayor or the Mayor's designee may grant a permit to make noise or perform acts otherwise controlled or prohibited by this chapter upon application by a person specifying the nature and extent of noise to be made or continued, or the act to be performed, upon a determination by the city council that to deny the permit under the circumstances surrounding the making of the application would create undue hardship upon the applicant, and upon a further determination by the ~~city council~~ Mayor or the Mayor's designee that to grant the permit would not create an undue and prolonged hardship on others, for whose benefit and protection the noise or act is prohibited by this chapter. Any permit so granted may contain conditions or requirements upon which it is granted as the ~~city council~~ Mayor or the Mayor's designee deems necessary to minimize the adverse effect upon the people of the community or surrounding neighborhood which may be affected by granting the permit, and the permit shall specify a reasonable time for which it is to be effective. In addition to the basis of undue hardship as a standard for granting such a permit, the ~~city council~~ Mayor or the Mayor's designee may grant such a permit upon determination that:

(i) The granting of the permit is necessary to allow applicant to modify his customary activities so as to comply with this chapter, if the ~~city council~~ Mayor or the Mayor's designee determines that such customary activity of the applicant was not originally undertaken or performed under circumstances and in a manner evidencing a disregard for the rights of others; or

(ii) The activity, operation or noise source will be of temporary duration and cannot reasonably be performed or controlled in such a manner so as to comply with the provisions of this chapter; or

(iii) The activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

Section 2. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED and approved by the City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney

DRAFT



City of Oak Harbor  
City Council Agenda Bill

Bill No. JA 4c  
Date: August 8, 2012  
Subject: Introduction - Arts Commission  
Ordinance

  
FROM: Larry Cort, Interim City Administrator

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

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

**PURPOSE**

This agenda bill proposes several amendments to Oak Harbor Municipal Code Title 2 – Chapter 2.29 – Oak Harbor Arts Commission to reduce the membership of the Arts Commission from eleven to seven members and to amend language establishing the term of office.

**AUTHORITY**

The City has authority under RCW 35A.11.020 to organize and regulate its internal affairs.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ none

Appropriation Source: n/a

**SUMMARY STATEMENT**

Established in 2005, the purpose and function of the Arts Commission are to foster the creative arts in Oak Harbor. The Arts Commission makes recommendations to the Mayor and City Council on activities, projects and programs which the City should sponsor or undertake to promote the following aims:

- Foster arts and cultural programs for the enrichment of the City and its citizens.
- Foster the development of a local arts community, encouraging an environment for the success of working individual artists.
- Coordinate and strengthen new and existing art organizations and develop cooperation with regional entities.
- Develop a program for public art, including identifying sources of funding.
- Further the vision of Oak Harbor as a vibrant and progressive community.

At the time of creation, membership on the Commission was established at eleven. Through the years, it has become apparent that maintaining an eleven-member Commission is impractical. There has only been one

occasion when the entire membership was present at the meeting and through the years the Commission has been challenged by a lack of attendance which often times results in the lack of a quorum to conduct Commission business. In reviewing the memberships on other City Boards and Commissions, five to seven members are the standard. Seven members are proposed. As part of the proposed ordinance amendment, Section 2.29.050 is also changed to maintain consistency with the current make up and term limits of the existing Commission.

A change to Section 2.29.040 Membership of Commission is also proposed since the current language that includes “voting membership” seems to imply a different weight on votes based on residency. The original intent was simply to assure that the majority of the commissioners worked or lived in Oak Harbor.

The proposed amendment has been discussed with the Arts Commission on two separate occasions. Each time, the Commissioners were unanimously in favor of the reduction. The term length of four years remains the same.

**STANDING COMMITTEE REPORT**

This item was presented to the Government Services Standing Committee on November 8, 2011.

**RECOMMENDED ACTION**

Set September 4, 2012 as a date for public hearing for final consideration.

**ATTACHMENTS**

Ordinance No. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF OAK HARBOR AMENDING OAK HARBOR MUNICIPAL CODE SECTIONS 2.29.010 ENTITLED "CREATION OF ARTS COMMISSION", SECTION 2.29.040 ENTITLED "MEMBERSHIP OF COMMISSION" AND SECTION 2.29.050 ENTITLED "TERM OF OFFICE OF MEMBERS"

WHEREAS, at the time of creation, membership on the Arts Commission was established at eleven; and

WHEREAS, through the years, the Arts Commission has been challenged by a lack of attendance which often times results in the lack of a quorum to conduct Commission business; and

WHEREAS, the proposed changes have been discussed with the Arts Commission and the Commissioners are unanimously in favor of the reduction.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR do ordain as follows:

**Section One.** Oak Harbor Municipal Code Chapter 2.29 entitled "Oak Harbor Arts Commission" is hereby amended to read as follows:

**Chapter 2.29**  
**OAK HARBOR ARTS COMMISSION**

Sections:

- 2.29.005 Findings.
- 2.29.010 Creation of arts commission.
- 2.29.020 Purpose and functions of the Oak Harbor arts commission.
- 2.29.030 Monetary donations and gifts of works of art to the city.
- 2.29.040 Membership of commission.
- 2.29.050 Term of office of members.
- 2.29.060 Appointment, vacancy or removal.
- 2.29.070 Temporary vacancies.
- 2.29.080 Officers.
- 2.29.090 Meetings of the commission.
- 2.29.100 Organization and procedure.
- 2.29.110 Administration.
- 2.29.120 City funding of the arts.

**2.29.005 Findings.**

The city council finds that public artistic expressions of all kinds enhance the cultural, economic, educational and social life of the community and benefit the health and welfare of the city's residents. In its role as guardian of the health and welfare of the city, the city council finds it appropriate, necessary, and desirable to promote and support public experiences of the visual arts

and other artistic disciplines for the good of the citizens of Oak Harbor. (Ord. 1548 § 1, 2009; Ord. 1438 § 2, 2005).

#### **2.29.010 Creation of arts commission.**

An arts commission of the city of Oak Harbor, to be known as the Oak Harbor arts commission, is hereby established to serve as an advisory body to the mayor and Oak Harbor city council. The commission shall consist of ~~11~~ seven (7) members, appointed by the Mayor with the consent of a majority of city council, who shall serve without compensation. (Ord. 1548 § 1, 2009; Ord. 1438 § 3, 2005).

#### **2.29.020 Purpose and functions of the Oak Harbor arts commission.**

The purpose of the Oak Harbor arts commission shall be to foster the creative arts in Oak Harbor. "Creative arts" shall include all forms of the visual and performing arts. The arts commission shall make recommendations to the mayor and city council on activities, projects and programs which the city should sponsor or undertake to promote the following aims:

- (1) Foster arts and cultural programs for the enrichment of the city and its citizens.
- (2) Foster the development of a local arts community, encouraging an environment for the success of working individual artists.
- (3) Coordinate and strengthen new and existing art organizations and develop cooperation with regional entities.
- (4) Develop a program for public art, including identifying sources of funding.
- (5) Further the vision of Oak Harbor as a vibrant and progressive community.
- (6) Review this chapter and make recommendations for changes. (Ord. 1548 § 1, 2009; Ord. 1438 § 4, 2005).

#### **2.29.030 Monetary donations and gifts of works of art to the city.**

The city shall establish a separate fund to receive monetary donations for public art. Gifts of art to the city shall be reviewed by the Oak Harbor arts commission and shall be forwarded to the city council prior to acceptance or rejection by the city. (Ord. 1548 § 1, 2009; Ord. 1438 § 5, 2005).

#### **2.29.040 Membership of commission.**

The majority ~~voting membership~~ of said commission must reside within the city of Oak Harbor or work within the city. (Ord. 1548 § 1, 2009; Ord. 1454 § 1, 2006; Ord. 1438 § 6, 2005).

#### **2.29.050 Term of office of members.**

The term of office of the members appointed shall be for periods of four years from initial appointment; ~~provided those currently appointed as members shall continue to serve in their terms as previously appointed; provided, initial appointments shall be as follows:~~

- (1) ~~Three shall be appointed for initial terms of two years.~~

~~(2) Three shall be appointed for initial terms of three years.~~

~~(3) Five shall be appointed for initial terms of four years. (Ord. 1548 § 1, 2009; Ord. 1438 § 7, 2005).~~

**2.29.060 Appointment, vacancy or removal.**

(1) In appointing members and filling vacancies, the mayor and council should endeavor to obtain a diverse cross-section of Oak Harbor's residents as members and also appoint members from groups having an interest in the arts and cultural activities, practicing artists and other persons employed in artistic endeavors.

(2) Vacancies on said commission from whatever cause, except temporary vacancies as hereinafter provided, shall be filled by the mayor, subject to city council approval, for the unexpired term.

(3) Any member of the commission may be removed from said commission prior to the expiration of his/her term by a two-thirds vote of the city council, subject to the provisions of subsection (2) of this section.

(4) The appointment of any member of the commission who has been absent from three consecutive regular or special meetings of the commission without the approval of said commission shall automatically terminate. The administrator shall notify any member whose appointment has automatically ended and report to the appointing authority that a vacancy exists on said commission and that an appointment should be made for the unexpired term. The commission shall have the power and authority to excuse any member from attendance at any regular business meeting or study session for good cause. (Ord. 1548 § 1, 2009; Ord. 1438 § 8, 2005).

**2.29.070 Temporary vacancies.**

A member of the commission may be granted a leave of absence by the city council and a temporary vacancy shall thereupon exist for the period of such leave of absence.

During the period of such temporary vacancy, the city council may fill such vacancy by a temporary appointment to said commission; provided, however, that the period of such temporary appointment shall not exceed the period of the temporary vacancy.

At the expiration of a leave of absence so granted, the member shall automatically resume full and permanent membership on said commission. (Ord. 1548 § 1, 2009; Ord. 1438 § 9, 2005).

**2.29.080 Officers.**

The arts commission shall elect its officers, including a chairperson, vice chairperson and other officers, as it may deem necessary. The commission may set up committees. (Ord. 1548 § 1, 2009; Ord. 1438 § 10, 2005).

**2.29.090 Meetings of the commission.**

The Oak Harbor arts commission shall establish a regular time and place of meeting, and shall hold at least six regular meetings a year. Special meetings of the commission may be called at any time by the chairperson or by a quorum of the members of the commission upon personal

notice being given to all members of the commission. If personal notice cannot be given, written notice must be received by such members at least 24 hours prior to said meeting. (Ord. 1548 § 1, 2009; Ord. 1438 § 11, 2005).

**2.29.100 Organization and procedure.**

The commission may make and alter any rules and regulations governing its organization and procedures not consistent with this chapter or any other ordinance of the city, subject to the approval of the city council. Requests for recommendations and study of matters within the area of interest of the commission must be submitted to it five days prior to any scheduled meeting. (Ord. 1548 § 1, 2009; Ord. 1438 § 12, 2005).

**2.29.110 Administration.**

The mayor shall appoint an officer or employee of the city to act as administrator for the Oak Harbor arts commission. (Ord. 1548 § 1, 2009; Ord. 1438 § 13, 2005).

**2.29.120 City funding of the arts.**

(1) The city council in the biannual budget may set aside special funds to be placed in the arts fund.

(2) Monies allocated to the arts fund from the utility tax shall be placed in the general fund with a direct allocation to the art acquisition and maintenance fund pursuant to OHMC 3.71.060. (Ord. 1548 § 1, 2009; Ord. 1438 § 14, 2005).

**Section Two. Effective Date.** This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED and approved by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2012.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Scott Dudley, Mayor

Attest:

\_\_\_\_\_  
Connie Wheeler, City Clerk

Approved as to form:

\_\_\_\_\_  
Grant Weed, Interim City Attorney

# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. JA 4-D

Date: August 8, 2012

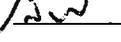
Subject: Noise Permit – Oak Harbor Jazz  
and Music Festival

  
FROM: Larry Cort, Interim City Administrator

**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 this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Michael-John Paparella for the use of amplified sound associated with a Jazz and Music Festival scheduled for August 31 – September 2, 2012 on Pioneer Way.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Michael-John Paparella submitted a Noise Permit request for amplified sound associated with a Jazz and Music Festival scheduled for August 31 – September 2, 2012 on Pioneer Way. The request states that amplified sound will be used for live music along the street. The activities will include arts and crafts booths, food vendors and a carnival.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Michael-John Paparella.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name: Michael-John Paparella/Jazz and Music Festival

Location of Event: Pioneer Way

Date of Event: August 31 – September 2, 2012

Hours of Operation: August 31 - 6:00 p.m. to 10:00 p.m.  
September 1 – 10:00 a.m. to 10:00 p.m.  
September 2 – 10:00 a.m. to 6:00 p.m.

Permitted Noise: Amplified sound for live bands

Approval Conditions: None

Date of City Council  
Approval:

Issued this day of August, 2012.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



# City of Oak Harbor City Council Agenda Bill

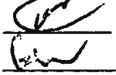
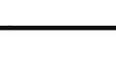
Agenda Bill No. NH 4e

Date: August 8, 2012

Subject: Noise Permit – Pregnancy Care  
Clinic

  
FROM: Larry Cort, Interim City Administrator

**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 this agenda bill is to forward to City Council for review and approval a Noise Permit request received from the Pregnancy Care Clinic for the use of amplified sound associated with a Walk for Life scheduled for September 15, 2012 at Windjammer Park.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

The Pregnancy Care Clinic submitted a Noise Permit request for amplified sound associated with a Walk for Life scheduled for September 15, 2012. The request states that amplified sound will be used for announcements. A condition of approval will be to face the speakers away from the campground area.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to the Pregnancy Care Clinic.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Pregnancy Care Clinic

Location of Event: Windjammer Park Gazebo and surrounding area

Date of Event: September 15, 2012

Hours of Operation: 8:30 a.m. to 11:30 a.m.

Permitted Noise: Amplified sound associated with microphones for announcements

Approval Conditions: Face speakers away from the campground area

Date of City Council Approval:

Issued this day of August, 2012.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



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

Agenda Bill No. NJA 4F  
Date: August 8, 2012  
Subject: Noise Permit – Oak Harbor Navy League

*yll*  
FROM: Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from the Oak Harbor Navy League for the use of amplified sound associated with the Military Appreciation Picnic scheduled for September 8, 2012 at Windjammer Park.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

The Oak Harbor Navy League submitted a Noise Permit request for amplified sound associated with the Military Appreciation Picnic scheduled for September 8, 2012. The request states that amplified sound will be used for announcements and live music. A condition of approval will be to face the speakers away from the campground area.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to the Oak Harbor Navy League.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Oak Harbor Navy League – Military  
Appreciation Picnic

Location of Event: Kitchens A and B and area around the  
Windmill

Date of Event: September 8, 2012

Hours of Operation: Noon to 4:00 p.m.

Permitted Noise: Amplified sound for live bands and  
announcements

Approval Conditions: Face speakers away from the  
campground area

Date of City Council  
Approval:

Issued this day of August, 2012.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



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

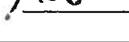
Agenda Bill No. NA 46

Date: August 8, 2012

Subject: Noise Permit – Island Vineyard  
Community Church

  
FROM: Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Island Vineyard Community Church for the use of amplified sound associated with a church service and picnic scheduled for August 26, 2012 at Windjammer Park.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Island Vineyard Community Church submitted a Noise Permit request for amplified sound associated with a church service and picnic scheduled for August 26, 2012 at Windjammer Park. The request states that amplified sound will be used for music and announcements.

The Application was reviewed by Fire, Police, and Public Works Departments. A condition of approval will be to face the speakers away from the campground area.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Island Vineyard Community Church.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Applicant: Island Vineyard Community Church

Location of Event: Windjammer Park – Kitchens A & B

Date of Event: August 26, 2012

Hours of Operation: 9:30 a.m. to 11:00 a.m.

Permitted Noise: Amplified sound for music and  
announcements

Approval Conditions: Face speakers away from the  
campground

Date of City Council  
Approval:

Issued this day of August, 2012.

---

Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***

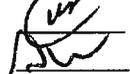


# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. CHA 44  
Date: August 8, 2012  
Subject: Noise Permit – Teresa Anderson

  
FROM: Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Teresa Anderson for the use of amplified sound associated with a wedding ceremony scheduled for August 22, 2012 at the Holland Gardens on 6<sup>th</sup> Avenue.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Teresa Anderson submitted a Noise Permit request for amplified sound associated with a wedding ceremony scheduled for August 22, 2012 at the Holland Gardens on 6<sup>th</sup> Avenue. The request states that amplified sound will be used for music and announcements.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Teresa Anderson.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Applicant: Teresa Anderson

Location of Event: Holland Gardens on 6<sup>th</sup> Avenue

Date of Event: August 22, 2012

Hours of Operation: 3:00 p.m. to 4:00 p.m.

Permitted Noise: Amplified sound for music and  
announcements

Approval Conditions: None

Date of City Council  
Approval:

Issued this day of August, 2012.

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Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. CJA 4I  
Date: August 8, 2012  
Subject: Noise Permit – Habitat for  
Humanity of Island County

FROM:  Larry Corl, Interim City Administrator

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

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

## PURPOSE:

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Habitat for Humanity of Island Company for the use of amplified sound associated with a picnic scheduled for August 19, 2012 at Windjammer Park.

## AUTHORIZATION:

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

## SUMMARY STATEMENT:

Habitat for Humanity of Island County submitted a Noise Permit request for amplified sound associated with a picnic scheduled for August 19, 2012 at Windjammer Park. The request states that amplified sound will be used for music and announcements.

The Application was reviewed by Fire, Police, and Public Works Departments. A condition of approval will be to face the speakers away from the campground area.

## STANDING COMMITTEE REVIEW:

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound to Habitat for Humanity.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**



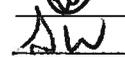


**City of Oak Harbor  
City Council Agenda Bill**

Agenda Bill No. CJA 45  
Date: August 8, 2012  
Subject: Noise Permit – Megan McClung  
Memorial Run

  
FROM: Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Dr. Michael McClung for the use of amplified sound associated with the Megan McClung Memorial Run, a timed 5K and 10K run, scheduled for August 18, 2012 at Windjammer Park (see attached for full route information).

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Dr. McClung submitted a Noise Permit request for amplified sound associated with the Megan McClung Memorial Run which states that amplified sound will be used at the awards ceremony only. A condition of approval will be to face the speakers away from the campground area.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound for awards ceremony, Megan McClung Memorial Run.

**ATTACHMENTS:**

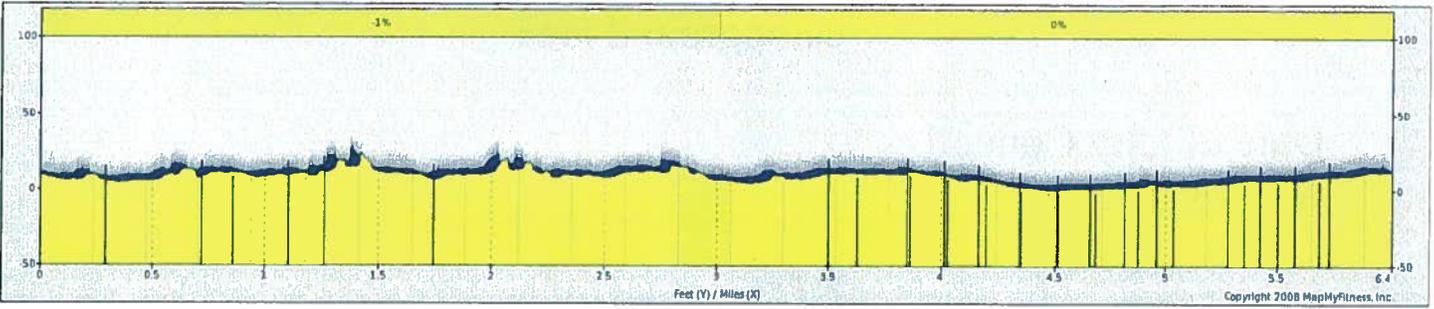
1. Route Map
2. Noise Permit

# A 6.34 mi ride mapped on Tue Jul 10 2012

Starts In Oak Harbor, Washington

**6.35** miles

Elevation: 0ft Max, 0ft Min, +0ft, 0ft, -100% HC 2



# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Megan McClung Memorial Run

Location of Event: Windjammer Park

Date of Event: August 18, 2012

Hours of Operation: 10:00 a.m. to Noon

Permitted Noise: Amplified sound for awards ceremony

Approval Conditions: Face speakers away from the  
campground area

Date of City Council  
Approval: \_\_\_\_\_

Issued this \_\_\_\_\_ day of August, 2012.

\_\_\_\_\_  
Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

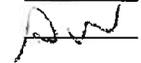
***Please post this notice on site***

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

Agenda Bill No. n/a 4k  
Date: August 8, 2012  
Subject: Noise Permit – Gizmo's Skateshop  
Competition

  
**FROM:** Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council for review and approval a Noise Permit request received from Spencer Hawkins for the use of amplified sound associated with the Gizmo's Skateshop Competition scheduled for August 11, 2012 at the Oak Harbor Skate Park.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Mr. Hawkins submitted a Noise Permit request for amplified sound associated with music and announcements for Gizmo's Skateshop Competition at the skate park.

The Application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound allowing music and announcements at Gizmo's Skateshop Competition.

**ATTACHMENTS:**

Noise Permit.

**MAYOR'S COMMENTS:**

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Organization: Gizmo's Skateshop Competition

Location of Event: Oak Harbor Skate Park

Date of Event: August 11, 2012

Hours of Operation: Noon to 5:00 p.m.

Permitted Noise: Amplified sound for music and  
announcements

Approval Conditions: None

Date of City Council  
Approval: \_\_\_\_\_

Issued this \_\_\_\_\_ day of August, 2012.

\_\_\_\_\_  
Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



# City of Oak Harbor City Council Agenda Bill

Agenda Bill No. CJA 44  
Date: August 8, 2012  
Subject: Noise Permit – Madeiros  
Block Party

FROM:  Larry Cort, Interim City Administrator

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

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

**PURPOSE:**

The purpose of this agenda bill is to forward to City Council, for review and approval, a Noise Permit request received from David Madeiros for use of amplified sound associated with a Block Party to welcome home a neighbor who is also retiring from the Navy. The event is scheduled on August 25, 2012, at SW McCrohan Street. The applicant noted that this is a very short street with a total of five houses and 30 to 35 people are expected for this party. McCrohan Street is a short block running between SW 8th and Barrington Drive.

**AUTHORIZATION:**

Oak Harbor Municipal Code (OHMC) 5.50.040(3)(g) provisions relating to Special Events requires compliance with noise ordinance regulations and laws. OHMC 6.56.030(2)(a) requires Council approval for a noise permit for sound amplification. As this event may include amplified sound, Council approval is required.

The City Council may grant a Noise Permit to deviate from the provisions of OHMC 6.56.030 if it is determined the activity and associated noise: 1) is not undertaken in disregard of the rights of others, or 2) is temporary, or 3) the activity creating the noise constitutes a program of a temporary nature for the benefit of the entire municipality or for the benefit of a charitable purpose.

**SUMMARY STATEMENT:**

Mr. Madeiros submitted a Noise Permit request for amplified sound associated with music and announcements for the Block Party. Street closure has also been requested for this short block and the appropriate City departments have been notified. The application was reviewed by Fire, Police, and Public Works Departments.

**STANDING COMMITTEE REVIEW:**

Not required.

**RECOMMENDED ACTION:**

Grant a noise permit for amplified sound allowing music and announcements for the Madeiros Block Party at McCrohan Street.

**ATTACHMENTS:**

Noise Permit.

# ***CITY OF OAK HARBOR***

## ***NOISE PERMIT***

Name of Applicant: David Madeiros

Location of Event: SW McCrohan Street

Date of Event: August 25, 2012

Hours of Operation: 10:30 a.m. to 5:00 p.m.

Permitted Noise: Amplified sound for music and announcements associated with the block party.

Approval Conditions: None

Date of City Council  
Approval: \_\_\_\_\_

Issued this \_\_\_\_\_ day of August, 2012.

\_\_\_\_\_  
Karen Crouch, Special Events Coordinator

***This Noise Permit is limited to the date and time specified.***

***Please post this notice on site***



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

Bill No. N/A 4m  
Date: AUGUST 8, 2012  
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.

Vchlist  
08/01/2012 4:08:23PM

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150788	8/1/2012	0000490 LABOR & INDUSTRIES, WASHINGTON	: 073112		LABOR & INDUSTRIES	162.41
					<b>Total :</b>	<b>162.41</b>
150789	8/1/2012	0000007 AA ELECTRIC	7991		WIRE REPAIR	945.69
					<b>Total :</b>	<b>945.69</b>
150790	8/1/2012	0006157 AHBL, INC	86104 86340 86534		PROF SVC/OAK HARBOR SMP PROF SVC/OAK HARBOR SMP PROF SVC/OAK HARBOR SMP	2,022.40 4,000.00 3,772.50
					<b>Total :</b>	<b>9,794.90</b>
150791	8/1/2012	0000424 ALL BATTERY SALES AND SERVICE	452329		MT-96R	107.56
					<b>Total :</b>	<b>107.56</b>
150792	8/1/2012	0000028 ALL ISLAND LOCK & KEY	21209 45065		KEY LOCK REPAIR	18.31 65.22
					<b>Total :</b>	<b>83.53</b>
150793	8/1/2012	0000029 ALL PHASE ELECTRIC SUPPLY	0952-618385 0952-618449 0952-618450		RCPT/LAMP/PLUG IN LKG RCPT PLUG-IN	102.09 253.61 36.83
					<b>Total :</b>	<b>392.53</b>
150794	8/1/2012	0000712 AMERIGAS	3009410154		PROPANE/MARINA	89.28
					<b>Total :</b>	<b>89.28</b>
150795	8/1/2012	0002044 ANACORTES.NET/HOW IT WORKS	30773 30846		JUL 2012WEB HOSTING JUL 2012WEB HOSTING	75.00 15.95
					<b>Total :</b>	<b>90.95</b>
150796	8/1/2012	0004019 ASSOCIATED PETROLEUM PRODUCTS	0318896-IN 0320790-IN 0324803-IN 0326735-IN 0326736-IN		FUEL FUEL FUEL FUEL FUEL	4,693.82 24,616.80 21,882.38 5,164.68 13,365.23
					<b>Total :</b>	<b>69,722.91</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150797	8/1/2012	0004890 AUTO ADDITIONS, INC	IND0006535		LAMP	78.81
					<b>Total :</b>	<b>78.81</b>
150798	8/1/2012	0000065 AVOCET ENVIRONMENTAL TESTING	1202196-JN		TESTING SERVICES	110.00
					<b>Total :</b>	<b>110.00</b>
150799	8/1/2012	0000078 BARNETT IMPLEMENT COMPANY	632206 632520		TIGHTENER AK-56452	114.87 1,606.77
					<b>Total :</b>	<b>1,721.64</b>
150800	8/1/2012	0004733 BARRON HEATING & AIR COND, INC	125866		HEATING REPAIRS	244.58
					<b>Total :</b>	<b>244.58</b>
150801	8/1/2012	0000081 BAY PRINTING	21201		RACK CARDS	917.43
					<b>Total :</b>	<b>917.43</b>
150802	8/1/2012	0000083 BAZA, ALVIN	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150803	8/1/2012	0003980 BHC CONSULTANTS	0004554		PROF SVC/DILLARDS LID-SBA	413.33
					<b>Total :</b>	<b>413.33</b>
150804	8/1/2012	0000103 BLADE CHEVROLET, INC	442835		JUN 2012/VEHICLE RENTAL	600.00
					<b>Total :</b>	<b>600.00</b>
150805	8/1/2012	0004631 BLAKE, KAY	1		TRAVEL REFUND	35.00
					<b>Total :</b>	<b>35.00</b>
150806	8/1/2012	0006273 BLODGETT, MARGE	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150807	8/1/2012	0000109 BLUMENTHAL UNIFORMS	940688 940688-80 943748-01 943748-02 946032-80		PANTS/HORN SHIRT/HORN UNIFORM ITEMS/ESPIRITU BOOTS/ESPIRITU PANTS/MERRILL	341.32 -134.83 822.20 146.14 13.32
					<b>Total :</b>	<b>1,188.15</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150808	8/1/2012	0006833 BOONSTRA, JAN	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150809	8/1/2012	0006834 BOONSTRA, WILLIE	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150810	8/1/2012	0003208 BOSS DETAIL	3315-44		INTERIOR CLEANING	217.40
					<b>Total :</b>	<b>217.40</b>
150811	8/1/2012	0000118 BOSTEC, INC	24565		BREATH ALCOHOL TESTING SUPPL	200.33
					<b>Total :</b>	<b>200.33</b>
150812	8/1/2012	0003097 BOYER, TALLIE	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150813	8/1/2012	0001074 BRAUNSTEIN, BRIAN	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150814	8/1/2012	0000131 BROADVIEW APPLIANCE	30817		DRYER ACCESSORY	43.48
					<b>Total :</b>	<b>43.48</b>
150815	8/1/2012	0000962 BUILDING OFFICIALS, WASHINGTON A 24531			2012/MEMBERSHIP	45.00
					<b>Total :</b>	<b>45.00</b>
150816	8/1/2012	0002644 C JOHNSON CONSTRUCTION, INC	2		PROF SVC/GUN CLUB ROAD WATE	216,379.69
					<b>Total :</b>	<b>216,379.69</b>
150817	8/1/2012	0005208 CARTER, SERLOYD	071512		RACE WEEK SECURITY	90.00
					<b>Total :</b>	<b>90.00</b>
150818	8/1/2012	0000150 CASCADE NATURAL GAS			NATURAL GAS/POLICE STATION	71.66
					NATURAL GAS/TREATMENT PLANT	10.00
					NATURAL GAS/FIRE STATION	92.48
					NATURAL GAS/CITY HALL	215.80
					NATURAL GAS/CITY SHOP	302.29
					NATURAL GAS/ANNEX	30.82
					NATURAL GAS/ADULT CARE CENTI	30.02

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150818	8/1/2012	0000150 CASCAD	NATURAL GAS		(Continued)	Total : 753.07
150819	8/1/2012	0000160 CENTRAL	WELDING SUPPLY		E70S-6	Total : 201.29
150820	8/1/2012	0006817 CHRISTENSEN	DESIGN MANAGEMENT 2012-2		PROF SVC/MWTP DESIGN	Total : 3,960.00
150821	8/1/2012	0000179 CLERKS	PETTY CASH		PETTY CASH	Total : 115.00
150822	8/1/2012	0000202 COREY	OIL COMPANY		OIL	Total : 82.94
150823	8/1/2012	0000220 CUMMINS	NORTHWEST, INC		VALVE KIT/SEAL	Total : 1,283.07
150824	8/1/2012	0000225 DAILY	JOURNAL OF COMMERCE		BID CALL/RESCUE UNIT	Total : 162.80
150825	8/1/2012	0000256 DAY	WIRELESS SYSTEMS		AUG 2012/RADIO MAINTENANCE	Total : 361.61
150826	8/1/2012	0000247 DIAMOND	RENTALS		PORTABLES	Total : 49.95
150827	8/1/2012	0000248 DICKINSON,	ROBERT D		RACE WEEK SECURITY	Total : 315.00
150828	8/1/2012	0001099 DISPLAY	SALES COMPANY		BANNER	Total : 415.00
150829	8/1/2012	0000253 DIVERSINT			USB ADAPTER CABLE	Total : 32.54
150830	8/1/2012	0000175 DUNN-TERRY,	ROXANN		EXP REIMB	Total : 1,394.50
150831	8/1/2012	0000257 DUTCH	MAID CLEANERS		JUL 2012/LAUNDRY SERVICES	Total : 511.66

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150831	8/1/2012	0000257	0000257 DUTCH MAID CLEANERS		(Continued)	Total : 511.66
150832	8/1/2012	0000273	EDGE ANALYTICAL, INC		TESTING SERVICES	260.00
					TESTING SERVICES	18.00
					Total :	278.00
150833	8/1/2012	0000279	EMPLOYMENT SECURITY, WASHINGTC	94505210 7	2ND QTR 2012/UNEMPLOYMENT	9,548.60
					Total :	9,548.60
150834	8/1/2012	0000283	ENTENMANN-ROVIN COMPANY		BADGE	96.40
					BADGES	90.68
					Total :	187.08
150835	8/1/2012	0001666	ENVIRO-CLEAN EQUIPMENT		ACTUATOR	544.99
					SEAL MATERIAL/SPRING	299.98
					BROOMS	1,500.06
					Total :	2,345.03
150836	8/1/2012	0001789	ESPARZA, RONALD W		RACE WEEK SECURITY	60.00
					Total :	60.00
150837	8/1/2012	0006276	EXPRESS SERVICES, INC		OFFICE SERVICE SUPPORT	978.40
					OFFICE SERVICE SUPPORT	342.44
					Total :	1,320.84
150838	8/1/2012	0006835	FABER, RENEE		TRAVEL REFUND	50.00
					Total :	50.00
150839	8/1/2012	0000309	FERGUSON, LARRY		RACE WEEK SECURITY	60.00
					Total :	60.00
150840	8/1/2012	0006836	FINDLEY, JACKIE		TRAVEL REFUND	100.00
					TRAVEL REFUND	38.00
					Total :	138.00
150841	8/1/2012	0000317	FLOORS PLUS		ROLLER SHADES	2,103.08
					Total :	2,103.08

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150842	8/1/2012	0000322 FOSTER PEPPER PLLC	1011579		PROF SVC/DOWNTOWN IMPROVEI	3,862.67
					<b>Total :</b>	<b>3,862.67</b>
150843	8/1/2012	0000355 FRONTIER				
			007-9244		CURRENT PHONE CHARGES	277.01
			240-0614		CURRENT PHONE CHARGES	85.87
			240-2350		CURRENT PHONE CHARGES	1,136.57
			279-0841		CURRENT PHONE CHARGES	67.46
			279-1060		CURRENT PHONE CHARGES	57.67
			675-1568		CURRENT PHONE CHARGES	205.00
			675-1572		CURRENT PHONE CHARGES	53.75
			675-1669		CURRENT PHONE CHARGES	57.52
			675-2111		CURRENT PHONE CHARGES	59.51
			675-3121		CURRENT PHONE CHARGES	53.75
			675-5190		CURRENT PHONE CHARGES	40.12
			675-6794		CURRENT PHONE CHARGES	49.39
			675-6858		CURRENT PHONE CHARGES	54.15
			679-0500		CURRENT PHONE CHARGES	59.07
			679-1640		CURRENT PHONE CHARGES	54.32
			679-1651		CURRENT PHONE CHARGES	59.48
			679-1789		CURRENT PHONE CHARGES	54.32
			679-2530		CURRENT PHONE CHARGES	57.52
			679-2628		CURRENT PHONE CHARGES	321.64
			679-3013		CURRENT PHONE CHARGES	54.15
			679-3321		CURRENT PHONE CHARGES	45.82
			679-3541		CURRENT PHONE CHARGES	49.40
			679-3902		CURRENT PHONE CHARGES	58.99
			679-4091		CURRENT PHONE CHARGES	86.54
			679-4150		CURRENT PHONE CHARGES	53.46
			679-4541		CURRENT PHONE CHARGES	108.30
			679-5551		CURRENT PHONE CHARGES	45.82
			679-6391		CURRENT PHONE CHARGES	183.78
			679-8477		CURRENT PHONE CHARGES	75.63
			679-8702		CURRENT PHONE CHARGES	59.45
			770-2694		CURRENT PHONE CHARGES	35.11
			770-2715		CURRENT PHONE CHARGES	26.50
					<b>Total :</b>	<b>3,687.07</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150844	8/1/2012	0006819 FROST, LISA	1		TRAVEL REFUND	29.00
					<b>Total :</b>	<b>29.00</b>
150845	8/1/2012	0001706 GARDNER, PAT			EXP REIMB	560.00
					EXP REIMB	700.00
					EXP REIMB	438.08
					<b>Total :</b>	<b>1,698.08</b>
150846	8/1/2012	0000330 GARDNER, TERI			EXP REIMB	97.98
					<b>Total :</b>	<b>97.98</b>
150847	8/1/2012	0006683 GERBER, GEORGIA			SCULPTURE	17,610.00
					<b>Total :</b>	<b>17,610.00</b>
150848	8/1/2012	0000340 GIFFORD, KATHY			WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150849	8/1/2012	0002788 GLOCK, INC			EXTRACTORBEARINGS/SLEEVES/	270.67
					<b>Total :</b>	<b>270.67</b>
150850	8/1/2012	0000345 GREATER OAK HBR CHAMBER OF COM	030118		2012/2% FUNDING	3,802.25
					JUL 2012/TOURIST PROMOTION	6,667.00
					<b>Total :</b>	<b>10,469.25</b>
150851	8/1/2012	0004974 GREEN LIGHT SOLUTIONS			MAINTENANCE & INSPECTIONS	1,050.00
					<b>Total :</b>	<b>1,050.00</b>
150852	8/1/2012	0006842 HAMPTON INN & SUITES			HOTEL ACCOMMODATIONS/RILEY	362.04
					<b>Total :</b>	<b>362.04</b>
150853	8/1/2012	0000323 HD FOWLER COMPANY			NOZZLE	35.06
					NOZZLE	302.19
					TRANSFORMER	62.64
					<b>Total :</b>	<b>399.89</b>
150854	8/1/2012	0001251 HEWLETT-PACKARD COMPANY			SMART AC ADAPTER	69.56
					<b>Total :</b>	<b>69.56</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150855	8/1/2012	0005398 HIATT, CHRISTIAN M	071512		RACE WEEK SECURITY	270.00
					<b>Total :</b>	<b>270.00</b>
150856	8/1/2012	0006840 HOFKAMP, VIRGIL	073012		KEY DEPOSIT REFUND	5.00
					<b>Total :</b>	<b>5.00</b>
150857	8/1/2012	0005250 HONEYMOON BAY COFFEE ROASTERS	427733		COFFEE SUPPLIES	93.22
					<b>Total :</b>	<b>93.22</b>
150858	8/1/2012	0006520 HOPKINS, CAMERON	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150859	8/1/2012	0006047 HORIZON	3M062266		EXMARK	7,971.56
					<b>Total :</b>	<b>7,971.56</b>
150860	8/1/2012	0000627 HSBC BUSINESS SOLUTIONS	110453215211		SUPPLIES	435.78
			166525115211		SUPPLIES	713.55
					<b>Total :</b>	<b>1,149.33</b>
150861	8/1/2012	0004168 HSBC BUSINESS SOLUTIONS	26404058		SPORT UTILITY DRY BOX	91.37
			26412958		SPORT UTILITY DRY BOX	45.68
					<b>Total :</b>	<b>137.05</b>
150862	8/1/2012	0005872 IMPAIRED DRIVING IMPACT PANEL	070212		DUI/UNDERAGE DRINKING PREVEI	200.00
					<b>Total :</b>	<b>200.00</b>
150863	8/1/2012	0000417 INDUSTRIAL BOLT & SUPPLY	514253-1		DRILL/FLAP/GRIND WHEEL/TIE	431.58
					<b>Total :</b>	<b>431.58</b>
150864	8/1/2012	0005884 ISLAND COUNTY HUMAN SERVICES	2ND QTR 12		2ND QTR 2012/EXCISE/PROFIT LIQ	2,403.58
					<b>Total :</b>	<b>2,403.58</b>
150865	8/1/2012	0000410 ISLAND COUNTY SOLID WASTE	063012		JUN 2012/TIPPING FEES	69,833.03
					<b>Total :</b>	<b>69,833.03</b>
150866	8/1/2012	0000411 ISLAND COUNTY TREASURER	071312		2ND QTR 2012/MUNICIPAL COURT	47,388.06
			080112		CRIME VICTIM COMPENSATION	176.71
					<b>Total :</b>	<b>47,388.06</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150866	8/1/2012	0000411	0000411 ISLAND COUNTY TREASURER (Continued)			Total : 47,564.77
150867	8/1/2012	0000415	ISLAND DISPOSAL		JUN 2012/RECYCLING	4,249.35
					JUN 2012/COLLECTION CHARGES	9,821.56
					RECYCLING	40.00
					Total :	14,110.91
150868	8/1/2012	0000441	ISLAND SYSTEMS		WATER/MARINA	5.90
					WATER/MARINA	17.70
					Total :	23.60
150869	8/1/2012	0000447	JAMESON, KEITH		WELLNESS INCENTIVE	20.00
					Total :	20.00
150870	8/1/2012	0006362	KBA, INC		PROF SVC/GUN CLUB ROAD WATE	11,027.47
					Total :	11,027.47
150871	8/1/2012	0000476	KERR, JACK		JUL 2012/PUBLIC DEFENSE SCREE	1,400.00
					Total :	1,400.00
150872	8/1/2012	0005829	KOVAL, MICHAEL V		RACE WEEK SECURITY	75.00
					Total :	75.00
150873	8/1/2012	0000494	LAKE SIDE INDUSTRIES		ASPHALT	915.29
					Total :	915.29
150874	8/1/2012	0001662	LEDGERWOOD, MARIANNE		WELLNESS INCENTIVE	20.00
					Total :	20.00
150875	8/1/2012	0000979	LES SCHWAB		SENSOR	58.18
					Total :	58.18
150876	8/1/2012	0004502	LEXISNEXIS RISK DATA MANAGE		JUN 2012/MINIMUM COMMITMENT	54.35
					Total :	54.35
150877	8/1/2012	0000950	LICENSING, WASHINGTON STATE DEP		BACKGROUND CHECKS	414.00
					Total :	414.00

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150878	8/1/2012	0004127 LOUNSBERRY, NORIKO	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150879	8/1/2012	0006636 LUCITY, INC	61241-2		PRODUCT TRAININGWEB	930.44
					<b>Total :</b>	<b>930.44</b>
150880	8/1/2012	0000522 LUEHR, TOM			DRIVING SERVICES	93.00
					DRIVING SERVICES	147.00
					DRIVING SERVICES	141.00
					DRIVING SERVICES	91.00
					DRIVING SERVICES	129.00
					<b>Total :</b>	<b>601.00</b>
150881	8/1/2012	0000524 LYNDEN ICE	113007664 121003136		ICE	97.20
					ICE	125.00
					<b>Total :</b>	<b>222.20</b>
150882	8/1/2012	0000530 MAILLIARD'S LANDING NURSERY	59536		YARD WASTE	377.30
					YARD WASTE	200.20
					YARD WASTE	149.10
					YARD WASTE	227.15
					YARD WASTE	230.30
					YARD WASTE	268.80
					YARD WASTE	52.85
					YARD WASTE	205.80
					YARD WASTE	215.95
					YARD WASTE	263.90
					YARD WASTE	202.30
					YARD WASTE	342.30
					YARD WASTE	121.45
					YARD WASTE	374.50
					YARD WASTE	145.60
					YARD WASTE	389.90
					YARD WASTE	201.25
					YARD WASTE	184.10
					YARD WASTE	242.55
					YARD WASTE	212.45

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150882	8/1/2012	0000530 MAILLIARD'S LANDING NURSERY	(Continued) 60880		YARD WASTE	262.85
					<b>Total :</b>	<b>4,870.60</b>
150883	8/1/2012	0000660 MARKET PLACE FOOD & DRUG	199684 682932 764327		GROCERIES GROCERIES GROCERIES	181.98 311.86 580.42
					<b>Total :</b>	<b>1,074.26</b>
150884	8/1/2012	0006652 MARTINI, MADELINE	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150885	8/1/2012	0004052 MASTER METER SYSTEMS	0060181-IN		VEHICLE READING SYSTEM	1,500.00
					<b>Total :</b>	<b>1,500.00</b>
150886	8/1/2012	0006072 MASTERS TOUCH, LLC	25467 25468		JUN 2012/MAILING SERVICES FOR JUN 2012/MAILING SERVICES FOR	288.71 863.95
					<b>Total :</b>	<b>1,152.66</b>
150887	8/1/2012	0000040 MATRIX	607970872 607981850		MAY 2012/LONG DISTANCE JUN 2012/LONG DISTANCE	499.19 489.38
					<b>Total :</b>	<b>988.57</b>
150888	8/1/2012	0006028 MCI COMM SERVICE	679-3902		LONG DISTANCE	36.88
					<b>Total :</b>	<b>36.88</b>
150889	8/1/2012	0006299 MEYER, CAROL	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150890	8/1/2012	0004818 MICHAEL BOBBINK LAND USE SRVCS	071712		JUL 2012/HEARING EXAMINER SEF	1,500.00
					<b>Total :</b>	<b>1,500.00</b>
150891	8/1/2012	0006788 MID PAC CONSTRUCTION, INC	1281		TENNIS COURT SURFACING	9,783.00
					<b>Total :</b>	<b>9,783.00</b>
150892	8/1/2012	0005445 MONTROYA, MATTHEW J	77		JUL 2012/PUBLIC DEFENSE	5,500.00
					<b>Total :</b>	<b>5,500.00</b>

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150893	8/1/2012	0006839 MOORE, KIMBERLY	072412		KEY DEPOSIT REFUND	5.00
					<b>Total :</b>	<b>5.00</b>
150894	8/1/2012	0004423 MUNICIPAL EMERGENCY SERVICES	00330565_SNV		SHIRT	72.05
					<b>Total :</b>	<b>72.05</b>
150895	8/1/2012	0000612 NELSON PETROLEUM	0479117-IN		FUEL	1,201.44
					<b>Total :</b>	<b>1,201.44</b>
150896	8/1/2012	0000621 NIIRO, CEDRIC	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150897	8/1/2012	0000610 NORTH CENTRAL LABORATORIES	307197		ORION GEL-FILLED COMB PROBE	239.47
					<b>Total :</b>	<b>239.47</b>
150898	8/1/2012	0005669 NORTHWEST HOT SPRING SPAS	200377-1		SAND/VALVE/LATERALS	713.41
					<b>Total :</b>	<b>713.41</b>
150899	8/1/2012	0000647 NORTHWEST MARINE TRADE ASSOC	83004		MEMBERSHIP DUES	410.00
					<b>Total :</b>	<b>410.00</b>
150900	8/1/2012	0000672 OAK HARBOR ACE	204325		KEY	3.24
			204750		QUICKCRETE MIX	9.75
			205491		COVER/FRAME/RSTP	56.89
			205812		TRIMMER LINE	38.03
			205857		DUSTPANS	33.44
			205965		TEE/CEMENT/DRAIN	19.32
			205968		HOSE	13.03
			206022		BASTER	2.49
			206036		SPLY	6.51
			206044		SPLY	-6.51
			206130		ACID/FASTENERS	19.85
			206132		VALVE/COUPLE/BUSHING/ORING/A	32.90
			206145		ADAPTER	1.40
			206154		BRUSHES/SPRAYER	21.03
			206161		CFL/PLUG	55.38
			206189		FILTERS	23.87
			206226		PLUG	16.25

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Voucher 150900 Date 8/1/2012 Vendor 0000672 OAK HARBOR ACE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
			(Continued)			
			206249		SMARTLOCK	15.36
			206260		ACID/COUPLES/PRIMER/CEMENT	52.65
			206302		REPAIR KIT/SUNBLOCK	42.76
			206351		FASTENERS/WOOD SEAT	50.19
			206436		FUNNEL/PIANO BOX	44.00
			206447		FASTENERS	4.57
			206448		VELCRO/BUNGEE CORD	25.47
			206463		TILE SCOUR/ROTOR	39.74
			206480		OUTBOARD OIL	5.21
			206504		TERRAPOT	3.58
			206525		CAULK	4.88
			206537		VALVE SWING CHECK	30.43
			206541		MEASURING CUPS	13.03
			206590		STRAINER/CUSH GR SCDR	4.97
			206603		NIPPLE/BALL VALVE/SEAL THREAD	17.14
			206625		TEE/PIPE/ELBOW/CEMENT	10.55
			206628		EPOXY	11.72
			206659		NIPPLES	28.49
			206687		FREIGHT	14.31
			206701		ADAPTER/CLAMP/PLUMBING SUPP	27.10
			206711		PRIMER/PIPE CLEANER/CEMENT/A	77.64
			206721		CEMENT	8.14
			206722		CLAMPS	5.48
			206748		HARDWARE/CLAMPS	35.12
			206774		DRAIN/EYE BOLT/WRAP TIES	19.09
			206776		CLAMPS	30.00
			206816		CLAMPS	7.78
			206895		KEYS	4.11
			206926		WALL ANCHOR/REPLACEMENT STI	21.70
			206930		FASTENERS	1.26
			206956		FASTENERS	6.67
			207029		HARDWARE	6.70
			207133		BATTERIES	28.23
			207173		COUPLING	10.86
			207210		BEND	4.88
			207217		BEND/TAILPIECE/JOINT/TRAP	9.10

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150900	8/1/2012	0000672 OAK HARBOR ACE	(Continued) 207269		PLUG	4.88
					<b>Total :</b>	<b>1,074.66</b>
150901	8/1/2012	0000668 OAK HARBOR AUTO CENTER			PARTS	61.34
					PARTS	23.19
					FILTERS	-17.66
					TRIM/ADHESIVE	32.32
					FILTERS	13.69
					FILTERS	29.84
					CORE TOOL	13.16
					SERVICE CAPS	1.02
					FILTERS	39.22
					SERVICE CAPS	2.04
					FILTERS	12.79
					ANTIFREEZE	125.83
					FILTERS	59.53
					LAMP/PRIME EXT LIFE	74.04
					ARM/PULLER	45.86
					FILTERS	78.44
					FILTERS	-42.25
					FILTERS	98.78
					<b>Total :</b>	<b>651.18</b>
150902	8/1/2012	0000669 OAK HARBOR FIRE DEPARTMENT			PETTY CASH	74.62
					<b>Total :</b>	<b>74.62</b>
150903	8/1/2012	0000676 OAK HARBOR POLICE DEPARTMENT			PETTY CASH	150.87
					<b>Total :</b>	<b>150.87</b>
150904	8/1/2012	0000681 OAK HARBOR SCHOOL DISTRICT			JUL 2012/COMPUTER NETWORK S	6,708.33
					<b>Total :</b>	<b>6,708.33</b>
150905	8/1/2012	0000665 OFFICEMAX, INC			TONER	103.16
					<b>Total :</b>	<b>103.16</b>
150906	8/1/2012	0000698 P & L GENERAL CONTRACTORS			TRAILER RENTAL	217.40
					<b>Total :</b>	<b>217.40</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150906	8/1/2012	0000698 P & L GENERAL CONTRACTORS	(Continued) 2690		TRAILER RENTAL	217.40
					<b>Total :</b>	<b>434.80</b>
150907	8/1/2012	0002985 PACIFIC TIRE CO. INC	0057990 0057991 0058297		TIRES TIRES TIRES	64.92 63.84 993.19
					<b>Total :</b>	<b>1,121.95</b>
150908	8/1/2012	0003164 PAINTERS ALLEY	15770		CLEANER	108.48
					<b>Total :</b>	<b>108.48</b>
150909	8/1/2012	0000709 PERS	00936217		JUN 2012/JUNFUNDED LIABILITY	26.98
					<b>Total :</b>	<b>26.98</b>
150910	8/1/2012	0003615 PERTEET, INC	20090013.001-9		PROF SVC/SE PIONEER WAY RECC	1,718.50
					<b>Total :</b>	<b>1,718.50</b>
150911	8/1/2012	0000299 PLACE, SANDRA	EXP REIMB		EXP REIMB	1,374.00
					<b>Total :</b>	<b>1,374.00</b>
150912	8/1/2012	0000710 PLATT ELECTRIC SUPPLY, INC	1556730		ARM	64.92
					<b>Total :</b>	<b>64.92</b>
150913	8/1/2012	0000730 POWELL, JANIS	1 2		DRIVING SERVICES DRIVING SERVICES	102.00 121.00
					<b>Total :</b>	<b>223.00</b>
150914	8/1/2012	0004622 POWERS, LISA	071112		WELLNESS INCENTIVE	20.00
					<b>Total :</b>	<b>20.00</b>
150915	8/1/2012	0006685 PROFESSIONAL LAW ENFORCEMENT	WEB000327		REGISTRATION/CARTER	150.00
					<b>Total :</b>	<b>150.00</b>
150916	8/1/2012	0002881 PUBLIC SAFETY TESTING	2012-4566		2ND QTR 2012/SUBSCRIPTION FEE	732.50
					<b>Total :</b>	<b>732.50</b>
150917	8/1/2012	0000746 PUGET SAFETY EQUIPMENT	0006086-IN		RATCHET	26.76

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150917	8/1/2012	0000746	0000746 PUGET SAFETY EQUIPMENT			
			(Continued)			
150918	8/1/2012	0000743	PUGET SOUND ENERGY			
			0349160002			
			0682202007		ELECTRICITY/WELL #7	12.24
			0889461000		ELECTRICITY/SW ERIE ST SW BAR	158.34
			0908850001		ELECTRICITY/SEWAGE LAGOON -	5,743.72
			0948350004		ELECTRICITY/285 JEROME STREE	47.35
			1055170003		ELECTRICITY/KITCHEN EAST SIDE	16.10
			1306440155		ELECTRICITY/STREET LIGHTS	12,696.83
			1306440387		ELECTRICITY/180 PIT ROAD	19.20
			1306444926		ELECTRICITY/SR 20 & SW 24 ST	170.43
			1306445121		ELECTRICITY/34777 STATE ROUTE	61.60
			1306447796		ELECTRICITY/CITY BEACH PARK	138.49
			1306449073		ELECTRICITY/2000 SW SCENIC HE	17.13
			1306449248		ELECTRICITY/1780 SW SPRINGFIE	10.27
			2069491005		ELECTRICITY/3285 SW SCENIC HE	79.49
			2117261004		ELECTRICITY/1577 NW 8TH AVENU	9.66
			2149541001		ELECTRICITY/CITY BEACH PARK	1,075.88
			2438649366		ELECTRICITY/945 E WHIDBEY AVE	30.80
			2668731009		ELECTRICITY/NW CROSBY AVE & ↑	66.92
			2728350006		ELECTRICITY/SENIOR CENTER	566.45
			2972721001		ELECTRICITY/ANNEX	16.10
			3004881003		ELECTRICITY/2091 NE 9TH AVENU	10.66
			3069491003		ELECTRICITY/HELLER RD AND 700	45.50
			3223642657		ELECTRICITY/1678 SW 8TH AVENU	9.66
			3415305956		ELECTRICITY/SAB 4993 SR 20 E HV	175.07
			3460950003		ELECTRICITY/626 N CHRISTIAN RC	18.40
			3997850007		ELECTRICITY/MIDWAY & SE 8TH S	89.63
			4249160005		ELECTRICITY/SEWAGE LIFT PMP 9	10.21
			4763991009		ELECTRICITY/LIFT STATION E PION	82.45
			4980671004		ELECTRICITY/SMITH PARK	9.66
			5039160006		ELECTRICITY/1019 W SWANTOWN	92.45
			5145502000		ELECTRICITY/1137 NW KATHLEEN	40.19
			5315850007		ELECTRICITY/90 SE PIONEER WAY	36.96
			5410100654		ELECTRICITY/700 AV W & MIDWAY	121.69
			5462650002		ELECTRICITY/1957 SW FORT NUGI	127.22
			5839160008		ELECTRICITY/HELLER RD TELEME	303.15
					ELECTRICITY/DISPOSAL PLANT	2,747.34
					Total :	26.76

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Voucher 150918 Date 8/1/2012 Vendor 0000743 PUGET SOUND ENERGY

Invoice	PO #	Description/Account	Amount
(Continued)			
5848181003		ELECTRICITY/FIDALGO & HATHAW	13.33
6012561814		ELECTRICITY/3300 OLD GOLDIE R	61.30
6012568561		ELECTRICITY/SWANTOWN RIDGE	171.67
6160160005		ELECTRICITY/1285 NE TAFTSON S	31.72
624091361		ELECTRICITY/2075 SW FT NUGENI	376.03
6258350005		ELECTRICITY/TRAILER PK S END	24.42
6768202001		ELECTRICITY/PARKS	22.99
6847901524		ELECTRICITY/PARKS	57.55
6847904155		ELECTRICITY/1948 NW CROSBY A	87.04
6847904528		ELECTRICITY/1661 NE 16TH AVENI	21.61
6847906499		ELECTRICITY/MIDWAY AVE STREE	187.07
6847906598		ELECTRICITY/651 SE BAYSHORE D	55.26
6847908149		ELECTRICITY/CITY BEACH PARK	23.73
6847908198		ELECTRICITY/SE PIONEER WAY &	145.69
6847908362		ELECTRICITY/1300 NE BIG BERRY	9.66
6847909006		ELECTRICITY/SE PIONEER WAY &	98.81
6847909394		ELECTRICITY/MIDWAY & SE 4TH S	121.32
6847909501		ELECTRICITY/SE PIONEER WAY &	64.81
6902550000		ELECTRICITY/MCCROHAN & BARR	41.47
6969160008		ELECTRICITY/PUMP STA AULT FLD	377.18
7195081000		ELECTRICITY/600 NE 7TH AVENUE	95.33
7258350003		ELECTRICITY/CITY BCH-COMFRT S	197.17
7479771003		ELECTRICITY/552 NW CLPPER STI	9.66
7647999403		ELECTRICITY/SE CITY BEACH STB	113.58
7848350000		ELECTRICITY/75 SE JEROME STRE	9.85
7944581003		ELECTRICITY/5941 STATE ROUTE 2	12.04
8191791048		ELECTRICITY/ADULT CARE CENTE	18.13
8258350001		ELECTRICITY/RESTROOM KITCHEI	13.52
8291970286		ELECTRICITY/2330 SW ROSARIO P	34.17
8382791005		ELECTRICITY/FABER ST & HARVEE	9.66
8549402009		ELECTRICITY/2075 SW FT NUGENI	18.85
8848350008		ELECTRICITY/CITY BEACH PARK	20.88
8922751006		ELECTRICITY/128 E WHIDBEY AVEI	9.66
8926771000		ELECTRICITY/PIONEER PARK	14.63
9045851004		ELECTRICITY/1370 SE DOCK STRE	60.31
9049160006		ELECTRICITY/CITY HALL	850.98

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150918	8/1/2012	0000743 PUGET SOUND ENERGY	(Continued) 9142061002 9173951006 9249160004 9269160009 9374761006 9406881004 9640160009 9816271002 9848350006		ELECTRICITY/SR 20 & 650 AV W ELECTRICITY/287 SE CABOT DRIVE ELECTRICITY/WELL #6 ELECTRICITY/MARINA ELECTRICITY/TREATMENT PLANT ELECTRICITY/CITY SHOP ELECTRICITY/VALVE PIT E SDIE RE ELECTRICITY/FIRE STATION ELECTRICITY/BATHHOUSE EAST BE	678.80 60.39 12.24 1,731.19 2,557.63 1,821.86 18.12 1,076.08 21.80 <b>Total : 36,316.43</b>
150919	8/1/2012	0002037 QUALIFICATION TARGETS, INC	21201997		TIMER/TARGETS	314.71 <b>Total : 314.71</b>
150920	8/1/2012	0000753 RADIOSHACK	015010 015102 015158		PK4 1A 5X20 SB DVDS PORT HUBS	3.47 13.03 41.28 <b>Total : 57.78</b>
150921	8/1/2012	0006723 RANG, JEFFREY	071512		RACE WEEK SECURITY	60.00 <b>Total : 60.00</b>
150922	8/1/2012	0001483 REID, MARLENE	072412		KEY DEPOSIT REFUND	5.00 <b>Total : 5.00</b>
150923	8/1/2012	0006832 REN, MICHAEL	071612		KEY DEPOSIT REFUND	5.00 <b>Total : 5.00</b>
150924	8/1/2012	0003657 RESOURCE ACTION PROGRAMS	0501126934-888-IN		OAK HARBOR WATERWISE	483.34 <b>Total : 483.34</b>
150925	8/1/2012	0006838 ROSE, JUSTIN	072412		KEY DEPOSIT REFUND	5.00 <b>Total : 5.00</b>
150926	8/1/2012	0000792 SCHEPKY NORTHWEST SALES	29168		HATCH	247.32 <b>Total : 247.32</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150927	8/1/2012	0002602 SCHULTZ, EDNA	1		TRAVEL REFUND	50.00
					<b>Total :</b>	<b>50.00</b>
150928	8/1/2012	0006704 SCIMITAR CONSTRUCTION	FINAL		PROF SVCS/SAFE ROUTES TO SCHI	37,530.52
					<b>Total :</b>	<b>37,530.52</b>
150929	8/1/2012	0005967 SEATTLE AUTOMOTIVE DIST	06-779472 06-779689		MOTOR AND FAN/RELAY MOTOR	332.65 46.71
					<b>Total :</b>	<b>379.36</b>
150930	8/1/2012	0005961 SEDGWICK CLAIMS MANAGEMENT	WINV000013820		2012/L&I SERVICES	12,964.83
					<b>Total :</b>	<b>12,964.83</b>
150931	8/1/2012	0000807 SEIM, CARL	TRAVEL REIMB TRAVEL REIMB2		TRAVEL REIMB TRAVEL REIMB	106.50 111.28
					<b>Total :</b>	<b>217.78</b>
150932	8/1/2012	0000809 SENIOR SERVICES OF ISLAND	CB-1003-SPB OH06-2012		SPONSORSHIP JUN 2012/SENIOR SERVICES	150.00 1,500.00
					<b>Total :</b>	<b>1,650.00</b>
150933	8/1/2012	0000719 SEVERNS, RHONDA	071112 EXP REIMB		WELLNESS INCENTIVE EXP REIMB	20.00 61.00
					<b>Total :</b>	<b>81.00</b>
150934	8/1/2012	0000822 SHRED-JT WEST WASHINGTON	101203215		SHREDDING	148.50
					<b>Total :</b>	<b>148.50</b>
150935	8/1/2012	0004487 SIEMENS INDUSTRY, INC	900816450		WST501314 BIOXIDE	6,356.78
					<b>Total :</b>	<b>6,356.78</b>
150936	8/1/2012	0005444 SIERRA, GEORGINA D	072312		JUL 2012/PUBLIC DEFENSE	2,500.00
					<b>Total :</b>	<b>2,500.00</b>
150937	8/1/2012	0004184 SIPES, TAMRA	083112		AUG 2012/RACE COORDINATOR SF	2,546.00
					<b>Total :</b>	<b>2,546.00</b>
150938	8/1/2012	0000831 SIX ROBBLEES, INC	14-250480		DRUM DOLLY	250.23

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150938	8/1/2012	0000831 SIX ROBBLEES, INC	(Continued) 14-253276 14-253277 14-253861 14-254141		CARTRIDGE LED HYBRID BEACON TIRES BRAKE DRUM/STOP BOX ASSY Total :	28.06 258.74 72.10 435.80 1,044.93
150939	8/1/2012	0000814 SKAGIT FARMERS SUPPLY	11920 302808 304769		MT VERNON BASICS/OSMOCOTE FERTILIZERS CHEM/ROUNDUP Total :	3,509.29 191.24 271.73 3,972.26
150940	8/1/2012	0000876 SKAGIT VALLEY COLLEGE	22658		2ND QTR 2012/BUILDING OPERATI Total :	15,204.24 15,204.24
150941	8/1/2012	0000846 SOUND PUBLISHING	465320 472686 636884 636887 636892 639381 641672 641673 641689 642191 644760 649935 649941 649944 649945		MAY 2012/PUBLICATIONS-ACCT#8C JUN 2012/PUBLICATIONS-ACCT#80 NOA PUBLIC HEARING FAIRWAY P PC 06-26-12 ORD 1626 CC 12-17 ORD 1628 ORD 1627 NOA ODNS CHURCH OF LATTER D. CC 12-18 PUBLIC HEARING CALL FOR BIDS PC 07-24-12 ORD 1630 ORD 1629 Total :	1,467.33 1,551.75 152.62 152.62 52.83 52.83 88.05 58.70 52.83 135.01 82.18 164.36 149.52 161.98 49.84 62.30 4,381.92
150942	8/1/2012	0005488 SPOO, ETHAN	071112		WELLNESS INCENTIVE Total :	20.00 20.00
150943	8/1/2012	0000851 SPRINT	694209817-056		CURRENT CELL CHARGES Total :	839.86 839.86

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150944	8/1/2012	0000851 SPRINT	414568819-056		CURRENT CELL CHARGES	514.09
					<b>Total :</b>	<b>514.09</b>
150945	8/1/2012	0000851 SPRINT	140239187 182311697		LONG DISTANCE	8.95
					LONG DISTANCE	5.66
					<b>Total :</b>	<b>14.61</b>
150946	8/1/2012	0000860 STANDARD INSURANCE COMPANY	072312		LIFE INSURANCE/POCF	262.50
					<b>Total :</b>	<b>262.50</b>
150947	8/1/2012	0003883 STAPLES BUSINESS ADVANTAGE	3175064645 3175064646 3175064648 3175410935 3175999797 3175999798 3175999799 3176322379 3176322378 3176322380 3176322381 3176322382 3176662586 3176974893 3176974894 3177346052 3177346053 3177346054 3177346055 3177966377 3177966378 3177966379 3177966380 3178264957 3178264958 3178264959		RISER/TANK/POST IT NOTES/SHAR WALL POCKETS PHONE MESSAGE BOOK/AIR FRES CREDIT INK ROLLS/PRINTER TAPE PAD/HOLDER HOLDER FILTERS LABELS STAPLER/STAPLES/ADD ROLL 2 HOLE PUNCH/POST IT FLAGS/TA POST IT NOTES INDEX CARDS DUCT TAPE/DISPLAY CALC BLACKTOP POST IT NOTES/PENS/CLIPS/PAPE PENS BUSINESS CARDS/PENS SIGN SIGN SIGN TAPE/CLIPBOARD/ENVELOPES STRIPS TONER/FLAGS TONER LIQUID PAPER	49.52 17.50 28.01 -1,355.79 97.85 212.47 6.50 30.11 293.46 36.74 7.48 28.32 37.28 42.39 29.28 66.90 107.85 14.04 57.73 19.71 19.71 19.71 29.62 8.74 205.63 90.91 33.52

