



CITY COUNCIL
VIRGIL CLARKSON
Mayor

JASON HEARN
Deputy Mayor

JEFF GADMAN
LENNY GREENSTEIN
RON LAWSON
CYNTHIA PRATT
ANDY RYDER

CITY MANAGER
SCOTT SPENCE

LACEY CITY COUNCIL AGENDA
SEPTEMBER 26, 2013
7:00 P.M.
420 COLLEGE STREET, LACEY CITY HALL

CALL TO ORDER:

1. PLEDGE OF ALLEGIANCE
2. APPROVAL OF AGENDA & CONSENT AGENDA ITEMS*
 - A. [Worksession Minutes of September 5, 2013](#)
 - B. [Council Minutes of September 12, 2013](#)

** Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

3. PUBLIC RECOGNITIONS AND PRESENTATIONS:
4. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA*

The City Council will allow comments under this section on items **NOT already on the agenda. Where appropriate, the public will be allowed to comment on agenda items as they are addressed during the meeting.*

5. PUBLIC HEARING:
6. PROCLAMATION:
 - A. [Proclamation declaring September 30 – October 6, 2013, as Panorama Week \(Joseph Di Santo\)](#)
7. REFERRAL FROM PLANNING COMMISSION:
8. REFERRAL FROM HEARINGS EXAMINER:
9. RESOLUTIONS:
10. ORDINANCES:
 - A. [Ordinance establishing Fund Balance Designations \(Troy Woo\)](#)
11. MAYOR'S REPORT:

12. CITY MANAGER'S REPORT:

- A. [Authorize City Manager to sign Amended Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid relating to Thurston County Narcotics Task Force \(Dusty Pierpoint\)](#)

13. STANDING GENERAL COMMITTEE:

- A. [Utilities Committee \(09.06.13\)](#)
B. [Transportation Committee \(09.10.13\)](#)

14. OTHER BUSINESS:

15. BOARDS, COMMISSIONS, AND COMMITTEE REPORTS:

- A. Mayor Virgil Clarkson:
1. Intercity Transit Authority (IT)
2. Mayors' Forum
3. Thurston Regional Planning Council (TRPC)
- B. Deputy Mayor Jason Hearn:
1. Joint Animal Services Commission (JASCOM)
2. HTPA-Human Trafficking
- C. Councilmember Cynthia Pratt:
1. Energy Advisory Committee
2. LOTT
3. Olympic Region Clean Air Agency (ORCAA)
4. Thurston Council for Children & Youth
- D. Councilmember Andy Ryder:
1. Business Resource Center
2. Economic Development Council (EDC)
3. Transportation Policy Board (TPB)
4. Visitor & Convention Bureau (VCB)
- E. Councilmember Ron Lawson:
1. Community Action Council (CAC)
2. HOME Consortium
3. Solid Waste Advisory Committee (SWAC)
- F. Councilmember Jeff Gadman:
1. Health & Human Services Council (HHSC)
2. Regional Sustainability Task Force
3. Thurston County Law & Justice Council
- G. Councilmember Lenny Greenstein:
1. Emergency Medical Services (EMS)
2. TCOMM911
3. Water Resource Inventory Area 11 (WRIA)

16. ADJOURN

**MINUTES OF LACEY CITY COUNCIL WORKSESSION
THURSDAY, SEPTEMBER 5, 2013
LACEY CITY HALL
7:00 P.M.**

COUNCIL PRESENT: Virgil Clarkson, Jason Hearn, Andy Ryder, Ron Lawson, Jeff Gadman, Cynthia Pratt, Lenny Greenstein

STAFF PRESENT: S. Spence, R. Walk, D. Schneider, T. Woo, C. Litten, S. Egger, L. Gotelli, R. Andrews, S. Schelling

COUNCILMEMBER PRATT MOVED TO APPROVE THE AGENDA. DEPUTY MAYOR HEARN SECONDED. MOTION CARRIED.

PROPOSED PLASTIC BAG BAN

Scott Spence, City Manager, reported the City received a draft ordinance from the Thurston County Commissioners to move forward with reducing the use of plastic, single-use carryout bags in Thurston County. If adopted, an effective date of July 1, 2014, is proposed. The Thurston County Solid Waste Advisory Committee recommends approval of the ban.

The purpose of this discussion is to reaffirm the direction that the Lacey City Council wants to take regarding a ban on plastic bag use. At its March 28, 2013, Council meeting, Council voted to place this measure on a ballot as an advisory vote of the public, once the draft ordinance was prepared.

Mayor Clarkson polled each Councilmember to share their opinion.

Councilmember Cynthia Pratt stated she is in favor of the ban, but would support an advisory vote. She noted that in her discussions with the general public, a majority seems to be in favor of the ban.

Councilmember Jeff Gadman stated he is in favor of the ban and would support holding two public meetings in the south and north areas of the City to gauge the public mood.

Councilmember Lenny Greenstein stated he is opposed to the ban, and strongly supports going to a public advisory vote. He noted the SWAC survey was inconclusive and unscientific.

Councilmember Andy Ryder stated there is time to discuss the issue before moving forward. He stated he is concerned about the costs of an advisory vote. He would support holding public meetings before spending funds on a vote.

Deputy Mayor Jason Hearn stated although public education and public meetings have some value, he would support an advisory vote to provide an opportunity for a true representation of the public to be heard.

Councilmember Ron Lawson stated he supports the plastic bag ban. He noted the public has had multiple opportunities to comment throughout the process, and the majority agrees with the ban. He would not support an advisory vote and its associated cost.

Mayor Virgil Clarkson stated that generally he is not in favor of government regulation of personal choices. He noted public meetings do not always capture the true intent of the general public, because participation depends on so many variables. He would support an advisory vote that would provide an opportunity for a larger number of Lacey residents to be heard. He remarked that the Lacey City Council represents the citizens of Lacey, not other jurisdictions.

Scott Spence, City Manager, reported on the estimated costs for placing a measure before voters in 2014. He stated if Lacey is the only measure on a special election ballot, the cost would be approximately \$114,000. If the City participates in an election with other county issues in August and November 2014, its estimated cost would be approximately \$10,800. At this time, there are no other ballot measures for the February and April 2014 special elections.

AFTER FURTHER DISCUSSION ABOUT THE PROS AND CONS OF BANNING SINGLE-USE PLASTIC BAGS, AND PLACING AN ADVISORY VOTE ON THE BALLOT, COUNCIL AGREED THERE WAS CONSENSUS TO MOVE FORWARD WITH PUBLIC MEETINGS OR OPEN HOUSES, AND THEN RECONSIDER AN ADVISORY VOTE DEPENDING ON PUBLIC INPUT.

Staff will coordinate public outreach with two meetings in order to solicit public input on the issue of banning single-use plastic bags.

TOURISM PROMOTION AREA

Liz Gotelli, Human Resources and Public Affairs Director, reported the Thurston County Board of Commissioners received a qualifying petition on July 29, 2013, to create a Thurston County Tourism Promotion Area (TPA). The TPA would be established to raise funds to promote tourism, market conventions, trade shows, and the local travel industry as well as recruit sporting events for Thurston County. Lodging businesses within the TPA would charge and collect a special assessment of \$2.00 per room/day, raising an estimated \$400,000 to \$900,000, depending on actual occupancy rates.

In order to establish a countywide TPA that includes the municipalities with applicable lodging businesses, an inter-local agreement with the Cities of Olympia, Tumwater, Lacey and Yelm is required by state law.

