



CITY COUNCIL MEETING AGENDA
Council Chambers, 1000 Laurel Street

November 9, 2015
Monday

Special Meeting
7:00 p.m.

- 1. CALL TO ORDER AND FLAG SALUTE**
- 2. ROLL CALL OF COUNCILMEMBERS**
- 3. ADDITIONS/DELETIONS**
- 4. CITIZEN PARTICIPATION**

Citizens may comment on any topic that is not on the Regular Agenda. To comment, please raise your hand to request recognition by the Chair. Once so recognized, please step to the podium and state your name and address for the record before making your comments. Also, please limit your comments to no more than three (3) minutes.

The public may comment on individual agenda items on the Regular Agenda prior to Council's action.

The public may also submit written communications, via letters or emails to dperry@cityofmilton.net. Any item received by noon on the day of the meeting will be distributed to Council.

- 5. PRESENTATIONS & PROCLAMATIONS**
 - A. Marijuana Committee Report – Jason Wilson**
- 6. PUBLIC HEARINGS**
 - A. 2016 Budget Revenue Sources**
 - B. 2016 Preliminary Budget**
- 7. REGULAR AGENDA ITEMS**
 - A. Ordinance – General Fund – Creating Asset Replacement Fund**
 - B. Ordinance – General Fund – Creating Capital Improvement Fund**

Council may add and take action on other items not listed on this agenda.

If you need ADA accommodations, please contact City Hall at (253) 517-2705 prior to the meeting.

Thank you.

- C. Ordinance – General Fund – Creating Strategic Reserve Fund
- D. Ordinance – Stormwater Utility – Creating Asset Replacement Fund
- E. Ordinance – Water Utility – Creating Asset Replacement Fund
- F. Ordinance – Water Utility – Creating Capital Improvement Fund
- G. Ordinance – Electric Utility – Creating Asset Replacement Fund
- H. Ordinance – Electric Utility – Creating Capital Replacement Fund
- I. Ordinance – Tax Levy
- J. Ordinance & Resolution – Establishing Small Works Roster
- K. Resolution & Interlocal Agreement with City of Edgewood – Reciprocal Building Inspector Services

8. DISCUSSION ITEMS

- A. 2016 Proposed Final Budget

9. COUNCIL REPORTS

10. DIRECTOR'S REPORTS

11. MAYOR'S REPORT

12. ADJOURNMENT

Council may add and take action on other items not listed on this agenda.

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Thank you.



To: Mayor Perry and City Council Members
From: Jason Wilson (Chair), Recreational Marijuana Land-Use Review Committee
Aaron C. Nix, Community Development and Interim Public Works Director
Date: November 9, 2015
Re: Final Report and Presentation from RMJ Land-Use Committee

ATTACHMENTS: Marijuana Land-Use Review Committee Final Report

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Issue: The Milton recreational marijuana advisory committee was created by the City Council (January 2015) to look into the issue of recreational marijuana land uses and their potential in the City of Milton. The City Council issued two specific assignments for the Committee:

1. Should the City of Milton allow marijuana land-uses that might include retail, production and/or processing of these products within its City limits?
2. If so, what types of rules, regulations and potential locations are appropriate for these types of land uses in Milton?

Discussion: Based on the criteria established by the City Council, as identified above, the Committee set out to discuss these issues, conducted several work study sessions, held an open house and heard presentations from various interests associated with these issues. In general, many of the events were poorly attended by the Public, but lively discussion often followed and the Committee made significant progress on these issues, as outlined in the final report.

Recommendation: The Committee spent a significant amount of time going through the issues associated with the three types of recreational marijuana land uses that they were asked to look into (retail, production and processing). The committee was thorough in their attempts to hear all sides of the issue by asking to hear from representatives of both sides of the issue, as well as a presentation from the Police Chief and his insight into this issue. A significant hurdle that the committee continued to try to navigate was the ongoing uncertainty associated with this subject and the additional debate that continues with the passage of State legislation, combining the State's control of both medical and recreational marijuana locations. This issue appears to be stabilizing a bit, but with a federal election on the horizon, the committee's uncertainty on this issue continues.

With that said, the Committee voted to recommend allowing recreational retail marijuana related land uses within the City of Milton, with stringent business rules in place. The vote was not unanimous on this issue, as a couple of the members of the Committee felt that these types of businesses were not appropriate in the City of Milton. If the Council desires to allow retail marijuana related land uses they should adopt an ordinance that addresses the committee's recommendations as listed above. If the Council desires to allow producers and processors the impacts should be studied in more depth.



MARIJUANA LAND USE COMMITTEE
City of Milton

Report to the Mayor and Council

November 9, 2015

Committee Members:

Jason Wilson (Chair): Jason has been a Milton resident for over 11 years and is married to a 29 year long Milton resident. Together they have one seven year old daughter. Jason spent nearly five years on the Milton Planning Commission and was Chair in 2013. Jason's professional experience includes sixteen years working in various law enforcement roles including as a crime scene investigator for six years in one of the State's largest cities. Jason currently works for the City of Sumner as their Administrative Services Director overseeing the Finance, Human Resources and IT departments. He is also an active member of the Sumner Rotary Club.

Debby Anex: Debby Anex has been a Milton resident for 34 years, been married for over 37 years and they have two daughters. Debby worked in the Fife School District for over 15 years and was the Classified Employee of the Year, 2004. She has been a high school Career & Technical Education Teacher in various school districts for over 10 years. Debby has volunteered for many organizations including: American Heart Association, Girl Scout Troop Leader, Fife High School (FHS) Music Boosters, Fife-Milton Little League, FHS Trapshooting Team Coach, Orting High School Freshmen Class, and Sumner Sportsmen's Association. Debby spent over 10 years working in the corporate world as a payroll and accounts payable technician. She spent over 10 years as the Treasurer at Sumner Sportsmen's Association.

Frank Doherty: Frank Doherty has been a resident of Milton for two years after having living in Federal Way for over 20 year. He is retired from Federal Civil Service but works part-time at ShoWare Center in Kent. Before retiring from full-time employment, he held a license as a Registered Nurse for over 25 years and during his working years he had experience with the City and County of San Francisco as a forensic nurse, in the U.S. Army as a clinic, dispensary, and medical center administrator, and in the Federal Civil Service as a Health Systems Specialist with expertise in managed care and beneficiary support. While on active duty in both the United States Air Force and United States Army, he participated in, managed the collection of samples, and served as an observer for unit level urinalysis. As a United States Army Troop and Company Commander, he also helped adjudicate the Uniform Code of Military Justice disposition of soldiers who were found to have illegally used marijuana.

Jeremy Jansa: Mr. Jansa attended the first two meetings held by the Committee and was then unavailable to participate in additional meetings.

Debbie Marfiak: Debbie Marfiak has lived with her husband Steve in the Milton area for 9 years and they became happy Milton homeowners in 2013. They both feel very lucky that they get to live in this "hidden jewel of a city"!

Debbie has been a Registered Nurse for 26 years and works in psychiatric, addiction and recovery medicine. She hopes that her experience had a helpful impact with the other committee members and is proud of the work they all did together.

"It is my hope that our results will help the counsel in their further decisions regarding recreational marijuana in the city of Milton".

Wendy McMillan:

Lindsey Vaughan: Lindsey has been a Milton resident for 13 years, which has included going to middle school, high school, getting married, raising a family & purchasing their first home together in Milton. Together her and her husband have three children, one twelve year old son at SLMS, one three year old son at daycare in Edgewood and one 4 month old son staying at home with mommy for two more weeks. Lindsey graduated the UW Seattle and earned a Bachelor in Psychology degree. Her professional experience includes corporate administration in Downtown Seattle, aerospace repair coordination in Kent, and currently works as a marketing specialist in Fife. Lindsey currently belongs to the Moms Run This Town - South Sound mommy & minion boot camp group that meets two days a week to work out together with their kids in Milton. She also enjoys attending Boot Camp with Grace at the Milton Activity Center once a week.

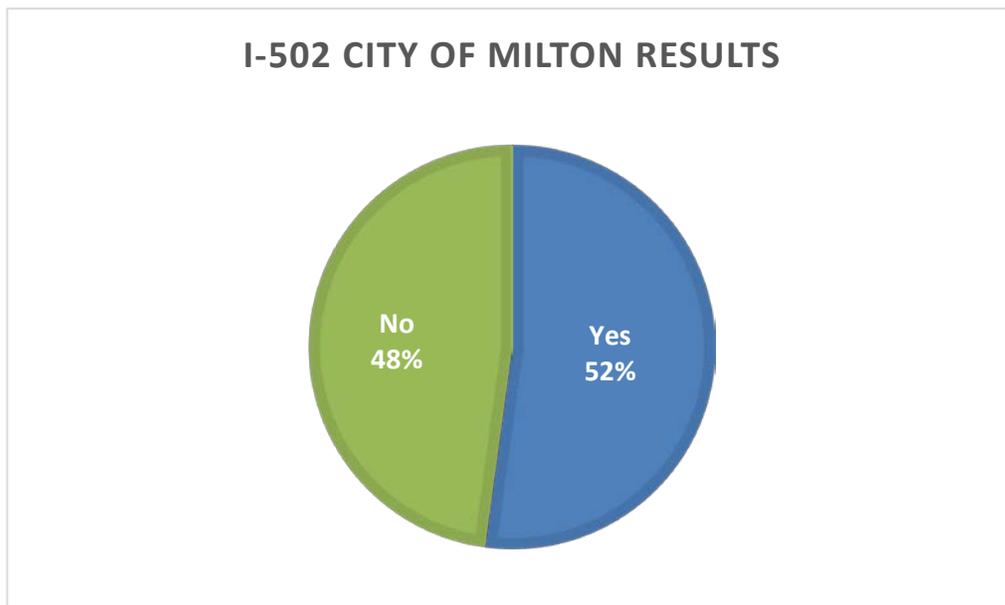
Committee Purpose

The Milton recreational marijuana advisory committee was created by the City Council to look into the issue of recreational marijuana land uses and their potential in the City of Milton. The City Council issued two specific assignments for the Committee:

1. Should the City of Milton allow marijuana land-uses that might include retail, production and/or processing of these products within its City limits?
2. If so, what types of rules, regulations and potential locations are appropriate for these types of land uses in Milton?

Initiative 502

In 2012 Washington State voters approved Initiative 502 legalizing recreational marijuana use and creating a system for production, processing, and retail sales. Residents in the City of Milton voted in favor of I-502 52% to 48%, slightly less than the State approval rate of 56%.



Recreational Land Use Regulations—History in Milton

In January 2013 the Milton Planning Commission reviewed marijuana land use regulations and unanimously recommended an ordinance that allowed marijuana producers and processors in the light manufacturing zone and retailers in the business and light manufacturing zones (B and

M1).¹ On March 11, 2013 the City Council unanimously approved the ordinance. During the Planning Commission and Council review the legal landscape for marijuana land use was still being determined. The opinion at the time was that Cities could not legally enact land use regulations prohibiting recreational marijuana uses.

In January of 2014 the State Attorney General's Office released an opinion that Cities could impose land use regulations against marijuana related businesses. In response, the City Council unanimously voted to enact an interim development regulation (moratorium) on recreational marijuana land uses on January 21, 2014.²The purpose of the moratorium was to allow legal challenges to resolve (other cities) and give council time to consider zoning restrictions. The interim development regulations were extended on July 7, 2014 with a recommendation for land use regulations to be reviewed by the Planning Commission.³

The Planning Commission discussed recreational marijuana land uses at three meetings in fall of 2014.⁴The Commission recommended 4-2 to ban all recreational marijuana land uses. The Planning Commission's recommendation was based on the following:

Against recreational marijuana land uses:

- Does not fit the small town family atmosphere the City is trying to protect.
- There are plenty of communities that allow it already.
- Too many unanswered questions regarding federal pre-emption.
- Federal law should be protected.
- Bonneville power issue (tier 2) is (a) huge unanswered question.
- If the City does want to allow it, we should wait until all of the uncertainties are addressed.
- If state law gets over turned by federal pre-emption the City of Milton could be in a position of liability.

For recreational marijuana land uses:

- Vote of the people should allow for fair business opportunities.
- We can disallow growing operation (smell/power/security issues) but still allow the processor and retailers.
- The stores are safe, attractive and already heavily regulated by WSLCB.
- Allowing this will take revenue away from the criminal cartels that are currently profiting from the black market.⁵

¹ Ordinance 1819-13

² Ordinance 1835-14

³ Ordinance 1846-14

⁴ September 24th, October 22nd and 30th, 2014

⁵ Staff report by Chris Larson on November 17, 2014

On November 17, 2014 the City Council held a public hearing regarding a proposed ordinance that would enact the Planning Commission's recommendation. The City Council voted the ordinance down (4-3) and directed staff to consult with legal counsel regarding legality of extending moratorium and to determine next steps (sending it back to the Planning Commission or creating a special committee).

On January 5, 2015 the City Council discussed extending the moratorium. The motion to extend the moratorium failed to reach the required super majority by a vote of 4 in favor and 3 against. Council then considered the ordinance from the November 17th meeting which banned all recreational marijuana land uses (as recommended by the Planning Commission). Council unanimously approved that ordinance, and subsequently created a citizen advisory committee.⁶

The committee met six times and reviewed case law, community opinions, State legislative actions, and expert opinions.

Research and Experts Considered:

The committee was provided with historical information pertaining to Milton's previous Council and Planning Commission's actions and considerations regarding marijuana related land use. In addition the committee reviewed information from the Fife School District's Healthy Youth Survey, multiple other city's codes, publications from Association of Washington Cities (AWC), Federal Drug Administration (FDA), Washington State Liquor and Cannabis Board (WSLCB) and the Municipal Research and Services Center (MRSC).

The committee also requested in person presentations from Milton Police Chief Tony Hernandez, and a recreational marijuana retail business owner. The Chief spoke about the impacts of marijuana in the community and on his department. Chief Hernandez described the complexity and challenges of investigating impaired drivers who are under the influence of marijuana. The Chief described the effects of marijuana on children and teens. He expressed concern for the overall general attitude of acceptance he is experiencing. Chief Hernandez stated that drug awareness education and early intervention is needed.

City staff and a committee member attempted to contact two recreational marijuana business owners to provide a presentation. No response was received by one, and the other was not available during committee meetings; no presentation was received.

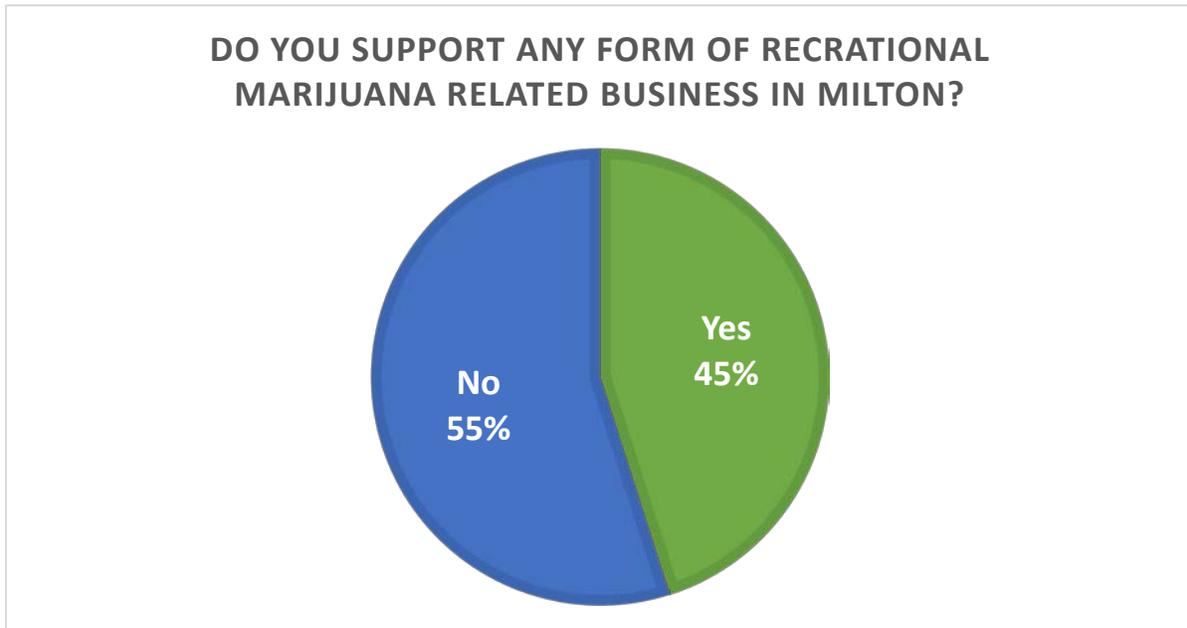
Community Input:

⁶ Ordinance 1857-15

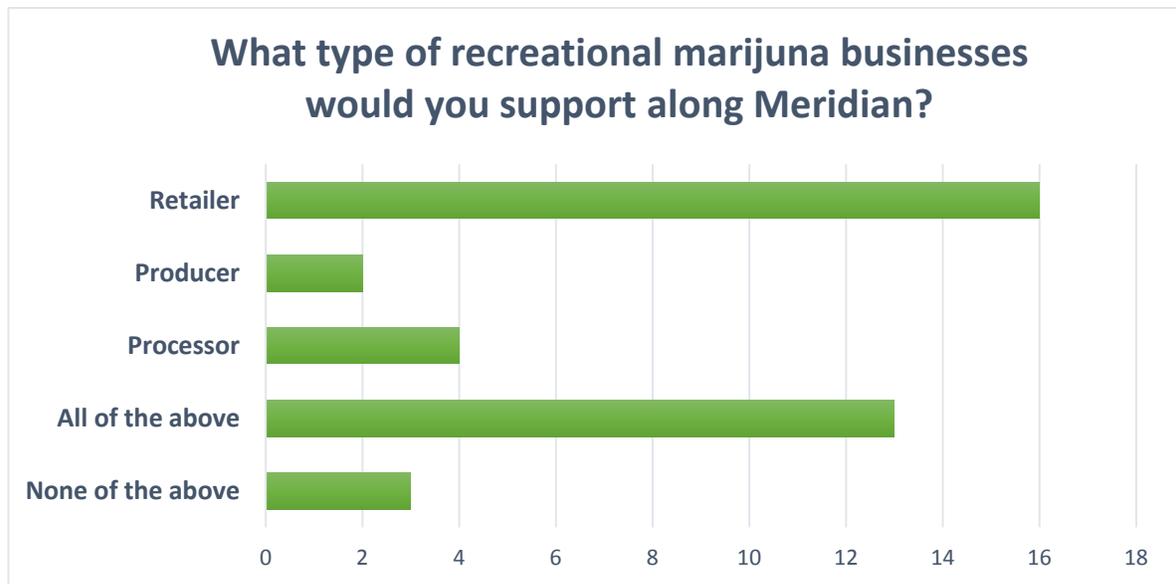
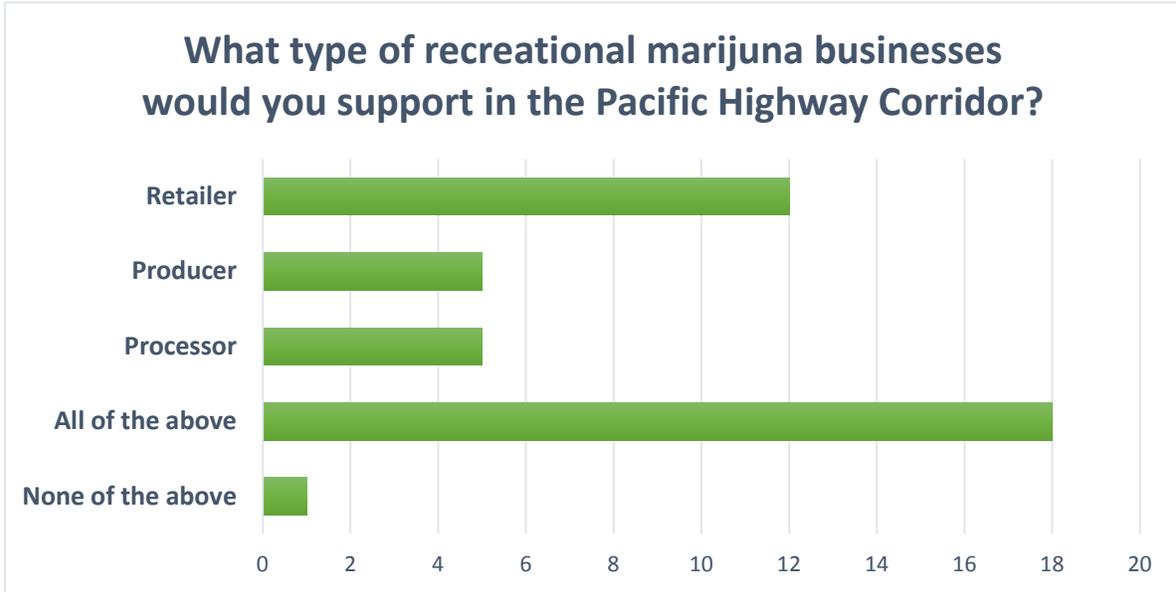
Open house: The committee held a public open house on June 17, 2015. The open house was advertised on community flyers, City website, Milton Community Park reader board, and announcements at various public meetings (planning commission, City Council). The open house was designed to allow the committee members the opportunity to share information about Milton’s current land use restrictions on recreational marijuana, and solicit feedback regarding the community’s desire to lift such ban, and if so where in Milton such businesses should be located.

One general member of the public attended. Additionally two council members (Zaroudny and Johnson) and two planning commissioners (Whalen and Boyle) attended. The one member of the public who attended felt that the City should allow recreational marijuana businesses in Milton and use state law to determine land use eligibility.

Community Survey: The committee developed an online survey to engage the public. The survey was advertised on the City website, Milton Community Park reader board, posters, utility bills, and flyers at Milton Days. 71 people responded to the survey; the committee had the opportunity to review all responses. Below are some of the key questions and responses the committee considered.

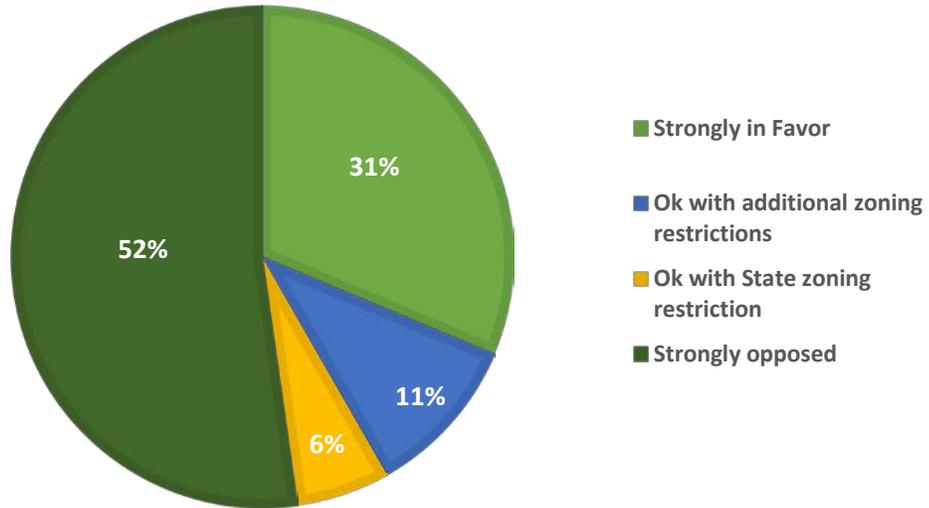


If the respondent answered yes to the first question they were then asked what types of marijuana land uses they would approve along Pacific Highway and Meridian.

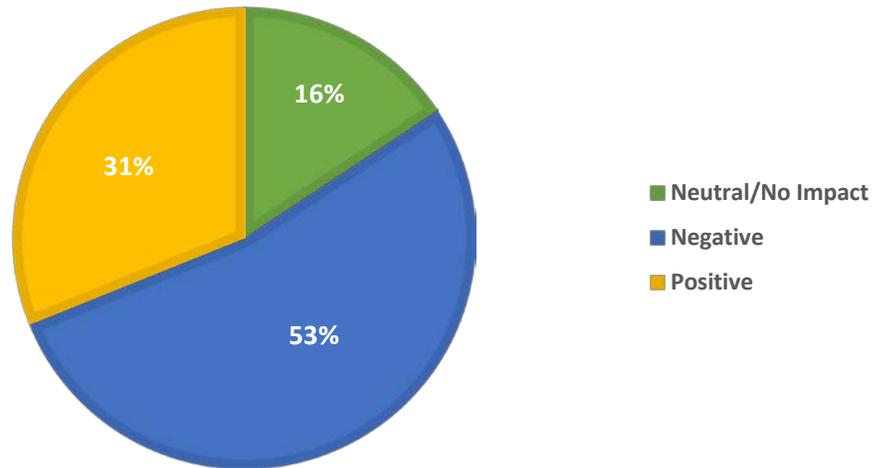


All respondents were asked additional follow up questions. Included in this report are the questions relevant to retail establishments.

WHAT IS YOUR OVERALL LEVEL OF SUPPORT FOR RECREATIONAL MARIJUANA RETAILERS IN MILTON?



DO YOU FEEL RECREATIONAL MARIJUANA RELATED BUSINESSES WOULD HAVE A POSITIVE OR NEGATIVE AFFECT ON THE COMMUNITY?



It should be noted that the committee was concerned about the validity of the survey. Was the response pool sufficient to be a scientifically valid survey, and was it unbiased. Nevertheless it was a useful tool to gauge the public's opinion.

Legislative Changes:

While the committee was meeting, the State passed new legislation affecting legalized marijuana. The new legislation known as the cannabis patient protection act sets forth a framework to allow the recreational market to provide regulation for the medical use of marijuana. A few key elements of the law include:

- Elimination of collective gardens for medical patients. The law allows for WSLCB certified cooperatives with a maximum of four patients or designated providers—and there will be a 60 day waiting period between adding new members.
- Ensures that patients retain their ability to grow their own marijuana for their own medical use; and have the ability to possess more marijuana-infused products, useable marijuana, and marijuana concentrates than what is available to a nonmedical user.
- Creates a medical marijuana endorsement to a marijuana retail license to permit a marijuana retailer to sell marijuana for medical use to qualifying patients and designated providers.

The law will allow for the full integration of medical marijuana into licensed retail establishments by July 2016—essentially forcing non-authorized retail locations to become licensed or close (currently operating as collective gardens).⁷

The State also passed a law which requires the State to share marijuana excise tax revenue with local governments. In the 2015-2017 biennium the amount is limited to \$6 million a year, ratably based on the total amount of taxable sales of marijuana products subject to the excise tax in the prior fiscal year within the county.

Beginning in 2018, if the State collects more than \$25 million of excise tax, 30% must be distributed to counties, cities and towns. The amount of revenue shared with local jurisdictions is split two ways:

- 30% of the amount distributed will be ratably shared with counties, cities and towns that have a physical retail establishment in their jurisdiction.
- The remaining 70% will be distributed to counties (with counties retaining 60%) and the remaining 40% being distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor or retailer.⁸

⁷ SB5052

⁸ HB2136

Committee Recommendation:

The committee met on September 9, 2015 to have a final discussion and vote on whether or not the committee would recommend to council to reverse their previous decision to prohibit recreational marijuana land uses. The committee took three separate votes based on the type of marijuana related business. Committee member Jansa was not present.

1. Should the City of Milton allow recreational marijuana producers?**NO 6-0**
2. Should the City of Milton allow recreational marijuana processors?**NO 6-0**

The committee's unanimous decision to not recommend producers and processors was based on the following:

- The potential environmental impact of producers and processors—Air, land, water, noise impacts on the community.
 - Lack of perceived market demand for producers and processors.
 - Protection of electricity utility rates—unknown impact on consumer rates if producers or processors move the City into a “Tier 2” purchaser of electricity.
 - Potential lack of adequate controls/inspections by the State—retail is more tightly regulated.
3. Should the City of Milton allow recreational marijuana retailers? **YES 4-2** (Wilson, Doherty dissent)

The committee members voting in favor of allowing retailers supported their vote based on the following facts and opinions:

- Retail locations in the Business (B) and Light Industrial (M1) zones are consistent with the types of businesses currently located in those zones.
- The City will benefit from any State tax revenue cost sharing.
- Spillover effect of retail business onto other sales tax generating businesses.
 - May also spur development along the Pacific Highway corridor.
- State licensed retail establishments are legitimate businesses that are highly regulated.
- Increasing the availability of recreational marijuana will reduce the black market.
- There is a demand/need for safe regulated (tested) marijuana for recreational and medical users.
- The City should be a leader in the area. Set the example for other neighboring communities on how to integrate retail marijuana.
- I-502 was approved by the residents of Milton.

- City survey is not scientific, may not have reached the correct target audience, and had a limited number of responses.
- Marijuana is not physically addictive and the use cannot be assimilated with any overdose or murder.

The committee members voting **against** allowing retailers supported their vote based on the following facts and opinions:

- Marijuana is still illegal under Federal Law, unknown how future Presidential administrations will address it.
- Marijuana is psychologically addictive, and considered a gateway drug.
- Retail locations do not curb the black market due to the high tax rate.
- No surrounding community (Fife, Edgewood, Puyallup, Sumner, Federal Way) currently allows retail locations—concern for being the only City in the area to allow it.
- The revenue sharing from the State is not enough to justify the change to the community. For at least 2016-17 it's minimal (6M per year split between all cities that allow it).
- Marijuana abuse/addiction leads to other crimes/demand for service for our police department.
- Since the Council formed the committee the legal landscape has changed. The State has passed legislation to overhaul the taxation of recreational marijuana and has set a time table to merge the medical and recreational markets. More study should be done by the planning commission to develop appropriate/meaningful land use regulations.

Land Use Recommendations:

The committee reviewed several other municipalities' codes and state law when considering land use recommendations. The discussions focused mainly on retail locations, as the committee did not recommend producers or processors at this time. If council chooses to allow retail establishments the committee recommends the following land use restrictions:

- All building, signage, hours of operation, setbacks from sensitive area restrictions as required by State law.
- Retail locations should be an acceptable (permitted) use in the light industrial (M1) or business (B) zones.
- Retail establishments must front the street.
- Retail locations must be located a minimum of 500 feet from any residential zone (RS, RMD or RM) currently in the City or in the Potential Annexation Area (PAA).
- Parking lot lighting adequate enough to illuminate the entire parking lot.

- Signage requiring no loitering in the parking lot.
- Language in the code notifying the licensee that marijuana is still illegal under Federal Law and that the Federal Government can enforce Federal Laws at their discretion per the US Constitution (City of Renton language).

Summary:

The Committee spent a significant amount of time going through the issues associated with the three types of recreational marijuana land uses that they were asked to look into (retail, production and processing). The committee was thorough in their attempts to hear all sides of the issue by asking to hear from representatives of both sides of the issue, as well as a presentation from the Police Chief and his insight into this issue. A significant hurdle that the committee continued to try to navigate was the ongoing uncertainty associated with this subject and the additional debate that continues with the passage of State legislation, combining the State's control of both medical and recreational marijuana locations. This issue appears to be stabilizing a bit, but with a federal election on the horizon, the committee's uncertainty on this issue continues.

With that said, the Committee voted to recommend allowing recreational retail marijuana related land uses within the City of Milton, with stringent business rules in place. The vote was not unanimous on this issue, as a couple of the members of the Committee felt that these types of businesses were not appropriate in the City of Milton. If the Council desires to allow retail marijuana related land uses they should adopt an ordinance that addresses the committee's recommendations as listed above. If the Council desires to allow producers and processors the impacts should be studied in more depth.



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: **Public Hearing on Revenue Sources**

ATTACHMENTS: **Revenue Charts**

TYPE OF ACTION:

Information Only Discussion Action Public Hearing

Recommendation/Action: Take public testimony on the Revenue Sources for 2016

Discussion:

The Preliminary Budget document was presented on November 2, 2015 during the Regular City Council Meeting. The Budget Document includes a section on Financing Sources which outlines Revenue Sources for 2016 Fiscal Year.

This Public Hearing is scheduled to take Public Testimony on Revenue Sources, including possible increases in property tax. This is the opportunity for Citizens to express their desires, suggestions and opinions.