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150947	8/1/2012	0003883	0003883 STAPLES BUSINESS ADVANTAGE (Continued)			Total : 215.48
150948	8/1/2012	0006460	STATEWIDE RENT-A-FENCE, INC		PANELS RENTAL	Total : 90.40
150949	8/1/2012	0006841	STEVE ABEL & ASSOCIATES, LLC		FIRE LIEUTENANT ASSESSMENT C	Total : 2,000.00
150950	8/1/2012	0003749	STJUMP, PATRICK L	1 2	DRIVING SERVICES DRIVING SERVICES	Total : 258.00
150951	8/1/2012	0000874	SURETY PEST CONTROL		PEST EXTERMINATION PEST EXTERMINATION PEST EXTERMINATION PEST EXTERMINATION PEST EXTERMINATION PEST EXTERMINATION PEST EXTERMINATION	Total : 289.16
150952	8/1/2012	0006730	SWINOMISH INDIAN TRIBAL		OAK HARBOR SITE SERVICES OAK HARBOR SITE SERVICES	Total : 104,804.90
150953	8/1/2012	0004933	TACTICAL OFFICERS, WASHINGTON S	12-001	2012 TEAM DUES	Total : 100.00
150954	8/1/2012	0006831	THOMPSON, KELLY		KEY DEPOSIT REFUND	Total : 5.00
150955	8/1/2012	0001053	TREASURER, WASHINGTON STATE	080112	COURT/BC FEES	Total : 9,593.21
150956	8/1/2012	0004903	US BANK	4485591000304067	CREDIT CARD PURCHASES	Total : 1,268.01
150957	8/1/2012	0006156	US POSTAL SERVICE - HASLER	072512	POSTAGE	Total : 3,000.00

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150957	8/1/2012	0006156	0006156 US POSTAL SERVICE - HASLER		(Continued)	3,000.00
150958	8/1/2012	0000926	USABLUEBOOK		STRAINER	71.08
					HOSE SHANK/COUPILING/FLOAT S	560.48
					VALVE	55.57
					Total :	687.13
150959	8/1/2012	0000934	UTILITIES UNDERGROUND LOCATION		JUN 2012/LLOCATES	78.30
					Total :	78.30
150960	8/1/2012	0001604	VANZTYVELD, LORRAINE		TRAVEL REFUND	10.00
					Total :	10.00
150961	8/1/2012	0006837	VASQUEZ, MARGARET		TRAVEL REFUND	50.00
					TRAVEL REFUND	17.00
					Total :	67.00
150962	8/1/2012	0005920	VICKERS, JAMES		TRAVEL REFUND	25.00
					Total :	25.00
150963	8/1/2012	0001044	WASHINGTON CRIMINAL JUSTICE		EVOC SIMULATOR TRAINING	525.00
					REGISTRATION/HOAGLAND	50.00
					Total :	575.00
150964	8/1/2012	0001052	WASHINGTON STATE PATROL		BACKGROUND CHECKS	429.00
					Total :	429.00
150965	8/1/2012	0000996	WEST PUBLISHING COMPANY		JUN 2012/WEST INFORMATION CH.	599.42
					Total :	599.42
150966	8/1/2012	0001039	WESTERN PETERBILT, INC		SENSOR	208.15
					Total :	208.15
150967	8/1/2012	0001000	WHIDBEY AUTO PARTS, INC.		FILTER/NUTS	11.19
					BRUSHES	10.44
					FLEET-FL	19.39
					HOSES/ENDS	200.52

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150967	8/1/2012	0001000	0001000 WHIDBEY AUTO PARTS, INC.		(Continued)	Total : 241.54
150968	8/1/2012	0001007	WHIDBEY CLEANERS		EMBROIDERY	27.57
					EMBROIDERY	10.87
					Total :	38.44
150969	8/1/2012	0001005	WHIDBEY GENERAL HOSPITAL		INMATE SERVICES	Total : 573.15
					Total :	573.15
150970	8/1/2012	0001017	WHIDBEY PRINTERS		BUSINESS CARDS/D. ANDERSON	77.72
					CAMPING REMITTANCE ENVELOPE	868.73
					Total :	946.45
183 Vouchers for bank code : bank						Bank total : 827,449.98
183 Vouchers in this report						Total vouchers : 827,449.98

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City of Oak Harbor

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150775	7/24/2012	0006828 ALTSOURCE SOLUTIONS	Ref000197361 Ref000197364		UB Refund Cst #00159588 UB Refund Cst #00159588	71.65 41.17
					<b>Total :</b>	<b>112.82</b>
150776	7/24/2012	0001299 CHURCHILL REALTY	Ref000197352		UB Refund Cst #00149632	40.73
					<b>Total :</b>	<b>40.73</b>
150777	7/24/2012	0006825 COOK, JENNIFER	Ref000197358		UB Refund Cst #00157561	91.35
					<b>Total :</b>	<b>91.35</b>
150778	7/24/2012	0006827 EWAN, ION	Ref000197360		UB Refund Cst #00158382	75.84
					<b>Total :</b>	<b>75.84</b>
150779	7/24/2012	0006822 LEE, GEORGE	Ref000197354		UB Refund Cst #00155864	94.73
					<b>Total :</b>	<b>94.73</b>
150780	7/24/2012	0006820 LOFTON, LUCY	Ref000197351		UB Refund Cst #00121206	44.00
					<b>Total :</b>	<b>44.00</b>
150781	7/24/2012	0006829 OMEGA HOME CONSTRUCTION	Ref000197362		UB Refund Cst #00159854	76.70
					<b>Total :</b>	<b>76.70</b>
150782	7/24/2012	0006823 PILE, RYAN	Ref000197355		UB Refund Cst #00156789	33.22
					<b>Total :</b>	<b>33.22</b>
150783	7/24/2012	0006830 RAUEN, SCOTT	Ref000197363		UB Refund Cst #00160070	147.90
					<b>Total :</b>	<b>147.90</b>
150784	7/24/2012	0006821 ROSENGRANT, CRISHANNA	Ref000197353		UB Refund Cst #00152930	9.40
					<b>Total :</b>	<b>9.40</b>
150785	7/24/2012	0006824 SCHNEIDER, SCOTT	Ref000197357		UB Refund Cst #00156989	267.76
					<b>Total :</b>	<b>267.76</b>
150786	7/24/2012	0006826 TAYLOR, BRITTANY	Ref000197359		UB Refund Cst #00157828	15.73
					<b>Total :</b>	<b>15.73</b>

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150787	7/24/2012	0001391 WINDERMERE	Ref000197356		UB Refund Cst #00156882	114.30
					<b>Total :</b>	<b>114.30</b>
					<b>Bank total :</b>	<b>1,124.48</b>
					<b>13 Vouchers in this report</b>	<b>1,124.48</b>

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Voucher List  
City of Oak Harbor

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150603	7/12/2012	0006032 WHATCOM COUNTY DISTRICT COURT	070212		BAILWARRANT#WCS ACC002666571	500.00
					Total :	500.00
150604	7/5/2012	0006542 SIPES, TAMRA			TRAVEL REIMB	866.57
					Total :	866.57
150605	7/6/2012	0000066 AWC EMPLOYEES BENEFITS TRUST	070612		PREMIUMS	971.65
					Total :	971.65
150606	7/9/2012	0000860 STANDARD INSURANCE COMPANY	063012		LONG TERM DISABILITY	4,219.08
					Total :	4,219.08
150607	7/12/2012	0006814 ABENDEROTH, CHARLES	6164		MOORAGE REFUND	166.05
					Total :	166.05
150608	7/12/2012	0000424 ALL BATTERY SALES AND SERVICE	50197527		BATTERIES	141.20
					Total :	141.20
150609	7/12/2012	0000033 ALPINE PRODUCTS, INC	TM-124761		PAINT	1,928.70
					Total :	1,928.70
150610	7/12/2012	0003608 ALPINE-PINNACLE, INC	60761		GLOVES	162.68
					Total :	162.68
150611	7/12/2012	0000042 ANACORTES, CITY OF	900-9080-00 901-9080-01 901-9080-02		JUN 2012WATER PURCHASED JUN 2012WATER PURCHASED JUN 2012WATER PURCHASED	72,716.58 993.52 8,547.19
					Total :	82,257.29
150612	7/12/2012	0002044 ANACORTES.NET/HOWIT WORKS	30633		JUN 2012WEB HOSTING	15.95
					Total :	15.95
150613	7/12/2012	0003655 ANDERSON, STAN	062512		TACTICAL FIRE SCENE SCENARIO:	500.00
					Total :	500.00
150614	7/12/2012	0000050 ARAMARK	14713592 14713592		UNIFORM ITEMS UNIFORM ITEMS	427.28 -27.43

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
150614	7/12/2012	0000050 ARAMARK	(Continued) 14713592 14724278 147784		UNIFORM ITEMS UNIFORM ITEMS CREDIT	-247.16 247.16 -87.48 312.37			
					<b>Total :</b>	<b>312.37</b>			
150615	7/12/2012	0005001 ARAMARK	516793000		JUN 2012/JUNIFORM SERVICES	2,259.26			
					<b>Total :</b>	<b>2,259.26</b>			
150616	7/12/2012	0000053 ARROW PEST CONTROL, INC	141813		PEST CONTROL	108.70			
					<b>Total :</b>	<b>108.70</b>			
150617	7/12/2012	0004019 ASSOCIATED PETROLEUM PRODUCTS	0317263-IN 0318179-IN		FUEL FUEL	4,268.63 14,066.99 18,335.62			
					<b>Total :</b>	<b>18,335.62</b>			
150618	7/12/2012	0000159 AT&T MOBILITY	996009348X07012012		CURRENT CELL CHARGES	85.63			
					<b>Total :</b>	<b>85.63</b>			
150619	7/12/2012	0006816 AUTIO, RICK	5585		MOORAGE REFUND	61.41			
					<b>Total :</b>	<b>61.41</b>			
150620	7/12/2012	0000065 AVOCET ENVIRONMENTAL TESTING	1201999-IN		TESTING SERVICES	110.00			
					<b>Total :</b>	<b>110.00</b>			
150621	7/12/2012	0004733 BARRON HEATING & AIR COND, INC	125358		AIR CONDITIONER REPAIR	342.41			
					<b>Total :</b>	<b>342.41</b>			
150622	7/12/2012	0006789 BAYLISS, KRISTIN	100		JUROR	13.33			
					<b>Total :</b>	<b>13.33</b>			
150623	7/12/2012	0000082 BAYSHORE OFFICE PRODUCTS, INC	0601174-001		CHAIR ARM	43.48			
					<b>Total :</b>	<b>43.48</b>			
150624	7/12/2012	0006790 BENNETT, LAUREL	101		JUROR	45.52			
					<b>Total :</b>	<b>45.52</b>			
150625	7/12/2012	0006791 BLOUNT, DWAYNE	102		JUROR	75.49			
					<b>Total :</b>	<b>75.49</b>			

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150625	7/12/2012	0006791	0006791 BLOUNT, DWAYNE		(Continued)	Total : 75.49
150626	7/12/2012	0000109	BLUMENTHAL UNIFORMS		PANTS/MERRILL	Total : 144.01
150627	7/12/2012	0001474	BOUGHNER, MARY JANE		TRAVEL REFUND	Total : 53.00
150628	7/12/2012	0004642	BRAINARD, JENNIFER		MUNICIPAL COURT PRO-TEM	Total : 566.84
150629	7/12/2012	0002943	BRAUNSTEIN, ANGELA		EXP REIMB	Total : 64.02
150630	7/12/2012	0000137	BRIM TRACTOR COMPANY		BLADE SET/BOLT KIT	Total : 357.09
150631	7/12/2012	0000131	BROADVIEW APPLIANCE		DRYER REPAIR	Total : 141.26
150632	7/12/2012	0006792	CARLSON, LUTHER		JUROR	Total : 54.40
150633	7/12/2012	0006215	CAROLLO		PROF SVC/PRELIMINARY ENGINEE	Total : 12,244.57
150634	7/12/2012	0001235	CARROT-TOP INDUSTRIES		FLAGS	Total : 241.14
150635	7/12/2012	0000150	CASCADE NATURAL GAS		NATURAL GAS/POLICE STATION	Total : 112.50
					NATURAL GAS/TREATMENT PLANT	10.80
					NATURAL GAS/FIRE STATION	173.37
					NATURAL GAS/CITY HALL	280.67
					NATURAL GAS/CITY SHOP	383.97
					NATURAL GAS/ANNEX	42.83
					NATURAL GAS/ADULT CARE CENTI	33.22
					Total :	1,037.36

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
150636	7/12/2012	0000160 CENTRAL WELDING SUPPLY	RND06121030		CENTRASHIELD	12.17	Total :		12.17
150637	7/12/2012	0006817 CHRISTENSEN DESIGN MANAGEMENT 2012-1			PROF SVC/WTP DESIGN	5,940.00	Total :		5,940.00
150638	7/12/2012	0000173 CINTAS CORPORATION #460	460432080		MATS/TOWELS	67.59	Total :		67.59
150639	7/12/2012	0000188 CODE PUBLISHING COMPANY	41015		MUNICIPAL CODE UPDATES	242.54	Total :		242.54
150640	7/12/2012	0005773 COMCAST	8498300270032028		XFINITY	8.04	Total :		8.04
150641	7/12/2012	0001891 COMFORT INN AUBURN	11887299		HOTEL ACCOMMODATIONS/TYHUJ	176.80	Total :		176.80
150642	7/12/2012	0006818 CONNLEY, SUZETTE	5966		RACE WEEK MOORAGE REFUND	149.45	Total :		149.45
150643	7/12/2012	0003065 COVENANT JANITORIAL	1335682		JUN 2012/JANITORIAL SERVICES	3,465.40	Total :		3,465.40
150644	7/12/2012	0000256 DAY WIRELESS SYSTEMS	443219		RADIO MAINTENANCE	361.61	Total :		361.61
150645	7/12/2012	0004084 DFAS CLEVELAND	20120629T057		JUN 2012/ANIMAL SHELTER	246.08	Total :		246.08
150646	7/12/2012	0000247 DIAMOND RENTALS	500608-6		PORTABLES	49.95			49.95
			500612-6		PORTABLES	49.95			49.95
			500613-6		PORTABLES	99.90			99.90
			500619-6		PORTABLES	85.00			85.00
			500627-6		PORTABLES	49.95			49.95
			501576-3		PORTABLES	49.95			49.95
			501577-3		PORTABLES	49.95			49.95
			501578-3		PORTABLES	49.95			49.95

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150646	7/12/2012	0000247 DIAMOND RENTALS	(Continued) 501579-3 501580-3 501581-3 501582-3 502648 502653 503095 503575 503576		PORTABLES PORTABLES PORTABLES PORTABLES PORTABLES PORTABLES PORTABLES PORTABLES PORTABLES	99.90 49.95 49.95 85.00 49.95 49.95 99.90 325.77 329.42 <b>Total : 1,624.39</b>
150647	7/12/2012	0000253 DIVERSINT	97425		SCREEN	180.09 <b>Total : 180.09</b>
150648	7/12/2012	0000257 DUTCH MAID CLEANERS	063012 1002		JUN 2012/LAUNDRY SERVICES JUN 2012/LAUNDRY SERVICES	527.61 27.72 <b>Total : 555.33</b>
150649	7/12/2012	0000273 EDGE ANALYTICAL, INC	12-09589 12-09816		TESTING SERVICES TESTING SERVICES	18.00 42.00 <b>Total : 60.00</b>
150650	7/12/2012	0000283 ENTENMANN-ROVIN COMPANY	0081783-IN		AWARD BARS	113.36 <b>Total : 113.36</b>
150651	7/12/2012	0006747 EQUINOX RESEARCH & CONSULTING	11-413-4		PROF SVC/PIT ROAD	107,764.31 <b>Total : 107,764.31</b>
150652	7/12/2012	0005826 ESPARZA, NIKKI	062912		JUN 2012/PROF SVC	6,000.00 <b>Total : 6,000.00</b>
150653	7/12/2012	0006276 EXPRESS SERVICES, INC	11149841-6 11183064-2		OFFICE SERVICE SUPPORT OFFICE SERVICE SUPPORT	978.40 978.40 <b>Total : 1,956.80</b>
150654	7/12/2012	0005086 EZINE INDUSTRIES, INC	809861		JUN 2012/COMMUNITY ALERT NETT	9.75

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150654	7/12/2012	0005086	0005086 EZINE INDUSTRIES, INC		(Continued)	9.75
150655	7/12/2012	0003355	EZ-LINER		PAINT REPAIR KIT/TIP	870.30
					Total :	870.30
150656	7/12/2012	0006793	FARMER, BRIAN		JUROR	17.77
					Total :	17.77
150657	7/12/2012	0000308	FEDERAL EXPRESS		SHIPPING	26.62
					Total :	26.62
150658	7/12/2012	0006794	FIELD, JOSHUA		JUROR	31.09
					Total :	31.09
150659	7/12/2012	0000355	FRONTIER		CURRENT PHONE CHARGES	1,126.83
					CURRENT PHONE CHARGES	197.60
					CURRENT PHONE CHARGES	52.19
					CURRENT PHONE CHARGES	52.23
					CURRENT PHONE CHARGES	52.34
					CURRENT PHONE CHARGES	52.19
					CURRENT PHONE CHARGES	52.34
					CURRENT PHONE CHARGES	305.72
					CURRENT PHONE CHARGES	53.16
					CURRENT PHONE CHARGES	38.51
					CURRENT PHONE CHARGES	56.43
					CURRENT PHONE CHARGES	104.38
					CURRENT PHONE CHARGES	38.51
					CURRENT PHONE CHARGES	73.67
					Total :	2,256.10
150660	7/12/2012	0000326	FRONTIER BUILDING SUPPLY		UTILITY MIX/FIR	30.70
					Total :	30.70
150661	7/12/2012	0000325	FRONTIER FORD		PUSH-BU	19.40
					Total :	19.40
150662	7/12/2012	0001706	GARDNER, PAT		EXP REIMB	106.50
					EXP REIMB	686.96

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150662	7/12/2012	0001706 GARDNER, PAT	(Continued) EXP REIMB2 EXP REIMB3		EXP REIMB EXP REIMB	2,082.67 1,110.00 3,986.13
					Total :	
150663	7/12/2012	0006813 GORDON, BRUCE	4334		MOORAGE REFUND	212.64
					Total :	212.64
150664	7/12/2012	0000349 GRAINGER	9856644753 9859015563 9859847288 9860212183 9861337799		SOLENOID VALVE CONNECT NOZZLE/EXTENSION EXPANSION COUPLING COUPLING CAN LINERS/HOSE ASSY	557.64 152.18 129.29 94.02 187.62 1,120.75
					Total :	330.00
150665	7/12/2012	0004974 GREEN LIGHT SOLUTIONS	8176		SIGNAL LIGHT LOOP INSTALLATIO	330.00
					Total :	330.00
150666	7/12/2012	0006795 GRIFFITH, KAY	106		JUROR	14.44
					Total :	14.44
150667	7/12/2012	0002747 GUARDIAN SECURITY	1388565		ALARM MONITORING	57.00
					Total :	57.00
150668	7/12/2012	0005018 HESTMARK, JOYCE	1		TRAVEL REFUND	100.00
					Total :	100.00
150669	7/12/2012	0001251 HEWLETT-PACKARD COMPANY	51443089		COMPUTER	903.30
					Total :	903.30
150670	7/12/2012	0003095 HOME DEPOT CREDIT SERVICES	1031971 1166917 2027227 2039310 27760 3031484 3036545 3039123		BRASSCRAFT/FAUCET SQUEEGEE ZINC SHUTOFF GR DRY/DUAL HALF/KNOB LATCH ESPRMINIWAX/SANDEPLY RAKES/UPRIGHT BROO OSCILLAT PRO SET/SCREWDRIVERS/HUSKY	41.91 28.25 5.41 37.31 63.04 53.77 32.58 157.31
					Total :	903.30

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150670	7/12/2012	0003095 HOME DEPOT CREDIT SERVICES	(Continued)			
			4026695		SOCKETS/ALTO	19.28
			4080215		VEGE	73.36
			4166474		BONNIE SIN	3.78
			5023449		ANSH	11.05
			5038396		3FT BRV HYDT/EMT STRAP	59.60
			5162226		TRAVL SPRNKL/MG LF RFL	83.06
			5162330		INSECT SPRAY	2.59
			6023060		METFOLD/SAEFOLD/VGGL/PLIERS	186.81
			6038177		DRIPBLK	4.99
			6038243		ANSH/SAKRETE	28.66
			6042086		GR DRV 2PK/NOZZLE	20.86
			7030669		DRNOPN10MNH	15.19
			7165923		4PK RATCH SET	19.42
			8037729		500W HAL	8.35
			8037731		PICKETS/SHEETING	49.27
			8090782		16 GAL VAC	129.36
					<b>Total :</b>	<b>1,135.21</b>
150671	7/12/2012	0006047 HORIZON	2M016182		SEAT/CLUTCH KIT	707.80
			3M063826		MULCH KIT	287.21
					<b>Total :</b>	<b>995.01</b>
150672	7/12/2012	0000627 HSBC BUSINESS SOLUTIONS	105382005211		SUPPLIES	354.10
			132440305211		SUPPLIES	579.15
			141589394211		SUPPLIES	1,793.01
			193046694211		SUPPLIES	458.67
					<b>Total :</b>	<b>3,184.93</b>
150673	7/12/2012	0000394 HUMAN RESOURCE SERVICES	062412		JUL 2012/JUNEMPLOYMENT SERVIC	110.00
					<b>Total :</b>	<b>110.00</b>
150674	7/12/2012	0000417 INDUSTRIAL BOLT & SUPPLY	512423-2		REGULATOR	17.35
					<b>Total :</b>	<b>17.35</b>
150675	7/12/2012	0000411 ISLAND COUNTY TREASURER	070212		CRIME VICTIM COMPENSATION	155.08
			10		2ND QTR 2012/MUNICIPAL COURT	4,300.00

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150675	7/12/2012	0000411	0000411 ISLAND COUNTY TREASURER			4,455.08
			(Continued)			
150676	7/12/2012	0000412	ISLAND COUNTY TREASURER		2ND QTR 2012/JOINT TOURISM	5,000.00
					Total :	5,000.00
150677	7/12/2012	0000433	ISLAND DRUG		INMATE MEDS	7.50
					Total :	7.50
150678	7/12/2012	0006811	ISLAND VINEYARD COMMUNITY		HYDRANT DEPOSIT REIMBURSEMI	146.50
					Total :	146.50
150679	7/12/2012	0000454	JET CITY EQUIPMENT RENTAL		EXCAVATOR	1,130.48
					Total :	1,130.48
150680	7/12/2012	0003336	JOHNSON CONTROLS, INC		BLOWER REPLACEMENT	1,526.15
					Total :	1,526.15
150681	7/12/2012	0005846	JOHNSON, JO		TRAVEL REFUND	53.00
					Total :	53.00
150682	7/12/2012	0006362	KBA, INC		PROF SVC/SE PIONEER WAY RECC	467.99
					PROF SVC/GUN CLUB ROAD WATE	9,705.09
					Total :	10,173.08
150683	7/12/2012	0006796	KELLEY, JANET		JUROR	93.25
					Total :	93.25
150684	7/12/2012	0000979	LES SCHWAB		ALIGNMENT	61.14
					ALIGNMENT	61.14
					Total :	122.28
150685	7/12/2012	0000221	LN CURTIS & SONS		SZ LAR PRONG FEE	78.49
					Total :	78.49
150686	7/12/2012	0000515	LOGGERS & CONTRACTORS, INC		BROOM/HANDLE	254.45
					WIPERS	191.66
					Total :	446.11

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150687	7/12/2012	0006797 LONDON, MARTHA	108		JUROR	71.05
					Total :	71.05
150688	7/12/2012	0000524 LYNDEN ICE	112003829		ICE	829.00
					Total :	829.00
150689	7/12/2012	0001661 MACAULAY & ASSOCIATES LTD	12-126C		ASSESSMENT STUDY	2,025.00
					Total :	2,025.00
150690	7/12/2012	0002729 MAILFINANCE	H3375748		3RD QTR 2012/LEASE PAYMENT	806.84
					Total :	806.84
150691	7/12/2012	0000530 MAILLIARD'S LANDING NURSERY	59829 60791 60854 60859		YARD WASTE YARD WASTE YARD WASTE YARD WASTE	10.00 15.00 5.00 5.00
					Total :	35.00
150692	7/12/2012	0006798 MALLOW, ZANE	109		JUROR	18.88
					Total :	18.88
150693	7/12/2012	0000660 MARKET PLACE FOOD & DRUG	764320 764495		GROCERIES GROCERIES	154.12 173.48
					Total :	327.60
150694	7/12/2012	0001841 MARKS, DOYLE	110		JUROR	63.28
					Total :	63.28
150695	7/12/2012	0006799 MASINI, FELICIA	111		JUROR	15.55
					Total :	15.55
150696	7/12/2012	0006028 MCI COMM SERVICE	679-3902		LONG DISTANCE	37.51
					Total :	37.51
150697	7/12/2012	0004006 MCINTYRE, MICHAEL	EXP REIMB		EXP REIMB	247.36
					Total :	247.36
150698	7/12/2012	0004818 MICHAEL BOBBINK LAND USE SRVCS	062012		JUN 2012/HEARING EXAMINER SEF	1,500.00

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150698	7/12/2012	0004818	0004818 MICHAEL BOBBINK LAND USE SR\ (Continued)			Total : 1,500.00
150699	7/12/2012	0000568	MIDWAY MUFFLER & TIRE		WHEEL ALIGNMENT	Total : 65.21
150700	7/12/2012	0000612	NELSON PETROLEUM		FUEL	Total : 885.24
150701	7/12/2012	0000618	NEXTEL COMMUNICATIONS		CURRENT COMM CHARGES	Total : 4,303.08
150702	7/12/2012	0000623	NITCHER, WENDY		TRAVEL REIMB	Total : 91.37
150703	7/12/2012	0000610	NORTH CENTRAL LABORATORIES		STANDARD METHODS	Total : 255.63
150704	7/12/2012	0005669	NORTHWEST HOT SPRING SPAS		MULTIPORT VALVE	Total : 278.91
150705	7/12/2012	0000672	OAK HARBOR ACE		FASTENERS	Total : 278.91
					QUICK LINK	6.46
					FASTENERS/COVERS	3.03
					DUSTPAN/HANDLE	28.98
					COUPLE	21.16
					CABLE TIES	1.08
					INGNITION MODULE/OIL/LINE	10.32
					SCRUBBER PADS/LYSOL/GRILL PA	168.44
					CEMENT/PUTTY KNIFE/ROLLER/PA	17.67
					NUTS/BOLTS	25.49
					RSTP SPRAY	35.72
					CLEANER/PRUNER	9.76
					CHAIN LOOP/PAINT	30.96
					BULB/CLAMP	73.88
					TIEDOWN	12.26
					PUMP	19.56
					BRUSHES/CLEANER/HANDLE	72.82
					PAINTBRUSHES	65.15
						4.21

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Voucher 150705 Date 7/12/2012 Vendor 0000672 OAK HARBOR ACE

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
			(Continued)			
			205087		BIBB HOSE BRASS	7.60
			205096		RSTP SPRAY	24.40
			205107		COUPLER	8.25
			205125		LID	3.25
			205160		TUBE/CARTON CUTTER/BLADE/CL	8.20
			205163		BUNGEE	5.41
			205174		CONDUIT/BOX/WALL/PLATE/RECEP	25.71
			205188		OUTLET TESTER	7.60
			205202		NAIL SETTER/SANDSPONGE/FILLE	27.13
			205219		CEMENT	8.14
			205302		ROPE	70.55
			205307		COVER	7.60
			205336		FASTENERS	5.98
			205362		CEMENT	5.97
			205385		FASTENERS	5.13
			205386		KITCHEN BAGS/POWER EDGE VAC	58.13
			205390		HAND TROWELS	19.53
			205450		DETECTOR	65.21
			205468		ADAPTER	1.40
			205538		SCRUBBER	6.50
			205543		COUPLER/WIRE BRUSH/PIPE JOINT	30.18
			205544		ADAPTER/EXTENSION CORD	5.74
			205557		OIL/RSTP SPRY/GAS CAN	56.47
			205568		BATTERY	5.42
			205594		PLUG/SOCKET	16.28
			205653		GUTTER STRAINER	7.59
			205746		STHLS	8.67
			205749		DOOR STOP/PLANT SUPPORT/SPF	11.92
			205750		WAX REMOVER/BRUSH	16.83
			205754		HASP/COVER/OUTLET BOX/SMART	32.35
			205759		PAINT/BRUSHES	6.27
			205806		BULB	10.86
			205827		BOAT SNAP	26.07
			205834		BKR	8.69
			205837		SPRAYPAINT	30.39
			205849		HEAT TUBE	3.58

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150705	7/12/2012	0000672 OAK HARBOR ACE	(Continued)			
			205852		NIPPLE/VALVE/ADAPTER	22.58
			205883		3PK 80Z AQUA-KEM	9.88
			205926		ADAPTER	16.27
			205939		CAN OPENER/TAPE	35.84
			206033		PAINT/NOZZLE/BRUSHES	49.42
			206034		FREIGHT	10.40
			20604		SPRAY HEAD/HOSE ADAPTER/BAL	128.76
			206099		LOOM/CLAMP/PLUG	18.56
				Total :		1,547.66
150706	7/12/2012	0000668 OAK HARBOR AUTO CENTER	001-130222		PARTS	22.65
			001-134805		BRAKE LINING	105.56
			001-134976		FILTERS	370.85
			001-134977		FILTERS	38.62
			001-135004		DR ROUND HE	13.95
			001-135055		FILTERS	50.76
			001-135183		BEAM	18.47
			001-135650		ANTI-FREEZE	125.83
			001-135655		FILTERS	4.60
			001-135767		PROTECTANT TRIGG/ABSORBER	38.38
			001-135817		BATTERY TERMINALS/ELECTRICAL	63.82
			001-135989		FILTERS	97.91
				Total :		951.40
150707	7/12/2012	00006800 OLSON, CLAUDIA	112		JUROR	11.67
				Total :		11.67
150708	7/12/2012	00006801 OLSON, JOHN	113		JUROR	59.95
				Total :		59.95
150709	7/12/2012	00006802 O'MAHONY, JANICE	114		JUROR	54.40
				Total :		54.40
150710	7/12/2012	0001377 ORCA INFORMATION	281503		PRE-EMPLOYMENT	75.00
			281607		PRE-EMPLOYMENT	75.00
			281608		PRE-EMPLOYMENT	75.00

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150710	7/12/2012	0001377 ORCA INFORMATION	(Continued) 281808 282408 282421 282882		PRE-EMPLOYMENT PRE-EMPLOYMENT PRE-EMPLOYMENT PRE-EMPLOYMENT	75.00 75.00 75.00 75.00
					<b>Total :</b>	<b>525.00</b>
150711	7/12/2012	0005867 PACIFIC POWER BATTERIES	16062811		BATTERIES	404.67
					<b>Total :</b>	<b>404.67</b>
150712	7/12/2012	0002985 PACIFIC TIRE CO. INC	0057438 0057678 0057684 0057712 0057777		TIRES TIRES TIRES TIRES TIRES	135.25 77.90 1,637.01 1,024.09 961.70
					<b>Total :</b>	<b>3,835.95</b>
150713	7/12/2012	0001596 PACIFIC TORQUE, LLC	083169		PLUG ASSEMBLY	44.36
					<b>Total :</b>	<b>44.36</b>
150714	7/12/2012	0003164 PAINTERS ALLEY	15129 15172		PAINT PAINT/ROLLER	978.30 11.61
					<b>Total :</b>	<b>989.91</b>
150715	7/12/2012	0005783 PARTSMASTER	20585246		COUPLING/PIPE FITTING	30.96
					<b>Total :</b>	<b>30.96</b>
150716	7/12/2012	0003855 PHILLIPS, ELAINE	1		TRAVEL REFUND	100.00
					<b>Total :</b>	<b>100.00</b>
150717	7/12/2012	0006815 PICCO, MICHAEL	4737		MOORAGE REFUND	410.84
					<b>Total :</b>	<b>410.84</b>
150718	7/12/2012	0006810 PICKA SLIP, LLC	927		MARINA LISTING	479.95
					<b>Total :</b>	<b>479.95</b>
150719	7/12/2012	0004418 PIONEER TREE SERVICE &	7836		STUMP GRINDING	217.40
					<b>Total :</b>	<b>217.40</b>

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150719	7/12/2012	0004418 PIONEER TREE SERVICE &	(Continued)			Total : 217.40
150720	7/12/2012	0000746 PUGET SAFETY EQUIPMENT	0005646-IN 0005650-IN		CLASS 3 ORANGE W/SLEEVES ZIP T-SHIRTS	315.41 271.61 Total : 587.02
150721	7/12/2012	0000743 PUGET SOUND ENERGY	0349160002 1055170003 8639451007 9249160004		ELECTRICITY/WELL #7 ELECTRICITY/STREET LIGHTS ELECTRICITY/1301 SE CATALINA DI ELECTRICITY/WELL #6	12.24 12,535.59 34.50 12.24 Total : 12,594.57
150722	7/12/2012	0002910 REID MIDDLETON, INC.	1205113		PROF SVC/N OAK HARBOR STREE	932.50 Total : 932.50
150723	7/12/2012	0000965 REVENUE, WASHINGTON STATE DEPT 071012			2ND QTR 2012/LEASEHOLD EXCISI	24,684.84 Total : 24,684.84
150724	7/12/2012	0004654 RILEY, KENNETH	EXP REIMB		EXP REIMB	150.00 Total : 150.00
150725	7/12/2012	0002508 RINEY PRODUCTION SERVICES	10-842		TAPING SERVICES	2,274.16 Total : 2,274.16
150726	7/12/2012	0003784 SAFETYLINE	22008		JACKETS	985.07 Total : 985.07
150727	7/12/2012	0006803 SAYLES, CAROLYN	115		JUROR	14.44 Total : 14.44
150728	7/12/2012	0005967 SEATTLEAUTOMOTIVE DIST	05-864116 06-778539 06-779227		FLUID RESER CONDENSER ASY GEAR ASY	34.59 285.73 243.10 Total : 563.42
150729	7/12/2012	0000852 SENIOR CENTER PETTY CASH	062912		PETTY CASH	76.87 Total : 76.87

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150730		7/12/2012	0002358	SERVICEMASTER OF THE ISLAND	8411		JUL 2012/JANITORIAL SERVICES	775.00
							Total :	775.00
150731		7/12/2012	0000822	SHRED-IT WEST WASHINGTON	101231363		SHREDDING	49.50
							Total :	49.50
150732		7/12/2012	0006804	SILLIMAN, CYNTHIA	116		JUROR	65.50
							Total :	65.50
150733		7/12/2012	0004184	SIPES, TAMRA	073112		JUL 2012/RACE DIRECTOR SERVIC	2,546.00
							Total :	2,546.00
150734		7/12/2012	0000831	SIX ROBBLEES, INC	14-251434-1		BLISTER PACK	316.32
					14-252586		BRAKE DRUM/STOP BOX ASSY	583.80
					14-252875		SAFETY CROSS VIEW BRK/8N RNI	-72.00
							Total :	828.12
150735		7/12/2012	0000814	SKAGIT FARMERS SUPPLY	0311008		CABLE TIE OUTS	12.16
							Total :	12.16
150736		7/12/2012	0004821	SME SOLUTIONS, LLC	112326		PART INSTALLATION	842.48
							Total :	842.48
150737		7/12/2012	0006805	SNYDER, LEONARD	117		JUROR	32.20
							Total :	32.20
150738		7/12/2012	0000851	SPRINT	144603707		LONG DISTANCE	14.20
							Total :	14.20
150739		7/12/2012	0000860	STANDARD INSURANCE COMPANY	062012		LIFE/POCFF	262.50
							Total :	262.50
150740		7/12/2012	0006460	STATEWIDE RENT-A-FENCE, INC	24375		PANEL RENTALS	545.38
							Total :	545.38
150741		7/12/2012	0006330	STRIDER CONSTRUCTION CO, INC	070612		RETAINAGE PAYOUT	221,166.28
							Total :	221,166.28

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150742	7/12/2012	0003749 STUMP, PATRICK L	1		DRIVING SERVICES	138.00
					<b>Total :</b>	<b>138.00</b>
150743	7/12/2012	0000874 SURETY PEST CONTROL			PEST EXTERMINATION	32.61
					<b>Total :</b>	<b>32.61</b>
150744	7/12/2012	0006540 SWCA ENVIRONMENTAL CONSULTANT 12534			PROF SVC/PIONEER WAY ARCHAE	2,091.50
					<b>Total :</b>	<b>2,091.50</b>
150745	7/12/2012	0006730 SWINOMISH INDIAN TRIBAL			OAK HARBOR SITE SERVICES	20,062.80
					<b>Total :</b>	<b>20,062.80</b>
150746	7/12/2012	0006812 TNT FIREWORKS			PERMIT FEE REIMBURSEMENT	150.00
					<b>Total :</b>	<b>150.00</b>
150747	7/12/2012	0006806 TORRES, FAITH			JUROR	21.10
					<b>Total :</b>	<b>21.10</b>
150748	7/12/2012	0001053 TREASURER, WASHINGTON STATE			COURT/BC FEES	9,910.02
					<b>Total :</b>	<b>9,910.02</b>
150749	7/12/2012	0000923 UNITED PARCEL SERVICE			SHIPPING	6.72
					<b>Total :</b>	<b>6.72</b>
150750	7/12/2012	0000922 UNUM LIFE INSURANCE COMPANY			LONG TERM CARE	141.00
					<b>Total :</b>	<b>141.00</b>
150751	7/12/2012	0004903 US BANK			CREDIT CARD PURCHASES	3,610.02
					<b>Total :</b>	<b>3,610.02</b>
150752	7/12/2012	0004903 US BANK			CREDIT CARD PURCHASES	2,452.84
					<b>Total :</b>	<b>2,452.84</b>
150753	7/12/2012	0004903 US BANK			CREDIT CARD PURCHASES	69.00
					<b>Total :</b>	<b>69.00</b>
150754	7/12/2012	0004903 US BANK			CREDIT CARD PURCHASES	50.00
					<b>Total :</b>	<b>50.00</b>

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07/12/2012 9:01:40AM

Voucher List  
City of Oak Harbor

Page: 18

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150755	7/12/2012	0004903 US BANK	4485590100104922		CREDIT CARD PURCHASES	16.12
					Total :	16.12
150756	7/12/2012	0000926 USABLUEBOOK	705429 705614		SELF STIRRING BOD DISSOLVED OXYGEN	722.83 1,995.46
					Total :	2,718.29
150757	7/12/2012	0006807 VIANELLO-HAFER, PAULA	119		JUROR	14.44
					Total :	14.44
150758	7/12/2012	0005850 VOLZ, JOHN	120		JUROR	24.43
					Total :	24.43
150759	7/12/2012	0000969 WASHINGTON STATE FERRIES	062712		PROCESSING FEE	15.00
					Total :	15.00
150760	7/12/2012	0001039 WESTERN PETERBILT, INC	S759294		BRACKET'S	229.76
					Total :	229.76
150761	7/12/2012	0004786 WESTERN SYSTEMS	0000022153		HARNES/COLLAR ASSEMBLY	430.45
					Total :	430.45
150762	7/12/2012	0005064 WHATCOM COUNTY AS FINANCE	17511		2ND QTR 2012/MINI CHAIN	444.75
					Total :	444.75
150763	7/12/2012	0003067 WHIDBEY ANIMAL S' IMPROVEMENT	1169		JUN 2012/ANIMAL SHELTER	7,083.33
					Total :	7,083.33
150764	7/12/2012	0001017 WHIDBEY PRINTERS	45535 45537 45538 45539 45540 45541		DOOR HANGERS-WATER SERVICE MARINA MAP AND RULES PERMANENT MOORAGE RATE SHE STICKERS MARINA VISITOR RESOURCE MAP PADS	240.75 494.32 88.72 134.79 558.26 273.71
					Total :	1,790.55
150765	7/12/2012	0001010 WHIDBEY TELECOM	3451443		CURRENT NET CHARGES	41.45

Page: 18

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150765	7/12/2012	0001010 WHIDBEY TELECOM	(Continued)			41.45
150766	7/12/2012	0006808 WILSON, JOAN	121		JUROR	61.06
					<b>Total :</b>	<b>61.06</b>
150767	7/12/2012	0004627 WOODS LOGGING SUPPLY, INC	1076299 1078159		BLADES METER	288.86 82.44
					<b>Total :</b>	<b>371.30</b>
150768	7/12/2012	0001061 XEROX CORPORATION	119786482		STAPLE CARTRIDGE	135.88
					<b>Total :</b>	<b>135.88</b>
150769	7/12/2012	0006809 YOUNG, JASON	122		JUROR	71.05
					<b>Total :</b>	<b>71.05</b>
150770	7/12/2012	0001068 ZUMAR INDUSTRIES, INC	0156260		SAFE-HIT SURFACE MOUNT BASE	120.00
					<b>Total :</b>	<b>120.00</b>
					<b>Bank total :</b>	<b>639,836.76</b>
					<b>Total vouchers :</b>	<b>639,836.76</b>

168 Vouchers for bank code : bank  
168 Vouchers in this report

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
150594	7/2/2012	0006785 CASSIDY, ROBERT OR RACHEL	Ref000196796		UB Refund Cst #00150865	15.50	
					<b>Total :</b>	<b>15.50</b>	
150595	7/2/2012	0006784 HAIRTRENDS	Ref000196795		UB Refund Cst #00150678	20.50	
					<b>Total :</b>	<b>20.50</b>	
150596	7/2/2012	0006781 MOLINAAMILA, JONATHON OR ITOE	Ref000196790		UB Refund Cst #00122076	232.09	
					<b>Total :</b>	<b>232.09</b>	
150597	7/2/2012	0006787 RONAN, PATRICK	Ref000196798		UB Refund Cst #00120283	96.60	
					<b>Total :</b>	<b>96.60</b>	
150598	7/2/2012	0006786 SYTSMA, LOUIE	Ref000196797		UB Refund Cst #00159299	93.58	
					<b>Total :</b>	<b>93.58</b>	
150599	7/2/2012	0001365 TARA PROPERTIES	Ref000196791		UB Refund Cst #00122125	86.71	
					<b>Total :</b>	<b>86.71</b>	
150600	7/2/2012	0006782 TAYLOR, JASON OR KATHARINE	Ref000196793		UB Refund Cst #00123324	92.98	
					<b>Total :</b>	<b>92.98</b>	
150601	7/2/2012	0006783 TREVETT, CHAD OR RENA	Ref000196794		UB Refund Cst #00125973	8.00	
					<b>Total :</b>	<b>8.00</b>	
150602	7/2/2012	0001391 WINDERMERE	Ref000196792		UB Refund Cst #00122725	91.23	
					<b>Total :</b>	<b>91.23</b>	
9 Vouchers for bank code : bank						<b>Bank total :</b>	<b>737.19</b>
9 Vouchers in this report						<b>Total vouchers :</b>	<b>737.19</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
150593	6/29/2012	0004184 SIPES, TAMRA	063012		JUN 2012/RACE WEEK COORDINA	2,546.00
Total :						2,546.00
1 Vouchers for bank code : bank						2,546.00
1 Vouchers in this report						2,546.00
Total vouchers :						2,546.00

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
150771	7/13/2012	0001055 WATERWORX DIVE SERVICE	071112		BREAKWATER ANODE REPLACEMI	4,695.84	
					Total :	4,695.84	
150772	7/20/2012	0006819 FROST, LISA	1		TRAVEL REFUND	125.00	
					Total :	125.00	
150773	7/20/2012	0000447 JAMESON, KEITH	050712		WELLNESS INCENTIVE	20.00	
					Total :	20.00	
150774	7/23/2012	0000960 REVENUE, WASHINGTON STATE DEPT 071112			JUN 2012/SALES/USE TAX	44,629.51	
					Total :	44,629.51	
4 Vouchers for bank code : bank						Bank total :	49,470.35
4 Vouchers in this report						Total vouchers :	49,470.35



# City of Oak Harbor City Council Agenda Bill

Bill No.

5

Date:

August 8, 2012

Subject:

Discussion - Animal Shelter  
Services

FROM: Tim Sterkel, Interim Police Chief

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

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

## PURPOSE

The purpose of this agenda bill is to introduce for discussion only the provision of animal shelter services in the City of Oak Harbor. On the advice of the State Auditor's Office, the City proposes to issue a Request for Proposals (RFP) for animal shelter services and the administration is seeking City Council direction on key points within the RFP.

## FISCAL IMPACT DESCRIPTION

Discussion only – no fiscal impact at this time.

## SUMMARY STATEMENT

The City currently provides Animal Shelter operations through a contract for services, and employs one full-time Animal Control Officer for animal control services. Animal control issues arising after business days/hours are handled by on-duty City police officers. The City has utilized a separate agreement in the form of a Memorandum of Understanding with the Navy for the use of a Building 297 on board NAS Whidbey Island for the purpose of sheltering animals either impounded or surrendered to the City from within the city limits, to include Base housing and the Seaplane facility.

The current Contract for Animal Shelter Services with WAIF expires on December 31, 2012. The City of Oak Harbor has received notification, dated June 25, 2012, from the Department of the Navy, Navy Region Northwest, of the termination of the Memorandum of Understanding for the shelter facility. The real estate license issued for the use of the current animal shelter building expires on December 31, 2012 but the base command has indicated that this license could be extended for up to six months. As such, the City will be required to vacate the animal shelter building by the end of the 2012 or, at the latest, June 30, 2013.

Fundamentally, the key question regarding future animal shelter operations is now whether the City will (1) build or locate an adequate shelter facility on City-owned property, or (2) contract with a vendor that has the capacity to provide adequate shelter services and facilities. However, it must be recognized that a choice to construct a new shelter or modify an existing building will take some time and would likely not be possible even with the 6-month extension. With this time constraint in mind, it seems clear that the City

## City of Oak Harbor City Council Agenda Bill

should move forward with solicitation of a firm or organization to perform and provide animal shelter services.

On the strong recommendation of the State Auditor's Office, staff proposes that the City prepare and issue a Request for Proposals (RFP) to engage the services of a qualified organization or firm to provide and operate an animal control shelter and care facility to receive, maintain, care for and provide for the appropriate disposition of all domestic animals that come within the legal responsibility of the City of Oak Harbor. The following describes a "best-case" timeline for preparing and releasing the RFP and contractor selection and approval:

August 8	City Council discussion of key policy issues related to RFP Provide direction to staff for crafting the RFP
Sept 4	Seek authorization from City Council to issue RFP
Sept 8	Issue RFP with one-month submittal deadline
Mid Oct	Review and rate responses to RFP
Nov 1	Formulate administration recommendation to City Council
Nov 7/20	City Council contract consideration
Jan 1	Effective date of new contract

While much of the content of the RFP will be standard language, there are a number of important policy questions which, depending on the City Council's answers and direction, could influence how we craft the RFP. Scheduling this issue for discussion at the August 8, 2012 Council meeting is intended to solicit direction on these policy issues but also to supply an initial public forum for community input. Although there are likely other issues that will emerge, the following summarizes several of the key questions:

- 1. What is City's policy on providing animal control and shelter services to Base Housing?** As the City is currently providing these services for Navy Housing (including Whidbey Apartments at the main base at Ault Field) in exchange for the Navy-provided shelter facility, the question now is will those same services be provided and, if so, under what terms.
- 2. Should the City include an option within the RFP that could permit the use of City land for a temporary, after-hours shelter site?** Discussion has been held by staff on location (distance) requirements of the proposed shelter facility from the City of Oak Harbor to facilitate transport of animals after-hours. If the shelter is located at a distance that would preclude police transport of animals after-hours, it is suggested that the RFP include a requirement that the service provider will (1) provide after-hours transport, or (2) provide a temporary, after-hours shelter. Could such a temporary shelter be located on City property?
- 3. To what extent should the RFP stipulate the City's minimal kill or low kill expectations of the service provider with respect to the disposition of animals after the 6-day holding period?**

# City of Oak Harbor City Council Agenda Bill

4. **For what length of time should the contract run?** From the service provider's perspective, the contract period is important to allow them to craft their proposal to accommodate cash flow, modifications to their facilities to accommodate the number of animals and staffing needs. From the City's perspective, the contract period should take into account our long-term strategy for animal shelter services.
5. **What other issues might be considered?** A 2004 Council Animal Shelter Ad Hoc Committee identified the following as desirable enhancements to animal control and shelter services then in place. Staff believes that several are still valid today and are presented for discussion purposes:

Processes and policies which reduce the euthanasia of dogs and cats

A foster care program

A spay and neutering program (identified as optional)

A volunteer program

Increased exercise space and/or program for animals kept at the shelter

A program to assist the City in licensing dogs and cats

Other activities which promote the welfare of animals kept at the City Shelter

In addition, there has been some discussion about instituting a mandatory animal micro-chipping policy to better track animals and facilitate return to owners

As background for the discussion, please find attached the City's current animal shelter services contract, the June 25, 2012 letter from the Department of the Navy and the most recent compilation of statistics from the animal shelter.

## **STANDING COMMITTEE REPORT**

A presentation was given to the Public Safety Standing Committee at the July 19, 2012 meeting.

## **RECOMMENDED ACTION**

- 1) Provide direction on policy issues relating to Animal Shelter services.

## **ATTACHMENTS**

- 1) Current Animal Shelter Services Contract with WAIF
- 2) Letter of 6/25/12 from Navy Region Northwest, with attachments
- 3) 2009-2011 Oak Harbor Shelter Statistics



**ANIMAL SHELTER SERVICES CONTRACT  
WHIDBEY ANIMALS' IMPROVEMENT FOUNDATION  
AND CITY OF OAK HARBOR**

THIS CONTRACT is between the CITY OF OAK HARBOR, a Washington State Municipal Corporation, hereinafter referred to as "City" and Whidbey Animals' Improvement Foundation (WAIF), hereinafter referred to as "Contractor," jointly referred to as the "Parties."

WHEREAS, the City is authorized by law to assert control of animals within the City limits under its police powers; and

WHEREAS, the City animal control authority is exercised by the Oak Harbor Police Department; and

WHEREAS, the City regulations for control of animals within the city limits are set out in Title 7 of the Oak Harbor Municipal Code; and

WHEREAS, the City requires an animal control holding facility for cats and dogs impounded pursuant to Ch. 7.20 OHMC; confined pursuant to veterinary quarantine; and for cats and dogs abandoned pursuant to Ch. 7.04 OHMC; and

WHEREAS, cats and dogs unclaimed at the expiration of the periods for impoundment, veterinary quarantine and abandonment under City ordinances require appropriate management of their disposition for adoption, foster care, shelter or euthanasia so that they do not return to the city without appropriate ownership and care; and

WHEREAS, Contractor has a program which it exercises in its discretion to appropriately manage the disposition of unclaimed cats and dogs to meet the City's objectives in controlling animals within its city limits; and

WHEREAS, the City has selected the Contractor based upon Contractor's experience, expertise and qualifications to humanely and appropriately dispose of unclaimed cats and dogs at the expiration of the holding periods set forth in City ordinance; and

WHEREAS, the Contractor has agreed to manage the disposition of unclaimed cats and dogs surrendered to the Contractor by the City at the expiration of the holding periods established by City ordinances in return for a flat annual fee; and

WHEREAS, the City's ownership and supervision of the unclaimed dogs and cats shall cease upon surrender to the Contractor except for those animal control functions applicable under City code.

**NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:**

1. **PURPOSE:** The City and the Contractor enter into this Contract for the Contractor to provide holding facility services to the animal control authorities of the City of Oak Harbor and to take custody and control of such dogs and cats as are unclaimed after the expiration of applicable holding periods under city ordinances.

2. **SERVICES:**

A. **Contractor Holding Facility Services:** The Contractor shall provide animal control holding facility services for all dogs and cats subject to the City's jurisdiction that are impounded, abandoned or quarantined in accordance with city ordinances or state law. For the purpose of this Contract, "dogs" and "cats" are defined as domestic cats, domestic cat hybrids, domestic dogs and domestic dog hybrids only.

For purposes of this Contract, "animal control authority of the City" shall mean City law enforcement officers, including the City's appointed animal control officer (ACO). The services provided in this Section are material to the City and failure to perform shall constitute a material default. Such services shall include the following:

- (1) Quarantine animals, in accordance with municipal ordinances and state law.
- (2) Have available the services of a local veterinarian for emergency medical attention for any injured, sick, or diseased dogs and cats placed at the holding facility by City law enforcement officers, animal control officers or authorized NAS Whidbey personnel.
- (3) Provide proper food, water, housing and humane care for all animals under its control at the animal control holding facility.
- (4) Maintain sanitation and cleaning protocols to minimize disease transmission.
- (5) Provide basic medical care, including vaccinations, de-worming and flea treatment, if needed, to dogs and cats introduced into the animal control holding facility.
- (6) Provide exercise for dogs and cats kept at the holding facility.
- (7) Provide sufficient, competent and trained staff to assume the responsibilities of this Contract.
- (8) Provide monthly reports to the Chief of Police regarding holding facility activities including number of incoming dogs and cats and the authorized agency utilizing the holding facility for that dog or cat.

- (9) Make space and access available for after-hours drop offs of animals as defined herein by animal control authorities of the City and designated NAS Whidbey personnel.
- (10) Provide the name and address of every owner claiming an animal to the City.
- (11) Contractor, along with designated employees and volunteers, shall undergo a criminal background check prior to beginning work at the facility, if required by the Navy regulations for admission onto the Naval Base facility.

**B. Contractor Unclaimed Animal Services:** Contractor shall also provide animal disposition services for unclaimed animals at the end of the applicable holding period under City ordinance. The City has reviewed the Contractor's qualifications with respect to animal placement and has chosen Contractor to provide animal disposition services based upon those qualifications. Contractor shall place the animal for adoption, foster care or shelter, or euthanize the animal as the Contractor in its sole discretion shall deem appropriate. Contractor shall provide the City with a monthly report of the status of all unclaimed animals released to the Contractor pursuant to this Contract, including the date and nature of disposition.

**C. Contractor Use of the Animal Control Holding Facility:** The City has been granted authority to operate an animal control holding facility on NASWI-SPB, subject to regulation, control and ownership by the United States. Contractor agrees to operate and maintain the holding facility in a neat, clean and sanitary condition, and in compliance with all applicable governmental laws, rules and regulations. Contractor will not permit any condition to exist which might constitute a nuisance. The City and the Navy, through its authorized agents and representatives, shall have the right to enter upon and inspect the facility during regular business hours, without prior notice, for the purpose of inspecting the shelter facility for compliance with this Contract. The Contractor shall obtain City approval from the Chief of Police or his designee before making improvements to the Navy-owned facility. Contractor accepts property "as is." All City-approved improvements must comply with the bidding and public works laws applicable to the City.

No tenancy in favor of Contractor in the premises is created by this Contract. The City and Navy allow use of the animal holding facility by the Contractor solely for the purpose of its obligations to operate a holding facility pursuant to this Contract. Contractor may not use the facility upon termination of this Contract. Upon termination of this Contract, Contractor will remove all animals Contractor has accepted into the holding facility and remove all of its property. The City may dispose of any animal or Contractor's property left behind upon termination, as the City deems appropriate. Expenses which the City incurs for such disposition are chargeable to Contractor, and the City may deduct such funds from any payment due the Contractor.

Any improvement to the premises and fixtures left behind by Contractor becomes the property of the City without extra payment by the City. Contractor shall provide janitorial service to the holding facility. Contractor shall be responsible for any damage to the premises Contractor causes, normal wear and tear excepted. Contractor may not use the premises for any purpose except the holding facility authorized by this Contract.

D. Costs: Contractor shall be responsible for all costs of providing services to dogs and cats brought to the holding facility pursuant to this Contract. Such costs shall include all costs of care of such animals, including, but not limited to, food, cleaning supplies, veterinary care and grooming. City will pay the utility bills for heat, electricity, water and sewer provided to the holding facility. Contractor will pay for telephone service. Contractor shall maintain the grounds at the holding facility in a clean and neat appearance. Due to the access difficulties with garbage service, the Contractor will ensure that solid waste is packaged in a manner that will allow for timely disposal by the Animal Control Officer (ACO).

E. Medical Costs for Sick/Injured Animals Picked Up By Animal Control: Contractor shall be responsible for providing veterinary care to any and all dogs or cats impounded or quarantined by City or Navy personnel authorized to utilize the animal control holding facility under this Contract. In the event that such authorized personnel assume custody of a dog or cat in need of immediate veterinary attention, the personnel will first attempt to contact the Shelter Manager before obtaining veterinary treatment if possible. If unable to contact the Shelter Manager, the authorized personnel will next attempt to make contact with the Lead Animal Care Technician. If unable to contact either party, the authorized personnel may obtain emergency treatment to relieve the immediate pain/suffering of the animal at a cost of no more than Two Hundred Dollars (\$200.00), and will notify Contractor of action taken.

F. Holding Facility Procedures:

- (1) Licensed Stray Animals: If the dog or cat placed in the holding facility is licensed by the City of Oak Harbor, the Contractor shall use owner information from the City or other sources to attempt to give notice to the owner by way of personal contact, telephone or mail that the animal is being held at the shelter. If the owner is notified via telephone, this notice, including the time and name of the person contacted shall be noted in records kept by Contractor and provided to the City monthly. The animal shall be held for a minimum period as outlined by City ordinance unless written instructions to the contrary are provided by the animal control authority requesting Contractor to hold the animal pending legal action. If not claimed during the applicable holding period, an animal shall be subject to disposition pursuant to Contractor's program for placing and/or disposing of unclaimed dogs and cats.

- (2) **Unlicensed Stray Animals:** If the dog or cat placed in the holding facility is not licensed by the City of Oak Harbor, the animal shall be held for the period of time applicable under City ordinance. If not claimed during the applicable holding period, an animal immediately becomes the property of Contractor. Disposition of the animal is then at Contractor's sole discretion.
- (3) **Severely Injured or Diseased Animals:** Severely injured or diseased animals placed at the holding facility shall be subject to veterinary examination. In the event that a state-licensed veterinarian determines that the injured or diseased animal will require veterinary services in excess of Five Hundred Dollars (\$500.00) in value, the Contractor may follow the recommendations of the veterinarian for euthanasia of the animal. Contractor shall provide a copy of the veterinarian's written recommendation(s) to the City as part of its monthly report.
- (4) **Reclaimed Animals:** Impounded animals will be released to owners or custodians upon proof of ownership, and payment of applicable fees and fines established pursuant to Title 7 of the Oak Harbor Municipal Code. Any individual representing him or herself as custodian of the impounded animal should provide written authorization for release from the owner or other sufficient evidence of authority to assume control of the animal on behalf of the owner.
- (5) **Dangerous Animals:** Animals that have bitten people, or are suspected of having bitten people, shall be kept a minimum of ten (10) days from date of bite, for observation. The holding facility will house such animals in the absence of other available alternatives such as owner's home or a veterinary board facility. The animal's owner, if known, shall be responsible for payment of the applicable fees and costs.
- (6) **Waiver of Fees:** The Contractor agrees to release any animal without payment of impound fees and other charges, when ordered in writing by the Chief of Police.
- (7) **Citizen Complaints:** All citizen complaints regarding animals shall be referred to the Oak Harbor ACO upon receipt.

3. **CITY RETAINED AUTHORITY:**

- A. **Licensing:** All licensing fees shall be established by the City.
- B. **Animal Control:** The City retains authority to enforce animal control laws and regulations.

- C. Independent Fees: The City retains authority to establish impound fees for animals impounded pursuant to City ordinances. The Contractor may recommend changes in City fees.
4. HOURS OF OPERATION: The Contractor shall submit to the City, as Attachment A to this Contract, a schedule of its operating hours which shall include:
- A. Days and hours when the office and holding facility are open to the public (a minimum of three (3) hours per day Monday through Friday for reclaiming of animals as required by the Memorandum of Understanding between the Navy and the City of Oak Harbor).
  - B. A location where animals can be delivered by ACO, NAS personnel and Oak Harbor Police Department personnel 24-hours per day.
  - C. Days the office and holding facility will be closed for City observed holidays.

All changes to the schedule must receive approval of the Chief of Police or his designee prior to becoming effective.

5. TREATMENT OF PUBLIC: Contractor shall treat the public fairly and courteously in carrying out services required under this Contract.
6. NAVY MOU: The City currently has an agreement with the Navy, authorizing use of their facility on the Seaplane Base located in Oak Harbor. In exchange, the Contractor is responsible for hours of operation as stated in the MOU. A copy of the current Memorandum of Understanding with the U.S. Navy is attached to this document as Attachment B. Should those facilities become unavailable, either party to this Contract may terminate this Contract within thirty (30) days after they become unavailable. The Navy may restrict access to the base and/or this facility as it deems appropriate and the Contractor's use of the facility is subject to such restriction. Restrictions may include, but are not limited to, delay and access requirement of security clearance for employee. The City is not responsible for damages or costs incurred by reason of Navy actions.
7. COMPENSATION:
- A. The City shall pay to Contractor monthly payments of Seven Thousand and Eighty Three Dollars, and Thirty-three Cents (\$7,083.33) for services under the Contract after the month for which the services are rendered.
  - B. Additionally, City shall pay Thirty Dollars (\$30.00) per call-out for after hours (before 8 a.m. and after 5 p.m. or on Holidays) for service requests deemed necessary by Oak Harbor Police Department, upon proper billing by Contractor within thirty (30) days of service. City shall verify that the Contractor has provided the services required under this Contract in a form acceptable to the City.

- C. City shall pay utility costs for the holding facility, as long as the Contractor is not in default of this Contract.
  - D. City shall be responsible for replacement of equipment purchased by the City due to normal wear and tear. Contractor will be responsible for notifying the City of replacement needs of City equipment in a timely manner to allow for inclusion in the annual City budget.
  - E. The City shall retain all fines or penalties arising out of the issuance of citations for violation of the City's animal control ordinance, as now enacted or hereafter adopted.
8. **CONTRACT TERM:** This Contract shall begin on January 1, 2012 and end on December 31, 2012. Either party may terminate this Contract earlier by sixty (60) days written notice, with or without cause. The City reserves the right to immediately terminate this Contract without hearing or notice in the event of material default by the Contractor.
9. **HOLD HARMLESS/INDEMNIFICATION:**
- A. Contractor shall defend, indemnify and hold harmless the City, its officers, officials, employees and volunteers from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in performance of this Contract, except for injuries and damages caused by the sole negligence of the City. No liability shall attach to the City by reason of entering into this Contract except as expressly provided herein.
  - B. An animal shall become the responsibility of Contractor at the point that the animal is placed or released into the holding facility. Contractor shall hold the City harmless under the terms of this section for all claims arising out of the detention and custody of the animal. Accordingly, Contractor shall be held harmless by the City under the terms of this Contract for claims arising out of the detention of the animal or arising out of any situation occurring prior to the time that Contractor assumes ownership for the animal(s).
10. **THE PARTIES REPRESENTATIVES AND NOTICES:** The Chief of Police shall be responsible for administration of this Contract. All reports, recommendations, and other correspondence will be directed to the Chief. The Contractor's Executive Director shall act as the Contractor's liaison with the City.

All notices to the City shall be mailed or personally delivered to the City of Oak Harbor Police Chief at his/her address:

860 SE Barrington Drive  
Oak Harbor, WA 98277

All notices to the Contractor shall be mailed or personally delivered to its Executive Director at:

PO Box 1108  
Coupeville, WA 98239

Either party may change its address by providing written notice by certified mail, return receipt requested.

11. **TAXES:** Contractor will be responsible for payment of taxes applicable to its operations, including, but not limited to, business and occupation tax, sales tax, excise tax, income tax, employer's social security tax, employer's industrial insurance premium, employer's unemployment compensation premium. Contractor will be solely responsible to collect and transmit to the correct government office any employee taxes, assessments, or contributions which an employer is required to collect from employees and transmit including, but not limited to, social security and income tax withholding.
12. **INSURANCE:** The Contractor shall provide 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 Contractor, its agents, representatives, or employees.

**Minimum Scope of Insurance.** Contractor shall obtain 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, volunteers and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- d. Professional Liability Insurance appropriate to the Contractor's profession.

**Minimum Amounts of Insurance.** Contractor 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.
- c. Professional Liability insurance shall be written with limits no less than One Million Dollars (\$1,000,000) per claim and One Million Dollars (\$1,000,000) policy aggregate limit.

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

- a. The Contractor'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 Contractor's insurance and shall not contribute with it.
- b. The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.

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

**Verification of Coverage.** Contractor 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 Contractor before commencement of the work.

13. **RECORDS:** Along with records specified in Section 2.B., the Contractor shall maintain accurate and complete records of all animals brought to the shelter in the performance of this Contract. The records shall contain the following information:

- A. Description of the animal, including its breed, color, size, sex, disposition, where and how the animal was obtained and the animal's owner, if known.

- B. Record of any citizen complaints regarding animals which have been referred to the ACO.
- C. All dangerous or potentially dangerous animals received by Contractor.
- D. Date, time, location, reason and manner in which the animal was obtained.
- E. Length of time the animal was placed in the animal shelter facility.

14. **FINANCIAL RECORDS AND AUDITS:** The Contractor 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.

The Contractor shall retain all books, records, documents and other material relevant to this Contract, for six (6) years after its expiration. The Contractor 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.