A seven-member Thurston County Hotel and Motel Commission will be established to advise the Board of County Commissioners on the expenditure of revenues collected. The Board of County Commissioners will contract with a TPA Manager to administer the activities and programs of the TPA and to prepare an

annual budget. Thurston County will retain indirect administrative costs for maintaining the fund. If the inter-local agreement is terminated, Thurston County will expend any remaining unallocated revenue for tourism promotion in Thurston County.

It was noted that there are eight hotels/motels in Lacey, and four of the eight have signed the petition to form a TPA.

Liz reported that there has been additional discussion related to the intergovernmental agreement with the other jurisdictions and the VCB on three points: 1) clarifying the intent of the funding, 2) administrative costs collected by the County, and 3) disposal of funding and equipment by the County if the TPA is dissolved.

Councilmembers expressed concern about delegating Lacey's control of TPA funding as a governing body if future changes to the TPA resolution are not made in the best interest of Lacey residents.

AFTER FURTHER DISCUSSION, COUNCIL AGREED TO SUPPORT A PUBLIC HEARING BY THE COUNTY COMMISSIONERS ON OCTOBER 8, 2013, REGARDING THE FORMATION OF A TOURISM PROMOTION AREA.

SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP

Scott Spence, City Manager, briefed the Lacey City Council on the need for a new Memorandum of Agreement related to the South Sound Military and Communities Partnership, and a request for increased ongoing financial support.

On March 24, 2011, the Lacey City Council approved the original Memorandum of Agreement. Two plus years after the formation of the SSMCP, key progress has been made on several fronts including funding for transportation studies, to include Lacey's Marvin Road/Exit 111 interchange, and workforce development grants. The SSMCP also coordinated the first comprehensive survey of active-duty military at JBLM to determine how many military personnel lived off-base. The results of this study identified 5,065 active duty military living in Lacey; the largest active duty population living off-base from JBLM within the South Sound Region. SSMCP is also responsible for the enhanced relationship between communities adjacent to JBLM and the United States Military.

Federal grants, however, will be expended by 2013 without assurance of future funding. As a result, representatives of the SSMCP have discussed ways to continue the efforts of the SSMCP without the reliance on federal grants.

Under its present structure, the SSMCP receives policy guidance from an Elected Officials Council (EOC). A single representative from each local government serves on the EOC and shares issues and interests to the larger group; the Lacey Mayor currently serves on the EOC. Additionally, oversight and

strategic direction is provided to SSMCP by a Steering Committee. The chief appointed official from each local government, and other charter organizations, serve on this committee and meets monthly; Lacey's City Manager attends the monthly Steering Committee meetings.

The new Memorandum of Agreement outlines a structure similar to the current SSMCP framework with some modifications. An EOC and Steering Committee would remain part of the model to provide policy guidance and direction. A new Executive Leadership Team (ELT) would be created comprised of the chief appointed officials from the City of Lakewood, Pierce County, and Thurston County to address day-to-day operational issues.

Under this proposal, the City of Lacey would pay \$6,500 annually and would have an elected representative serving on the Elected Officials Council and retain its seat on the Steering Committee.

AFTER DISCUSSING THE IMPORTANCE OF SUPPORTING THE JBLM MISSION AND ITS MILITARY FAMILIES, COUNCIL AGREED TO MOVE FORWARD WITH AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT RELATED TO THE SOUTH SOUND MILITARY AND COMMUNITIES PARTNERSHIP, AND A REQUEST FOR INCREASED ONGOING FINANCIAL SUPPORT IN THE AMOUNT OF \$6,500 ANNUALLY.

COUNCILMEMBER RYDER MOVED TO ADJOURN THE MEETING. COUNCILMEMBER GADMAN SECONDED. MOTION CARRIED.

Mayor Clarkson adjourned the meeting at 8:52 p.m.

**MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
SEPTEMBER 12, 2013, IN LACEY COUNCIL
CHAMBERS.**

- CALL TO ORDER: Mayor Clarkson called the meeting to order at 7:00 p.m.
- PLEDGE OF ALLEGIANCE: Mayor Clarkson led the pledge of allegiance.
- COUNCIL PRESENT: V. Clarkson, J. Hearn, C. Pratt, J. Gadman, R. Lawson, A. Ryder
- COUNCIL EXCUSED: L. Greenstein
- STAFF PRESENT: S. Spence, T. Woo, D. Schneider, R. Walk, S. Egger, L. Gotelli, D. Pierpoint, C. Litten, S. Schelling, T. Palmateer
- APPROVAL OF AGENDA AND CONSENT AGENDA: Consent Agenda Items:
(a) Council Minutes of August 22, 2013
- Mayor Clarkson requested an amendment to the consent agenda to add the Final Plat of Campus Ridge Project #11-195.
- COUNCILMEMBER LAWSON MOVED TO APPROVE THE AMENDED CONSENT AGENDA AND AGENDA. COUNCILMEMBER GADMAN SECONDED. MOTION CARRIED.**
- PUBLIC COMMENT: Lori Flemm, Parks & Recreation Director, and Mayor Clarkson recognized Ken Dean for his outstanding service on the Historical Commission. Mayor Clarkson presented a Distinguished Public Service Award to Mr. Dean for 8 years of outstanding service on the Historical Commission.
- Fire District 3 Chief Brooks thanked Mayor Clarkson and Council for attending the re-opening of Station 35

which will reduce response times and provide opportunities for community engagement. Fire Commissioner Frank Kirkbride announced the FD3 Board is forming a citizen advisory committee to provide direction to the fire district for sustainable growth into the future. He invited the public to visit the FD3 website for information on participating.

...

Len Wilson, resident of Rainier Crossing, addressed Council to express concerns about a pot growing operation adjacent to his condo unit. He noted the smells, noise, and moisture are a nuisance, and diminish the resale value of his home and others in the area. Chief Pierpoint stated that medical marijuana is legal in Washington State allowing up to fifteen plants per person for medical purposes. One option would be to create a neighborhood covenant to regulate the growing of marijuana indoors. Mr. Wilson commented that stricter controls for prescription medical marijuana are needed.

PROCLAMATION:

Councilmember Pratt read a proclamation to declare September 8-14, 2013, as *Suicide Prevention & Awareness Week*. Monica Olivas, Catholic Community Services, accepted the proclamation, and encouraged all to discuss the issue of suicide to raise public awareness.

RESOLUTION:

Resolution No. 998 declares the intent to reimburse certain capital project costs with revenue bond proceeds.

Troy Woo, Finance Director, stated that debt financing is needed to fund the City's utility capital improvement programs (CIP). The combined Water and Sewer (including Stormwater) bond issue amount is an estimated \$9,000,000. This amount includes proceeds to fund the required revenue bond reserve, which is typically equal to the average annual debt service. It is anticipated the bonds will have a 20-year repayment schedule and provide funding for 2013 and 2014 Water and Stormwater CIP projects.

The draft Stormwater Comprehensive Plan financial chapter does not identify debt financing need until

2017. However, a recent \$1.0 million grant award changed the Stormwater CIP priority. The \$1.0 million Chambers Lake Stormwater Facility grant award requires a project completion date prior to the end of June 2015. This Stormwater capital project was originally programmed for construction in 2017 and 2018, but is being rescheduled to take advantage of the grant opportunity. Due to the wetland nature of the area, construction must occur during the summer of 2014. The change in schedule causes an earlier debt requirement.

The 2013 Waterline Replacement, 20th Avenue Waterline Replacement, and Reclaimed Water Infiltration Facility projects are all under contract. Bond proceeds are typically expended after received. The bond issuance schedule of events anticipates a November 19 bond closing and funding, so the majority of these expenditures will be incurred prior to the receipt of bond proceeds.