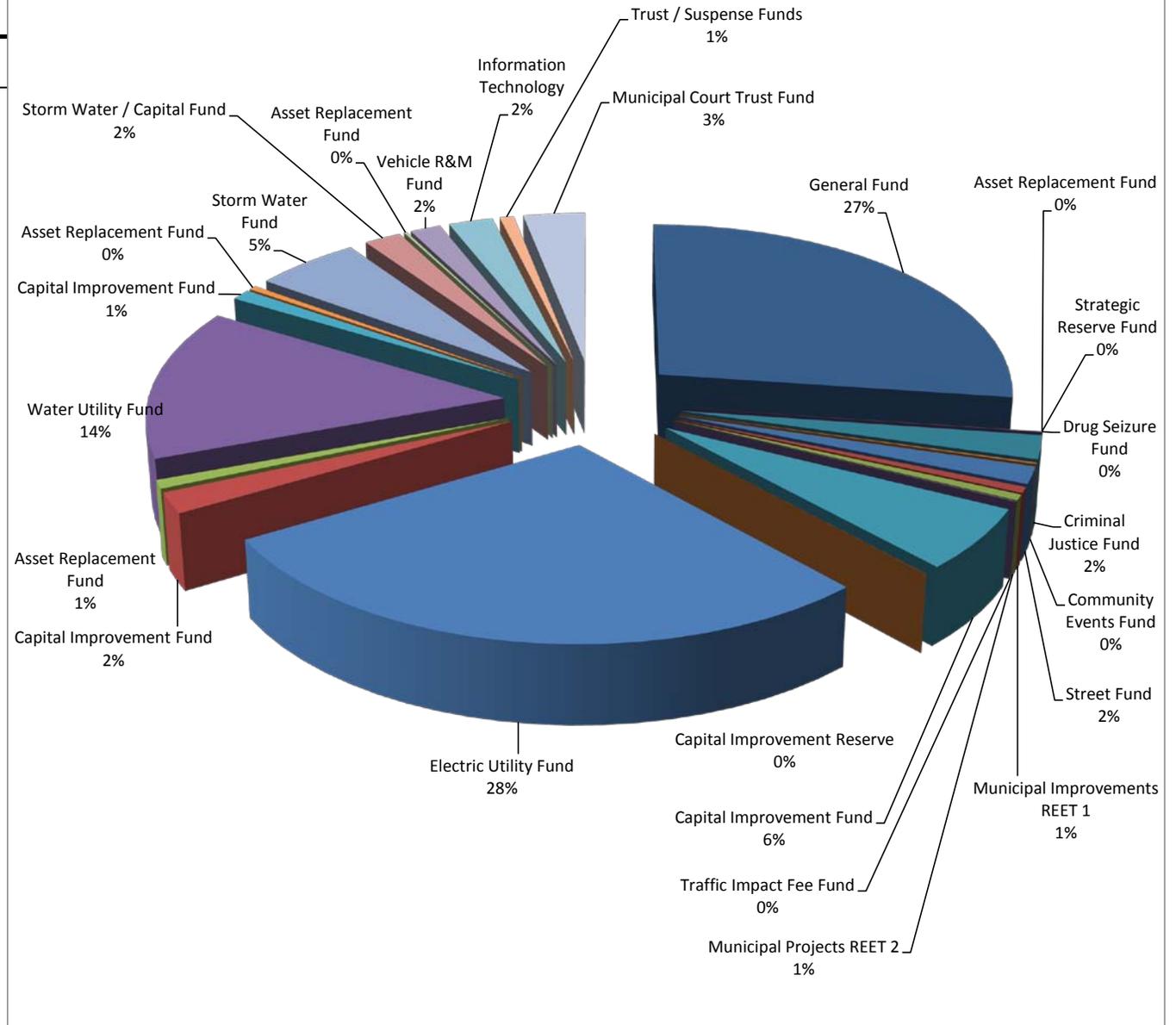
Fiscal Impact/Source of Funds: Outlined in the budget document

City of Milton

2016 Summary Preliminary Budget

Fund	Revenues
General Fund	\$ 4,353,376
Asset Replacement Fund	\$ 1,500
Strategic Reserve Fund	\$ 1,500
Drug Seizure Fund	\$ 5,000
Criminal Justice Fund	\$ 353,060
Community Events Fund	\$ 21,500
Street Fund	\$ 257,150
Municipal Improvements REET 1	\$ 87,200
Municipal Projects REET 2	\$ 87,175
Traffic Impact Fee Fund	\$ 10,150
Capital Improvement Fund	\$ 929,710
Capital Improvement Reserve	\$ 1,500
Electric Utility Fund	\$ 4,562,620
Capital Improvement Fund	\$ 312,100
Asset Replacement Fund	\$ 127,400
Water Utility Fund	\$ 2,273,400
Capital Improvement Fund	\$ 160,600
Asset Replacement Fund	\$ 65,400
Storm Water Fund	\$ 857,100
Storm Water / Capital Fund	\$ 301,000
Asset Replacement Fund	\$ 24,267
Vehicle R&M Fund	\$ 250,000
Information Technology	\$ 360,000
Trust / Suspense Funds	\$ 115,000
Municipal Court Trust Fund	\$ 500,000

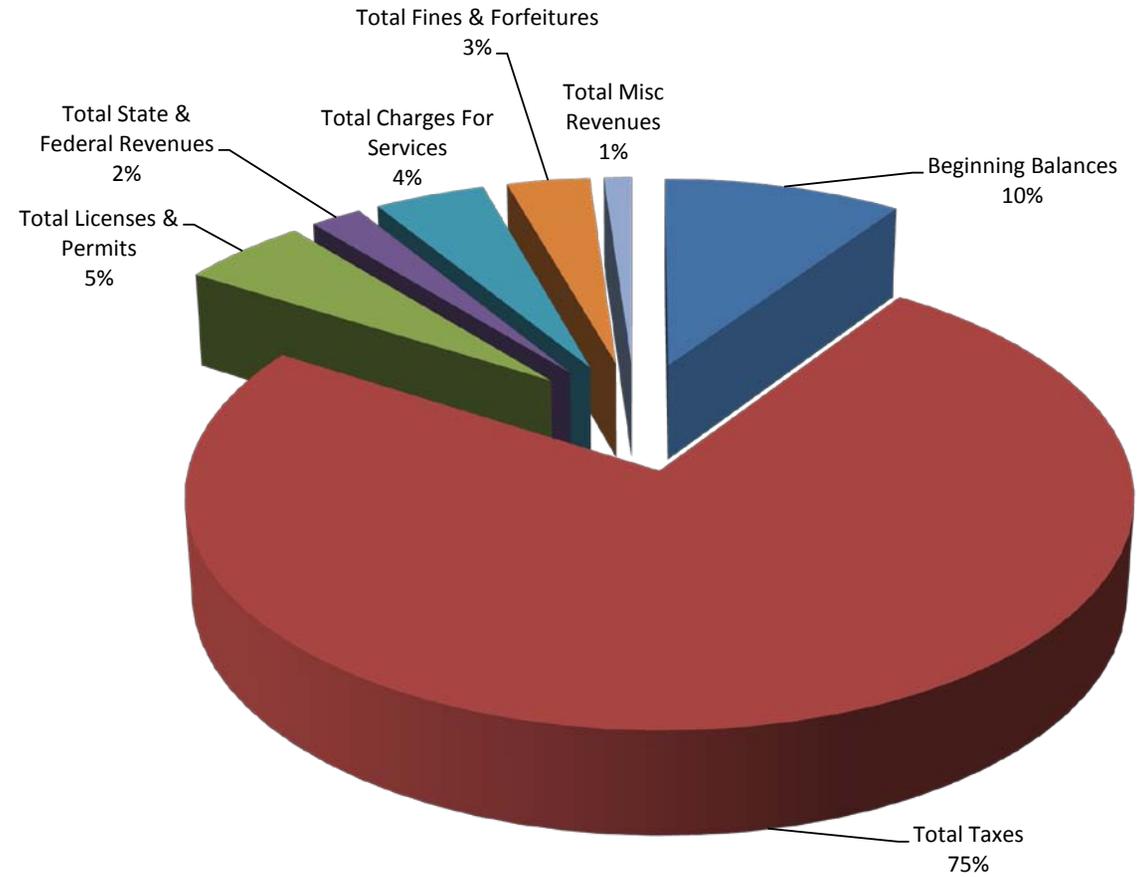
City of Milton Projected Revenue 2016



General Fund Revenue 2016

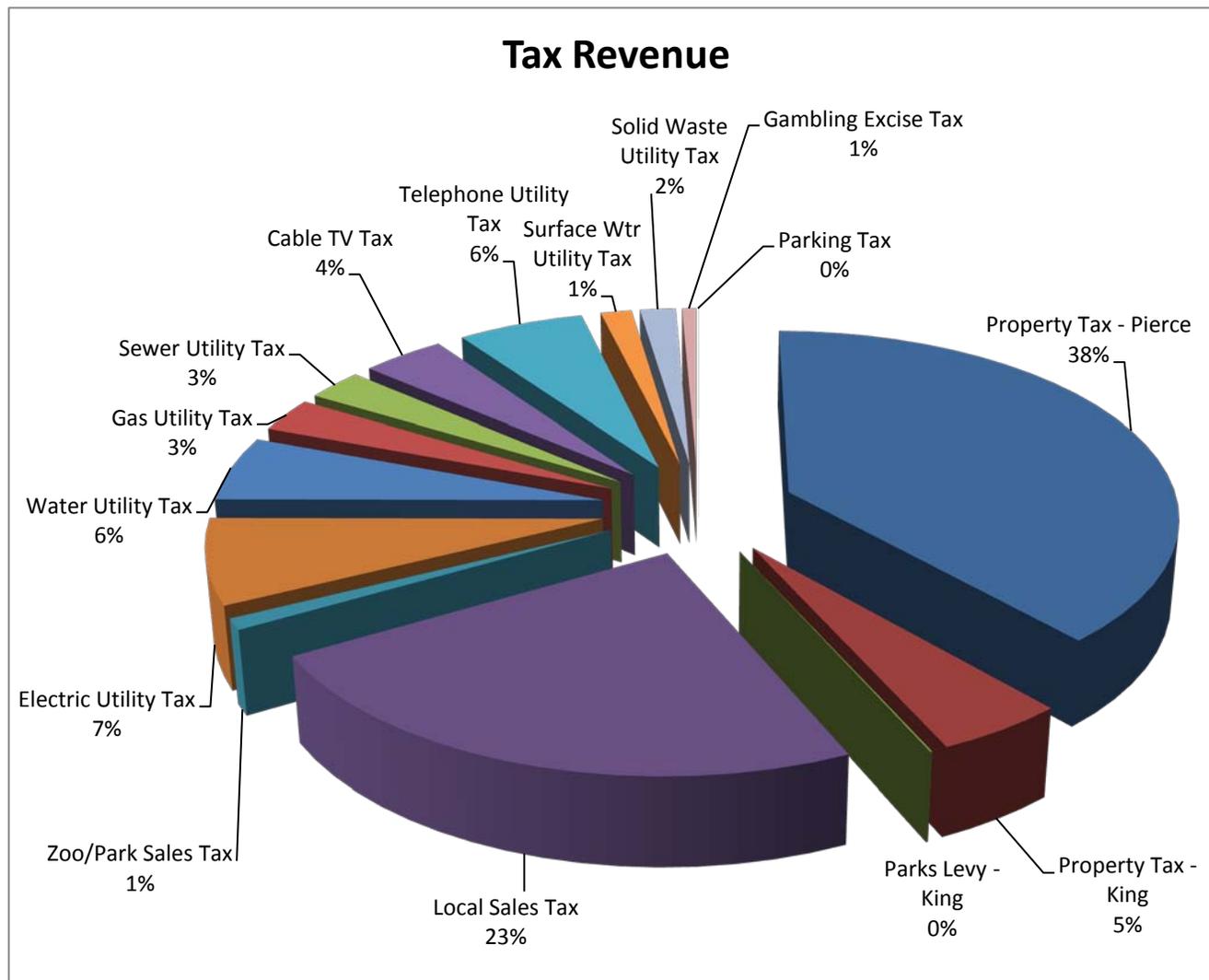
Account	Description	2016 Preliminary
308	Beginning Balances	\$ 438,000.00
310	Total Taxes	\$ 3,430,946.00
320	Total Licenses & Permits	\$ 236,200.00
330	Total State & Federal Revenues	\$ 95,000.00
340	Total Charges For Services	\$ 203,580.00
350	Total Fines & Forfeitures	\$ 152,500.00
360	Total Misc Revenues	\$ 51,200.00
Grand Total General Fund Income		<u>\$ 4,169,426.00</u>

General Fund Revenue Projected for 2016



Property Tax - Pierce	\$ 1,320,774.00
Property Tax - King	\$ 162,072.00
Parks Levy - King	\$ 2,600.00
Local Sales Tax	\$ 805,000.00
Zoo/Park Sales Tax	\$ 33,000.00
Electric Utility Tax	\$ 252,000.00
Water Utility Tax	\$ 191,700.00
Gas Utility Tax	\$ 100,000.00
Sewer Utility Tax	\$ 92,000.00
Cable TV Tax	\$ 135,000.00
Telephone Utility Tax	\$ 205,000.00
Surface Wtr Utility Tax	\$ 50,400.00
Solid Waste Utility Tax	\$ 58,000.00
Gambling Excise Tax	\$ 23,000.00
Parking Tax	\$ 400.00

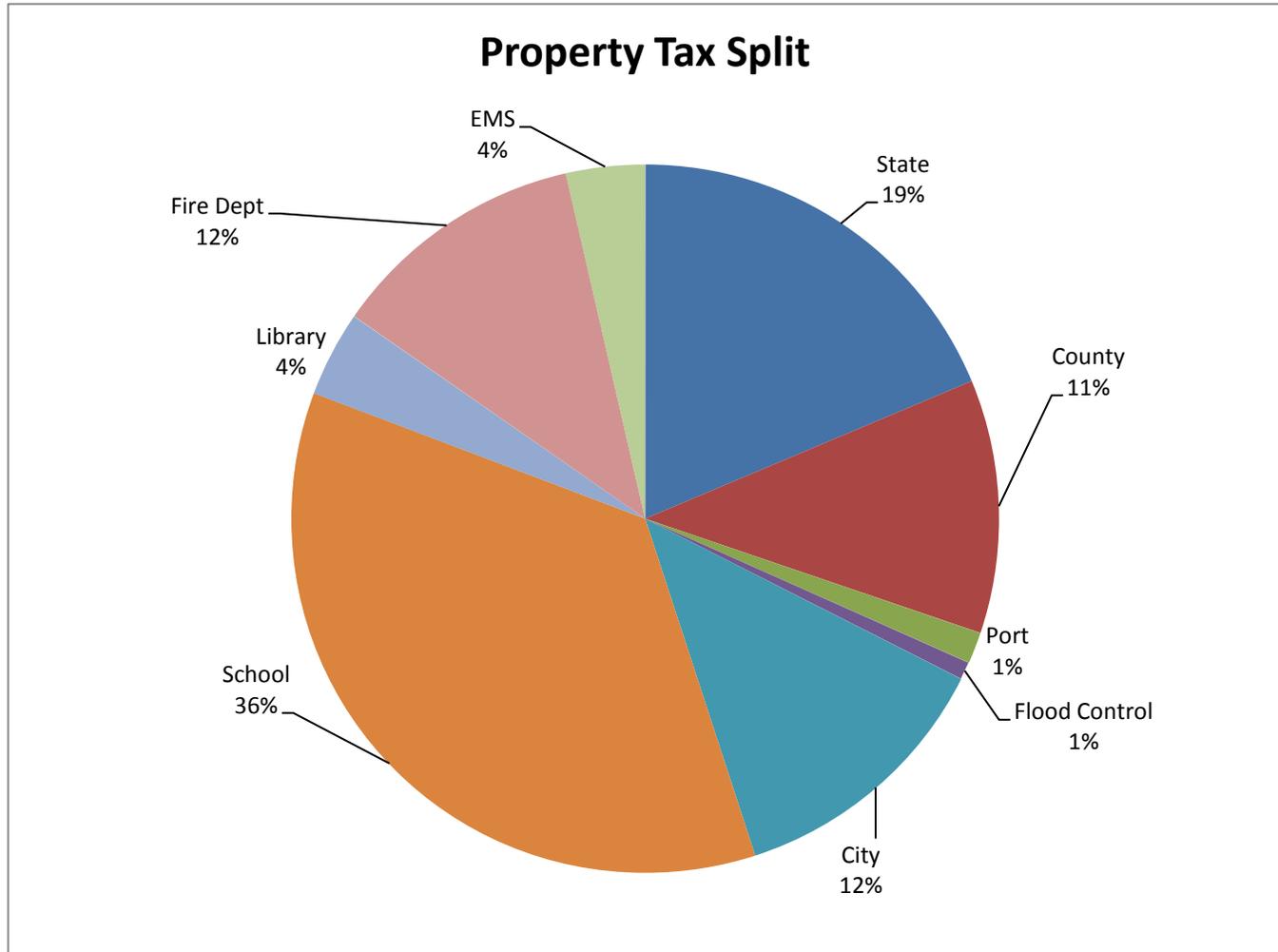
Utility Taxes
\$ 1,084,100.00
32%



Dollars per 1,000 assessed value

State	\$	2.39
County	\$	1.48
Port	\$	0.18
Flood Control	\$	0.10
City	\$	1.60
School	\$	4.58
Library	\$	0.50
Fire Dept	\$	1.50
EMS	\$	0.46
	\$	<u>12.79</u>

Pierce County



City of Milton
Financing Sources

Account	Description	2016 Proposed Budget		
		Income	Department	Expenses
001	General Fund			
	General Revenue			
	310 Total Taxes	\$ 3,430,946	Legislative	\$ 31,100
	320 Permits & Licenses	\$ 43,200	Executive	\$ 133,700
	330 Steamlined Mitigation - State	\$ 9,500	Finance/Admin	\$ 131,900
	340 Charges for Services	\$ 1,480	Legal	\$ 90,000
	350 Fines & Penalties	\$ 2,500	Other Admin/HR	\$ 24,320
	360 Miscellaneous Revenue	\$ 9,000	Facilities	\$ 161,225
			Central Stores	\$ 59,650
			Engineering	\$ 34,750
			Other Gen'l Gov't	\$ 2,900
			Senior Svcs	\$ 8,500
			Parks	\$ 192,050
			Contribution to Streets	\$ 140,960
			Contribution to Events	\$ 7,000
			Contribution to Police	\$ 2,495,953
			Contrib to Comm Dev	\$ 61,975
			Contribution to Wellness	\$ 2,000
			C to MAC & Comm Bldg	\$ 11,875
			Debt Service	\$ 24,813
	Total General Non-Designated	\$ 3,496,626	\$ -	\$ 3,614,671
	Specifically Designated Planning & Development			
	320 Permits	\$ 193,000	Building Dept	\$ 207,575
	340 Fees for Services	\$ 101,000	Planning & Dev	\$ 148,400
	Total Planning & Development	\$ 294,000	\$ -	\$ 355,975
	Contribution needed from General Resources	\$ 61,975		
	Specifically Designated Court			
	340 Fees for Services	\$ 93,400	Muni Court Exp	\$ 251,250
	350 Fines & Penalties	\$ 150,000		
	360 Miscellaneous	\$ 8,200		
	Total Court	\$ 251,600	\$ -	\$ 251,250
	Specifically Designated Wellness			
	360 Donations - Wellness		Wellness Exp	\$ 2,000
	Contribution needed from General Resources	\$ 2,000		
	Specifically Designated Facility Rentals			
	360 Facility Rental	\$ 29,000	Culture & Rec	\$ 40,875
	Contribution needed from General Resources	\$ 11,875		
	Total General Fund	\$ 4,071,226		\$ 4,264,771
	101 Street Fund			
	320 Licenses & Permits	\$ 2,000	Street Exp	\$ 501,026
	330 State Generated Revenues	\$ 154,650		
	340 Charges For Services	\$ 500		
		\$ 157,150	\$ -	\$ 501,026
397 00 01 101	Contrib. From General Fund	\$ 140,960		
	Contribution from REET	\$ 100,000		