15. **NONDISCRIMINATION:**

- A. The City is an equal opportunity employer.
- B. **Nondiscrimination in Employment.** In the performance of this Contract, the Contractor 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. The Contractor 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 Contractor shall take such action with respect to this Contract as may be required to ensure full

compliance with local, state and federal laws prohibiting discrimination in employment.

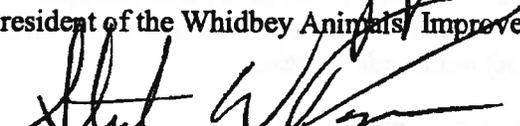
- C. Nondiscrimination in Services. The Contractor will not discriminate against any recipient of any services or benefits provided for in this Contract on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, 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.
- D. If any assignment and/or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Contractor shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.
16. AMENDMENTS: This Contract may be amended at any time by mutual written agreement between the parties.
17. OAK HARBOR MUNICIPAL CODE CHANGES: The City Council reserves the right to amend, add or delete Title 7 of the Oak Harbor Municipal Code or other provisions of the Oak Harbor Municipal Code concerning animal control or care of animals at any time on its motion. The City Council also reserves the right to pass such general rules and regulations as it may deem necessary for the operation of the shelter and/or disposal area; provided, further, that changes in rules, regulations, ordinances and Title 7 which result in additional work or change indirectly compensation, do not have to be undertaken by the Contractor unless mutually agreed to. It is further provided that changes in ordinances of the City or Title 7 of the Oak Harbor Municipal Code which cause additional work or change directly or indirectly compensation levels for the Contractor, that these occurrences shall be the basis for the re-evaluation of compensation levels under this Contract. Such changes shall be to reasonably compensate the Contractor and must be consistent with the principles and levels of compensation set out in this Contract.
18. INDEPENDENT CONTRACTOR: All activities performed by the Contractor, employees, volunteers or representatives are, for all purposes under this Contract performed as an independent contractor and shall not be deemed to be an employee or agent or representative of the City, and none of them shall be entitled to any benefits to which City employees are entitled including, but not limited to, overtime, retirement benefits, unemployment insurance, worker's compensation benefits, injury leave or other leave benefits. Contractor will pay all taxes as are connected with this operation including, but not limited to, employee taxes (such as industrial insurance and FICA) and federal, state and local taxes (such as income, excise and sales taxes). Contractor shall file a federal tax return showing expenses and any profits of the enterprise and shall maintain an account with the Washington State Department of Labor and Industries.

Contractor acknowledges that it is an independent contractor and that it is not a City of Oak Harbor agency or the agent of a City of Oak Harbor officer and agrees not to represent itself as such. All volunteers and any paid staff are volunteers and staff of Contractor and not of the City of Oak Harbor. Any uniforms or insignia used by Contractor shall not use the words "Oak Harbor."

19. **ASSIGNABILITY:** The Contractor will use its best efforts, skill and independent judgment in providing high quality shelter service for the City. Contractor may not assign this Contract or any part of it to any other person or firm. The Contractor may hire employees; provided, the Contractor recognizes that it's right to use employees of its choice is necessarily limited by the Navy's needs and authority to control access to NASWI-SPB. The Contractor is responsible for supervision of any employees or volunteers.
20. **THIRD PARTY BENEFICIARIES:** This Contract is for the purpose of providing animal shelter services for the City of Oak Harbor and is for the general benefit of Oak Harbor and should not be construed as creating a right or benefit for any particular person or class of persons not a party to this Contract.
21. **NO WAIVER:** Any failure or delay by City or Contractor in strictly enforcing the terms of this Contract shall not operate to waive or be deemed a waiver of the rights of the City or Contractor to require compliance that is full and to the letter of the Contract, or to thereafter require performance by City or Contractor in strict accordance with the terms of this Contract.

EXECUTED, this 23 day of November, 2011 for the WHIDBEY ANIMALS' IMPROVEMENT FOUNDATION.

  
\_\_\_\_\_  
President of the Whidbey Animals' Improvement Foundation

  
\_\_\_\_\_  
Executive Director of the Whidbey Animals' Improvement Foundation

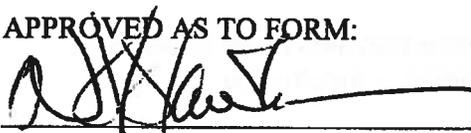
EXECUTED, this the 2ND day of NOVEMBER, 2011 for the CITY OF OAK HARBOR.

  
\_\_\_\_\_  
Jim Slowik, Mayor

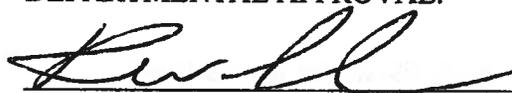
ATTEST:

  
\_\_\_\_\_  
Connie Wheeler, City Clerk

APPROVED AS TO FORM:

*for*   
\_\_\_\_\_  
Margery Hite, City Attorney

DEPARTMENTAL APPROVAL:

  
\_\_\_\_\_  
Richard W. Wallace, Chief of Police

**ATTACHMENT "A"**

**ANIMAL SHELTER SERVICES CONTRACT  
WHIDBEY ANIMALS' IMPROVEMENT FOUNDATION AND CITY OF OAK HARBOR**

**Whidbey Animals' Improvement Foundation Operating Schedule**

**Open to Public for Viewing and Adoption**  
Wednesday through Sunday – 12 to 4 p.m.

**Open for Redemption and Surrender of Animals**  
Monday through Sunday – 9am to 4pm

Animals being delivered to City can be left in the outside kennel which can be seen to the left of building when facing front of facility.

**Holiday Closures**

Shelter will be closed on the following holidays:

New Year's Eve  
New Year's Day  
Easter  
Memorial Day  
Fourth of July  
Labor Day  
Thanksgiving Day  
Christmas Eve  
Christmas Day

**All changes to the schedule must receive approval of the Chief of Police or his designee prior to becoming effective.**

**ATTACHMENT "B"**

**ANIMAL SHELTER SERVICES CONTRACT  
WHIDBEY ANIMAL IMPROVEMENT FOUNDATION AND CITY OF OAK HARBOR**

The following is the text of the Navy MOU:

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**U.S. NAVY LICENSE FOR NONFEDERAL USE OF REAL PROPERTY  
LICENSE NUMBER N4425596RP00T31 (series)  
WITH THE CITY OF OAK HARBOR, WASHINGTON**

**OPERATING MEMORANDUM OF UNDERSTANDING FOR THE  
USE OF NAVY FACILITIES FOR AN ANIMAL SHELTER**

1. The City of Oak Harbor ("City") use of Navy facilities for an animal shelter, pursuant to License Number N4425596RP00T31, shall be subject to the following conditions:
  - a. Routine inspection of the premises by authorized naval personnel shall be performed on a not-to-interfere basis.
  - b. The building and surrounding area shall be maintained in a clean and orderly manner at all times.
  - c. City animal control shall be limited to the following areas of Naval Air Station (NAS), Whidbey Island:
    - (1) All areas of the NAS Whidbey Island Seaplane Base;
    - (2) Mayor Point Housing;
    - (3) Victory Housing
    - (4) Saratoga Heights Housing;
    - (5) Rockhill Terrace Housing;
    - (6) Crescent Harbor Housing; and
    - (7) Whidbey ApartmentsAll other areas on the naval reservation will be controlled by NAS Whidbey Island Security.
  - d. Animals taken by NAS Whidbey Island Security will be turned over to the City attendant, who will keep them for 5 days prior to disposal. Return of animals so taken will not include the impound fee, but all other fees are applicable.

- e. The animal shelter facility shall be open for recovery of pets during the hours of 1:00 p.m. to 3:00 p.m., Monday through Friday.
  - f. City residents will be allowed entry to the Seaplane Base to recover pets.
  - g. The City animal shelter attendant shall double-bag all dead animals, and shall transport said animals to the transfer station on board the NAS Whidbey Island Ault Field Base for disposal. The City will assure compliance with applicable sanitary requirements.
2. The Navy will provide necessary utility services and will bill the City for these services on the basis of engineering estimates. Reimbursement by the City shall be due upon receipt of bills.
  3. The terms of this Memorandum of Understanding may be modified by mutual agreement.
  4. This Memorandum of Understanding shall remain in effect throughout the existence of License Number N4425596RP00T31 and any successor licenses for the use of Building 297 on board NAS Whidbey Island.
  5. This Memorandum of Understanding supersedes all previously executed memoranda of understanding concerning the City's use of Navy facilities for an animal shelter.

For Naval Air Station, Whidbey Island

For the City of Oak Harbor

\_\_\_\_\_/s/\_\_\_\_\_  
 Name: Gerral David, Captain, U.S. Navy  
 Title: Commanding Officer

\_\_\_\_\_/s/\_\_\_\_\_  
 Name: Jim Slowik  
 Title: Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## DEPARTMENT OF THE NAVY

NAVY REGION NORTHWEST  
1100 HUNLEY ROAD  
SILVERDALE, WASHINGTON 98315-1100

1-5 12 RR

4000

Ser N8/0248  
June 25, 2012

Honorable Scott Dudley  
Mayor, City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor, WA 98277

COPY

Dear Mayor Dudley:

SUBJECT: TERMINATION OF THE MEMORANDUM OF UNDERSTANDING (MOU)  
N00620-99354-051

In June 1999, the City of Oak Harbor (City) and Commanding Officer, Naval Air Station Whidbey Island (NAS Whidbey Island) entered into the subject Memorandum of Understanding (MOU) relating to the City's use of Building 297 on board NAS Whidbey Island to house its animal control program. This continuing use was most recently authorized by a five-year real estate license with an expiration date of December 31, 2012.

Since the real estate license will not be renewed, and the City's animal control will soon be required to vacate Building 297, there will not be any further need for the terms of support contained in the MOU. Per paragraph 4 of the MOU, the City is hereby notified that effective December 31, 2012, the MOU will terminate and no further support will be provided to the City's animal control program operated by the Whidbey Animal Improvement Foundation (WAIF).

Point of contact is Johanna M. Omstead, Support Agreement Analyst, (360) 396-1935, or e-mail Johanna.Omstead@navy.mil.

Sincerely,

A. P. VERHOFSTADT, P.E.  
Executive Director

Enclosures: 1. Support Agreement N00620-99354-051  
2. License N4425511RP00021  
3. NAVFAC ltr 11011 Ser AM5/505 of 6 Jan12  
4. NASWI ltr 11010 Ser N46/0132 of 27 Jan 11

Copy to:  
Naval Facilities Engineering Command  
Naval Air Station Whidbey Island (N5)

2. The Navy will provide necessary utility services and will bill the City for these services on the basis of engineering estimates. Reimbursement by the City shall be due upon receipt of bills.
3. The terms of this Memorandum of Understanding may be modified by mutual agreement.
4. This Memorandum of Understanding shall remain in effect throughout the existence of License Number N4425596RP00T31 and any successor licenses for the use of Building 297 on board NAS Whidbey Island.
5. This Memorandum of Understanding supercedes all previously executed memoranda of understanding concerning the City's use of Navy facilities for an animal shelter.

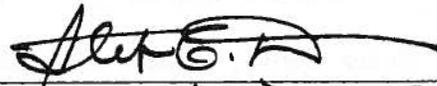
For Naval Air Station, Whidbey Island

For the City of Oak Harbor



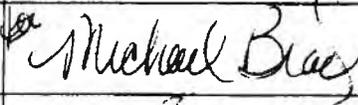
Name: L. G. SALTER, Captain, U.S. Navy  
Title: Commanding Officer

Date: May 3, 1999



Name: STEVE DERNBACH  
Title: Mayor

Date: 6-29-99

<b>LICENSE FOR NONFEDERAL USE OF REAL PROPERTY</b> SWDIV 11011/29 (1-92)		<b>LICENSE NUMBER</b>  N4425511RP00021	
THIS LICENSE TO USE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE GENERAL PROVISIONS ON THE REVERSE SIDE HEREOF AND ANY SPECIAL CONDITIONS ATTACHED HERETO. BY THE EXECUTION HEREOF THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS AND GENERAL AND/OR SPECIAL PROVISIONS.			
<b>1. NAVAL ACTIVITY (Property Location)</b> NAVAL AIR STATION, WHIDBEY ISLAND, WA		<b>2. DATES COVERED (Inclusive)</b> FROM 27 January 2011 TO 31 December 2012	
<b>3. DESCRIPTION OF PROPERTY (Include room and building number where appropriate)</b> Building 297 consisting of 1,934 square feet and an existing 35' x 30' concrete slab surrounded by a chain link fence, adjoining said building. All as shown on Exhibit A, attached hereto and made a part hereof.			
<b>4. PURPOSE OF LICENSE</b> To permit licensee to conduct an animal control program, consisting of an animal shelter facility, licensing of dogs, rabies vaccination program, pick up and disposal of dead animals, and patrol of housing areas on the Naval Air Station.			
<b>5. LICENSOR</b> UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY		<b>5a. LOCAL REPRESENTATIVE</b> COMMANDING OFFICER NAVAL FACILITIES ENGINEERING COMMAND NORTHWEST 1101 TAUTOOG CIRCLE SILVERDALE WA 98315-1101	
<b>6. LICENSEE (Name and address)</b> CITY OF OAK HARBOR 865 SE Barrington Drive Oak Harbor, WA 98277		<b>6a. LOCAL REPRESENTATIVE (Name and address)</b> HONORABLE JIM SLOWIK MAYOR, CITY OF OAK HARBOR 865 SE Barrington Drive Oak Harbor, WA 98277	
<b>7. CASH PAYMENT BY LICENSEE (Payable in advance)</b> (If no cash payment is required, enter "None" under item 7a "Amount")			
<b>a. AMOUNT (Each Payment)</b> None	<b>b. FREQUENCY PAYMENT DUE</b>	<b>c. FIRST DUE DATE</b>	<b>d. TO (Local Government representative)</b>
<b>8. DEPOSIT FOR UTILITIES AND SERVICES (Payable in advance)</b> (If no cash payment is required enter "None" under item 8a "Amount")			
<b>a. AMOUNT (Each Payment)</b> ***	<b>B. FREQUENCY PAYMENT DUE</b>	<b>c. FIRST DUE DATE</b>	<b>d. TO (Mailing Address)</b>
<b>9. INSURANCE REQUIRED AT EXPENSE OF LICENSEE</b> (If any or all insurance requirements have been waived, enter "None" in a, b, c or d as appropriate)			
<b>a. FIRE AND EXTENDED COVERAGE</b>	<b>MINIMUM AMOUNT</b> \$1,000,000.00	<b>c. THIRD PARTY PERSONAL INJURY PER PERSON</b>	<b>MINIMUM AMOUNT</b> \$1,000,000.00
<b>b. THIRD PARTY PROPERTY DAMAGE</b>	<b>MINIMUM AMOUNT</b> \$1,000,000.00	<b>c. THIRD PARTY PERSONAL INJURY PER ACCIDENT</b>	<b>MINIMUM AMOUNT</b> \$1,000,000.00
<b>10. GENERAL PROVISIONS (See Reverse Side)</b> This license succeeds N4425501RP000112. This license also includes as a licensee the Whidbey Animal Improvement Foundation (WAIF) - a non-profit organization who is contracted by the City to operate its municipal animal control program. General Provision 10(d) has been stricken accordingly.  ***The Navy will provide necessary utility services and will bill the City of Oak Harbor for these services on the basis of engineering estimates. Reimbursement by the City shall be due upon receipt.			
<b>II. EXECUTION OF LICENSE</b>			
<b>FOR</b>	<b>NAME, POSITION, AND TITLE</b>	<b>SIGNATURE</b>	<b>DATE</b>
DEPARTMENT OF THE NAVY	Anna C Borer Real Estate Contracting Officer		5-31-11
LICENSEE	Jim Slowik Mayor, City of Oak Harbor		5-20-11

## 10. GENERAL PROVISIONS

a. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in item 3, together with the necessary rights of ingress and egress.

b. This License shall be effective for the period stated in item 2 and is revocable at any time without notice at the option and discretion of the Licensor or its duly authorized representative.

c. The use shall be limited to the purposes specified herein.

d. This License shall be neither assignable nor transferable by the Licensee.

e. If utilities and services are furnished to the Licensee for its use of the premises, the Licensee shall reimburse the Licensor for the cost thereof as determined by the Licensor in accordance with applicable statutes and regulations.

f. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby. At the discretion of the Licensor, this obligation shall include, but not be limited to, contribution toward the expense of long term maintenance of the premises or facilities, the necessity for which accrued during the period of Licensee's use. The amount of expense to be borne by the Licensee shall be determined by prorating the total expense of the item of long term maintenance on the basis of fractional use by the Licensee. This fractional part of the total expense shall be prorated further if the item of long term maintenance did not accrue in its entirety during Licensee's use.

g. Upon a determination by the Licensor that the necessity exists for an expenditure of funds for maintenance, protection, preservation, or repair, the Licensee shall pay to the Licensor, its proportionate share, on demand.

h. No additions to, or alterations of, the premises or facilities shall be made without the prior consent of the Licensor. Upon revocation or surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterment, and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

i. The Licensee shall be liable for any loss of, or damage to, the premises or facilities incurred as a result of its use and shall make such restoration or repair, or monetary compensation as may be directed by the Licensor. The Licensee's liability for loss or damage to the premises resulting from risks expressly required to be insured hereunder shall not exceed the amount of insurance so required. The Licensee shall not be liable for loss of, or damage to, the premises arising from causes beyond the control of the Licensee and occasioned by a risk not in fact covered by insurance and not customarily covered by insurance in the locality in which the premises are situated. Nothing contained herein, however, shall relieve the Licensee of liability with respect to any loss or damage to the premises, not fully compensated for by insurance, which results from willful misconduct, lack of good faith, or failure to exercise due diligence, on the part of the Licensee. All insurance required of the Licensee on the premises shall be for the protection of the Licensor and the Licensee against their respective risks and liabilities in connection with the premises. Each policy of insurance against loss or damage to Government property shall name the Licensee and the United States of America, Department of the Navy, as the insured and shall contain a loss payable clause reading substantially as follows:

"LOSS, IF ANY, UNDER THIS POLICY SHALL BE ADJUSTED WITH (NAME AND LICENSEE) AND THE PROCEEDS, AT THE DIRECTION OF THE GOVERNMENT, SHALL BE PAYABLE TO (NAME OF LICENSEE), AND PROCEEDS NOT PAID TO (NAME OF LICENSEE) SHALL BE PAYABLE TO THE TREASURER OF THE UNITED STATES OF AMERICA."

In the event that any item or part of the premises or facilities shall require repair, rebuilding, or replacement resulting from loss or damage, the risk of which is assumed under this paragraph, the Licensee shall promptly give notice thereof to the Licensor and, to the extent of its liability as provided in this paragraph, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace or repair the item or items of the premises or facilities so lost or damaged, as the Licensor may elect. If the cost of such repair, rebuilding, or replacement exceeds the liability of the Licensee for such loss or damage, the Licensee shall effect such repair, rebuilding, or replacement if required so to do by the Licensor, and such excess of cost shall be reimbursed to the Licensee by the Licensor. In the event the Licensee shall have effected any repair, rebuilding, or replacement which the Licensee is required to effect pursuant to this paragraph, the Licensor shall direct payment to the Licensee of so much of the proceeds of any insurance carried by the Licensee and made available to the Government on account of loss of or damage to any item or part of the premises or facilities as may be necessary to enable the Licensee to effect such repair, rebuilding or replacement. In event the Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of such proceeds.

j. Interest: Notwithstanding any other provision of this License, unless paid within thirty (30) days, all amounts that become payable by the LICENSEE to the GOVERNMENT under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due until paid and shall be subject to adjustments as provided in the Federal Acquisition Regulations, as in effect on the date of this License. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 95-563, the Contracts Disputes Act of 1978, which is applicable to the period in which the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (a) the date fixed pursuant to this contract; (b) the date of the first written demand for payment, consistent with this License, including demand consequent upon default termination; or (c) the date of transmittal by the GOVERNMENT to the LICENSEE of proposed supplemental agreement to confirm completed negotiations fixing the amount. The interest charge made under this clause may be reduced under the procedures prescribed in 32.614 of the Federal Acquisition Regulations in effect on the date of this contract.

k. The Licensee shall indemnify and save harmless the Government, its officers, agents, servants and employees from all liability under the Federal Tort Claims Act (62 Stat. 869, 982; 28 U.S.C. Sec 2671, 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from the use of the premises by the Licensee. Licensee shall furnish the insurance specified in Item 9. Each policy of insurance required in Item 9 covering bodily injuries and third party property damage shall contain an endorsement reading substantially as follows:

"(a) The insurer waives any right of subrogation against the United States of America which might arise by reason of any payment made under this policy. (b) The Commanding Officer, Naval Facilities Engineering Command Northwest, shall be given thirty (30) days written notice prior to making any material change in or the cancellation of the policy. (c) The United States of America (Dept. of the Navy) is added as an additional insured in operations of the policy holder at or from the premises licensed from the United States. (d) This insurance certificate is for use of facilities at item #1

l. All insurance required by this License shall be in such form, for such periods of time, and with such insurers as the Licensor may require or approve. A certificate of insurance or a certified copy of each policy of insurance taken out hereunder shall be deposited with the Licensor's local representative prior to use of the premises and facilities. The Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to the Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks.

m. No member of or delegate to congress, or resident commissioner shall be admitted to any share or part of this License or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.

n. The Licensee warrants that it has not employed any person to solicit or secure this License upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this License or in its discretion to recover from the Licensee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Licensee for the purpose of securing business.

o. In connection with the performance of work under this License the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

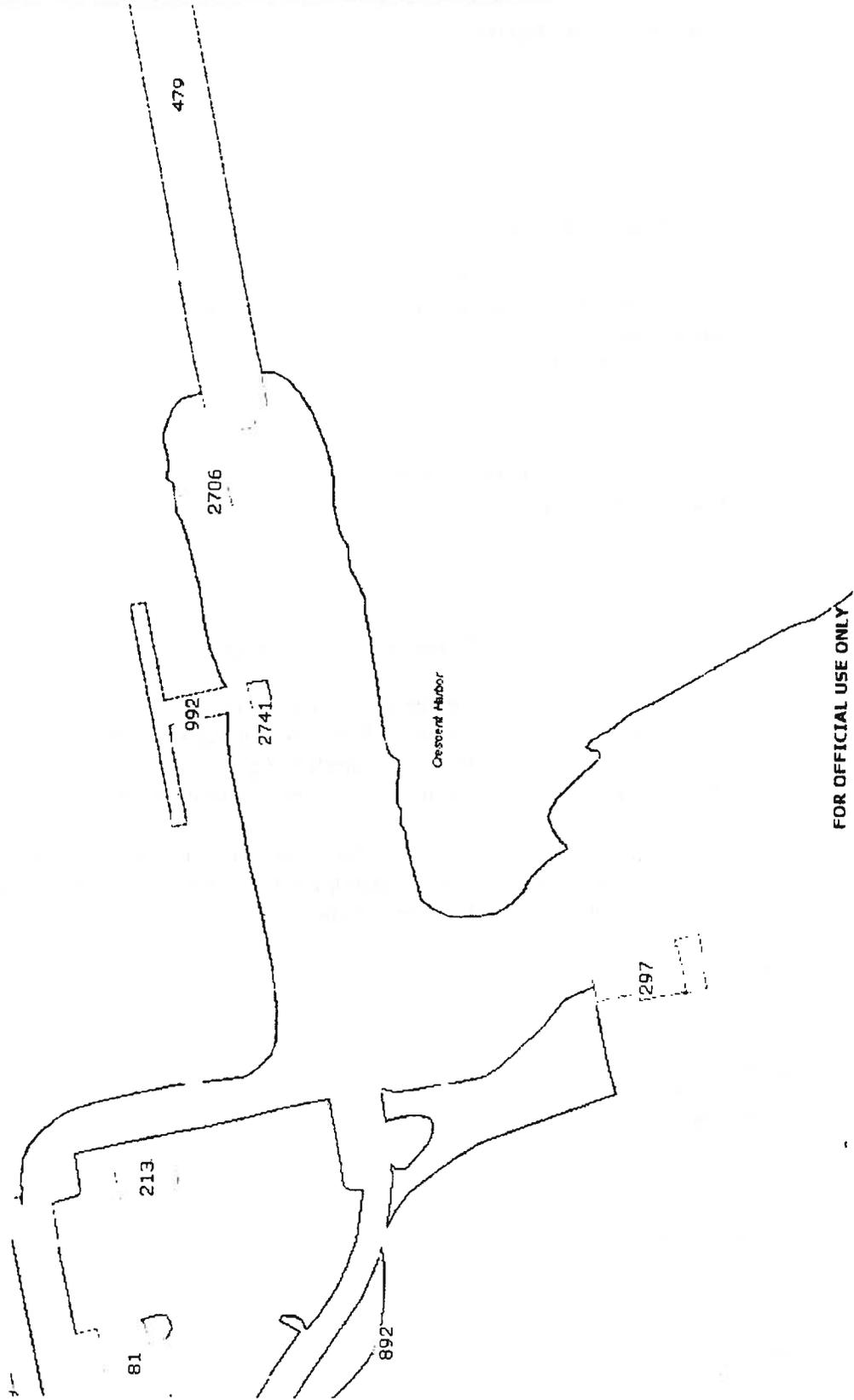
p. All activities authorized hereunder shall be subject to such rules and regulations as regards supervision or otherwise, as may, from time to time, be prescribed by the local representative of the Licensor as designated in Item 5a.

NAVFAC 11011/29 (1-92) (Back)

Enclosure (2)

# Exhibit A

Seaplane Base - Building 297 plus an adjacent 35' x 30' concrete slab



FOR OFFICIAL USE ONLY

WA

**cities**

Insurance Authority

P.O. Box 10030

Tukwila WA 98138

19-May-11

Cert#: 7321

Phone 206-575 6046

**Additional Property Interest:**

F 206-575 7426

United States of America Department of the Navy  
Attn: c/o Naval Facilities Engineering Command Northwest  
1101 Tautog Circle  
Silverdale, WA 98315-1101

RE: City of Oak Harbor  
License Number N4425511RP00021  
Animal Control Program

**Evidence of Coverage**

This is to certify that the above captioned municipal corporation is a member of the Washington Cities Insurance Authority (WCIA) and is protected for property coverage under the WCIA Joint Property Protection Agreement to a loss limit of \$500,000 per occurrence, excess of the member's individual deductible.

Coverage provides for all risks of direct physical loss or damage, subject to policy terms, conditions and exclusions for real and/or personal property, including inland marine exposures and/or automobile physical damage.

Sincerely,



Eric B. Larson  
Deputy Director

cc: Paul Schmidt

ccpropiet

Enclosure (2)

**WA****cities**

Insurance Authority

P.O. Box 88030

19-May-11

Cert#: 7321

Tulwila, WA 98138

Phone: 206-575-6046

United States of America Department of the Navy  
Attn: c/o Naval Facilities Engineering Command Northwest  
1101 Tautog Circle  
Silverdale, WA 98315-1101

Fax: 206-575-7426

RE: City of Oak Harbor  
License Number N4425511RP00021  
Animal Control Program

### Evidence of Coverage

The above captioned entity is a member of the Washington Cities Insurance Authority (WCIA), which is a self insured pool of over 130 municipal corporations in the State of Washington.

WCIA has at least \$1 million per occurrence combined single limit of liability coverage in its self insured layer that may be applicable in the event an incident occurs that is deemed to be attributed to the negligence of the member.

WCIA is an Interlocal Agreement among municipalities and liability is completely self funded by the membership. As there is no insurance policy involved and WCIA is not an insurance company, your organization cannot be named as an "additional insured"

Sincerely,



Eric B. Larson  
Deputy Director

cc: Paul Schmidt

letter

Enclosure (2)



DEPARTMENT OF THE NAVY  
NAVAL FACILITIES ENGINEERING COMMAND, ATLANTIC  
6506 HAMPTON BLVD  
NORFOLK, VA 23508-1278

IN REPLY REFER TO:

11011  
Ser AM5/505  
06 Jan 2012

From: Commander, Naval Facilities Engineering Command, Atlantic  
To: Commanding Officer, Naval Facilities Engineering Command, Northwest

Subj: USE OF MILITARY HOUSING PRIVATIZATION INITIATIVE OR REAL ESTATE  
AUTHORITIES FOR AN ANIMAL CONTROL FACILITY

Ref: (a) NAVFAC NW e-mail 11011 of 27 Sep 10

1. Pursuant to reference (a), we have reviewed your request to transfer an underutilized Navy facility to the NW PPV Partnership (PNC, LLC) to be used as an animal control facility. Based on this request and other information provided, we have considered both the use of Military Housing Privatization Initiative (MHPI) authorities and the potential issuance of a long-term lease. According to the details presented, there appears to be no compelling reason to utilize these authorities for this purpose.

2. Based upon current legislation, using the MHPI authorities would require Congressional approval to bring the building into the PPV LLC. Under MHPI, we are allowed to privatize homes and ancillary support facilities such as community centers, offices, and warehouses. The definition of "ancillary support facility" is fairly broad; however, it does not expressly address a facility that will be leased by the PPV LLC to a local municipality for the purpose of enabling the local municipality to meet its requirement for animal control infrastructure. In addition, we do not have an animal control center in any of the other PPV (Navy or Marine Corps) projects. Therefore, it is doubtful whether such a proposal would be supported by SECNAV or Congress.

3. The alternative of a real estate instrument (issuance of a long term lease to the City under 10 U.S.C. 2667), would require approval by PDASN(EI&E) to issue the lease for a term greater than five years and to issue the lease non-competitively. To enable the lease to be issued non-competitively, PDASN (EI&E) would have to determine that there is a public benefit or interest served by not competing the lease. PDASN (EI&E) has recently advised NAVFAC HQ that non-competitive leases will be scrutinized and approvals will be difficult to obtain. Furthermore, the Navy is not authorized to compensate a municipality for municipal services that it provides to non-Federal users on military installations with concurrent jurisdiction.

4. My point of contact for this issue is Ms. Jana Hubner, AM5, at DSN 262-4548, (757) 322-4548, or e-mail: jana.hubner@navy.mil.

A handwritten signature in black ink, appearing to read "R. J. Gibbs".

R. J. GIBBS  
Vice Commander

Copy to:  
NAVFAC LANT (Code AM)

Enclosure (3)



DEPARTMENT OF THE NAVY

NAVAL AIR STATION WHIDBEY ISLAND  
3730 NORTH CHARLES PORTER AVENUE  
OAK HARBOR, WASHINGTON 98278-5000

IN REPLY REFER TO :  
11010  
Ser N46/ 0132  
27 Jan 11

The Honorable Jim Slowik  
Mayor, City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor, WA 98277

Dear Mayor Slowik:

As discussed between our staffs, our intent is to renew the current license for the joint Seaplane Base (SPB) animal shelter until December 2012. At that time, it is anticipated that the new Coupeville Whidbey Animal Improvement Foundation facility and a city holding facility will be available to support city and, potentially, Navy sheltering requirements.

Although the current partnership provides significant value to both parties, the current SPB facility is inadequate and obtaining a permanent lease at the Assistant Secretary of the Navy level is problematic. Continuance of this license beyond the December 2012 date is not viable; we have gone well beyond the five-year regulatory limitation.

In addition to the two-year license extension, we will discuss animal control services options which are currently provided by the city as part of the Navy facility license. The Navy values the partnership we have with the city in regard to stray animal control, and we would like to continue exploring options to keep costs down for both agencies while meeting the needs of our communities.

Should you have any questions, please contact Commander Michael Dysart at (360) 257-3348 regarding the facility license and Mr. Scott Smith (360) 257-2962 regarding animal control service integration.

Sincerely,

  
G. J. JOHNSTON  
Captain, U.S. Navy  
Commanding Officer

Copy to: Chief of Police, Mr. Rick Wallace, City of Oak Harbor  
CO NAVFAC NW  
NAS Whidbey Island Public Affairs Officer

Enclosure (4)



Oak Harbor Animal Shelter

Attachment 3

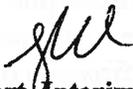
No WAIF \$s for June 7

		2009	2010	2011	
<b>DOGS</b>	Incoming	Owner Surrender	34	29	47
		ACO Impound	197	187	212
		Strays by Public	85	56	56
		Transfers	3	3	5
		Returned	12	16	13
	<b>Total Incoming Dogs</b>		<b>331</b>	<b>291</b>	<b>333</b>
Outgoing	Adopted Shelter	103	85	103	
	Adopted Offsite	0	0	0	
	Redeemed	209	171	184	
	Transfers	0	0	0	
	Died/Put to Sleep	12	4	10	
<b>Total Outgoing Dogs</b>		<b>324</b>	<b>260</b>	<b>297</b>	
<b>CATS</b>	Incoming	Owner Surrender	22	18	41
		ACO Impound	195	258	83
		Strays by Public	179	139	123
		Transfers	0	0	0
		Returned	12	30	13
	<b>Total Incoming Cats</b>		<b>408</b>	<b>445</b>	<b>260</b>
Outgoing	Adopted Shelter	109	114	109	
	Redeemed	23	16	13	
	Freeland CAC Adoptions	5	33	27	
	OH CAC Adoptions	151	102	75	
	Adopted Offsite	0	0	0	
	Transfers	25	33	2	
	Died/Put to Sleep	83	122	24	
<b>Total Outgoing Cats</b>		<b>396</b>	<b>420</b>	<b>250</b>	
<b>Waiting List</b>	Dogs to be surrendered	18	53	56	
	Cats to be surrendered	666	640	490	
<b>Total Waiting List</b>		<b>684</b>	<b>693</b>	<b>546</b>	
<b>Spay/Neuter</b>	Cats	184	201	159	
	Dogs	65	65	83	
	Feral Cats S/N	9	65	4	
<b>Total S/N</b>		<b>258</b>	<b>331</b>	<b>246</b>	
<b>PAL Coupons</b>	PAL Coupons Issued - Shelter	79	99	125	
	PAL Coupons Redeemed	59	97	85	
<b>Total PAL Coupons Issued</b>		<b>79</b>	<b>99</b>	<b>125</b>	
<b>Dog Deaths</b>	PTS - Behavior	11	5	5	
	PTS - Medical	1	0	5	
	Died/DOA	0	0	0	
<b>Total Dog Deaths</b>		<b>12</b>	<b>5</b>	<b>10</b>	
<b>Cat Deaths</b>	PTS - Behavior	68	98	0	
	PTS - Medical	11	13	22	
	Died/DOA	4	17	1	
<b>Total Cat Deaths</b>		<b>83</b>	<b>128</b>	<b>23</b>	
<b>Foster Care - Dogs</b>	Dogs into Foster Care	0	0	0	
	Puppies into Foster Care	0	1	0	
<b>Total Foster Care Dogs</b>		<b>0</b>	<b>1</b>	<b>0</b>	
<b>Foster Care - Cats</b>	Cats into Foster Care	8	5	1	
	Kittens into Foster Care	38	65	41	
<b>Total Foster Care Cats</b>		<b>46</b>	<b>70</b>	<b>42</b>	
<b>Vet Visits</b>	<b>Unscheduled Offsite Visits</b>	<b>69</b>	<b>64</b>	<b>117</b>	
<b>Puppies</b>	Surrendered 4 Months Max	0	2	1	
	Stray 4 Months Max	5	3	0	
	ACO Impound 4 Months Max	1	2	2	
	<b>Total Puppies 4 Months Max</b>	<b>6</b>	<b>7</b>	<b>3</b>	
<b>Kittens</b>	Surrendered 4 Months Max	1	4	17	
	Stray 4 Months Max	85	82	42	
	ACO Impound 4 Months Max	35	41	15	
	<b>Total Kittens 4 Months Max</b>	<b>121</b>	<b>127</b>	<b>74</b>	
<b>Crisis Care</b>	<b>Total Crisis Care</b>	<b>27</b>	<b>17</b>	<b>12</b>	
<b>Upper Respiratory Cats</b>		<b>84</b>	<b>71</b>	<b>88</b>	
<b>Kennel Cough Dogs</b>	<b>Total Kennel Cough Dogs</b>	<b>1</b>	<b>2</b>	<b>1</b>	
<b>*Adoptions</b>	<b>*Includes Freeland Adopt.Ctr</b>	<b>368</b>	<b>334</b>	<b>314</b>	

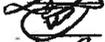


# City of Oak Harbor City Council Agenda Bill

Bill No. 6  
Date: August 8, 2012  
Subject: Retainer Agreement for Interim  
City Attorney Services

FROM:  Larry Cort, Interim City Administrator

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

 Scott Dudley, Mayor  
 Doug Merriman, Finance Director  
 Kimberly Gearity, Contract Attorney

## PURPOSE

During the June 18, 2012 City Council meeting, the Council approved a Retainer Agreement for Interim City Attorney Services with the firm of Weed, Graafstra and Benson. In doing so, this action included establishing a contract termination date of August 8, 2012. This agenda bill proposes renewal of the Retainer Agreement for Interim City Attorney under the same terms with effect from August 9, 2012 through December 31, 2012.

## AUTHORITY

The 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 and 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. 1470 § 2, 2006).*

## FISCAL IMPACT DESCRIPTION

Funds Required: Retainer is \$6,400 per month for 40 hours, \$170 per hour above 40 hours  
Appropriation Source: Primarily General Fund (Legal)

## SUMMARY STATEMENT

Due to staffing changes in the Legal Department, the City retained interim legal services beginning on June 4, 2012 from the Snohomish, WA firm of Weed, Graafstra and Benson. This firm specializes in municipal law, comes highly recommended and is currently representing a number of cities in western Washington,

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

including Snohomish, Lake Stevens, Marysville and Coupeville, among others. The City Council confirmed the hiring of this firm on June 18, 2012 through August 8, 2012.

The attached Retainer Agreement, if approved, would extend the City's contractual relationship with Weed, Graafstra and Benson through the end of 2012. City staff have been quite pleased with the overall quality, responsiveness and expertise demonstrated by the small team of lawyers working for Weed, Graafstra and Benson. Until such time as a new City Attorney is hired, the firm has proven capable of serving as Interim City Attorney.

## **STANDING COMMITTEE REPORT**

This Agreement has not been presented to a Standing Committee.

## **RECOMMENDED ACTION**

Authorize the Mayor to sign a Retainer Agreement for Interim City Attorney Services with the law firm of Weed, Graafstra and Benson, Inc., for the period between August 9, 2012 and December 31, 2012.

## **ATTACHMENTS**

1. Retainer Agreement for Interim City Attorney Services

**RETAINER AGREEMENT  
FOR INTERIM CITY ATTORNEY SERVICES**

**I - PARTIES/EMPLOYMENT**

The CITY OF OAK HARBOR (hereinafter "CITY") agrees to retain the law firm of WEED, GRAAFSTRA AND BENSON, INC., P.S., 21 Avenue A, Snohomish, Washington, and said law firm (hereinafter "CITY ATTORNEY") agrees to serve as interim CITY ATTORNEY on the terms and conditions stated below. The CITY ATTORNEY shall serve at the pleasure of the Mayor; PROVIDED, that all decisions relative to such employment, or termination of the same, shall be subject to confirmation by a majority vote of the City Council.

**II - QUALITY OF SERVICES**

The CITY ATTORNEY shall perform all legal services covered by this contract in a capable and efficient manner, and in accordance with the professional and ethical standards of the Washington State Bar Association.

**III - COMPENSATION**

A. Basic Retainer: The CITY shall pay the CITY ATTORNEY a retainer in the amount of \$6,400.00 per month, which retainer shall be compensation for up to 40 hours of work per month for the following legal services:

1. To oversee and supervise the prosecution function for the CITY in municipal court.
2. To attend the two regularly scheduled meetings of the City Council per month.
3. To provide legal advice to the Mayor, Councilpersons, City Administrator and administrative heads of the various departments of the CITY under the direction of the Mayor and City Administrator.
4. To prepare such ordinances, resolutions, and instruments as the Mayor, City Council and City Administrator may direct, to render legal advice on all civil and criminal matters, and to prepare or review such correspondence, contracts, easements, and instruments as may be necessary and appropriate.

B. Additional Services: The CITY shall pay the CITY ATTORNEY for the following additional or special legal services at the rate of \$170.00 per hour, or, if said services are performed by a paralegal in the CITY ATTORNEY's office the same shall be compensated at the rate of \$130.00 per hour:

1. Time in excess of basic retainer. Any and all hours expended on legal services referred to in paragraph A above (Basic Retainer) in excess of 40 hours per month.

2. Extra meetings. Attendance, at the request of the Mayor or City Administrator, at evening meetings of CITY boards, commissions or committees, except for regular City Council meetings held two times a month.

3. Local Improvement Districts. All legal services performed in connection with the formation and financing of any LID or ULID (although it is understood that the primary responsibility for this type of legal work will fall under the exceptions referred to in paragraph V below).

C. Litigation. The CITY shall pay the CITY ATTORNEY for all superior and appellate court litigation and all administrative hearings of a quasi-judicial nature, except those conducted by the CITY itself, at the rate of \$180.00 per hour.

D. Time Records. In order to determine appropriate compensation, the CITY ATTORNEY shall maintain accurate time records, copies of which shall be made available to the CITY.

E. Time for Payment. The CITY shall pay all compensation provided herein to the CITY ATTORNEY on a monthly basis, and within two weeks of the date on which each billing statement is received.

#### **IV - REIMBURSEMENT**

In addition to compensation for the legal services specified above, the CITY shall reimburse the CITY ATTORNEY for direct expenses incurred, and costs advanced, including but not limited to court costs, filing fees, witness fees, recording fees, copying expenses at cost, long distance phone calls, library charges for municipal law books, and the cost of travel, at the

hourly rate one way, lodging and tuition relating to meetings of the Association of Washington Cities and Association of Municipal Attorneys which shall be pro-rated. However, ordinary law office operating expenses, such as rent and secretarial services, shall not be compensated or reimbursed.

#### **V - EXCEPTIONS**

This contract shall not cover legal representation relating to insurance defense, the formation and financing of local improvement districts, or other specialized fields where it is agreed by the parties that outside legal counsel should be retained.

#### **VI - INSURANCE COVERAGE**

The CITY ATTORNEY shall provide errors and omissions, and malpractice insurance coverage, while acting in the capacity of CITY ATTORNEY. Provided, the CITY shall indemnify and hold the CITY ATTORNEY harmless from any and all claims brought by third parties against the CITY ATTORNEY acting in said capacity.

#### **VII – EMPLOYMENT**

The CITY agrees for a period of two years from the effective date of this Agreement it shall not employ or contract with any employee, former employee or independent contractor of WEED, GRAAFSTRA AND BENSON, INC., P.S., for services. This provision shall survive expiration and/or termination of this Agreement.

#### **VIII - EFFECTIVE DATE AND DURATION**

This contract shall take effect on August 9, 2012 and shall continue in effect through December 31, 2012 unless earlier terminated or renegotiated by either party upon 60 days' written notice. This contract may be renewed automatically upon the mutual agreement of the CITY and CITY ATTORNEY for an agreed upon period of time and upon the same terms and conditions.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

WEED, GRAAFSTRA AND BENSON, INC., P.S.

By: \_\_\_\_\_  
GRANT K. WEED, PRESIDENT

CITY OF OAK HARBOR

By: \_\_\_\_\_  
SCOTT DUDLEY, MAYOR

ATTEST:

By: \_\_\_\_\_  
CONNIE WHEELER, CITY CLERK

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

Bill No. 7

Date: August 8, 2012

Subject: Contract Amendment 2 -  
Archaeology Recovery

**FROM: Cathy Rosen, Public Works Director  
Eric Johnston, City Engineer**

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

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

---

**PURPOSE**

The purpose of this agenda bill is to authorize the Mayor to sign Amendment No. 2 to the professional services agreement with Equinox Research and Consulting International (ERCI) for archaeology services related to the Archaeological Recovery Project, specifically an additional 8 weeks of field work. The proposed amendment would expand the scope of services to include Phase 3 of the project and increase the not to exceed contract amount to \$671,234.50.

**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 \$30,000 shall require approval by the city council. Contracts for professional services under \$30,000 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. 1470 § 2, 2006).*

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$352,476.25

Appropriation Source: Utility funds

# City of Oak Harbor City Council Agenda Bill

Funding for this phase of the archaeology recovery is available within the funding plan previously authorized by resolution 10-16 for the SE Pioneer Project. The amount of this phase is consistent with the range of potential costs previously present to the council.

## 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, 2012, 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 \$30,000.00.

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 that has not been exceeded. 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 believes it is appropriate to add an additional phase. This will allow council and staff the ability to closely track the progress and adjust the scope of work as needed. We anticipate presenting Phase 4 to City Council in October. Several conditions have caused time delays to the project but overall the projected cost has not increased beyond what was originally presented.

Staff has reviewed the attached estimate for Phase 3 work from ERCI and conclude that they are reasonable based on the scope of work.

Why establish break points? According to ERCI, providing break points allows ERCI and the City to reevaluate the scope of work as the workflow proceeds. Information gathered during previous phases will be used to fine tune the scope of work in future phases which allows for a more accurate estimate of costs.

Staff recommends approval of Contract Amendment No. 2 to the Professional Services Agreement with Equinox Research and Consulting International (ERCI) to expand the scope of services to include Phase 3

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

of the Archaeological Recovery Project and increasing the not to exceed contract amount from \$318,758.25 to \$671,234.50.

### **STANDING COMMITTEE REPORT**

#### **RECOMMENDED ACTION**

Authorize the Mayor to sign Amendment No. 2 to the Professional Services Agreement with Equinox Research and Consulting International (ERCI) to expand the scope of services to include Phase 3 of the Archaeological Recovery Project and increasing the not to exceed contract amount by \$352,476.52, from \$318,758.25 to \$671,234.50.

#### **ATTACHMENTS**

Contract Amendment No. 2





**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 2 of the archaeology recovery. The maximum amount payable under the contract is increased by \$352,476.25, from \$318,758.25 to \$671,234.50, 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: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Consultant Signature

\_\_\_\_\_  
Approving Authority Signature

\_\_\_\_\_  
Date

Notes	Description	Units	Rate/HR	Sub Total
This includes phone calls, emails, and meetings related to planning, decision making, and other administrative tasks	Ongoing administrative work (4 hrs/week)	32.00	143.75	4,600.00
This is over and above the daily/weekly written report. This includes phone calls, emails, and site visits that will likely occur especially if we have decision points.	Ongoing consultation with SHPO (1 hrs/week)	8.00	143.75	1,150.00
This is emails, phone calls and site visits with all tribes.	Ongoing consultation with affected Tribes (2 hrs/week)	16.00	143.75	2,300.00
This includes the design, ordering and testing of field and lab gear. Organizing crew structure, accomodations and transportation.	Logistical Planning for field work (2 hours per week)	16.00	143.75	2,300.00
All field notes will need to be curated eventually. We transcribe notes that need to have an electronic component and copy or archive notes that will need to go to the archives. This is also the time we identify problems with information flow or management	Document control and transcriptions (8 hrs/week)	64.00	63.25	4,048.00
Each outlier and Pit Road will need a site form before and after the project	Site Inventory Forms (5 sites at 6 hours)	0.00	63.25	0.00
It is clear we need to do more indepth historic research to try and tie the artifacts in the piles to activities along Pioneer way. We are completing a review of published and unpublished documents and some interviews with archaeologists who have worked but not written up their work in the immediate area.	Archival background research	16.00	97.75	1,564.00
Weekly report to stakeholders	Interim Report editing (1/2 hr/week)	4.00	143.75	575.00
Final Project Reports	Draft and Final Report editing	0.00	143.75	0.00
	Interim (weekly) Report writing (2 hrs per week)	16.00	97.75	1,564.00
	Draft and Final Report writing	0.00	97.75	0.00
This is the documentation of the objects in the field lab prior to wrapping for reburial. 20 minutes is the lowest threshold for data collection.	Documentation of precontact artifacts such as stone, bone, antler or shell tools: photo, metrics and characterization of precontact artifacts (30 minutes per artifact @ an estimate of 125 artifacts	70.00	74.75	5,232.50
This is a very simple analysis on the data in the tables collected in the field lab. We are comparing object type to other sites and regional trends	Analysis of precontact artifact data	10.00	97.75	977.50
This is proving to be the largest category of artifacts to process	Documentation of non curated historic artifacts approximately 1000 fragments per week	80.00	74.75	5,980.00
This is the documentation of the objects in the field lab prior to wrapping for reburial. 30 minutes is the average time it is taking to document and collect preliminary information for analysis	Documentation: Curated Historics artifacts (30 minutes per artifact @ an estimate of 150 artifacts)	75.00	74.75	5,606.25
This is a very simple analysis on the data in the tables collected in the field lab. We will try to tie in some of the objects to Oak Harbor history and past activities along Pioneer Way.	Analysis of historic artifacts	20.00	97.75	1,955.00
Photos, maps and other images for the interim reporting	Graphics and layout (field maps, profiles and report ready graphics for interim reports 4 hrs/week)	32.00	97.75	3,128.00
formatting and distribution	Report production interim (1 hr per week)	8.00	63.25	506.00
formatting, printing, binding	Report production draft and final reports	0.00	63.25	0.00
formatting, printing, binding	Report production Appendicies	0.00	63.25	0.00
	<b>SUB TOTAL for planning, field documentation, preliminary analysis and reporting for second 8 weeks</b>			<b>41,486.25</b>
	<b>DESCRIPTION</b>	<b>Units</b>	<b>Rates Daily</b>	<b>Sub Total</b>
	Principal Investigator 1 days per week for 8 weeks	64.00	143.75	9,200.00
	Travel time for PI	20.00	34.50	690.00
	Mileage for PI	800.00	0.56	448.00

Tamela Smart will be the field director for this project. She will be to go to person on site for field related work, managing personnel and data on site and will be involved in all decision points for work on the Pit Road and outliers sites.	Field Director 40 hr/week @ 8 weeks	320.00	97.75	31,280.00
Alyson Rollins is the Physical Anthropologist and will be responsible for all bone identification, and reassociation.	Physical (Biological) Anthropologist (2 day/week for 26 weeks-416 hrs); 3 days per week for 10 weeks (240 hrs)	128.00	115.00	14,720.00
With the number of skeletal material we have had to have a person in the PW lab with the Phys Anth to get the identification and documentation complete.	Lab technician assistant to the Physical Anthropologist for documentation of skeletal material and	128.00	74.75	9,568.00
The field technicians will be shoveling and screening, identification of artifacts and tracking the volumes of processed material	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
	Archaeological Field Technician	320.00	74.75	23,920.00
Screens, covers, power screens, sharpening tools, inspection and replacement of tools. On site safety.	Equipment fabrication and maintenance on going service of 4 hours per week)	32.00	74.75	2,392.00
This will be able to feed the power screen and keep work areas clear of processed material and help to move equipment around	Equipment Rental small landscape tractor 900.00/week	8.00	900.00	7,200.00
This is for processing piles that don't have cultural material in them. It includes the cost of the power screen and the conveyor.	Equipment Rental power screen (80.00/day for 8 weeks)	45.00	80.00	3,600.00
	Field and Lab Supplies: paper bags (25.00), plastic bags (48.00), field and archive paper (110.00) (storage boxes 100@3.50), other lab supplies(300.00)	0.00	833.00	0.00
These hand screens are used in addition to the hanging screens. The replacement mesh is for all screens on the project	Field Equipment: hand screens (3 at 140.00 each) and replacement mesh for all screens (300.00)	0.00	720.00	0.00
Shelters will provide privacy and keep screeners somewhat protected from the elements - this will help keep productivity up.	Field Equipment: mobile shelters for screen sets	0.00	850.00	0.00
	Field Equipment: shovels and other hand tools	0.00	65.00	0.00
These are the frames for holding the screens up.	Field Equipment: screen holding sets	0.00	220.00	0.00
These are the screens that process the material	Field Equipment: hanging screens	0.00	125.00	0.00
This is if we order one, I expect we can fashion one for less.	Field Equipment: storage tub for Fire Cracked Rock	0.00	435.00	0.00
We may not need this.	Field Equipment: steel plates	0.00	450.00	0.00
	7 camera security system and I.T. set up	0.00	1,750.00	0.00
	<b>SUB TOTAL for the second 8 weeks of field work</b>			<b>270,458.00</b>
	Travel 3.5 hrs/ week/person for 7 crew members staying in town	196.00	34.50	6,762.00
	Travel time for 3 crew members not staying in town 2.5 hours per day=12.5 hrs per week X 3 crew members= 37.5 travel hours per week	300.00	34.50	10,350.00

	Housing-house rental for 5 crew members at \$22.50/crew member/night=500.00/week	8.00	562.50	4,500.00
This is the federal rate.	Per Diem 5 days per week, 5 crew members	200.00	61.00	12,200.00
	Mileage for crew members not staying in town mileage for 40 days at 300 per day	12000.00	0.56	6,720.00
	<b>SUB TOTAL of accomodations and travel for 8 weeks</b>			<b>40,532.00</b>
	<b>GRAND TOTAL</b>			<b>\$352,476.25</b>



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

Bill No. 8  
Date: August 8, 2012  
Subject: Mutual Aid Agreement with  
Naval Air Station Whidbey  
Island

FROM: Ray Merrill, Fire Chief

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

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

**PURPOSE**

To authorize the Mayor to sign the Mutual Aid Agreement with Naval Air Station Whidbey Island / Commander, Navy Region Northwest. Additional signers are: North Whidbey Fire and Rescue, and Central Whidbey Fire and Rescue.

**AUTHORITY**

RCW 38.52.091. The director of each local organization for emergency management may, in collaboration with other public and private agencies within this state, develop or cause to be developed mutual aid agreements for reciprocal emergency management aid and assistance in case of a disaster too great to be dealt with unassisted.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ 0

Appropriation Source: \_\_\_\_\_

**SUMMARY STATEMENT**

The original mutual aid agreement from the early 1980s was replaced and revised in 2001. Navy Region NW requested a revision to the 2001 agreement on March 18, 2010. The revisions while small in nature required a new mutual aid agreement. The basis for the revisions include not only fire responses but hazardous materials, basic and advanced medical life support, and technical search and rescue incidents.

# City of Oak Harbor City Council Agenda Bill

## STANDING COMMITTEE REPORT

The mutual aid agreement was presented at the July 19<sup>th</sup> Public Safety Standing Committee meeting.

## RECOMMENDED ACTION

Authorize the Mayor to sign the Mutual Aid Agreement .

## ATTACHMENTS

Copy of Mutual Aid Agreement

Subj: MUTUAL AID AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES

**MUTUAL AID AGREEMENT  
BETWEEN  
COMMANDER, NAVY REGION NORTHWEST  
AND  
OAK HARBOR FIRE DEPARTMENT  
AND  
NORTH WHIDBEY ISLAND FIRE & RESCUE  
AND  
CENTRAL WHIDBEY ISLAND FIRE & RESCUE  
FOR  
FIRE PROTECTION AND EMERGENCY SERVICES**

THIS MUTUAL AID AGREEMENT (hereinafter, the "Agreement") is made and entered into this 11th day of April 2012 by and between Commander Navy Region Northwest Fire and Emergency Services (COMNAVREG NW F&ES), Oak Harbor Fire Department, North Whidbey Island Fire & Rescue and Central Whidbey Island Fire & Rescue (hereinafter, Island County Fire Departments).

**WITNESSETH:**

WHEREAS, each of the Parties hereto maintains equipment and personnel for the protection of life, property and the environment during suppression of fires and responses to hazardous materials and technical search and rescue incidents and basic and advanced medical life support emergencies occurring within areas under their respective jurisdictions, and

WHEREAS, the Parties hereto desire to augment the fire protection, hazardous materials and technical search and rescue incidents and basic and advanced medical and life support response capabilities available in their respective jurisdictions by entering into this Agreement, and

WHEREAS, the lands or districts comprising the respective jurisdictions of the Parties are adjacent or contiguous to one another such that the rendering of mutual assistance between the Parties in response to a fire or hazardous material incident is feasible, and

WHEREAS, it is the policy of the Department of the Navy and COMNAVREG NW F&ES, to enter into Mutual Aid Agreements (MAA) with non-Federal Fire Departments located in the vicinity of Naval Air Station Whidbey Island (NASWI), whenever practicable, and

WHEREAS, the Parties have mutually concluded that it is desirable, practicable, and beneficial for the Parties to enter into this Agreement to memorialize their willingness and ability to render assistance to one another, in order to enhance the safety and security of the civilian community and of the NASWI and outlying installations and facilities.

**NOW, THEREFORE, BE IT AGREED THAT:**

1. Pursuant to 42 U.S.C. §1856a, DODI 6055.06, and OPNAVINST 11320.23F, the Parties enter into a Mutual Aid Agreement (MAA) to provide personnel and equipment required for fire prevention; the protection of life, property and the environment during suppression of fires and responses to hazardous materials and technical search and rescue incidents and basic and advanced life support emergencies occurring within areas under their respective jurisdictions.
2. The senior officer of a Fire Department belonging to a Party to this Agreement, or the senior officer of such Fire Department actually present at a fire, hazardous materials or other emergency incidents, may request assistance under the terms of this Agreement from the other Party's Fire Department, whenever he/she deems it necessary to make such a request.

## Subj: MUTUAL AID AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES

3. The requesting and rendering of assistance from one Party to the other under the terms of this Agreement shall be accomplished in accordance with detailed operational plans and procedures, which shall be developed by each of the Parties. The technical heads of each Party's Fire Departments shall work together to implement such plans and procedures in a manner compatible with the operational authorities of each. In the absence of more specific procedures, the Parties will generally proceed as follows:
- a. The senior officer on duty of the Fire Department receiving a request for assistance shall take the following actions:
    - i. Immediately determine if the requested apparatus and personnel are available to respond to the call for assistance.
    - ii. In accordance with the terms of this Agreement, forthwith dispatch such apparatus and personnel, along with instructions as to their mission, use and deployment, in quantities and amounts as in the judgment of the senior officer receiving the call can be provided to the requesting Fire Department without jeopardizing the mission of the Fire Department providing such resources. If requested equipment cannot be provided, agency will advise what, if any equipment/personnel can be provided.
  - b. The senior officer of the Fire Department requesting assistance shall normally assume full charge of the operations at the scene of the fire or other emergency. However, under procedures agreed to by the technical heads of the Fire Departments involved, a senior officer of the Fire Department furnishing the assistance may assume responsibility for the coordination of the overall operations at the scene of the fire or other emergency.
4. The rendering of assistance under the terms of this Agreement shall not be mandatory.
- a. The Party receiving a request for assistance shall endeavor to immediately inform the requesting Party if the requested assistance cannot be provided and, if assistance can be provided, the quantity of such resources as may be dispatched in response to such request.
  - b. Neither Party shall hold the other Party liable or at fault for failing to respond to any request for assistance or for failing to respond to such a request in a timely manner. It is understood by the Parties that each is primarily and ultimately responsible for the provision of fire suppression and hazardous material incident response needed within their own jurisdictions.
5. The officers and personnel of the Fire Departments of the Parties to this Agreement are invited and encouraged, on a reciprocal basis, to frequently visit each other's activities for guided familiarization tours (consistent with local security requirements) and, as feasible, to jointly conduct pre-fire planning inspections, drills and training.
6. Each Party hereby agrees that the general intent with respect to the rendering of assistance under this Agreement is not to seek reimbursement from the Party requesting such assistance. Exceptions to this understanding would apply in the event of lost or damaged equipment, substantial amounts of supplies expended that directly related to support provided under this MAA, or other significant costs incurred that exceed originally available funding as demonstrated by documentary proof of unprogramed/unbudgeted/unforecasted outlays and expenditures that were directly related to support provided under this MAA.
- a. Under the authority of 15 U.S.C. § 2210 and 44 C.F.R § 151, Anytown is permitted to seek reimbursement for direct expenses and losses (defined as additional fire fighting costs over normal operational costs) incurred in fighting fires on property under the jurisdiction of the United States.
  - b. Under the authority of 42 U.S.C. § 1856a, either Party may seek reimbursement from the other for the costs incurred by it in providing services to the other Party in response to a request for assistance.
7. As required by Federal law as a condition precedent to entering into this Agreement, the Parties hereby waive all claims against the other Party for compensation of any loss, damage, personal injury, or death occurring in consequence of the performance of this Agreement.
8. Independent of, and in addition to, any provisions of this Agreement, COMNAVREG NW F&ES is authorized and has

Subj: MUTUAL AID AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES

the discretion to render disaster relief or emergency assistance to preserve life and property in the vicinity of a DOD installation, when in the opinion of the installation commander, the assistance is in the best interest of the United States. 42 U.S.C. §§ 5121-5206; DOD 3025.1-M.

**TRAINING:**

1. Whenever either Party hosts fire protection training for its own Fire Department ("Host Department") it may, to the maximum extent practicable and subject to its sole discretion, offer to provide the same training to members of the other Party ("Guest Department").
2. The Host Department will not charge the Guest Department for any training provided under the terms of this Agreement, unless it is a cost that cannot be covered by the Host Department such as, cost per student or cost of a certificate. Further, any such training will be provided on a space available basis only.
3. The Guest Department and/or its members will be solely responsible for the payment of any and all costs necessary for the Guest Department personnel to attend any training provided by the Host Department including, but not limited to, lodging, meals and travel.
4. This Agreement is entered into voluntarily by both Parties with no obligation on the part of either to provide such training to the other or, if such training is offered to the other Party, to participate in such training.
5. The Guest Department is responsible for ensuring that its members observe all rules, regulations, and guidelines established by the Host Department for training provided by the Host Department, as such rules, regulations and guidelines are made known to the Guest Department. Neither Party shall hold the other Party liable or at fault for damage or injury incurred during joint training activities.
6. The Host Department reserves the right to deny training to any member of the Guest Department who does not meet the prerequisites necessary to attend the training which is offered by the Host Department under the terms of this Agreement.

**Execution of this Agreement:**

This Agreement shall become effective upon the date annotated above, and shall remain in full force and effect until cancelled by mutual agreement of the Parties, or upon the provision of at least sixty (60) days advance written notice from the Party desiring to terminate this Agreement to the other Party. Upon becoming effective, this Agreement shall supersede all previous agreements between the Parties concerning the rendering of assistance from one to the other for the purposes stated in this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have made and executed this agreement on the respective dates under each signature. The City of Oak Harbor, through its City Council, signing by and through its Mayor authorized to execute the same by the City of Oak Harbor City Council on the \_\_\_\_ day \_\_\_\_ of 2012, North Whidbey Fire and Rescue signing by and through its Board of Fire Commissioners, Central Whidbey Fire and Rescue signing by and through its Board of Fire Commissioners, and the Department of the Navy signing by and through the Commander, Navy Region NW.

Subj: MUTUAL AID AGREEMENT FOR FIRE PROTECTION AND EMERGENCY SERVICES

**SIGNATURES IN APPROPRIATE SIGNATURE FORMATS**

**FOR NORTH WHIDBEY ISLAND  
FIRE & RESCUE**

**FOR CENTRAL WHIDBEY ISLAND  
FIRE & RESCUE**

<p>_____ BRUCE CARMAN Fire District Commissioner (Chairman)</p>	<p>_____ Date</p>	<p>_____ CHERYL ENGLE Fire District Commissioner</p>	<p>_____ Date</p>
<p>_____ LARRY WALL Fire District Commissioner</p>	<p>_____ Date</p>	<p>_____ TOM SMITH Fire District Commissioner (Chairman)</p>	<p>_____ Date</p>
<p>_____ JERRY GOEN Fire District Commissioner</p>	<p>_____ Date</p>	<p>_____ PAUL MESSNER Fire District Commissioner</p>	<p>_____ Date</p>

**FOR THE CITY OF OAK HARBOR**

**FOR THE NAVY**

<p>_____ SCOTT DUDLEY Mayor</p>	<p>_____ Date</p>	<p>_____ G. J. JOHNSTON, CAPT Commanding Officer Naval Air Station Whidbey Island</p>	<p>_____ Date</p>
		<p>_____ DAVID R. SLUSHER Comptroller Commander, Navy Region Northwest</p>	<p>_____ Date</p>
		<p>_____ A. P. VERHOFSTADT, P.E. Executive Director Commander, Navy Region Northwest</p>	<p>_____ Date</p>

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

Bill No. 9  
Date: August 8, 2012  
Subject: Marin Property Annexation

FROM: Steve Powers, Development Services Director *SP*

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

*SD* Scott Dudley, Mayor  
*LC* Larry Cort, Interim City Administrator  
*DM* Doug Merriman, Finance Director  
*GW* Grant Weed, Interim City Attorney

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**PURPOSE**

This agenda bill presents information regarding the proposed Marin annexation and the potential for annexing additional properties near to it. The purpose of the agenda bill is to obtain City Council input on what area, among the options outlined herein, City Council wishes to consider for annexation.

**AUTHORITY**

RCW 35A.14.010 gives cities the authority to annex properties which are contiguous to their boundary. That same chapter of State law discusses the procedures for an annexation. However, because annexations are considered a discretionary matter for cities, state law primarily addresses the procedures for annexation and not the factors to consider in annexation. With this in mind, it is appropriate to look to the City's Comprehensive Plan to provide policy guidance on when and under what circumstances annexations should be approved (please see Attachment 1). Specifically, Goals 4 and 5 of the Urban Growth Area Element provide guidance on annexation decisions. Please see the 'Comprehensive Plan Annexation Policies' section for additional discussion.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ 0

Appropriation Source: Not applicable

This agenda bill includes a summary discussion of the fiscal impacts of this proposed annexation. Please note that the fiscal impacts discussed in this agenda bill are projections based on assumptions about what type and amount of development will occur in the future. If these assumptions change or reality brings a different result, the actual fiscal impacts may vary from what are projected here. Please see discussion of the 'Fiscal Impacts Analysis' section of this agenda bill.