To remain eligible for tax-exempt bond expenditures the governing body must declare that it expects to reimburse the expenditures with bond proceeds prior to making the expenditure. The expenditures can occur 60-days prior to the adoption of the resolution, so the identified expenditures are eligible although some have already been incurred.

The reimbursement method is necessary because the City was awarded \$6.3 million of low interest Public Work Trust Fund (PWTF) loans, but the loans were subject to funding in the State's Budget. The State Budget was adopted late during a second special legislative session and without PWTF loan funding. The late budget adoption did not allow the City to issue bonds in advance of the 2013 summer construction season.

At its August 26, 2013, meeting, the Finance and Economic Development Committee reviewed the proposed resolution and recommends adoption to full Council Council.

COUNCILMEMBER RYDER MOVED TO APPROVE RESOLUTION NO. 998 TO DECLARE THE INTENT TO REIMBURSE CERTAIN CAPITAL PROJECT

**COSTS WITH REVENUE BOND PROCEEDS.
COUNCILMEMBER GADMAN SECONDED.
MOTION CARRIED.**

Resolution No. 999 declares the intention to establish a hearing date for formation of ULID 22, for the purpose of installing sewer line and allowing for the connection of residences within the area of Tanglewilde East and Skokomish Way.

Tom Palmateer, Management Analyst, stated that property owners representing 75% of the equivalent residential units from the Tanglewilde East Division 3-B, and 63% of the ERU's from the Skokomish Way portion of the district expressed support for the formation of the ULID. Combining the total responses from both areas, 68% support the project, which will decrease the number of septic systems in the area and improve the overall water quality in the area.

The Utilities Committee addressed this subject at its August 2, 2013, meeting and recommends proceeding with the implementation of the ULID.

**COUNCILMEMBER GADMAN MOVED TO
APPROVE RESOLUTION NO. 999 TO ESTABLISH
A PUBLIC HEARING FOR THE FORMATION OF
ULID 22 TO INSTALL SEWER LINES IN
TANGLEWILDE EAST AND SKOKOMISH WAY.
COUNCILMEMBER PRATT SECONDED. MOTION
CARRIED.**

Resolution No. 1000 adopts the 2013 Comprehensive Emergency Management Plan and authorizes the Mayor to sign the Letter of Promulgation. The CEMP addresses the four phases of emergency management, which are mitigation, preparedness, response, and recovery.

Council reviewed and discussed the Comprehensive Emergency Management Plan at its Worksession on August 1, 2013.

**COUNCILMEMBER PRATT MOVED TO APPROVE
RESOLUTION NO. 1000 TO ADOPT THE**

COMPREHENSIVE EMERGENCY MANAGEMENT PLAN AND AUTHORIZE THE MAYOR TO SIGN A LETTER OF PROMULGATION. COUNCILMEMBER LAWSON SECONDED. MOTION CARRIED.

ORDINANCES:

Ordinance No. 1418 adopts the 2013 budget amendments.

Troy Woo, Finance Director, reported on the final update of the budget amendments prior to full City Council adoption scheduled for September 2013.

The City's highest priority is stormwater utility projects. The City recently received a \$1.0 million grant for the Chambers Lake Outfall Project, which will move the project forward from 2016 to 2014. As a result, an additional FTE will be hired to manage the capital utility projects.

In response to a request from Utilities Committee members to reduce the budget amendment for the STEP sewer main repair to more accurately reflect the actual cost, the amount was reduced from \$400,000 to \$300,000.

The Finance Committee reviewed the 2013 budget amendments and recommends approval to full Council.

COUNCILMEMBER GADMAN MOVED TO APPROVE ORDINANCE NO. 1418 TO ADOPT THE 2013 BUDGET AMENDMENTS. COUNCILMEMBER PRATT SECONDED. MOTION CARRIED.

CITY MANAGER'S REPORT:

Jeff Cook, Building Code Specialist II and Resource Conservation Officer, presented the Council with a request to authorize the City Manager to sign an amendment to the Interagency Agreement relating to the Energy Conservation Project.

In 2012, Ameresco Quantum performed an investment grade audit, and the results recommended facility improvements to City Hall, Animal Services,

and the Community Center to gain greater energy efficiency.

To participate in the performance contracting program through the State of Washington, the City entered into an Interagency Agreement with the Department of General Administration (GA), now known as Department of Enterprise Services, to provide project management services.

To date, the Department of Enterprise Services has managed the work of Ameresco Quantum on behalf of the City through the existing Interagency Agreement. To move forward into the construction phase, an amendment to the Interagency Agreement is needed to execute the energy conservation projects. The estimated cost is \$442,837, with funding of \$108,000 from an Energy Efficiency Grant, and the remaining funded through budget reserves.

The General Government & Public Safety Committee reviewed the amended Interagency Agreement on August 16, 2013, and recommends approval to full Council.

COUNCILMEMBER LAWSON MOVED TO AUTHORIZE THE CITY MANAGER TO SIGN AN AMENDMENT TO THE INTERAGENCY AGREEMENT RELATING TO THE ENERGY CONSERVATION PROJECT. COUNCILMEMBER PRATT SECONDED. MOTION CARRIED.

Scott Spence, City Manager, announced Pet Day will be the theme of the Lacey Community Market on September 14, 2013. The Summer's End Car Show is scheduled for September 21, 2013.

STANDING GENERAL COMMITTEES:

Transportation Committee

Deputy Mayor Hearn reported the Committee met on August 13, 2013, and received an update on the SMART Corridor.

General Government & Public Safety Committee
Councilmember Lawson reported the Committee met on August 16, 2013, to discuss an ordinance to enforce graffiti clean-up, and the Energy Conservation Project.

Finance & Economic Development Committee
Mayor Clarkson reported the Committee met on August 26, 2013, to discuss the final 2013 Budget Amendment Ordinance, the 2014 Budget, and Utility Debt.

BOARDS & COMMISSIONS:

HOME Consortium
Councilmember Lawson reported revenues are above projections and will be allocated towards reducing homelessness. Progress continues on merging the HOME Consortium with Health and Human Services Council agencies. The merger will help streamline the RFP process and expedite responses.

Human Trafficking
Deputy Mayor Hearn reported Washington Engaged will hold an event on October 5, 2013, to raise public awareness about human trafficking.

JASCOM
Deputy Mayor Hearn reported the Bow-Wow Boogie fundraiser was the most successful ever, raising \$8,900 in revenue.

LOTT
Councilmember Pratt reported the Board toured the primary sedimentation basin. The 2014 Capital Improvement Program (CIP) is out for review. HDR Engineering provided a presentation on the Groundwater Recharge Scientific Study framework, and is seeking hydrologists to serve on the peer review panel.

ORCAA
Councilmember Pratt reported the Board approved a resolution to initiate the Wood Stove Change-out Program. DOE has awarded \$100,000 to administer the wood smoke reduction program.

The Board received a presentation on outdoor burning and discussed options and incentives to change behavior.

Staff will meet with all jurisdictions to discuss asbestos permitting.

Solid Waste Advisory Committee

Councilmember Lawson reported that Lemay will no longer recycle products made with plastic film.

Sustainable Task Force.

Councilmember Gadman reported the final draft of the Regional Sustainable Thurston Action Plan will be presented to TRPC and jurisdictions. He noted the City of Lacey has already implemented many sustainable initiatives.

Thurston Council on Children & Youth

Councilmember Pratt reported the group approved a list of community visions.

