

**CITY OF MILTON, WASHINGTON
ORDINANCE NO. 1887-16**

**AN ORDINANCE OF THE CITY OF MILTON, WASHINGTON,
REPEALING MILTON MUNICIPAL CODE CHAPTERS 3.12 AND 3.22,
AND AMENDING CHAPTER 3.24 RELATED TO PURCHASING AND
CITY FUNDS; AND PROVIDING FOR SEVERABILITY AND
ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the City has an updated structure of Funds inconsistent with current code;
and

WHEREAS, the City of Milton wishes to update and maintain Administrative Policies and
Procedures for the conduct of personnel, travel, and purchasing of goods and services outside of
City Code; now, therefore,

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

Section 1. **Repeal.** Chapter 3.12 of the Milton Municipal Code is repealed
in its entirety.

Section 2. **Repeal.** Chapter 3.22 of the Milton Municipal Code is repealed
in its entirety.

Section 3. **Amended.** Chapter 3.24 of the Milton Municipal Code is hereby
amended as follows:

Chapter 3.24

FUNDS

Sections:

3.24.010 Street fund.

3.24.020 *Repealed.*

~~3.24.030 Cumulative reserve fund for capital outlay and operation and maintenance for municipal
purposes.~~

3.24.040 Petty cash fund and cash drawers.

3.24.050 ~~Various funds.~~ General fund, electric utility fund, and water utility fund.

~~3.24.060 Sewer reserve fund.~~

3.24.070 *Repealed.*

~~3.24.080 Insurance reserve fund.~~

3.24.090 *Repealed.*

3.24.100 Uniform controlled substances trust fund.

3.24.110 *Repealed.*

3.24.120 *Repealed.*

~~3.24.130 MCS/SGC grant fund.~~

~~3.24.140 Guaranty fund.~~

3.24.150 Authorizing the usage of bank check and electronic funds transfers (EFTs).

- 3.24.160 Law enforcement confidential fund.
- 3.24.165 Milton reserve police officers fund.
- 3.24.170 Storm and surface water utility fund.
- 3.24.180 Capital projects/capital improvements fund.
- ~~3.24.190 Wetlands and streams mitigation fund.~~
- 3.24.200 Storm drainage capital improvement fund.
- 3.24.210 Community events fund.
- 3.24.220 Internal information technology service fund.
- 3.24.230 Electric utility capital improvement fund.
- 3.24.250 General fund capital improvement reserve fund.
- 3.24.260 General fund asset replacement fund.
- 3.24.270 Water utility capital improvement fund.
- 3.24.275 Electric utility asset replacement fund.
- 3.24.280 Water utility asset replacement fund.
- 3.24.290 Stormwater utility asset replacement fund.
- 3.24.300 Strategic reserve fund.

3.24.010 Street fund.

A. There is created a fund to be known as the street fund under the authority granted by RCW 46.68.115.

B. The street fund shall be created with funds consolidated from the “city street” and “arterial street” fund.

C. The street fund shall be credited with all applicable state gas tax, state shared street funds, and funds contributed by the city and any other funds that may from time to time be authorized to be placed therein.

D. The street fund shall be used for the construction, repair, improvement and maintenance of the streets of the city, or for any other street purpose. (Ord. 1127 § 2, 1990).

3.24.020 City street fund.

Repealed by Ord. 1127.

~~**3.24.030 Cumulative reserve fund for capital outlay and operation and maintenance for municipal purposes.**~~

~~A. There is created and established a special fund to be known as cumulative reserve fund for capital outlay and operation and maintenance for municipal purposes; that said fund is created for the purpose of the accumulation of funds to be expended for the acquisition by the purchase or otherwise of equipment, land and sites or construction, alteration, replacement and repair of any public building, structures and works for municipal purposes or for any other municipal purpose generally classed as capital outlay; also for paying the cost of operation and maintenance of the city government, including the purchase of materials and supplies for the operation and maintenance of said government, and for the cost of maintenance, alteration or repair of equipment, public improvements, public property, public works or other city property and to pay the cost of any expenditures generally incurred for municipal purposes.~~

~~B. No expenditures shall be made from the cumulative reserve fund without a majority vote of the legislative body. The approved expenditures shall be expended directly from the cumulative reserve fund.~~

~~C. The city administrator is authorized and directed to establish all necessary books of account, ledgers and accounting controls for said fund, all in the manner provided by law. (Ord. 1011 § 1, 1986; Ord. 949, 1984; Ord. 663 §§ 1, 3 — 5, 1974).~~

3.24.040 Petty cash fund and cash drawers.

The city council establishes and creates a petty cash fund, not to exceed \$1,000, and further authorizes the deposit of \$1,000 to the petty cash funds and cash drawers identified below, and further authorizes the clerk to replenish the petty cash funds from the city funds to maintain a \$1,000 balance in all petty cash funds. The disbursement of the moneys shall be as follows:

- A. Four hundred fifty dollars for the administration/finance cashier drawers;
- B. One hundred fifty dollars for the administration/finance petty cash;
- C. Zero dollars for the court cash drawers;
- D. Four hundred dollars for the police/drug seizure confidential imprest fund;
- E. Zero dollars for activity center petty cash. (Ord. 1816 § 1, 2013; Ord. 1697 § 1, 2007; Ord. 1606 § 1, 2004; Ord. 1011 § 1, 1986; Ord. 990 § 2, 1985).