## **BACKGROUND**

On September 21, 2010 Mr. Richard Marin submitted a notice on behalf of the Marin family of their intent to commence annexation proceedings for their property. The property is located at 1292 SW Swantown Road, approximately 0.85 miles west from the SW Swantown Avenue and Fort Nugent Avenue intersection. The property is directly across the road from Fairway Lane. Mr. Marin is one of five family members who jointly own the parcel, which totals 10.43 acres in size. The proposed annexation area is located within the Oak Harbor Urban Growth Area (UGA) and is designated Low Density Residential on the City's Future Land Use Designation Map (please see Attachment 2). If the property is annexed, it would be assigned R-1-Single Family Residential zoning per the City's Comprehensive Plan.

Consistent with state law (RCW 35A.14.120), City Council held a meeting on November 16, 2010 within 60 days after Mr. Marin submitted his initial letter to the City. Please see Attachment 3 for the City Council agenda bill of that date. The agenda bill noted that the proposed annexation would create an unincorporated county enclave and the Comprehensive Plan discourages their creation (see Urban Growth Element, Policy 4.b). After hearing from the applicant and staff, City Council took the following actions:

- They expanded ("geographically modified") the proposed annexation from just the Marin property to also include the island "enclave" area to the east. Please see Attachment 4 for a map of the annexation area authorized by Council on November 16, 2010.
- Council authorized the applicant to circulate the petition and to pursue obtaining signatures for property owners representing 60% of the assessed value of this proposed area.
- They required the simultaneous adoption of R-1 zoning for the subject properties consistent with the City's Comprehensive Plan, when and if annexation is completed. Adoption of simultaneous zoning is a typical requirement of annexations.
- They required that the area to be annexed assume a portion of the City's indebtedness meaning that the newly annexed properties will pay City taxes, when and if annexed. Assumption of a portion of the city's indebtedness is a common requirement of annexations.
- Council authorized staff to begin preparing an annexation agreement in consultation with the applicant and subsequent to applicant's submittal of a complete 60% petition. However, after further review staff has determined that an agreement is not necessary. This is due to the fact that all anticipated development issues may be addressed through the City's existing municipal code standards.

Following the meeting, the applicant approached all of the property owners within the proposed annexation area. The applicant obtained signatures of only five additional property owners within the enclave area. Those five property owners plus the Marin's represent 26% of the annexation area (not assessed valuation) authorized by City Council. Please see Attachment 5 for a map of properties for which signatures were obtained. Simultaneously, the applicant began working on a fiscal impact analysis for the proposed annexation; the goal of this study is to weigh the budget impacts to the City from annexation. Staff provided feedback on the analysis

to the applicant during this process. The applicant submitted the final version of the fiscal impact analysis on June 15, 2012.

## **DISCUSSION**

### **Comprehensive Plan Annexation Policies**

The goals and policies related to annexation are found within the Urban Growth Area Element of the City's Comprehensive Plan. The introduction to this element states, in part,

“The Urban Growth Area (UGA) plays a significant role in planning for Oak Harbor’s future. Oak Harbor’s UGA also assists the City in meeting State planning Goals; such as encouraging development in urban areas where public facilities and services exist or can be provided in an efficient manner, reducing the inappropriate conversion of undeveloped land into sprawling low density developments, and protecting the environment and enhancing the state’s high quality of life.”

As was previously noted, Goals 4 and 5, and their respective policies, specifically address the subject of annexation. These goals and policies focus primarily on assuring that City services are available to annexed areas, or can be provided after annexation, and that the annexation does not degrade the City’s existing level of service.

Policy 4.b, however, advises against the creation of unincorporated enclaves within the UGA as the result of annexation decisions.<sup>1</sup> The ‘discussion’ text associated with the policy notes that the City may make exceptions to this policy in cases where the potential enclave is already characterized by urban density, after encouraging the petitioner to work with property owners from within the enclave, and if the annexation furthers other goals and is otherwise consistent with annexation policies. In the case of this annexation, the areas to both the east and the west of the Marin property, both of which are within the UGA, are already developed as single-family neighborhoods. The annexation is consistent do a degree with Policy 1.c<sup>2</sup> and it is consistent with other annexation policies. The issue of gathering signatures from within the expanded annexation area is addressed below.

### **Sixty percent threshold not achieved**

The applicant was not able to obtain signatures representing 60% of assessed valuation for the area authorized by City Council on November 16, 2010 (please see Attachment 6 for copies of the signed petitions). Because the 60% threshold was not achieved, the City Council cannot consider annexing the entirety of the initially authorized area. However, the Council may choose to annex a smaller area within the originally authorized annexation area such that the property owners who have signed will represent 60% or more of the smaller area. Likewise, Council may choose not to consider a smaller area for annexation.

Staff presents the following three options for the Council’s consideration:

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<sup>1</sup> “The City should avoid annexations that would result in unincorporated enclaves within the UGA.”

<sup>2</sup> “The City shall seek to eliminate unincorporated enclaves in order to provide for the most efficient provision of urban services within the UGA.”

- Option 1: Annex only the Marin property; or
- Option 2: Annex the Marin property plus six additional properties; or
- Option 3: Do not consider annexation of a smaller area.

At this point in the process, staff is seeking guidance from City Council on what option they would like to consider. Each of these options is described further below.

### **Option 1: Annex only the Marin Property**

Option 1 involves annexing the Marin property only (see purple highlighted property in Attachment 4) totaling 10.43 acres in size. Approving this annexation will create an island “enclave” to the east of the Marin property. All capital facilities for the property, including water, sewer, stormwater, and streets would be provided by the applicant at their expense when the Marin property is developed. These capital facilities would be publicly dedicated and maintained by the City after construction. Other City services would also be required to serve the property such as fire and police protection.

The following bullets summarize the public facilities and service capacities for the Marin property as reviewed against the Comprehensive Plan policies pertaining to annexation:

- **Police protection.** The Police Department reports that there will be a negligible impact to level of service as a result of the Option 1 annexation and that the additional residents within this area can be provided police protection within existing budget and staff levels.
- **Fire protection.** The Fire Department reports that the inclusion of this annexation area may place the fire department outside of its target response times, however many recent annexations have done the same. The city’s fire insurance rating, currently rated a 4 by the Washington Survey and Rating Bureau, may be negatively impacted by adding too much growth without adding adequate services. The installation of fire hydrants will increase the required work load for the fire department. All hydrants must be inspected annually. The additional homes may result in an increase for calls for service. These services could include emergency medical calls and/or fire incidents.

In discussions with the Fire Department, they expressed concern about the cumulative impact of annexations overtime on the department’s level of service. The level of service impacts for a given annexation may be small or negligible, but considered in the aggregate for multiple annexations over many years, these impacts gradually reduce the service level it is able to provide Oak Harbor citizens.

Urban Growth Area policy 4(e) requires that existing buildings within annexation areas to meet the City’s fire and safety requirements within two years. The Fire Department reports that there is one existing building within the Option 1 annexation area, which is a single-family house accessed off of Swantown Road. Single-family homes are not required to have fire sprinkler suppression systems, so no upgrades to this house would be required post annexation. Additionally, adequate fire access is provided to the property from SW Swantown Road which is within 150 feet from the house.

- **Streets.** All necessary street improvements will be completed at the time the property is developed. Necessary improvements include dedication of property along SW Swantown

Road and installation of improvements to meet the Minor Arterial street section in the City's 2007 Transportation Element of the Comprehensive Plan. An internal network of local residential streets would be provided within the boundaries of the property at the time that property is developed. A road connection to Swantown Road aligning with Fairway Lane would be required to serve any future development. The expense for all necessary street improvements both onsite and offsite will be the responsibility of the applicant/developer at the time development occurs on the property. Public streets will be dedicated by the applicant/developer and maintained by the City. Private streets, if proposed, would be maintained by a homeowners association.

- **Sewer and Water.** 8-inch sewer and water stubs to the property in SW Putnam Drive and SW Robertson Drive. There is an 8-inch gravity main sewer in SW Swantown Road which ends at the southeastern edge of the property. At the time the property is developed, the applicant/developer will be required to extend sewer and water facilities in Swantown Road to the western edge of the Marin Property. Sewer from the property would gravity flow to the 8-inch main in Swantown Road and flow to the golf course pump station. Alternatively, a new gravity main could be placed in Swantown Road and flow directly southeast of the property. All sewer and water utilities necessary for the property would be installed by and paid for by the applicant/developer concurrent with development. If any oversizing of sewer and water utilities is required to meet the utility needs of the surrounding area, the City typically reimburses the developer for those additional costs associated with the oversizing. A preliminary investigation of sewer capacity by the Engineering Division indicates that there is sufficient capacity in the system to accommodate the increased demand from the development of the property. The sewer and water system will be publicly dedicated and maintained by the City after construction is complete.
- **Stormwater.** The applicant/developer will be required to install adequate stormwater infrastructure to serve any development on the property. The stormwater facilities will be required to meet all applicable local and state standards for stormwater control, treatment, and detention. All expenses for stormwater infrastructure installation required to serve the property would be paid for by the applicant/developer. Portions of the stormwater system within public rights-of-way will be publicly dedicated and maintained by the City after construction is complete with the exception of certain LID stormwater facilities, if proposed. Stormwater facilities on private property, such as ponds, would be privately owned and maintained.
- **Solid waste.** Island Disposal will continue to provide solid waste pick up services to the property after annexation until such a time as a franchise agreement can be negotiated and approved by the City Council. Typically, Island Disposal provides solid waste pick up for 7-10 years after annexation, at which point the City assumes responsibility for this service. Solid waste services are considered to be an enterprise fund whose expenses are covered by service fees.
- **Parks.** The Parks, Open Space, and Recreation Plan does not call for construction of a new park within the boundaries of the property. Capital facilities needs for the new residents will be supported by park impact fees. The Parks Division anticipates only a

negligible impact from this annexation and has indicated that the addition of new residents and land to the City resulting from this annexation can be accommodated within existing budget and staff levels.

- **Development Services.** Development Services reports that the annexation of the property is anticipated to result in increased development review activity in the form of processing future land use applications, building permits, and other permits. However, the increased activity can be accommodated with existing staff and budget levels without negatively impacting service levels.
- **Animal Control.** Animal control reports that the addition of the property to the City and subsequent development of 35 units would have a negligible effect on the level of service the division provides. The addition of the 35 units will be accommodated with existing staff and budget resources.
- **Senior Services.** Senior Services anticipates no or negligible impact from this annexation. The addition of the property and subsequent development of 35 units could be accommodated with existing staff and budget resources.

If the Council chooses Option 1, staff will forward the required petitions to the Island County Assessor for a determination of sufficiency. Once the City has received the determination, a public hearing before the City Council will be scheduled. At that time, the Council will be asked to make a final decision on the annexation.

### **Option 2: Annex the Marin property plus six additional properties**

Attachment 7 shows the Option 2 annexation area which totals 13.34 acres in size, 10.43 acres which is the Marin property. This area represents four property owners who have signed petitions agreeing to be annexed plus two other properties immediately adjacent to these properties who have not signed petitions. Properties for which owners have signed petitions represent 75% of the total assessed value of the properties within Option 2, exceeding the minimum 60% necessary. All properties are accessed via Swantown Road (public) or from Bernard Way (private). As was previously discussed, the Comprehensive Plan policies focus on adequacy of public services for proposed annexation areas and the effect on the citywide service level. The following discussion summarizes service availability and impacts to service levels to guide the City Council in their consideration of Option 2.

- **Police protection.** The Police Department reports that there will be a negligible impact to level of service as a result of the Option 2 annexation and that the additional residents within this area can be provided police protection within existing budget and staff levels.
- **Fire protection.** Same comments as Option 1, with the following additional comment:  
The multifamily building located at 2150 SW Swantown Road will be required to install sprinklers at the time of remodel, modification, or has an occupancy reclassification per policy 4(e) of the Urban Growth Element of the Comprehensive Plan, if such sprinklers are not already in place.
- **Streets.** Same comments as Option 1, with the following additional comment:

Four of the properties to the east of the Marin property which would be annexed with Option 2 are served by Bernard Way. SW Swantown Road serves the other two properties. Bernard Way is a private access drive that does not meet City standards. City code (OHMC 21.60.120) requires access drives serving four units be 20 feet in width. Nevertheless, the Fire Department has indicated that it can provide adequate fire suppression to the properties accessed from Bernard Way. The City would not require that the access road, although substandard, be upgraded after annexation unless development were to occur on one or more of the properties accessing Bernard Way necessitating a new access drive.

- **Sewer and Water.** Same as Option 1 with the following additional comments:

A preliminary investigation of sewer capacity by the Engineering Division indicates that there is sufficient capacity in the system to accommodate the increased demand from the development of the Marin property and the adjacent six properties.

The presence of an existing sewer line will facilitate providing sewer service to the additional properties included in Option 2. An 8-inch sewer line is located in an easement running along the western edge of 2285 Bernard Way (see Attachment 7). This sewer line could serve the four properties abutting it, which include 2150 SW Swantown Road, 2293 Bernard Way, and 2285 Bernard Way (two properties for this address). Property owners surrounding this sewer line would be required to connect at the time their septic systems fail (per OHMC 14.03.060) and would be responsible for costs of these side sewer connections. Additional easements may be required since the sewer line runs across private property. The sewer line in the easement is already publicly owned and maintained. The installation cost of individual sewer connections to this line would be required to be maintained by property owners as is the case with all side sewer connections. Because the sewer is already in place and already being maintained by the City, staff do not anticipate any additional sewer costs if these properties are annexed.

The same easement previously mentioned also allows placement of a waterline. However, due to the location of the existing sewer line in this easement and the requirement for water and sewer lines to be separated by at least 10 feet, this easement would not likely have adequate width for the placement of a waterline. Notwithstanding these facts, there is no requirement to switch to City water services after annexation, as there is with sewer when septic systems fail. Therefore, the properties accessed from Bernard Way could continue to be served by a private well with no additional capital or maintenance expenses to the City anticipated for annexing this area.

- **Stormwater.** Same as Option 1 with the following additional comments:

The properties to the east of the Marin property which take access from Bernard Way do not currently have storm facilities which meet City standards. If these properties to the east of the Marin Property are annexed, Bernard Way could remain a private street, and thus new stormwater infrastructure would not be required. If new units were added which access Bernard Way or the residents proposed to upgrade the access, then stormwater infrastructure would be required at that time.

- **Solid waste.** Same as Option 1

- **Parks.** Same as Option 1
- **Development Services.** Same as Option 1.
- **Animal Control.** Same as Option 1.
- **Senior Services.** Same as Option 1

If the Council chooses Option 2, staff will forward the required petitions to the Island County Assessor for a determination of sufficiency. Once the City has received the determination, a public hearing before the City Council will be scheduled. At that time, the Council will be asked to make a final decision on the annexation.

**Option 3: Do not consider a smaller area for annexation than initially authorized**

The City Council is not required to consider a different annexation area than that which it originally authorized. The City Council could direct the applicant to further pursue signatures for the island enclave area and indicate to the applicant that the Council would only consider annexation for the originally authorized area, rather than a smaller area within it. However, given the enclave property owners' lack of interest in participating in the annexation it is unlikely that adequate signatures would be obtained in the near future.<sup>3</sup>

**Fiscal impact analysis**

Fiscal impacts are the changes in costs and revenues that the City can expect from a certain action, in this case annexation. As part of the annexation process, Policy 4(j) of the Urban Growth Element of the Comprehensive Plan says that "the City may require the preparation of a fiscal impact study...." Citing this policy, staff requested that the applicant prepare a fiscal impact analysis, because it is not uncommon that residential annexations can lead to negative fiscal impacts for a city. This is because residential uses generally require a high level of services from the City and produce less revenue than commercial or industrial uses.

In response to staff's request, the applicant commissioned a fiscal impact analysis which was prepared by Mr. F.R. Rick Duran of the Archinomics Group, Inc. (please see Attachment 8). The fiscal impact analysis examined the impacts to the City from the annexation of the Marin property and the adjoining properties. The study estimated that there would be recurring revenues to the City of \$291,461 and recurring costs of \$65,000 per year. In other words, after the Marin property is developed, and residents have moved into the units, the proposed annexation would generate net revenues to the City of \$226,461 per year.

After reviewing the applicant's study, City staff conclude that the study over estimates revenues and costs significantly. For example, it appears that the applicant overestimated annual property tax revenues. Costs were probably also over estimated because the study used the average costs

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<sup>3</sup> However, this does not mean that annexation of this area cannot take place at some point in the future. The City has the authority to annex islands of territory under RCW 35.13.182 by resolution at a later date. Council might pursue annexation by resolution if they felt it was critical to annex all of the enclave area to avoid the creation of an island. However, this option is subject to a referendum election by those annexed in a general election after the resolution has been passed.

per household in the City for each department in the City. In reality, many of the City departments for which costs were projected (i.e. law, judicial, city administrator, human resources) will not likely be required to serve the annexed area once the Marin property is developed and houses are filled.

In an effort to provide the City Council additional information staff created its own abbreviated fiscal impact analysis, which is shown here in tables on the next page. The fiscal analysis shows the typical operating costs and revenues to the City after the Marin property is developed and the houses within it are occupied. This analysis does not look at one-time construction revenues and costs, but, rather looks at the operating costs and revenues once the Marin property is developed and houses are occupied.

What the following fiscal analysis shows is that there is likely a small, positive fiscal benefit to annexation in either Options 1 or 2. The benefit is much smaller than that identified by the applicant's fiscal study, but it is nonetheless positive.

#### **STANDING COMMITTEE REPORT**

This item was discussed with the Governmental Services Standing Committee at their July 10, 2012 meeting.

## Staff Fiscal Impact Analysis

**Table 1. Projected Operating Revenues to the City for Options 1 and 2**

Revenues	Option 1	Option 2
Property Taxes	\$ 21,539	\$ 24,657
Sales Taxes	\$ 10,647	\$ 11,863
REET	\$ 2,385	\$ 2,657
<b>Total</b>	<b>\$ 34,570</b>	<b>\$ 39,178</b>

**Table 2. Project Operating Costs to the City for Options 1 and 2**

Costs	Option 1	Option 2
Police Protection	\$ 12,432	\$ 13,853
Fire Protection	\$ 7,065	\$ 7,872
Street Maintenance	\$ 5,454	\$ 5,454
Animal Services	\$ 645	\$ 719
Code Enforcement	\$ 66	\$ 73
Parks	\$ 3,345	\$ 3,727
<b>Total</b>	<b>\$ 29,006</b>	<b>\$ 31,698</b>

**(Deficit)/Surplus      \$      5,564      \$      7,480**

Notes: The following assumptions were made in the above projections:

1. Water, sewer, storm, and solid waste are enterprise accounts and are therefore a net zero fiscal impact
2. Property tax rate is \$2.285329566/\$1,000 of assessed value
3. Sales tax receipts for OH in 2011 were \$2,669,142 or approximately \$120 per person
4. The City's population in 2011 and 2012 was 22,000
5. Marin property will contain 35 housing units as estimated by applicant
6. Marin property + adjacent 6 properties is 39 housing units
7. Average household size is 2.53 persons in OH
8. The 2011-12 budget is as follows for the following departments: Fire - \$1,937,933; Streets - \$899,712; Animal services - \$177,064; Code Enforcement - \$17,991; Parks Budget - \$917,472
9. Acres of Parks = 215.1
10. Miles of Streets in Oak Harbor = 68.74 miles
11. Annual Code Enforcement Complaints = 100
12. Miles of Streets within Marin Property = 0.417
13. Miles of Street in Marin + Adjacent = 0.417
14. Number of Households in OH = 9,601 according to OFM
15. Animals Impounded Per Year = 250

## CONCLUSION

In the November 16, 2010 agenda bill staff noted that the City's Comprehensive Plan, in Policy 4.b, discourages the creation of unincorporated county enclaves. Based on the aforementioned policy, Council chose to expand the annexation from just the Marin Property to include the entire county enclave area to the east and authorized the applicant to pursue signatures for the expanded area. The applicant was unable to obtain sufficient signatures to constitute 60% of the assessed value of the expanded area. Given this fact, staff believes Council now has three options from which to choose.

With the exception of fully satisfying Policy 4.b, both Options 1 (Annex Marin Property only) and Option 2 (Annex Marin Property and adjacent properties) are consistent with the policies for annexation outlined in the Comprehensive Plan, Urban Growth Area Element. In Option 1, all capital facilities and services would be provided subsequent to the development of the Marin Property and would meet all relevant City standards at the time that property is developed. City departments report that the area in Option 1 could be served under existing budgets and staff levels. Option 2 annexes the Marin Property, plus six additional properties, resulting in the annexation of an additional 2.91 acres. City departments also report that the area in Option 2 could be served under existing budgets and staff levels.

From a fiscal standpoint, Options 1 and 2 are largely the same; in each option the City will likely realize a small, but positive fiscal impact, although the impact will likely be slightly larger in Option 2 due to the additional tax revenues. Capital facilities in Option 2 for the enclave area, although not meeting City standards in some cases (i.e. roads, water, and stormwater), are not required to be upgraded after annexation and do not create safety or service issues. A sewer line is available for future connection for residents in the enclave area.

The applicant has secured the necessary signatures on the annexation petition to pursue either Option 1 or 2. Should the City Council select either of these options, effectively accepting the petitions as submitted, staff would submit the appropriate petition to Island County for their determination of sufficiency as required by RCW.

While the land area in either Option 1 or 2 can be effectively served by the City, the Council need not consider an area smaller than that authorized at the November 16, 2010 meeting. The decision to not do so, Option 3, likely means that adequate signatures could not be obtained for this area in the near future.

With the above considerations in mind, staff recommend that Council consider Option 2 for annexation. Annexing this area incorporates more territory in City boundaries and reduces the size of the resultant unincorporated enclave. It should also result in more positive fiscal impacts than Option 1. Staff have not identified any problematic service provision issues in this scenario. Should the Council concur with this recommendation, a public hearing would be scheduled for some time after the Island County Assessor has issued her determination of sufficiency for the petition.

**RECOMMENDED ACTION**

Staff recommends that City Council consider the Marin Annexation as outlined in Option 2.

Should the Council concur with this recommendation, the following motions would be appropriate:

1. Move to consider Option 2 for the Marin annexation at a City Council meeting and public hearing, the date to be determined by staff.
2. Move to accept the submitted annexation petitions and direct staff to forward these petitions to the Island County Assessor for a determination of sufficiency.

**ATTACHMENTS:**

1. Annexation Goals and Policies from the Urban Growth Element of the Comprehensive Plan
2. Land Use Map
3. November 16, 2010 City Council agenda bill (w/o attachments) and minutes
4. Marin Property Annexation Map and Island Enclave Area
5. Map showing properties for which there are signatures
6. Submitted petitions
7. Option 2 Annexation Area/Sewer Map
8. MarinWoods Fiscal Impact Study for the City of Oak Harbor

**MAYOR'S COMMENTS:**

**Attachment 1: Comprehensive Plan Policies  
Urban Growth Area Element**

**Goal 4 - Annexations to the City will occur in compliance with the Washington State Growth Management Act and the following policies.**

**Policy:**      **4.a**      Land to be annexed should include only areas seen as logical extensions of the City, located adjacent to existing urban development.

Discussion:

This policy is to be used solely as a guide to prevent leap-frogging and not as a means of preventing growth.

**4.b**      The City should avoid annexations that would result in unincorporated enclaves within the UGA.

Discussion:

An unincorporated enclave is an area completely surrounded by incorporated parts of the city. However, the City may make exceptions to this policy in cases where the potential enclave is already characterized by urban density. In such cases, the City should first encourage petitioners to work with property owners inside the potential enclave to include them in the annexation area. Failing this preferred option, only then should the City consider whether the annexation would further other Comprehensive Plan goals, such as economic development, and otherwise be consistent with annexation policies.

**4.b**      Annexations to the City should be based on evidence that public facilities and service capacities already exist or are planned for and can be efficiently, economically, and practically provided by either public or private sources.

**4.c**      Annexations should not diminish the present LOS or create an excessive financial burden to existing and prospective property owners in the City.

**4.d**      Ensure property owners within an annexing area are aware of foreseeable obligations or requirements that may be imposed upon them by the City at the time of annexation.

Discussion:

Provide foreseeable cost estimates where possible.

**4.e**      Require existing buildings, within annexed areas, to meet the City's fire and safety requirements.

Discussion:

Public safety shall be ensured by the following:

- \* An inspection will be conducted of all properties within the proposed annexation area. The Fire Department will identify deficiencies of fire and life safety codes to property owners and City Council. Actions for addressing the deficiencies within specified time frames as recommended by the Fire Department and subject to approval by City Council, will be in the annexation agreement.
  - \* Upon annexation, existing buildings will be required to have minimum fire-flow within three years for mobile home parks, and two years for all other buildings, or by annexation agreement. Smaller, individually developed properties should not be burdened by excessive costs of utility improvements beyond their normal proportional share of costs. Costs should be proportionate to benefit.
  - \* Existing buildings not conforming to the City's requirement for fire sprinkler systems, will not be subject to retrofitting until the building is remodeled, modified or has an occupancy reclassification. Occupancies or portions thereof classified as hazardous and/or required to have fire suppression systems in accordance with the Uniform Building Code will be required to install an approved system within one year.
- 4.f Assure that the City's fire rating is not reduced because of annexation.

Discussion

The intent is to preserve the City's current fire rating and LOS and protect public welfare by providing a water supply of sufficient quantity and pressure for fire protection. In all instances, areas to be annexed should be analyzed for their potential effect on the City's fire rating. Programs should be established to assure improvements are made in the annexed area or to correct identified deficiencies made elsewhere in the City to balance rating deficiencies in the annexed area. Property owners in the annexing area may be required to pay all or a portion of the cost to correct the deficiencies in their area.

- 4.g Maintain the existing level of police service when annexing new areas.

Discussion

The intent is to protect the residents of the City from a reduced level of police services due to annexation. In all instances the areas to be annexed should be analyzed for their potential effect on the City's current level of police protection. Increases in police personnel may be necessary in order to remain at its present LOS. The City should have a method for analyzing the fiscal impacts of annexation on police services.

- 4.h Annexation proposals should describe the method and level of funding for capital facilities needed to serve the annexed area.
- 4.i Proponents of annexation in developed or partially developed areas should pay their fair share of the costs of urban services and public improvements required to meet the City's LOS standards.

Discussion

This commitment to meet the City's LOS standards should be identified by all annexation agreements, including pre-annexation agreements.

- 4.j The City may require the preparation of a fiscal impact study which addresses long and short-term economic impacts to the City.
- 4.k Annex, when possible, areas of sufficient size that square off City boundaries and enhance circulation.

Discussion

This policy makes subarea planning for local roads and utilities more efficient.

- 4.l Proposed annexations shall not result in the long-term reduction of the City's established LOS standards.

**Goal 5 - New neighborhoods annexed into the City should contribute in a positive manner to sustain and enhance the quality of life for all Whidbey Island citizens while promoting a strong sense of place for Oak Harbor.**

- Policy:**
- 5.a Annexation agreements should include a preliminary plan for a transportation network that emphasizes connections to existing neighborhoods, streets and pedestrian facilities.
  - 5.b Where topography allows, new annexation areas should develop in the traditional lot and block grid pattern that typified early Oak Harbor development and enhances the provision of public facilities and services.
  - 5.c The City should consider the desirability of acquiring potential new public facilities, such as trails, parks or open space lands, during the annexation review process with the cooperation of the petitioners.
  - 5.d In annexation requests where the surrounding land uses could be significantly affected by the potential land uses in the annexing area, the City should require a greenbelt designation of an appropriate width to ameliorate the negative impacts.

Discussion: This policy would apply to the annexation of new industrial lands that abut properties that have historically been used for residential purposes.

**5.e** The City should adopt standards that support the Comprehensive Plan annexation policies.





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

Bill No. 7  
Date: November 16, 2010  
Subject: Marin Property – Intent to Annex

**FROM:** Steve Powers *SP*  
Development Services Director

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

*JS* Jim Slowik, Mayor  
*PS* Paul Schmidt, City Administrator  
*DM* Doug Merriman, Finance Director

- Budgeted Item: Yes No N/A
- Budget Adjustment Required: Yes No N/A
- Funds Available for Appropriation: Yes No N/A
- Budget Strategy Approved: Yes No N/A

*UH* Margery Hite, City Attorney

**PURPOSE**

This agenda bill presents the notice of intent to commence annexation proceedings for the Marin property presented by property owners seeking annexation into the City of Oak Harbor. In considering this notice, the City Council needs to decide: (1) whether it will accept, reject, or geographically modify the proposed annexation, (2) whether it will require adoption of zoning simultaneously with annexation, and (3) whether it will require annexed properties to share City indebtedness.

**AUTHORITY**

RCW 35A.14.010 gives cities the authority to annex properties which are contiguous to their boundary.

**BACKGROUND**

On September 21, 2010 Mr. Richard Marin submitted a notice on behalf of the Marin family of their intent to commence annexation proceedings (Attachment 1). The property is located at 1292 SW Swantown Road, approximately 0.85 miles west from the SW Swantown Avenue and Fort Nugent Avenue intersection. The property is directly across the road from Fairway Lane (Attachment 2). Mr. Marin is one of six family members who jointly own the parcel, which totals approximately 10 acres in size. The proposed annexation area is located within the Oak Harbor Urban Growth Area (UGA) and is designated Low Density Residential on the City's Future Land Use Designation Map (see Attachment 3). If the property is annexed, it would be assigned R-1-Single Family Residential zoning per the City's Comprehensive Plan.

The proponents have submitted a letter of intent to annex, identifying each owner of the parcel. As the owners, they represent 100% of the acreage of the annexation area and also represent the entire portion of the assessed valuation of the area (far in excess of the minimum 10% valuation required to initiate an annexation). Attached to their letter of intent is a conceptual plan for development of the property. City staff and the applicant discussed the conceptual plan with the intention of identifying major development issues before proceeding with the annexation process. The City Council must conduct a meeting with the initiating party within 60 days after the filing of their notice. The meeting scheduled for November 16<sup>th</sup> meets this requirement. At the meeting the Council must determine three things:

1. Whether to accept the annexation as proposed; reject the annexation; or geographically modify the proposed annexation;
2. Whether it will require the simultaneous adoption of proposed zoning, and
3. Whether it will require the assumption of all or any portion of existing city indebtedness by property owners within the area to be annexed.

The decision of the Council whether to move forward with the proposed annexation is entirely within its discretion. By accepting a proposed annexation petition, the Council is not committing itself to ultimately annexing the territory proposed. The decision to accept at this stage merely allows the annexation petition to go forward procedurally. If the Council rejects the proposed annexation at this stage, the initiating parties have no right of appeal.

If the Council accepts the annexation, then the proponent will be authorized to circulate the 60% petition. After submittal of a valid 60% petition, all appropriate fees and a metes and bounds legal description, the Council will conduct a public hearing to decide whether to approve the annexation.

## **DISCUSSION**

### **1. WHETHER TO ACCEPT THE ANNEXATION AS PROPOSED; REJECT THE ANNEXATION; OR GEOGRAPHICALLY MODIFY THE PROPOSED ANNEXATION.**

Staff has identified several policies and serviceability issues pertaining to the Council's decision to accept, reject, or geographically modify the annexation. These are discussed below.

#### **Annexation Geography**

Parcel R13204-459-4200 is approximately 10 acres in size. The proposed annexation area is located west along Swantown Road, in the unincorporated portion of the UGA but contiguous to City limits. If the annexation is approved as proposed, an area of existing single-family homes within unincorporated Island County will be completely surrounded by properties within the Oak Harbor city limits. This area of unincorporated property completely surrounded by incorporate property is referred to as an "enclave."

The Comprehensive Plan Urban Growth Area Element, Policy 4.b, states: "The City should avoid annexations that would result in unincorporated enclaves within the UGA." The policy continues with the following discussion:

*"An unincorporated enclave is an area completely surrounded by incorporated parts of the city. However, the City may make exceptions to this policy in cases where the potential enclave is already characterized by urban density. In such cases, the City should first encourage petitioners to work with property owners inside the potential enclave to include them in the annexation area. Failing this preferred option, only then should the City consider whether the annexation would further other Comprehensive Plan goals, such as economic development and otherwise be consistent with annexation policies."* (emphasis added)

The clear policy direction is for the City not to create enclaves and to have property owners actively take steps to try to incorporate adjacent properties as necessary to satisfy this policy.

For requests where the boundaries of a proposed annexation are expanded, property owner concurrence and assessed valuation are often factors in determining whether the petition requirements (at least 60% of assessed valuation) can be met. In this case there are 32 homes within the enclave and the assessed valuation of all of the properties within the enclave is \$8,399,492. In comparison, the total valuation for the Marin property and the enclave is \$9,374,259. The enclave comprises approximately 90% of the total assessed valuation of both areas. Assessed valuation of applicant proposed annexation area versus the assessed valuation of the possible enclave area will be factor in determining what properties may be included in an annexation petition.

A review for consistency with all of the applicable Comprehensive Plan goals and policies will occur in preparation for the necessary public hearing, should the City Council authorize the annexation to proceed. In the meantime, the applicable Comprehensive Plan policies are attached to this agenda bill as Attachment 4 as information for the City Council.

#### **City Services**

The following service and utility information is being provided to guide Council's decision as to whether to accept, reject, or geographically modify the proposed annexation.

- **Public Works.** Public Works has concerns regarding the enclave area containing infrastructure that is not up to city standards and the long-term maintenance costs for this infrastructure. However Public Works recommends allowing the 60% petition to go forward at this time. The following is a summary of the concerns regarding infrastructure on the subject properties.

#### **Water**

Water is available in SW Swantown Avenue. For the Marin property, water mains should be extended the full frontage of the property at the time of connection and adequate water pressure shall be provided. The water main in Swantown will be subject to over-sizing

reimbursement. Any capital facilities will be new and installed by proponents per city requirements.

In the enclave, water is currently supplied by a well system with the exception of one home. Public Works expressed concern over the existing private well system in the enclave, its eventual conversion to a public system, and financial impacts this will create for property owners and the City.

#### **Sewer**

For the Marin property, city sewer is available in Putnam Drive and Swantown Road. Putnam Drive sewer is a gravity sewer. The Swantown Road sewer drains to the Swantown Lift Station (aka the Whidbey Golf and Country Club Lift Station) and any connection shall be subject verification of capacity. This lift station is included in Sewer Extension Agreement No 01-02 (latecomer's agreement). This agreement expires in October 2011; connection to the station prior to that time may require payment of the appropriate latecomer's fee.

In the enclave, the existing homes are on septic systems. This area is also within the design service area of the Whidbey Golf and Country Club lift station. In the enclave, water is currently supplied by a well system with the exception of one home. Public Works expressed concern over the existing private septic system in the enclave, its eventual conversion to a public system and financial impacts this will create for property owners and the City.

#### **Streets**

The Marin property has frontage on Swantown Road. SW Putnam and SW Robertson Drives dead end at the eastern property boundary. The City boundary currently includes the SW Swantown Avenue right-of-way up to Fairway Lane. The entire length of the property's frontage should consist of city right-of-way and be included in the city boundary. A road connection to Swantown Road aligning with Fairway Lane would be required to serve any future development on the property. Street improvements will be required within and adjacent to the property to serve any future development. All necessary capital improvements will be provided by the applicant at the time of development. Requirements such as half street improvements along with any intersection improvements will be a condition of any development of the proposed annexation area. Street improvements along Swantown will need to be provided consistent with the City's new minor arterial street section in the 2007 Transportation Plan.

Within the enclave, there are two private drives (Aviator Lane and Bernard Way) and one public street (SW Thornberry Drive) with two cul-de-sacs (W. Cashmere Place and Fairvue Place), none of which meet city street width and improvement standards.

#### **Stormwater**

There are no stormwater facilities serving the Marin property. Future development of the parcel will require stormwater facilities to be built in accordance with all stormwater policies and regulations in effect at the time of development. The developer will be

responsible for all improvements. A thorough investigation of existing and proposed stormwater facilities is warranted for the Marin property prior to development. The extent and timing of the investigation of stormwater facilities shall be determined in an annexation agreement, if the Council ultimately decides to annex the proposed property.

The enclave has swales and culverts adjacent to the road for storm drainage; what isn't treated by those facilities flows to the existing drainage system downstream of the golf course, crossing private property and terminating in Swantown Lake. Once annexed, all properties are subject to City stormwater fees even if they are not connected to City water or sewer.

### **City Development Standards**

The properties within the enclave developed in Island County under county standards and consequently do not meet City standards for utilities and streets. There are no municipal code regulations requiring existing development to connect to city water and upgrade streets and stormwater subsequent to annexation. City regulations do require a connection to city sewer if a property's (annexed after January 1, 2001) septic system fails and cannot be repaired.

- **Fire.** The Fire Department said that the inclusion of this annexation area may place the department outside of its target response times, however many recent annexations have done the same. In addition, the City's fire insurance rating, currently rated a 4 by the Washington Surveying and Rating Bureau may be negatively impacted by adding too much growth without adding adequate services. The rating affects all citizens of Oak Harbor as everyone pays when insurance rates go up. This wouldn't occur until the next time the City is rated by the Bureau; the date of which is undetermined at this time. The addition of more hydrants and more people also results in additional workload in hydrant inspections and fire/medical rescues for the Fire Department.
- **Development Services.** Development Services notes that while the annexation may mean a minor increase in services for the department, the impacts or concerns may be negligible and they do not have any issues which would prevent this application from moving forward as submitted or geographically modified. Development Services recommends modifying the geography of the annexation area to include the enclave consistent with Urban Growth Area Element Policy 4.b.
- **Police.** Police reported that while the annexation may mean an increased area to cover, the impacts or concerns may be negligible. Police also mentioned that the annexation may provide for quicker jurisdictional determination when calls come in.
- **Finance.** Finance reported that they do not have any issues which would prevent this application from moving forward as submitted or geographically modified.

- Animal Control. Animal Control reported that while the annexation may mean an increased area to cover, they do not have any issues which would prevent this application from moving forward as submitted or geographically modified.
- Code Enforcement. Code Enforcement stated that while the annexation may mean a minor increase in services, the impacts or concerns may be negligible and they do not have any issues which would prevent this application from moving forward as submitted or geographically modified.
- Parks. Parks reported that they do not have any issues which would prevent this application from moving forward as submitted or geographically modified.
- Senior Services. Senior Services reported that they do not have any issues which would prevent this application from moving forward as submitted or geographically modified.

#### **Recommendation**

Council may accept the annexation as proposed; reject the annexation; or geographically modify the proposed annexation. In accordance with the Comprehensive Plan policies staff recommends that Council geographically modify the proposed annexation to include the unincorporated enclave. In keeping with the policy discussion statement the applicant should attempt to include other properties in their proposed annexation. If the effort to include other properties proves unsuccessful, the City Council can determine whether or not to approve an annexation petition for a smaller geographic area.

#### **2. WHETHER IT WILL REQUIRE THE SIMULTANEOUS ADOPTION OF PROPOSED ZONING.**

The adoption of the Interlocal Agreement between Island County and the City of Oak Harbor on January 14, 2002 provides for the implementation of City zoning for areas of land contained within the UGA. The City of Oak Harbor's Comprehensive Plan defines the range and location of future land uses that will occur within the City and its UGA. The Comprehensive Plan indicates that both the proposed annexation area and the enclave are designated as Low Density Residential land use equating to R-1 zoning for the subject properties.

#### **Recommendation**

Staff recommends that Council require the simultaneous adoption of R-1 zoning if the property is approved for annexation at a later date.

#### **3. WHETHER IT WILL REQUIRE THE ASSUMPTION OF ALL OR ANY PORTION OF EXISTING CITY INDEBTEDNESS BY PROPERTY OWNERS WITHIN THE AREA TO BE ANNEXED.**

The City only has one outstanding general obligation bond, the *Oak Go 96* for fire and public safety; this obligation will be satisfied in December of 2010. Although only one outstanding bond remains, it is possible that new bonds may be undertaken by the City in the future and as such, it is logical to have new citizens of the city assume a portion of the indebtedness.

**Recommendation**

Staff recommends that the property owners within the area to be annexed assume a portion of city indebtedness.

**CONCLUSION**

Consistent with the Comprehensive Plan, staff recommends that Council accept the proposed annexation, but geographically modify the boundary to include the enclave area. Staff also recommends that Council require the simultaneous adoption of proposed zoning regulations and that the property owners within the annexation area assume a portion of the City's indebtedness upon annexation. Infrastructure issues such as how the applicant's property will be served with stormwater facilities and how public utilities may be provided to existing developed properties warrant the drafting of an annexation agreement. Given the uncertainty as to which properties might ultimately be included in the annexation petition staff believes it best to begin drafting that agreement after receipt of the petition.

**STAFF RECOMMENDATION**

In light of findings in this report, staff recommends that the City Council do the following:

1. Accept but geographically modify the annexation to include the enclave area as shown on Attachment 2.
2. Require the simultaneous adoption of proposed zoning regulations with annexation.
3. Require the property owners within the annexation area to assume a portion of the City's indebtedness.
4. Authorize staff to begin preparing an annexation agreement in consultation with the applicant and subsequent to applicant's submittal of a complete 60% petition.

**ATTACHMENTS:**

1. Letter to commence Annexation
2. Annexation Aerial Map with Staff Recommendations
3. Zoning Map & Land Use Map for Proposed Annexation Area
4. Annexation Policies

**MAYOR'S COMMENTS:**

addresses authorization to pursue a call for public art proposals and is not approval of the amount of funds to be spent on Pioneer Way's public art. Discussion continued about grant funds with sustainability, the size, theme, and look of the art and integration into the proposed sites.

**MOTION:** Councilmember Munns moved to authorize the Mayor to proceed with the advertisement of the Call for Public Art Proposals for the SE Pioneer Way Improvement Project. The motion was seconded by Councilmember Palmer.

Continued Discussion

Discussion continued about the submittal timeline for Greenroads™ (at the end of the project; striving for basic level of certification), the timing of arts proposals now rather than later in the Pioneer Way Project, and the overall project schedule.

VOTE ON THE

**MOTION:** Councilmembers AlMBERG, Campbell, Paggao, Palmer, Munns, and Severns voted in favor of the motion. Councilmember Dudley opposed. The motion carried.

**Break**

Mayor Slowik called for a short break at 8:10 p.m. and the meeting reconvened at 8:15 p.m.



**Marin Annexation**

Senior Planner Ethan Spoo led the presentation for the notice of intent to commence annexation proceedings for the Marin property presented by property owners seeking annexation into the City of Oak Harbor. In considering this notice, the City Council needs to decide: (1) whether it will accept, reject, or geographically modify the proposed annexation, (2) whether it will require adoption of zoning simultaneously with annexation, and (3) whether it will require annexed properties to share City indebtedness. The Marin family attended this Council meeting. The proponents have submitted a letter of intent to annex, identifying each owner of the parcel. As the owners, they represent 100% of the acreage of the annexation area and also represent the entire portion of the assessed valuation of the area (far in excess of the minimum 10% valuation required to initiate an annexation). Attached to their letter of intent is a conceptual plan for development of the property. City staff and the applicant discussed the conceptual plan with the intention of identifying major development issues before proceeding with the annexation process. The City Council must conduct a meeting with the initiating party within 60 days after the filing of their notice and this evening's meeting meets this requirement.

Mayor Slowik called for public comments.

**Richard Marin, The Marin Group, Edmonds, WA.** Mr. Marin spoke on behalf of the six siblings who own this property all of whom graduated from Oak Harbor High School. The family wants to keep the land treed as much as possible and have worked closely

with staff. Mr. Marin also noted that he has been an Edmonds City Council member for two terms and has enjoyed working with Oak Harbor's staff and agrees with all four of staff's recommendations. Creating an annexation agreement will allow success for everybody even though current market conditions are difficult for development. Mr. Marin also talked about the enclave that would be created and the Marin Group has written to everyone within 300 feet of the property and within the enclave. There have been only two responses: one negative, one positive. The property's value could garner a more valuable taxable base for the City and Mr. Marin urged approval of all four recommendations.

There were no other public comments.

#### Council Discussion

Discussion followed regarding the annexation process, impact, if any, on the present and future wastewater treatment facility (no), and problems with enclaves if they are not included. Discussion continued about the annexation's size and that Council can consider a reduced annexation at a future date, that the developer would be required to install waterlines and that sewer, water, and roads are required by state law for new development. Discussion continued about enclaves and hookups if there is septic failure, the City's indebtedness – outstanding bonds which is only the fire station now and it will be paid off soon, and how the 60% of assessed value relates to the number of petition signatures. Discussion followed about Swantown Road (already in City limits), Putnam Drive and gravity sewer, and hook up fees if there is a septic failure.

#### MOTION: Councilmember Almberg moved to:

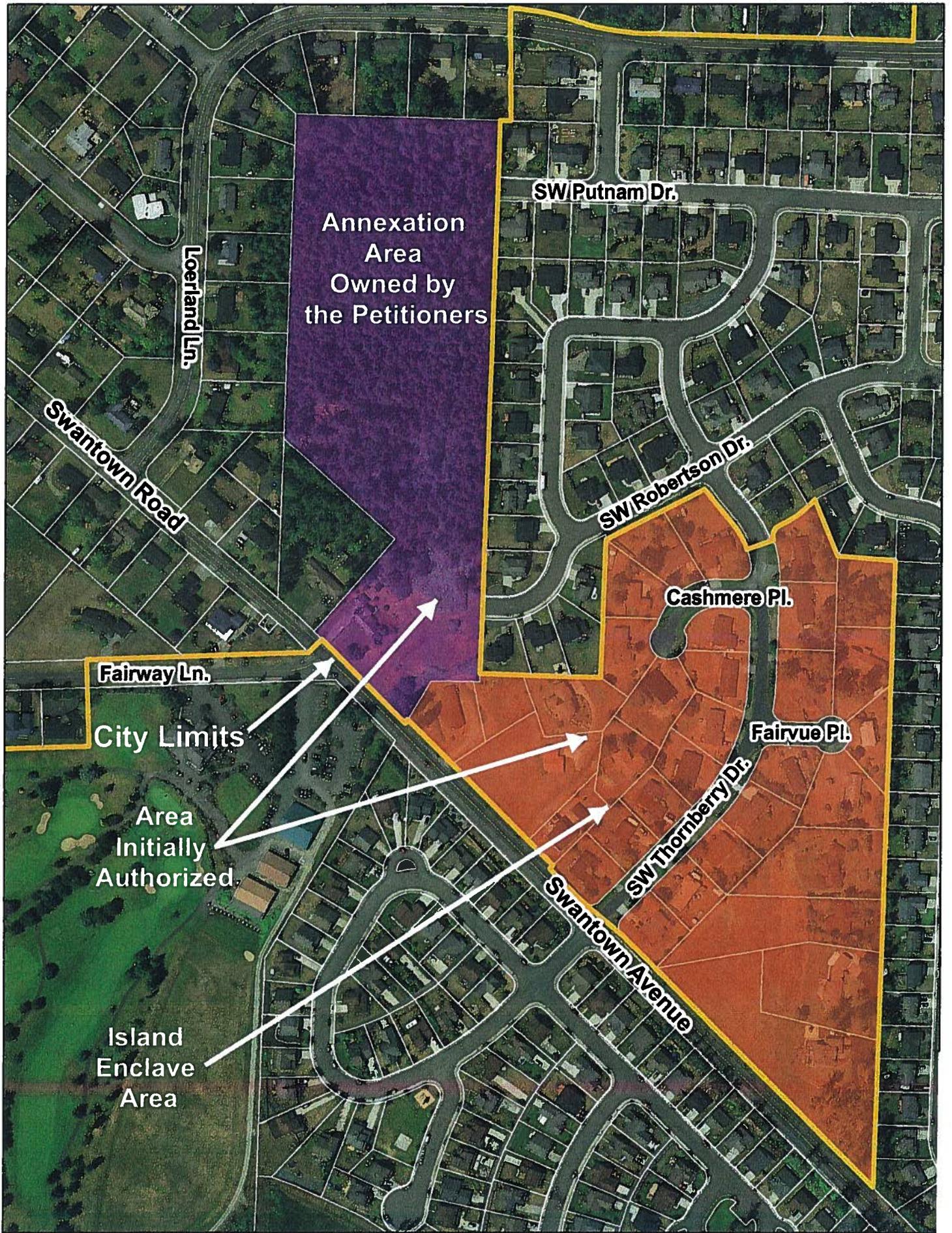
1. **Accept but geographically modify the annexation to include the enclave area.**
2. **Require the simultaneous adoption of proposed zoning regulations with annexation.**
3. **Require the property owners within the annexation area to assume a portion of the City's indebtedness.**
4. **Authorize staff to begin preparing an annexation agreement in consultation with the applicant and subsequent to applicant's submittal of a complete 60% petition.**

**The motion was seconded by Councilmember Severns and carried unanimously.**

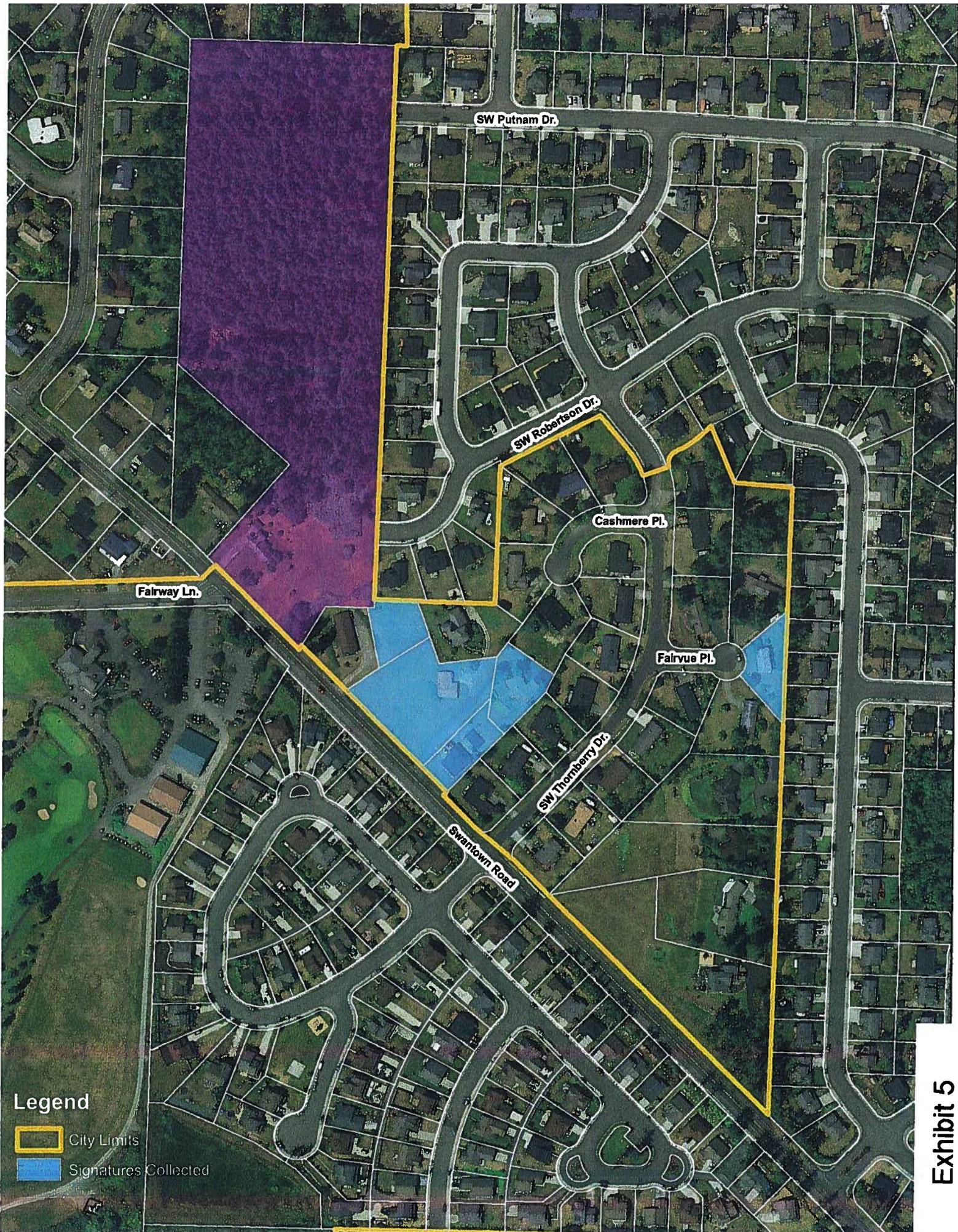
#### **City Administrator's Comments**

Mr. Schmidt talked about the Wastewater Facilities Planning Open House scheduled for December 6, 2010, 6:00 p.m. at Hayes Hall, Skagit Valley College and that it will be posted as a special meeting in case a quorum of Council members attend. Mr. Schmidt also talked about emergency preparations for inclement weather. Mr. Schmidt noted that the Lonely Planet website named the Whidbey Island Marathon as one of the top ten marathons in the world.









**Legend**

-  City Limits
-  Signatures Collected



IRREVOCABLE

PETITION FOR ANNEXATION

RECEIVED

JUN 13 2012

CITY OF OAK HARBOR  
Development Services Department

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

The territory proposed to be annexed is within Island County, Washington and the boundaries are outlined on the map attached to this petition. (See Exhibit "A" hereto attached and by this reference made a part hereof.) The property is described as follows:

(legal description in Exhibit B)

The City Council of the City of Oak Harbor met with the initiating parties at a regular Council meeting on the 16th day of November, 2010 and after the said meeting having been closed at the 16th day of November, 2010, the City Council indicated that it would accept a proposed annexation. At the 16th day of November, 2010 meeting, the City Council did also determine as follows:

1. It would require simultaneous adoption of zoning for the proposed area to be annexed as R1 Single Family Residential, based upon the proposed Comprehensive Plan Land Use Map adopted on December 20, 2011.
2. It would require the assumption of existing City indebtedness by the area proposed to be annexed.

Wherefore, the undersigned petition the Honorable City Council and ask:

- (a) That appropriate action be taken to entertain this petition fixing a date of public hearing, causing notice to be published and posted specifying the time and place of such hearing and inviting all persons interested to appear and voice approval or disapproval of such annexation; and,
- (b) That following said hearing the City Council determine by ordinance that such annexation shall be made annexing the above described territory and declaring the date that such annexation shall be effective. That property so annexed shall become a part of the City of Oak Harbor, Washington subject to it's laws and ordinances then and thereafter in force.
- (c) That the proposed zoning as adopted for the area as above indicated, shall be effective zoning for the proposed annexation area and shall not be modified for eighteen (18) months after annexation.
- (d) The petitioners subscribing hereto agree that all property within the territory hereby sought to be annexed shall be assessed and taxed at the same rate and on

the same basis as other property within the City of Oak Harbor including assessments of taxes and payment of any bonds issued or debts contracted prior to or existing at the date of the annexation.

- (e) That every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
George A. Marin	1292 Swantown Road Oak Harbor, WA 98277	R 13204-459-4200

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 13<sup>th</sup> day of JUNE, 2012

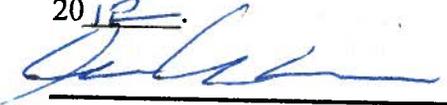
  
(Print Name) GEORGE A. MARIN

STATE OF WASHINGTON

COUNTY OF ISLAND

On this day personally appeared before me GEORGE A. MARIN, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 13<sup>th</sup> day of JUNE, 2012.

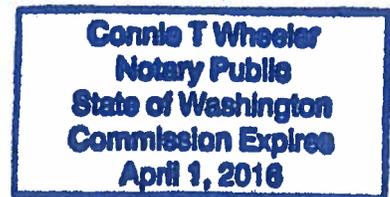


Notary Public residing at COFFEEVILLE, WA

Printed Name: CONNIE WHEELER

My Commission Expires:

APRIL 1, 2016



IRREVOCABLE

PETITION FOR ANNEXATION

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

RECEIVED  
FEB 02 2012  
CITY OF OAK HARBOR  
Development Services Department

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

The territory proposed to be annexed is within Island County, Washington and the boundaries are outlined on the map attached to this petition. (See Exhibit "A" hereto attached and by this reference made a part hereof.) The property is described as follows:

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the same basis as other property within the City of Oak Harbor including assessments of taxes and payment of any bonds issued or debts contracted prior to or existing at the date of the annexation.

- (e) That every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owners Name(s)	Site Address/Mailing Address	Parcel Number(s)
Christine R. Marin	1292 Swantown Road Oak Harbor, WA	R 13204-459-4200

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 18 day of June, 2012

Christine R. Marin

(Print Name) Christine R. Marin

STATE OF UTAH

COUNTY OF SALT LAKE

On this day personally appeared before me Christine R. Marin, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 18 day of June, 2012

Katty Belle Lopez

Notary Public residing at 143 E Social Hall Ave, SLC, UT 84111

Printed Name: Katty Belle Lopez

My Commission Expires:

May 5, 2013



IRREVOCABLE

PETITION FOR ANNEXATION

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

RECEIVED  
JUL 2 2012  
CITY OF OAK HARBOR  
Development Services Department

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

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(legal description in Exhibit B)

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1. It would require simultaneous adoption of zoning for the proposed area to be annexed as R1 Single Family Residential, based upon the proposed Comprehensive Plan Land Use Map adopted on December 20, 2011.
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Wherefore, the undersigned petition the Honorable City Council and ask:

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Property Owner Name	Site Address/Mailing Address	Parcel Number(s)
Sheila Ann Duran	1292 Swantown Road Oak Harbor, WA	R 13204-459-4200

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 18 day of June, 2012

Sheila Ann Duran

(Print Name) Sheila Ann Duran

STATE OF ILLINOIS

COUNTY OF COOK

On this day personally appeared before me Sheila Ann Duran, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 18 day of June, 2012.

Carol J Smith

Notary Public residing at 618 Judson Ave # 3, Evanston IL 60202

Printed Name: CAROL J. SMITH

My Commission Expires:

11-28-2015



IRREVOCABLE

PETITION FOR ANNEXATION

RECEIVED

JUL 02 2012

CITY OF OAK HARBOR  
Development Services Department

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

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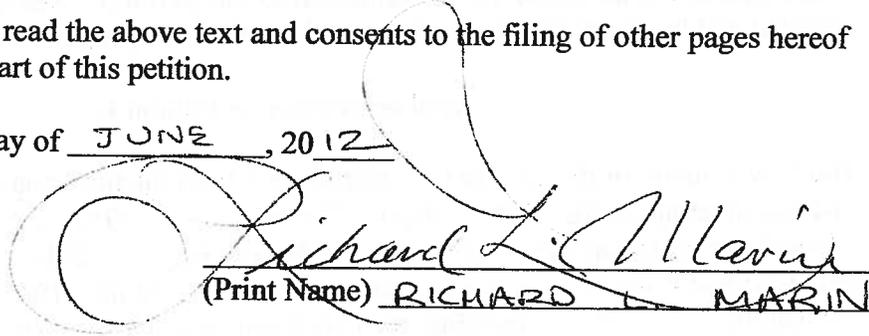
the same basis as other property within the City of Oak Harbor including assessments of taxes and payment of any bonds issued or debts contracted prior to or existing at the date of the annexation.

- (e) That every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Richard Louis Marin	1292 Swantown Road, Oak Harbor WA	R 13204-459-4200

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 13 day of JUNE, 2012

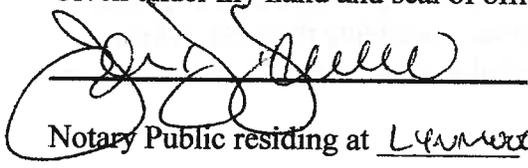
  
(Print Name) RICHARD L. MARIN

STATE OF WASHINGTON

COUNTY OF Snohomish

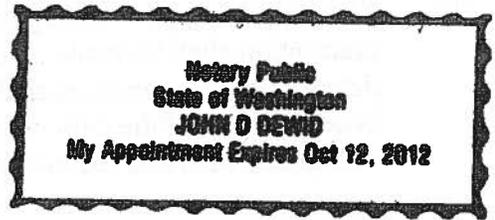
On this day personally appeared before me Richard L. Marin, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 13 day of JUNE, 2012.

  
Notary Public residing at LYANWOOD, WA

Printed Name: JOHN D. DEWID

My Commission Expires:  
10/12/12



IRREVOCABLE

PETITION FOR ANNEXATION

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

RECEIVED  
JUL 12 2012  
CITY OF OAK HARBOR  
Development Services Department

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Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
John Robert Marin	1292 Swantown Road Oak Harbor, WA	R 13204-459-4200

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 13 day of June, 2012



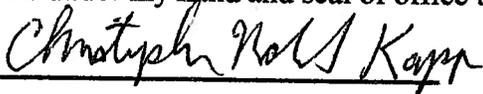
(Print Name) John Robert Marin

STATE OF CALIFORNIA

COUNTY OF Los Angeles

On this day personally appeared before me John Robert Marin, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 13 day of June, 2012

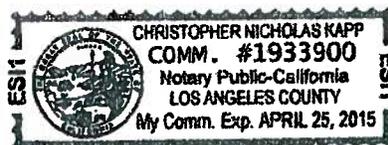


Notary Public residing at POMONA, CALIFORNIA

Printed Name: CHRISTOPHER NICHOLAS KAPP

My Commission Expires:

APRIL 25, 2015



IRREVOCABLE

PETITION FOR ANNEXATION

RECEIVED

JUL 16 2012

CITY OF OAK HARBOR  
Development Services Department

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

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Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Pamela & Larry Ketchum	1205 Fairvue Place, Oak Harbor WA	S6610-00-01007-0

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 16 day of July, 2012

Pamela S. Ketchum LARRY L. KETCHUM  
(Print Name) Pamela S. Ketchum [Signature]

STATE OF WASHINGTON

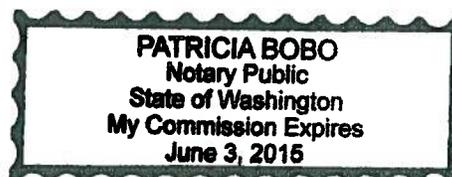
COUNTY OF Snohomish

On this day personally appeared before me Richard L. Marin, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 16<sup>th</sup> day of July, 2012.

[Signature]  
Notary Public residing at Oak Harbor, WA

Printed Name: PATRICIA BOBO



My Commission Expires:

June 3, 2015

IRREVOCABLE

PETITION FOR ANNEXATION

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

RECEIVED  
JUL 13 2012  
CITY OF OAK HARBOR  
Development Services Department

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

The territory proposed to be annexed is within Island County, Washington and the boundaries are outlined on the map attached to this petition. (See Exhibit "A" hereto attached and by this reference made a part hereof.) The property is described as follows:

(legal description in Exhibit B)

The City Council of the City of Oak Harbor met with the initiating parties at a regular Council meeting on the 16th day of November, 2010 and after the said meeting having been closed at the 16th day of November, 2010, the City Council indicated that it would accept a proposed annexation. At the 16th day of November, 2010 meeting, the City Council did also determine as follows:

1. It would require simultaneous adoption of zoning for the proposed area to be annexed as R1 Single Family Residential, based upon the proposed Comprehensive Plan Land Use Map adopted on December 20, 2011.
2. It would require the assumption of existing City indebtedness by the area proposed to be annexed.

Wherefore, the undersigned petition the Honorable City Council and ask:

- (a) That appropriate action be taken to entertain this petition fixing a date of public hearing, causing notice to be published and posted specifying the time and place of such hearing and inviting all persons interested to appear and voice approval or disapproval of such annexation; and,
- (b) That following said hearing the City Council determine by ordinance that such annexation shall be made annexing the above described territory and declaring the date that such annexation shall be effective. That property so annexed shall become a part of the City of Oak Harbor, Washington subject to it's laws and ordinances then and thereafter in force.
- (c) That the proposed zoning as adopted for the area as above indicated, shall be effective zoning for the proposed annexation area and shall not be modified for eighteen (18) months after annexation.
- (d) The petitioners subscribing hereto agree that all property within the territory hereby sought to be annexed shall be assessed and taxed at the same rate and on

the same basis as other property within the City of Oak Harbor including assessments of taxes and payment of any bonds issued or debts contracted prior to or existing at the date of the annexation.

- (e) That every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Kay Anderson	2280 Bernard Way, Oak Harbor WA	R 13204-370-4590

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 2nd day of July, 2012

Kay Anderson  
(Print Name) Kay Anderson

STATE OF WASHINGTON

COUNTY OF ~~Snohomish~~ Island

On this day personally appeared before me Kay Anderson ~~Richard L. Marin~~, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as her ~~his~~ free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 2nd day of July, 2012.

Sheila K Smith

Notary Public residing at Freeland, WA

Printed Name: SHEILA K. SMITH

My Commission Expires:

10/9/15

IRREVOCABLE

PETITION FOR ANNEXATION

RECEIVED

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

JUL 02 2012

CITY OF OAK HARBOR  
Development Services Department

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Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Marilouise Richards	2288 Bernard Way, Oak Harbor WA	R 13204-392-4730

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 2nd day of July, 2012

Marilouise Richards  
(Print Name) Marilouise Richards

STATE OF WASHINGTON

COUNTY OF Snohomish

On this day personally appeared before me Richard L. Marin, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this md day of July, 2012.

G. P. Cardwell

Notary Public residing at Oak Harbor

Printed Name: Gelina P. Cardwell

My Commission Expires:

Jan. 24, 2015



IRREVOCABLE

PETITION FOR ANNEXATION

RECEIVED

JUL 18 2012

CITY OF OAK HARBOR  
Development Services Department

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

We the undersigned being owners of not less than 60 percent in value of the real property herein described and lying contiguous to the City of Oak Harbor, Washington do hereby petition that such territory be annexed to and made a part of the City of Oak Harbor under the provisions of RCW 35A.14 (1981) and any amendments thereto of the laws of the State of Washington.