City of Milton
Financing Sources

Account	Description	2016 Proposed Budget		
		Income	Department	Expenses
107 Criminal Justice Fund				
	310 Taxes	\$ 120,600	Law Enforcement	\$ 2,210,600
	320 Licenses & Permits	\$ 3,700	Jail Cost	\$ 120,200
	330 State & Federal Revenues	\$ 108,230	Dispatch	\$ 122,510
	340 Charges For Services	\$ 12,000	Nuisance	\$ 34,000
	350 Fines & Penalties	\$ 700	Debt Service	\$ 60,353
	360 Misc Revenues	\$ 400		
		\$ 245,630		\$ 2,547,663
397 00 10 107	Contributions From General Fund	\$ 2,495,953		
116 Community Events Fund				
	340 Charges For Services	\$ 9,000	Event Expenses	\$ 23,500
	360 Misc Revenues	\$ 12,500		
		\$ 21,500		\$ 23,500
397 00 01 116	Contributions From General Fund	\$ 7,000		
401 Electric Utility Op & Maint Fund				
	320 Licenses & Permits	\$ 1,000		
	340 Charges For Services	\$ 4,263,000	Electric Op Expenses	\$ 5,017,530
	350 Penalties	\$ 54,000		
	360 Misc Revenues	\$ 219,920		
	381 Interfund Loan Repayment	\$ 24,700		
		\$ 4,562,620	\$ -	\$ 5,017,530
402 Electric Capital Improvement Fund				
	360 Misc Revenues	\$ 16,000	Capital Project Exp	\$ 110,000
		\$ 16,000		\$ 110,000
409 Electric Asset Replacement Fund				
	360 Misc Revenues	\$ 1,500	Capital Project Exp	\$ 175,000
		\$ 1,500		\$ 175,000
403 Water Utility Fund				
	320 Licenses & Permits	\$ 800		
	340 Charges For Services	\$ 2,177,000	Water Op Expenses	\$ 1,742,492
	350 Penalties	\$ 40,000	Debt Service	\$ 196,460
	360 Misc Revenues	\$ 55,600		
		\$ 2,273,400		\$ 1,938,952
404 Water Capital Improvement Fund				
	360 Misc Revenues	\$ 11,500	Capital Project Exp	\$ 100,000
		\$ 11,500		\$ 100,000
405 Water Asset Replacement Fund				
	360 Misc Revenues	\$ 1,500	Capital Project Exp	\$ 165,000

City of Milton
Financing Sources

Account	Description	2016 Proposed Budget		
		Income	Department	Expenses
		\$ 1,500		\$ 165,000
406 Stormwater Op & Maint Fund				
	320 Licenses & Permits	\$ -		
	340 Charges For Services	\$ 845,000	Stormwater Op Expenses	\$ 1,004,410
	350 Penalties	\$ 100	Debt Service	\$ 9,730,836
	360 Misc Revenues	\$ 12,000		
		\$ 857,100		\$ 10,735,246
407 Stormwater Capital Fund				
	330 State & Federal Revenues	\$ 150,000		
	360 Misc Revenues	\$ 1,000	Capital Project Exp	\$ 257,000
		\$ 151,000		\$ 257,000
408 Stormwater Asset Replacement Fund				
	360 Misc Revenues	\$ 500	Capital Project Exp	
		\$ 500		\$ -
501 Vehicle Repair & Maintenance Fund				
	340 Charges For Services	\$ 250,000	VM Expenses	\$ 246,035
		\$ 250,000		\$ 246,035
503 Information Technology				
	340 Charges For Services	\$ 360,000	IT Expenses	\$ 247,068
		\$ 360,000	\$ -	\$ 247,068



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: **2016 Preliminary Budget Public Hearing**

ATTACHMENTS: Please bring your budget document

TYPE OF ACTION:

Information Only Discussion Action Public Hearing

Recommendation/Action: Take public testimony on the 2016 Preliminary Budget

Discussion:

The Preliminary Budget document was presented on November 2, 2015 during the Regular City Council Meeting.

This Public Hearing is scheduled to take Public Testimony regarding the 2016 City of Milton Preliminary Budget. This is the opportunity for Citizens to express their desires, suggestions and opinions.

The Public Hearing for the Final Budget is scheduled on December 7th and adoption of the 2016 Budget may follow that Public Hearing. The 2016 Budget must be adopted prior to December 31, 2015.

Fiscal Impact/Source of Funds: Outlined in the budget document



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating General Fund Asset Replacement Fund

ATTACHMENTS: Ordinance – Creating a General Fund Asset Replacement Fund
BARS Manual Section 3.9.1

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: “I move to approve the proposed Ordinance to create a General Fund Asset Replacement Fund”

Issue: During the process of putting together the Budget, I came across an RCW that it appears we are sideways on.

RCW 35A.33.145 Contingency fund — Creation. Every code city may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW [35A.33.080](#) and [35A.33.090](#). Such fund may be supported by a budget appropriation from any tax or other revenue source not restricted in use by law, or also may be supported by a transfer from other unexpended or decreased funds made available by ordinance as set forth in RCW [35A.33.120](#): **PROVIDED, That the total amount accumulated in such fund at any time shall not exceed the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the city at such time.** Any moneys in the contingency fund at the end of the fiscal year shall not lapse except upon reappropriation by the council to another fund in the adoption of a subsequent budget.

RCW 35A.33.146 Contingency fund — Withdrawals. No money shall be withdrawn from the contingency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the council, adopted by a vote of the majority of the entire council, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred.

The current assessed valuations for Milton are:

- Pierce County at \$590,784,770 multiplied by \$.375 per thousand = \$221,544.38.
- King County at \$101,292,000 multiplied by \$.375 per thousand = \$37,985.63.

The total allowed to be held in a contingency fund which fits the description of the Strategic Reserve Fund is \$259,530.

Discussion: This was discussed with the Finance Committee Meeting in October. In an effort to meet the requirements of State Law and the desires of Milton City Council, this proposal creates two funds for the General Fund money to provide for ongoing use of the resources, along with a means for replenishing them.

On several occasions, Council has discussed setting up and funding an account specific to replacing aging Equipment. This action would utilize the excess strategic reserve funds to facilitate purchases through the use of interfund loans, eliminating the need to borrow from the City's Utility Funds and potentially eliminating the need for outside financing, saving the City thousands of dollars over time. Council approval is required for interfund loans. Rules for processing Interfund loans are regulated by the State Auditor in the BARS Manual 3.9.1.20.

This Ordinance was review and approved by the City Attorney.

Council may make changes to the proposal. Example: This proposal identifies 50/50 split of the excess funds between Asset Replacement and Capital Improvement Reserve. That equates to \$261,235 to each fund. Another option would be to put the excess or a portion thereof back into the General Fund for general use.

Fiscal Impact/Source of Funds: There is not a specific fiscal impact; the money would only be transferred to a new Fund. There is a potential for considerable savings if the City would no longer need to procure outside financing.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A GENERAL FUND ASSET
REPLACEMENT FUND; CREATING SECTION 3.24.260 OF
THE MILTON MUNICIPAL CODE; AND ESTABLISHING
AN EFFECTIVE DATE;**

WHEREAS, the Milton City Council has a Strategic Reserve Fund with funds in excess of statutory requirement, and

WHEREAS, the City has found it necessary to borrow funds in order to provide necessary equipment for employees to perform their jobs, and

WHEREAS, the Milton City Council considers it prudent to designate a portion of those funds to be used solely for the purpose of funding asset replacement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.260 of the Milton Municipal Code is hereby created as follows:

3.24.260 General Fund Asset Replacement Fund.

There is created and established a fund to be known as the General Fund Asset Replacement Fund. Fifty percent of the excess from the Strategic Reserve Fund shall be placed in the General Fund Asset Replacement Fund for the sole purpose of funding all necessary replacement and or acquisition of assets (equipment) for the General Fund, including Streets, Parks, Police, Facilities, Development, Technology and Rolling Stock. All allocations from this fund must be approved by a vote of the City Council and provide for restoration of the fund in a manner consistent with the guiding principles in the BARS Manual as dictated by the State Auditor's Office.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 9nd day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:

3.

ACCOUNTING

3.9 Interfund Activities

3.9.1 Loans

3.9.1.10 This section does not attempt to determine which moneys of a local government may or may not be available for interfund lending, since the special character of some moneys involves commitments and restrictions which would require individual consideration. As a rule of thumb, however, it may be considered permissible to make interfund loans of those moneys which are clearly inactive or in excess of anticipated cash needs throughout the duration of the loan **and** legally available for investment.

3.9.1.20 The minimum acceptable procedures for making and accounting for interfund loans are as follows:

1. The legislative body of a local government must, by ordinance or resolution, approve all interfund loans, indicating the lending and borrowing funds, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the local government) to be paid to the lending fund. The planned schedule of repayment should specify the due date(s) of payment(s) needed to repay the principal and interest on the loan.
2. Interest should be charged in all cases, unless:
 - a. The borrowing fund has no other source of revenue other than the lending fund; or
 - b. The borrowing fund is normally funded by the lending fund.
3. The borrowing fund must anticipate sufficient revenues to be able over the period of the loan to make the specified principal and interest payments as required in the authorizing ordinance or resolution.
4. The loan status should be reviewed annually by the legislative body at any open public meeting.
5. The term of the loan may continue over a period of more than one year, but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. A loan that continues longer than three years will be scrutinized for a permanent diversion of moneys. (Note: these restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)
6. Appropriate accounting records should be maintained to reflect the balances of loans in every fund affected by such transactions.



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 2, 2015
Re: Ordinance Creating General Fund Capital Improvement Reserve Fund

ATTACHMENTS: Ordinance – Creating a General Fund Capital Improvement Reserve Fund
 BARS Manual Section 3.9.1

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: “I move to approve the proposed Ordinance to create a General Fund Capital Improvement Reserve Fund.”

Issue: During the process of putting together the Budget, I came across an RCW that it appears we are sideways on.

RCW 35A.33.145 Contingency fund — Creation. Every code city may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW [35A.33.080](#) and [35A.33.090](#). Such fund may be supported by a budget appropriation from any tax or other revenue source not restricted in use by law, or also may be supported by a transfer from other unexpended or decreased funds made available by ordinance as set forth in RCW [35A.33.120](#): **PROVIDED, That the total amount accumulated in such fund at any time shall not exceed the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the city at such time.** Any moneys in the contingency fund at the end of the fiscal year shall not lapse except upon reappropriation by the council to another fund in the adoption of a subsequent budget.

RCW 35A.33.146 Contingency fund — Withdrawals. No money shall be withdrawn from the contingency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the council, adopted by a vote of the majority of the entire council, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred.

The current assessed valuations for Milton are:

- Pierce County is \$590,784,770 multiplied by \$.375 per thousand = \$221,544.38.
- King County is \$101,292,000 multiplied by \$.375 per thousand = \$37,985.63.

The total allowed to be held in a contingency fund which fits the description of the Strategic Reserve Fund is \$259,530.

Discussion: This was discussed with the Finance Committee Meeting in October. In an effort to meet the requirements of State Law and the desires of Milton City Council, this proposal creates two funds for the General Fund money that will provide ongoing use of the resources, along with a means for replenishing them.

On several occasions Council has discussed setting up and funding an account specific to replacing aging Equipment. This action would utilize the excess strategic reserve funds to facilitate purchases through the use of interfund loans, eliminating the need to borrow from the City's Utility Funds and potentially eliminating the need for outside financing, saving the City thousands of dollars over time. Council approval is required for interfund loans. Interfund loans are regulated by the State Auditor's BARS Manual Section 3.9.1.

This Ordinance was review and approved by the City Attorney. The City Attorney suggested that Council might want to tie it to a particular document, like the CIP. This change can be made with Council direction. Remember that the CIP is adopted anticipating future projects and does not include emergency or unexpected projects.

Council can make changes to the proposal. Examples: This proposal identifies 50/50 split of the excess funds between Asset Replacement and Capital Improvement Reserve. That equates to \$261,235 to each fund. Another option would be to put the excess or a portion thereof back into the General Fund for general use.

Fiscal Impact/Source of Funds: There is not a specific fiscal impact as the money would only be transferred to a new Fund. There is a potential for considerable savings if the City would no longer need to procure outside financing.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A GENERAL FUND CAPITAL
IMPROVEMENT RESERVE FUND; CREATING SECTION
3.24.250 OF THE MILTON MUNICIPAL CODE; AND
ESTABLISHING AN EFFECTIVE DATE;**

WHEREAS, the Milton City Council has a Strategic Reserve Fund with funds in excess of statutory requirement, and

WHEREAS, the Milton City Council considers it prudent to designate a portion of those funds to be used solely for the purpose of funding costs of capital improvements, including planning, design, acquisition, construction, construction inspection and construction management for projects specific to City Streets, Parks and Facilities.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.250 of the Milton Municipal Code is hereby created as follows:

3.24.250 General Fund Capital Improvement Reserve Fund.

There is created and established a fund to be known as the General Fund Capital Improvement Reserve Fund. Fifty percent of the excess from the Strategic Reserve Fund shall be placed in the General Fund Capital Improvement Reserve Fund for the sole purpose of funding all costs of capital improvements, including planning, design, acquisition, construction, construction inspection, and construction management. All allocations from this fund must be approved by a vote of the City Council and provide for restoration of the fund. Interfund loans must meet the requirements as set forth in the BARS Manual section 3.9.1 published by the State Auditor's Office.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 9th day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:

3.

ACCOUNTING

3.9 Interfund Activities

3.9.1 Loans

3.9.1.10 This section does not attempt to determine which moneys of a local government may or may not be available for interfund lending, since the special character of some moneys involves commitments and restrictions which would require individual consideration. As a rule of thumb, however, it may be considered permissible to make interfund loans of those moneys which are clearly inactive or in excess of anticipated cash needs throughout the duration of the loan **and** legally available for investment.

3.9.1.20 The minimum acceptable procedures for making and accounting for interfund loans are as follows:

1. The legislative body of a local government must, by ordinance or resolution, approve all interfund loans, indicating the lending and borrowing funds, and provide in the authorization a planned schedule of repayment of the loan principal as well as setting a reasonable rate of interest (based on the external rate available to the local government) to be paid to the lending fund. The planned schedule of repayment should specify the due date(s) of payment(s) needed to repay the principal and interest on the loan.
2. Interest should be charged in all cases, unless:
 - a. The borrowing fund has no other source of revenue other than the lending fund; or
 - b. The borrowing fund is normally funded by the lending fund.
3. The borrowing fund must anticipate sufficient revenues to be able over the period of the loan to make the specified principal and interest payments as required in the authorizing ordinance or resolution.
4. The loan status should be reviewed annually by the legislative body at any open public meeting.
5. The term of the loan may continue over a period of more than one year, but must be "temporary" in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. A loan that continues longer than three years will be scrutinized for a permanent diversion of moneys. (Note: these restrictions and limitations do not apply to those funds which are legally permitted to support one another through appropriations, transfers, advances, etc.)
6. Appropriate accounting records should be maintained to reflect the balances of loans in every fund affected by such transactions.



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance creating the Strategic Reserve Fund

ATTACHMENTS: Ordinance creating the Strategic Reserve Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating the Strategic Reserve Fund."

Issue: Milton Municipal Code identifies a Cumulative Reserve Fund. There is no code for the Strategic Reserve Fund which was first identified in the 2011 Budget document. At the Council meeting on November 2, 2015 during discussion on the creation of the General Fund Asset Replacement Fund and the General Fund Capital Improvement Reserve Fund, Council identified desires for changes in the Strategic Reserve Fund.

Discussion: This Ordinance creates the Strategic Reserve Fund as allowed by RCW and identifies:

- the means for supporting the Fund
- the acceptable uses for the money in the Fund
- the means by which those funds may be transferred to the appropriate fund for use
- annual review of the balance in the fund and the desire of Council that the Fund be kept at the maximum level allowed by law.