Transportation Policy Board

Councilmember Ryder reported the 2014-2017 Regional Transportation Improvement Program has been forwarded to TRPC for review. In other business, a briefing on the Sustainable Thurston Action Plan was presented to the Board.

ADJOURNMENT: Mayor Clarkson adjourned the meeting at 8:53 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____

City of Lacey *Official Proclamation*

Whereas, Panorama has been named one of the outstanding Continuing Care Retirement Communities in the country; and

Whereas, Panorama has been providing top quality retirement living in Lacey and the nation for 50 years; and

Whereas, Panorama has a \$42 million dollar economic impact on Lacey through its 385 employees and 1,200 residents; and

Whereas, Panorama encompasses a pristine park-like environment, built around the largest resident arboretum with more than 1,200 plants and trees; and

Whereas, Panorama's programs and lifestyle offer community events, and encourages Lacey seniors to make learning in retirement part of their active lives; and

Whereas, Panorama has brought new residents from all 50 states to the Lacey community; and

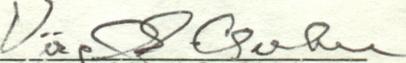
Whereas, Panorama residents have become involved in the community through volunteer work, with 65,000 hours in 2012 including the Lacey Senior Center, Senior Patrol, local schools, the Lacey City Council, and Boards and Commissions.

Now, therefore, I, Virgil Clarkson, Mayor of the City of Lacey, do hereby proclaim September 30 – October 6, 2013, as

Panorama Week

in the City of Lacey, and encourage all citizens to celebrate Panorama's 50th anniversary and the positive impact the residents and staff bring to Lacey.




Mayor Virgil S. Clarkson
September 26, 2013



LACEY CITY COUNCIL MEETING
September 26, 2013

SUBJECT: Fund Reserve Designations Ordinance

RECOMMENDATION: Adopt ordinance establishing committed fund reserve designations.

STAFF CONTACT: Scott Spence, City Manager *SS*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo

ATTACHMENTS: Ordinance No. 1419

**BUDGET IMPACT/
SOURCE OF FUNDS:**

**PRIOR COMMITTEE
REVIEW:** This matter was reviewed by the Finance and Economic
Development Committee and the full Council during the August 1,
2013, Council Worksession.

BACKGROUND:

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. The City Council took action to commit certain fund balances during July 2011, which enabled full compliance by the reporting period ending December 31, 2011, as required. In addition to the classification of governmental fund balances requirements, GASB Statement No. 54 provided new definitions for governmental fund, which will limit the use of special revenue funds. The City reclassified the Regional Athletic Complex funds as a governmental fund within the General Fund, so the City is in full compliance with GASB Statement No. 54. It has been two years since the City Council determined the initial fund balance designations. Some of the designations have been expended as directed and the City Council has identified new priorities. The timing is appropriate for the City Council to re-establish its fund balance designations.

GASB Statement No. 54 provides the following classifications for fund balances:

- **Nonspendable**
 - This classification includes fund balances that are not in a spendable form, such as inventories, long-term receivables, and property held for resale. Fund balances that are legally or contractually required to remain intact, such as a corpus of a permanent fund, are also included in this classification.
- **Restricted**
 - Restricted fund balances include resources that are constrained for a specific purpose by external parties, constitutional provisions, and enabling legislation. Contractual agreements and bond covenants are examples of external parties that could require constraints that would be considered restricted fund balances.
- **Committed**
 - Committed fund balances include resources that are constrained by the highest level of decision making authority of a government. For the City of Lacey, the highest level is the City Council.
- **Assigned**
 - Amounts that are intended to be used for a specific purpose would be considered assigned fund balance. The intent is expressed by the governing body, a subcommittee, or an official authorized by the governing body.
- **Unassigned**
 - Unassigned fund balances are available for any purpose. All remaining fund balances will automatically be classified as unassigned.

The fund balances that will be reported as nonspendable and restricted are classified automatically by the nature of the fund balance, so City Council action is not required to classify fund balances as nonspendable or restricted. The reserve established for the Public, Educational, and Governmental (PEG) fees are restricted for improvements of the PEG broadcast is an example of a restricted reserve. PEG fee uses are restricted by the franchise agreement for cable services.

The City Council is authorized to classify fund balances as committed. To classify fund balances as committed, the City Council must take formal action. The City Council has full discretion regarding the committed fund balances, but the action must meet specific purpose criteria standards. Committing fund balance to a specific project such as the street overlay program meets the criteria, but a generic rainy day (stabilization) reserve does not meet the criteria. To meet the specific purpose criteria the formal action needs to identify and describe with sufficient detail the specific circumstances under which a need for restriction occurs. These circumstances are not expected to occur on a routine basis. For example, a City Council formal action that constrains \$1 million for a rainy day fund or stabilization to be used only in an emergency is not allowed to be reported as a committed fund balance. This action does not provide sufficient detail to determine what would constitute an emergency. In addition the following apply to committed fund balances:

- A committed fund balance constraint imposed by the City Council can only be changed or removed by the same formal action.
- In order to be reported on the face of the annual financial statements, the constraints must be adopted prior to the end of the fiscal year to be reported.
- The adoption of the budget document does not qualify as formal action to constrain the resources, because the budget authorization is only for one year.

Assigned fund balances include amounts that are *intended* to be used for specific purposes. This intent can be expressed by the City Council, a City Council Committee, or an official authorized by the governing body such as the City Manager. The residual amounts in governmental funds other than the General Fund are considered assigned. Governmental funds include the General, special revenue, capital, debt service, and special assessment funds. For example, the residual fund balance in the Street Fund (special revenue) will be considered assigned for street and transportation purposes.

The City Council previously authorized the City Manager and City Finance Director to assign funds based on the intent expressed by the City Council. The proposed ordinance includes a provision to re-authorize the same authority to assign fund balance.

Unassigned fund balances include all the remaining fund balances. Unassigned fund balances can be used for any purpose and typically are only reported in the General Fund.

It is requested that the City Council review the fund balances and adopt the proposed ordinance establishing the City Council committed fund reserve designations and authorizing the City Manager and Finance Director to categorize fund balances as assigned based on the expressed intent of the City Council.

ADVANTAGES:

1. Review and adoption of the ordinance will help ensure the City's financial reporting remains compliant with GASB Standards and Generally Accepted Accounting Principles (GAAP).
2. Whether the City Council takes formal action to constrain fund balances or chooses to confirm classifications, the City's Comprehensive Annual Financial Report (CAFR) will more accurately reflect the City Council's vision and intent.
3. Periodic reviews by the City Council will better align fund balances with the annual priorities and long-term goal and vision of the City and will ensure the City Council's commitments are still valid.

DISADVANTAGES:

1. City Council imposed fund balance constraints, which are considered committed fund balances, will require formal action to change or remove the constraint. This could create additional procedures throughout the budget process.

ORDINANCE NO. 1419

CITY OF LACEY

AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54.

WHEREAS, the Governmental Accounting Standards Board (“GASB”) Statement No. 54 establishes the standard for governmental fund balance reporting and governmental fund balance type definitions, and

WHEREAS, fund balance measures the net financial resources that are available for future expenditures, and

WHEREAS, the City Council finds it beneficial to designate certain fund balances as Committed for specific purposes or projects and that the City Manager or Finance Director be authorized to designate certain other fund balances as Assigned for a specific purpose,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. Resolution No. 974, a resolution of the City of Lacey, Washington, establishing fund balance designations as provided by Governmental Accounting Standards Board Statement No. 54, is hereby rescinded.

Section 2. The fund balances of the City of Lacey designated in this Ordinance are committed for the specific purpose indicated. Amendments or modifications of the committed fund balances set forth herein shall require formal action by the City Council.