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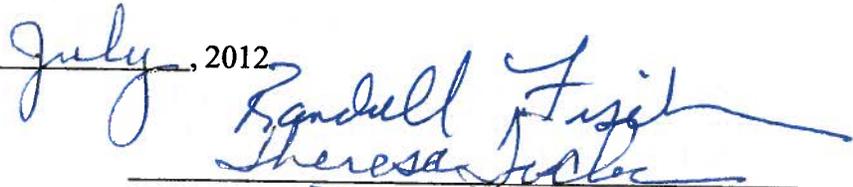
the same basis as other property within the City of Oak Harbor including assessments of taxes and payment of any bonds issued or debts contracted prior to or existing at the date of the annexation.

- (e) That every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Randall & Teresa Fischer	<del>2297 Bernard Way,</del> 4367 C. FERKLEDA, Oak Harbor WA	R 13204-395-4470 - vacant land

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 17 day of July, 2012.

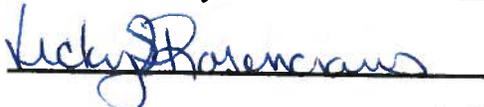
  
(Print Name) RANDALL FISCHER  
THERESA FISCHER

STATE OF WASHINGTON

COUNTY OF Snohomish

On this day personally appeared before me Richard L. Marin, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 17th day of July, 2012.

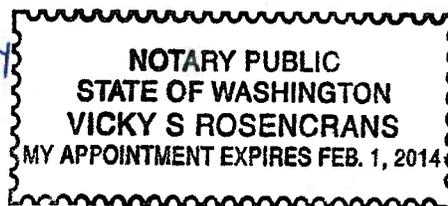


Notary Public residing at Island County

Printed Name: Vicky S Rosencrans

My Commission Expires:

2/1/14



IRREVOCABLE

RECEIVED

PETITION FOR ANNEXATION

JUL 16 2012

TO: The Mayor and City Council  
Of the City of Oak Harbor, Washington

CITY OF OAK HARBOR  
Development Services Department

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Property Owner Name(s)	Site Address/Mailing Address	Parcel Number(s)
Harley Monk III & <del>Agnes</del> <del>Boa</del>	2285 Bernard Way, Oak Harbor WA	R 13204-380-4520

The undersigned has read the above text and consents to the filing of other pages hereof to be considered as part of this petition.

Dated this 17 day of July, 2012

  
(Print Name) Harley E. Monk III

STATE OF WASHINGTON

COUNTY OF Snohomish

On this day personally appeared before me Richard L. Marin, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this 17<sup>th</sup> day of July, 2012.

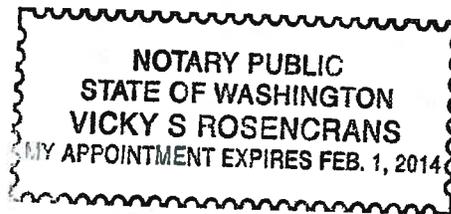


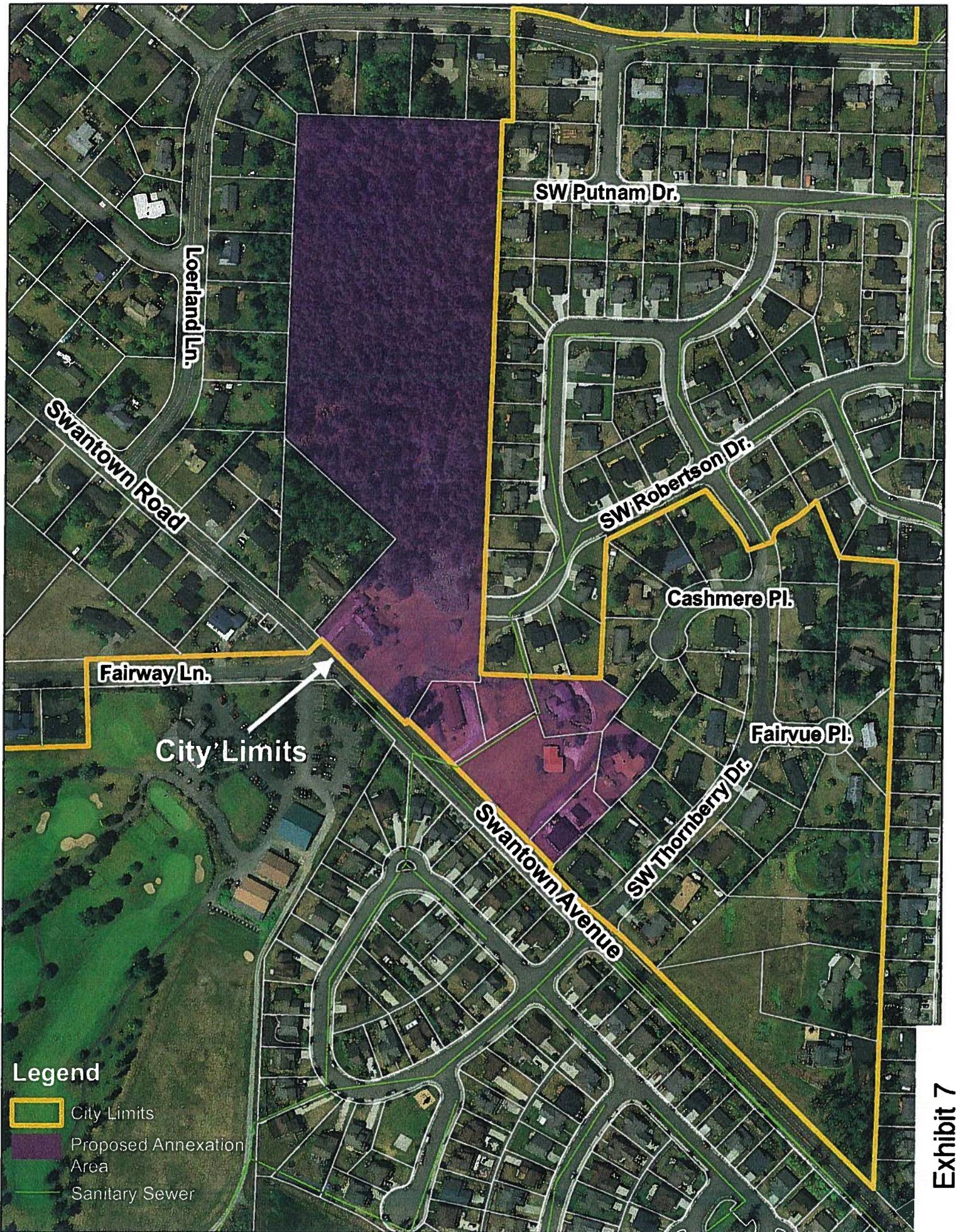
Notary Public residing at Island County

Printed Name: Vicky S. Rosencrans

My Commission Expires:

2/1/14





**Legend**

-  City Limits
-  Proposed Annexation Area
-  Sanitary Sewer



June 15, 2012

## **Executive Summary**

MarinWoods is the proposed residential development of the 10.43-acre property at 1292 Swantown Avenue. This property is currently under Island County jurisdiction and within the Urban Growth Area (UGA) of the City of Oak Harbor. The owners are seeking Annexation. Through contact with neighboring property owners conducted by the petitioners, six additional property owners adjoining the Marin parcel have also expressed a desire to be included within the Annexation.

As part of their due diligence, staff and the City Council have requested the petitioners to have a Fiscal Impact Study prepared to investigate the potential risks and benefits of the proposed Annexation.

This Fiscal Impact Study concludes that annexing the property results in a fiscal surplus for the City. Furthermore, whether the City annexes the property with no subsequent development, or the City annexes with development that follows, the analysis projects that there will be a net gain in revenue to the City.

The economic impact is also positive and sustained in the Oak Harbor and greater Island County economy, and anticipates a potential for \$1,080,000 in site improvements, then \$7,875,000 in construction expenditures and the creation of 16 site-related jobs in the initial years and 25.1 jobs annually during construction.

When built to its full density potential, the 35 properties included in the proposed Annexation will produce approximately \$400,000 in new construction-related fees to the City.

The City has preliminarily indicated that it already has more than adequate systems capacity to accommodate the loads of the proposed Annexation area and no undue capital expenditure financial burden will be incurred through the addition of the proposed residential development within the City. In fact some of the capacity available is based on previous planning for future delivery of services within the greater metropolitan area.

Property taxes received by the City from the potential Annexation would range from \$44,890 with no immediate new development to \$246,571 per year with 35 new residential homes.

This analysis concludes that proceeding with the proposed MarinWoods Annexation into the City of Oak Harbor and furthering its development would create both a positive economic impact in the greater Oak Harbor economy and create a positive fiscal impact to the City of Oak Harbor.

## The Proposed Development: MarinWoods

The MarinWoods site is currently a single residence property in Island County, Washington, jurisdiction, but in the Urban Growth Area (UGA, i.e., long-term growth geography) of the City of Oak Harbor, Washington. After the successful annexation into the City of Oak Harbor, the proposed MarinWoods development would—on the 10.43-acre parcel—plan to proceed with the improvement and sale of 35 single-family lots, internal streets, and associated utilities, and a system of neighborhood parks and recreational trails.

The proposed MarinWoods development began planning in 2009 and will continue to full build-out by year-end 2016. If, for example, the City of Oak Harbor approval of the proposed annexation occurs in 2012, land sales will begin in second quarter 2012 and continue through year-end 2015.

**Site Improvements:** The potential onsite improvements associated with these 35 single-family lots include:

Category	Improvement
Excavation	20,000 cubic yards
Streets	2,200 linear feet
Curbs	4,000 linear feet
Sidewalks	4,200 linear feet
Water lines	2,200 linear feet
Sewers	2,200 linear feet
Electric	2,200 linear feet
Telephone	2,200 linear feet
Parks	15,000 square feet
Trails and green spaces	TBD
Existing single-family home (1)	Demolition or relocation

These onsite improvements, valued at \$ 1,080,000, would be accomplished from 2012 to 2014 and be incorporated into the lot sales pricing. Completed in phases, the improved sites would then allow the completion of 35 new single-family homes.

Additionally, certain off-site improvements, preliminarily discussed with various City of Oak Harbor departments, might include:

- Sewer Extension along SW Putnam Drive of an as-of-yet-unspecified distance, currently estimated to be between 600 and 800 feet.
- Water Extension along SW Putnam Drive of an as-of-yet-unspecified distance, currently estimated to be between 600 and 800 feet.
- Dedicated right-of-way along Swantown Road for road improvements.
- Realignment of the Swantown Road-Fairway Lane intersection.

A more accurate estimate of these off-site requirements can best be determined when the actual requirements are determined at point of subdivision review, but it is understood there may be certain additional off-site improvements required of the applicant, not yet detailed. As a benchmark, we would look to the City for the cost of comparable improvements elsewhere in Oak Harbor.

While not part of the MarinWoods development, in addition to the 35 on-site MarinWoods single-family-home development parcels, several (six have already expressed a positive desire) adjacent existing single-family homes would also be annexed into the City of Oak Harbor and be connected to City services.

## Part One: ECONOMIC IMPACT

While not an actual requirement of the MarinWoods annexation process within the City of Oak Harbor Comprehensive Plan policies, it is useful in this fiscal evaluation to remember the well-documented and positive economic impact that residential construction brings to a locale. For any Residential Development, the local economic impact will occur and can be quantified in three ways:

- The Direct Local Impacts, within the first year
- The Indirect Local Impacts, within the first year
- The On-going Local Impacts, annually, say over the next decade

The U.S. housing-industry's national research entity, the National Association of Home Builders (NAHB) has developed a model that can quantify the Local Impact of any housing project in the United States. This NAHB model has—in the past—been adapted locally to over 325 other jurisdictions nationwide.

### Base NAHB model

In general the NAHB model states the following.

For a 100-unit project of single-family homes, with a (sales) market valued at \$28,500,000:

Phase I—The estimated one-year metro area impacts of building 100 single family homes in a typical U.S. metropolitan area include

- \$16.0 million in local income,
- \$1.8 million in taxes and other revenue for local governments, and
- 284 local jobs. (See attached tables for typical jobs by sector, Appendix 1)

These are local impacts, representing income and jobs for residents of the typical U.S. metropolitan area, and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the metro area.

Phase II—There are also one-year impacts that include both the direct and indirect impact of the construction activity itself, and the impact of local residents who earn money from the construction activity spending part of it within the local area.

The additional, annually recurring impacts of building 100 single family homes in the typical U.S. metropolitan area include

- \$3.2 million in local income,
- \$648,000 in taxes and other revenue for local governments, and
- 63 local jobs.

Phase III—There are ongoing, annual local impacts that result from the new homes being occupied and the occupants paying taxes and otherwise participating in the local economy year after year.

The single family impacts were calculated assuming that new single family homes built in the a typical U.S. metropolitan area have an average price of \$284,887; are built on a lot for which the average value of the raw land is \$45,012; require the builder and developer to pay an average of \$7,008 in impact, permit, and other fees to local governments; and incur an average property tax of \$3,211 per year.

**MarinWoods Economic Impact:** Adjusting the above NAHB base case economic impact model to both account for number of units (reducing the NAHB number of units 65 percent from 100 units to the planned 35 units), and sale price (raising the NAHB sale price 14.08 percent from \$284,887 to the

MarinWoods projected \$325,000), yields a set of general Oak Harbor and project-specific economic results for the contemplated MarinWoods annexation.

For a 35-unit MarinWoods project of single-family homes, target market (sales) price \$325,000 per unit, and an aggregate market (sales) valued at \$11,375,000:

Phase I—The estimated one-year metro area impacts of building 35 single-family homes in the greater City of Oak Harbor metropolitan area include  
\$US 6.4 million in local income,  
\$US 0.720 million in taxes and other revenue for local governments, and  
114 local jobs.

There are local impacts, representing income and jobs for residents in the greater City of Oak Harbor, and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the metro geographic area.

Phase II—There are also one-year impacts that include both the direct and indirect impact of the construction activity itself, and the impact of local residents who earn money from the construction activity spending part of it within the local area.

The additional, annually recurring economic impacts of building 35 single-family homes in the greater City of Oak Harbor metropolitan area include:  
\$1.28 million in local income,  
\$259.200 in taxes and other revenue for local governments, and  
25 local jobs.

Phase III—There are ongoing, annual local impacts that result from the new homes being occupied and the occupants paying taxes and otherwise participating in the local economy year after year.

These project-specific single-family impacts were calculated assuming that new single family homes built in MarinWoods will have an average price of \$325,000; are built on a lot for which the average value of the raw land is \$75,000; require the builder and developer to pay a (NAHB model) average of \$7,008 in impact, permit, and other fees to local governments (this fiscal impact of development fees will be further evaluated and discussed in the Fiscal Impact portion of this report); and incur an (NAHB model) average property tax of \$3,211 per year (this fiscal impact aspect of property taxes, will be further evaluated and discussed in the Fiscal Impact portion of this report).

This analysis similarly concludes that the predominant positive economic impact is associated with the construction and sale of 35 new single-family homes. Previous City of Oak Harbor fiscal impact studies have similarly concluded that while impact is positive under both no-development and normal-development scenarios, the impact is improved under forward development. This section is a reminder of the positive economic impact of single-family housing development in the larger economy.

**Locale:** The City of Oak Harbor, Island County, Washington, a land mass of approximately 209 square miles, according to the State Office of Financial Management has a 2011 population of approximately 22,200 inhabitants, constituting approximately 14,159 households, with an average size of 2.59 persons per household.

The Average Household Income is approximately \$41,891 per annum, and the Average House Value is about \$149,200.

## Oak Harbor Homes & Real Estate Data

	Oak Harbor	National
Owners	43.4%	66.3%
Renters	56.6%	33.7%
Median home size	1,615 SF	2,700
Average year built	1978	1970
Single-family homes	85.3%	69%
Condominiums	0.4%	5%
Property tax	\$2,001	\$3,025

Source: Demographic information comes from data in the 2000 U.S. Census.

**Residential Construction:** The design, permitting, and construction of 35 new single-family homes on the proposed MarinWoods—each with an estimated construction value of \$225,000 excluding land values, administrative costs, and profit—would create \$7,875,000 in first-round economic activity.

The \$7,875,000 in construction expenditures of these homes—based on an assumed five-year build-out—would be completed from 2012 to 2016, at generally \$1,575,000 per year.

Single-family home construction expenditures are normally distributed 50 percent materials, 48 percent labor, and 2 percent machinery. In annual terms the MarinWoods development would involve \$787,500 per year in material expenditures, \$756,000 per year in labor expenditures, and \$31,500 per year in machinery expenditures.

The Washington State sales and use tax (statewide) is 0.065 percent. The local city (Oak Harbor proper) or county (unincorporated Island County) sales and use tax is 0.022 percent. Hence, the total tax rate in and around the subject development—either inside the City of Oak Harbor or in areas of unincorporated Island County—is 0.087 percent.

Therefore, the \$787,500 in anticipated construction materials purchased in Oak Harbor proper for the construction of these 35 single-family homes would accrue 0.22 percent in City of Oak Harbor local sales tax revenues, each year for the five years from 2012 to 2016; at \$173,250 per year or a total of \$866,250.

Similarly, the take-home portion the associated construction labor, assumed conservatively to be 70 percent of the \$756,000 per annum labor expenditures, would total \$529,200 in take-home income for each year from 2012 through 2016. Expenditures introduced into a local economy are spent several times—called a multiplier effect, normally 1.5 to 2.5 times—via the service sector.

An Associated General Contractors (AGC) study in the state of Wisconsin has set this construction-payroll multiplier at 2.540. Therefore, based on the “economic multipliers” substantiated in the above Wisconsin study, the \$529,200 in contributory construction payroll would create \$1,344,168 local economic benefit.<sup>1</sup>

Closer to the subject site, a 2010 study completed by the University of Washington, entitled *Construction in Washington State*, also sponsored in part by the Washington chapter of the AGC found:

For each \$1 invested in new construction:

- The state’s economy generates an additional \$1.97 in economic activity throughout the state, implying an economic multiplier of 1.97
- Household earnings are increased by \$.64, meaning all households, not just those with someone employed in the construction industry

<sup>1</sup> Source: <http://www.northstarconomics.com/AGC%20Report.pdf>

For each \$1 million invested in construction, an additional 15.95 jobs are created across the economy.<sup>2</sup>

Evaluating these statistics further, the initial economic impact “\$1.00 invested in new construction” can be viewed generally as \$0.50 in materials, \$0.48 in labor, \$0.02 in machinery. The \$1.97 in economic activity identified in the University of Washington study suggests that materials have a lower economic multiplier of approximately 1.45 (often because materials [e.g., HVAC equipment, door lock-sets, window glass] are not produced locally, and therefore the associated expenditures flow out of the economy faster, a lower multiplier) and labor has a higher multiplier of 2.54, creating a blended economic multiplier of 1.97 in the local economy.

Remembering the anticipated \$1,080,000 for site improvements and \$7,875,000 in construction expenditures for these 35 new homes at MarinWoods—based on an assumed five-year build-out completed from 2012 to 2016 at generally \$1,575,000 per year, the Washington/AGC study suggests the MarinWoods development might create (15.94 jobs per \$1 million) 16 site-related jobs in the initial years and then 25.1 jobs annually each year for five years.

The economic impact is positive and sustained for multiple years in the Oak Harbor and greater Island County economy.

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<sup>2</sup> Source: [http://www.wa.gov/client/assets/files/news/agc\\_econ\\_caid2010.pdf](http://www.wa.gov/client/assets/files/news/agc_econ_caid2010.pdf)

## Part Two: FISCAL IMPACT

Turning to the request for a fiscal impact study, the MarinWoods annexation process involves two major geographies: the 10.43-acre Marin property and the six existing single-family homes contiguous to the MarinWoods property that would also be annexed into the City.

For a more detailed analysis, reference is made to Appendix 2, excerpts of a recently-completed fiscal impact study for Goldie Road in Oak Harbor, which includes pertinent explanations of the details of fiscal impact for any annexation for the City of Oak Harbor. While the referenced study goes into much greater detail (primarily because the subject of the annexation was a ten-times larger parcel) the conclusions are consistent with the broader planning discipline; namely, the fiscal impact of annexation is positive to the municipal jurisdiction over a twenty-year planning horizon—more so if additional development occurs.

While the Goldie Road study involved primarily industrial uses, and MarinWoods is solely residential use, we feel that the overall shape of the economic impact is similar in all developments and across all types. That is, the jurisdiction expends more than it receives in the early developmental years, but reaps returns on its investments over a longer (the NAHB uses a ten-year) period. Our reference to the Goldie Road study is to that “shape” of the returns.

And we included it in our report, because of the excellent definitions, and approach, all of which were deemed to be beyond the requested scope of our MarinWoods analysis, but nevertheless useful to the reader.

Another “check-approach” for residential developments is to say, “Each year the City of Oak Harbor issues on-average X permits, and manages the process of review, monitoring, and granting of those permits by maintaining a Development Services and Building Department staff costing \$Y. The existing data shows a peak range of years (2003-2004) where the average is 180 permits per year, and a valley range of years (2009-2011) where the average is 45 permits per year. See data below:

City of Oak Harbor, single-family new house construction building permits issued:

1996:	106 buildings, average cost: \$109,900
1997:	125 buildings, average cost: \$97,400
1998:	96 buildings, average cost: \$120,100
1999:	91 buildings, average cost: \$126,300
2000:	92 buildings, average valuation: \$116,200
2001:	83 buildings, average valuation: \$123,400
2002:	129 buildings, average valuation: \$126,300
2003:	176 buildings, average valuation: \$137,600
2004:	184 buildings, average valuation: \$144,800
2005:	146 buildings, average valuation: \$150,800
2006:	105 buildings, average valuation: \$178,300
2007:	64 buildings, average valuation: \$169,100
2008:	85 buildings, average valuation: \$236,800
2009:	50 buildings, average valuation: \$239,800
2010:	57 buildings, average valuation: \$201,200
2011:	27 buildings, average valuation: \$222,800

Source: Read more (1996–1999): <http://www.city-data.com/city/Oak-Harbor-Washington.html#ixzz1fyrDULBL>, (2000-2011) City of Oak Harbor, Annual New Construction Totals 2000-2012.

The variations from year to year are wide, somewhere between 180 permits in the peak years (2003-2004), and 45 in the trough years (2009-2011). Choosing a longer averaging period, such as the ten-year average (2002-2011) of 102 permits per year, provides a long term benchmark.

Anticipating a MarinWoods build-out (with associated permits issued) over a five year period, this would conclude seven (35 dwelling units / 5 years = 7) permits per year, for an aggregate demand on the Development and Building Services staff of 7/102 permits or 7 percent of the aggregate costs. Impact on the other City departments is minimal.

Given these three possible benchmarks (peak, valley, and ten-year average), this analysis used the ten-year average for calculating Development Services department costs in our fiscal analysis, namely 7 percent.

Finally, the capacity to process peak levels of permits currently exists with the Development Services department. According to the City of Oak Harbor, Biennial Budget, For the Years Ending 2011-2012 (page 53), the Development Services staff levels (15.50 FTE in 2008-2009) have remained constant since (2010-2012) at 9.00 FTE. The apparent staff reduction was achieved by a budgetary reassignment (page 54), "As of 2010, Engineering staff was transferred to Shop Facility fund." For MarinWoods, the operative conclusion would suggest even at peak demand a modest annual impact of no more than 7 percent of Development Services capacity.

## DEVELOPMENT-SPECIFIC FEES

For the development master planning, and zoning approval process for the comprehensive MarinWoods project, the Planning Services division will be involved in the following manner, generating the following City-specific fees:

### DEVELOPMENT-SPECIFIC FEES

Item description	Fee	Multiplier	Total
Master annexation contract	TBD	NA	TBD
Pre-application meeting	\$358 (can apply to PRD review)	1	\$358
Annexation	\$2,137 plus \$142/acre	10.43 acres	\$2,137 + \$1,481
Planned Residential Development	\$1,424 plus \$70/acre	10.43 acres	\$1,424 + \$730
Zoning/site conditions review	Included in the PRD review	NA	NA
Landscape plan review	\$281	NA	\$281
Site engineering review	\$50/lot	35 lots	\$1,750
Road variance review	Included in the PRD review	NA	NA
Grading	Varies by quantity of dirt removed	TBD	TBD
—Permit	TBD	TBD	TBD
—Review	TBD	TBD	TBD
Land clearing (grading & land clearing permit)	\$281	NA	\$281
Forest practices	State permit, no City review/revenue	NA	NA
—Permit	State permit, no City review/revenue	NA	NA
—Review	State permit, no City review/revenue	NA	NA
—Inspection	State permit, no City review/revenue	NA	NA
Right-of-Way street opening inspection permits	\$70 first 100 LF, \$0.17/LF thereafter	2,200LF	\$70 + \$357
Openings	\$36/curb cut, \$36/fire hydrant	35, TBD	\$1,260 + TBD
Water sewer services	\$36/water tap at main	35	\$1,260
Sewer inspection	\$0.57/LF	2,200LF	\$1,254
—Permit			
—Review			
—Inspection			
Critical Area	No feed for critical area permits	NA	NA
—Inquiries			
—Permit			
—Review			
—Inspection			
<i>Land (Subdivision)</i>			
—Preliminary Plat (required)	\$2,815 plus \$50/lot	35 lots	\$2,815 + \$1,750
—Resubmittal	No extra charge	NA	NA
—Final plat	No extra charge	NA	NA
—Recording	No extra charge	NA	NA
—State Environmental Policy Act	\$500	NA	\$500
Hydrant use permits	Required only if using fire hydrant for grading and not own water truck	TBD	TBD
Transportation concurrency	\$281 for whole site	NA	\$281
<b>TOTAL</b>			<b>\$17,989 + TBDs</b>

This would be equivalent to approximately \$514 per proposed new lot developed.

**LOT-SPECIFIC FEES**

For each of the thirty-five typical single-family homes planned for the MarinWoods project, the Building Division will be involved in the following manner, generating the following City-specific fees (shown here per residential unit – assuming 1/3-acre lots, assuming a market sales price of \$75,000 per site, with a new-construction detached single-family home, \$300,000 sale price (final value) per lot):

**LOT-SPECIFIC FEES**

Item description	Fee	Multiplier	Total
<i>Permit Administration</i>			
—Building permits	\$993.75/first \$100,000 plus \$5.60/additional \$1,000 (est.\$1,700 assuming \$225,000 value/unit)	35 units	\$59,280
—Mechanical permits	\$70/unit	35	\$2,450
—Plumbing permits	\$97/unit	35	\$2,910
—Occupancy	\$20/unit	35	\$700
<i>Building plan review</i>			
—Structural plans	(Varies by valuation)	35	
—Structural plans revision	No fee	NA	NA
—Mechanical plans		35	
—Plumbing		35	
<i>Inspections</i>	No fee (if during business hours)	NA	NA
<i>Utility fees</i>			
—Water meter (3/4")	\$323.64/unit	35	\$11,327
—Water SDC (3/4")	\$3,081/unit	35	\$107,835
—Sewer SDC (3/4")	\$1,680/unit	35	\$58,800
—Sewer trunk line fee	\$425/unit	35	\$14,875
—Utility account set-up	\$25/unit	35	\$875
—Water service connection deposit	\$500/unit	35	\$17,500
—Sewer connection	\$70/unit	35	\$2,450
—Water connection	\$70/unit	35	\$2,450
<i>Impact fees</i>			
—Neighborhood park	\$480/unit	35	\$16,800
—Community park	\$1,243/unit	35	\$43,505
—Transportation impact	\$907/unit	35	\$31,745
<i>Construction inspection fees</i>			
—Building construction	Included in building plan review	NA	NA
—Erosion control	No fee	NA	NA
—Building mechanical system	Included in building plan review	NA	NA
<i>Fire safety fees</i>			
—Permit	No fire fees or permits for this area	NA	NA
—Review			
—Inspection			
<i>Curb opening fees</i>			
	\$36/curb cut (one per unit)	35	\$1,260
	\$36/fire hydrant	TBD	TBD
<i>Water/sewer services fees</i>			
	\$36/water sewer tap at main	35	\$1,260
	\$36/side sewer tap per lot	35	\$1,260
<b>TOTAL</b>			<b>\$377,282 + TBDs</b>

The projected site-specific fees of at least \$377,000, when divided by 35 lots, is \$10,770 per lot – consistent with City staff estimates that each new home generates between \$10,000 and \$11,000 in positive fiscal impact through fees. This fiscal analysis excludes the additional consideration of utility and real estate excise tax revenues, but could be considered if desired.

**PROVIDING POST-DEVELOPMENT CITY SERVICES**

After the completion of all anticipated new homes, the annexation of 40 households results in a steady annual stream of both economic and fiscal benefits, and for the City, the associated fiscal costs of extending city services to the anticipated forty households of this newly annexed area.

The NAHB study (see Appendix I) entitled “Impact of Building 100 Single-Family Homes in a Typical Metro Area” identifies what it calls “Phase III—Ongoing, Annual Effect that Occurs Because Units are Occupied.” The proposed MarinWoods annexation involves 40 homes—five existing and thirty-five new—suggesting the implied on-going effect would approximate forty percent (40%) of the impacts shown in Appendix 1. That would approximate \$1.3 million in new annual economic impact.

For the fiscal impact of adding to the City the proposed forty new households, the NAHB study identifies an anticipated Tax and Use Charge fiscal revenue stream of \$259,000 per year from all municipal sources. The NAHB study excludes any analysis of on-going residential property taxes, so this anticipated revenue stream would be in addition to the Property Tax Calculations detailed in the section below.

To determine the fiscal cost of providing City of Oak Harbor services to these incremental forty new households, we proportioned by household the departmental budgets identified in the 2012 adopted city budget General Fund (expenditures by department, page 26 of City of Oak Harbor Biennial Budget For the Years Ending 2011-2012).

City Population 22,200 (2012, per City)  
 Housing Units 9,601 (2012, per City)  
 Households 7,629 (2012, public sources)

Land Use 3,309.2 (2012, per City)  
 Residential 1,559.7 acres (2012, per City)  
 Zone Retail 491.2 acres (2012, per City)  
 Zoned Industrial 179.2 acres (2012, per City)  
 Other (Right-of-way, Open spaces, public facilities) 1,079.1 acres (2012, per City)

This data is summarized in the table below:

CITY SERVICES FISCAL IMPACT PROPORTIONED TO PROPOSED ANNEXATION					
	ADOPTED 2012 Budget		POPULATION	HOUSEHOLD SIZE	NEW ANNEX
	2012 budget p. 26		22,200 people 2011 6/6/12	2.91 people 2012	40 households
			Cost per Capita	Cost per Household	Total Fiscal Impact
Total \$	\$14,280,339	100.00%	\$561.99	\$1,635.39	\$65,415.45
Police	5,033,682	40.02%	\$226.74	\$659.82	\$26,392.82
Fire	2,064,775	16.42%	\$93.01	\$270.65	\$10,826.12
Parks	1,128,726	8.97%	\$50.84	\$147.95	\$5,918.18
Financial Services	961,053	7.64%	\$43.29	\$125.98	\$5,039.03
Development Services	940,286	7.48%	\$42.36	\$123.25	\$4,930.15
General	532,056	4.23%	\$23.97	\$69.74	\$2,789.70

Government					
Law	475,924	3.78%	\$21.44	\$62.38	\$2,495.39
Judicial	423,296	3.37%	\$19.07	\$55.49	\$2,219.44
City Administrator	260,407	2.07%	\$11.73	\$34.13	\$1,365.38
Animal Control	183,449	1.46%	\$8.26	\$24.05	\$961.87
Human Resources	177,718	1.41%	\$8.01	\$23.30	\$931.82
Mayor	175,324	1.39%	\$7.90	\$22.98	\$919.27
City Council	119,446	0.95%	\$5.38	\$15.66	\$626.28
Library	69,900	0.56%	\$3.15	\$9.16	\$366.50
Emergency Services	31,450	0.25%	\$1.42	\$4.12	\$164.90
Youth Services	0	0.00%	\$0.00	\$0.00	\$0.00

This yielded per household costs for all City services of \$1,635, and per 40-household annexation area costs of \$65,000. The largest segment is Police, followed by Fire (inclusive EMS). Based on published and official sources, the Oak Harbor police services metric was \$226.74 per capita (all departments shown in table above).

### Comparable City Data Points

“Cost per capita” metrics—while overly simplistic and often challenged (see for example, Literature Review and Analysis Related to Optimal Municipal Size and Efficiency (2009) [http://www.nj.gov/dca/affiliates/luarcc/pdf/final\\_optimal\\_municipal\\_size\\_&\\_efficiency.pdf](http://www.nj.gov/dca/affiliates/luarcc/pdf/final_optimal_municipal_size_&_efficiency.pdf))—have become a topical metric for communities to quickly compare their Police and Fire (usually including EMS) service-delivery efforts against comparable or surrounding municipal jurisdictions. The key determinant is: what is a comparable community?

Other semi-rural, semi-urban communities throughout the West have higher per capita metrics than Oak Harbor, for both police and fire delivery.

An internal study Orange County, California, 2008-2009 study showed six cities with police services costs ranging from \$227 to \$519 per capita, and county sheriff-based jurisdictions ranging from \$70 to \$231 per capita, with varying levels of service, and varying densities of populations, the most obvious questions. [source: act Law Enforcement, <http://egov.ocgov.com/vgnfiles/ocgov/Sheriff-Coroner/Docs/Information/L E Contract Brochure.pdf>]

A similar analysis in San Bernardino County, California, found that providing police services cost each household in Yorba Linda (with about 64,000 inhabitants) \$165.07 per capita, and Tustin (with about 71,000 inhabitants) \$288.15 per capita. (source: Law Enforcement Service Study – City of Yorba Linda (2009) <http://www.ci.yorba-linda.ca.us/~ci26/images/stories/pdf/Police/RAA-LawEnforcementSutdy-FinalReprt.pdf>)

For a community with a comparable population, look at Ypsilanti, in Michigan’s north woods with 22,362 inhabitants, spends \$182.43 (2005) per capita for police services.

In sum, the Oak Harbor-specific analysis suggests it costs (has a fiscal cost impact) the City approximately \$1,600 per household per annum—or \$ 64,000 for the 40 households of the proposed annexation per annum—to deliver the City of Oak Harbor service activities supported by the General Fund.

By comparison, the proposed annexation parcel is in aggregate, approximately 13 acres being added to an Oak-Harbor-wide land area of 3,309.2 acres, of which roughly half (1,559.7 acres) is currently zoned

residential. The incremental annexation is an addition of eighth-tenths of one percent more residential land uses.

Therefore, the anticipated incremental annual revenues of approximately \$259,000 exceed the anticipated incremental cost of service delivery of approximately \$65,000 for the proposed annexation area.

**PROPERTY TAX CALCULATIONS**

Proposed Annexation without any short-term development

Property ID	Name	2011-2012 Assessed Value
14399	Marin	599,991
14237	Richards	238,277
532908	Anderson	329,886
708862	Monk	197,918
690005	MacMillan	329,411
14246	Fischer	60,000
14228	Wolf	208,791
	<b>TOTAL</b>	<b>\$1,964,274</b>

\$1,964,274 X 0.022853295660 = \$44,890 annual City taxes

Proposed Annexation with 35 new single family residences built

Property ID	Name	2011-2012 Assessed Value
000001	New	285,000
000002	New	285,000
000003	New	285,000
000004	New	285,000
000005	New	285,000
000006	New	275,000
000007	New	275,000
000008	New	275,000
000009	New	275,000
000010	New	275,000
000011	New	265,000
000012	New	265,000
000013	New	265,000
000014	New	265,000
000015	New	265,000
000016	New	265,000
000017	New	265,000
000018	New	265,000
000019	New	265,000
000020	New	265,000
000021	New	265,000
000022	New	265,000
000023	New	265,000
000024	New	265,000
000025	New	265,000
000026	New	265,000
000027	New	265,000
000028	New	265,000
000029	New	265,000
000030	New	265,000
000031	New	265,000
000032	New	265,000
000033	New	265,000

000034	New	265,000
000035	New	265,000
14237	Richards	238,277
532908	Anderson	329,886
708862	Monk	197,918
690005	MacMillan	329,411
14246	Fischer	60,000
14228	Wolf	208,791
	<b>TOTAL</b>	<b>\$10,789,283</b>

\$10,789,283 X 0.022853295660 = \$246,571 annual City taxes

### **BUILDING PERMITS - CITY WORKLOAD IMPACT**

Processing permits over a five year period is seven permits per year, so this additional workload on the Development Services and Building departments ranges between approximately 12 percent of the annual staff load (7/57) more recently and 4 percent of (7/184) historical peak.

<b>Year</b>	<b># SFR BPs Issued</b>	<b>Total Valuation</b>	<b>Average Valuation/Unit</b>
2004	184	\$ 28,110,043	\$ 152,772
2005	146	\$ 22,013,670	\$ 150,779
2006	105	\$ 14,219,075	\$ 135,420
2007	64	\$ 10,820,651	\$ 169,073
2008	85	\$ 20,128,713	\$ 236,808
2009	50	\$ 11,989,985	\$ 239,800
2010	57	\$ 11,466,452	\$ 201,166

The average is 98 permits per year in the City of Oak Harbor over the last seven years, so seven additional building permits in one year equals 7 percent of annual staff capacity. This assumes the continuation of permit applications at the same historic rate which may or may not be the case. Conclusion: even with permit submission at the same rate staff will not be overwhelmed.

We acknowledge that the MarinWoods annexation and development will utilize other City departments beyond the Development and Buildings Services group. At seven permits per year, engaging seven to ten other departments, the intermittent access to these departments and the appropriate compensation for the services provided by these departments is assumed to be within the existing property taxes and fees already paid by the MarinWoods property. This was the conclusion of the NAHB study as well.

That is to say, this Fiscal Impact analysis evaluates the difference of a singular extraordinary and exogenous event—the development of 35 new homes at MarinWoods—and assumes all other exchanges are already within the normal relationship of the existing relationship providing for services and the payment of taxes. For example, by annexing the MarinWoods property and the six other residences, the City incorporates a normal fiscal stream. At full development, the 35 homes would constitute approximately 100 inhabitants in a city of 22,200 (four-tenths of one percent), or as a function of land mass, 10.4 acres in a city land mass of 133,760 acres (or 209 square miles, referenced above). These metrics suggest the impact on the other city departments, excluding Development and Building Services, is not consequential.

While the Goldie Road study is an excellent source for “unit costs,” since the MarinWoods development anticipates build-out over an extended five-year period, the given impact or call for normal city services is relatively small.

## CONCLUSION

This analysis concludes that proceeding with the proposed MarinWoods annexation into the City of Oak Harbor and furthering its development would create both a positive economic impact in the greater Oak Harbor economy and create a positive fiscal impact to the City of Oak Harbor.

The project anticipates a potential for \$1,080,000 in site improvements, then \$7,875,000 in construction expenditures, and the creation of 16 site-related jobs in the initial years and 25.1 jobs annually during construction.

City staff has concluded that historically each new single-family home built in the City of Oak Harbor generates during its construction approximately \$10,000 to \$11,000 in associated City of Oak Harbor unit fees. The timing of those unit new construction-related fees—which would produce approximately \$400,000 over the full development for 35 units—is associated with the pace of lot and home sales anticipated to be a five-year period.

The City has preliminarily indicated that it already has more than adequate systems capacity to accommodate the loads of the proposed Annexation area and no undue capital expenditure financial burden will be incurred through the addition of the proposed residential development within the City. In fact some of the capacity available is based on previous planning for future delivery of services within the greater metropolitan area.

Property taxes received by the City from the potential Annexation would range from \$44,890 with no immediate new development to \$246,571 per year with 35 new residential homes.

**COSTS:** Per “City of Oak Harbor, Annual New Construction Totals 2000-2012,” the total annual Development Services departmental budget is \$925,700. Seven percent of that number yields a MarinWoods proportion of the fiscal cost of \$64,800 per year for seven permits per year for five years. This would be Development Services department costs of \$9, 257 per permit. Thirty-five permits would incur \$324,000 in Development Services department costs.

Annual recurring fiscal costs to provide City services to the forty newly annexed households would be \$65,000 per annum.

**REVENUE:** Per the NAHB economic analysis, revenues to the City of Oak Harbor will be one-time gains of \$395,271 and subsequent annual revenues of \$291,461.

Annual recurring fiscal revenues to the City from the forty newly annexed households would be \$259,000 per annum.

<b>COSTS</b>				
	One-Time		\$324,000	
	Annually Recurring			
		City Services	\$65,000	
<b>REVENUE</b>				
	One-Time	Development Fees		\$17,989
		Lot Fees		\$377,282
	Annually Recurring			
		Property Tax (35 MarinWoods homes)		\$246,571 per year
		Property Tax (6 neighboring		\$44,890 per year

		homes)			
		Taxes and Use Charges			\$259,000 per year

In sum, a developed MarinWoods will collect more fee revenue for the City of Oak Harbor than the costs to the City of providing the associated required services.

**APPENDIX 1: Impact of Building 100 Single-Family Homes in a Typical Metro Area  
Phase 1 – Direct and Indirect Impact of Construction Activity**

**A. Local Income and Jobs by Industry**

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$7,388,000	\$1,909,000	\$5,478,000	\$42,000	130
Manufacturing	\$21,000	\$3,000	\$18,000	\$41,000	0
Transportation	\$55,000	\$6,000	\$49,000	\$26,000	2
Communications	\$105,000	\$37,000	\$68,000	\$62,000	1
Utilities	\$59,000	\$42,000	\$17,000	\$71,000	0
Wholesale and Retail Trade	\$1,116,000	\$171,000	\$945,000	\$34,000	28
Finance and Insurance	\$201,000	\$23,000	\$178,000	\$71,000	3
Real Estate	\$181,000	\$158,000	\$23,000	\$41,000	1
Personal & Repair Services	\$94,000	\$86,000	\$8,000	\$47,000	0
Services to Dwellings / Buildings	\$48,000	\$16,000	\$32,000	\$29,000	1
Business & Professional Services	\$1,218,000	\$469,000	\$749,000	\$46,000	16
Eating and Drinking Places	\$22,000	\$13,000	\$9,000	\$18,000	1
Automobile Repair & Service	\$29,000	\$25,000	\$4,000	\$43,000	0
Entertainment Services	\$7,000	\$2,000	\$5,000	\$41,000	0
Health, Educ. & Social Services	\$1,000	\$0	\$1,000	\$34,000	0
Local Government	\$5,000	\$5,000	\$0	\$46,000	0
Other	\$59,000	\$41,000	\$18,000	\$49,000	0
<b>Total</b>	<b>\$10,608,000</b>	<b>\$3,006,000</b>	<b>\$7,602,000</b>	<b>\$41,000</b>	<b>184</b>

Note: Business & professional services include architectural and engineering services. The "other" category consists mostly of landscaping services, and the production of greenhouse and nursery products.

**B. Local Government General Revenue by Type**

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$163,000	Residential Permit / Impact Fees	\$701,000
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$88,000
General Sales Taxes	\$125,000	Hospital Charges	\$45,000
Specific Excise Taxes	\$22,000	Transportation Charges	\$19,000
Income Taxes	\$23,000	Education Charges	\$20,000
License Taxes	\$1,000	Other Fees and Charges	\$87,000
Other Taxes	\$21,000	<b>TOTAL FEES &amp; CHARGES</b>	<b>\$959,000</b>
<b>TOTAL TAXES</b>	<b>\$355,000</b>	<b>TOTAL GENERAL REVENUE</b>	<b>\$1,314,000</b>

**Impact of Building 100 Single-Family Homes in a Typical Metro Area  
Phase II – Induced Effect of Spending Income and Tax Revenue from Phase I**

**A. Local Income and Jobs by Industry**

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$77,000	\$13,000	\$64,000	\$42,000	2
Manufacturing	\$19,000	\$2,000	\$16,000	\$41,000	0
Transportation	\$59,000	\$4,000	\$55,000	\$33,000	2
Communications	\$295,000	\$115,000	\$180,000	\$62,000	3
Utilities	\$131,000	\$62,000	\$69,000	\$71,000	1
Wholesale and Retail Trade	\$727,000	\$119,000	\$608,000	\$29,000	21
Finance and Insurance	\$229,000	\$30,000	\$199,000	\$61,000	3
Real Estate	\$810,000	\$706,000	\$104,000	\$41,000	3
Personal & Repair Services	\$321,000	\$169,000	\$152,000	\$31,000	5
Services to Dwellings / Buildings	\$75,000	\$25,000	\$50,000	\$29,000	2
Business & Professional Services	\$471,000	\$191,000	\$280,000	\$41,000	7
Eating and Drinking Places	\$207,000	\$41,000	\$166,000	\$18,000	9
Automobile Repair & Service	\$149,000	\$73,000	\$76,000	\$59,000	1
Entertainment Services	\$93,000	\$34,000	\$59,000	\$34,000	2
Health, Educ. & Social Services	\$524,000	\$97,000	\$427,000	\$42,000	10
Local Government	\$1,073,000	\$0	\$1,073,000	\$46,000	23
Other	\$180,000	\$9,000	\$171,000	\$28,000	6
<b>Total</b>	<b>\$5,440,000</b>	<b>\$1,689,000</b>	<b>\$3,751,000</b>	<b>\$38,000</b>	<b>100</b>

Note: Business & professional services include architectural and engineering services. The "other" category consists mostly of landscaping services, and the production of greenhouse and nursery products.

**B. Local Government General Revenue by Type**

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$147,000	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$114,000
General Sales Taxes	\$47,000	Hospital Charges	\$23,000
Specific Excise Taxes	\$20,000	Transportation Charges	\$10,000
Income Taxes	\$13,000	Education Charges	\$10,000
License Taxes	\$1,000	Other Fees and Charges	\$61,000
Other Taxes	\$19,000	<b>TOTAL FEES &amp; CHARGES</b>	<b>\$218,000</b>
<b>TOTAL TAXES</b>	<b>\$247,000</b>	<b>TOTAL GENERAL REVENUE</b>	<b>\$465,000</b>

**Impact of Building 100 Single-Family Homes in a Typical Metro Area  
Phase III – Ongoing, Annual Effect that Occurs Because Units are Occupied**

**A. Local Income and Jobs by Industry**

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$62,000	\$11,000	\$52,000	\$42,000	1
Manufacturing	\$13,000	\$2,000	\$11,000	\$41,000	0
Transportation	\$31,000	\$2,000	\$29,000	\$31,000	1
Communications	\$203,000	\$79,000	\$123,000	\$62,000	2
Utilities	\$101,000	\$48,000	\$53,000	\$71,000	1
Wholesale and Retail Trade	\$514,000	\$84,000	\$430,000	\$29,000	15
Finance and Insurance	\$183,000	\$23,000	\$160,000	\$61,000	3
Real Estate	\$305,000	\$266,000	\$39,000	\$41,000	1
Personal & Repair Services	\$170,000	\$93,000	\$77,000	\$32,000	2
Services to Dwellings / Buildings	\$56,000	\$19,000	\$38,000	\$29,000	1
Business & Professional Services	\$322,000	\$132,000	\$190,000	\$42,000	5
Eating and Drinking Places	\$142,000	\$28,000	\$114,000	\$18,000	6
Automobile Repair & Service	\$115,000	\$57,000	\$58,000	\$55,000	1
Entertainment Services	\$65,000	\$23,000	\$42,000	\$33,000	1
Health, Educ. & Social Services	\$366,000	\$71,000	\$295,000	\$42,000	7
Local Government	\$419,000	\$0	\$419,000	\$46,000	9
Other	\$179,000	\$11,000	\$168,000	\$28,000	6
<b>Total</b>	<b>\$3,247,000</b>	<b>\$950,000</b>	<b>\$2,297,000</b>	<b>\$37,000</b>	<b>63</b>

Note: Business & professional services include architectural and engineering services. The "other" category consists mostly of landscaping services, and the production of greenhouse and nursery products.

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$90,000	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$270,000	Utilities & Other Govt. Enterprises	\$134,000
General Sales Taxes	\$29,000	Hospital Charges	\$42,000
Specific Excise Taxes	\$12,000	Transportation Charges	\$6,000
Income Taxes	\$8,000	Education Charges	\$6,000
License Taxes	\$1,000	Other Fees and Charges	\$37,000
Other Taxes	\$11,000	<b>TOTAL FEES &amp; CHARGES</b>	<b>\$225,000</b>
<b>TOTAL TAXES</b>	<b>\$422,000</b>	<b>TOTAL GENERAL REVENUE</b>	<b>\$648,000</b>

## APPENDIX 2

In April 2011 the City of Oak Harbor Development Services Department staff—Steve Powers, Development Services Director, AICP, and Ethan Spoo, Senior Planner, AICP—prepared a fiscal impact analysis for the Goldie Road Annexation, which evaluated the fiscal impact to the City of Oak Harbor of two development scenarios, [1] annexation completed, followed by no new development, and [2] annexation completed followed by reasonable development. Under both scenarios the conclusion was that after a few initial years the fiscal impact was net-positive to the City over a twenty-year horizon. Inclusion of portions of that study in this appendix are useful in the detailed explanation of City fees and expenses, the fiscal perspective (even though this annexation involved a commercial/industrial parcel and the MarinWoods annexation is a residential parcel), and the macro-conclusions they reached. Namely, under both scenarios, fiscal impact would be positive over the twenty-year horizon.

### EXECUTIVE SUMMARY

#### Why Fiscal Analysis is Useful

Fiscal analysis measures the cash flow impacts of a given choice. This report looks at the consequences to the City of Oak Harbor's budget from the incorporation and development of the Goldie Road Annexation. Because this is a sizeable area (120 acres), with development potential, the City should consider how providing services to this area will affect its budget. Fiscal analysis can help do that by weighing the revenues of annexation (increased property taxes, sales taxes, permit revenues, etc.) against the costs of providing new services (water, sewer, storm drain, solid waste, roads, police, fire, etc.). Staff believes this analysis is particularly useful because it looks at annexation under two different scenarios: (1) if no development occurs after annexation – “Scenario 1” and (2) if a “reasonable” level of development occurs after annexation – “Scenario 2.” Scenario 1 is useful because it looks at the results of annexation to the City under a “worst case” scenario. It answers the question, “What would happen if the City annexed this property and no development occurred afterward?” Scenario 2 is useful because it looks at the consequences of annexation under a more reasonable and probably more likely scenario.

#### Summary Results

State law and planning principles dictate that services are provided concurrent with development. Roads, sewer facilities, water facilities, storm drain facilities, police services and fire services are already in place to serve development prior to occupancy permits being issued. Many times, these facilities or services are, at least in part, publicly funded. This means that a city will experience some of the costs of annexation prior to revenues being received. For this reason, it is a very common pattern for a city considering annexation to experience negative fiscal impacts during the early years following annexation, with positive impacts later after revenues “catch up” to costs. The fiscal analysis projects a similar, but short lived pattern for the Goldie Road Annexation. During the first two years following annexation, both scenarios indicate that there will be a negative fiscal impact to the City. Beginning in year three, however, revenues exceed costs and the City begins to realize a positive cash flow as a result of the annexation. In Scenario 2, cash flow grows more quickly due to new development, reaching \$501,000 per year versus \$105,000 per year in Scenario 1.

Despite the fact that both scenarios show negative cash flow to the City in the first two years following annexation, the overall finding of this report is very positive. What the results

indicate are that, even in the worst-case scenario when no development occurs (an unlikely scenario), the City will experience positive cash flow from annexation. This is an especially meaningful conclusion, given the fact that many cities annex property which has a negative fiscal impact over a longer period of time because they believe that the economic development (i.e. jobs) created by annexation and subsequent development outweigh any negative fiscal impacts.

Another important finding of this report is that annexation followed by development, as illustrated by Scenario 2, creates a substantially better cash flow result for the City of Oak Harbor. Because development creates additional property tax, sales tax, and service revenues, the City should do what it can to promote development in the Goldie Road corridor. Some level of incentives for annexation is appropriate. However, the more incentives that are offered, the more development needs to occur for the City to recuperate costs.

### **What is Fiscal Analysis?**

Properties within City boundaries receive City services, such as police, fire, planning, streets, water, sewer, and storm drainage, to name a few. These services cost money to provide. These same properties generate revenue to the City through taxes and fees. Every potential annexation is different in that it generates a unique demand for services and revenue streams to local governments depending upon the type (residential, commercial, industrial) and quantity of development proposed. Some properties require more police services, some require less; some generate more property tax revenue and some generate less. Fiscal analysis compares the costs and revenues to a City of a certain policy choice. In this case, the policy choice in question is annexation of the Goldie Road area. Fiscal analysis looks at the direct cost and revenue impacts to the City, which are the projected changes to the City's budget. It does not look at indirect impacts from job creation, or money which flows into the local economy from annexation and/or development of the annexed property. If an annexed property generates new property taxes which would not have been present before annexation, that is a fiscal impact. If new jobs are created in the annexation area through development, and the workers in those new jobs spend money at Oak Harbor businesses, that is an indirect (economic) impact and is not accounted for here.

### **Project Assumptions**

Many assumptions go into a fiscal analysis. These assumptions must be made because fiscal analysis is a prediction about the future. The prediction is based upon reasonable assumptions about City services, how those services will be used, and how much services will cost. On the revenue side, assumptions focus on the value of property for calculating property taxes, sales taxes from construction, and utility revenues. Each of the costs and revenues is affected by the amount of development that happens after annexation. This section outlines some of the more important and basic assumptions for the analysis:

- **Timeframe.** The analysis looks at fiscal impacts from 2011 through 2031. We assume that annexation occurs by June of 2011, at which point the City becomes responsible for providing most services to the property.
- **Development Scenarios.** The analysis looks at fiscal impacts under two scenarios: (1) no new development after annexation and (2) a reasonable level of development after annexation. Under Scenario 1, there is currently 303,570 square feet of buildings within the annexation area, this would not change over the 20-year study period. Scenario 1 is a worst-case scenario; it helps answer the question "what

would happen to the City's budget if annexation occurred, but no development happened?"

In Scenario 2, we assume vacant land within the annexation area will redevelop. To project how much development might occur, we looked at already developed parcels within the annexation area and found that these developed parcels have a floor area ratio (FAR) of 0.24, meaning the building area is 24% of the size of the parcel. We assumed that the undeveloped parcels in the annexation area would also develop to an FAR of 0.24, for a total of 1,250,019 square feet of buildings when construction is complete.

- **Inflation.** Most fiscal analyses remove inflation from the equation. This fiscal analysis does the same. All dollar figures expressed in this analysis are 2011 dollars.
- **Capital projects.** Costs to the City are greatly affected by the type and number of capital projects the City undertakes within the annexation area. It goes without saying that roads, sewer, water, and stormwater systems are expensive.
- **Conservative projections.** This fiscal analysis attempts to be conservative. That is, it errors on the side of overestimating costs and underestimating revenues.

The above assumptions are used throughout the analysis. Assumptions specific to each cost and revenue are discussed below in the "Fiscal Analysis" section of this report.

## **REVENUES**

This analysis focuses on the most significant sources of revenue to the City. We determined these revenues to be property taxes, sales taxes, utility revenues (sewer, water, storm drain, and solid waste), utility taxes, real estate excise taxes, and building permit revenues. Other revenue sources exist, such as transportation impact fees and land use fees, but were not included because they were not determined to be large enough sources of revenue to include.

### **Property Taxes**

Property taxes are collected on the total value of a property which includes the land and structures on it. The County Assessor collects property taxes twice each year (April and October) and then distributes these tax revenues back to the City of Oak Harbor. Property tax collections generally lag assessed values by one year. That is, the property taxes collected in 2011 are based upon the assessed value of property in 2010. The City's property tax rate is approximately \$2.04/ per \$1,000 of assessed value. The fiscal analysis projected the assessed value of property in each year from 2011 – 2031, then applied the levy rate to this value to project the amount of property tax that would be received from properties in the annexation area.

### **Construction Sales Taxes**

The State of Washington has a destination-based sales tax system. This means that sales taxes are paid where products are delivered to the customer. If a customer enters a store in King County and buys a product, then the sales tax is paid in King County. However, if that same customer lives in Island County and orders the product over the internet from the same store and has it shipped to Island County, then the sales tax is paid to Island County. The destination-based sales tax system has implications for construction activities. Since construction materials are delivered to project sites, this means that the sales tax accrues to the jurisdictions where the project site is located, not at the building material store where the items were purchased. The model assumes that the City's sales tax rate is 0.87% and

will remain at that level during the 20-year period examined and applies this rate to the estimated value of construction (materials and labor) in the annexation area. Industrial/warehouse construction is valued at \$90 per square foot from Reed

### **Operating Sales Taxes**

Sales taxes are collected on the gross receipts of all businesses in Washington. The State sales tax rate for 2011 is 6.5%. Cities in Washington are authorized to charge up to 0.87% sales tax; Oak Harbor charges all of that rate.

To estimate the amount of sales tax that might be generated from businesses within the annexation area, staff collected data on the amount of sales tax generated by the existing businesses within the annexation area. The model then assumed that the average sales tax receipts per square foot of building from 2006 – 2009, would remain the same into the future. These businesses have averaged \$0.11 of sales tax revenue to the City per square foot of building.

### **Water Utility Revenues**

At the time a property owner requests a new water connection, the City requires a connection deposit from the property owner. The connection deposit varies by the size of line being installed. The City also levies a system development charge (SDC) at the time of connection which helps pay for water system capital costs throughout the City.

### **Sewer Utility Revenues**

The City has four types of fees/charges related to sewer which apply to commercial/industrial uses; (1) sewer inspection fees (2) a system development charge (3) a monthly base fee for service and (4) a monthly consumption charge. This analysis assumes that each new sewer which comes online within the annexation area is inspected once from property line to building and from property line to main for a total of \$140 per new line.

### **Storm Drain Utility Revenues**

Storm drain fees are based on the amount of impervious area on a site. There are no connection charges, or SDCs associated with the City's stormwater utility. ... monthly stormwater bills can be a significant cost for property owners ...

The City's solid waste utility provides dumpster service, recycling services, and curbside roll cart service. For the purposes of this analysis, we assume that all of the properties within the annexation area are commercial or industrial (or will be) and therefore will require dumpster services, but not recycling or roll cart service. In reality, some or all of these properties would probably also participate in recycling services. Excluding them from recycling services is a conservative revenue assumption. Island Disposal currently provides solid waste services to unincorporated areas of the County. In the case of annexations, Island Disposal usually continues to provide service ten years after annexation, at which point the City assumes service responsibility. For properties within the City served by Island Disposal in the interim ten years, the City charges an 18.5% surcharge in addition to what Island County charges to administer these accounts. Island County charges \$71.90 for dumpster pickup service, \$7.28 in taxes for each pickup, and \$3.63 in rent per day for each dumpster. The City charges by the size of dumpster and has dumpsters ranging from 1 to 6 yards in size.

### **Utility Taxes**

Utility taxes are levied by cities on the gross operating revenues of utilities within Oak Harbor's City boundaries.<sup>3</sup> Oak Harbor charges a rate of 6.25% which applies to the water, sewer, solid waste, electric, telephone and natural gas utilities. A rate of 6.0% applies to the storm drain utility. The water, sewer, solid waste and storm drain utilities are City-owned, and therefore, Oak Harbor taxes its own proceeds through an inter-fund transfer process. This fiscal analysis projected the net revenues from the water, sewer, solid waste and storm drain utilities resulting from the Goldie Road Annexation. Staff did not project the revenues from electric, telephone, and natural gas utilities since these are privately-owned and new revenues to the City are assumed to be minimal. Not counting tax revenue from private utilities is a conservative assumption.

### **Real Estate Excise Taxes (REET)**

The State of Washington authorizes local jurisdictions to impose a real estate excise tax on the amount of any liens, mortgages, and other debts given to secure the purchase of property. All cities in the state are authorized to levy a (1/4) percent tax. City's that plan under the GMA can levy an additional (1/4) percent for a total of 0.5%. REET revenue can only be spent for capital projects. The seller in each property transaction is responsible for paying the tax. The City of Oak Harbor levies the full 0.5% tax.

### **Building Permit Revenues**

The City collects fees on the value of all structures which require a building permit within City limits. The fiscal model calculated the revenue from building permit fees based on two variables: (1) the amount of new building square footage added each year and (2) the value of that building square footage.

### **COSTS**

Costs are divided into several categories, which are: (1) general fund costs (2) enterprise fund costs and (3) street fund costs, according to how the City's budget is organized. For each category, there are two types of costs discussed here: (1) capital costs and (2) operating and maintenance (O&M) costs.

### **General Fund**

The City's general fund departments that would be affected by annexation include City Council, Mayor, Administrator, Finance, Legal, Development Services, Law Enforcement, and Fire Control. Each of these departments would require staff time and resources dedicated to annexing the property and/or servicing it post-annexation. To project the cost for each of these departments resulting from annexation and development, the fiscal model first calculated the per hour operating cost for each department taken from the operating budget in 2009.

The reader should note that this analysis does not take into account department size (the number of people in each department). These are department-wide hours and costs. It costs much more to operate the Police Department than the Development Services Department on an annual basis, but not on an hourly basis. The Police Department (Law Enforcement) operates many more hours per year than does the Development Services Department. Finally, it is important to know that capital costs have already been included in the general fund analysis, because capital costs are budgeted for in each of these departments as part of the annual budgeting cycle. After calculating the hourly operating cost for each department, the fiscal model projected the number of hours each department would spend as a result of

the annexation and any subsequent development and then multiplied these hours by the hourly cost above to obtain the yearly cost for each department. In both Scenarios 1 and 2, initially the hours and costs are high due to the amount of staff time spent on annexation. There is an immediate downward trend after annexation is complete in 2011. In Scenario 1, costs level off. In Scenario 2, costs are choppy, gradually stepping down as the City processes fewer building permits and land use applications after annexation.

## **Enterprise Funds**

### **—Water**

**Capital Costs.** To estimate O&M costs for water, the fiscal model took the total annual operating costs for the City's water system (\$4.5 million) and divided by the number of connections (5,900) to obtain a per connection annual cost of service of \$766. The model then multiplied the per connection cost by the number of connections in the annexation area in both scenarios.

**O&M:** There are 18 properties in the annexation area with existing water connections out of 23 properties total. Under scenario 1, the model assumes that every property will have a connection by 2016. Annual operating costs grow from \$6,900 to \$18,000 in this scenario. In scenario 2, the number of connections increases from 18 to 35 as new development comes online with corresponding costs growing from \$6,900 to \$27,000 annually.

### **—Sewer**

**Capital Costs** The fiscal model does not assume that there will be any capital costs resulting from annexation from City sewer. The existing septic systems will gradually be taken off line and new connections made to the City's sewer system as these septic systems are decommissioned by the County. Any new sewer lines needed will be privately financed and put in place as new development occurs. Thus, there are no sewer capital costs to the City as a result of annexation.

O&M costs were obtained by dividing the annual operating cost of the City's sewer system (\$3.5 million) by the number of sewer connections in the City (5,750). The resulting figure (\$609) is an average annual operating cost per sewer connection and was then multiplied by the number of anticipated connections in the annexation area for each scenario. The fiscal model set out a schedule for connection ...

### **—Solid Waste**

**Capital Costs.** In the first ten years after annexation, the model assumes that there would be no capital costs to the City since Island Disposal would be providing solid waste services. ... In both scenarios, capital costs are negligible (less than \$500 per year) for the annexation area.

**O&M Costs.** Since Island Disposal will provide solid waste service during the first ten years after annexation, O&M costs to the City are limited to administration of these accounts. The City has an 18.5% surcharge on all Island Disposal accounts within the City. For the purposes of this analysis, we assumed that the 18.5% surcharge was equal to the City's cost of account administration. In the second ten year period when the City assumes service responsibility, the total O&M budget (\$1.1 million) was divided by the number of annual pickups (26,000) to obtain an average cost per pickup of \$42. This cost was then multiplied by the projected number of pickups in the annexation area each year for each scenario. In Scenario 1, costs range from \$9,000 in 2011 to \$35,000 in 2031. In scenario 2, costs increase

from \$8,000 in the first year to \$141,000 in the last year.

#### **—Stormwater**

**Capital Costs.** The fiscal model assumes that a ... stormwater study would be needed to determine the capital facility needs and that this study would be paid for by the City in 2012. Capital facilities themselves would be paid for by developers, as is the case with any new development in the City, as those properties develop.

**O&M Costs.** Stormwater lines on public property, such as street rights-of-way, would be maintained by the City after construction by developers. For this reason, the fiscal model estimates the amount of stormwater line in street rights-of-way within the annexation area. In Scenario 1, a stormwater line is installed in Goldie Road. The Engineering Department assumes this would occur in 2022. That line would be approximately 4,700 feet in length. The model estimated an average cost to maintain a stormwater line in the city per linear foot. To do this, the model divided the City's total stormwater O&M budget (\$1.1 million) by the total linear feet of stormwater lines (537,000 feet) in the City to obtain an average per linear foot O&M cost of \$1.96. The model then applied this average cost to the projected amount of stormwater line within the annexation area.

#### **Street Fund**

The street fund is reported separately in the City's budget and is not considered an enterprise fund, since there are no "use" fees for streets. Streets are primarily funded by a combination of general fund revenues, REET, impact fees, and federal and state grant monies.

#### **—Streets**

**Capital Costs.** Therefore, no capital costs have been included in the fiscal study.

**O&M Costs.** The City will assume maintenance responsibilities immediately upon annexation.

### **RESULTS**

This section of the analysis compares total costs and revenues for each scenario. We first discuss revenues, then costs, and finally compare the two in the "fiscal balance" section.