Fiscal Impact/Source of Funds: This Ordinance does not create any fiscal impact; it merely Codifies the intent of Council and the current practice.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MILTON, WASHINGTON, CREATING A NEW MILTON MUNICIPAL CODE SECTION 3.24.300 TO ESTABLISH A STRATEGIC RESERVE FUND, PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Milton began using a Strategic Reserve Fund in Budget Year 2011; and

WHEREAS, the Fund may be supported by a budget appropriation from any revenue source not restricted by law; and

WHEREAS, the Strategic Reserve Fund (“Fund”) is established as a dedicated account to provide moneys to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget or from which to provide funding for those emergencies described in RCW 35A.33.080 and 35A.33.090; and

WHEREAS, expenditures from the Fund cannot be made without a vote of Council; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF MILTON, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. Adopted. A new section of the Milton Municipal Code, MMC 3.24.300 entitled “Strategic Reserve Fund,” is hereby, for the purpose set forth in above in the recitals, adopted as set forth in Exhibit A, which by this reference is herein incorporated as if set forth in full.

Section 2. If any section, sentence, clause or phrase of this ordinance should be

held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after publication.

Passed by the City Council of the City of Milton, the _____ day of _____, 2015.

Approved by the Mayor of the City of Milton, the _____ day of _____, 2015.

APPROVED:

MAYOR

ATTEST/AUTHENTICATED:

CITY CLERK

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. _____

EXHIBIT A

3.24.300 Strategic Reserve Fund.

There is hereby created a fund, entitled “Strategic Reserve Fund,” for the purpose of providing moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW 35A.33.080 and 35A.33.090.

The total amount accumulated in this fund shall not exceed the amount permitted under RCW 35A.33.145, as now existing or hereafter amended. Annually the balance shall be evaluated to verify the maximum allowed is provided for as available. This fund may be supported by budget appropriation from any revenue source not restricted by law.

No money shall be withdrawn from the fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the Council, adopted by a vote of the majority of the entire council. Any request for transfer shall clearly state the facts constituting the reason for the withdrawal or the emergency as the case may be and specify the fund to which the withdrawn money shall be transferred.



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating Stormwater Utility Asset Replacement Fund

ATTACHMENTS: Ordinance creating a Stormwater Utility Asset Replacement Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating a Stormwater Utility Asset Replacement Fund."

Issue: Council has discussed the need to set funding aside for the replacement of assets such as IT equipment and rolling stock.

Discussion: Some of the equipment, required by the Utility Departments, is very expensive, and the goal would be to set funding aside so that when equipment reaches the end of its useful life there is money available to replace it. This fund would be available to provide a funding mechanism with a portion of the service revenue being set aside for future equipment purchases. This Ordinance identifies 3% as the portion of monthly charges for service as the set aside. That % is a recommendation from Staff and can certainly be changed, now or in the future if desired, or if it becomes necessary.

Fiscal Impact/Source of Funds: There is no immediate fiscal impact since this is just moving existing funds from one fund to another. However, this could provide a huge savings for the City in the future as equipment is needed, because it could eliminate the need to acquire outside funding. There will need to be a Budget Amendment adopted to actually move the money as it was not anticipated in the current adopted budget.

(Stormwater already has a Capital Improvement Fund that is funded with a portion of the monthly charges for service.)

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A STORMWATER UTILITY
ASSET REPLACEMENT FUND; CREATING SECTION
3.24.290 OF THE MILTON MUNICIPAL CODE; AND
ESTABLISHING AN EFFECTIVE DATE;**

WHEREAS, the City has found it necessary to finance equipment purchases in order to provide necessary equipment for employees to perform their jobs, and

WHEREAS, the Milton City Council considers it prudent to set aside funds to be used solely for the purpose of funding asset replacement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.290 of the Milton Municipal Code is hereby created as follows:

3.24.290 Stormwater Utility Asset Replacement Fund.

There is created and established a fund to be known as the Stormwater Utility Asset Replacement Fund. Three percent of the monthly charges for Stormwater Service shall be placed in the Stormwater Utility Asset Replacement Fund for the sole purpose of funding all necessary replacement and or acquisition of assets for the Stormwater Utility; Technology and Rolling Stock. All allocations from this fund must be approved by a vote of the City Council.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 9th day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating Water Utility Asset Replacement Fund

ATTACHMENTS: Ordinance creating a Water Utility Asset Replacement Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating a Water Utility Asset Replacement Fund."

Issue: Council has discussed the need to set funding aside for the replacement of assets such as IT equipment and rolling stock.

Discussion: Some of the equipment, required by the Utility Departments, is very expensive and the goal would be to set funding aside so that when equipment reaches the end of its useful life there is money available to replace it. This fund would be available to provide a funding mechanism with a portion of the service revenue being set aside for future equipment purchases. This Ordinance identifies 3% as the portion of monthly charges for service as the set aside. That % is a recommendation from Staff and can certainly be changed, now or in the future if desired, or if it becomes necessary.

Fiscal Impact/Source of Funds: There is no immediate fiscal impact since this is just moving existing funds from one fund to another. However, this could provide a huge savings for the City in the future as equipment is needed, because it could eliminate the need to acquire outside funding. There will need to be a Budget Amendment adopted to actually move the money as it was not anticipated in the current adopted budget.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A WATER UTILITY ASSET
REPLACEMENT FUND; CREATING SECTION 3.24.280 OF
THE MILTON MUNICIPAL CODE; AND ESTABLISHING
AN EFFECTIVE DATE;**

WHEREAS, the City has found it necessary to finance equipment purchases in order to provide necessary equipment for employees to perform their jobs, and

WHEREAS, the Milton City Council considers it prudent to set aside funds to be used solely for the purpose of funding asset replacement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.280 of the Milton Municipal Code is hereby created as follows:

3.24.280 Water Utility Asset Replacement Fund.

There is created and established a fund to be known as the Water Utility Asset Replacement Fund. Three percent of the monthly charges for Water Service shall be placed in the Water Utility Asset Replacement Fund for the sole purpose of funding all necessary replacement and or acquisition of assets for the Water Utility; Technology and Rolling Stock. All allocations from this fund must be approved by a vote of the City Council.

Section 2. **EFFECTIVE DATE.** This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 2nd day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating a Water Utility Capital Improvement Fund

ATTACHMENTS: Ordinance creating a Water Utility Capital Improvement Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating a Water Utility Capital Improvement Fund."

Issue: When Capital Improvement funding is combined with Operating & Maintenance funding it is easy to lose track of how much money is intended as a set aside.

Discussion: This fund would provide separate accounting for moneys set aside for Capital Projects. This fund would provide a funding mechanism with a portion of the service revenue being set aside for future equipment purchases. This Ordinance identifies 7% as the portion of monthly charges for service as the set aside. That % is a recommendation from Staff and can certainly be changed, now or in the future if desired, or if it becomes necessary.

Fiscal Impact/Source of Funds: There is no immediate fiscal impact since this is just moving existing funds from one fund to another. This does assist in accounting for money that is set aside specifically for Capital Projects. There will need to be a Budget Amendment adopted to actually move the money as it was not anticipated in the current adopted budget.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A WATER UTILITY
CAPITAL IMPROVEMENT FUND; CREATING SECTION
3.24.270 OF THE MILTON MUNICIPAL CODE; AND
ESTABLISHING AN EFFECTIVE DATE;**

WHEREAS, the Milton City Council has set the Water Utility monthly charge to, in part, provide funding for some of the capital needs of the Utility, and

WHEREAS, the Milton City Council considers it necessary to designate 7% of the monthly charge to be placed in a separate fund to be used solely for the purpose of funding costs of electric utility capital improvements, including planning, design, acquisition, construction, construction inspection and construction management.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.270 of the Milton Municipal Code is hereby created as follows:

3.24.270 Water Utility Capital Improvement Fund.

There is created and established a fund to be known as the Water Utility Capital Improvement Fund. Seven percent of the monthly charge for Water Service shall be placed in the Water Utility Capital Improvement Fund for the sole purpose of funding all costs of capital improvements, including planning, design, acquisition, construction, construction inspection, and construction management.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 2nd day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating an Electric Utility Asset Replacement Fund

ATTACHMENTS: Ordinance creating an Electric Utility Asset Replacement Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating an Electric Utility Asset Replacement Fund."

Issue: Council has discussed the need to set funding aside for the replacement of assets such as IT equipment and rolling stock.

Discussion: Some of the equipment, required by the Utility Departments, is very expensive and the goal would be to set funding aside so that when equipment reaches the end of its useful life there is money available to replace it. This fund would be available to provide a funding mechanism with a portion of the service revenue being set aside for future equipment purchases. This Ordinance identifies 3% as the portion of monthly charges for service as the set aside. That % is a recommendation from Staff and can certainly be changed, now or in the future if desired, or if it becomes necessary.

Fiscal Impact/Source of Funds: There is no immediate fiscal impact since this is just moving existing funds from one fund to another. However, this could provide a huge savings for the City in the future as equipment is needed, because it could eliminate the need to acquire outside funding. There will need to be a Budget Amendment adopted to actually move the money as it was not anticipated in the current adopted budget.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING AN ELECTRIC UTILITY
ASSET REPLACEMENT FUND; CREATING SECTION
3.24.270 OF THE MILTON MUNICIPAL CODE; AND
ESTABLISHING AN EFFECTIVE DATE;**

WHEREAS, the City has found it necessary to finance equipment purchases in order to provide necessary equipment for employees to perform their jobs, and

WHEREAS, the Milton City Council considers it prudent to set aside funds to be used solely for the purpose of funding asset replacement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.270 of the Milton Municipal Code is hereby created as follows:

3.24.270 Electric Utility Asset Replacement Fund.

There is created and established a fund to be known as the Electric Utility Asset Replacement Fund. Three percent of the monthly charges for Electric Service shall be placed in the Electric Utility Asset Replacement Fund for the sole purpose of funding all necessary replacement and or acquisition of assets for the Electric Utility; Technology and Rolling Stock. All allocations from this fund must be approved by a vote of the City Council.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 2nd day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2015
Re: Ordinance Creating an Electric Utility Capital Improvement Fund

ATTACHMENTS: Ordinance creating an Electric Utility Capital Improvement Fund

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: "I move to adopt the Ordinance creating an Electric Utility Capital Improvement Fund."

Issue: When Capital Improvement funding is combined with Operating & Maintenance funding it is easy to lose track of how much money is intended as a set aside.

Discussion: This fund would provide separate accounting for moneys set aside for Capital Projects. This fund would provide a funding mechanism with a portion of the service revenue being set aside for future equipment purchases. This Ordinance identifies 7% as the portion of monthly charges for service as the set aside. That % is a recommendation from Staff and can certainly be changed, now or in the future if desired, or if it becomes necessary.

Fiscal Impact/Source of Funds: There is no immediate fiscal impact since this is just moving existing funds from one fund to another. This does assist in accounting for money that is set aside specifically for Capital Projects. There will need to be a Budget Amendment adopted to actually move the money as it was not anticipated in the current adopted budget.

**CITY OF MILTON
ORDINANCE #####-15**

**AN ORDINANCE OF THE CITY OF MILTON,
WASHINGTON, CREATING A ELECTRIC UTILITY
CAPITAL IMPROVEMENT FUND; CREATING SECTION
3.24.230 OF THE MILTON MUNICIPAL CODE; AND
ESTABLISHING AN EFFECTIVE DATE;**

WHEREAS, the Milton City Council has set the Electric Utility monthly charge to, in part, provide funding for some of the capital needs of the Utility, and

WHEREAS, the Milton City Council considers it necessary to designate 7% of the monthly charge to be placed in a separate fund to be used solely for the purpose of funding costs of electric utility capital improvements, including planning, design, acquisition, construction, construction inspection and construction management.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILTON,
WASHINGTON, HEREBY DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 3.24.230 of the Milton Municipal Code is hereby created as follows:

3.24.250 Electric Utility Capital Improvement Fund.

There is created and established a fund to be known as the Electric Utility Capital Improvement Fund. Seven percent of the monthly charge for Electric Service shall be placed in the Electric Utility Capital Improvement Fund for the sole purpose of funding all costs of capital improvements, including planning, design, acquisition, construction, construction inspection, and construction management.

Section 2. EFFECTIVE DATE. This ordinance shall be in full force and effect five (5) days from and after its passage, approval, and publication as provided by law.

PASSED AND APPROVED by the City Council of the City of Milton, Washington, at a regular scheduled meeting thereof this 2nd day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Katie Bolam, City Clerk

Approved as to form:

Kristin Eick, City Attorney

Published:

Effective Date:



To: Mayor Perry and City Council Members
From: Betty J. Garrison, Finance Director
Date: November 9, 2019
Re: Tax Levy for 2016 Budget Year

ATTACHMENTS: Ordinance for Tax Levy

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Recommendation/Action: Accept this as the first reading of the Tax Levy Ordinance.

Issue: The City must adopt and submit their tax levy ordinance by the 30th of November. The final Assessed Valuations are still not in and may not be received in time. The City must file an estimate of the Tax Levy by the deadline. Adjustments may be made in January. This is based on the current estimates of Assessed Valuation and New Construction as received from King County and Pierce County.

**CITY OF MILTON
ORDINANCE 15-####**

AN ORDINANCE OF THE CITY OF MILTON, PIERCE COUNTY AND KING COUNTY, WASHINGTON; ESTABLISHING THE REGULAR TAX LEVY FOR PROPERTIES LOCATED IN PIERCE AND KING COUNTY FOR THE YEAR 2016; ESTABLISHING AN EFFECTIVE DATE; AND ESTABLISHING SEVERABILITY.

WHEREAS, the City Council of the City of Milton has met and considered its budget for the calendar year 2016 pursuant to RCW 84.55.120; and

WHEREAS, the City's actual levy amount from the previous year was \$1,117,271.06; and

WHEREAS, the population of the City is less than 10,000; **NOW, THEREFORE**,

THE CITY COUNCIL OF THE CITY OF MILTON, WASHINGTON DO HEREBY ORDAIN AS FOLLOWS:

Section 1. That an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2016 tax year.

Section 2. That the dollar amount of the increase over the actual levy amount from the previous year shall be \$278,292.11 which is a percentage increase of 24.9082% from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 3. Effective Date. This ordinance shall be in full force and effect five (5) days after proper posting and publication. A summary of this Ordinance may be published in lieu of publishing the ordinance in its entirety.

Section 4 Severability. If any provision of this ordinance, or ordinance modified by it, is determined to be invalid or unenforceable for any reason, the remaining provision of this ordinance and ordinances and/or resolutions modified by it shall remain in force and effect.

PASSED AND APPROVED at the regular meeting of the Council of the City of Milton, this 16th day of November, 2015.

Debra Perry, Mayor

Attest/Authenticated:

Approved As To Form:

Katie Bolam / City Clerk

Kristin Eick, City Attorney

Date of Publication:

Effective Date:



To: Mayor Perry and City Council Members
From: Aaron C. Nix, Community Development and Interim Public Works Director
Betty Garrison, Finance Director
Date: November 9, 2015
Re: Repealing/Amending Sections of MMC and Passing a Resolution in Order to Utilize Municipal Research and Services Center (MRSC) Contract, Small Works, Consultant and Vendor Rosters once approved

ATTACHMENTS: Ordinance #15-XXXX
Sections of MMC (2.70, 2.72 and 3.32) being repealed
Resolution #15-XXXX
MRSC Roster Application Handout

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Motions: Accept this as a first-reading, and it will be presented for adoption at the November 16 meeting, or:

- 1. I move to adopt the attached ordinance to repeal MMC Chapters 2.70, 2.72, and 3.32 and amend Chapter 3.52 to account for the implementation of a roster system hosted by MRSC and the adoption of purchasing policies by resolution.**
- 2. I move to adopt the attached resolution establishing a small public works roster process to award public works contract, a consulting services roster for architectural, engineering, and other professional services, a vendor roster for goods and services not related to public works contract, and adopting purchasing policies previously codified in MMC Chapter 3.32.**

Issue: Staff would like to begin utilizing the MRSC's rosters as they pertain to Contractors, Small Works, Consultants and Vendors. The current process, as identified in Milton Municipal Code, is outdated, not current with State law, cumbersome and time intensive to implement on an annual basis. In addition, several other sections of Milton Municipal Code need revising for similar reasons.

Discussion: As discussed with Council on several occasions in the past, Staff has begun work on refining code in the areas most needing attention and have been bringing this forward for the Council's consideration. In an attempt to clean up the current purchasing and contracting language, several areas

of the existing code have proposed changes, including repealing MMC sections 2.70, 2.72 and 3.32, and amending section 3.52.010.

Recommendation: Staff recommends that the City Council repeal and amend identified sections of Milton Municipal Code, as outlined within the attached Ordinance, in order to bring these code sections current and in line with state law.

Also, staff recommends that the City Council pass the attached Resolution that establishes the following: a small works roster process to award public works contracts; a consulting services roster for architectural, engineering and other professional services; a vendor roster for goods and services not related to public works contracts; and purchasing policies previously codified in chapter 3.32 of the Milton Municipal Code.

**CITY OF MILTON, WASHINGTON
ORDINANCE NO.**

AN ORDINANCE OF THE CITY OF MILTON, WASHINGTON, REPEALING CHAPTERS 2.70, 2.72, AND 3.32 AND AMENDING CHAPTER 3.52 OF THE MILTON MUNICIPAL CODE TO ACCOUNT FOR THE IMPLEMENTATION OF A ROSTER SYSTEM HOSTED BY MRSC AND THE ADOPTION OF PURCHASING POLICIES BY RESOLUTION; AND PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Milton contracts for goods and services; and

WHEREAS, the City Council desires to repeal the old public works, consultant, and vendor contracting policies of the City and replace them with a process that utilizes MRSC's rosters; and

WHEREAS, through a separate resolution, the City Council will adopt contracting policies and will engage MRSC to host the City's rosters; now, therefore,

THE CITY COUNCIL OF THE CITY OF MILTON, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Repeal. Chapter 2.70 of the Milton Municipal Code is repealed in its entirety.