Section 3. The City Council authorizes the City Manager or City Finance Director to categorize other fund balances as assigned in order to carry out the intent of the City Council.

Section 4. The following portions of its December 31, 2012 governmental fund balances are considered committed:

- \$ 200,000 is committed for Insurance Deductibles
- \$ 2,000,000 is committed for City Hall Complex Property Acquisition
- \$ 3,500,000 is committed for Gateway Project Civic Development
- \$ 2,500,000 is committed for Gateway Project Property Acquisition
- \$ 1,000,000 is committed for City Hall Facility
- \$ 1,252,400 is committed for Future Pension Contribution Increases
- \$ 250,000 is committed for Economic Development Partnerships
- \$ 750,000 is committed for Future Police Station Expansion
- \$ 67,500 is committed for Furniture and Equipment Replacement
- \$ 125,000 is committed for Street Buildings Repair/Replacement

\$ 2,000,000 is committed for Transportation Equipment and Improvements
\$ 1,700,000 is committed for Street Improvements (Overlay Program)
\$ 375,000 is committed for Regional Athletic Complex Field Replacement
\$ 82,010 is committed for Senior Center Repairs/Replacement
\$ 23,106 is committed for Public Art
\$ 1,500,000 is committed for City Facility Repair/Replacement
\$ 1,500,000 is committed for Capital Facilities Plan Projects
\$ 500,000 is committed for Capital Equipment Replacement
\$ 500,000 is committed for Park Facilities Repair/Replacement
\$ 60,000 is committed for the City Hall Reader Board Sign
\$ 500,000 is committed for IMS Communications Repair/Replace/Extension
\$ 1,000,000 is committed for Parks Property Acquisition

Section 5. The summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly-called meeting thereof, held this 26th day of September, 2013.

Approved as to form:

Mayor

ATTEST:

City Attorney

City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1419

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on September 26, 2013, Ordinance No. 1419 entitled “**AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54.**”

A section by section summary of this ordinance is as follows:

Section 1 rescinds Resolution No. 974.

Section 2 restricts amendments or modifications of committed fund balances to formal action by the City Council.

Section 3 authorizes the City Manager and Finance Director to categorize fund balances as assigned.

Section 4 commits portions of governmental fund balances.

Section 5 approves this summary

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

City Clerk

Published: September 30, 2013



LACEY CITY COUNCIL MEETING
September 26, 2013

SUBJECT: Proposed Amendments Related to the Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid (Thurston County Narcotics Task Force).

RECOMMENDATION: Upon review and concurrence, recommend full City Council approval of Amendment No. 2 of the Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid (Thurston County Narcotics Task Force).

STAFF CONTACT: Scott Spence, City Manager 
Dusty Pierpoint, Chief of Police
Dave Schneider, Assistant City Attorney 

ORIGINATED BY: Police Department

**BUDGET IMPACT/
SOURCE OF FUNDS:** None

- ATTACHMENTS:**
1. Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid (including Amendment No. 1)
 2. Proposed Amendment No. 2 of the Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid

**PRIOR COMMITTEE
REVIEW:** General Government & Public Safety Committee Meeting
June 21, 2013

BACKGROUND:

For over three decades, the City of Lacey has been a jurisdictional partner of the Thurston County Narcotics Task Force. The task force was formed to provide a coordinated approach to regional drug enforcement. This goal continues today, relying on the participation of multiple law enforcement partners including Thurston County Sheriff's Office, Thurston County Prosecutor's Office, Washington State Patrol, and the police departments of Lacey, Olympia, and Tumwater.

As outlined in the Interlocal Agreement, the Executive Committee directs drug enforcement priorities and activities. The Executive Committee, comprised of the Thurston County Sheriff or designee, the Chiefs of Police of the cities of Lacey, Olympia, and Tumwater or their designees, and the Chief of the Washington State Patrol or designee have agreed to a set of proposed amendments.

Historically, there has been no provision in the agreement that a member agency assign personnel to the Task Force. The Executive Committee believes it is an important aspect of the continued existence of the Task Force, and agrees to change the agreement to require a committee member to assign an employee to the Task Force to retain voting privileges on the Committee. In the event a member agency cannot supply an employee to the Task Force, the member agency may attend meetings, but will lose voting privileges.

The Thurston County Prosecutor or designee has been a long time attendee of the Executive Committee meetings, but has not had voting rights. The Executive aCommittee has agreed to include the Thurston County Prosecutor or designee as a member of the Executive Committee.

The last proposed change relates to the expiration of the Interlocal Agreement. Currently the partnership would expire December 31, 2014. The proposed amendment would continue the agreement until December 31, 2020, unless participation was terminated earlier per the Interlocal Agreement.

The General Government & Public Safety Committee meeting reviewed the amendment to the Interlocal Agreement for Cooperative Law Enforcement at its June 21, 2013, meeting, and recommended approval to full Council.

ADVANTAGES:

1. Establishes the requirement that participants in the Thurston County Task Force provide a fulltime employee to retain full voting privileges.
2. Recognizes the Thurston County Prosecutor or designee as a member of the Executive Committee.
3. Extends the term of the Interlocal Agreement.

DISADVANTAGES:

1. Loss of voting privileges to committee members who do not have fulltime employees participating in the Thurston County Narcotics Task Force.

**INTERLOCAL AGREEMENT FOR COOPERATIVE LAW
ENFORCEMENT AND MUTUAL AID
AMENDMENT NO. 1**

COPY

This AMENDMENT to the INTERLOCAL AGREEMENT FOR COOPERATIVE LAW ENFORCEMENT AND MUTUAL AID is made and entered into between the STATE OF WASHINGTON through the Washington State Patrol, THURSTON COUNTY, and the CITIES OF OLYMPIA, LACEY and TUMWATER, municipal corporations of the State of Washington.

The parties agree that their Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid executed in 2007 shall be amended as follows:

Section 12 **DURATION OF AGREEMENT** shall be amended to read as follows:

This Agreement will commence upon the later of: the date of approval by each jurisdiction's governing body, and following recording of this Agreement with the Thurston County Auditor, and will terminate December 31, 2011. Unless terminated or modified in writing, it shall automatically renew on January 1, 2012 and continue for subsequent one-year terms though December 31, 2014.

Except as expressly provided in this Amendment, all other terms and conditions of the original Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid shall remain in full force and effect.

IN WITNESS THEREOF, each party has caused this Amendment to be signed by its duly authorized officer or representative as the date set forth below its signature.

Washington State Patrol

**Attn: Chief
P.O. Box 42600**

Olympia, WA 98504-2600

By 

Title Deputy Chief

Date 12-21-10

Approved as to form:

By _____, Ass't Attorney General

Thurston County

**Attn: Board of County Commissioners
2000 Lakeridge Drive SW**

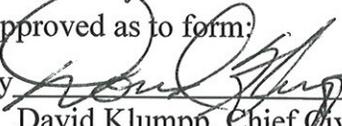
Olympia, WA 98502

By 

Title Chairman, Commissioner

Date August 24, 2010

Approved as to form:

By 
David Klumpp, Chief Civil Deputy

City of Tumwater
Attn: City Administrator

555 Israel Road SW

Tumwater, WA 98501

By [Signature]

Title City Administrator

Date 12/7/2010

Attest:

By _____

Approved as to form:

By [Signature]

Karen Kirkpatrick, City Attorney

Thurston County Sheriff

Attn: Sheriff

2000 Lakeridge Dr. SW

Olympia, WA 98502

By [Signature]

Title SHERIFF

Date 08/02/10

City of Olympia
Attn: City Manager

P.O. Box 1967

Olympia, WA 98507-1967

By [Signature]

Title Ch. of Police

Date 1/9/12

Attest:

By [Signature]

Approved as to form:

By _____

Darren Nienaber, Assistant City Attorney

City of Lacey

Attn: City Manager

P.O. Box 3400

Lacey, WA 98509-3400

By [Signature]

Title City Manager

Date 9-24-10

Attest:

By [Signature]

Approved as to form:

By [Signature]

Kenneth R. Abif, City Attorney

INTERLOCAL AGREEMENT FOR COOPERATIVE LAW ENFORCEMENT AND MUTUAL AID

THIS AGREEMENT is entered into in duplicate by and between the STATE OF WASHINGTON through the Washington State Patrol, THURSTON COUNTY, and the CITIES OF OLYMPIA, LACEY, and TUMWATER, municipal corporations of the State of Washington.