#### **Revenues**

Revenues differ widely by scenario. Many of the City's revenue sources are driven by development. As could be expected, annexing vacant land with no subsequent development does not bring continued revenue growth. ... In Scenario 1, revenues remain relatively flat, because no new development happens, no development fees are received, no new property taxes or sales taxes are received, etc. In Scenario 2, revenues trend upward with new development.

#### **Costs**

In Scenario 1, there is an early cost spike due to the installation of (infrastructure improvements). Costs level off after 2012 ... In Scenario 2, there is also a cost spike in 2012 for the (infrastructure improvements). After 2014, costs increase again as development occurs.

#### **Fiscal Balance**

What happens when we compare revenues and costs? This section of the analysis answers that question. In the early years after annexation, costs exceed revenues due to construction of (infrastructure improvements). Revenues grow following annexation when the city begins receiving property taxes, sales taxes, etc., but level off quickly because there is no new development.

In this (Scenario 2) scenario, development drives revenues up over the study period, with a large increase in 2021 when the City takes responsibility for solid waste services. As with Scenario 1, costs exceed revenues in the early years due to the installation of the (infrastructure improvements) and before property taxes, sales taxes, etc. are received from annexation. After the annexation, costs are level ...

## **CONCLUSIONS**

What do the results of the fiscal analysis mean for the City? This section discusses some of the more noteworthy conclusions.

1. Annexing the property results in a fiscal surplus for the City. In either scenario, whether the City annexes the property with no subsequent development, or the City annexes with development to follow, the analysis projects that there will be a net gain in revenue to the City.
2. In Scenario 1 (no new development), the fiscal surplus is relatively small. Although there is still a surplus in Scenario 1 from annexation, the surplus is relatively small (\$105,000 in 2031) compared to Scenario 2 (\$501,000 in year 2031). This result is what we might expect. The City is not a “big winner” simply from annexing unless development follows thereafter. Nevertheless, we can say that even if no development occurs after annexation and some incentives are offered to property owners (reduced stormwater rates), the City is likely to realize a positive cash flow, under the stated assumptions.
3. The City should be aware of the fiscal balance when crafting incentives. One of the advantages of this type of analysis is it allows the City to see what the impact on the budget would be resulting from the decision to annex. The City can offer incentives to annex or develop, but needs to be aware how those incentives will affect surpluses/deficits.
4. If assumptions are found not be valid in the future, the study results may change. The study is based on reasonable assumptions at the time that it was completed. If assumptions change (tax rates, fee levels, amount of infrastructure needed to serve the area), then the results may also change. This assumption is especially true of any capital projects that the City may undertake at its expense within the annexation area.
5. This is only a fiscal study. This study looks at the costs and revenues to the City from annexation and/or development of the (annexation area). It does not consider economic, environmental, social, or political impacts of annexation. The study should be used to help the City in its decision, but not be the only information upon which the City relies.

City of Oak Harbor  
City Council Agenda Bill

Bill No. 10  
Date: August 8, 2012  
Subject: North Reservoir Site – Property Transfer

FROM: Cathy Rosen, Public Works Director  
Eric Johnston, City Engineer

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

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

**PURPOSE**

This agenda bill proposes two actions: 1) Council declaration that a 5-acre City general fund property is surplus and 2) authorize the payment for, and transfer of, the asset from the general fund to the water utility.

**AUTHORITY**

The City has authority under RCW 35A.11.020 to render governmental services including acquisition, sale, ownership, improvement, maintenance, protection, restoration, regulation, use, leasing, disposition, vacation, abandonment or beautification of public ways, real property of all kinds. This authority also includes operating and supplying of utilities and municipal services commonly or conveniently rendered by cities or towns. The authority to provide water services is found in RCW 35.21.210.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ \$17,500

Appropriation Source: Water Utility Capital Funds

**SUMMARY STATEMENT**

The North Reservoir project constructs a new drinking water reservoir. The project will provide reliable drinking water service to the customers of the Oak Harbor Water System.

The reservoir will be built on a five acre City owned property north of Gun Club Road. The property is currently undeveloped. The zoning designation is Public Facility (PF). Previous council action selected the property as the location of a new 4.0 million gallon water reservoir. Recent council action to approve the construction of the Gun Club Transmission Main project was the start of construction activities leading to the installation of the reservoir and associated improvements.

The property came into City ownership through a Superior Court settlement known as the *Hackney Agreement* in 1998. The *Hackney Agreement* conveyed ownership of 10 acres of undeveloped property to the City. The agreement includes a condition requiring five acres be re-conveyed back to the Hackneys or their successors prior to development. In this case, the development is the pending construction of the water reservoir. The agreement states that the City retain the northeastern most five acre square of the 10 acres originally conveyed in the settlement.

Following the requirements of the settlement agreement, a boundary line adjustment was initiated. The administrative process for the required boundary line adjustment, establishing the final property boundaries between the City and Harbor Heights properties, has been approved and is being recorded with the Island County Auditor. The remaining City property is the five acre reservoir site.

The five acre reservoir site is currently listed as a general fund asset. Development of the future reservoir site precludes use of the property for other purposes. As use of the property is for a water utility function it is appropriate to list the asset with the water utility. Therefore, it is necessary and appropriate to transfer the property asset from the general fund to the water utility.

The first step in the transfer process is a Council declaration that the property is "surplus" to the general fund. The property is considered surplus to the general fund as it does not serve a unique general fund need. There are no identified or designated needs for this particular piece of property by the City other than location of a water reservoir. The surplus declaration will make the property available for purchase by the water utility.

The second step is to compensate the general fund and transfer the asset to the water utility. The water utility will then pay the general fund based on the current "book value" of the property. The book value is \$17,500. Note that an appraisal of the property completed in 2009 listed the entire 10 acre property market value as \$38,000. Also note that the Council could choose to use the resulting general fund revenue for any general fund purpose, including funding for a water utility project.

Following this two step process, surplus declaration and then payment of book value, allows the transaction to be considered "arms length," meaning it is treated as a purchase and sale as if the two funds were two separate companies under the terms of RCW 43.09.210.

It is recommended that the Council declare the property as surplus and then authorize payment for and transfer of the asset from the general fund to the water utility.

### **STANDING COMMITTEE REPORT**

The transfer of the property has been generally discussed at public works standing committee meetings over the last year. This agenda item was discussed at the Government Services committee meeting on August 7, 2012.

### **RECOMMENDED ACTIONS**

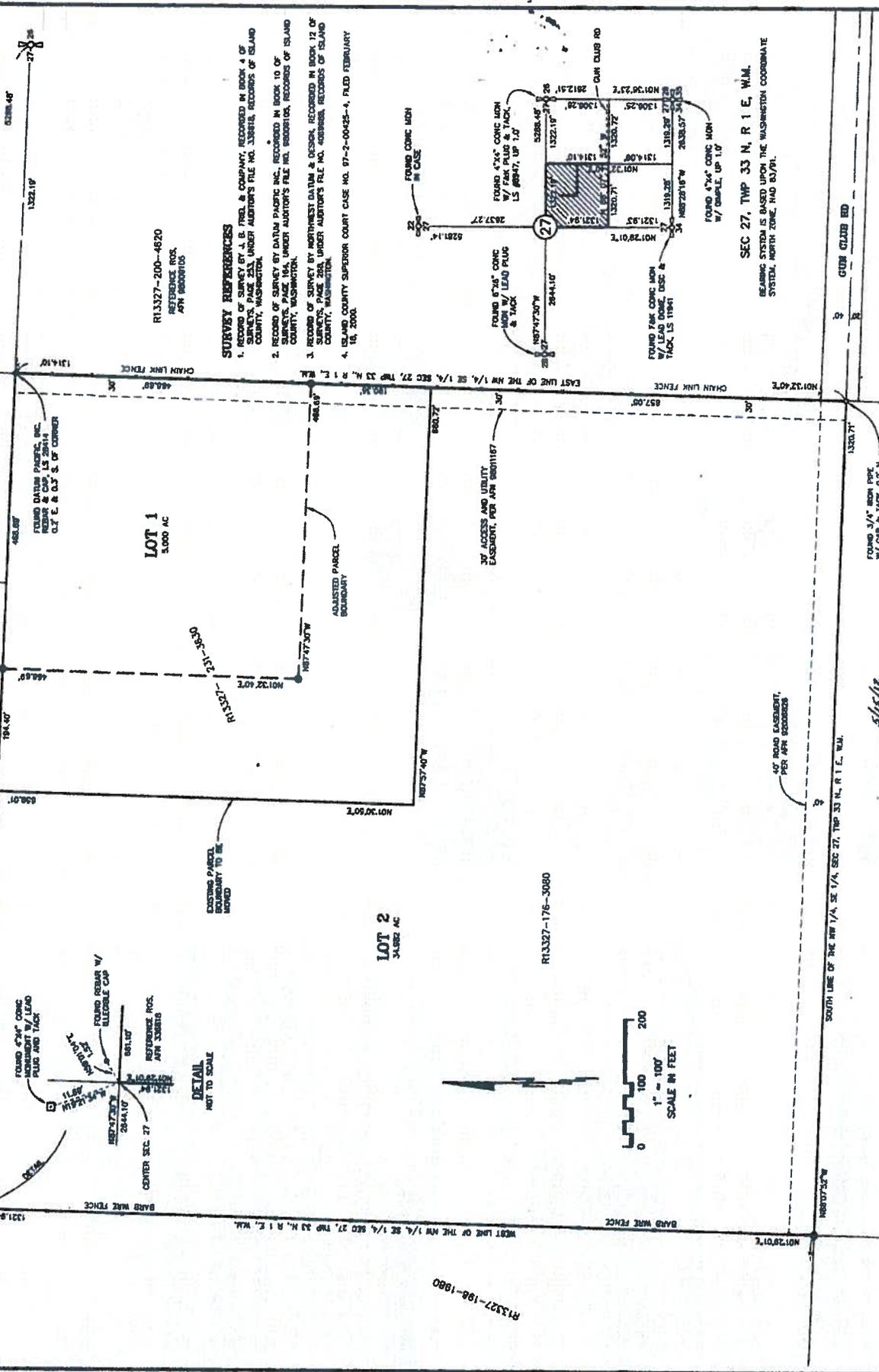
1. A motion declaring the five acre general fund property, parcel number R13327-231-3630, as surplus.
2. A motion authorizing payment to the general fund of \$17,500 from the water utility and transfer of the asset to the water utility.

### **ATTACHMENTS**

Boundary Line Adjustment  
Project Info Sheet



**CITY OF OAK HARBOR BOUNDARY LINE  
ADJUSTMENT NO. END 12-00001  
ISLAND COUNTY PARCEL NO. R13327-231-3630  
R13327-176-3080**



R13327-200-4620  
REFERENCE PINS  
ATN 3880105

**SURVEY REFERENCES**

1. RECORD OF SURVEY BY J. H. PETERSON & COMPANY, RECORDED IN BOOK 4 OF SURVEYS, PAGE 251 UNDER AUDITOR'S FILE NO. 133878, RECORDS OF ISLAND COUNTY, WASHINGTON.
2. RECORD OF SURVEY BY DATUM PACIFIC INC. RECORDED IN BOOK 10 OF SURVEYS, PAGE 15A, UNDER AUDITOR'S FILE NO. 880910A, RECORDS OF ISLAND COUNTY, WASHINGTON.
3. RECORD OF SURVEY BY NORTHWEST DATUM & DESIGN, RECORDED IN BOOK 12 OF SURVEYS, PAGE 26A, UNDER AUDITOR'S FILE NO. 408398A, RECORDS OF ISLAND COUNTY, WASHINGTON.
4. ISLAND COUNTY SUPERIOR COURT CASE NO. 97-2-00435-4, FILED FEBRUARY 10, 2000.



SEC 27, TWP 33 N, R 1 E, W.M.  
BEARING SYSTEM IS BASED UPON THE WASHINGTON COORDINATE SYSTEM, NORTH ZONE, NAD 83/91.

R13327-115-4140  
GUN CLUB RD

FOUND 3/4\"/>



R13327-066-3300

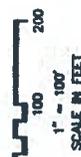
**LEGEND**

- MON REBAR SET THIS SURVEY, MARKED 'FRAZIER SURVEYING, LLC, IS #1022'

- NOTES**
1. BASIS OF BEARING: WASHINGTON COORDINATE SYSTEM, NORTH ZONE, NAD 83/91.
  2. PROCEDURE: FIELD TRAVERSE AND USE OF EXISTING MONUMENTATION. ALL CORNER ANGLES AND DISTANCES MEASURABLE MEASURED. METS OF EXCEEDS THE STANDARDS CONTAINED IN THE 33-130-00A.
  3. EQUIPMENT USED: TOPCON EDOS TOTAL STATION WITH RETRO-REFLECTORS, CALIBRATED ANNUALLY AGAINST NGS BASELINE AT DATUM POINT.
  4. DISTANCES ARE IN U.S. SURVEY FEET AND DECIMALS THEREOF.

**BOUNDARY LINE ADJUSTMENT OF A PORTION OF  
SEC. 27, TWP. 33 N, R. 1 E, W.M.  
FOR CITY OF OAK HARBOR**

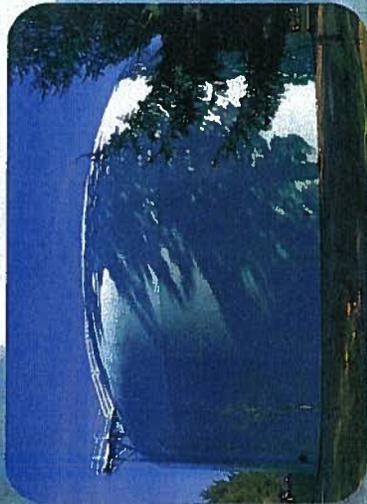
OAK HARBOR		DATE: 5/07/23	SCALE: 1" = 100'	PROJECT NO.: 15-100
PROPERTY NO.:	DEF:	DEF:	DATE: 5/07/23	SHEET NO.: 2 OF 2
FRAZIER SURVEYING, LLC		WASHINGTON		



R13327-198-1880

# Water System Improvement Projects

## What is being built?



### Welded Steel Tank

- 150 feet diameter
- 39 feet tall
- 4.0 million gallons
- Earthquake Resistant
- 2.5 days of standby storage
- Pervious pavement access road

### Gun Club Road Transmission Water Mains

- 5,700 feet of 18-inch and 24-inch ductile iron pipe
- Pressure reducing station at Oak Harbor Street
- New road surface using warm mix asphalt
- Power service into reservoir site

## Why are these projects needed?

Oak Harbor has been in the water business for decades and, like every public or private business, must occasionally re-invest in the system to maintain excellent water service to our customers. The planned upgrades will make our entire system more reliable and functional.

### RELIABILITY

- Replaces aging infrastructure, and
- Increases water storage volume.

### FUNCTIONALITY

- Increases water pressure in many neighborhoods,
- Reduces costs for future development, and
- Promotes efficiencies in serving NAS Whidbey.

## Has the need for these projects been anticipated?

Put simply, yes. These water system upgrades were identified years ago and are part of the City's Comprehensive Land Use Plan and Comprehensive Water System Plan.

In preparing for actual construction, the City Council approved the necessary funding adjustments to put the plans into action.

### Estimated Cost

- Reservoir .....\$4.6 million
- Transmission mains .....\$2.6 million
- Beyond 2013 .....\$17 million

### Funding

- Cash reserves and utility revenue bonds,
- Revenue from rates and connection fees, and
- Rate schedule in place to cover projected cost.





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

Bill No. 11  
Date: August 8, 2012  
Subject: Professional Service Agreement for legal  
services with Hedeem & Caditz

**FROM: Cathy Rosen, Public Works Director  
Eric Johnston, City Engineer**

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

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

**PURPOSE**

This agenda bill presents a contract with Hedeem and Caditz for legal services associated with the North Reservoir project contract documents and construction activity.

**AUTHORITY**

The City has authority under RCW 35A.11.020 to render governmental services including operating and supplying of utilities and municipal services commonly or conveniently rendered by cities or towns. The authority to provide sewer services is found in RCW 35.21.210 and 35.67.010 et seq.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$ \$20,000

Appropriation Source: Fund 401- capital project budget

**SUMMARY STATEMENT**

The City is proceeding with the construction of a new 4 million gallon water storage reservoir, to be constructed on property owned by the City north of Gun Club Road. The new reservoir will expand the City's emergency standby water storage capacity, replace aging infrastructure, and improve the operations of the City water system. The project has been in planning and design for the last several years and is nearly ready for construction. The Gun Club Road water mains, currently under construction, function as the transmission mains to the reservoir site. Once the transmission mains are completed the reservoir site can be developed and the new tank constructed.

Staff, with the assistance of the engineering firm Grey and Osborne, are finalizing the contract plans and specifications for the reservoir and planning for the construction phase of the project. City engineering division staff will be responsible for the construction management activities but will need assistance in a few specialized areas such as foundation installation, steel welding inspections, and surface coatings. In addition, staff feels that the project warrants review prior to issuing the project for bidding by an expert in construction law due to the size, scope and cost of the project.

While the water reservoir project consists of only three basic elements of work, site preparation, foundation and steel tank construction, the project is complex in its execution. With these few major work elements the cost

and scheduling associated with the project could be significantly affected by small issues during construction. Small delays, or problems, on high cost scope elements, forming the bulk of a single project (i.e. steel tank) equate to high risk. Staff feels that engaging the assistance of an expert in municipal public works project law will be helpful to manage this risk. While there is no guarantee of avoiding problems, minor adjustments for projects such as the reservoir prior to bidding can help avoid or minimize major problems later on.

Staff also recommends that specialized legal counsel be available during the construction in the event of a significant problem. Retaining counsel prior to a problem developing is intended to reduce or eliminate the downtime that can occur as attorneys develop the background information necessary to provide effective counsel. Reducing the downtime helps control costs associated with delay during construction.

A review of the contract documents will also help on other capital projects. While all capital project contracts are reviewed by the City Attorney it has been some time since a comprehensive outside legal review of the City's approach to construction contract assembly, formatting and risk evaluation and assignment. The water reservoir project is a good opportunity for thorough review by a specialist in construction contract law, practices and trends. In particular a review of the standard boilerplate portions of the specifications will help ensure the City is using current practices in managing and assigning risk associated with public works construction. Input from the legal specialist on the reservoir project documents would then be applied to other city capital projects

The City has recently used the firm Hedeem & Caditz to successfully defend the City during a major construction claim. Hedeem & Caditz came highly recommended by Washington Cities Insurance Authority as an expert in public works construction law.

The attached professional services agreement with Hedeem & Caditz includes a not to exceed limit of \$20,000 to provide legal counsel and assistance associated with the North Reservoir contract documents and assistance during construction if needed. The agreement also designates Hedeem & Caditz as a special assistant City Attorney which allows the firm to represent the City for purposes of this project only. Using Hedeem & Caditz for the pre-construction review of the contract documents and retaining the firm through the construction project will maintain continuity with legal counsel. In the event of an issue requiring legal assistance this continuity will be beneficial to the city and help control costs. It is recommended that the Council authorize the Mayor to execute the agreement.

Funding for the contract is included in the water fund, No. 401, capital project budget.

### **STANDING COMMITTEE REPORT**

This item was presented to the Public Works committee on July 5, 2012.

### **RECOMMENDED ACTION**

Authorize the Mayor to execute the attached professional services agreement with Hedeem & Caditz for legal services associated with the North Reservoir Project with a not to exceed limit of \$20,000

### **ATTACHMENTS**

Professional Services Agreement

## PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, is made and entered into in duplicate this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the CITY OF OAK HARBOR, a Washington municipal corporation, hereinafter referred to as the "CITY" and HEDEEN & CADITZ, PLLC, hereinafter referred to as the "ATTORNEY".

WHEREAS, the CITY desires to have certain legal services and/or tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient CITY resources are not available to provide such services; and

WHEREAS, the ATTORNEY represents the ATTORNEY is a member in good standing of the Washington State Bar Association, is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, the parties hereto agree as follows:

1. Scope of Services.

The ATTORNEY shall provide legal services to the City of Oak Harbor in connection with the public works project commonly referred to as the North Reservoir Project. ATTORNEY'S Initial work will be review of the contract documents.

The ATTORNEY shall be appointed Special Assistant City Attorney for this purpose. The ATTORNEY shall work directly with Eric Johnston and Public Works staff.

2. Term.

The Project shall begin on June 19, 2012. The initial contract document review and shall be completed no later than July 31, 2012 unless extended or sooner terminated according to the provisions herein, unless extended request of the CITY.

3. Compensation and Method of Payment.

3.1 Payments for services provided hereunder shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the CITY.

3.2 No payment shall be made for any service rendered by the ATTORNEY except for services identified and set forth in this Agreement.

- 3.3 The CITY shall pay the ATTORNEY for work performed under this Agreement as follows: Work performed pursuant to this Agreement shall not exceed Twenty Thousand Dollars (\$20,000).

ATTORNEY'S rate (for Arnold R. Hedeem and Bryan D. Caditz) is Three Hundred Dollars (\$300.00) per hour.

The rate for Susan Mathews, Legal Assistant, is One Hundred Dollars (\$120.00) per hour.

4. Reports and Inspections.

- 4.1 The ATTORNEY at such times and in such forms as the CITY may require, shall furnish to the CITY such statements, records, reports, data, and information as the CITY may request pertaining to matters covered by this Agreement.
- 4.2 The ATTORNEY 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 matters covered, directly or indirectly, by this Agreement and shall permit the CITY or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The CITY shall receive a copy of all audit reports made by the agency or firm as to the ATTORNEY'S activities. The CITY may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the ATTORNEY'S activities that relate, directly or indirectly, to this Agreement.

5. Independent Contractor Relationship.

- 5.1 The parties intend that an independent contractor relationship will be created by this Agreement. 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 ATTORNEY. No agent, employee, servant or representative of the ATTORNEY shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the ATTORNEY are not entitled to any of the benefits the CITY provides for its employees. The ATTORNEY 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 Agreement.
- 5.2 In the performance of the services herein contemplated, the ATTORNEY 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.

6. Hold Harmless Indemnification.

- 6.1 ATTORNEY 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 errors or omissions of the ATTORNEY in performance of this Agreement.
- 6.2 For purposes of this indemnification and hold harmless agreement, the ATTORNEY waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. The parties expressly agree that this waiver of workers' compensation immunity has been negotiated.
- 6.3 No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

7. Insurance.

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

- 7.1 Minimum Scope of Insurance. ATTORNEY shall obtain 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 and personal injury and advertising injury.
  - c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
  - d. Professional Liability Insurance appropriate to the ATTORNEY'S profession.
- 7.2 Minimum Amounts of Insurance. ATTORNEY 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 of Two Million Dollars (\$2,000,000) each occurrence, Four Million Dollars (\$4,000,000) general aggregate.
- c. Professional Liability insurance shall be written with limits of Three Million Dollars (\$3,000,000) per claim and Three Million Dollars (\$3,000,000) policy aggregate limit.

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

- a. The ATTORNEY'S insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.

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

8. Treatment of Assets.

Title to all property furnished by the CITY shall remain in the name of the CITY and the CITY shall become the owner of the work product and other documents, if any, prepared by the ATTORNEY pursuant to this Agreement.

9. Compliance with Laws.

9.1 The ATTORNEY, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

9.2 The ATTORNEY specifically agrees to pay any applicable business and occupation (B&O) taxes that may be due on account of this Agreement.

10. Nondiscrimination.

10.1 The CITY is an equal opportunity employer.

10.2 Nondiscrimination in Employment. In the performance of this Agreement, the ATTORNEY 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. The ATTORNEY 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 ATTORNEY shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

- 10.3 Nondiscrimination in Services. The ATTORNEY will not discriminate against any recipient of any services or benefits provided for in this Agreement 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.
- 10.4 If any assignment and/or subcontracting has been authorized by the CITY, said assignment or subcontract shall include appropriate safeguards against discrimination. The ATTORNEY shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

11. Assignment/subcontracting.

- 11.1 The ATTORNEY shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the CITY, and it is further agreed that said consent must be sought in writing by the ATTORNEY 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.
- 11.2 Any work or services assigned hereunder shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.
- 11.3 Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the CITY.

12. Changes.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

13. Maintenance and Inspection of Records.

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

13.2 The ATTORNEY shall retain all books, records, documents and other material relevant to this Agreement, for six (6) years after its expiration. The ATTORNEY 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.

14. Other Provisions.

The following additional terms shall apply: It is agreed between the parties that pursuant to changes in state law necessitating that services hereunder be expanded, the parties shall negotiate an appropriate amendment. If after thirty (30) days of negotiation, agreement cannot be reached, the CITY may terminate this Agreement no sooner than sixty (60) days thereafter.

15. Termination.

15.1 Termination for Convenience. The CITY may terminate this Agreement, in whole or in part, at any time, by giving thirty (30) days' written notice to the ATTORNEY. Upon such termination for convenience, the CITY shall pay the ATTORNEY for all services provided under this Agreement through the date of termination.

15.2 Termination for Cause. If the ATTORNEY fails to perform in the manner called for in this Agreement, or if the ATTORNEY fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within five (5) days' written notice thereof, the CITY may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the ATTORNEY setting forth the manner in which the ATTORNEY is in default. The ATTORNEY will only be paid for services performed in accordance with the manner of performance set forth in this Agreement through the date of termination.

16. Notice.

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

17. Attorneys Fees and Costs.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

18. Jurisdiction and Venue.

18.1 This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance.

18.2 Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in any of the courts of competent jurisdiction in Island County, Washington.

19. Severability.

19.1 If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

19.2 If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision that may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

20. Entire Agreement.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute a material breach of contract and be cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

CITY:

CITY OF OAK HARBOR  
865 SE Barrington Drive  
Oak Harbor, WA 98277

ATTORNEY:

HEDEEN & CADITZ, PLLC  
One Union Square, Suite 2100  
600 University Street  
Seattle, WA 98101-4161

\_\_\_\_\_  
Scott Dudley Mayor

\_\_\_\_\_  
Arnold R. Hedeem

Attest:

\_\_\_\_\_  
Connie Wheeler, City Clerk

\_\_\_\_\_  
Bryan D. Caditz.

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

Bill No. 12  
Date: August 8, 2012  
Subject: KPG Engineering Contract

**FROM: Cathy Rosen, Public Works Director  
Eric Johnston, City Engineer**

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

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

**PURPOSE**

The purpose of this agenda bill is to authorize the Mayor to sign a contract for phase I engineering services, as outlined below, with KPG for services related to a proposed Solid Waste and Recycling Transfer Station.

**AUTHORITY**

Oak Harbor Municipal Code Chapter 2.330.010 provides for contracting for Public Works and Improvements as follows: Except as otherwise authorized by Chapters 39.04 and 39.28 RCW, or RCW 35.22.620, relating to emergency public works, or other applicable general state law, as now enacted or as hereafter amended, all public works and improvements shall be done by contract pursuant to public notice and call for competitive bids in accordance with this chapter whenever the estimated cost of such public work or improvement, including the cost of materials, supplies, equipment and labor, will exceed the sum of \$30,000 if more than one craft or trade is involved with the public works project, or in excess of \$20,000 if only a single craft or trade is involved with the public works project or the public works project is street signalization or street lighting; provided, the city may use a small works roster pursuant to RCW 35.22.620. It is further provided, that the council may authorize public works construction projects without bid up to the bid limitation in RCW 35.22.620 as now in effect or as hereafter amended.

Oak Harbor Municipal code 2.330.110 provides for administrative procedures for public works contracts as follows: the Mayor, or his/her designee, may promulgate procedures for the purpose of administering public works improvement contracts. Such procedures may define the levels of authority pertaining to review and approval of contract change orders.

**FISCAL IMPACT DESCRIPTION**

Funds Required: \$29,836.00  
Appropriation Source: Solid Waste Fund 403

**SUMMARY STATEMENT**

The City currently hauls solid waste to Island County and recycling to Island Disposal. Both facilities are located two miles south of Coupeville on Whidbey Island, approximately 14 miles from the proposed new transfer station site. The City has a contract with Island County to provide long haul transport and permanent disposal of solid waste at a solid waste facility in western Washington. Island County also develops and manages the Solid Waste and Moderate-Risk Waste Management Plan for the

County, including the City of Oak Harbor. The contract with Island County expires in December 2012. The City is not contemplating an arrangement for solid waste disposal that does not include Island County at this time. The main goal for the City is to reduce transportation and handling costs, which will, in turn, reduce traffic and the City's carbon footprint. The City owns five solid waste and recycling trucks that travel to Coupeville Monday through Friday. Over the course of a year, this result in approximately 36,000 vehicle miles traveled.

At this time, City staff believes that it may be beneficial to build a Solid Waste and Recycling Transfer Station closer to Oak Harbor. The preliminary figures indicate that a savings of \$234,194.00 annually in transportation costs alone could be realized. Staff believes that it is appropriate to retain an engineering consultant to explore in greater detail the location, construction and operations costs, permitting obligations and financial aspects of such a project. The goal is to have a fair assessment completed on the cost to build and operate a transfer station and to provide information related to feasibility and affordability. In other words, does it make sense to build a transfer station in Oak Harbor and where should it be built?

It should be noted that staff is not recommending any changes to the City's involvement with the Island County Solid Waste Management Plan. Consequently, this transfer station would be limited in its use to only the drop off and pick up of solid waste from City solid waste vehicles, and would not be open to the public or other solid waste operators.

An RFP for qualified Engineering firms for this project was advertised through the Daily Journal of Commerce, and in the Whidbey News Times. The deadline for submittals was May 01, 2012. The City received and ranked proposals from URS, HDR and KPG. Three City staff members: Larry Cort, Steve Bebee and George Place, and one City Council member, Tara Hizon, participated in formal interviews on May 18, 2012. KPG was selected as the most qualified firm to provide the City with the following services:

- Phase I
  - Task 1.0 - Project Management: KPG will manage all project activities including: reports, project schedule, facilitate meetings, coordinate subconsultant activities, etc.
  - Task 2.0 - Transfer Station Facility Programming: this task will help determine the size and potential cost to build and permits needed for a new transfer station.
    - Task 2.1 - Project program: the information gathered from this task will help generate a building and site concept for cost analysis.
    - Task 2.2 - Identification of Financing Options: KPG will assist the City in trying to find grants and other funding opportunities to help fund this project.
- Phase II – Site Selection, Conceptual Site Planning, and Schematic Design for the Transfer Station.
- Phase III – Design Development and Construction Documents for the Transfer Station. Produce Design and Construction Documents for a Vehicle Scale.
- Phase IV – Construction Phase Services for the Transfer Station.

At this time, staff is recommending moving forward with Phase I only. Phases II through IV would be considered for authorization at a later time if the results of Phase I indicate there is a financial benefit to the City in further developing a transfer station.

A budget amendment adding funding to the current solid waste operating budget would be required to pay for this contract. Funds would come from the solid waste reserves. There are adequate funds in the

reserves to pay for this contract without dropping below the required minimums and without affecting other projects.

**STANDING COMMITTEE REPORT**

The Solid Waste Transfer Station Project has been generally discussed at Public Works Standing Committee meetings over the last year. This agenda item was discussed at the Government Services Committee meeting on August 7, 2012.

**RECOMMENDED ACTION**

A motion authorizing the Mayor to sign a Contract with KPG to prepare Phase I engineering documents for a proposed a Solid Waste and Recycling Transfer Station.

**ATTACHMENTS**

Contract





**CITY OF OAK HARBOR  
CONSULTANT AGREEMENT  
WITH KPG, Inc.**

**PROJECT TITLE:** Solid Waste and Recycling Transfer Station Preliminary Engineering and Facility Plan

**PROJECT COMPLETION DATE:** October 31, 2013

**MAXIMUM AMOUNT PAYABLE:** \$29,432

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**CONSULTANT CONTRACT  
HEADING**

**I. INSTRUCTIONS**

This contract must be completed in full, including all applicable exhibits. If an exhibit is not applicable, it should be marked "VOID".

Any changes or additions to this contract must be made in writing and set forth below. (The parties may attach appendices and exhibits to this contract but they **must** be listed in Section IV below.) Any exceptions or changes to the General Requirements must be listed in Section XI of the contract.

**II. CONSULTANT INFORMATION**

Name: KPG, Inc.

Address: 753 9<sup>th</sup> Ave N. Seattle, WA 98109

Telephone/Fax No.: (206)286-1640

Federal ID No.: 601248468

Do you require a 1099 for the IRS? Yes

**III. PROJECT INFORMATION**

Project Title: Solid Waste and Recycling Transfer Station Preliminary Engineering and Facility Plan

Project Description: Phase I Project Programming

Project Completion Date: October 31, 2013

Maximum Amount Payable: \$29,432

Progress Payments: Monthly

**IV. ADDITIONAL DOCUMENTS ADDED TO THIS CONTRACT**

Scope of Work Phase I



**IX. CERTIFICATION OF THE CONSULTANT AND THE CITY**

Attached hereto as Exhibit "A-1" is the Certification of the Consultant and Certification of City Official. Exhibit "A-2" is the Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions.

**X. COMPLETE AGREEMENT**

This document and referenced attachments contain all covenants, stipulations and provisions agreed upon by the parties. No agent or representative of either party has authority to make, and the parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as an amendment to this AGREEMENT.

**XI. GENERAL REQUIREMENTS**

The General Requirements for Consulting Contract, on file in the City Clerk's Office at Oak Harbor City Hall, a copy of which is attached hereto, shall apply to this AGREEMENT except as modified in this Section XI (General Requirements). The CONSULTANT has assured that the attached copy of the General Requirements conforms to the set filed in the City Clerk's Office.

General provisions are modified to provide that "CONSULTANT shall provide period reports as required and not necessarily on a monthly basis."

**XII. EXECUTION AND ACCEPTANCE**

This AGREEMENT may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The CONSULTANT does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the proposal, and the supporting materials submitted by the CONSULTANT, and does hereby accept the AGREEMENT and agrees to all of the terms and conditions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day and year first above written.

By \_\_\_\_\_  
Consultant: DJ Dean, KPG Inc.

By \_\_\_\_\_  
Agency:  
Principal

I, KPG Inc., Consultant, certify under penalty of perjury under the laws of the State of Washington that this copy of the General Requirements for Consultant Contract conform to the set filed in the Clerk's Office.

Dated: \_\_\_\_\_

By DJ Dean, KPG, Inc.

## **GENERAL REQUIREMENTS**

### **1. MISCELLANEOUS PROVISIONS**

All aspects of coordination of the work of this AGREEMENT, with outside agencies, groups or individuals shall receive advance approval by the CITY. Necessary contacts and meetings with agencies, groups or individuals shall be coordinated through the CITY.

The CONSULTANT shall attend coordination, progress and presentation meetings with the CITY or such officials, groups or individuals as may be requested by the CITY. The CITY will provide the CONSULTANT sufficient notice prior to meetings requiring CONSULTANT's participation. The minimum number of hours or days notice required shall be agreed to between the CITY and the CONSULTANT and shown in Exhibit "B" attached hereto and made part of this AGREEMENT. The CONSULTANT shall prepare a monthly progress report as needed by the CITY (but in no case shall it be more than once a month), in a form approved by the CITY, that will outline in written and graphical form the various phases and the order of performance of the work in sufficient detail so that the progress of the work can easily be evaluated.

All reports and other data, furnished to the CONSULTANT by the CITY shall be returned. All designs, drawings, specifications, documents, and other work products prepared by the CONSULTANT prior to completion or termination of this AGREEMENT are instruments of service for this PROJECT and are property of the CITY. Reuse by the CITY or by others acting through or on behalf of the CITY of any such instruments of service, not occurring as part of this PROJECT, shall be without liability or legal exposure to the CONSULTANT.

### **2. TIME FOR BEGINNING AND COMPLETION**

The CONSULTANT shall not begin any work under the terms of this AGREEMENT until authorized in writing by the CITY. All work under this AGREEMENT shall be completed by the date shown in Section III of this AGREEMENT under "Project Completion Date".

The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the CITY, in the event of a delay attributable to the CITY, or because of unavoidable delays caused by an act of God, governmental actions or other conditions beyond the control of the CONSULTANT. A prior supplemental agreement issued by the CITY is required to extend the established completion date.

### **3. SUBCONTRACTING**

The CITY permits subcontracts for only those items of work designated for subcontracts in Exhibit "G-1" or "G-2" to this AGREEMENT.

The work of the subconsultant shall not exceed its maximum amount payable unless prior written approval has been issued by the CITY.

All reimbursable direct labor, overhead, direct non-salary costs and fixed fee costs for the subconsultant shall be substantiated in the same manner as outlined in Section VIII. All subcontracts exceeding Ten Thousand Dollars (\$10,000.00) in cost shall contain all applicable provisions of this AGREEMENT.

The CONSULTANT shall not subcontract for the performance of any work under this AGREEMENT without prior written permission of the CITY. No permission for subcontracting shall create, between the CITY and subcontractor, any contract or any other relationship.

#### **4. EMPLOYMENT**

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warrant, the CITY shall have the right to annul this AGREEMENT without liability, or in its discretion, to deduct from the AGREEMENT price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

Any and all employees of the CONSULTANT or other persons while engaged in the performance of any work or services required of the CONSULTANT under this AGREEMENT, shall be considered employees of the CONSULTANT only and not of the CITY, and any and all claims that may or might arise under any Workers' Compensation Act on behalf of said employees or other persons while so engaged, and any and all claims made by a third party as a consequence of any act or omission on the part of the CONSULTANT's employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONSULTANT.

The CONSULTANT shall not engage, on a full or part time basis, or other basis, during the period of the contract, any professional or technical personnel who are, or have been, at any time during the period of the contract, in the employ of the CITY, except regularly retired employees, without written consent of the public employer of such person.

#### **5. NONDISCRIMINATION**

The CONSULTANT agrees not to discriminate against any client, employee or applicant for employment or for services because of race, creed, color, national origin, marital status, sexual orientation, sex, 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; unless based upon a bona fide occupational qualification; with regard to, but not limited to, the following: employment upgrading, demotion or transfer, recruitment or any recruitment advertising, a layoff or termination, rate of pay or other forms of compensation, selection for training, or rendition of services. The CONSULTANT understands and agrees that if it violates this provision, this AGREEMENT may be terminated by the CITY and further that

the CONSULTANT shall be barred from performing any services for the CITY now or in the future unless a showing is made satisfactory to the CITY that discriminatory practices have terminated and that recurrence of such action is unlikely.

During the performance of this AGREEMENT, CONSULTANT, for itself, its assignees and successors in interest agrees as follows:

- A. COMPLIANCE WITH REGULATIONS:** The CONSULTANT shall comply with the applicable federal law relative to nondiscrimination, Title 49, Code of Federal Regulations, which are herein incorporated by reference and made a part of this AGREEMENT. The CONSULTANT shall comply with the Americans with Disabilities Act of 1992, as amended.
- B. INFORMATION AND REPORTS:** The CONSULTANT shall provide all information and reports required by the CITY and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the CITY to be pertinent to ascertain compliance with such state or federal law. Where any information required of the CONSULTANT is in the exclusive possession of another who fails or refuses to furnish this information, the CONSULTANT shall so certify to the CITY, and shall set forth what efforts it has made to obtain the information.
- C. SANCTIONS FOR NONCOMPLIANCE:** In the event of the CONSULTANT's noncompliance with the nondiscrimination provisions of this AGREEMENT, the CITY shall impose such sanctions as it may determine to be appropriate, including, but not limited to:

  - (1) Withholding of payments to the CONSULTANT under the AGREEMENT until the CONSULTANT complies, and/or
  - (2) Cancellation, termination or suspension of the AGREEMENT, in whole or in part.
- D. INCORPORATION OF PROVISIONS:** The CONSULTANT shall include the provisions of paragraphs (A) through (E) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The CONSULTANT shall take such action with respect to any subconsultant or procurement as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event a CONSULTANT becomes involved in, or is threatened with, litigation with a subconsultant or supplier as a result of such direction, the CONSULTANT may request the CITY to enter into such litigation to protect the interests of the CITY.
- E. UNFAIR EMPLOYMENT PRACTICES:** The CONSULTANT shall comply with RCW 49.60.180 and Executive Order number E.O. 77-13 of the Governor of the State of Washington which prohibits unfair employment practices.

## **6. TERMINATION OF AGREEMENT**

The right is reserved by the CITY to terminate this AGREEMENT at any time upon ten (10) days' written notice to the CONSULTANT.

In the event this AGREEMENT is terminated by the CITY other than for default on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT as shown in Exhibit "F".

No payment shall be made for any work completed after ten (10) days following receipt by the CONSULTANT of the Notice to Terminate. If the accumulated payment made to the CONSULTANT prior to Notice to Terminate exceeds the total amount that would be due, computed as set forth herein above, then no final payment shall be due and the CONSULTANT shall immediately reimburse the CITY for any excess paid.

If the services of the CONSULTANT are terminated by the CITY for default on the part of the CONSULTANT, the above formula for payment shall not apply. In such an event, the amount to be paid shall be determined by the CITY with consideration given to the actual costs incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which was satisfactorily completed to date of termination, whether that work is in a form or a type which is usable to the CITY at the time of termination; the cost to the CITY of employing another firm to complete the work required and the time which may be required to do so, and other factors which affect the value to the CITY of the work performed at the time of termination. Under no circumstances shall payment made under this subsection exceed the amount which would have been made using the formula set forth in the previous paragraph.

If it is determined for any reasons that the CONSULTANT was not in default or that the CONSULTANT's failure to perform is without it or its employee's fault or negligence, the termination shall be deemed to be a termination for the convenience of the CITY in accordance with the provision of this AGREEMENT.

In the event of death of any member, partner or officer of the CONSULTANT or any of its supervisory personnel assigned to the project, or, dissolution of the partnership, termination of the corporation, or disaffiliation of the principally involved employee, the surviving members of the CONSULTANT hereby agree to complete the work under the terms of this AGREEMENT, if requested to do so by the CITY. This subsection shall not be a bar to renegotiation of the AGREEMENT between the surviving members of the CONSULTANT and the CITY, if the CITY so chooses.

In the event of the death of any of the parties listed in the previous paragraph, should the surviving members of the CONSULTANT, with the CITY's concurrence, desire to terminate this AGREEMENT, payment shall be made as set forth in the second paragraph of this section.

Payment for any part of the work by the CITY shall not constitute a waiver by the CITY of any remedies of any type it may have against the CONSULTANT, or for failure of the

CONSULTANT to perform work required of it by the CITY. Forbearance of any rights under the AGREEMENT will not constitute waiver of entitlement to exercise those rights with respect to any future act or omission by the CONSULTANT.

## **7. CHANGES OF WORK**

The CONSULTANT shall make changes and revisions in the complete work of this AGREEMENT as necessary to correct errors appearing therein, when required to do so by the CITY, without additional compensation thereof. Should the CITY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the CITY. This work shall be considered as Extra Work and will be paid for as herein provided under General Requirements, Section 13.

## **8. DISPUTES**

Any dispute concerning questions of fact in connection with the work not disposed of by AGREEMENT between the CONSULTANT and the CITY shall be referred for determination to the City Administrator or his/her designee, whose decision in the matter shall be final and binding on the parties of this AGREEMENT, provided, however, that if an action is brought challenging the Public Works Superintendent or City Engineer's decision, that decision shall be subject to de novo judicial review.

## **9. VENUE, APPLICABLE LAW AND PERSONAL JURISDICTION**

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the parties hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in Island County. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to such action shall have the right of appeal from such decisions of the Superior Court in accordance with the laws of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, situated in Island County.

## **10. LEGAL RELATIONS AND INSURANCE**

- A. The CONSULTANT shall comply with all Federal, State, and local laws and ordinances applicable to the work to be done under this AGREEMENT. This AGREEMENT shall be interpreted and construed in accordance with the laws of Washington.
- B. The CONSULTANT's relation to the CITY shall be at all times as an independent contractor and not as an employee.
- C. Unless otherwise specified in the AGREEMENT, the CITY shall be responsible for administration of construction contracts, if any, on the project. Subject to the processing of an acceptable, supplemental agreement, the CONSULTANT shall provide on-call

assistance to the CITY during contract administration. By providing such assistance, the CONSULTANT shall assume no responsibility for: proper construction techniques, job site safety, or any construction contractor's failure to perform its work in accordance with the contract documents.

- D. The CITY will pay no payments under Section VIII "Payments" until the CONSULTANT has fully complied with this section. This remedy is not exclusive; and the CITY may take such other action as is available to them under other provisions of this AGREEMENT, or otherwise in law.

## 11. INDEMNIFICATION REQUIREMENTS

**Indemnification/Hold Harmless.** CONSULTANT 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, arising out of or resulting from the acts, errors or omissions of the CONSULTANT in performance of this AGREEMENT, except for injuries and damages caused by the sole negligence of the City.

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

## 12. INSURANCE.

The CONSULTANT shall procure and maintain for the duration of this AGREEMENT, insurance 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 CONSULTANT, its agents, representatives or employees.

- A. **No Limitation.** CONSULTANT's maintenance of insurance as required by the AGREEMENT shall not be construed to limit the liability of the CONSULTANT to the coverage provided by such insurance, or otherwise limit the CITY's recourse to any remedy available at law or in equity.
- B. **Minimum Scope of Insurance.** CONSULTANT shall obtain insurance of the types described below:
1. 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.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The CITY shall be named as an insured under the CONSULTANT's Commercial General Liability insurance policy with respect to the work performed for the CITY.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the CONSULTANT's profession.

**C. Minimum Amounts of Insurance.** CONSULTANT shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of One Million Dollars (\$1,000,000.00) per accident.
2. Commercial General Liability insurance shall be written with limits no less than One Million Dollars (\$1,000,000.00) each occurrence, Two Million Dollars (\$2,000,000.00) general aggregate.
3. Professional Liability insurance shall be written with limits not less than One Million Dollars (\$1,000,000.00) per claim and One Million Dollars (\$1,000,000.00) policy aggregate limit.

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

1. The CONSULTANT'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 in excess of the CONSULTANT's insurance and shall not contribute with it.
2. The CONSULTANT's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.

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

**F. Verification of Coverage.** CONSULTANT 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 CONSULTANT before commencement of the work.

### **13. EXTRA WORK**

- A. The CITY may at any time, by written order, make changes within the general scope of the AGREEMENT in the services to be performed.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this AGREEMENT, whether or not changed by the order, or otherwise affects any other terms and conditions of the AGREEMENT, the CITY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule, or both; and (3) other affected terms and shall modify the AGREEMENT accordingly. If the change causes an increase in the maximum amount payable, it shall not become a part of this AGREEMENT unless and until a written amendment to the AGREEMENT is executed by both the CITY and the CONSULTANT.
- C. The CONSULTANT must submit its "request for equitable adjustment" (hereafter referred to as "claim") under this clause within thirty (30) days from the date of receipt of the written order. However, if the CITY decides that the facts justify it, the CITY may receive and act upon a claim submitted before final payment of the AGREEMENT.
- D. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the CONSULTANT from proceeding with the AGREEMENT as changed.
- E. Notwithstanding the terms and conditions of paragraphs (A) and (B) above, the maximum amount payable for this AGREEMENT shall not be increased or considered to be increased except by specific written supplement to this AGREEMENT.

### **14. ENDORSEMENT OF PLANS**

The CONSULTANT shall place his endorsement on all plans, estimates or any other engineering data furnished by him.

### **15. EQUAL OPPORTUNITY**

- A. Compliance with 41 CFR 60-1.4 -- Equal Opportunity Clause. The CITY incorporates 41 CFR 60-1.4 -- Equal Opportunity Clause by reference.

B. Compliance with 41 CFR 60-250.5 -- Equal Opportunity Clause (Special Disabled Veterans).

1. The CONSULTANT will not discriminate against any employee or applicant for employment because he or she is a special disabled veteran, veteran of the Vietnam era, recently separated veteran, or other protected veteran in regard to any position for which the employee or applicant for employment is qualified. The CONSULTANT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals without discrimination based on their status as a special disabled veteran, veteran of the Vietnam era, recently separated veteran, or other protected veteran in all employment practices, including the following:
  - i. Recruitment, advertising, and job application procedures;
  - ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - iii. Rates of pay or any other form of compensation and changes in compensation;
  - iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
  - v. Leaves of absence, sick leave, or any other leave;
  - vi. Fringe benefits available by virtue of employment, whether or not administered by the CONSULTANT;
  - vii. Selection and financial support for training, including apprenticeship, and on-the-job training under 38 U.S.C. 3687, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - viii. Activities sponsored by the CONSULTANT including social or recreational programs; and
  - ix. Any other term, condition, or privilege of employment.
2. The CONSULTANT agrees to immediately list all employment openings which exist at the time of the execution of this AGREEMENT and those which occur during the performance of this AGREEMENT, including those not generated by this AGREEMENT and including those occurring at an establishment of the CONSULTANT other than the one wherein the AGREEMENT is being performed, but excluding those of independently operated corporate affiliates, at an appropriate local employment service office of the state employment security

agency wherein the opening occurs. Listing employment openings with the U.S. Department of Labor's America's Job Bank shall satisfy the requirement to list jobs with the local employment service office.

3. Listing of employment openings with the local employment service office pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicants or from any particular group of job applicants, and nothing herein is intended to relieve the CONSULTANT from any requirements in Executive orders or regulations regarding nondiscrimination in employment.
4. Whenever the CONSULTANT becomes contractually bound to the listing provisions in paragraphs 2 and 3 of this clause, it shall advise the state employment security agency in each state where it has establishments of the name and location of each hiring location in the state: Provided, That this requirement shall not apply to state and local governmental CONSULTANTS. As long as the CONSULTANT is contractually bound to these provisions and has so advised the state agency, there is no need to advise the state agency of subsequent AGREEMENTS. The CONSULTANT may advise the state agency when it is no longer bound by this AGREEMENT clause.
5. The provisions of paragraphs 2 and 3 of this clause do not apply to the listing of employment openings which occur and are filled outside of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.
6. As used in this clause:
  - i. All employment openings include all positions except executive and top management, those positions that will be filled from within the CONSULTANT's organization, and positions lasting three (3) days or less. This term includes full-time employment, temporary employment of more than (3) three days' duration, and part-time employment.
  - ii. Executive and top management means any employee:
    - (a) whose primary duty consists of the management of the enterprise in which he or she is employed or of a customarily recognized department or subdivision thereof; and

- (b) who customarily and regularly directs the work of two (2) or more other employees therein; and
  - (c) who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and
  - (d) who customarily and regularly exercises discretionary powers; and
  - (e) who does not devote more than twenty percent (20%), or, in the case of an employee of a retail or service establishment who does not devote as much as forty percent (40%), of his or her hours of work in the work week to activities which are not directly and closely related to the performance of the work described in (a) through (d) of this paragraph 6.ii.; Provided, that (e) of this paragraph 6.ii. shall not apply in the case of an employee who is in sole charge of an independent establishment or a physically separated branch establishment, or who owns at least a twenty percent (20%) interest in the enterprise in which he or she is employed.
- iii. Positions that will be filled from within the CONSULTANT's organization means employment openings for which no consideration will be given to persons outside the CONSULTANT's organization (including any affiliates, subsidiaries, and parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists. The exception does not apply to a particular opening once an employer decides to consider applicants outside of his or her own organization.
7. The CONSULTANT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
8. In the event of the CONSULTANT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
9. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the CONSULTANT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and

applicants who are special disabled veterans, veterans of the Vietnam era, recently separated veterans, or other protected veterans. The CONSULTANT must ensure that applicants or employees who are special disabled veterans are informed of the contents of the notice (e.g., the CONSULTANT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

10. The CONSULTANT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONSULTANT is bound by the terms of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, and is committed to take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era, recently separated veterans, and other protected veterans.
11. The CONSULTANT will include the provisions of this clause in every subcontract or purchase order of Twenty-five Thousand Dollars (\$25,000.00) or more, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONSULTANT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance may direct to enforce such provisions, including action for noncompliance.

C. Compliance with 41 CFR 60-741.5 -- Equal Opportunity Clause (Workers with Disabilities).

1. The CONSULTANT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONSULTANT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
  - i. Recruitment, advertising, and job application procedures;
  - ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - iii. Rates of pay or any other form of compensation and changes in compensation;
  - iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;

- v. Leaves of absence, sick leave, or any other leave;
  - vi. Fringe benefits available by virtue of employment, whether or not administered by the CONSULTANT;
  - vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - viii. Activities sponsored by the CONSULTANT including social or recreational programs; and
  - ix. Any other term, condition, or privilege of employment.
2. The CONSULTANT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
  3. In the event of the CONSULTANT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
  4. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the CONSULTANT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The CONSULTANT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the contractor may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
  5. The CONSULTANT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
  6. The CONSULTANT will include the provisions of this clause in every subcontract or purchase order in excess of Ten Thousand Dollars (\$10,000.00), unless exempted by rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONSULTANT will take such action with

respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

**EXHIBIT A-1  
CERTIFICATION OF CONSULTANT**

Project No.

I hereby certify that I am DJ Dean a duly authorized representative of the firm of KPG, Inc. whose address is 753 9<sup>th</sup> Ave N, Seattle, WA 98109 and that neither I nor the above firm I here represent has:

- (a) employed or retained for a commission, percentage, brokerage, contingent fee or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONSULTANT) to solicit or secure this contract.
- (b) agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the contract.
- (c) paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above CONSULTANT) any fee, contribution, donation or consideration of any kind for, or in connection with procuring or carrying out the contract; except as here expressly stated (if any).

I further certify that the firm I here represent is authorized to do business in the State of Washington and that the firm is in full compliance with the requirements of the Board of Professional Registration.

I acknowledge that this certificate is subject to applicable State and Federal laws, both criminal and civil.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**CERTIFICATION OF CITY OFFICIAL**

I hereby certify that I am the responsible City official for the City of Oak Harbor, Washington, for this AGREEMENT and that the above consulting firm or its representative has not been required directly or indirectly as an express or implied condition in connection with obtaining or carrying out this contract to:

- (a) employ or retain, or agree to employ or retain, any firm or person; or
- (b) pay or agree to pay to any firm, person or organization, any fee, contribution, donation or consideration of any kind, except as here expressly stated (if any).

I acknowledge that this certificate is subject to applicable State and Federal laws, both criminal and civil.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**EXHIBIT A-2**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,**  
**AND OTHER RESPONSIBILITY MATTERS-**  
**PRIMARY COVERED TRANSACTIONS**

1. The CONSULTANT, through the prospective primary participant, certifies to the best of its knowledge and belief, that it and its principals:
  - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any State or Federal department or city;
  - b. have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph 1.b. of this certification; and
  - d. have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.
  
2. Where the CONSULTANT, through the prospective primary participant, is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Consultant (Firm): KPG, Inc.

\_\_\_\_\_  
Date

\_\_\_\_\_  
President or Authorized Official or  
Consultant Signature

**EXHIBIT B  
SCOPE OF WORK (ADD ON)**

Project No. \_\_\_\_\_

**See attached documents furnished by the Consultant**

**EXHIBIT C**  
**PAYMENT (NEGOTIATED HOURLY RATE PLUS COSTS)**

The CONSULTANT shall be paid by the CITY for completed work and services rendered under this AGREEMENT as provided hereinafter. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. If a federal highway project, the CONSULTANT shall conform with all applicable portions of 48 CFR 31.

**1. Hourly Rates**

The CONSULTANT shall be paid by the CITY for work done, based upon the negotiated hourly rates shown in Exhibits "D-1" and "D-2" attached hereto and by this reference made part of this AGREEMENT. The rates listed shall be applicable for the first twelve (12) month period and shall be subject to negotiation for the following twelve (12) month period upon request of the CONSULTANT or the CITY. If negotiations are not conducted for the second or subsequent twelve (12) month periods within ninety (90) days after completion of the previous period, the rates listed in this AGREEMENT or subsequent written authorization(s) from the CITY shall be utilized for the life of the AGREEMENT. The rates are inclusive of direct salaries, payroll additives, overhead and fees.

In the event renegotiation of the hourly rates is conducted, the CITY reserves the right to audit for any change in the overhead rate currently in use by the CONSULTANT and modify the hourly rates to be paid to the CONSULTANT subsequent to the renegotiation accordingly. Any changes in CONSULTANT's fixed hourly rates may include salary or overhead adjustments.

**2. Direct Non-salary Costs**

Direct non-salary costs will be reimbursed at the actual cost to the CONSULTANT. These charges may include, but are not limited to, the following items: travel, printing, long distance telephone, supplies, computer charges, and fees of subconsultants. Air or train travel will only be reimbursed to economy class levels unless otherwise approved by the CITY. Automobile mileage for travel will be reimbursed as the current rate approved for CITY employees and shall be supported by the date and time of each trip with origin and designation of such trips. Subsistence and lodging expenses will be reimbursed at the same rate as for CITY employees. The billing for non-salary cost, directly identifiable with the PROJECT, shall be an itemized listing of the charges supported by the original bills, invoices, expense accounts, and miscellaneous supporting data retained by the CONSULTANT. Copies of the original supporting documents shall be supplied to the CITY upon request. All above charges must be necessary for the services provided under this AGREEMENT.

**3. Management Reserve Fund**

The CITY may desire to establish a Management Reserve Fund to provide the Agreement Administrator the flexibility of authorizing additional funds to the AGREEMENT for allowable unforeseen costs, or reimbursing the CONSULTANT for additional work beyond that already defined in this AGREEMENT. Such authorization(s) shall be in writing and shall not exceed the lesser of Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the Total Amount Authorized as shown in the heading of this AGREEMENT. The amount included for the Management Reserve Fund is shown in the heading of this AGREEMENT. This fund may be replenished in a subsequent supplement agreement. Any changes requiring additional costs in excess of the "Management Reserve Fund" shall be made in accordance with Section 11, "Extra Work".

**4. Maximum Amount Payable**

The maximum amount payable for completion of work under this AGREEMENT shall not exceed the amount shown in the heading of this AGREEMENT. The maximum amount payable includes the Management Reserve Fund, but does not include payment for extra work as stipulated in Section 11, "Extra Work" of the General Requirements. No minimum amount payable is guaranteed under this AGREEMENT.

**5. Monthly Progress Payments**

Progress payments may be claimed on a monthly basis for all costs authorized in (1) and (2) above. The monthly invoices shall be supported by detailed statements for hours expended at the rates established in Exhibits "D-1" and "D-2", including names and classifications of all employees, and invoices for all direct non-salary expenses. To provide a means of verifying the invoiced salary costs for the CONSULTANT's employees, the CITY may conduct employee interviews. These interviews may consist of recording the names, titles, salary rates, and present duties of those employees performing work on the project at the time of the interview.

**6. Inspection of Cost Records**

The CONSULTANT and his/her subconsultants shall keep available for inspection by representatives of the CITY, State, and the United States, for a period of three (3) years after final payment, the cost records and accounts pertaining to this AGREEMENT and all items related to or bearing upon these records with the following exception: if any litigation, claim, or audit is started before the three (3) year period, the records shall be retained until all litigation, claims, or audit filings involving the records have been resolved. The three (3) year retention period begins when the CONSULTANT receives final payment.

**7. Final Payment**

Final payment of any balance due the CONSULTANT of the gross amount earned will be made promptly upon its verification by the CITY after the completion of the work under this AGREEMENT, contingent upon receipt of all PS&E, plans, maps, notes, reports, and other related documents which are required to be furnished under this AGREEMENT. Acceptance of such final payment by the CONSULTANT shall constitute a release of all claims for payment which the CONSULTANT may have against the CITY unless such claims are specifically reserved in writing and transmitted to the CITY by the CONSULTANT prior to its acceptance. Said final payment shall not, however, be a bar to any claims that the CITY may have against the CONSULTANT or to any remedies the CITY may pursue with respect to such claims.

The payment of any billing will not constitute agreement as to the appropriateness of any item and at the time of final audit, all required adjustments will be made and reflected in a final payment. In the event that such final audit reveals an overpayment to the CONSULTANT, the CONSULTANT will refund such overpayment to the CITY within ninety (90) days of notice of the overpayment. Such refund shall not constitute a waiver by the CONSULTANT of any claims relating to the validity of a finding by the CITY of overpayment.

**EXHIBIT D**  
**CONSULTANT FEE DETERMINATION – SUMMARY SHEET**

**Prime Consultant: KPG, Inc.**

**Project: Solid Waste and Recycling Transfer Station Preliminary Engineering and Facility Plan**

**Direct Salary Cost (DSC):**

<u>Classification</u>	<u>Man Hours</u>	x	<u>Rate</u>	=	<u>Cost</u>
Principal Architect	40		34.62		\$ 1384.80
Program Lead	24		40.56		\$ 973.44
Technical Support	8		41.00		\$ 328
QA/QC	8		45.00		\$ 360
Construction Review	4		21.63		\$ 86.52
Project Manager	70		31.00		\$ 2170
Technical Design	24		28.00		\$ 672
Technical Design	22		18.27		\$ 401.94
Landscape Architect	4		41.00		\$ 164
Technical Design	4		26.44		\$105.76
Administration	2		24.04		\$ 48.08
Administration	2		42.50		\$ 85
<b>Total DSC =</b>					<b><u>\$ 6,779.54</u></b>

**Overhead (OH Cost – including Salary Additives):**

**OH Rate x DSC of 169.01% x \$6,779.54** **\$ 11,458.10**

**Fixed Fee (FF):**

**FF Rate x DSC of 30% x \$18,258** **\$ 5,471.29**

**Reimbursables:**

**Itemized** **\$ 648**

**Subconsultant Costs (See Exhibit “G”):**

**\$ 5,075**

**Grand Total**

**\$ 29,432**

**Prepared by S.Fischer**

**Date July 20, 2012**

**EXHIBIT D-2**  
**CONSULTANT FEE DETERMINATION - SUMMARY SHEET**  
**(Specific Rates of Pay)**

**Fee Schedule**

<b>Discipline or Job Title</b>	<b>Hourly Rate</b>	<b>Overhead @169.01%</b>	<b>Profit @30%</b>	<b>Rate Per Hour</b>
<u>Richard Abe – QA/OC</u>	<u>\$45.00</u>	<u>76.05</u>	<u>36.30</u>	<u>\$157.40</u>
<u>Bill Bungartz – Technician Design</u>	<u>\$18.24</u>	<u>30.83</u>	<u>14.72</u>	<u>\$63.80</u>
<u>Charlie Conway – Technical Support</u>	<u>\$41.00</u>	<u>69.29</u>	<u>33.08</u>	<u>\$143.40</u>
<u>DJ Dean – Principle</u>	<u>\$34.62</u>	<u>58.51</u>	<u>27.94</u>	<u>\$121.10</u>
<u>Keith Donaldson – Construction Supp.</u>	<u>\$21.63</u>	<u>36.56</u>	<u>17.45</u>	<u>\$75.70</u>
<u>Sarah Fischer – Project Manager</u>	<u>\$31.00</u>	<u>52.39</u>	<u>25.02</u>	<u>\$108.40</u>
<u>Carolyn Forbes – Programming Lead</u>	<u>\$40.56</u>	<u>68.55</u>	<u>32.73</u>	<u>\$141.90</u>
<u>Liz Gibson – Landscape Architect</u>	<u>\$41.00</u>	<u>69.29</u>	<u>33.08</u>	<u>\$143.40</u>
<u>Phong Nguyen – Technical Design</u>	<u>\$26.44</u>	<u>44.68</u>	<u>21.34</u>	<u>\$92.50</u>
<u>Jennifer Palmer – Technician Design</u>	<u>\$28.00</u>	<u>47.32</u>	<u>22.60</u>	<u>\$97.90</u>
<u>Suzy Rowe – Administration</u>	<u>\$42.50</u>	<u>71.83</u>	<u>34.30</u>	<u>\$148.60</u>
<u>Danielle Winkelmann – Administration</u>	<u>\$24.04</u>	<u>40.63</u>	<u>19.40</u>	<u>\$84.10</u>

**EXHIBIT F**  
**PAYMENT UPON TERMINATION OF AGREEMENT BY CITY**  
**OTHER THAN FOR FAULT OF THE CONSULTANT**  
**(Refer to General Requirements, Section 3)**

**Specific Rates of Pay Contracts**

A final payment shall be made to the CONSULTANT for actual hours charged at the time of termination of this AGREEMENT plus any direct non-salary costs incurred at the time of termination of this AGREEMENT.