Section 2. Repeal. Chapter 2.72 of the Milton Municipal Code is repealed in its entirety.

Section 3. Repeal. Chapter 3.32 of the Milton Municipal Code is repealed in its entirety.

Section 4. Amended. Chapter 3.52.010 of the Milton Municipal Code is hereby amended as follows:

3.52.010 Contract approval authorization.

The following procedure is hereby established for the approval of certain contracts and granting the city administrator or mayor authority with respect to such contracts:

A. The city council authorizes the city administrator or mayor to enter into and execute on behalf of the city the following contracts without individual approval of each contract by the city council, provided the contract is consistent with the approved annual budget for the city and the city's liability under the contract does not exceed available fund balances:

1. Contracts for purchase of goods, supplies, materials or equipment involving a cost or fee (including sales tax) of less than \$7,500.
2. Professional service contracts, including contracts for architectural, engineering, legal and consulting services, involving a cost or fee (excluding sales tax) of less than \$25,000 per year.
3. Maintenance contracts involving a cost or fee (excluding sales tax) of less than \$25,000 per year.
4. Public works projects involving a cost or fee of less than ~~\$45,000~~ \$65,000 involving multiple trades, and ~~\$30,000~~ \$40,000 involving a single trade.
5. Other routine agreements that are not otherwise addressed in this chapter where no expenditure is involved, or the cost, expenditure or fee (excluding sales tax) does not exceed \$25,000.
6. Lease agreements for materials, supplies and equipment where the expenditure or fee does not exceed \$25,000 per year for leases without an option to purchase.
7. Sale of unneeded surplus personal property with an estimated cumulative value of \$20,000 or less which the council has declared surplus by resolution after holding any required hearing, such sale or disposition to be made by the city administrator or mayor in accordance with informal procedures and in the best interest of the city.
8. Contracts that are not otherwise identified in this chapter that carry out or implement a provision of the Milton Municipal Code or established city policy (e.g., maintenance or performance bonds for plat improvements).
9. Emergency contracts. "Emergency" means a set of unforeseen circumstances that either:
 - a. Present a real, immediate threat to the proper performance of essential functions; or
 - b. Will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.
10. Employment and personnel matters. Unless otherwise provided by statute or ordinance (e.g., salaries and compensation are subject to city ordinance).

B. The breaking down of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited. The amount of a contract includes all amendments; provided, however, amendments that do not exceed in total 10 percent of the contract amount may be entered into without prior city council approval.

C. The city administrator or mayor may present any contract to the city council for prior approval, even if the contract is allowed to be approved without prior city council approval.

D. All interlocal agreements, other than service agreements with a cost of service that does not exceed \$25,000 per year, shall be presented to the city council for prior approval.

E. The city administrator or mayor shall promptly, within 10 days, provide to the city council a copy (or summary) of any contract (or amendment) that has not received prior approval by the city council.

F. Amendments and change orders.

1. Amendments or change orders to contracts requiring city council approval under this chapter may be administratively approved by the city administrator or mayor if the changes are:

a. Within the scope of the project;

b. Consistent with an initial bid process, if any;

c. Executed in writing; and

d. An increase of the contract award amount (CAA) as follows:

<u>Contract Award Amount</u>	<u>Percentage Increase in CAA (the greater of)</u>	<u>Limits</u>	
		<u>Min.</u>	<u>Max.</u>
<u>Less than \$100,000</u>	<u>30% or minimum</u>	<u>Min.</u>	<u>\$0</u>
		<u>Max.</u>	<u>\$30,000</u>
<u>\$100,000 to \$500,000</u>	<u>20% or minimum</u>	<u>Min.</u>	<u>\$30,000</u>
		<u>Max.</u>	<u>\$100,000</u>
<u>Greater than \$500,000</u>	<u>10% or minimum</u>	<u>Min.</u>	<u>\$100,000</u>
		<u>Max.</u>	<u>\$200,000</u>

2. The value of all change orders will be aggregated. When any single change order, or combined change orders on the same project or single purchase, exceeds the value limit, the change must be approved by the city council, except in the following instances:

a. On service contracts used to accomplish an ongoing city program as opposed to completing a short-term project or purchase, change order rules, including the aggregate rule, shall be applied on an annual basis.

b. Where the size of the contract and the exhausting of change order authority make further change order authorization impractical, the city council may, upon recommendation of the mayor, extend the aggregate limits of subsection A of this section for specific contracts.

3. A work change directive may be used to:

a. Authorize and direct work that will result in an increase in contract price within the administrative authority of the city administrator or mayor as provided in subsection A of this section for specific contracts. Work change directives that affect the contract price shall be incorporated into a change order.

b. Authorize and direct work that will result in an increase in contract price in excess of the administrative authority of the city administrator or mayor as provided in subsection A of this section where unforeseen conditions necessitate an immediate change to avoid a contractor's claim against the city for delays. The work change directive shall be incorporated into a change order and presented to the city council as soon thereafter as practicable.

c. Authorize and direct emergency work that may result in an increase in contract price in excess of the administrative authority of the city administrator or mayor as provided in subsection A of this section where public health, safety and welfare are endangered. The work change directive shall be incorporated into a change order and presented to the city council as soon thereafter as practicable.

d. The city council will be notified of work change directives issued in excess of the administrative authority of the city administrator or mayor as soon as practicable. (Ord. 1723 § 2(M), 2008).

FG. "Contract" means any agreement creating a legal relationship between the city and another person or entity, or any amendment thereto.

Section 7. Ratification and Confirmation. Any previous actions by the City that fall within the scope of the subject matter of this ordinance are hereby ratified and confirmed.

Section 8. Severability. If any section, sentence, clause, or phrase of this ordinance or should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 9. Effective Date. A summary of this ordinance consisting of its title 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 by the City Council on the 9th day of November, 2015.

Mayor Debra Perry

ATTEST/AUTHENTICATED:

Katie Bolam, City Clerk

APPROVED AS TO FORM:

Kristin Eick, City Attorney

Published: November 10th, 2015

Effective Date:

**Sections of MMC being repealed
(2.70, 2.72 and 3.32)**

Chapter 2.70 SMALL WORKS ROSTER

Sections:

[2.70.010](#) Established.

[2.70.020](#) Procedure – Contractor qualifications.

[2.70.030](#) Utilization.

2.70.010 Established.

There is established for the city of Milton, a small works roster comprised of all responsible contractors who request to be on the roster and who are, where required by law, properly licensed or registered to perform contracting work in the state of Washington. (Ord. 1238 § 1, 1994; Ord. 1196 § 1, 1992).

2.70.020 Procedure – Contractor qualifications.

The small works roster shall be established as follows:

A. At least twice every year, the city of Milton shall advertise in a newspaper of general circulation the existence of a small works roster for the city of Milton and solicit names of contractors for such roster. The city shall add to the roster those contractors who respond to the advertisement and request to be included on the roster or rosters.

B. In order to be included on the roster, the contractor shall supply information as follows in response to a standard form questionnaire to be developed at the direction of the city council:

1. The contractor's state license or registration, where required by law;
2. The contractor's financial standing and responsibilities;
3. The contractor's experience, organization, and technical qualifications necessary to perform proposed contracts;
4. The contractor's ability to comply with the required performance schedules taking into consideration its existing business commitments;
5. The contractor's satisfactory record of performance, integrity, judgment, and skills;
6. The contractor's ready availability to perform work in and for the city of Milton;

7. Such other information as may be secured concerning the contractor's ability to satisfactorily perform a contract with the city of Milton.

C. The questionnaire required in subsection B shall be sworn before a notary public, and shall be submitted once a year and at such other times as the Milton city council shall require. (Ord. 1238 § 2, 1994; Ord. 1196 § 2, 1992).

2.70.030 Utilization.

The small works roster shall be utilized as follows:

A. Whenever the city of Milton seeks to construct any public work or improvement, the estimated cost of which, including cost of material, supplies and equipment is \$200,000 or less, the small works roster may be utilized. The city of Milton may create a single general small works roster, or it may create a small works roster for different categories of work.

B. When the small works roster is utilized, the city of Milton shall invite proposals from all appropriate contractors on the small works roster including, whenever possible, at least one proposal from a minority or woman contractor who otherwise qualifies.

C. The invitation to the contractor on the small works roster shall include an estimate of the scope and nature of the work to be performed and materials and equipment to be furnished.

D. When awarding a contract for work under the small works roster, the city of Milton shall award the contract to the contractor submitting the lowest responsible bid, provided, however, that the city of Milton reserves its right under applicable law to reject any or all bids, and to waive procedural irregularities.

E. The public works director shall establish written procedures for securing telephone or written quotations from the contractors on the general small works roster, or a specific small works roster for the appropriate category of work, to assure that a competitive price is established and to award contracts to the lowest responsible bidder. Whenever possible at least five contractors shall be invited to submit bids. Once a contractor has been afforded an opportunity to submit a proposal, that contractor shall not be offered another opportunity until all other appropriate contractors on the small works roster have been afforded an opportunity to submit a proposal on the contract.

F. A contract awarded from a small works roster need not be advertised.

G. Immediately after an award is made, the bid quotations shall be recorded, open to public inspection, and available by telephone inquiry. (Ord. 1603 § 1, 2003; Ord. 1238 § 3, 1994; Ord. 1196 § 3, 1992).

Chapter 2.72 VENDOR QUOTATIONS

Sections:

[2.72.010](#) Solicitation procedures.

2.72.010 Solicitation procedures.

The mayor, or his/her designee, may solicit telephone and/or written quotations for purchase of materials, equipment or supplies, in an amount between \$7,500 and \$15,000; provided, that the following procedures are followed:

A. Whenever possible, not less than three prospective vendors shall be contacted by telephone or by letter and advised as to the specifications for the item or items for which quotations are being sought. The number of vendors contacted may be reduced if the item or items being sought are only available from a smaller number of vendors. An explanation shall be placed in the procurement file when fewer than three bids are requested, or if there are fewer than three replies. Bid specifications should, whenever possible, be drafted to permit at least three vendors to qualify as prospective bidders.

B. Whenever possible, bids will be solicited on a lump sum or fixed unit price basis.

C. Telephone or written requests for quotations shall specify at a minimum the following:

1. Item(s) to be purchased;
2. Number of units;
3. Tax;
4. Delivery time requirements;
5. Freight costs;
6. Point of delivery;
7. Terms of payment.

D. Tabulation of telephone or written quotations shall be on forms provided by administration-finance, and shall include at a minimum the information described in subsection C of this section.

E. Upon written authorization of the mayor or his/her designee, the materials, equipment or supplies will be ordered from the lowest responsible bidder, whose quotation meets all specifications established for the item or items being purchased.

F. Written confirmation of telephone quotations from responsible vendors is not required, but may be requested when warranted.

G. Immediately after the award is made, the bid quotations are to be recorded and open to public inspection and are to be available by telephone inquiry. (Ord. 1640 § 1, 2005; Ord. 1197 § 1, 1992).

Chapter 3.32 PURCHASING POLICIES

Sections:

- [3.32.010](#) Purpose.
- [3.32.020](#) Applicability.
- [3.32.030](#) Definitions.
- [3.32.040](#) Requests for bids or quotes.
- [3.32.050](#) Requests for proposals.
- [3.32.060](#) Professional and consultant contracts.
- [3.32.070](#) Electronic data processing and telecommunications systems.
- [3.32.080](#) Supply contracts.
- [3.32.090](#) Determining cost of contract.
- [3.32.100](#) Sole source purchases.
- [3.32.110](#) Emergencies.
- [3.32.120](#) Exception for recycled products.
- [3.32.130](#) Amendments and change orders.

3.32.010 Purpose.

It is the purpose of this policy to provide guidelines for the purchase of goods and services by the city in order to maintain an accountable procurement process. It is also the purpose of this policy to allow for the flexible application of these guidelines for more efficient and cost-effective purchases where their strict application would not be in the city's best interest, such as, for example, in those instances where requests for bids or quotations would not be appropriate due to a sole source supplier or where negotiations with a particular supplier would be more appropriate due to a specialized need of the city. (Ord. 1723 § 2(A), 2008).

3.32.020 Applicability.

Any contract, written or oral, for the purchase of materials, supplies, equipment or services or the lease or rental of equipment shall be subject to the provisions of this chapter; provided, that, except for the requirements set forth in MMC [3.32.060](#) relating to authorization by the city administrator or mayor and city council, the limitations contained in this policy do not apply to:

- A. Public works or improvement contracts which shall be entered into pursuant to RCW 35.22.620.
- B. Contracts for architectural and engineering services governed pursuant to Chapter 39.80 RCW.

C. Purchases of materials at auctions conducted by the United States government or any agency thereof, or by the state of Washington and any of its political subdivisions. (Ord. 1723 § 2(B), 2008).

3.32.030 Definitions.

For the purposes of this chapter, the following definitions will apply:

A. "Bid" shall mean an offer or quotation to provide goods and/or services at a specified price.

B. "Contract" shall mean formal written contract, purchase order, verbal agreement, cash or credit purchase from a wholesaler, retailer or dealer, or other similar transaction for the purchase of goods and services.

C. "Director" shall mean director of the department for which the contract for purchase is made, or his or her designee.

D. "Lowest responsible bidder" shall mean a bid that is the best value to and in the best interests of the city when considering items such as price, available discounts, the product or service purchased including any alterations or modifications thereto, shipping, time of delivery, warranty and other terms of purchase, and any other factors relevant to the purchase. Best bid does not necessarily mean lowest price.

E. "Purchase of goods and services" shall mean a contract to supply materials, supplies, equipment, the lease or rental of equipment, and/or the performance of work or labor.

F. "Written bid" shall mean a bid submitted to the city in written form and shall include e-mail and facsimile transmittals. (Ord. 1723 § 2(C), 2008).

3.32.040 Requests for bids or quotes.

A. Purchases of \$7,500 or Less. Any contract for which the estimated cost to purchase goods or services is \$7,500 or less shall be approved and entered into pursuant to such terms and conditions as may be authorized by the director, subject to approval by the city administrator or mayor, and is not subject to obtaining bids or quotes.

B. Purchases over \$7,500 But Not Exceeding \$15,000. RCW 35.23.352 allows the use of informal telephonic bidding for certain purchases if the city, at least twice per year, publishes in a newspaper of general circulation within the city a notice of the existence of vendor lists and solicits the names of vendors for the lists. Upon solicitation of bids, the city may employ telephonic bids for the purchase of goods or services, other than professional and consulting services, valued over \$7,500 but not exceeding \$15,000. For such purchases, the

director, subject to approval by the city administrator or mayor, shall solicit and document telephone and/or written (including e-mail) bids for each purchase from at least three sources, whenever possible. If less than three vendors are available for bids or quotes after reasonable attempts, then bids may be obtained from the available sources. Immediately after the award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephonic inquiry.

C. Purchases over \$15,000. If it appears that the estimated cost of a contract to purchase goods or services, other than professional and consulting services, will be over \$15,000, the director, subject to approval by the city administrator or mayor, may contract for purchase as follows:

1. Written Request for Bids. Request in writing from at least three sources' written (including e-mail) bids for each purchase. If less than three vendors are available for bid after reasonable attempts, then bids may be obtained from the available sources; or

2. Advertised Bids. Publish notice calling for bids in a newspaper of general circulation most likely to bring responsive bids at least 10 days before entering into that contract. The notice shall generally state the nature of the contemplated purchase and the description or specifications therefor, and it shall require that the bids be filed with the city clerk or other designated office of the city within the time specified therein. A bid conducted by another public agency for substantially the same purchase shall constitute compliance with the bid requirements herein.

D. Award of Contract for Purchase. The director may award the contract for purchase on the best bid in response to a request for bids pursuant to subsections B and C of this section. The director, or designee, may reject any and all bids or may enter into direct negotiations with any vendor submitting a bid to modify the product or service purchased or to obtain a more favorable price or terms for the city. (Ord. 1723 § 2(D), 2008).

3.32.050 Requests for proposals.

In lieu of the requirements for requests for bids pursuant to MMC [3.32.040](#), requests for proposals may be utilized when deemed appropriate under such terms and conditions determined suitable to meet the needs and requirements of the particular procurement. (Ord. 1723 § 2(E), 2008).

3.32.060 Professional and consultant contracts.

This section shall apply to professional and/or technical service consultant contracts in which the city enters into an agreement to purchase consultant services for city government from a corporation, firm, agency, individual, or group of individuals based on their recognized experience and knowledge within a specialized

area of expertise. Contracts for professional and consultant services are not required to follow the procurement requirements set forth in MMC [3.32.040](#) and [3.32.050](#), but may be entered into through direct negotiations. (Ord. 1723 § 2(F), 2008).

3.32.070 Electronic data processing and telecommunications systems.

Electronic data processing or telecommunications equipment, software, or services may be acquired through competitive negotiations rather than competitive bidding. A request for proposals shall be submitted to an adequate number of qualified sources. The award to the bidder whose proposal is the most advantageous to the city shall be based on a technical evaluation of proposals received. (Ord. 1723 § 2(G), 2008).