WHEREAS, Chapter 39.34 RCW authorizes the parties to enter into agreements for joint or cooperative actions;

WHEREAS, Chapter 10.93 RCW authorizes the parties to enter into agreements for law enforcement mutual aid; and

WHEREAS, the parties wish to continue to provide for cooperative action and mutual aid in enforcing the Uniform Controlled Substances Act in Thurston County.

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. PURPOSE

The purpose of this Agreement is to provide for the cooperative enforcement of state and local laws relating to controlled substances as set forth in the Uniform Controlled Substances Act and in the municipal code sections of the cities of Lacey, Olympia and Tumwater, by the Thurston County Sheriff's Office, the Olympia Police Department, the Lacey Police Department, the Tumwater Police Department and the Washington State Patrol ("WSP"). The joint cooperation by these entities will be known informally as the "Drug Unit," or conversely, the Thurston County Narcotics Task Force, ("Task Force").

2. ADMINISTRATION; JOINT BOARD CREATED

The Agreement shall be administered by a joint board known as the "Executive Committee," comprised of the Thurston County Sheriff or designee, the Chiefs of Police of the cities of Olympia, Lacey, and Tumwater or their designees, and the Chief of the WSP through the commander of the investigative assistance division, or designee. The Executive Committee shall have the authority to determine the manner for carrying out the terms of this Agreement. This authority shall include, but not be limited to: determining the number of employees within each agency assigned to duties pursuant to this Agreement; compliance with statutory

reporting procedures; handling of evidence seized, handling of civil forfeiture procedures; and administration of funds including the Interlocal Drug Fund.

2. NO SEPARATE LEGAL ENTITY CREATED

No separate legal entity is created under this Agreement.

3. SEIZING AGENCY

The "seizing agency" for purposes of Chapter 69.50 RCW, is Thurston County. All search warrants, orders for seizure, and civil forfeiture actions commenced in regards to property seized by the Task Force will identify Thurston County as the Plaintiff. Designation of Thurston County as the seizing agency will not alter the terms of Sections 11 and 13, herein.

4. INTERLOCAL DRUG ENFORCEMENT FUND TO BE ESTABLISHED

The City of Lacey shall establish a fund to be known as the Interlocal Drug Enforcement Fund, within the funds, accounts and budgets of the City of Lacey. This fund shall be administered in accordance with the accounting practices of the City of Lacey and pursuant to the terms of this Agreement. Monies deposited in said fund shall be used only for carrying out the purposes of this Agreement, including administrative and overhead costs incurred by Task Force operations.

5. SOURCES OF MONIES FOR INTERLOCAL DRUG ENFORCEMENT FUND

All monies, including all proceeds from the sale of personal and real property declared forfeit to the seizing agency on behalf of the Task Force and pursuant to Ch. 69.50 RCW and/or Ch. 10.105 RCW shall be deposited in the Interlocal Drug Enforcement Fund. Funds deposited in the Interlocal Drug Enforcement Fund may also consist of:

- a. All fines, penalties and payments to the fund pursuant to court or administrative order;
- b. Gifts;
- c. Appropriations to the fund by the WSP, Thurston County, and the cities of Olympia, Lacey, and Tumwater.
- d. Any other supplemental funding which may be acquired, e.g., grant funding.

6. USE OF INTERLOCAL DRUG ENFORCEMENT FUND-DISBURSEMENTS

The Interlocal Drug Enforcement Fund may be used for any purpose related to the parties' enforcement of state and local laws pertaining to controlled substances,

and to further the goals of the Task Force as set forth in this Agreement. Money shall be disbursed from the Interlocal Drug Enforcement Fund pursuant to procedures established by the executive committee. Lacey shall be responsible for the annual reporting to the State of Washington, and for the annual disbursement of funds to the State of Washington, pursuant to the requirements of Ch. 69.50 RCW.

7. BUDGET

The annual budget for the Task Force shall be approved by the Executive Committee, and shall be incorporated within the budget of the City of Lacey.

8. COUNTY AND CITY FUNDS

In addition to the monies remaining in the Interlocal Drug Enforcement Fund as carry-over funds at the time of execution of this Agreement, this Agreement shall be carried out through the use of monies that may be contributed on an equal basis by Thurston County, and the cities of Olympia, Lacey, and Tumwater, and the WSP. The request for contributed funds shall be made by the Executive Committee to the various jurisdictions, by August 15 of each year, in time for inclusion in the annual budget cycle of each jurisdiction.

9. ADMINISTRATION OF FUNDS

All funds including the Interlocal Drug Enforcement Fund shall be administered by the Executive Committee in accordance with all applicable laws and sound accounting principles, and pursuant to the terms of this Agreement.

10. EMPLOYEES; COMMAND STRUCTURE

A. All persons assigned to duties pursuant to this Agreement shall be deemed employees of the agency that assigns them to the Task Force. Each party contributing an employee to the Task Force will retain that employee as an employee of the contributing party and will be solely responsible for that employee, including the employee's salary and benefits and all other terms and conditions of employment.

B. In order for a person to be assigned to the Task Force, that person shall have the following qualifications:

- 1). A past proven ability to conduct successful interviews with suspects, witnesses, and informants.
- 2). Good time management skills.
- 3). Good report writing skills with good organizational abilities.
- 4). Ability to conform to written policies and procedures.

- 5). Sufficient training and prior experience enforcing the Uniform Controlled Substances Act ("the Act") to understand and accurately apply the requirements for probable cause for arrest for violations of the Act.
 - 6). Ability to work whatever schedule may be required by the Task Force supervisor.
 - 7). Ability to conduct long-term surveillances and in-depth investigations.
 - 8). Ability to appear timely for court appearances and provide competent testimony to support prosecutions of persons arrested for violations of the Act.
 - 9). Ability to promptly and professionally carry out orders from the Task Force supervisor(s).
- C. The Task Force command structure is governed by the "Thurston County Narcotics Task Force Policy and Procedure Manual."

11. PROPERTY

Money from the sale of assets declared forfeit through personal or real property seizures, or property purchased with Interlocal Drug Enforcement Fund money will be jointly owned by the parties hereto. Seized vehicles that become the property of the Task Force through a forfeiture order may be designated by the Executive Committee for use by an employee assigned to the Task Force. The Executive Committee will provide oversight for use of seized vehicles by Task Force employees. The jurisdiction that employs the employee utilizing a seized vehicle for Task Force business will assume all liability for use of and damage to that vehicle, and will acquire insurance coverage for that vehicle pursuant to the policies of that jurisdiction. Should such a vehicle become damaged or totaled, the money received by that party from any insurance proceeds shall be applied first toward repairing that vehicle; and if the vehicle is deemed totaled, shall be deposited into the Interlocal Drug Enforcement Fund. Any insurance deductible required will be paid by the jurisdiction utilizing the vehicle.