**EXHIBIT G-2**

**BHC Consultants, LLC  
Overhead Schedule  
FYE December 31, 2011**

Description	General Ledger	BHC Adj.	Ref.	Revised Amount	%
<b>Total Direct Labor Base</b>	<b><u>\$1,758,220</u></b>			<b><u>\$1,758,220</u></b>	
<b>Fringe Benefits</b>					
Payroll Taxes	\$91,199			\$91,199	5.19%
Bonus	198,868	(75,000)	A	123,868	7.05%
Health & Dental Insurance	327,497			327,497	18.63%
Life/AD&D/STD/LTD Insurance	21,735			21,735	1.24%
Retirement	111,313			111,313	6.33%
Vacation, Holiday, Sick	315,498			315,498	17.94%
Misc. Payroll Expense (Section 125 Fees, ADP Fees)	9,199			9,199	0.52%
<b>Total Fringe Benefits</b>	<b><u>\$1,075,309</u></b>	<b><u>(\$75,000)</u></b>		<b><u>\$1,000,309</u></b>	<b>56.89%</b>
<b>General Overhead</b>					
Indirect Labor	\$1,185,240	(\$7,161)	B	\$1,178,079	67.00%
Temporary Personnel	0			0	0.00%
Legal & Accounting	98,588	(62,390)	C	36,198	2.06%
Facilities	429,577			429,577	24.43%
Communications	35,391			35,391	2.01%
Professional Development	36,920			36,920	2.10%
Personnel	31,795	(19,788)	D	12,007	0.68%
Client Services Expense	72,885	(25,534)	E	47,351	2.69%
Travel & Subsistence	21,889	(3,000)	F	18,889	1.07%
Printing & Reproductions	2,950			2,950	0.17%
Vehicle Expense	6,034			6,034	0.34%
Office Supplies	28,502			28,502	1.62%
Library	2,229			2,229	0.13%
Computer & Software Expense	72,010			72,010	4.10%
Bank Charges (Non-Interest)	1,250			1,250	0.07%
Office Expense (Business Consulting Services)	15,019			15,019	0.85%
Business Insurance	86,522	(13,537)	G	72,985	4.15%
Business License and Taxes	131,809			131,809	7.50%
Charitable Contributions	283	(283)	H	0	0.00%
Depreciation	67,498			67,498	3.84%
G&A Other (Misc.)	53,840	(31,936)	I	21,904	1.25%
Facilities Capital Cost of Money		2,712	J	2,712	0.15%
<b>Total General Overhead</b>	<b><u>\$2,380,231</u></b>	<b><u>(\$160,917)</u></b>		<b><u>\$2,219,314</u></b>	<b>107.16%</b>
<b>Total Overhead Expenses</b>	<b><u>\$3,455,540</u></b>	<b><u>(\$235,917)</u></b>		<b><u>\$3,219,623</u></b>	<b>165.16%</b>
<b>Overhead Rate</b>	<b><u>196.54%</u></b>			<b><u>183.12%</u></b>	

*BHC Consultants, LLC  
Overhead rate subject to audit*

**BHC Consultants Adjustments:**

*BHC Consultants, LLC Overhead Schedule has not been audited*

- A Owner Distributions Based on Percentage Ownership - Unallowable
- B General Marketing/Public Relations per 31.205-1  
*5% of J. Davies & T. Pham salary allocated to general marketing, trade shows, etc.*
- C Preparation of corporate tax return in excess of \$250 per 31.205-41  
*Company tax return unallowable/Owner tax preparation and consulting unallowable.*
- D Alcoholic beverages per 31.205-51, Gifts unallowable per 48 CFR 31.205-13, Entertainment per 31.205-14  
*Alcohol, Gift Cards, Gifts, Floral Delivery, Cards, Retirement Celebration*
- E Advertising per 31.205-1, Sponsorships/Contributions per 31.205-8, Entertainment per 31.205-14, Gifts per 48 CFR 31.205-13
- F Travel in excess of CONUS per 205-46(a)(2)(i), Local meals unallowable per 48 CFR 31.205-14 & WSDOT Accounting Manual M13-82, Ch. 10, Travel - Local Meals
- G Key man life insurance per 31.205-19
- H Charitable contributions per 31.205-8
- I Losses on Contracts per 31.205-23
- J Facility Capital Cost of Money at 1.44% per 31.205-10

# Scope of Services

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## City of Oak Harbor Transfer Station

This scope of services describes professional design services to be provided under the Prime Agreement between KPG, P.S. and the City of Oak Harbor. The project includes a project program for a new Transfer Station and design services for a new vehicle scale.

The City will have the option to amend the Consultant's Contract to include Phase II, Phase III, and Phase IV. Phase II thru Phase IV are not included in this current Scope of Services. A Contract amendment may be prepared by the City and Consultant at such time the Project has been approved to proceed beyond Phase I – Transfer Station Facility Programming.

The expected project phases are as follows:

- Phase I – Transfer Station Facility Programming.
- Phase II – Site Selection, Conceptual Site Planning, and Schematic Design for the Transfer Station.
- Phase III – Design Development and Construction Documents for the Transfer Station and Scale.
- Phase IV – Construction Phase Services for the Transfer Station.

## Phase I

### Task 1.0 – Project Management

Throughout the course of this contract, the Consultant will provide effective project management and leadership for their staff working on this project. The focus of project management will be to ensure that project work remains on schedule and within budget. The Consultant shall perform routine project management activities as follows:

- Manage all project activities and prepare monthly budgetary progress reports, which shall include statements of work accomplished, and invoices.
- Develop a preliminary Project Schedule. Update Project Schedule as necessary.
- Coordinate subconsultant activities as necessary to keep the project on schedule as well as clarify issues and questions.
- Meeting organization and facilitation for general project meetings.
- The Task 1.0 – Project Management fee estimate will be updated at each project Phase.



An Interdisciplinary Design Firm  
753 9th Avenue North  
Seattle, WA 98109  
P | 206.286.1640  
F | 206.286.1639

July 20, 2012

### **Assumptions**

- Project Management services will continue as outlined in Task 1 throughout the tasks identified in Phase II, Phase III, and Phase IV. A Contract amendment is required to extend these services beyond Phase I.
- This is a consultant services contract based upon work actually completed (as opposed to a lump sum contractor type contract). Any budget remaining in tasks or reserves that are not billable will remain in the Owners' fund.
- Fee budget estimate contained in this scope of services is an estimate, and actual amount may be higher or lower in response to project needs. The Consultant and the City agree to make reasonable efforts to anticipate and address project needs so as to manage expenditures of hours and budgets in a proactive manner.
- The City will allow the Consultant to make budgetary transfer between Tasks as needed to address actual needs of the Project. The Consultant agrees to request authorization of such transfer of hours and budget from the City Project Manager. The Consultant shall obtain written authorization from the City PM before expending efforts known to require transfer of hours and budget.

### **Meetings**

- General Project Meetings: (4) meetings by teleconference. (1 hour each)

### **Deliverables**

- Monthly status reports
- Monthly invoices
- Preliminary Project Schedule and updates as necessary

## **Task 2.0 – Transfer Station Project Programming**

The purpose of this task is to prepare a report to inform the City of proposed facility size, potential costs and permits associated with a new transfer station. The report shall provide documentation to assist the City and their Consultant with future phased including: Site Selection, Conceptual Site Planning, and Schematic Design for the Transfer Station.

### **Task 2.1 – Project Program**

The Consultant shall prepare a Project Program document using user/staff questionnaires and a work session with City staff. The information gathered from staff and the work session is intended to define the programming criteria that will be used to generate a building and site concept for cost analysis. The Consultant during this task shall perform the following work activities: conceptual transfer station design & site arrangement plan (not site-specific), identification of applicable permits, ordinances, regulations, and approvals needed, preliminary transfer station capitol cost estimate, preliminary anticipated construction duration, environmental stewardship recommendations.

### Task 2.2 – Identification of Financing Options

The Consultant will assist City Staff with the identification of financing options and help identify grant or loan opportunities. For viable alternatives, the Consultant will compile program information including how to apply, when to apply, and will identify aspects of the proposed Transfer Station that will match well with specific grants or loans. The scope and budget excludes preparing grant and loan applications. Identified Financing options will be incorporated into the Project Program.

#### *Assumptions*

- This task does not include site selection, site studies, site planning alternatives, or site development services for the transfer station.
- One conceptual transfer station configurations will be evaluated: (1) a direct load to a top-load trailer without compaction.
- The City will conduct the project business case.

#### *Meetings*

- Progress: Weekly meetings by teleconference report progress and answer/ask questions. (1 hour each)
- Work Session: Meeting at the City's offices to discuss facility operational needs, equipment considerations, and program elements. (8 hours including travel time)
- Draft Project Program Presentation: Meeting to present project program document for review and verify document assumptions with the City (6 hours including travel time)

#### *Deliverables*

- Staff Questionnaires – **(2 Weeks from NTP)**
- Draft Project Program - **(6 Weeks from NTP)**
- Final Project Program - **(10 Weeks from NTP)**

July 20, 2012

## **Phase II**

**Task 3 – Site Selection and Conceptual Site Planning**

**Task 4 – Transfer Building Design**

**Task 5 – Public Process and Presentation**

**Task 6 – Engineers Estimates of Probable Construction Cost**

## **Phase III**

**Task 7 – Vehicle Scale**

**Task 8 – Transfer Station Construction Documents**

**Task 9 – Engineer’s Estimates of Probable Construction Cost**

## **Phase IV**

**Task 10 – Engineering Services During Construction**

**Task 9 – Project Closeout**

END of Scope of Services Document

EXHIBIT D  
HOME OFFICE RATES

SAIC 1001 Fourth Ave, Suite 2500 Seattle, Washington 98154		WSDOT Y-9761 SR520 Bridge Replacement and HOV Project GEC		Overhead 169.95%		Fixed Fee 30%		All Inclusive Hourly Billing Rate	
Job Classification	Direct Labor Rates Min. Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Principal/Project Manager	\$ 50.72 \$ 93.00	\$ 86.20	\$ 158.05	\$ 15.22	\$ 27.90	\$ 152.13	\$ 278.95		
Senior Engineer	\$ 34.61 \$ 60.00	\$ 58.82	\$ 101.97	\$ 10.38	\$ 18.00	\$ 103.81	\$ 179.97		
Project Engineer	\$ 33.18 \$ 55.00	\$ 56.39	\$ 93.47	\$ 9.95	\$ 16.50	\$ 99.52	\$ 164.97		
Staff Engineer	\$ 27.41 \$ 42.00	\$ 46.58	\$ 71.38	\$ 8.22	\$ 12.60	\$ 82.22	\$ 125.98		
Junior Engineer	\$ 23.08 \$ 35.00	\$ 39.22	\$ 59.48	\$ 6.92	\$ 10.50	\$ 69.23	\$ 104.98		
Project Assistant	\$ 20.19 \$ 32.00	\$ 34.31	\$ 54.38	\$ 6.06	\$ 9.60	\$ 60.56	\$ 95.98		
Financial Operations	\$ 22.61 \$ 38.00	\$ 38.43	\$ 64.58	\$ 6.78	\$ 11.40	\$ 67.82	\$ 113.98		
Editor	\$ 26.44 \$ 38.00	\$ 44.93	\$ 64.58	\$ 7.93	\$ 11.40	\$ 79.31	\$ 113.98		
Graphics	\$ 21.63 \$ 30.00	\$ 36.76	\$ 50.99	\$ 6.49	\$ 9.00	\$ 64.88	\$ 89.99		
GIS	\$ 21.06 \$ 36.00	\$ 35.79	\$ 61.18	\$ 6.32	\$ 10.80	\$ 63.17	\$ 107.98		
CAD	\$ 23.97 \$ 33.00	\$ 40.74	\$ 56.08	\$ 7.19	\$ 9.90	\$ 71.90	\$ 98.98		
Clerical	\$ 15.30 \$ 23.00	\$ 26.00	\$ 39.09	\$ 4.59	\$ 6.90	\$ 45.89	\$ 68.99		
Intern	\$ 12.00 \$ 16.00	\$ 20.39	\$ 27.19	\$ 3.60	\$ 4.80	\$ 35.99	\$ 47.99		

Notes:

Max rates include 5% escalation  
 All travel will be billed per WSDOT Travel Regulations  
 WSDOT Policy 2006-01 allows markups by the prime consultant on subcontractor costs; all other direct non salary costs will be reimbursed at cost without markup  
 Invoiced direct labor costs may be less than the minimum rates shown per job classification, but cannot exceed the maximum rate per job classification.



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

Bill No. 13  
Date: August 8, 2012  
Subject: Council Rules Amendments

FROM: Larry Cort,  Interim City Administrator

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

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

---

**PURPOSE**

The purpose of the agenda bill is to present a number of potential amendments to the document entitled *Administration and Personnel Council Rules*, first adopted on March 2, 2004 and last amended on March 20, 2012.

**AUTHORITY**

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 draft amendments encompass suggestions by Parliamentarian Ann McFarland following her review of the *Administration and Personnel Council Rules*, recent actions by the City Council to modify several rules, and housekeeping changes prompted by the Interim City Attorney's review. The following summarizes the draft changes by page number:

1. Page 2 – Change the Title for Rule 2.
2. Page 5 – Add a paragraph on regular meeting times.
3. Page 5 – AnnMcFarlanerecommended changing the authority to call a special meeting from a majority of the Council to three members of the Council. The Interim City Attorney recommends keeping this as a majority of Council. There is a conflict between RCW 35A.12.110 and RCW 42.30.080 – the Open Public Meetings Act (OPMA). The former allows three members to call for a special meeting and latter requires a majority

- (4). Under RCW 42.30.140, the OPMA controls over other statutes in the event of a conflict. So, the existing language is consistent with State law.
4. Page 5 – Add the requirement that meetings must be posted on our web site, a new requirement of State Law.
  5. Page 7 – Based on the Council’s recent decision to allow Councilmember Hizon to participate by phone, sample language is offered to make this possibility part of the rules. Staff suggests not allowing participation on quasi-judicial matters to protect due process.
  6. Page 9 – Add clarification on special meeting restrictions.
  7. Page 9 – Suggestion based on recent Council discussion on comment periods.
  8. Page 10 – Clarifying the difference between testimony (during a quasi-judicial public hearing) and public comment on all other matters.
  9. Page 14 – Modification suggested by Ann McFarlane allowing the Council the authority to initiate removal of a disorderly person.
  10. Page 16 – Deleting sentence in Section 2 per Ann McFarlane.
  11. Page 16 – In Section 3, Ann McFarlane suggests reducing the amount of time a Councilmember can speak per agenda item (she offers from 2 to 5 minutes as options).
  12. Page 16 – In Section 6, Ann McFarlane suggests removing “encourage” and replacing it with “shall.”
  13. Page 16 – Also from Ann McFarlane in Section 8, discussion should always be addressed to the Mayor.
  14. Page 17 – Stipulating that reducing amendments to writing is discretionary.
  15. Page 19 – From Ann McFarlane, add the City Clerk to the City Attorney as having the ability to interrupt proceedings to provide procedural advice.
  16. Page 23 – Adding language reflecting recent Council action.

Finally, the Council may wish to amend Chapter 1.04, Council Meetings, to formally establish the ending time of 9:00 pm (1.04.101(3) OHMC). This change is not a requirement because the start time of 6:00 pm is still consistent with the recent Council rule change and the Council rules state that the ending time is 9:00 pm, subject to extension. This change would require a public hearing.

As amendments to the Council Rules, the City Council may elect to approve any or all of these changes at the August 8, 2012 meeting.

### **STANDING COMMITTEE REPORT**

The draft amendments have not been presented at a Standing Committee.

### **RECOMMENDED ACTION**

1. Review draft amendments.
2. Act on draft amendments or provide further direction to staff.

### **ATTACHMENTS**

1. *Administrative and Personnel Council Rules (with draft amendments)*

2. Notes from Workshop with Ann McFarlane

**MAYOR'S COMMENTS**



# Administration and Personnel Council Rules

Resolution No. 04-02  
Passed March 2, 2004  
Last Amended March 20, 2012

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<b>[NB. Appendix not included in this draft]</b>	

**Rule No. 1: Purpose - Scope.** The order of procedure and business herein contained shall govern deliberations and meetings of the City Council except as the same may be in conflict with RCW Chapter 35A.12 or other state law and constitutional provisions.

**Rule No. 2: ~~Special~~ Meetings.**

- (1) Regular Meetings – Regular meetings will begin at 6:00 p.m. and end not later than 9:00 p.m. unless extended by the majority vote of the Council.
  
- (2) Special meetings may be called by the Mayor or by a majority of the Council by written notice delivered personally or by mail to each Councilmember and the Mayor at least twenty-four hours prior to the time set for the meeting as specified in the notice. Notice of the meeting shall also be posted on the City's web page. The requirements of the "Open Meeting Law", RCW Chapter 42.30 shall apply in all respects to special meetings of the Council. Councilmembers may consent to personal written notice being placed in Councilmember's mailbox at City Hall; provided, further, in such cases a telephonic or personal notice shall be given to each Councilmember.

**Rule No. 3: Meetings public - Executive sessions.** All regular and special meetings of the Council shall be open to the public. The Council may hold executive sessions from which the public may be excluded for those purposes set forth in RCW 42.30.110 (Open Meeting Law), may order the removal of individuals who are interrupting the meeting as provided in RCW 42.30.050, and may exclude witnesses during investigation of a matter by the Council as provided in RCW 42.30.110.

**Rule No. 4: Quorum - Absent Councilmembers.**

(1) A majority of Councilmembers of the Council shall constitute a quorum at all meetings of the Council, but a less number may adjourn from time to time and may compel the attendance of absent Councilmembers by direction to the Chief of Police under penalty. Once a meeting has been constituted and called to order, no Councilmember present shall absent himself/herself from the same without leave of the presiding officer or a majority of the Council. See Privileged Motion in Chapters 3, 4, 5, 6, 7, 8, 9, 10 and 15 of THE STANDARD CODE OF PARLIAMENTARY PROCEDURE (Fourth Edition) by Alice Sturgis.

(2) ~~No Councilmember may participate by electronic means. Thus, a person may not be absent from the meeting room and participate by phone, radio or video.~~

With prior approval by a majority of the Council and on non-quasi-judicial matters only, a Councilmember may participate by an agreed upon electronic means. A Councilmember may participate by this means no more than two times per year.

**Rule No. 5: Presiding officer - Mayor, Clerk pro tempore.** All meetings of the Council shall be presided over by the Mayor, or, in his/her absence, by the Mayor pro tempore. If the Clerk is absent from a Council meeting, the Mayor or Mayor pro tempore shall appoint a Clerk pro tempore. The appointment of a Councilmember as Mayor pro tempore shall not in any way abridge his/her right to vote upon all questions coming before the Council.

**Rule No. 6: Agenda.**

- (1) Preparation of Agenda. An agenda for regular meetings shall be prepared by the Mayor and transmitted to the Councilmembers. The agenda shall consist of the business to come before the City Council, but shall not preclude the Council from considering matters in addition to those set forth on said agenda. The heads of the various departments of the City shall report agenda matters and deliver copies of supporting materials to the Mayor in sufficient time for their inclusion on the agenda.

For purposes of discussion, secondary motions and amendments, the placement of an action item on the agenda shall be deemed a motion to adopt the presented agenda item. However, any action on the main agenda item, including adoption as presented, shall require a motion, a second and an affirmative vote of the Council.

For special meetings, final action may be taken by Council only on items for which notice was provided and which were placed on the agenda.

- (2) Addition of items. Items added to the agenda within 48 hours of the meeting shall be considered only upon approval of a majority of the Council present at the meeting.
- (3) Order of Business. The order of business should follow as nearly as possible the order of the agenda as follows:
- (a) Pledge of Allegiance.
  - (b) Invocation.
  - (c) Proclamations.
  - (d) Presentations or other non-action items.
  - (e) Citizen Comment Period (a maximum of three minutes per speaker for 15 minutes). By a majority vote, the Council may extend the Citizen Comment Period.
  - (f) Consent agenda.
  - (g) Hearings:
    - (i) Hearing (a maximum of three minutes per speaker, provided, that the Council may, in its discretion, allow for additional time where the complexity of issues involved requires more time in order to give the speaker a reasonable opportunity to be heard on the matter),
    - (ii) Passage of any applicable ordinance or resolution.

- (h) Public meetings (consideration of ordinance).
- (i) Resolutions.
- (j) Other items -- Contracts, Reports from staff, etc.
- (k) Mayor and City Administrator comments, etc.
- (l) Council comments and raised issues. See OHMC 1.04.020(3) and Rule 11(7).
- (m) Mayor's comments.
- (n) Adjournment.

The order of business set forth in this section is a guideline and shall not be construed in any way as to limit the order in which the Mayor puts the agenda together. Council may elect to proceed with its business as it deems appropriate upon majority vote.

"Public hearing" items listed on the agenda will reference (1) items that have been scheduled by City Council and (2) that a separate public advertisement has been published announcing the nature of the matter. Public comment, Testimony (in the case of quasi-judicial hearings) or other input will be allowed at the time of the hearing.

"Public meeting" items on Council agendas will reference items which Council will take public input on the issue and usually have been scheduled by the Council in open meeting and are not listed as a public hearing.

**Rule No. 6A: Consent agenda.**

- (1) The Mayor shall place matters on a Consent Agenda which:
  - (a) have been previously discussed by the Council; or
  - (b) are based on the information delivered to members of the Council by administration which can be reviewed by a Councilmember without further explanation; or
  - (c) are routine or technical in nature so that passage without discussion is likely. These include contract approvals provided the agenda bill lists the dollar amount of the contract, assurances that the amount for the contract is within budget limits, proper bidding processes were followed and how the contractor was chosen.
- (2) The Clerk shall read the Consent Agenda actions, including the titles of any ordinances or resolutions contained therein.
- (3) The proper Council motion on the Consent Agenda is as follows: "I move to adopt the Consent Agenda". A second is required. This motion shall be non-debatable and will have the effect of moving to adopt all items on the Consent Agenda. Since adoption of any item on the Consent Agenda implies unanimous consent, any member of the Council shall have the right to remove any item from the Consent Agenda. Therefore, prior to the vote on the motion to adopt the Consent Agenda, the Mayor shall inquire if any Councilmember wishes an item to be withdrawn from the Consent Agenda. If any matter is withdrawn, the Mayor shall place the item at an appropriate place on the agenda for the current or a future meeting.

**Rule No. 7: Public hearing notices and notice of preliminary Council agenda.**  
See OHMC 1.04.020.

**Rule No. 8: Minutes (City Clerk).** The Clerk shall keep minutes of all regular and special meetings as part of a correct journal of all proceedings. The Clerk shall assign a number to each ordinance prior to the meeting at which it is to be considered for final passage.

**Rule No. 9: Public discussion.**

- (1) No person, not a member of the Council, shall be allowed to address the same while in session without the permission of the presiding officer. A Councilmember who wishes to ask a question of a member of the public shall seek permission from the presiding officer. The presiding officer shall have the authority to limit the time allowed to address the Council. Disorderly persons, including those who do not abide by the rules established, may be removed from the meeting place at the direction of the presiding officer, or (a majority of) Council. See RCW 9A.84.030 - Disorderly Conduct.
- (2) Council shall provide opportunity to be heard on all agenda items, ordinances, resolutions and matters concerning budget related items. When allowed, audience participation shall usually be limited to a maximum of three minutes per speaker. No speaker shall be allowed to cede his or her time to another speaker.
- (3) On each agenda item after a description of the matter has been made, the Mayor shall ask if there are any questions or comments by citizens in the audience. After discussion by the Council commences, citizen comment should not be permitted except by permission of the Council. See Rule 11.
- (4) Unless approved by the Mayor prior to the speaker beginning to address the Council, no member of the public may utilize an electronic or video device for purposes of his or her presentation to the Council. This restriction shall not apply to any device which is an accommodation for the speaker's disability.

**Rule No. 10: Presiding officer's duties.** It shall be the duty of the presiding officer of the Council meeting to:

- (1) Call the meeting to order;
- (2) Keep the meeting to its order of business;
- (3) State each motion and require a second, when applicable, to that motion before permitting discussion;
- (4) Handle discussion in an orderly way:
  - (a) Give every Councilmember who wishes an opportunity to speak,
  - (b) Keep all speakers to the rules and to the questions,
  - (c) Give pro and con speakers an equal opportunity to speak;
- (5) Put motions to a vote and announce the outcome;
- (6) Suggest but not make motions for adjournment;
- (7) Call for short recesses up to 15 minutes;
- (8) Appoint committees when authorized by law or Council action.

**Rule No. 11: Debate/Discussion.**

- (1) Councilmembers may speak more than once on the same subject; provided, further, that after each Councilmember has had an opportunity to speak on a subject at least once, that only a majority of Councilmembers present may close debate;
- (2) No Councilmember may speak a second time to a question until every Councilmember choosing to speak has spoken. Each round of debate shall proceed in the same fashion -- i.e., no person shall speak again until all others have been given an opportunity to speak. However, an amendment or any other motion being offered, makes the real question before the assembly a different one, and, in regard to the right to debate, is treated as a new question. ~~Merely asking a question, or making a suggestion, is not considered as speaking.~~ The maker of a motion, though he/she can vote against it, should not speak against his/her own motion.
- (3) Unless permitted by a majority, no member may be allowed to speak for more than ~~ten minutes~~ (two to five minutes suggested) on one agenda item, question or motion.
- (4) When an amendment is pending, the debate must be confined to the merits of the amendment unless it is of such a nature that its decision practically decides the main question.
- (5) Closure of debate.
  - (a) The Mayor may close debate after a call for the question has been made by a Councilmember and no one objects to closure or when all Councilmembers have indicated they have completed their discussion. The Mayor cannot close the debate as long as any Councilmember desires to speak.
  - (b) Council may close debate by motion and call for the question by motion after each Councilmember has had an opportunity to speak at least once. (See Rule 11(1).)
- (6) Discussion may occur on scheduled agenda items without there being a motion made on the matter. ~~It is encouraged that e~~Each Councilmember shall be allowed to speak once before a motion is made so that fewer subsidiary motions and votes will be needed to dispose of a matter.
- (7) Councilmembers may bring up new business or old business and make inquiries of staff without putting the issue in the form of a motion. When asked by the Mayor or another Councilmember, the Councilmember introducing the matter for discussion ~~shall~~ may put the issue into the form of a motion.
- (8) Discussion should be addressed to the Mayor, ~~or to other Councilmembers.~~

**Rule No. 12: Motions in writing - When.** The presiding officer and any member of the Council may require a motion to be reduced to writing prior to a vote upon the same. All resolutions and ordinances shall be in writing before being adopted. Amendments to an ordinance ~~shall~~ may be reduced to writing before being voted up.

**Rule No. 13: Motions - Priority.**

- (1) The following order shall be the order of priority for main and subsidiary motions:
  - (a) Adjourn - Recess.
  - (b) Question of privilege.
  - (c) Take from the table.
  - (d) Previous question.
  - (e) Postpone to a set time.
  - (f) Refer to a Committee, Commission or Board.
  - (g) Amend.
  - (h) Main question.
- (2) The main motion is lowest in rank.
- (3) To fix time to adjourn is the highest. When any motion on this list is before the Council, a motion above it on the list is in order, those below it are out of order.
- (4) Priority of incidental motions is as set out in Chapter 5 of THE STANDARD CODE OF PARLIAMENTARY PROCEDURE (Fourth Edition) by Alice Sturgis. (NOTE: Usually, subsidiary motions are permissible to make while considering any other regular business.)

**Rule No. 14: Motions.**

- (1) Motions shall be clear and concise and not include arguments for the motion within the motion.
- (2) There shall be no discussion of a motion prior to it being seconded other than to clarify the motion language.
- (3) If a motion does not receive a second, it dies. Motions that do not need a second include: nominations, withdrawal of motion, agenda order, request for a roll call vote, and point of order, privilege.
- (4) After a motion and a second, the Mayor will state the names of the Councilmembers making the motion and second. The Mayor, the Clerk or the motion maker shall restate the motion prior to debate.
- (5) After a motion has been made and seconded, the Council may discuss their options on the issue prior to the vote. No further citizen comments may be heard when there is a motion and a second on the floor.
- (6) A motion to table is not debatable and shall preclude all amendments or debate of the issue under consideration. If the motion to table prevails, the matter may be "taken from the table" only by adding it to the agenda of a future regular or special meeting at which time discussion will continue; and if an item is tabled, it cannot be reconsidered at the same meeting. A motion to table may not be used to dispose of a quasi-judicial matter.
- (7) A motion to postpone to a certain time is debatable, is amendable, and may be reconsidered at any regular meeting.
- (8) A motion to amend is defined as amending a motion that is on the floor and has been seconded, by inserting or adding, striking out, striking out and inserting, or substituting. A motion to amend a motion to amend is permitted but there is no amendment of amendment of an amendment. Only one motion to amend may be on the floor at any one time.
- (9) The City Attorney, or his/her designee, shall provide information to the Mayor or Council concerning questions of interpretations of these policies and procedures and other questions of a parliamentary nature which may arise at a Council meeting. The City Attorney, or his/her designee, **or the City Clerk** may interrupt proceedings to provide advice concerning conformance with law and procedure.
- (10) All ordinances shall be prepared or reviewed by the City Attorney, or his/her designee, prior to being placed on the agenda. No ordinance shall be prepared for presentation to

the Council unless requested by a majority of the City Council, or the Mayor or the City Attorney.

**Rule No. 15: Motions - Debatable and Non-debatable.** The following list shows which motions are debatable and which are not:

- To fix time to adjourn ..... Non-debatable
- Adjourn - Recess ..... Non-debatable
- Privilege ..... Non-debatable
- Take from table ..... Debatable
- Postpone to a set time..... Debatable
- Previous question ..... Non-debatable
- Refer to a Committee, Commission,  
Board or Staff..... Debatable
- Amend ..... Debatable
- Main question or motion ..... Debatable

**Rule No. 16: Motions - 2/3's vote required.** Except as provided by \_\_ state law, only the following motions shall require a two-thirds (2/3) vote:

- (1) Suspend rules.
- (2) Previous question unless all members have been allowed to speak at least once in which case only a majority is needed to sustain the previous question.
- (3) Prevent introduction of business.
- (4) Amend these rules during the same meeting the motion to amend these rules is first made.

**Rule No. 17: Voting.**

- (1) Each Councilmember present must vote on all questions put to the Council, except as to matters with respect to which the Councilman may have a conflict of interest. Votes may be by "aye", "nay" or abstention. The vote shall include a show of hands. No secret ballots are allowed.
- (2) The Mayor may vote in case of a tie except for the passage of any ordinance, grant or revocation of franchise or license, and any resolution for the payment of money. These matters shall require the affirmative vote of at least a majority of the whole membership of the Council (four Councilmembers).
- (3) When the Council concurs or agrees with an item that does not require a formal motion, the Mayor will summarize the agreement at the conclusion of the discussion.
- (4) Similarly, on matters concerned with the setting of dates for hearings, public meetings, workshops, special meetings for which the Council usually sets the date by formal motion, no formal motion is required, if after the Mayor or a Councilmember suggests a date, there is a consensus by all Councilmembers that the date is acceptable. The Mayor shall summarize the consensus and the matter shall be entered in the record as a Council action by consensus.

**Rule No. 18: Adopted Rules of Order.** Chapters 2, 3, 4, 5, 6, 7, 8, 9, 10 and 15 of THE STANDARD CODE OF PARLIAMENTARY PROCEDURE (Fourth Edition) by Alice Sturgis shall govern the deliberations of the Council, except when in conflict with any of the foregoing rules and state law. Other sections of this text may be resorted to when deciding questions not addressed by constitutional or state law, ordinance or these rules but shall not be deemed rules of this Council or binding.

**Rule No. 19: Quasi-judicial matters - Site Visits.**

Whenever a quasi-judicial matter pending before the City Council involves a specific site, each member of the Council may visit the site prior to the making of a final decision in order to better understand the evidence to be presented. At the public hearing, Councilmembers shall disclose what information was observed.

### **Rule 19A: Quasi-Judicial Procedure - Appearance of Fairness**

- (1) Prior to staff presentation of a quasi-judicial matter, Councilmembers shall each determine whether the appearance of fairness doctrine requires that the Councilmember recuse himself or herself from sitting on the quasi-judicial matter.
- (2) If the matter is a land-use decision, the Councilmembers shall identify:
  - If they have any interest in the property or application;
  - If they own property within 300 feet of the subject property;
  - If they stand to gain or lose any financial benefit as a result of the outcome of the hearing;
  - If they have any personal, family or other connection to any party such that their ability to be impartial might be called into question;
  - Whether they can hear and consider the application in a fair and objective manner.
- (3) In non-land use quasi-judicial matters, the Councilmember shall identify:
  - If they stand to gain or lose any financial benefit as a result of the outcome of the hearing;
  - If they have any personal, family or other connection to any party such that their ability to be impartial might be called into question;
  - If there is any reason why they could not be fair and impartial in deciding this matter.
- (4) Upon disclosure of any of the above potential appearance of fairness concerns, the parties and the public shall be given an opportunity to object to any Councilmember sitting on the quasi-judicial matter based on the appearance of fairness doctrine. Failure to object to a Councilmember sitting on the quasi-judicial matter when offered the opportunity shall constitute a waiver of that objection.
- (5) Councilmembers are encouraged to recuse themselves if they feel there may be an appearance of fairness issue. If an individual Councilmember has determined not to recuse him or herself, the City Council as a whole may, by majority vote, decide that the Councilmember has an appearance of fairness concern which may taint the Council's decision in the pending case and may recuse the Councilmember on those grounds.
- (6) Any Councilmember who recuses him or herself or who is recused shall leave the Council hearing room prior to any testimony or consideration of the quasi-judicial matter.

**Rule No. 19B: Quasi-judicial Procedure - Ex Parte Contacts**

- (1) *Ex parte* contacts are contacts about the quasi-judicial matter occurring outside of the open public hearing at which it is decided.
- (2) Every Councilmember shall disclose any *ex parte* contacts he or she had and describe them on the record prior to the quasi-judicial hearing.
- (3) Unless the Councilmember feels that the *ex parte* contact(s) have affected his or her ability to be fair, the fact that the Councilmember has had *ex parte* contacts shall not disqualify a Councilmember PROVIDED that the Councilmember discloses those contacts on the record prior to the quasi-judicial hearing.
- (4) In any case in which a Councilmember has disclosed *ex parte* contacts, any party to the quasi-judicial hearing shall be allowed to rebut the substance of the *ex parte* contact(s) either prior to or during the quasi-judicial hearing.

**Rule No. 19C: Quasi-judicial Procedure - Testimony**

- (1) Testimony may not be taken in closed record land use appeals. The Council's decision must be based on the evidence in the record created by the Planning Commission or Hearing Examiner (as applicable). If the Council determines that additional evidence is needed in such cases, the Council may send the matter back to the Planning Commission or Hearing Examiner (as applicable) to add evidence to the record.
- (2) In other quasi-judicial matters, the Council may take limited additional evidence but is encouraged to rely upon the record already created.
- (3) Prior to giving testimony, all witnesses shall be sworn on oath to testify fully and truthfully:

"I hereby swear or affirm that the testimony I am about to give shall be the truth and the whole truth."

### **Rule No. 19D: Quasi-judicial Procedure - Advocacy**

- (1) Quasi-judicial hearings are intended to be adversarial, that is, to allow competing points of view to be argued by the proponent(s) and any opponent(s). The City Council shall sit as an impartial decision-maker rather than as an advocate for either position.
- (2) The proponent(s) shall speak first and make any arguments in favor of his or her position as "opening argument". Normally, the proponent(s) shall be limited to ten minutes of opening argument.
- (3) The opponent(s) shall speak after the proponent(s). Normally, the opponent(s) shall be limited to ten minutes of responsive argument.
- (4) Because the proponent(s) has the burden of persuasion, the proponent(s) shall be allowed three minutes of rebuttal to the opponent(s)' argument. Rebuttal shall not introduce any new arguments but shall only reply to the arguments of opponent(s).
- (5) The Mayor or the City Council may allow additional time for argument if either determines that the case would be better understood with additional argument.
- (6) After arguments have concluded, the City Council shall ask any questions Councilmembers have of the parties.
- (7) After testimony, argument and Council questioning has concluded, the Council shall deliberate and make its decision in an open public meeting. If an Executive Session is authorized by state law, the council may adjourn to an Executive Session to the extent authorized by state law but shall make its decision in an open public meeting.

**Rule No. 20: Requests for additional public hearings.** Where a public hearing was conducted prior to making a recommendation to the City Council, the City Council may consider holding an additional public hearing.

**Rule No. 21: Written materials submitted subsequent to public hearings.** Written materials may be submitted to the City Council following the close of a public hearing when authorized by Council on record.

**Rule No. 22: Reconsideration of quasi-judicial actions.** Any request of motion for reconsideration by a proponent or opponent of a quasi-judicial action of the City Council must be made in writing to the City Clerk. A motion to reconsider such action shall be out of order and shall not be acted upon unless made prior to taking up the start of the City Council agenda at the next regular City Council meeting following the meeting at which the action was taken. During the reconsideration period, no ex parte communication shall be made to any City Councilmember concerning the quasi-judicial action. "Action" shall mean the vote of the City Council expressing a decision even though followed at a later date by passage of an ordinance or resolution.

**Rule No. 23: Reconsideration of actions which are not quasi-judicial.** A member of the Council may request that the Council reconsider a decision on a matter which is not quasi-judicial in nature. A motion to reconsider must be made during the same meeting as the original action was taken.

**Rule No. 24: Ratification.** Only one reconsideration motion shall be allowed. Ratification shall be treated as a main motion and shall be for purposes of correcting procedural or substantive concerns and shall relate back to the date of original action unless the Council otherwise provides.

**Rule No. 25: Failure to follow rules.**

- (1) Failure to follow these rules shall not void any action taken by Council.
- (2) A Councilmember feeling a rule is violated may raise a privileged or incidental motion to seek redress before the Council.

**Rule No. 26: Interpretation.** This Resolution shall supercede Resolution Nos. 2000-05 and 2002-13 concerning Council procedure.

**Rule No. 27: Standing Committees.** Pursuant to Ordinance No. 1578, as amended by Ordinance No. 1621, Standing Committees were established to facilitate the legislative functions of the City Council.

- (1) The four committees and their regular meeting dates and locations are:
  - (a) Finance – the second Wednesday of the month at City Hall at 3:30 p.m.;
  - (b) Governmental Services – the second Tuesday of the month at City Hall at 3:30 p.m.;
  - (c) Public Safety – the third Thursday of the month at City Hall at 3:30 p.m.;
  - (d) Public Works – the first Thursday of the month at City Hall at 3:30 p.m.
- (2) The standing committee meetings are regular open public meetings of the city council. Any city councilmember may attend any standing committee meeting.
- (3) The purpose of the standing committees is to receive information for educational purposes or for preparation of matters to come before the city council. No final action shall be taken at a standing committee meeting.
- (4) Upon recommendation of the mayor, the city council shall assign a chair and two members of the city council to have primary responsibility for each committee annually. There is no quorum requirement for standing committee meetings and while councilmembers assigned to standing committees are encouraged to attend their assigned standing committee meetings, all councilmember absences are excused.
- (5) Meetings of standing committees should be conducted with a prepared agenda which should be posted on the City’s website at least two (2) business days prior to the meeting.
- (6) The committee chair may cancel a standing committee meeting at any time. In the event that regular meeting of a standing committee is cancelled, cancellation shall be posted on the door of the location set by this section prior to the regular time of the meeting.

**Rule No. 28: Standing Committee Procedures.**

- (1) The chair of the standing committee shall preside at standing committee meetings. If the chair is not present, the attending primary committee members shall choose a presiding officer *pro tempore*.
- (2) If a city councilmember wishes to attend a standing committee meeting of a standing committee of which he or she is not a primary member, that city councilmember shall notify the Mayor's office at least 72 hours prior to the standing committee meeting so that special notice of a city council meeting may be issued.
- (3) If a city councilmember appears for a standing committee meeting without having given the notice required in Paragraph (2) above, the meeting shall be adjourned until special notice can be given.
- (4) The councilmembers assigned to the standing committee as primary members shall be seated at the table or dais. Councilmembers who attend standing committee meetings to which they are not assigned as primary member shall not sit at the council table or dais but in the seating designated for observers.
- (5) Public comment shall be allowed, unless the chair finds exceptional circumstances exist.

Ms. McFarland made several recommendations for changes to the administration and personnel council rules including the following (per Bill Hawkins notes from the May 30th council workshop):

Rule 2, Page 5 – The rule currently states that special meetings may be called by the mayor or by a majority of the council. Under state law, any three members can call for a special meeting, and the local rules cannot be more restrictive. This rule needs to be changed.

Rule 4 (2) – The rule currently states that no council member may participate by electronic means. Ms. McFarland indicated that most jurisdictions actually allow a council member to appear telephonically or by email or some other acceptable form of technology no more than say three times a year. She does not necessarily advocate for this change but some of the council members present expressed an interest in the change.

Rule 8, Page 13 – Ms. McFarland noted that our clerk takes detailed minutes. She highly recommended that we abolish that procedure in favor of what she calls “action minutes” meaning extremely brief minutes reporting only actions taken without further detail. I happen to share her point of view regarding a proper form of minutes.

Rule 9 (1) – The current rule says that no person not a member of the council may be allowed to address the council without the permission of the presiding officer and that disorderly persons may be removed from the meeting place at the direction of the presiding officer. Ms. McFarland emphasized that it would be equally appropriate for these duties to be responsibility of the presiding officer or council.

Rule 10 (4)(c) – The rule states that the presiding officer (the mayor) should give pro and con speakers “an equal opportunity to speak”. We have always interpreted this to mean that he should allow everyone to speak; the mayor often applies this rule by going down one wing of the dais and then the other wing of the dais. However Ms. McFarland says most parliamentarians interpret this to allow pro and con speakers to speak on an alternating basis.

Rule 11 (2) – The rule states, inter alia, that “merely asking a question or making a suggestion is not considered as speaking.” She believes that is simply wrong and that language should be deleted. I have often wondered what that language was intended to mean and I am inclined to agree.

Rule 11 (3) – Allows each council member to speak for up to ten minutes on one agenda item, question or motion. She says that is far too long and should be shortened to two to five minutes.

Rule 11 (6) – Says that it is encouraged that each council member be allowed to speak once before a motion is made. She believes that a stronger word than in “encouraged” is needed.

Rule 11 (7) – Says that if a mayor or another council member introducing a matter for discussion “shall” put the issue into a form of a motion; she believes this should be “may” instead of shall.

Rule 11 (8) – Provides that discussion should be addressed to the mayor or to other council members. Ms. McFarland believes that the comments should be directed to the mayor only.

Rule 12 – Currently the rule states that the presiding officer and any member of the council may require a motion to be reduced to writing prior to a vote. She believes the rule should read that the presiding officer or any member of council may require a vote, etc.

Rule 14 (9) – Ann McFarland went out of her way to say that the rule authorizing the City Attorney or his/her designee to interrupt proceedings to provide necessary information is a wonderful rule to have adopted. She also added that the clerk should be authorized to interrupt as needed. Local practice has the clerk doing so; this probably be a good addition to the rule as well.

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

Bill No. 14  
Date: August 8, 2012  
Subject: Revised Navy Jet Fuel  
Pipeline Easement

FROM: Steve Powers *SP*  
Development Services Director

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

*SD* Scott Dudley, Mayor  
*LC* Larry Cort, Interim City Administrator  
*DM* Doug Merriman, Finance Director  
*GW* Grant Weed, Interim City Attorney

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**PURPOSE**

This agenda bill presents a revised easement with the United States of America/Department of the Navy for the City Council's consideration. It also presents a proposed purchase and sale agreement, as a companion document to the easement.

**AUTHORITY**

RCW Title 35A provides the authority for the City Council to grant an easement for the use of public right-of-way.

**FISCAL IMPACT DESCRIPTION**

Funds Required: Not applicable  
Appropriation Source: Not applicable

**SUMMARY STATEMENT**

On June 18, 2012 the City Council approved the granting of an easement to the United States of America and the Department of the Navy for the purposes of constructing a new jet fuel pipeline within the Regatta Avenue right-of-way. As the Council will recall, the easement includes a portion of Washington State Department of Transportation (WSDOT) right-of-way for SR-20. Under RCW 47.24.020, the City has authority and jurisdiction over the construction, use, and maintenance of any portion of State Route 20 in the City limits, with the concurrence of WSDOT. Exhibit C of the previously approved easement was intended to demonstrate the necessary WSDOT concurrence.

RCW 47.24.020 also directs that the revenue derived from the sale, vacation, rental or any non-transportation use of such rights-of-way shall be shared by the city and the state in the same proportion as the purchase costs were shared. The value of this portion of the easement was established at \$1,000.00 during the appraisal process. It was originally thought that this payment would be handled

# City of Oak Harbor City Council Agenda Bill

separate from the easement agreement.

Since the June 18<sup>th</sup> meeting, Navy and WSDOT staff, with input from the City, have been coordinating on how best to satisfy these provisions of State law. It was determined that both of these items could be addressed by revising certain portions of the easement with the City. The proposed revisions are summarized below:

- The revised easement clearly states in appropriate places that WSDOT's concurrence is required for the granting of the easement.
- The total compensation for the easement (\$9,125.00) has not changed. However, the new easement deletes reference to the fact that this payment is to be made to the City (which could have been interpreted as meaning solely to the City). This simple change will allow the Navy to directly pay both the City and WSDOT our respective shares of the total compensation (\$8,125.00 and \$1,000.00, respectively).

The revised easement agreement is shown in Attachment 1. Also provided for the Council's review is the proposed purchase and sale agreement, which is a companion document to the easement agreement (please see Attachment 2). The purchase and sale agreement clearly documents the required \$1,000.00 payment to WSDOT. Both documents are presented using a track changes format.

Given the nature of the proposed changes to the easement agreement, it is appropriate for this item to be brought back before the City Council. Mr. Robert Tull (outside legal counsel) and the Interim City Attorney have reviewed both documents and express no concern regarding the proposed changes. To avoid confusion, it is appropriate for Council to rescind your previous approval for the easement and approve the revised easement in its place.

## **STANDING COMMITTEE REPORT**

This item was discussed with the Governmental Services Standing Committee at their August 7, 2012 meeting.

## **RECOMMENDED ACTION**

A motion to rescind prior action approving the easement and adopting the revised easement as proposed, and approving the purchase and sale agreement

## **ATTACHMENTS**

Attachment 1: Revised easement agreement

Attachment 2: Proposed purchase and sale agreement

**When Recorded Return to:**  
Commanding Officer (Real Estate)  
Naval Facilities Engineering Command Northwest  
1101 Tautog Circle  
Silverdale, WA 98315-1101

Document Title: Grant of Easement N44255-12-RP-00015  
Grantor: City of Oak Harbor  
Grantee: The United States of America  
Legal Description: Ptn Sec 25-T33N-R1E, W.M.  
Assessor's Tax parcel Numbers:

**NON-EXCLUSIVE EASEMENT AGREEMENT  
BETWEEN  
CITY OF OAK HARBOR  
AND  
UNITED STATES OF AMERICA**

This Non-Exclusive Easement Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Oak Harbor, a Washington municipal corporation ("City") and the United States of America, acting by and through the Department of the Navy ("Navy"), "Naval Facilities Engineering Command – Northwest (NAVFAC NW)".

**RECITALS**

WHEREAS, the City is a municipal corporation in Island County in the state of Washington, being a non-charter code city pursuant to Chapter 35A Revised Codes of Washington (RCW); and,

WHEREAS, the Navy is a branch of the United States federal government, being a part of the Department of Defense and having and maintaining facilities, including but not limited to Ault Field and Seaplane Base at Naval Air Station Whidbey Island, in and around the City and within Island County, Washington; and,

WHEREAS, Washington State Department of Transportation ("WSDOT") is a department of the state of Washington having authority over state transportation pursuant to ~~Chapter RCW~~ 47.01.260-RCW; and,

WHEREAS, the City has ownership, authority and jurisdiction over the use and maintenance of the public thoroughfares within the City and including but not limited to that certain City right-of-way over a portion of Regatta Drive; and,

WHEREAS, the City has authority and jurisdiction, pursuant to RCW 47.24.020(15), over the right of way of State Route 20, a state highway located within the City limits, and may grant the non-exclusive easement as identified herein with the written approval of WSDOT and the payment of its share of compensation derived from the non-exclusive easement grant; and

WHEREAS, such portion of State Route 20 described in Exhibit "A", Easement Description, and depicted in Exhibit "B" is within the City limits of Oak Harbor; WSDOT has authority and jurisdiction over the construction, use and maintenance of State Route 20, a state highway, which at one point intersects with Regatta Drive and

and which intersection is within the City limits over which the City has authority pursuant to Chapter 47.24 RCW; and,

WHEREAS, the Navy is planning the replacement, relocation and upgrade of its fuel pipeline within Island County from its Seaplane Base at Crescent Harbor to Ault Field at Naval Air Station Whidbey Island, a portion of which pipeline is designed to run through a portion of County right-of-way along Torpedo Road and Crescent Harbor Road and through a portion of the City right-of-way along Regatta Drive, and including the intersection of Regatta Drive and State Route 20; and,

WHEREAS, the Navy under the authority of 10 U. S. C. 2663 is desirous of obtaining an easement from the City for defense purposes for a portion of the Navy's fuel pipeline within the City right-of-way along Regatta Drive and including the intersection of Regatta Drive and State Route 20 and the City, with the written approval of WSDOT, has the authority to grant such an easement; and,

WHEREAS, the City and Navy agree that the Navy does not have statutory authority to indemnify and hold the City harmless. The Federal Tort Claims Act (28 U. S. C. 1346b) is the statutory authorization for tort claims to be brought against the United States of America; and,

WHEREAS, the City and Navy agree that the City has the authority to regulate work within the City rights-of-way, including requirements for liability insurance and construction standards;

NOW, THEREFORE, in consideration of the sum of **NINE THOUSAND ONE HUNDRED TWENTY-FIVE (\$9,125.00) Dollars** paid by the Navy to the City, the parties hereto agree as follows:

1. **Grant of Easement.** City does hereby grant to the Navy, subject to the terms and conditions herein, a non-exclusive easement on, over, under, along, through and upon the easement area described in Paragraph 2 below, with the right, privilege and authority to enter, access, and use said easement area for the purpose of constructing, installing, operating, inspecting, testing, maintaining, repairing and replacing of a fuel pipeline and associated fiber optic communication line for military use.

1.1. **Type of Easement.** This easement granted herein is an easement in gross personal to the United States of America and said easement is not appurtenant to any parcel or property whether managed by the Department of the Navy or any other federal agency. The intent of the parties is that this agreement is not assignable outside the federal government.

2. **Location of Easement.** The easement area subject to the grant of easement in Paragraph 1, above, is a twenty (20) foot-wide easement, legally described in Exhibit A attached hereto and incorporated by reference and generally depicted in Exhibit B attached hereto and incorporated by reference.

3. **Definition of Pipeline.** As used in this Agreement, "pipeline" shall mean and include but is not limited to all of the following to the extent that such are within or near the easement area granted herein: the pipe, casing surrounding the pipe, fuel flowing through the pipe, the fuel distribution system and facilities including but not limited to pipes, valves, compressor units, metering equipment, fiber optic communication line, other fabricated assemblies and such other equipment, appliances, attachments, appurtenances and other items necessary, convenient or in any way appertaining to any of the foregoing, whether the same be located over or underground.

4. **Location of Pipeline Within Easement.** The pipeline shall be installed within the easement area described in Paragraph 2, above, so that it does not interfere with the use, operation, maintenance and enjoyment of any other existing utility easements within or near the City right-of-way, including but not limited to the following parameters for placement of the pipeline:

4.1. The pipeline shall be installed at least ten (10) feet horizontally from any existing water and sewer lines; and,

4.2. The pipeline shall be installed a minimum of five (5) feet deep from the ground surface to the crown of the pipe except that the minimum depth shall be eight (8) feet from the ground surface to the crown of the pipe where the pipeline crosses State Route 20; and,

4.3. The pipeline shall be installed at any crossing with a minimum of eighteen (18) inches vertical separation from and between all existing utilities.

4.4. The pipeline shall be "located to minimize [the] need for later adjustment to accommodate future highway improvements and to permit access for servicing such [pipe]lines with minimum interference to highway traffic" pursuant to and consistent with WAC 468-34-130.

5. Non-Exclusive Easement. The easement granted herein is within the City right-of-way, the primary purpose of which right-of-way is travel and maintenance of the roadway, and within said right-of-way and the area of the easement granted herein, are additional existing utility easements, including but not limited to a City water line and the City has and retains the right and authority to grant additional easements within said right-of-way as the City may choose, as long as it does not interfere with the use and enjoyment of the United States of America's easement.

6. Term. This Agreement and the rights and obligations hereunder shall be in effect for a period of ninety (90) years from the date of its recording with the Island County Auditor's Office unless sooner terminated by the Grantee as identified below.

6.1. This Agreement may be terminated by a written instrument (e.g., quitclaim deed) signed by the Navy hereto and recorded with the Island County Auditor's Office.

6.2. This Agreement may be sooner terminated if the Navy notifies the City of its intent to abandon the easement granted herein by issuing a signed quitclaim deed from the Navy hereto and recorded with the Island County Auditor's Office and provided to the City.

6.3. Upon the end of the term, or abandonment as described above, the Navy shall remain responsible for the on-going testing and clean-up of any hazardous material within or near the easement area caused by the pipeline to the extent required by applicable federal or state laws.

7. Non-Interference. All work and activities relating to using, setting, erecting, constructing, extending, improving, installing, supporting, attaching, connecting, inspecting, maintaining, repairing, replacing, enlarging, and operating said pipeline within the easement area shall be conducted as set forth below:

7.1. With the least possible interference with public's use and enjoyment of the City right-of-way for travel, and the least interference with the maintenance of the right-of-way within the easement area. At a minimum, this shall mean that the work shall be conducted consistent with and according to the *Manual on Uniform Traffic Control ~~Devices~~-Devices for Streets and Highways* – (Federal Highway Administration) and Washington modifications thereto, and consistent with local standards and pursuant to a traffic control and signing plan

approved by the City Engineer, and with no open cuts at any crossing or lane closures except as may be approved in said traffic control and signing plan.

7.2. With the approval of the City Engineer, and the approval of the engineers for WSDOT to the extent required by WSDOT, no such work shall be undertaken or carried on without such written notice and approval first having been given by the City and WSDOT, as they shall require.

7.3.— With notice from the Navy to the City and to owners of all other utilities using the easement area in advance of construction, giving the date and location of such construction of the pipeline and Navy shall record and provide “as-built” drawings to the City and WSDOT and said utility owners within four (4) months of completion of the pipeline, which drawings will show the exact location of the pipeline based on a survey thereof.

7.4. With notice from the Navy to the City and to owners of all other utilities using the easement area in advance of maintenance or repair of the pipeline, giving the date and location of such maintenance or repair of the pipeline.

7.5. Any and all damage or injury done or caused to the easement area or to the City right-of-way, or any portion thereof, by the Navy during the use, setting, erecting, constructing, extending, improving, installing, supporting, attaching, connecting, inspecting, maintaining, repairing, replacing, enlarging, and operating of the Navy pipeline shall be promptly repaired and reconstructed by the Navy based on the policies or requirements of the City’s public works office; and in the event the Navy shall fail, neglect or refuse to repair and reconstruct said damage or injury the same may be done by the City and reimbursement for actual expenses may be sought through any appropriate Navy or other U.S. government process or venue, including but not limited to the Federal Tort Claims process. In performing any such repair, neither the City nor any of its employees, agents, or subcontractors shall be deemed to be an employee, agent or subcontractor of the Navy.

7.6. The Navy will provide an emergency call-out response to City/County notices of emergency available twenty-four (24) hours a day, seven (7) days a week and such response to City/County notices of emergency involving the Navy pipeline facilities shall be within one (1) hour of such notice, or as soon thereafter as practically possible.

7.7. The Navy will have on file at ~~their~~its Public Works Office the detailed information of the pipeline location, which will be available for viewing by any authorized staff of the city, county or state in the official capacity of their job.

8. Construction Standards. All work of the Navy within the easement area, including but not limited to using, setting, erecting, constructing, extending,

improving, installing, supporting, attaching, connecting, inspecting, maintaining, repairing, replacing, enlarging, and operating the pipeline shall conform to applicable ordinances, statutes, administrative provisions, including but not limited to *Standard Specifications for Road, Bridge and Municipal Construction*, and amendments thereto (WSDOT), to policies or requirements of the City Engineer, WSDOT, and other departments or persons having supervisory or approval control over the work including compliance with such ordinances, statutes, administrative provisions and policies related to public safety including but not limited to requirements for indemnification and liability insurance.

8.1. Any such work shall be treated as a public works project and shall comply with all applicable federal, state and local statutes and regulations pertaining to public works projects.

8.2. At a minimum but not in contravention of applicable standards and regulations identified herein, the work shall include but is not limited to the following:

8.2.1. Casing of the pipeline at crossings; and,

8.2.2. In addition to any street repair or trench repair resulting from the installation, a minimum of two (2) inch hot mix asphalt (HMA) overlay, compliant with WSDOT specifications, shall be provided the full width of the roadway. Overlay shall be required the full length and width of the City roadway within the project limits; and,

8.2.3. All trench repairs backfill shall be controlled density fill; and,

8.2.4. The pipeline shall include active corrosion/cathodic protection and such corrosion/cathodic protection shall not cause damage or negatively affect existing utilities.

## 9. Pipeline Realignment, Changes and/or Modifications.

9.1. The Navy shall exercise its best efforts to design, locate and install the pipeline in such a manner which meets the City's and WSDOT's current specifications and requirements for the pipeline.

9.2. If the City and/or WSDOT determines that a future improvement, repair, alteration or modification to portions of the State highway or the City right-of-way subject to this easement is necessary and it may result in any disturbance, realignment or modification to the pipeline which impacts the use and enjoyment of the Navy's easement, the City and/or WSDOT shall:

9.2.1. Provide the Navy no less than twenty-four (24) months advance written notice of commencement of such State highway or City right-of-way project, but preferably at the beginning of an improvement, repair, alteration or modification which may result in a disturbance, realignment or modification to the Navy's use and enjoyment of its easement; and,

9.2.2 Provide the Navy said preliminary plans and specifications for such State highway and/or City right-of-way improvement, repair, alteration or modification; and,

9.2.3. The Navy, the City and/or WSDOT shall meet to discuss the project and determine if any disturbance, realignment or modification of the pipeline will take place; and,

9.2.4. The Navy, the City and/or WSDOT will determine how to resolve the project impacts to the Navy's use and enjoyment of its easement pursuant to ~~the~~ applicable laws and regulations.

#### 10. Environmental Requirements.

10.1. The Navy agrees that it will conduct all its activities within the easement area in compliance with all applicable federal or state environmental laws.

10.2. To the extent ~~any such~~ contamination occurs from activities of the Navy within the easement area or from the pipeline, the Navy shall comply with all applicable state and federal environmental laws.

#### 11. Pipeline Regulations and Applicable Laws.

11.1. The Navy shall to the extent required of the Navy comply with all applicable federal and state pipeline regulations and applicable pipeline safety and reporting regulations.

11.2. The Navy shall at a minimum and not in contravention of any other reporting requirements provide copies of reports to the City based on the same timing requirements ~~which are being filed with~~ of the appropriate regulatory authority.

12. Easement Supersedes Prior Rights. Except as provided herein, all other permits and/or franchises held by the Navy for the fuel pipeline from its Seaplane Base at Crescent Harbor to Ault Field at Naval Air Station Whidbey Island are hereby superseded, including but not limited to that certain Permit for Installation Upon Right of Way between Island County and the United States dated March 10, 1951 ("Permit").

12.1 Upon completion of the installation and connection of the pipeline as described herein, those certain Navy fuel lines of 4- and 8-inches, installed pursuant to the Permit referenced above, shall be abandoned-in-place, including within the easement area and the Navy will comply with all applicable federal, state and local regulations and requirements regarding clean-up and on-going testing of said abandoned-in-place fuel lines and the area surrounding the same, to clean-up contamination as required by applicable federal and state law, if any, caused by such abandoned-in-place pipelines.

12.2 To the extent that the pipeline is not located alongside and within the area permitted by the Permit, and the 4- and 8-inch pipelines are abandoned-in-place, all of the Navy's permits and rights to the use of and access to those permitted areas, however created, shall be extinguished except that the Navy shall retain the right to access the area of the abandoned-in-place 4- and 8-inch pipelines to screen, test and clean-up contamination as required by applicable federal and state law, if any.

### 13. LEGAL AUTHORITY.

13.1. The City is authorized to grant the easement herein on, over, under, along, through and upon the City right-of-way on Regatta Drive pursuant to the general grant of authority given to non-charter code cities pursuant to Chapter 35A.11.010 and pursuant to Chapter 39.33.010 (1) RCW which allows the City to transfer, exchange and dispose of any interest in City real property to the federal government.

13.2. WSDOT is authorized to operate and maintain state highways, including State Route 20 pursuant to ~~Chapter RCW~~ 47.01.260 and RCW 47.24.020.

13.3. All portions of State Route 20 described in Exhibit "A", Easement Description, and depicted in Exhibit "B" The intersection of State Route 20 and the City right-of-way in Regatta Drive is are located within the city limits of the City Oak Harbor (City). and as such the City is the permitting authority pursuant Pursuant to Washington Administrative Code (WAC) Section Chapter 468-52-020 and RCW, Chapter 47.24 RCW, specifically, RCW 47.24.020(15), with title to the SR 20, a non limited access state highway, right of way vests in the City, and the City has the authority to grant the non-exclusive easement identified herein for utility purposes if WSDOT approves such easement and if the state of Washington receives its proportionate share of the compensation paid for the easement. being is the permitting authority for the any right-of-way over State Route 20 within the city limits of Oak Harbor and, with the concurrence of the State (WSDOT), . The the City is authorized, pursuant to Chapter 47.24.020 (15) RCW, has the authority to transfer an interest in said any right-of-way at the intersection ofen State Route 20 and Regatta Drive within the city limits of Oak Harbor for the non-transportation use of an unused portion of

~~said right of way, WSDOT's written concurrence approval only with the prior written approval of WSDOT, which is included in this document Agreement as Exhibit "DC".~~

14. Costs. All costs of work, including but not limited to planning, design, application, submittal, approval, construction, insurance, administration, use, maintenance, repair and operation of the pipeline easement herein shall be borne solely by the Navy and such shall not place any financial burden or cost on the City that would not otherwise exist without the easement or this Agreement.

15. Miscellaneous Provisions.

15.1. Severability. If any term, provision, condition or portion of this Agreement shall be held to be invalid such invalidity shall not affect the validity of the remaining portions of this Agreement which shall continue in full force and effect. The headings of sections and paragraphs of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

15.2. Modification and Amendment. This Agreement may be modified or amended only by written instrument signed by all parties hereto, which instrument specifically states that it is a modification or amendment to this Agreement and is approved and executed in accordance with the laws of the State of Washington and recorded.

15.3. Applicable Law, Jurisdiction and Venue. This Agreement shall be construed and interpreted under Washington law and the jurisdiction and venue for any action brought to enforce this Agreement or any term hereunder shall be the Federal District Court, located nearest to the property.

15.4. Counterpart. This Agreement may be executed in counterpart, each of which shall be an original, but all such counterparts shall constitute one and the same instrument.

The foregoing is agreed to by:

**CITY OF OAK HARBOR,**  
a Washington municipal corporation

**DEPARTMENT OF THE NAVY**

By: \_\_\_\_\_  
Name: SCOTT DUDLEY  
Title: Mayor

By: \_\_\_\_\_  
Name: MICHAEL D. BRADY  
Title: Real Estate Contracting Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

Approved as to form:

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

GRANTOR ACKNOWLEDGEMENT

STATE OF WASHINGTON )  
 )ss  
County of Island )

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned Notary Public in and for the State of Washington, personally appeared SCOTT DUDLEY, to me known to be the Mayor of the CITY OF OAK HARBOR, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_



Pacific Surveying &amp; Engineering

1111 1st Avenue, Bellingham, WA 98225  
 Phone: 360.837.3307 Fax: 360.837.1225  
 E-mail: info@pse-engineering.com

www.pse-survey.com

**EXHIBIT 'A'**  
**EASEMENT DESCRIPTION**

**PARCEL 1 (ISLAND COUNTY):**

A 20.00 FOOT WIDE EASEMENT LYING 10.00 FEET ON EITHER SIDE OF THE CENTERLINE OF THE EXISTING PIPELINE ALIGNMENT, WITHIN PORTIONS OF GOVERNMENT LOT 6 OF SECTION 36, AND GOVERNMENT LOT 1 OF SECTION 25, TOWNSHIP 33 NORTH, RANGE 1 EAST, W.M., ISLAND COUNTY, WASHINGTON, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF TORPEDO ROAD AND THE CENTERLINE OF CRESCENT HARBOR ROAD BEING A POINT 30.00 FEET SOUTH AND 45.00 FEET WEST OF THE SOUTHWEST CORNER OF LOT K OF SHORT PLAT 79-307 OF ISLAND COUNTY PER AUDITOR'S FILE NO. 378807, BEING MARKED BY A NO. 5 REBAR (NO CAP); THENCE DEPARTING SAID INTERSECTION SOUTH 88°51'23" EAST ALONG THE CENTERLINE OF SAID CRESCENT HARBOR ROAD A DISTANCE OF 15.79 FEET TO THE POINT OF BEGINNING;

THENCE DEPARTING SAID CRESCENT HARBOR ROAD CENTERLINE NORTH 11°12'27" WEST A DISTANCE OF 139.71 FEET TO AN ANGLE POINT; THENCE NORTH 01°46'31" WEST A DISTANCE OF 114.60 FEET TO A POINT 15.00 FEET DISTANT EAST WHEN MEASURED AT RIGHT ANGLES TO SAID TORPEDO ROAD CENTERLINE, SAID CENTERLINE BEING MARKED BY A CASED LEAD DOME MONUMENT;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID TORPEDO ROAD CENTERLINE NORTH 01°46'31" WEST A DISTANCE OF 788.52 FEET TO A POINT ON THE NORTH LINE OF SAID GOVERNMENT LOT 6, SAID POINT BEING SOUTH 88°35'48" EAST A DISTANCE OF 15.02 FEET FROM SAID TORPEDO ROAD CENTERLINE, WHEN MEASURED ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 6, SAID CENTERLINE BEING MARKED BY A CASED CONCRETE MONUMENT, SAID MONUMENT BEING SOUTH 88°35'48" EAST A DISTANCE OF 1599.05 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 25;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID TORPEDO ROAD CENTERLINE NORTH 01°46'45" WEST A DISTANCE OF 707.29 FEET TO THE NORTH LINE OF SAID ISLAND COUNTY, BEING THE SOUTH LINE OF SAID CITY OF OAK HARBOR, AND THE TERMINUS OF HEREIN DESCRIBED CENTERLINE.