3.32.080 Supply contracts.

In lieu of requesting bids or quotations for each procurement or maintaining bid lists, the city may solicit bids or proposals for a contract for a specific term to supply goods, materials, supplies, equipment or services on an as-needed basis in those instances where the specific service or product in a product line or volume of units is undetermined, such as the city's need and use of office supplies. (Ord. 1723 § 2(H), 2008).

3.32.090 Determining cost of contract.

To determine the cost of a contract for the purpose of establishing the appropriate procurement procedures under this chapter, when the contract has no definite term or unit amount, the amount of the estimated annual cost shall be deemed the contract cost. Contracts may not be split to avoid the bidding and authorization requirements set forth in this chapter. (Ord. 1723 § 2(I), 2008).

3.32.100 Sole source purchases.

The requirements set forth in MMC [3.32.040](#) and [3.32.050](#) for requests for bids or quotations may be waived by resolution by the city council that either the materials, supplies, equipment or services are clearly and legitimately limited to a single source of supply, or that the materials, supplies, equipment or services are subject to special market conditions, in which instances the purchase price may be best established by direct negotiation. The written determination shall also recite why this situation exists. (Ord. 1723 § 2(J), 2008).

3.32.110 Emergencies.

When any emergency requires the immediate execution of any contract to purchase, lease or rent as described in this chapter, upon the finding of the existence of such an emergency, the mayor shall have the power to make and enter into such contract without strict compliance with the procurement requirements set forth in this chapter. The designated department director shall issue a written basis for the emergency determination

accompanied by a description and/or specification and cost estimate of the contract at the time of or as soon as practicable after the commencement of the purchase. (Ord. 1723 § 2(K), 2008).

3.32.120 Exception for recycled products.

Nothing in this chapter shall prohibit the city from preferentially purchasing products made from recycled materials or products that may be recycled or reused. (Ord. 1723 § 2(L), 2008).

3.32.130 Amendments and change orders.

A. Amendments or change orders to contracts requiring city council approval under this chapter may be administratively approved by the city administrator or mayor if the changes are:

1. Within the scope of the project;
2. Consistent with an initial bid process, if any;
3. Executed in writing; and
4. An increase of the contract award amount (CAA) as follows:

Contract Award Amount	Percentage Increase in CAA (the greater of)	Limits	
Less than \$100,000	30% or minimum	Min.	\$0
\$100,000 to \$500,000	20% or minimum	Min.	\$30,000
Greater than \$500,000	10% or minimum	Min.	\$100,000
		Max.	\$200,000

B. The value of all change orders will be aggregated. When any single change order, or combined change orders on the same project or single purchase, exceeds the value limit, the change must be approved by the city council, except in the following instances:

1. On service contracts used to accomplish an ongoing city program as opposed to completing a short-term project or purchase, change order rules, including the aggregate rule, shall be applied on an annual basis.

2. Where the size of the contract and the exhausting of change order authority make further change order authorization impractical, the city council may, upon recommendation of the mayor, extend the aggregate limits of subsection A of this section for specific contracts.

C. A work change directive may be used to:

1. Authorize and direct work that will result in an increase in contract price within the administrative authority of the city administrator or mayor as provided in subsection A of this section for specific contracts. Work change directives that affect the contract price shall be incorporated into a change order.

2. Authorize and direct work that will result in an increase in contract price in excess of the administrative authority of the city administrator or mayor as provided in subsection A of this section where unforeseen conditions necessitate an immediate change to avoid a contractor's claim against the city for delays. The work change directive shall be incorporated into a change order and presented to the city council as soon thereafter as practicable.

3. Authorize and direct emergency work that may result in an increase in contract price in excess of the administrative authority of the city administrator or mayor as provided in subsection A of this section where public health, safety and welfare are endangered. The work change directive shall be incorporated into a change order and presented to the city council as soon thereafter as practicable.

4. The city council will be notified of work change directives issued in excess of the administrative authority of the city administrator or mayor as soon as practicable. (Ord. 1723 § 2(M), 2008).

Resolution No. _____

A RESOLUTION OF THE CITY COUNCIL OF MILTON, WASHINGTON, ESTABLISHING A SMALL PUBLIC WORKS ROSTER PROCESS TO AWARD PUBLIC WORKS CONTRACTS, A CONSULTING SERVICES ROSTER FOR ARCHITECTURAL, ENGINEERING, AND OTHER PROFESSIONAL SERVICES, A VENDOR ROSTER FOR GOODS AND SERVICES NOT RELATED TO PUBLIC WORKS CONTRACTS, AND ADOPTING PURCHASING POLICIES PREVIOUSLY CODIFIED IN CHAPTER 3.32 OF THE MILTON MUNICIPAL CODE.

WHEREAS, RCW 39.04.155 and other laws regarding contracting for public works by municipalities, allow certain contracts to be awarded by a small works roster process; and

WHEREAS, Ch. 39.80 RCW and other laws regarding contracting for consulting services by municipalities allow certain contracts to be awarded by a consultant roster process; and

WHEREAS, RCW 39.04.190, regarding purchase of materials, supplies, or equipment not connected to a public works project, allows certain purchasing contracts to be awarded by a vendor roster process;

NOW, THEREFORE, THE CITY COUNCIL OF MILTON, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. MRSC Rosters. The City wishes to contract (Appendix A) with the Municipal Research and Services Center of Washington (MRSC) to have their official rosters hosted in the online database for City use for small public works contracts, consulting services, and vendor services developed and maintained by MRSC through MRSC Rosters and authorizes the Mayor to sign that contract.

Section 2. Public Works Roster. The following procedures are established for use by the City for all public works projects in accordance with Chapter 39.04 RCW.

1. **Calling for Bids Not Required.** The City may construct any public works, as defined in RCW 39.04.010, by contract or day labor without calling for bids therefore whenever the estimated cost of the work or improvement, including cost of materials, supplies and equipment will not exceed the sum of sixty-five thousand dollars if more than one craft or trade is involved with the public works, or forty thousand dollars if a single craft or trade is involved with the public works or the public works project is street signalization or street lighting.
2. **Small Public Works.** The City need not comply with formal sealed bidding procedures for the construction, building, renovation, remodeling, alteration, repair, or improvement of real property where the estimated cost does not exceed Three Hundred Thousand Dollars (\$300,000.00), which includes the costs of labor, material, equipment, sales, or use taxes as applicable. Instead, in that instance, the City may use the Small Public Works Roster procedures

for public works projects as set forth in this resolution. The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process.

3. **Publication.** At least once a year, MRSC shall, on behalf of the City, publish in a newspaper of general circulation within the municipality's jurisdiction a notice of the existence of the small works roster and solicit the names of contractors for the small works roster. MRSC shall add responsible contractors to the small works roster at any time that a contractor completes the online application provided by MRSC, and meets minimum State requirements for roster listing.
4. **Telephone, Written, or Electronic Quotations.** The City shall obtain telephone, written, or electronic quotations for public works contracts from contractors on the appropriate small works roster to assure that a competitive price is established and to award contracts to a contractor who meets the mandatory bidder responsibility criteria in RCW 39.04.350(1). The City may establish supplementary bidder criteria under RCW 39.04.350 (2) to be considered in the process of awarding a contract.
 - a) A contract awarded from a small works roster will not be advertised. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation.
 - b) Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. "Equitably distribute" means that the City may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

If the estimated cost of the work is from one hundred and fifty thousand dollars (\$150,000) to three hundred thousand dollars (\$300,000), the City may choose to solicit bids from less than all the appropriate contractors on the appropriate small works roster but must notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The City has the sole option of determining whether this notice to the remaining contractors is made by:

- (i) publishing notice in a legal newspaper in general circulation in the area where the work is to be done;
 - (ii) mailing a notice to these contractors; or
 - (iii) sending a notice to these contractors by facsimile or email.
- c) At the time bids are solicited, the City representative shall not inform a contractor of the terms or amount of any other contractor's bid for the same project;

d) A written record shall be made by the City representative of each contractor's bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.

5. **Limited Public Works Process.** If a work, construction, alteration, repair, or improvement project is estimated to cost less than thirty-five thousand dollars (\$35,000), the City may award such a contract using the limited public works process provided under RCW 39.04.155 (3). For a limited public works project, the City will solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder as defined under RCW 39.04.010. After an award is made, the quotations shall be open to public inspection and available by electronic request.

For limited public works projects, the City may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material men, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project. However, the City shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

The City shall maintain a list of the contractors contacted and the contracts awarded during the previous 24 months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

6. **Formal Sealed Bidding.** Formal sealed bidding procedures consistent with state law must be used for contracts in this category that exceed Three Hundred Thousand Dollars (\$300,000.00).
7. **Exceptions.** When any emergency requires the immediate execution of any contract to purchase, lease or rent as described in this chapter, upon the finding of the existence of such an emergency, the mayor shall have the power to make and enter into such contract without strict compliance with the procurement requirements set forth in this chapter. The designated department director shall issue a written basis for the emergency determination accompanied by a description and/or specification and cost estimate of the contract at the time of or as soon as practicable after the commencement of the purchase.
8. **Determining Lowest Responsible Bidder.** The Council shall award the contract for the public works project to the lowest responsible bidder provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the Council may call for new bids. A responsible bidder shall be a registered or licensed contractor who meets the mandatory bidder responsibility criteria established by Chapter 133, Laws of 2007 (SHB 2010) and who meets any supplementary bidder responsibility criteria established by the City.

9. **Award.** All of the bids or quotations shall be collected by the Mayor or his/her designee.
- a) The Mayor or his/her designee shall then present all bids or quotations and their recommendation for award of the contract to the Council. The Council shall consider all bids or quotations received, determine the lowest responsible bidder, and award the contract; or
 - b) Pursuant to MMC 3.52.010(A) (4), the Mayor or City Administrator may enter into contracts for public works projects costing less than \$65,000 if multiple trades or less than \$40,000 if a single trade without the need for Council approval, provided that the contract is consistent with the approved annual budget for the city and the city's liability under the contract does not exceed available fund balances. The Council shall award public works contracts for public works projects costing more than the amounts listed here.

Section 3. Consulting Services Roster. The following consulting services roster procedures are established for use by the City pursuant to RCW 39.80.030:

1. **Consulting Services.** Consulting services are professional services that have a primarily intellectual output or product and include architectural and engineering services as defined in RCW 39.80.020.
2. **Publication.** At least once a year, MRSC shall, on behalf of the City, publish in a newspaper of general circulation within the municipality's jurisdiction a notice of the existence of the consulting services roster and solicit the names of consultants for the consulting services roster. MRSC shall add responsible consultants to the consulting services roster at any time that a consultant completes the online application provided by MRSC, upload a Statement of Qualifications, and meets minimum State requirements for roster listing.
3. **Review and Selection of the Statement of Qualifications Proposals.** The City shall use the following process to select the most highly qualified Architectural or Engineering firm off of the Consulting Services Roster to provide the required services. The City may choose to select other types of consultants from the MRSC roster.
 - a) When the consultant roster is utilized, the City of Milton shall invite proposals from, whenever possible, at least one minority or woman consultant.
 - b) The Mayor, or their designee, shall evaluate the written statements of qualifications and performance data on file with the City of Milton at the time that architectural or engineering services are required;
 - c) Such evaluations shall be based on the criteria established by the Council; and
 - c) The Mayor, or their designee, shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services.

d) The firm deemed most highly qualified by the mayor, or their designee, to do the project will be selected.

5. **Award.**

- a) The Council considers the proposal received and awards the contract; or
- b) Pursuant to MMC 3.52.010(A)(2), the Mayor or City Administrator may enter into contracts for consulting services costing less than or equal to \$25,000 without Council approval, provided that the contract is consistent with the approved annual budget for the city and the city's liability under the contract does not exceed available fund balances. For consulting services costing more than \$25,000, the Council shall award all contracts for consulting services.

Section 4. Vendor List Roster. The following vendor list roster procedures are established for use by the City pursuant to RCW 39.04.190:

1. **Purchase of materials, supplies, or equipment not connected to a public works project.** The City is not required to use any formal sealed bidding procedures to purchase materials, supplies, or equipment not connected to a public works project where the cost will not exceed \$7,500. The City will attempt to obtain the lowest practical price for such goods and services. For the purchase of materials, supplies, or equipment not connected to a public works project where the cost is between \$7,500 and \$15,000 the city shall use the roster and quotation procedure outlined below. All purchases exceeding \$15,000 must follow formal sealed bidding procedures as outlined by state law.
2. **Publication.** At least twice per year, MRSC shall, on behalf of the City, publish in a newspaper of general circulation within the municipality's jurisdiction a notice of the existence of the vendor list roster and solicit the names of vendors for the vendor list roster. MRSC shall add responsible vendors to the vendor list roster at any time when a vendor completes the online application provided by MRSC, and meets minimum State requirements for roster listing.
3. **Telephone, Written, or Electronic Quotations.** The City shall use the following process to obtain telephone or written quotations from vendors for the purchase of materials, supplies, or equipment not connected to a public works project:
 - a) A written description shall be drafted of the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase;
 - b) The Mayor, or their designee, shall make a good faith effort to contact at least three (3) of the vendors on the roster to obtain telephone or written quotations from the vendors for the required materials, supplies, or equipment;

- c) The Mayor, or their designee, shall not share telephone or written quotations received from one vendor with other vendors soliciting for the bid to provide the materials, supplies, or equipment;
 - d) A written record shall be made by the Mayor, or their designee, of each vendor's bid on the material, supplies, or equipment, and of any conditions imposed on the bid by such vendor;
4. **Determining the Lowest Responsible Bidder.** The City shall purchase the materials, supplies, or equipment from the lowest responsible bidder, provided that whenever there is reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the City may call for new bids.
5. **Award.** All of the bids or quotations shall be collected by the Mayor or his designee. The Mayor, or their designee, shall create a written record of all bids or quotations received, which shall be made open to public inspection or telephone inquiry after the award of the contract. Any contract awarded under this subsection need not be advertised.
- a) The Mayor, or their designee, shall then present all bids or quotations and their recommendation for award of the contract to the Council. The Council shall consider all bids or quotations received, determine the lowest responsible bidder, and award the contract; or
 - b) Pursuant to MMC 3.52.010(A)(1), the Mayor or City Administrator may enter into contracts for materials, supplies, or equipment costing less than or equal to \$7,500, without Council approval, provided that the contract is consistent with the approved annual budget for the city and the city's liability under the contract does not exceed available fund balances. For materials, supplies, or equipment costing more than \$7,500, the Council shall award all vendor contracts.
6. **Posting.** A list of all contracts awarded under these procedures shall be posted at City main administrative offices once every two months. The list shall contain the name of the vendor awarded the contract, the amount of the contract, a brief description of the items purchased, and the date it was awarded.
7. **Exceptions.**
- a) **Electronic data processing and telecommunications systems.** Electronic data processing or telecommunications equipment, software, or services may be acquired through competitive negotiations rather than competitive bidding. A request for proposals shall be submitted to an adequate number of qualified sources. The award to the bidder whose proposal is the most advantageous to the city shall be based on a technical evaluation of proposals received.
 - b) **Supply Contracts.** In lieu of requesting bids or quotations for each procurement or maintaining bid lists, the city may solicit bids or proposals for a contract for a specific

Comment [DPK1]: TBD - Aaron to speak with the Mayor regarding alterations to this limit.

term to supply goods, materials, supplies, equipment or services on an as-needed basis in those instances where the specific service or product in a product line or volume of units is undetermined, such as the city's need and use of office supplies.

- c) **Sole Source Purchases.** The requirements set forth in MMC 3.32.040 and 3.32.050 for requests for bids or quotations may be waived by resolution by the city council that either the materials, supplies, equipment or services are clearly and legitimately limited to a single source of supply, or that the materials, supplies, equipment or services are subject to special market conditions, in which instances the purchase price may be best established by direct negotiation. The written determination shall also recite why this situation exists.
- d) **Emergencies.** When any emergency requires the immediate execution of any contract to purchase, lease or rent as described in this chapter, upon the finding of the existence of such an emergency, the mayor shall have the power to make and enter into such contract without strict compliance with the procurement requirements set forth in this chapter. The designated department director shall issue a written basis for the emergency determination accompanied by a description and/or specification and cost estimate of the contract at the time of or as soon as practicable after the commencement of the purchase.
- e) **Recycled Products.** Nothing in this chapter shall prohibit the city from preferentially purchasing products made from recycled materials or products that may be recycled or reused.

Section 5. Determining Cost of Contract. To determine the cost of a contract for the purpose of establishing the appropriate procurement procedures, when the contract has no definite term or unit amount, the amount of the estimated annual cost shall be deemed the contract cost. Contracts may not be split to avoid the bidding and authorization requirements set forth in this chapter

PASSED this 9th day of November, 2015 and signed in authentication of its passage this 10th day of November, 10th 2015.