12. DURATION OF AGREEMENT

This Agreement will commence upon the later of: the date of approval by each jurisdiction's governing body, and following recording of this Agreement with the Thurston County Auditor, and will terminate December 31, 2006. Unless terminated or modified in writing, it shall automatically renew on January 1, 2007 and continue for subsequent one-year terms through December 31, 2010.

13. WITHDRAWAL

Any party may withdraw from this Agreement by giving ninety (90) days written notice to the other parties. Monies contributed during the calendar year of a party's withdrawal will be refunded to that party, on a pro rata basis, after determination by the Executive Committee of any purchase commitments made prior to the notification of a party's withdrawal. Purchase commitments made

prior to notification of a party's withdrawal will reduce the withdrawing party's refund commensurate with the pro rata share to be contributed by the withdrawing party for that purchase. Money so refunded will be used by the withdrawing party for its use in carrying out drug enforcement activities pursuant to Ch. 69.50 RCW. Property purchased with Task Force funds will remain the property of the non-withdrawing parties and the withdrawing party will have no interest in or claim of title to said property. If this Agreement is terminated and the Task Force disbands entirely, the Executive Committee will determine each party's equitable pro rata share of personal and real property, including monies on deposit in the Interlocal Drug Enforcement Fund. The personal and real property will either be liquidated, and proceeds distributed to each party on a pro rata basis; or the Executive Committee will determine by majority vote what is an equitable distribution of property to each party, and the property will be disbursed accordingly.

14. TERMINATION-PROPERTY

Upon termination of this Agreement by all parties, all property, including funds in the Interlocal Drug Enforcement Fund, shall be distributed in the manner set forth in Section 13, herein. If the Executive Committee cannot reach consensus on the equitable distribution of property and funds, then distribution shall be determined by majority vote of the Executive Committee.

15. LIABILITY; HOLD HARMLESS; INDEMNIFICATION

1) The parties agree that each of the parties shall, at all times, be solely responsible for the acts or the failure to act of its elected and appointed officials, employees and agents that occur or arise in any way out of the performance of this Agreement and to save and hold the other parties and their elected and appointed officials, employees and agents harmless from all costs, expenses, losses and damages, including costs of defense incurred as a result of any acts or omissions of the party's elected and appointed officials, employees and agents, relating to the performance of this Agreement.

In the event that a claim and/or lawsuit is brought against a party to this Agreement, or against any party's elected and appointed officials, employees and agents for actions arising out of their conduct in performing under this Agreement, it shall be the duty of each such party to promptly notify the other parties that actually responded to, or participated in the event which is the subject of such claim or lawsuit, that the same has been initiated.

Each party and their respective defense counsel shall, to the extent reasonably possible and consistent with the best interests of their respective clients, cooperate with other parties to this Agreement and their respective defense counsel in the defense of any lawsuit arising out of response to or participation in any event under this Agreement and shall agree, whenever possible, to share non-attorney fee-related costs such as records gathering, preparation of trial exhibits, the

retention and payment of expert witnesses, and the cost of deposition reporting and transcription.

Each party hereto shall obtain and maintain in full force and effect public liability and property damage insurance or self-insurance coverage in the minimum amount of \$1 million per occurrence and \$2 million aggregate to cover claims for injury to persons or damage to property arising from the performance of this Agreement.

Insurance coverage shall not be cancelled by any party except upon thirty (30) days prior written notice by certified mail, to all other parties. Satisfactory evidence of the requisite insurance coverage shall be provided to each party to this Agreement, prior to execution of this Agreement by any party.

2. Nothing herein shall require or be interpreted to:

a). Waive any defense arising out of RCW Title 51.

b). Limit or restrict the ability of any party, or any party's elected and appointed officials, employees and agents or legal counsel for any of the same to exercise any right, defense or remedy which a party to a lawsuit may have with respect to claims or third parties, including any good faith attempts to seek dismissal of legal claims against a party by any proper means allowed under the civil rules in either state or federal court.

c). Cover or require indemnification, defense for, or payment of any judgment against any individual or party for intentional wrongful conduct, conduct outside the scope of employment of any individual, or for any judgment for punitive damages against any individual or party. Payment of punitive damage awards, fines or sanctions shall be the sole responsibility of the individual against whom said judgment is rendered and/or his or her employer, should that employer elect to make said payment voluntarily. This Agreement does not require indemnification of any punitive damage awards or for any order imposing fines or sanctions.

d). The parties shall, to the best of their ability, coordinate their liability insurance coverages and/or self-insured coverages to the extent possible to fully implement and follow the Agreement set forth herein. However, the consent of any liability insurance carrier or self-insured pool or organization is not required to make this Agreement effective as between the parties signatory to this Agreement and the failure of any insurance carrier or self-insured pool or organization to agree or follow the terms of this provision on liability shall not relieve any party from its obligations under this Agreement. Nothing in this Agreement shall be interpreted to create third party rights in any entity not a party to this Agreement.

e). The provisions of this Section 15 shall survive termination of this Agreement, whether termination is by all parties, or by one or more parties.

16. DESIGNATION OF AGENCY FOR CONTRACTING

The City of Lacey is designated as the agency with authority to enter into contracts on behalf of the Interlocal Drug Unit, including the authority to lease, buy, sell and hold title to real and personal property, execute grant applications and sign all other documents on behalf of and for the benefit of all parties to this Agreement. Such authority will be exercised only upon the consensus of and at the direction of the Executive Committee. If consensus cannot be reached, then such authority will be by majority vote of the Executive Committee.

17. CONSENT TO ENFORCEMENT OF LAWS

The signature of the Sheriff of Thurston County contained herein, operates as his consent within Thurston County to allow employees who are general authority Washington peace officers as defined by RCW 10.93.020(3) and employed by the cities of Lacey, Olympia and Tumwater, to exercise all powers vested by law in a general authority Washington peace officer who possesses a certificate of basic law enforcement training or certificate of equivalency or has been exempted from the requirement therefore by the Washington state criminal justice training commission.

18. MUTUAL AID

The parties intend that this Agreement contemplates that any party may request mutual aid from the other parties, for purposes of effectuating the goals and purposes of this Agreement. The Thurston County Narcotics Task Force Policy and Procedures Manual ("Manual), as amended from time to time is hereby incorporated by reference into this Agreement as if fully set forth. The Manual sets forth the Task Force's policies and procedures in regards to requests for mutual aid. Nothing in that Manual is meant to supersede any provisions of this Agreement. In the event of a conflict between this Agreement and the Manual, the terms of this Agreement shall prevail.

19. AMENDMENT

Any party may request amendment to this Agreement, however, no such amendment shall be valid or binding unless it be in writing, approved by each jurisdiction's governing body, and recorded with the Thurston County Auditor. Any such amendment shall be attached to and made part of this Agreement.

20. 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.

21. JURISDICTION AND VENUE

This Agreement has been and shall be construed as having been made and delivered with 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. Any action at 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 Thurston County, Washington.

22. SEVERABILITY

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.

23. 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.

IN WITNESS WHEREOF, each party has caused this Agreement to be signed by its duly authorized officer or representative as of the date set forth below its signature.