EASEMENT MARGINS AT THE BEGINNING AND TERMINUS SHALL BE LENGTHENED OR SHORTENED, AS NECESSARY, TO INTERSECT THE CENTERLINE OF SAID CRESCENT HARBOR ROAD (UNITED STATES BOUNDARY) AND THE BOUNDARY LINE BETWEEN SAID ISLAND COUNTY AND SAID CITY OF OAK HARBOR.

CONTAINING 34,962 SQUARE FEET, MORE OR LESS.

SITUATE IN COUNTY OF ISLAND, STATE OF WASHINGTON.

**PARCEL 2 (CITY OF OAK HARBOR):**

A 20.00 FOOT WIDE EASEMENT LYING 10.00 FEET ON EITHER SIDE OF THE CENTERLINE OF THE EXISTING PIPELINE ALIGNMENT, WITHIN PORTIONS OF GOVERNMENT LOTS 1 & 2 OF SECTION 25, TOWNSHIP 33 NORTH, RANGE 1 EAST, W.M., CITY OF OAK HARBOR, ISLAND COUNTY, WASHINGTON, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF TORPEDO ROAD AND THE NORTH LINE OF SAID GOVERNMENT LOT 8, BEING MARKED BY A CASED CONCRETE MONUMENT; THENCE SOUTH 88°36'48" EAST ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 8 A DISTANCE OF 15.02 FEET; THENCE NORTH 01°48'45" WEST PARALLEL WITH SAID TORPEDO ROAD CENTERLINE A DISTANCE OF 707.28 FEET TO THE NORTH LINE OF SAID ISLAND COUNTY, BEING THE SOUTH LINE OF SAID CITY OF OAK HARBOR AND THE POINT OF BEGINNING;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID TORPEDO ROAD CENTERLINE NORTH 01°48'45" WEST A DISTANCE OF 321.01 FEET TO A POINT 15.00 FEET DISTANT EAST WHEN MEASURED AT RIGHT ANGLES TO SAID TORPEDO ROAD CENTERLINE;

THENCE CONTINUING NORTH 01°48'45" WEST A DISTANCE OF 31.97 FEET TO THE BEGINNING OF A CURVE, THE RADIUS POINT OF WHICH BEARS NORTH 88°13'15" EAST A DISTANCE OF 1000.00 FEET; THENCE ALONG SAID CURVE CONCAVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 08°45'19" A DISTANCE OF 152.81 FEET TO THE POINT OF TANGENCY; THENCE NORTH 08°58'35" EAST A DISTANCE OF 32.76 FEET TO A POINT 15.00 FEET DISTANT EAST WHEN MEASURED AT RIGHT ANGLES TO NE REGATTA DRIVE CENTERLINE; SAID CENTERLINE BEING MARKED BY A CASED BOAT SPIKE;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID NE REGATTA DRIVE CENTERLINE NORTH 08°58'35" EAST A DISTANCE OF 75.49 FEET TO A POINT ON THE NORTH LINE OF SAID GOVERNMENT LOT 1; SAID POINT BEING NORTH 88°31'18" WEST A DISTANCE OF 185.48 FEET FROM THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 1;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID NE REGATTA DRIVE CENTERLINE NORTH 08°58'35" EAST A DISTANCE OF 689.50 FEET TO AN ANGLE POINT 15.00 FEET DISTANT EAST OF SAID NE REGATTA DRIVE CENTERLINE, SAID CENTERLINE BEING MARKED BY A CASED ALUMINUM MONUMENT;

THENCE CONTINUING 15.00 FEET DISTANT EAST AND PARALLEL WITH SAID NE REGATTA DRIVE CENTERLINE NORTH 08°58'54" EAST A DISTANCE OF 481.79 FEET TO AN ANGLE POINT; THENCE DEPARTING SAID ANGLE POINT NORTH 46°48'33" WEST A DISTANCE OF 74.39 FEET TO A POINT ON THE WESTERLY MARGIN OF SAID NE REGATTA DRIVE;

THENCE DEPARTING SAID WESTERLY MARGIN OF NE REGATTA DRIVE AND CONTINUING NORTH 46°48'33" WEST A DISTANCE OF 4.50 FEET TO A POINT ON THE SOUTHEAST MARGIN OF STATE ROUTE 20, PER RIGHT OF WAY PLAN SR 20, AULT FIELD SOUTH, ISLAND COUNTY DATED OCT. 14, 1952, AT HIGHWAY ENGINEERS STATION 688+32.82, 75.00 FEET RIGHT; THENCE CONTINUING FROM SAID SOUTHEAST MARGIN OF SAID STATE ROUTE 20, NORTH 46°48'33" WEST A DISTANCE OF 159.26 FEET TO A POINT ON THE NORTHWESTERLY MARGIN OF SAID STATE ROUTE 20, AT HIGHWAY ENGINEERS STATION 688+88.15, 75.00 FEET LEFT AND THE TERMINUS OF HEREIN DESCRIBED CENTERLINE.

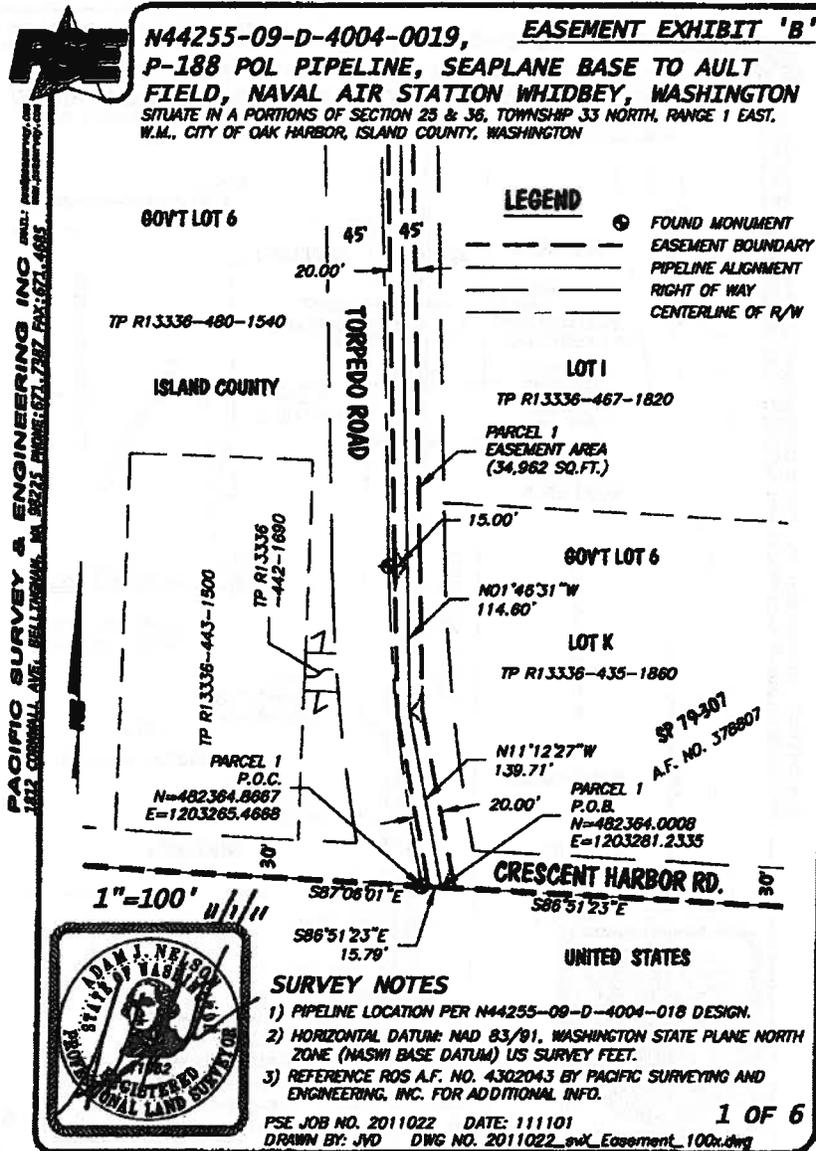
EASEMENT MARGINS AT THE BEGINNING AND TERMINUS SHALL BE LENGTHENED OR SHORTENED, AS NECESSARY, TO INTERSECT THE BOUNDARY LINE BETWEEN SAID CITY OF OAK HARBOR AND SAID ISLAND COUNTY AND THE NORTHWESTERLY MARGIN OF SAID SR 20 (UNITED STATES BOUNDARY).

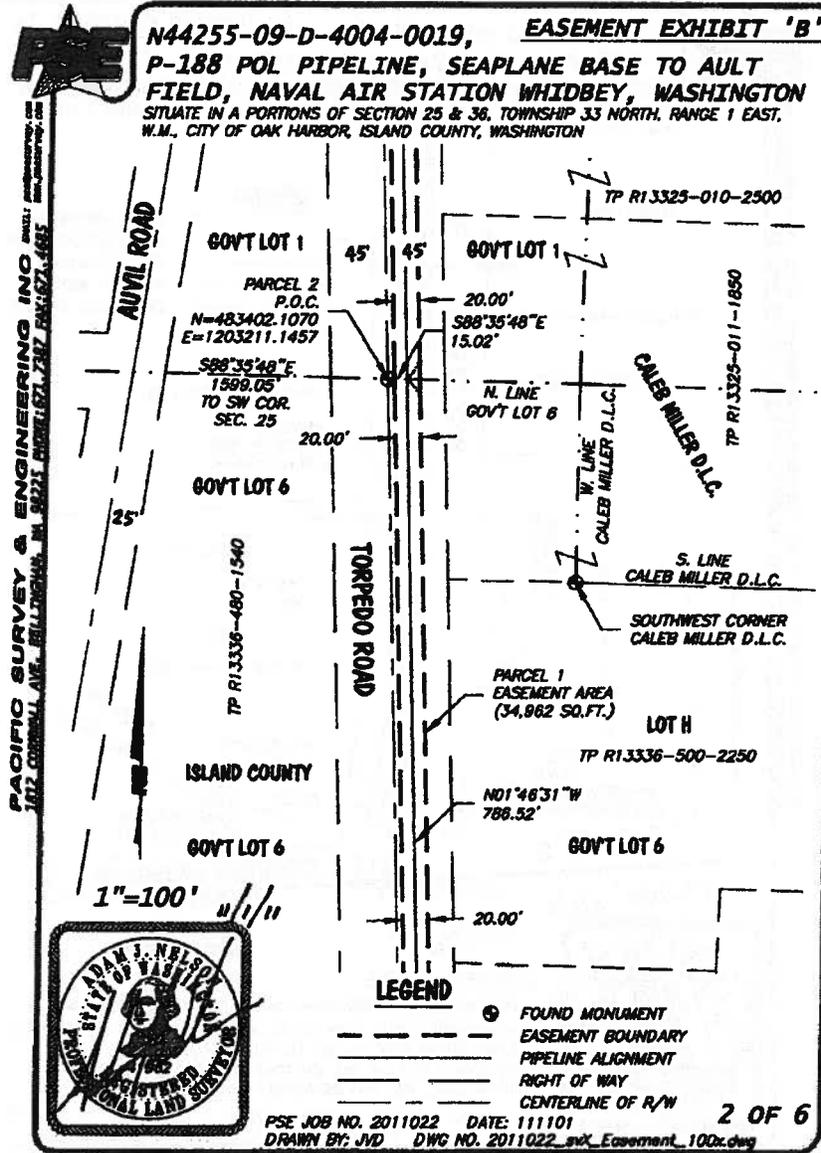
EXCEPT ANY PORTION OF THE ABOVE DESCRIBED TRACT LYING WITHIN TP R13325-215-1630 AS DESCRIBED IN ISLAND COUNTY QUIT CLAIM DEED AUDITOR'S FILE NO. 4087402.

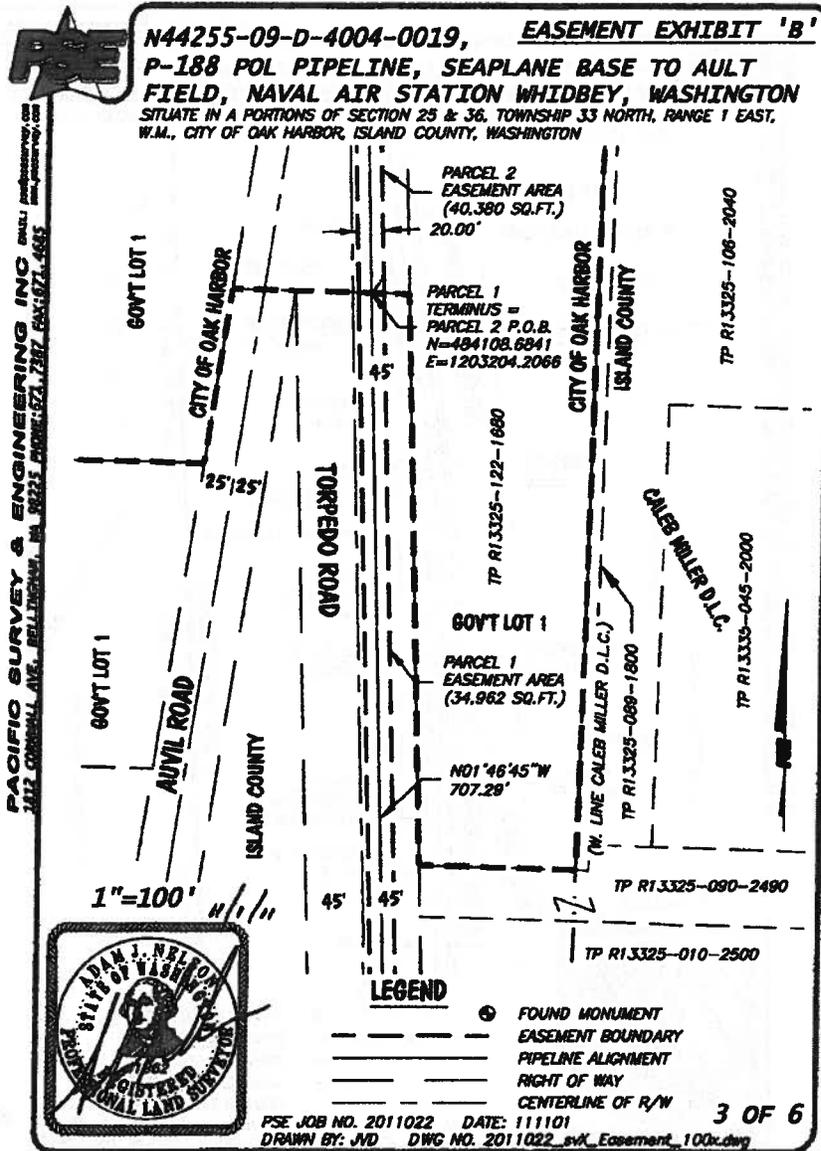
CONTAINING 40,360 SQUARE FEET, MORE OR LESS.

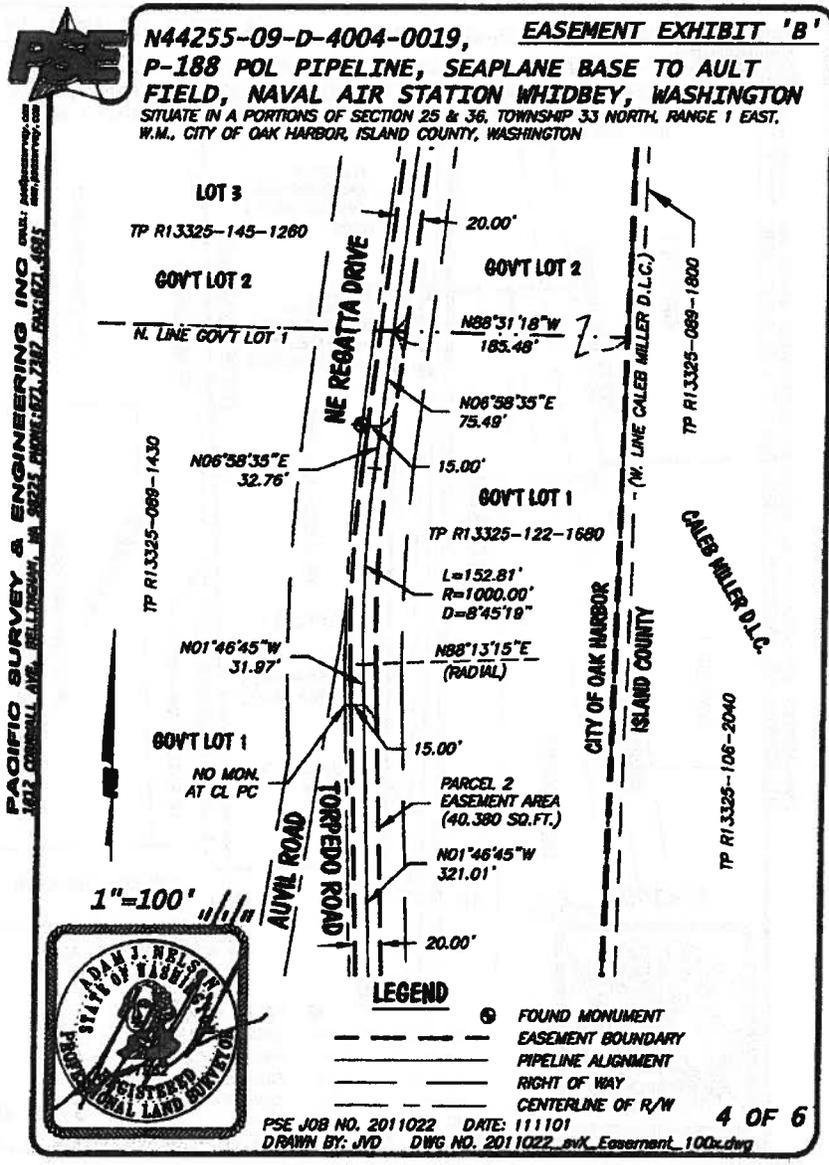
SITUATE IN COUNTY OF ISLAND, STATE OF WASHINGTON.



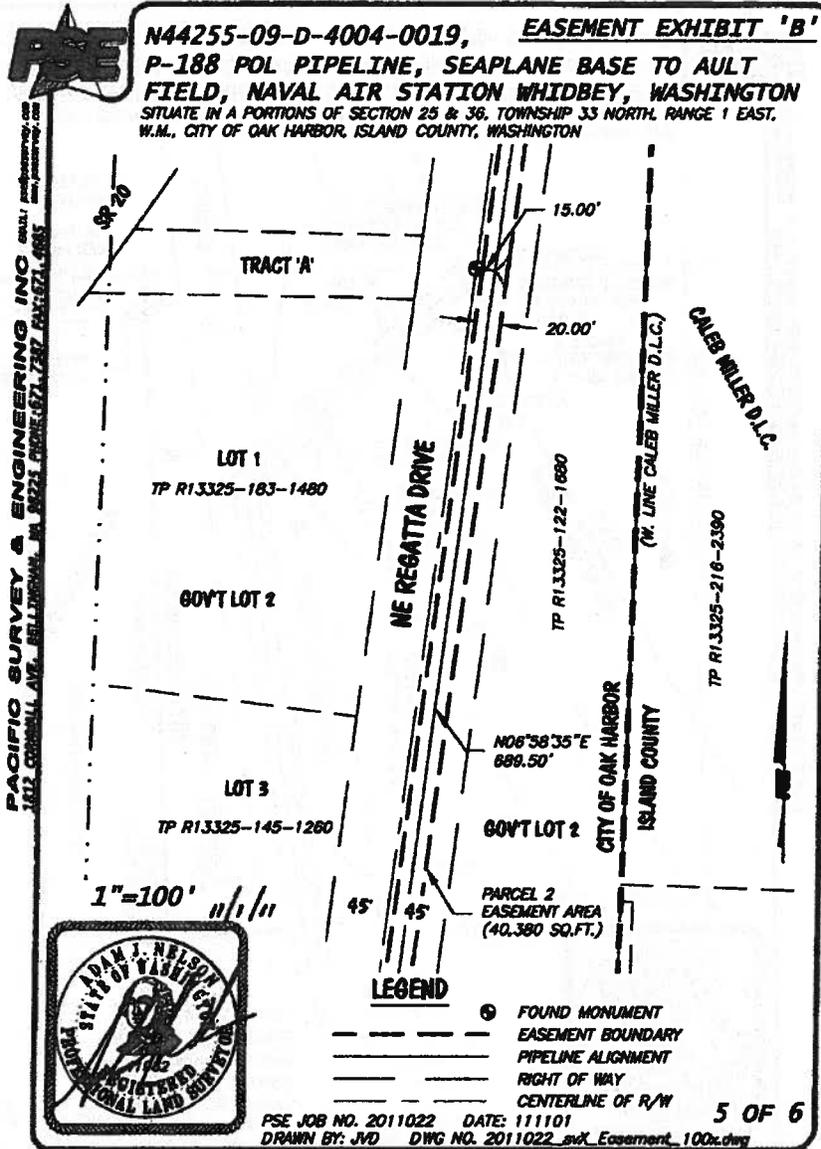








PACIFIC SURVEY & ENGINEERING INC  
 1612 CORDELL AVE. BELLINGHAM, WA 98225  
 PHONE: 360-732-7212 FAX: 360-732-4885



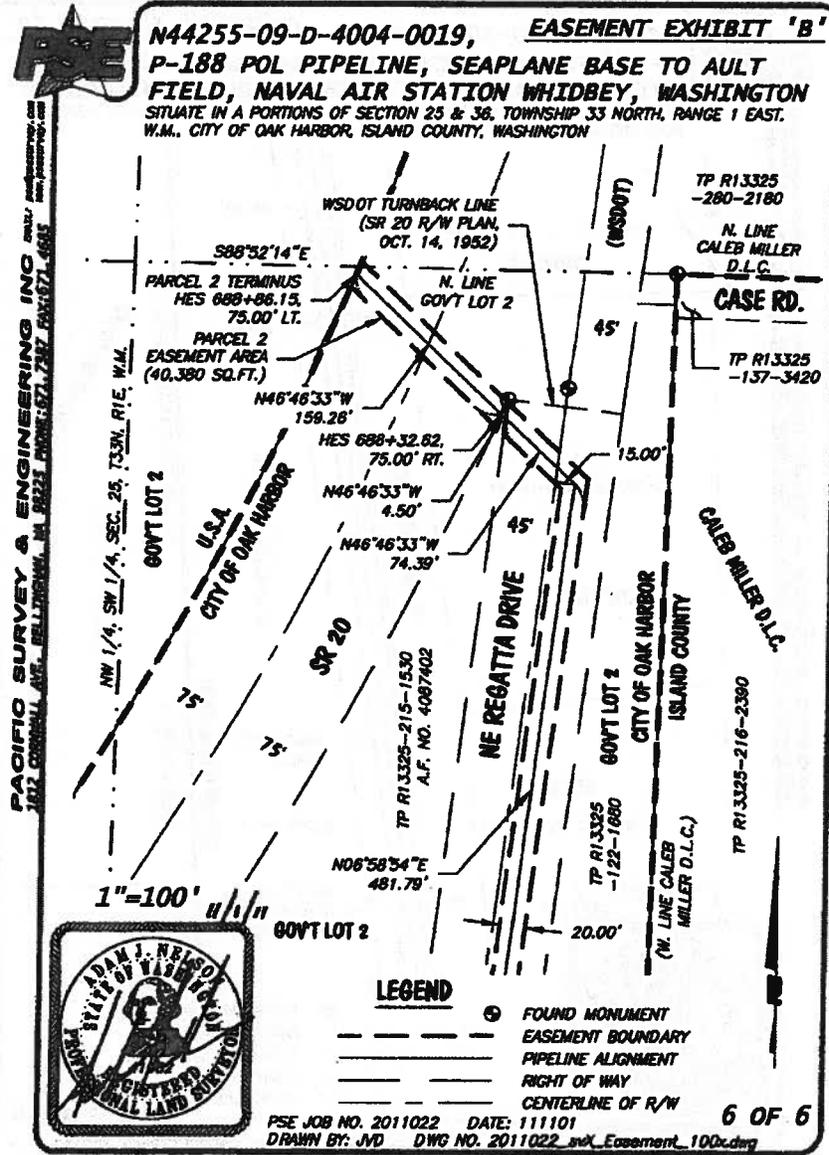


EXHIBIT C

~~Concurrence~~ Approval from Washington State Department of Transportation pursuant to RCW, Chapter 47.24.020(15) RCW

WSDOT herewith provides its written approval as required by RCW 47.24.020(15) for the City of Oak Harbor's grant of the non-exclusive easement as identified herein, conditioned that the state of Washington receive \$1,000.00 as its proportionate share of the compensation paid for the non-transportation use of SR 20 right of way according to the terms and conditions contained in this Grant of Easement Agreement.

**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form: \_\_\_\_\_

By: \_\_\_\_\_

WSDOT Attorney

Date: \_\_\_\_\_

WSDOT ACKNOWLEDGEMENT

STATE OF WASHINGTON )  
 )ss  
County of Island )

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, before me, the undersigned Notary Public in and for the State of Washington, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of the Washington State Department of Transportation, the Washington State Agency that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Washington State Agency, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**AGREEMENT FOR PURCHASE OF REAL PROPERTY  
N44255-12-RP-00009**

AGREEMENT by and between the **CITY OF OAK HARBOR**, a Washington municipal corporation, hereinafter called the "City," and the **UNITED STATES OF AMERICA**, hereinafter called the "Government."

*THE CITY AGREES TO SELL, AND THE GOVERNMENT AGREES TO PURCHASE, for the consideration of \$9,125.00 the non-exclusive easement in the form provided in Attachment 1, subject to the terms, conditions, and general provisions set forth on this page and on the reverse side hereof and to the additional provisions, if any, incorporated herein by attachment or reference as set forth below. ~~As part of this consideration, the City has authority and jurisdiction pursuant to RCW 47.24.020(15) to issue a non-exclusive easement over SR 20 which is owned by Washington State Department of Transportation (WSDOT); however, this authority requires Washington State Department of Transportation (WSDOT) to be compensated for their share of the consideration received for an exclusive easement over SR 20. An appraisal of SR 20 identified the compensation for the portion of the easement over SR 20 to be \$1,000.00. Pursuant to RCW 47.24.020, WSDOT is entitled to \$1000.00 and the City agrees to WSDOT receiving the \$1000.00. The City is in agreement with this compensation.~~*

1. **LOCATION AND DESCRIPTION OF PROPERTY:** As described in enclosed Attachment 1, ~~on Non-Exclusive Easement, Contract N44255-12-RP-00015 (2 originals), specifically addressed in the exhibits, XX.~~
2. **RIGHTS OUTSTANDING IN THIRD PARTIES OTHER THAN SPECIFIED IN PARAGRAPH (a) OF THE GENERAL PROVISIONS:** None
3. **RIGHTS RESERVED BY CITY:** Described in enclosed Attachment 1, Non-Exclusive Easement, Contract N44255-12-RP-00015
4. The City agrees to convey said non-exclusive easement, with concurrence from WSDOT, to the Government upon payment of the purchase price.
5. The executed copy of the agreement, or notice of execution thereof, shall be sent to the City at the following address:

The Honorable ~~Jim Slowik~~ Scott Dudley  
Mayor of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor, WA 98277

6. **ESCROW:** Escrow shall be established by the Navy with Stewart Title of Island County, 499 NE Midway Blvd. Ste. 2, Oak Harbor, WA 98277 (the "Escrow Agent").

7. **CLOSING:** Subject to the requirements of Paragraph 1 above, the closing of the transaction hereunder shall be held, and delivery of all items to be made at Closing under the terms of this Agreement shall be made, at the offices of Escrow Agent no later than September 14, 2012, ("Closing Date"). If, for any reason, Closing does not occur on or prior to such date, a revised closing date shall be established by mutual agreements of Government and City.

**86. EXECUTION BY CITY:**

**CITY OF OAK HARBOR**, a Washington municipal corporation

By: \_\_\_\_\_  
Mayor ~~Jim Slowik~~ Scott Dudley

\_\_\_\_\_  
Date

**9. EXECUTION BY WSDOT:**

**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_ Date

710. EXECUTION FOR AND ON BEHALF OF THE GOVERNMENT

THE UNITED STATES OF AMERICA

BY \_\_\_\_\_  
 MICHAEL D. BRADY  
 Real Estate Contracting Officer  
 Naval Facilities Engineering Command Northwest

\_\_\_\_\_ Date

\_\_\_\_\_ Witness

118. NAVY IDENTIFICATION AND ACCOUNTING DATA										
118A. NAME AND ADDRESS OF NAVAL ACTIVITY Commanding Officer Naval Air Station Whidbey Island 3730 Charles Porter Avenue Oak Harbor, WA 98278						118B. LOCAL GOVERNMENT REPRESENTATIVE (Activity and address) Commanding Officer Naval Facilities Engineering Command NW 1101 Tautog Cir Silverdale, WA 98315-1101				
118C. PAYMENT TO BE MADE BY: Defense Finance & Accounting Service Cleveland Anthony J. Celebrezze Federal Building 1240 East 9th Street Cleveland OH 44199-2055						118D. PARCEL(S) Ptn. SW¼ in Sec. 25, Township 33 North, Range, 1 East, W.M.			8E. CONTRACT NO. N4425512RP00009	
ACRN	APPROPRIATI ON	SUB- HEAD	OBJ. CLASS	BU- CONTROL	SA	AAA	TT	PAA	COST CODE	AMOUNT
AA	1721804	52FA	252	00052	0	068732	2D	C0042M	687422FP406Q	\$9,125.00

NAVFAC 11011/14 (Rev. 11-97)

912. GENERAL PROVISIONS

a. **PAYMENT AND CONVEYANCE.** The purchase price for said property shall be paid when the Government has received from City, with concurrence of WSDOT, an executed good and sufficient easement conveying the appropriate real estate interest in said property to the Government free from all liens and encumbrances.

b. **PREPARATION OF DEED.** The Government and City have negotiated and drafted the easement for the grant of the appropriate real estate right.

c. **LIENS.** Currently the property is owned by the City and City agrees that if there are any taxes, assessments, and encumbrances which are a lien against the property at the time of conveyance to the Government shall be satisfied by the City prior to or at the time of grant of easement and, if the City fails to do so, the Government may pay any taxes, assessments, and encumbrances which are a lien against the property and deduct such payments from the purchase price. However, the Government agrees to pay all recording fees, transfer taxes and similar expenses incidental to conveying the easement to the Government, if payable in a conveyance to the Government.

d. **LOSS OR DAMAGE.** The City agrees that loss or damage to the property shall be at the risk of the City until the deed conveying the easement to the Government has been accepted by the Government through its duly authorized representative, and in the event that such loss or damage occurs, the Government may, without liability, refuse to accept conveyance of the easement, or it may elect to accept conveyance of the easement, in which case there shall be an equitable adjustment of the purchase price.

e. **CONDEMNATION.** The City agrees that the Government may, at its election, acquire title to said property or any portion thereof or any interest therein, by condemnation or other judicial proceedings, in which event the City agrees to cooperate with the Government in the prosecution of such proceedings, and also agree that the consideration hereinbefore stated shall be the full amount of the award of just compensation inclusive of interest for the taking of said property and that any and all awards of just compensation that may be made in the proceeding to any defendant for any other interests in the property, shall be payable and deductible from the said amount, and that said consideration shall also be in full satisfaction of any and all claims of the City for the possession provided for hereinbefore.

f. **DESCRIPTION.** The description of the property is subject to such modifications as may be necessary to conform to the survey (if any) made by the agents of the Government.

g. **GRATUITIES.**

(1) The Government may, by written notice to the City, terminate the right of the City to proceed under this agreement if it is found, after notice and hearing, by the Secretary of the Navy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the City, or any agent or representative of the City, to any officer or employee of the Government with a view toward securing this agreement or securing favorable treatment with respect to the awarding or amending or the making of any

determinations with respect to the performing of such agreement: *Provided*, that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(2) In the event this agreement is terminated as provided in Paragraph (1) hereof, the Government shall be entitled to pursue the same remedies against the City as it could pursue in the event of a breach of the contract by the City.

(3) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

h. **NUMBER.** Wherever the context thereof requires, the singular number as used herein shall be read as plural.

i. **REPRESENTATIONS.** All terms and conditions with respect to this agreement of purchase are expressly contained herein and the City agrees that no representative or agent of the Government has made any representation or promise with respect thereto not expressly contained herein.

j. **ADDITIONAL PROVISIONS.** Additional provisions incorporated by enclosure or reference and forming a part of this agreement: Enclosure is Easement Contract N44255-12-RP-00015 between the U.S. Government and the City of Oak Harbor, with concurrence of WSDOT, which includes the legal description of the subject property.



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

Bill No. 15  
Date: August 8, 2012  
Subject: Fiscal Emergency -  
Clarification Requested

*ll*  
FROM: Larry Cort, Interim City Administrator  
Doug Merriman, Finance Director *ll*

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

*SD* Scott Dudley, Mayor  
*GW* Grant Weed, Interim City Attorney, as to form

**PURPOSE**

The purpose of the agenda bill is to request clarification and direction from the City Council with respect to the Declaration of Fiscal State of Emergency approved on June 18, 2012.

**AUTHORITY**

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**

On June 18, 2012, the City Council voted unanimously to declare a fiscal state of emergency. With budget preparation in full swing to meet the requested September 18, 2012 draft budget deadline and with a number of hiring and expenditure decisions pending, the administration is requesting clarification and direction from the Council.

Back in 2003, the City's Finance Director prepared a Financial Contingency Planning strategy in response to the then current financial outlook (attached). While no official action was taken to adopt or approve the document, a number of the strategies outlined in it have been implemented in the past nine years. The document also includes, starting on page 9, a section entitled "Fiscal Emergency Declaration" which opens as follows:

*"In times of severe financial duress, the City may institute a fiscal emergency. A fiscal emergency is appropriate when an event or series of events impacts the financial stability*

*of the City to such a magnitude that a serious disruption of operations or a dramatic reduction in levels of service will result. The declaration of fiscal emergency empowers the Mayor to initiate such changes that are necessary to immediately position the City to respond to the crisis."*

The section goes on to suggest a draft resolution format that might be used by the Council to provide direction to the Mayor on measures to respond to a fiscal crisis. Among the suggested measures (no. 5) is direction to limit the Mayor's spending authority on contracts to \$10,000, an action that the City Council took by ordinance on July 3, 2012.

Other possible measures suggested to respond to a fiscal emergency include restrictions on hiring new employees, limiting purchases to those deemed absolutely necessary, reducing overtime and, with respect to budgeting, cutting departmental budgets. Except for the contractual spending authority limit, the City Council has not directed the administration to implement any of these measures as a result of the declaration of fiscal state of emergency.

At this point, the administration is seeking direction in two broad areas as follows:

1. To address the fiscal state of emergency, should the administration take any immediate steps with respect to limiting purchases (including those in the budget), ceasing efforts to fill vacant positions or reducing overtime?
2. In preparing the 2013-14 budget, should the administration ask department heads to reduce their funding requests by cutting or reducing programs currently offered to the citizens of Oak Harbor?

While provided earlier to the Council, the Finance Director's memorandum of July 11, 2012 on the City's financial position at June 30, 2012 is attached.

### **STANDING COMMITTEE REPORT**

This discussion has not been presented at a Standing Committee.

### **RECOMMENDED ACTION**

1. Provide direction on suggested administrative response to declaration of fiscal state of emergency.
2. If deemed desirable, set date for a Council workshop to discuss possible strategies.

### **ATTACHMENTS**

1. City of Oak Harbor Financial Contingency Planning (March 2003 draft)
2. Memorandum from Doug Merriman, Finance Director, July 11, 2012.

### **MAYOR'S COMMENTS**

# **City of Oak Harbor**

## **Financial Contingency Planning**

### **Purpose:**

Over the last few years the City has experienced a number of events that have caused significant financial hardship for our operations. Primarily, recent citizen sponsored initiatives have eliminated our Motor Vehicle Excise Tax revenue, and have significantly reduced our Real Estate Property Tax Revenues. These two revenue sources at one time represented the majority of our General Fund Revenue sources. With these changes, the City's long-term financial viability is very tenuous. The City, at this time, is operating under a balanced budget. However, based on current forecasts, the City will begin to enter a period of deficit funding by the year 2005. Future planning and decisions will be required to strategically set a course of action to enhance revenues or minimize expenditures. If the City were to experience another reduction in revenues of a similar magnitude, either from initiatives or economic changes in our community, our ability to provide even a basic level of service will be severely impaired. In the past, we were able to weather these severe reductions by placing certain restrictions on expenditures, reducing staffing, restructuring of operations, and implementing variety of other methods to control costs. While this process accomplished the required task, the approach was very difficult and was more of a reactive decision making process than proactive process based on a pre-determined framework of actions. It is for this reason that the City needs to establish a Financial Contingency Plan that will assist in future when financial emergencies present themselves. Accordingly, this document outlines the framework of decisions, controls, and approaches to a rational and prudent approach to effectively responding to financial emergencies as they occur.

The primary purpose for this financial contingency plan is to ensure that a sound, logical, and responsible approach is taken to ensure budgetary compliance during times of financial hardship. This approach is guided by the adopted financial policies, and includes such procedures to ensure a basic level of City services and operations are provided to the public. The Plan is divided into sections that respond to environmental changes such as revenue shortfalls, expenditure control including unforeseen emergencies, and fiscal emergencies.

### **Section 1 - Projected Revenue Shortfalls:**

Projected revenue shortfalls may occur when a slowdown in economic conditions impact one or more revenue streams of the City. In addition, revenue shortfalls may occur when revenue streams are eliminated, in whole or part, by legislative act, regulatory mandate, or by citizen initiative. Typically, minor or temporary adjustments in revenue projections may be handled in a administrative manner by reducing or deferring operating costs, rescheduling special projects, or a combination of the two.. However, should a reduction in revenues be significantly material or of a permanent nature, prompt action will be taken to balance the shortfall by either an increase or creation of a new revenue source, or

by the reduction of expenditures in equal or greater amount than the projected revenue shortfall.

As a rule, a revenue shortfall is defined as any event or condition where revenues are reduced in an amount greater than 15% of the operating budget of any division, program, or fund. In addition, a revenue shortfall is defined as any reduction in any revenue stream that places the operating capability of a specific operation or program at risk of default, regardless of percentage. A revenue shortfall will be considered of a permanent nature when the reduction, restriction, or elimination of the revenue will effect a period of time greater than one year in duration.

#### Type I - Minor Revenue Fluctuations or Shortfalls:

The following actions will be taken as a possible response to a minor revenue shortfall:

- Upon notice of a minor revenue shortfall or fluctuation, the Finance Director will notify the City Administrator and the appropriate manager of the affected function of the nature, amount, and duration of the projected shortfall.
- The Finance Director will take the necessary steps to determine if the revenue shortfall can be diverted, deferred, or eliminated.
- The Finance Director, after discussions with the appropriate managerial personnel, will initiate the necessary steps to immediately reduce certain budgeted expenditures, to defer purchases of equipment or other supplies, to reschedule special projects, or to take other appropriate action to ensure that the temporary change in revenue will be met with a corresponding change in expenditures. Any required budget adjustments between line items of a function's budget will be made upon approval of the Mayor, City Administrator, or the appropriate designee.
- The Finance Director will submit the formal recommended action plan to the Mayor, City Administrator, or City Council for review and will immediately implement the outlined procedures.
- While these procedures are in place, the Finance Director will monitor the revenue shortfall to ensure that initial estimates of the amount and duration are matching original projections. Any material adjustments to the original projections will be communicated to the City Administrator and affected management staff.

#### Type II - Major Revenue Fluctuations or Shortfalls of a non-permanent nature:

A major projected revenue shortfall of a non-permanent nature is when the amount of the shortfall exceeds 15% of the affected functions annual budget, and the duration of the

shortfall is expected to last for a period of less than twelve months. Depending upon the materiality of the projected revenue shortfall, the Finance Director will have a number of options available to balance the budget of the affected department, division, fund, or function.

The following actions will be taken as a possible response to a major revenue shortfall that is non-permanent in nature:

- Upon notice of a minor revenue shortfall or fluctuation, the Finance Director will notify the City Administrator and the appropriate manager of the affected function of the nature, amount, and duration of the projected shortfall.
- The Finance Director will take the necessary steps to determine if the revenue shortfall can be diverted, deferred, or eliminated.
- The Finance Director, after discussions with the appropriate managerial personnel, will initiate the necessary steps to immediately reduce certain budgeted expenditures, to defer purchases of equipment or other supplies, to reschedule special projects, or to take other appropriate action to ensure that the temporary change in revenue will be met with a corresponding change in expenditures. Any required budget adjustments between line items of a function's budget will be made upon approval of the Mayor, City Administrator, or the appropriate designee.
- Budget Cuts: If it is determined that incidental reductions in budgeted expenditures, deferring costs, or canceling projects or special purchases will not provide sufficient reductions in costs to balance the revenue shortfall, the Finance Director is authorized to take further immediate action. A review of the impacted function will be made with the appropriate managerial staff to ascertain which material reductions in costs will be made. The Finance Director will take the necessary action to cancel further spending within the impacted function. This action may involve the cancellation of capital asset acquisitions, such as equipment, vehicles, furniture and fixtures, the freezing of the hiring process to fill vacated positions, and the elimination of certain travel related expenditures, and similar cuts designed to balance the projected shortfall. The mixture of budgetary cuts and other changes will be prioritized based on the ability of the function to remain a going concern. Expenditures that pertain to those technological, training, and other expenditures that will allow the function to continue operating in a "work smarter" mode with reduced staffing levels will be maintained as long as possible.
- While these procedures are in place, the Finance Director will monitor the revenue shortfall to ensure that initial estimates of the amount and duration are matching original projections. Any material adjustments to the original projections will be communicated to the City Council, Administration, and affected management staff.

### Type III – Major Revenue Fluctuations or Shortfalls of a non-permanent nature:

In addition, the following options will be considered by the Finance Director as the appropriate response to a major revenue shortfall that is permanent in nature (expected duration of one year or greater):

#### Immediate Action Procedures:

- Upon notice of a major revenue shortfall or fluctuation of a non-permanent nature, the Finance Director will notify, in writing, the City Administrator and the appropriate manager of the affected function of the nature, amount, and duration of the projected shortfall.
- The Finance Director will take the necessary steps to determine if the revenue shortfall can be diverted, deferred, or eliminated.
- The Finance Director, after discussions with the appropriate managerial personnel, will initiate the necessary steps to immediately reduce certain budgeted expenditures, to defer purchases of equipment or other supplies, to reschedule special projects, or to take other appropriate action to ensure that the temporary change in revenue will be met with a corresponding change in expenditures. Any required budget adjustments between line items of a function's budget will be made upon approval of the Mayor, City Administrator, or the appropriate designee.
- Budget Cuts: If it is determined that incidental reductions in budgeted expenditures, deferring costs, or canceling projects or special purchases will not provide sufficient reductions in costs to balance the revenue shortfall, the Finance Director is authorized to take further immediate action. A review of the impacted function will be made with the appropriate managerial staff to ascertain which material reductions in costs will be made. The Finance Director will take the necessary action to cancel further spending within the impacted function. This action may involve the cancellation of capital asset acquisitions, such as equipment, vehicles, furniture and fixtures, the freezing of the hiring process to fill vacated positions, and the elimination of certain travel related expenditures, and similar cuts designed to balance the projected shortfall. The mixture of budgetary cuts and other changes will be prioritized based on the ability of the function to remain a going concern. It will be recognized that expenditures pertaining to technology and training will be maintained as long as possible to ensure that staff will have the appropriate tools to provide an appropriate level of service.
- While these procedures are in place, the Finance Director will monitor the revenue shortfall to ensure that initial estimates of the amount and duration are matching original projections. Any material adjustments to the original

projections will be communicated to the City Council, Administration, and affected management staff.

- **Budgetary or programmatic cuts:** Upon consultation with managerial staff and the administration, the Finance Director will recommend and make reductions that will achieve costs eliminations by improving efficiency factors or by eliminating or replacing the function or by dramatically reducing a specific level of service. Any reductions involving the elimination of staff positions, the reduction of service, or the outright elimination of a program or operational function will be followed up by an advisory memo to City Council informing them of the reasons for the changes, and the expected impact the change will have on our ability to meet the public's expectation of service. The Finance Director will based these reduction decisions on advice from the impacted managerial staff, on evidence from a comparison with operations from similar departments, funds, or even cities, or on the reports of a performance audit or management study. The primary goal is to match reductions to a reduced level of service. The Finance Director may recommend across-the-board cuts, which although simple and fair, should be used with caution as unintended consequences may result. Depending upon economies of scale, some operations may be large enough to absorb across the board cuts without a major impact to the operational capabilities. Smaller functions not be able to implement across the board cuts as certain reductions may call for dramatic changes (ie., how does one cut 8% of one FTE in a particular function). Using this method, the most efficient operations have already experienced deep cuts because of their existing emphasis on operating efficiency.
- **Re-structure:** The Finance Director will perform an analysis of the affected functions to determine if it may be possible to reduce supervisory positions and overhead expenditures by consolidating functions or flattening the organizational structure to cut costs. The Finance Director will carefully study the impacts before restructuring to be certain that employees are given sufficient training and support to make more decisions themselves. Monitoring procedures will be put in place to avoid the overstretching of staff which may cause decreases in productivity, which in turn may wipe out potential savings. Recommendations will be made to the Administration and to City Council for any restructuring proposals that will materially impact staffing levels or levels of service.
- **Elimination:** The Finance Director will initiate a review of critical, mandated, or vital services that are matched against community needs and desires. A determination will be made if there are services that are non-critical, or that may be performed by other private sector entities. These types of programs may be as follows:
  - Specific programs that may be provided by the private sector,
  - Specific programs or functions that may be consolidated with other governmental agencies.
  - Specific programs or functions that are elective in nature.

### Long-term Action Procedures:

- Explore Service Delivery Options: The Finance Director shall review the consideration of privatizing services or contracting for the service with a neighboring county or political sub-division. Efficiencies may be gained through scale advantages, as well as through lower costs available only to private firms that are not subject to public sector regulations. Recommended actions will be made upon approval of the Administration and/or City Council.
- Seek additional revenues: If a revenue gap still exists after reviewing previous methods, the Finance Director will consider methods of garnering additional revenues. In addition to seeking grants, a review of those services that could be 100% user fee supported will be made as well as an analysis of existing fees to see if any increases are warranted. The Finance Director will review existing taxes and unused taxing authority. If one or more priority community needs will be underserved without a tax increase, the Finance Director will make a recommendation that might consider presenting a package for electoral support.
- While these procedures are in place, the Finance Director will monitor the revenue shortfall to ensure that initial estimates of the amount and duration are matching original projections. Any material adjustments to the original projections will be communicated to the City Council, Administration, and affected management staff.
- The Finance Director will submit the formal recommended action plan to the Mayor, City Administrator, and City Council for review and will immediately implement the outlined procedures.

### **Section 2: Expenditure Management:**

State law requires that budget appropriations be set for authorized expenditures. The authority for budgeted appropriation lies at the "fund level" – meaning that City's are required to ensure that actual expenditures do not exceed the appropriate expenditure authorization for the total fund. Within a fund, variances may occur on specific line items of the budget, however these variances would not require a City to amend its preciously adopted budget. However, prudent financial practices require that attention be given to these variances.

## **Budget Adjustment and Amendment Processes**

Under the provisions of State law and the City's operating procedures, the operating budget may be adjusted or amended in two different ways. Adjustment of the budget involves a reallocation of existing appropriations and does not change the budget "bottom line." Amendment of the budget involves an addition to or reduction of existing appropriations.

### **A. Adjustment**

Under the first method, departmental expenditures and requirements are monitored throughout the year. Typically, variances requiring a movement of appropriation between line items of the same fund/department require a budget adjustment. Certain departments may develop the need for additional expenditure authority to cover unanticipated costs that cannot be absorbed within the budget, while other departments will not require their full budget authorizations. The Finance Department reviews and analyzes all department and/or fund budgets to determine what adjustments are necessary and whether the adjustments can be made within existing appropriation limits. These changes are then reviewed with the affected department and/or fund managers. When an adjustment is needed, Finance staff will look first to savings within the department; then transfers between departments; and finally, the Mayor, City Administrator, or designee reviews and decides if the requested adjustments need to be made. No City Council action is needed as State law allows budget adjustments to be done administratively.

### **B. Amendment**

Amending the City's budget occurs whenever the requested changes from department and/or fund managers will cause the existing appropriation level for the fund to change. Variances requiring an increase or decrease to the total appropriation of a particular fund require a budget amendment. An amendment is made effective through an ordinance approved by Council. The amendment does not reflect specific line item changes. Instead, it shows only the change required to adjust the previously set appropriation to the new project amount. Per OHMC 001.04.202, budget amendments do not require an introduction to Council prior to presentation for approval.

Per City financial policies, expenditures are to be conservative, and realistically represent the costs of operating. When conditions change that would cause expenditures to exceed budgeted projections, the following actions should be taken:

### **Fund Appropriation Variances**

Fund Appropriation Variances occur when total expenditures at the Fund level exceed total fund appropriation authority. No variances in fund appropriates will be allowed without prior approval. To ensure adequate monitoring of Fund Appropriation variances, the Finance Director will perform a monthly review of citywide expenditures for appropriateness, and to ensure that fund appropriation authorizations are not exceeded. Should a variance occur, the following steps shall be taken:

- **Notification in Writing to responsible manager** – a written memo will be issued to the responsible manager notifying them of the variance. The manager will be required to respond in writing the reasons for the variance, and what plan of action will be taken to correct the variance. A copy will be sent to the City Administrator.
- **Authorize budget amendment** – this course of action will be taken with consultation of the manager, to increase budget authorization to cover the expenditure variance. The increase in authorization must include a funding source that is non-dedicated, and that will match the timing of the expenditure. Budget amendments must have the approval of the Mayor, City Administrator, or designee, and will only be effective through presentation of an ordinance to Council

### **Fund Balance Deficiencies**

The City has established a policy of maintaining a minimum fund balance reserve for the purpose of ensuring the City's ability to pay liabilities as they become due. Accordingly, minimum fund balances must be monitored to ensure that the City's cash reserves do not fall below cash flow requirements. The Finance Director shall perform a review of the status of all fund reserve balances to ensure that established levels are maintained. Should reserves fall below minimum standards, the following actions may be taken upon approval of the Mayor or City Administrator:

- A hiring freeze will be implemented until such reserves are at adequate levels
- Equipment Replacement Funding Payments may be deferred.
- A freeze on the implementation of new programs will be made until reserves levels are adequate.
- A freeze may be placed on Capital Outlay Spending
- A freeze may be placed on other areas of expenditure that will ensure a long-term return to financial stability through the maintenance of adequate reserve funds.

### **Cash flow shortages**

While most of the City's expenditures occur evenly throughout the year, revenues are received on a variety of schedules. The majority of City revenues are receipted on a monthly, quarterly, semi-annual, or annual basis. The Finance Director performs a review of cash flow balances continually to ensure that adequate cash is on hand to clear expenditures. When it appears that cash flow will not allow for the ongoing payment of invoices, the following steps or actions may be taken:

- The Finance Director will immediately notify the Mayor and City Administrator in writing of the projected shortfall. This notification will include the nature of the short fall, the events that lead to its existence, and a projected timeline showing when the deficiency will be resolved.
- Cash expenditures over \$1,000 in amount will be approved by the City Administrator prior to disbursement being made.
- The Finance Director will place a freeze on cash disbursements until such a time that cash flow permits expenditure. At no time will city checks be issued when there is not adequate cash funding on hand to sufficiently cover any check issued. The Finance Director will meet with the Administration and Department heads to determine a priority listing of which invoices will be paid first when adequate funding is available.
- A prudent approach will be taken in the use of short-term debt financing to cover temporary periods of cash flow tightness. Any interfund loans or issuance of short-term debt for these purposes will be brought forward to Council.

**Section 3: Fiscal Emergency Declaration:**

In times of severe financial duress, the City may institute a fiscal emergency. A fiscal emergency is appropriate when an event or series of events impacts the financial stability of the City to such a magnitude that a serious disruption of operations or a dramatic reduction in levels of service will result. The declaration of a fiscal emergency empowers the Mayor to initiate such changes that are necessary to immediately position the City to respond to the fiscal crisis. A suggested draft of the resolution is as follows:

RESOLUTION NO. \_\_\_\_\_

RESOLUTION CONCERNING BUDGET ADMINISTRATION FOR 2003

WHEREAS, the Council recognizes that the responsibility for administering the City is reposed with the Mayor by law; and

WHEREAS, the City Council's responsibility is to set policy through the City's ordinances and budget and that the Mayor and Council need to work together to develop a coherent strategy for solving the long term problems of the City; and

WHEREAS, the City Council recognizes the efforts of the Mayor and City employees to keep the City functioning and solvent, but also recognizes the changes wrought in financing of City government require changes in City operation; and

WHEREAS, the Council needs to keep involved in monitoring the budget implementation process so that it can participate with the Mayor in developing strategies to solve Oak Harbor's needs for police and fire protection services; now, therefore,

BE IT RESOLVED by the City Council of the City of Oak Harbor as follows:

The City Council directs and requests that the following measures are put in place:

1. Except in an emergency situation as declared by the Mayor or successor, no department budget appropriation may be exceeded without authorization of the City Council even if the fund budget is not exceeded by such expenditure.
2. No salary or pay grade for any position shall be increased without prior Council approval.
3. No new position shall be created and filled except upon prior Council approval; provided, temporary positions not exceeding six months may be approved by the Mayor so long as activity is budgeted and other provisions of this resolution are complied with.
4. Any change in a job description shall be forwarded to Council within five days of its occurring.
5. Except for emergency conditions and authorized by the Mayor, contracts in excess of \$10,000.00 shall not be let without specific prior Council approval even if mentioned directly in the budget or notes thereto and even if funds are authorized therefore.
6. Administration shall monitor revenues and expenditures on a monthly basis to determine if the City is meeting budgeted expectations. If revenues are failing to keep up with expenditures, administration is directed to do the following:
  - a. Stop the hiring of new replacement employees without Council approval.
  - b. Stop all purchases except those deemed absolutely necessary and approved by the Finance Director or other person(s) appointed by the Mayor.

- c. Prioritize expenditures.
  - d. Reduce overtime expenditures.
  - e. Implement a hiring freeze.
  - f. Cut general governmental department budgets by percentage amounts.
7. The Mayor is requested to direct preparation of an emergency plan for cost reduction in addition to above measures to be completed and presented to the City Council by June 1, 2003.

“Emergency” is defined to cover both unexpected events which require immediate action such as wind storm, earthquake or equipment failure and financial emergencies which are those events where circumstances require immediate action in order to avoid greater loss by waiting.

Nothing herein shall be construed as attempting to negate obligations currently existing under contract.



# **InterOffice Memo:**

**To: Scott Dudley, Mayor  
Larry Cort, Interim City Administrator**

**Fr: Doug Merriman, Finance Director**

**Date: 07/11/2012**

**RE: Fiscal position of City at June 30, 2012**

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## **Introduction:**

Recently, City Council voted to place the City under a "fiscal emergency", and have implemented certain limitations on purchasing, spending, and general fund reserves. Accordingly, I have been asked to prepare a description of the current financial position of the City. The following discussion addresses the City's General Fund financial position, in terms of revenues, expenditures, and reserve dynamics, as the General Fund is the primary fund affecting the overall operational function of most non-enterprise type municipal services.

## **Revenues:**

Since 2008, the City has been experiencing revenue challenges due to the significant decline in sales tax revenues. Annual sales tax revenues peaked during 2007-2008, reaching slightly over \$3,000,000 per year. Since that time, sales tax revenues have fallen approximately \$500,000, or 15%, over the last 3-4 years, with approximately half of this \$500,000 decrease has occurring from November 2011 through June of 2012. Accordingly, 2012 will end with sales tax revenues falling about \$250,000 below the 2012 budgeted estimate. In addition, the State of Washington has announced that no liquor excise taxes will be distributed to cities beginning July 1, 2012 through June 30, 2013. The effect of this change is a loss of \$54,000 in liquor excise tax revenues in both 2012 and 2013. This \$54,000 annual reduction in revenues, combined with the unbudgeted \$250,000 reduction in sales tax revenues, represents a 2.41% decrease in total General Fund Revenues for 2012. Looking ahead, the 2.41% decline in General Fund revenues, combined with increasing costs at an average 3% inflation rate result in a 5.41% mismatch of revenue and expenditure growth. This mismatch, if unchecked, would most likely result in a General Fund \$680,000 to \$700,000 imbalance as we begin to prepare the 2013 General Fund Budget, subject to any other fiscal environment changes occurring before 12/31/2012. Unfortunately, all other sources of revenue are experiencing little or no growth that could offset some of the tax revenue shortfall.

**Expenditures:**

As of June 30, 2012, General Fund expenditures for the year are at 54.22% of the total 2012 adopted budget. Theoretically, expenditures should be at or near 50% at June 30th. A review of our spending trends points to the one-time cost impacts of staffing adjustments in the General Fund (severance payments, recruiting costs, leave bank payouts, and interim appointment costs). From a budgetary perspective, the projected costs of these adjustments, net of reserves used for fund leave bank payouts, is approximately 2.9% of the General Fund Budget. If one subtracts the percentage impact of these one-time expenditures, total expenditures for the General Fund are approximately 51.32% of the total annual budget as of 6/30/2012, which is within an acceptable range. All other expenditures are tracking as projected. Looking ahead, the expenditure areas containing unknown variables are the cost of insurance, healthcare, and potential labor costs due to union bargaining agreements.

**Reserves:**

The City has diligently worked to maintain adequate reserves for the last several years. For the last approximately 3 years, the City has accumulated and held General Fund Reserves in excess of 31% through strict budget control procedures and strategic financial planning. During 2010-2011 discussions on the fiscal environment, Finance presented information to Council reflecting an erosion of reserves due to the combined impact of the economic downturn and inflation - with reserves projected to be reduced to the City's minimum fund balance reserve of 15% in approximately 4-5 years from that date if revenue and expenditure budget levels remained static. This 15% minimum fund balance was the adopted minimum in place at that time. This projected 4-5 year timeline will be accelerated if the reduction in sales tax and the elimination of liquor excise taxes continue into the near future.

A projection of General Fund Reserves at 12/31/2012 is calculated as follows:

**Projected Reserves as of 12/31/2012:**

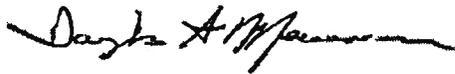
Total Unassigned Assets Available for Appropriation - 6/30/2012:	\$4,670,578
Total Assigned Assets Available for Appropriation - 6/30/2012:	1,390,238
Projected Revenues July - December	4,024,510
Projected Expenditures July-December	(6,826,270)
Projected Reserves 12/31/2012:	<u>\$3,259,056</u>
2012 Budgeted Expenditures	\$12,589,491
Projected 12/31/2012 Reserves as a % of Annual Budget	<u>25.8871%</u>
Potential Margin of Variance:	+/- <u>1.1915%</u>

Our 2012 Budget projected an ending fund balance of \$3,081,086, which is less than our current projection for the end of the year. Even with the impacts of lower revenues, and unanticipated separation costs, the net softening effect of other dynamics such as cost savings of vacant positions,

may minimize the net impact of these issues on the balance of the 12/31/2012 General Fund reserve. Please note that this end of the year project is at 25.8871% - nearly at the 25% Stabilization arrangement balance recently set by Council.

Overall, the City is facing the same economic challenges all cities in Washington are experiencing at this time. Reduced sales tax revenues, and the Governor's decision to cancel liquor excise tax distributions have added new and significant challenges to our environment as we begin our 2013-2014 budget process. Please note the \$680,000-\$700,000 revenue/expenditure imbalance discussed in the revenue section above. This amount, at a minimum, will be close to our initial General Fund imbalance for 2013. The current economic dynamics of reduced revenues being unable to keep pace with existing costs will be with us for some time into the future. Continued monitoring of our fiscal environment, combined with flexibility in our approach to the provision of services, should be considered to sustain our level of services as close to the current level as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Doug Merriman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Doug Merriman

Finance Director



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

Bill No. 16  
Date: AUGUST 8, 2012  
Subject: Pending Items for Future  
City Council Meetings

FROM: Scott Dudley, Mayor ~~XX~~

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

LC Larry Cort, Interim City Administrator  
DM Doug Merriman, Finance Director  
GW Grant Weed, Interim City Attorney

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**SUMMARY STATEMENT**

The attached list of pending items is meant to be an organizational tool and not a definitive list of what will come before the Council for a given meeting's date. As a tentative list, it is subject to frequent, if not daily changes.

# Pending Items As of: August 1, 2012 **This list is subject to change.**

Council Absences: **Danny Paggao** from the 8/8/12 meeting, 7/31/12 WWTP special meeting, 8/14/12 WWTP special meeting;  
**Beth Munns** from the 8/8/12 meeting

<b>Targeted Meeting Date</b>	<b>Agenda Bills ARE DUE</b>	<b>Public Hearing Notice Date (if needed)</b>	<b>Consent Agenda</b>	<b>Subject</b>	<b>Department</b>
9/4/12	8/15/12		✓	Noise Permit – Homecoming Parade	Admin
9/4/12	8/15/12		✓	Noise Permit – Veteran's Day Parade	Admin
9/4/12	8/15/12		✓	Site Plan Extension - Franklin Manor	Dev Srv
9/4/12	8/15/12			Authorization to Advertise for Proposals - Animal Shelter Services	PD/Admin/P. Works
9/4/12	8/15/12 Legal initiated for 8/8/12 meeting	8/18/12		Public Hearing - Fairway Point PRD ADU Amendment (moved from the 8/8/12 meeting)	Dev Srv
9/4/12	8/15/12	8/18/12		Public Hearing and Final Consideration - Ordinance, Credit Card Fees	Finance
9/4/12	8/15/12	8/18/12		Public Hearing and Final Consideration - Administrative Approval of Noise Permits	Finance
9/4/12	8/15/12	8/18/12		Public Hearing and Final Consideration – Arts Commission Ordinance	Admin
9/4/12 (tentative)	8/15/12			Agreement - With Whidbey General Hospital for EMS Services	FD
9/4/12	8/15/12			Bid Award - Rescue Unit	FD
9/4/12 (tentative)	8/15/12			Resolution – Marina, Facility Use Fee	Dev Srv
9/18/12	8/29/12	9/1/12		Public Hearing - Sign Code	Dev Srv
9/18/12	8/29/12	9/1/12		Public Hearing - Marin Annexation	Dev Srv
9/18/12	8/29/12	9/1/12		Public Hearing - Binding Site Plan Code Amendment	Dev Srv
9/18/12 (due date)	--			Preliminary Budget Review. Not necessarily an agenda bill.	Finance
9/18/12	8/29/12			Authorization to Advertise for Bids - Water Reservoir	P.Works
October				Shoreline Master Program	Dev Srv
November				Contract – Automated Pay Station for Staysail RV Park	P.Works
No later than December meetings				Public Defense Services Agreements: Chief Public Defender (Matt Montoya), Assistant Public Defender (Georgina Sierra), Public Defense Administrator (Jack Kerr). Present agreements expire December 31, 2012.	Admin
				Authorization to Advertise for Bids - Newspaper Advertisement Services	Finance
				Authorization to Advertise for Bids - C-Dock Roof Repair	P.Works
				Authorization to Advertise for Bids - Online Payment Services	Finance
				Property Tax Adjustment	Finance
				Council Rule Change – Public Forum – Free Speech	Legal
				Channel 10 Rules	Admin/Legal

		Banner Program Guidelines	P.Works/ Dev Srv
		Impact Fees – under review for deferral at closing	Dev Srv / P.Works
		Legal Department Restructure	Legal
		Utilities Office, City Council Chambers, Law Department Remodels	Finance, Dev Srv
		Interlocal Agreement – Island County Housing Authority, Oak Harbor, Coupeville, and Langley - Affordable Housing. Recording surcharge funds to fund housing programs.	Admin/Dev Srv

**STANDING COMMITTEES and other meetings and activities**

Date	Subject	Dept.
8/2/12	CANCELLED, PUBLIC WORKS STANDING COMMITTEE, 3:30 p.m., City Hall Council Chambers	Council
8/6/12	MARINA COMMITTEE, 7:00 p.m., City Hall Conference Room	Committee Members
8/7/12	<b>Date change confirmed: this meeting will be held on 8/7/12 at 3:30 p.m.</b>	Committee Members
8/4/12	GOVERNMENTAL SERVICES STANDING COMMITTEE, 3:30 p.m., City Hall Council Chambers	Committee Members
8/8/12	<b>Keep this date in place (same date as City Council meeting)</b>	Committee Members
8/13/12	FINANCE STANDING COMMITTEE, 3:30 p.m., City Hall Council Chambers	Committee Members
8/13/12	ARTS COMMISSION, 6:00 p.m., City Hall Conference Room	Committee Members
8/14/12	CITY COUNCIL SPECIAL MEETING, 6:00 p.m. - 9:00 p.m., at City Hall. Waste Water Treatment Facility, Final Site Selection (for action).	Council
8/16/12	PUBLIC SAFETY STANDING COMMITTEE, 3:30 p.m., City Hall Council Chambers	Committee Members
9/19/12	CITY COUNCIL SPECIAL MEETING, 6:00 p.m. - 8:00 p.m., City Hall Council Chambers. Workshop presentation by Mayor on State of the City and Future Vision.	Council
Date TBD	CITY COUNCIL SPECIAL MEETING, Workshop on Recommendations from HDR - System Development Fees	P.Works and Finance
12/8/12	CITY COUNCIL RETREAT – Review Goals set at March Retreat	Council