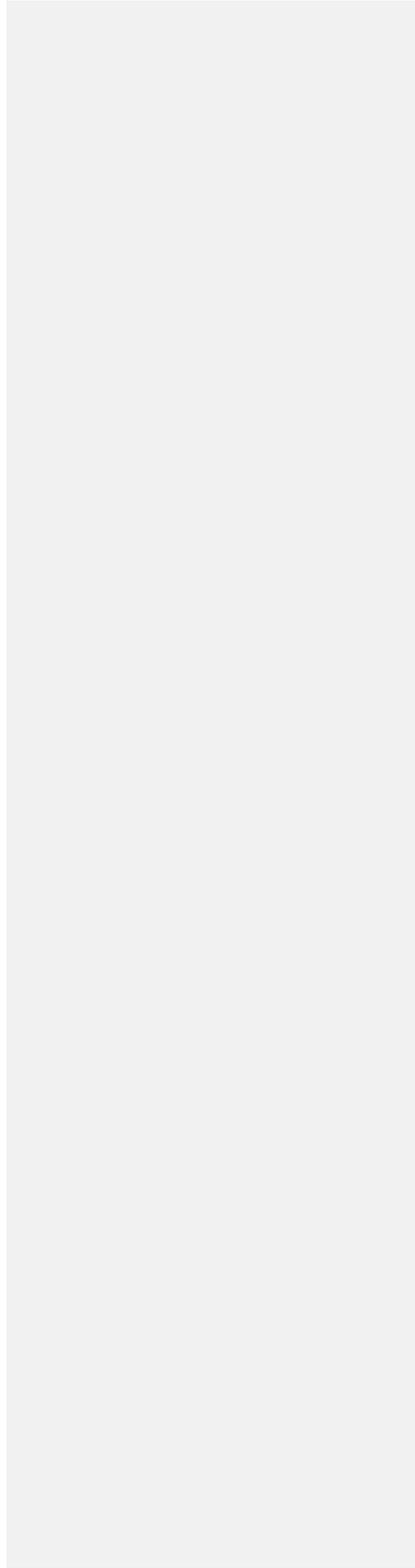
MAYOR

ATTEST:

CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



Appendix A



PUBLIC AGENCY BUSINESS | ABOUT MRSC ROSTERS

MEMBER LOGIN

USERNAME [input]
PASSWORD [input]

LOGIN
HAVING TROUBLE LOGGING IN?

PUBLIC AGENCY MEMBERSHIP

MRSC Rosters is an efficient and affordable way for Washington cities, counties, and special purpose districts to procure services using a roster contracting process.

JOIN MRSC ROSTERS

BUSINESS MEMBERSHIP >

PUBLIC AGENCY MEMBERSHIP >

MORE IN THIS SECTION:

- Public Agency Membership
Roster Maintenance
Roster Types
Public Agency FAQ
Legal Notices
Public Agency Instructions
Transition Assistance
Contracting Resources

JOIN MRSC ROSTERS: 4 STEP PROCESS

Public Agencies have two opportunities to join each year. Once you have confirmed that your Agency has a Roster Resolution in place, simply follow the simple 3 step process.

- 1. Select your membership contract
> SW/Con Rosters Contract (PDF)
> SW/Con/Ven Rosters Contract (PDF)
2. Determine your membership fee

Table with 2 columns: Total Capital Expenditures, Annual Membership Fee. Rows: Less than 5 million (\$120), 5 to 10 million (\$240)

DOWNLOAD + VIEW:

- Public Agency Membership Overview
MRSC Rosters Webinar
Registration Instructions

BROWSE:

Participating Agencies

10 to 15 million	\$360
15 to 25 million	\$480
25 to 50 million	\$600
More than 50 million	\$900

Registered Businesses

Service Categories

3. Choose registration deadline

- > December 1st to begin in January
- > May 1st to begin in June

4. Submit contract by deadline via either:

> Mail:

MRSC Rosters
2601 Fourth Avenue, Suite 800
Seattle, WA 98121-1280

> Scan/Email:

mrscresters@mrsc.org

> Fax:

206.625.1220

After your registration has been processed and the deadline has passed, you should fully transition to the MRSC Rosters. [Learn more about transitioning >>](#)



To: Mayor Perry and City Council Members
From: Aaron C. Nix, Community Development and Interim Public Works Director
Date: November 9, 2015
Re: **Interlocal Agreement for Building Review and Inspection Services**

ATTACHMENTS: Resolution 15-XXXX
Interlocal Agreement with the City of Edgewood

TYPE OF ACTION:

Information Only Discussion Action Public Hearing Expenditure

Motion: I move to approve the attached resolution allowing the Mayor to enter into an interlocal agreement with the City of Edgewood, in order for both cities to provide back-up services as needed related to both building inspection and plan review services, as outlined within the attached interlocal agreement.

Issue: There are instances throughout the year when back-up or additional coverage is needed of the City's Building Official with regard to building inspections and plan review services currently offered by Milton's single FTE in the Division. The same is true for the City of Edgewood, as they are currently seeing significant growth. As the ebbs and flows of this work can be untimely, it's in the best interest of both Cities to work with each other in order to make up for these deficiencies in the most economic and efficient manner. This Interlocal Agreement will allow for this collaboration to occur and continue the excellent relationship that both Cities have fostered throughout the years.

Discussion: Current work levels for both the Milton and Edgewood varies significantly throughout the year, including during the construction heavy season (Late Spring through Late Fall). As Milton maintains one FTE currently, coverage for the building official can be challenging, especially with the use of vacation and sick leave as needed. Due to these circumstances, an Interlocal Agreement for these services with a neighboring jurisdiction is highly cost effective and efficient in assuring quality work at a reasonable price, with enhanced flexibility that cannot be found in utilizing temporary staff. Often, temporary staff cannot be found and the hourly price tag for these services far exceeds their returns.

Recommendation: Staff recommends that the Mayor and City Council agree to enter into an Interlocal Agreement with the City of Edgewood in order to share both building inspection and plan review services, as needed by each jurisdiction. The details have been outlined within the attached interlocal agreement.

Financial Statement: The financial impact associated with these services will vary dependent on the need within the Building Department and will be recovered through permit fees and other sources. Previous Staff had budgeted for these professional services within the 2015 budget and this will continue through 2016, if approved by the City Council.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILTON, WASHINGTON, ALLOWING THE MAYOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF EDGEWOOD IN ORDER FOR BOTH CITIES TO PROVIDE BACK-UP SERVICES, AS NEEDED, RELATED TO BOTH BUILDING INSPECTION AND PLAN REVIEW SERVICES, AS OUTLINED WITHIN THE ATTACHED INTERLOCAL AGREEMENT.

WHEREAS, City staff of both the City of Milton and Edgewood have identified gaps in the services provided by both Cities, as it relates to providing both building inspection and plan review services to development within both cities, and,

WHEREAS, there are no better options for the City of Milton in providing these services when the cities lone FTE in this department becomes ill or utilizes his/her vacation time, or the workload requires additional help, and,

WHEREAS, both the City of Edgewood and Milton's City Attorneys signed conflict waivers and have reviewed and approved an the Interlocal Agreements, as provided within Exhibit A of this Resolution , now, therefore,

THE CITY COUNCIL OF THE CITY OF MILTON, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council of Milton allows the Mayor to enter into an Interlocal Agreement with the City of Edgewood in order to share both building inspection and plan review services, as need and provided for within the agreement shown within Exhibit A of this Resolution.

RESOLVED this 9th day of November, 2015.

APPROVED:

DEBRA PERRY, MAYOR

ATTEST/AUTHENTICATED:

KATIE BOLAM, CITY CLERK

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO. _____

Exhibit A

INTERLOCAL COOPERATION AGREEMENT

Building Official Services

THIS INTERLOCAL AGREEMENT (“the Agreement”) is entered into under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW, between the City Edgewood, Washington (“Edgewood”) and the City of Milton, Washington (“Milton”), both municipal corporations organized under the laws of the State of Washington, for the purpose of establishing a contractual relationship under which each city will avail the services of its Building Official to the other city on a periodic, as-needed basis.

Recitals

WHEREAS, both Edgewood and Milton (each a “Party” and collectively “the Parties”) are “public agencies” as defined by Chapter 39.34 RCW, and are authorized by that statute to cooperate on a basis of mutual advantage in order to provide for services and facilities; and

WHEREAS, the Parties mutually desire to establish a contractual relationship providing for the periodic use of each Party’s Building Official by the other Party on a periodic, as-needed basis, subject to the terms and conditions set forth herein; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of defining their respective rights, obligations, costs and liabilities regarding this undertaking;

NOW, THEREFORE, in consideration of the mutual benefits set forth herein, and other good and sufficient consideration the receipt and sufficiency of which are mutually acknowledged, the Parties hereby agree as follows:

Terms

Section 1. Authority and Purpose. This Agreement is executed pursuant to Chapter 39.34 RCW as a cooperative endeavor of the Parties. The purpose of this Agreement is to establish a contractual relationship providing for each Party’s periodic use of the other Party’s Building Official (“Building Official”) on a periodic, as-needed basis, and to set forth the Parties’ respective rights, obligations, costs and liabilities regarding this undertaking. This Agreement shall be reasonably construed in furtherance of said purpose.

Section 2. Building Official Services. Each Party shall avail its Building Official to provide services for and at the direction of the other Party and within the other Party’s regulatory jurisdiction subject to the provisions of this section. The Party requesting such services shall hereinafter be referred to as “the Requesting City” and the Party providing such services shall hereinafter be referred to as “the Providing City”.

A. The services provided to and for the Requesting City by the Providing City’s Building Official shall include all responsibilities, tasks, duties and functions designated by the State Building Code (Chapter 19.27 RCW) and any applicable regulations, plans and

policies of the Requesting City, as well as any related services as may be directed by the Requesting City's Mayor or his/her designee. Such services shall include without limitation the review and approval of project permit plans, site inspections, code enforcement, and issuance of code interpretations.

B. In addition to any requirements set forth in applicable regulations, plans or policies, the following provisions shall apply to the Building Official's services for the Requesting City:

(1) **Work Hours.** Services performed for the Requesting City by the Building Official shall be as requested by the Requesting City, subject to availability as determined in the Providing City's sole discretion. Services performed for the Requesting City by the Building Official, inclusive of travel time, shall occur during normal business hours (8:00 a.m. through 5:00 p.m.). Notwithstanding the foregoing, the Parties expressly acknowledge that the Building Official's availability to perform services for the Requesting City under this Agreement is dependent upon his/her availability, and that the Building Official's first priority shall be and remain to perform services for the Providing City.

(2) **Office Space.** For purposes of providing services to and for the Requesting City, the Building Official shall operate primarily from the Requesting City's City Hall. The Requesting City shall provide access to an office workstation at the Requesting City's City Hall for the Building Official's reasonable use.

(3) **Vehicle Use.** For purposes of performing site inspections and other duties requiring vehicular transportation from the Requesting City's City Hall, the Building Official shall utilize a vehicle furnished and insured by the Requesting City. The Building Official shall maintain a valid Washington State driver's license throughout the term of this Agreement.

(4) **Tools and Equipment.** Except as otherwise specified in this Agreement or as specifically authorized by the Providing City, the Building Official shall utilize the Requesting City's tools and equipment for purposes of providing services to and for the Requesting City.

(5) **Insurance.** The Requesting City shall provide insurance, including Commercial General Liability, Auto Liability, and Workers Compensation and/or risk pool coverage providing same to the extent available, encompassing the Building Official's performance of services for the Requesting City in the same manner as provided for the Requesting City's employees. Such coverage shall commence when the Building Official physically arrives at the Requesting City's City Hall, shall extend throughout the period of each day during which the Building Official is providing services for the Requesting City, and shall terminate at the end of the business day when the Building Official physically departs the Requesting City's City Hall premises or other premises at which the Building Official is providing services for the Requesting City. The Providing City shall provide insurance or risk pool coverage for the Building Official encompassing all other times and activities, including without limitation the Building Official's transportation between the Providing City's City Hall and the Requesting City's City Hall.

Section 3. Costs and Payment. The services provided to the Requesting City by the Building Official shall be compensated at the rates and in the manner set forth in this section.

A. Compensation. For Fiscal Year 2015, the Requesting City shall compensate the Providing City at the rate of fifty eight dollars and fifty two cents (\$58.52) per hour for services performed under this Agreement, which shall include travel time between the Requesting City and the Providing City. Said rate shall be increased every January 1st during the term of this Agreement by the amount of the annual average Consumer Price Index for the Seattle-Bremerton area for the previous year, plus one percent (1%).

B. Mileage Reimbursement. Separate from and additional to the compensation rates set forth in subsection (A), the Requesting City shall reimburse the Providing City for the Building Official's daily transportation between the Providing City's City Hall and the Requesting City's City Hall at the then-current standard IRS mileage rate per mile.

C. Invoice and Payment Procedure. The Providing City shall submit monthly written invoices to the Requesting City for services rendered by the Building Official during the preceding month. Each invoice shall detail the services provided and any reimburseable expenses incurred. The Requesting City shall remit payment in full to the Providing City within thirty (30) days of receiving each invoice.

Section 4. Term. This Agreement shall be effective upon mutual execution by the Parties, and shall remain effective until December 31, 2017, unless terminated earlier in accordance with Section 5. The Parties may at their option renew this Agreement for one or more mutually agreed upon terms by a writing signed by both Parties.

Section 5. Termination. Either Party may terminate this Agreement with or without cause by providing the other Party with thirty (30) days written notice of its intent to terminate. The Requesting City shall remit timely payment to the Providing City for all satisfactory services rendered by the Building Official prior to the effective date of any termination or expiration of this Agreement.

Section 6. Administration; No Separate Entity Created. The Edgewood Mayor and the Milton Mayor shall serve as joint administrators of this Agreement. No separate legal entity is formed hereby.

Section 7. Property Acquisition, Retention and Disposition. No joint acquisition of real or personal property is contemplated by this Agreement. Except as provided in this section, any other real or personal property acquired by a Party shall remain within the sole and exclusive ownership of that Party following the termination or expiration of this Agreement.

Section 8. Indemnification. Each Party shall defend, indemnify and hold the other Party, its officers, officials, employees and volunteers harmless from and against 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 first Party in its performance of this Agreement, specifically including without limitation: (i) those arising out of or resulting from the first Party's direction of the

Building Official in performing services under this Agreement, and (ii) those arising out of or resulting from the Building Official's performance of services for and under the direction of the first Party, except for injuries and damages caused by the negligence of the other Party. Without prejudice to the foregoing, it is expressly understood that each Party's obligations under this section shall include exclusive responsibility for any claims, injuries, damages, losses or suits arising out of or otherwise relating to the content and validity of that Party's codes, ordinances and regulations, and that the other Party, its officers, officials, employees and volunteers shall have no liability or responsibility whatsoever therefore.

It is further specially and expressly understood that the indemnification provided herein constitutes each Party'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.

Section 9. Governing Law and Venue; Attorneys' Fees. This Agreement shall be governed by the laws of the State of Washington. The venue for any action arising out of this Agreement shall be the Superior Court for Pierce County, Washington. The substantially prevailing Party in any such action shall be entitled to an award of its reasonable attorneys' fees.

Section 10. No Employment Relationship Created. The Parties agree that nothing in this Agreement shall be construed as creating an employment relationship between Edgewood and any employee, agent, representative or contractor of Milton, or between Milton and any employee, agent, representative or contractor of Edgewood. Without limiting the foregoing, the Building Official shall at all times relevant to this Agreement be and remain an employee of the Providing Party, and that the Providing Party shall be exclusively responsible for providing all compensation, benefits, discipline and supervision with respect to the Building Official except as expressly set forth in this Agreement.

Section 11. Notices. Notices to Edgewood shall be sent to the following address:

**City of Edgewood
Attn: Mayor
2224 104th Avenue E.
Edgewood, WA 98371**

Notices to Milton shall be sent to the following address:

**City of Milton
Attn: Mayor
1000 Laurel Street
Milton, WA 98354**

Section 12. Duty to File Agreement With County Auditor. Prior to this Agreement's entry into force, Milton shall, pursuant to RCW 39.34.040, (1) file this Agreement with the

Pierce County Auditor's Office, or (2) list this Agreement by subject on Milton's internet web site.

Section 13. Integration. This document, together with any exhibits thereto, constitutes the entire embodiment of the contract between the Parties, and, unless modified in writing by an amendment signed by the Parties hereto, shall be implemented exclusively as described above. All oral agreements and understandings between the Parties related to the subject matter hereof shall be deemed superseded by this Agreement and shall hereinafter be null and void.

Section 14. No Third-Party Beneficiary Created. This Agreement is executed for the sole and exclusive benefit of the signatory Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any right, remedy or other entitlement upon any person other than the Parties hereto, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third party, nor shall any provision herein give any third party any right of action against any party hereto.

Section 15. Signatory Warranty. Each signatory hereto warrants and represents that he/she has been authorized to execute this Agreement by appropriate action of the legislative body of his/her respective city.

Section 16. Execution in Counterparts. This Agreement may be executed in separate counterparts.

Section 16. Regulatory Authority Reserved. Nothing herein shall be construed as waiving, limiting or otherwise abridging in any manner regulatory authority of either party, which Edgewood and Milton hereby expressly reserve in full.

EXECUTED this _____ day of _____, 2015.

CITY OF EDGEWOOD

CITY OF MILTON

Daryl Eidinger, Mayor

Debra Perry, Mayor

ATTEST/AUTHENTICATED

ATTEST/AUTHENTICATED

Jane Montgomery, City Clerk

Katie Bolam, City Clerk

APPROVED AS TO FORM

APPROVED AS TO FORM

Edgewood City Attorney

Milton City Attorney