Washington State Patrol
Attn: Chief
P.O. Box 42600

0070268GSC

Olympia, WA 98504-2600
By Paul S. Beckley
Title Deputy Chief
Date 8/19/06

Approved as to form:
By Shannon Inglis 8/10/06
Shannon Inglis, Assistant Attorney General

Thurston County
Attn: Board of County Commissioners
2000 Lakeridge Drive SW

Olympia, WA 98502
By Maime Chugan
Title Chairman, Commissioner
Date March 19, 2007

Approved as to form:
By David Klumpp
David Klumpp, Deputy Prosecuting Attorney

City of Tumwater
Attn: City Administrator

City of Olympia
Attn: City Manager

555 Israel Road SW

Tumwater, WA 98501

By Way Blank

Title City Administrator

Date 6/7/06

Attest:

By Sheryle Wyatt

Approved as to form:

By Christy A. Todd

Christy A. Todd, City Attorney

Thurston County Sheriff

Attn: Sheriff

2000 Lakeridge Drive SW

Olympia, WA 98502

By Daniel D. Kusal

Title THURSTON COUNTY SHERIFF'S OFFICE

Date 03/07/07

P.O. Box 1967

Olympia, WA 98507-1967

By Mar Kentel

Title MAYOR

Date 8-8-06

Attest:

By Debbie Kuempah

Approved as to form:

By Darren Nienaber

Darren Nienaber, Assistant City Attorney

City of Lacey

Attn: City Manager

P. O. Box 3400

Lacey, WA 98609-3400

By Ken Ahlf

Title City Manager

Date 7-11-06

Attest:

By _____

Approved as to form:

By Ken Ahlf

Ken Ahlf, City Attorney

**INTERLOCAL AGREEMENT FOR COOPERATIVE LAW
ENFORCEMENT AND MUTUAL AID
AMENDMENT NO. 2**

This AMENDMENT to the INTERLOCAL AGREEMENT FOR COOPERATIVE LAW ENFORCEMENT AND MUTUAL AID is made and entered into between the STATE OF WASHINGTON through the Washington State Patrol, THURSTON COUNTY, and the CITIES OF OLYMPIA, LACEY, and TUMWATER, municipal corporations of the State of Washington.

The parties agree that their Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid executed in 2007, amended in December 31, 2011 to extend the terms through December 31, 2014, shall be amended as follows:

Section 2 ADMINISTRATION; JOINT BOARD CREATED shall be amended to read as follows:

The Agreement shall be administered by a joint board known as the “Executive Committee”, comprised of the Thurston County Sheriff or designee, Thurston County Prosecutor or designee, the Chiefs of Police of the cities of Olympia, Lacey, and Tumwater or their designees, and the Chief of the Washington State Patrol through the commander of the Investigative Assistance Division or designee.

Above listed members shall have full voting rights as a member of the Executive Committee as long as they have an active full-time employee assigned to the Task Force. If a member does not have a full-time employee assigned to the Task Force their voting privileges will be suspended. However the member may attend Executive Committee meetings, and participate in discussions without voting privileges. Voting rights will be reinstated once the member agency reestablishes participation by providing a full-time employee to the Task Force.

Section 12 DURATION OF AGREEMENT shall be amended to read as follows:

This Agreement will commence upon the later of: the date of approval by each jurisdiction’s governing body, and following recording of this Agreement with the Thurston County Auditor, and will terminate December 31, 2014. Unless terminated or modified in writing, it shall automatically renew on January 1, 2015 and continue for subsequent one-year terms through December 31, 2020.

Except as expressly provided in this Amendment, all other terms and conditions of the original Interlocal Agreement for Cooperative Law Enforcement and Mutual Aid shall remain in full force an effect.

IN WITNESS THEREOF, each party has caused this Amendment to be signed by its duly authorized officer or representative as the date set forth below its signature.

Washington State Patrol

Thurston County

Attn: Chief
P.O. Box 42600

Attn: Board of County Commissioners
2000 Lakeridge Drive SW

Olympia, WA 98504-2600

Olympia, WA 98502

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Approved as to form:

Approved as to form:

By _____

By _____

_____, Ass't Attorney General

David Klumpp, Chief Civil Deputy

City of Tumwater
Attn: City Administrator

City of Olympia
Attn: City Manager

555 Israel Road SW
Tumwater, WA 98501

P.O. Box 1967
Olympia, WA 98507-1967

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Approved as to form:

Approved as to form:

By _____

By _____

_____, City Attorney

_____, City Attorney

Thurston County Sheriff

Attn: Sheriff

2000 Lakeridge Drive SW
Olympia, WA 98502

By _____

Title _____

Date _____

City of Lacey

Attn: City Manager

P.O. Box 3400
Lacey, WA 98509-3400

By _____

Title _____

Date _____

Approved as to form:

By _____

_____, City Attorney

Thurston County Prosecutor

Attn: Prosecutor

2000 Lakeridge Drive SW
Olympia, WA 98502

By _____

Title _____

Date _____

**UTILITIES COMMITTEE
SEPTEMBER 6, 2013
4:00 - 5:30 P.M.**

COUNCIL PRESENT: Chair, Jeff Gadman, Andy Ryder

COUNCIL ABSENT: Lenny Greenstein

STAFF PRESENT: Scott Spence, Troy Woo, Scott Egger, Teri O' Neal, Carol Litten, Peter Brooks, Roger Schoessel, Tyson Poetch

COUNCILMEMBER RYDER MOVED TO APPROVE THE AGENDA. COUNCILMEMBER GADMAN SECONDED. MOTION CARRIED.

EMERGENCY STEP MAIN REPAIR

Roger Shoessel, City Engineer, reported the project to replace partially blocked STEP wastewater mains in the Avonlea and Lakepointe subdivisions has been completed. During the project City staff maintained the flow to reduce the impact on residents. In addition to the wastewater system repair, roads were repaired with asphalt overlay.

The total project cost of \$233,000 was less than the budgeted amount of \$250,000. Councilmembers Ryder and Gadman noted that the amount set aside in the budget amendment for the STEP main repair was \$450,000. They requested that staff lower the budget amount to more accurately reflect the actual project cost.

Committee members inquired whether staff has moved forward to receive compensation for the non-performance of the product. Scott Egger, Public Works Director, stated that a firm has been hired to conduct an analysis of the chemical composition to determine what caused the occlusions.

WOODLAND CREEK COMMUNITY PARK RECLAIMED WATER INFILTRATION FACILITY

Teri O' Neal, Senior Civil Engineer – Utilities, conducted a tour of the Woodland Creek Community Park Reclaimed Water Infiltration Facility for Committee members and staff.

**TRANSPORTATION COMMITTEE
SEPTEMBER 10, 2013
4:00 – 4:28 P.M.**

COUNCIL PRESENT: Chair, Jason Hearn, Virgil Clarkson, Jeff Gadman

STAFF PRESENT: Scott Spence, Scott Egger, Martin Hoppe, Roger Schoessel,
Carol Litten, Matt Morales, Tyson Poetch

**MAYOR CLARKSON MOVED TO APPROVE THE AGENDA. COUNCILMEMBER GADMAN
SECONDED. MOTION CARRIED.**

2013 STREET OVERLAY PROJECT

Roger Schoessel, City Engineer, reported the 2013 Street Overlay Project has been completed.

The project included street reconstruction and hot mix asphalt overlay of nine (9) streets to include minor reconstruction, installation of approximately 425 LF of storm sewer conveyance pipe, 685 LF of sewer forcemain pipe, adjustment of utility appurtenances, striping and other work.

Streets that received an overlay included Malibu Drive, Diamond Road, 13th Avenue, Ulery Street, Clearbrook Drive, Bowker Street, 7th Avenue and Alanna Drive.

The project was completed on time by Lakeside Industries who was the low bidder at \$1.1 million dollars.