3.24.050 ~~Various funds~~ General fund, electric utility fund, and water utility fund.

- A. There are created the following funds: ~~agency fund, utility receipting fund, payroll fund,~~ general fund, water fund, and electric fund ~~and federal revenue sharing fund.~~
- B. All moneys received by the city shall be properly accredited and expended in accordance with the rules and regulations of the ~~state~~ State of Washington. (Ord. 1435 § 1, 1999; Ord. 1011 § 1, 1986; Ord. 950 §§ 2, 3, 1984).

~~3.24.060 Sewer reserve fund.~~

- A. ~~There is established a sewer reserve fund to be handled separately and following all guidelines of the BARS accounting practices and State Auditor's office.~~
- B. ~~The revenue generated into the established fund will come from the sewer operation fund at the rate of \$2.00 per connection per month.~~
- C. ~~The moneys will be utilized for the estimated shortfall of the bond redemption of the 1972 water/sewer revenue fund.~~
- D. ~~Emergency expenditures may be made from the established reserve fund to the sewer operation fund only by majority vote of the council.~~
- E. ~~The sewer operation fund balance and sewer reserve fund balance will be both reviewed by council annually in September to analyze the cash position of the sewer operation fund and the estimated shortfall position of the water sewer revenue fund. (Ord. 1011 § 1, 1986; Ord. 1004 §§ 2-6, 1985).~~

3.24.070 Equipment reserve fund.

Repealed by Ord. 1417. (Ord. 1011 § 1, 1986).

~~3.24.080 Insurance reserve fund.~~

- A. ~~The city council establishes an insurance reserve fund for the purpose of first-party coverage for motorized vehicles.~~
- B. ~~The insurance reserve fund shall be utilized for first-party coverage of all motorized vehicles.~~
- C. ~~No expenditures from this fund will be made without approval of the city council. (Ord. 1040 §§ 2-4, 1987).~~

3.24.090 Water main customer reserve fund.

Repealed by Ord. 1490. (Ord. 926 § 1, 1983).

3.24.100 Uniform controlled substances trust fund.

There is created and established a special fund to be known as the uniform controlled substances trust fund. This fund shall be used for the purpose of the accumulation of and account for funds obtained from forfeitures of moneys and proceeds pursuant to MMC 9.16.020. This fund may also be used for the accumulation of and accounting for funds obtained from other sources when such funds are to be designated for use for the purposes specified under either MMC 9.16.020(6)(d)(1) or MMC 9.16.020(6)(d)(3). Funds obtained pursuant to MMC 9.16.020(6)(d)(1) shall be accounted for and expended as authorized under that subsection. Funds obtained pursuant to MMC 9.16.020(6)(d)(3) shall be accounted for and expended as authorized under that section. (Ord. 1089 § 1, 1988).

3.24.110 Equipment rental fund.

Repealed by Ord. 1490. (Ord. 1417 § 3, 1999; Ord. 1413 §§ 1 – 4, 1999; Ord. 1155 § 1, 1991).

3.24.120 Surprise Lake sewer drainage basin capital improvement reserve fund.

Repealed by Ord. 1435. (Ord. 1058 § 2, 1987).

~~3.24.130 — MCS/SGC grant fund.~~

~~A. There is established a MCS/SGC (model conservation standards/super good cents) grant fund to be handled separately and following all guidelines of the BARS accounting practices, State Auditor's office, and the Bonneville Power Administration.~~

~~B. This fund shall be "closed out" at the finalization of the grant program and moneys received from Bonneville Power Administration. (Ord. 1048 § 1, 1987).~~

~~3.24.140 — Guaranty fund.~~

~~A. At the time of making the annual budget and tax levy, the legislative body shall provide for the levy of a sum sufficient, with the other sources of the guaranty fund, to pay warrants issued against the guaranty fund during the preceding fiscal year and to maintain a balance therein. In no event shall the levy in any one year exceed the greater of (1) 12 percent of the outstanding obligations guaranteed by the guaranty fund, or (2) the total amount of delinquent assessments and interest accumulated on the delinquent assessments before the levy as of September 1st of that year.~~

~~B. The money held in the guaranty fund may be invested in any lawful investment of city funds and the city treasurer is authorized and directed to pay into the guaranty fund all interest received from the investment of money on deposit in the guaranty fund as well as any surplus remaining in any local improvement fund after the payment of all outstanding bonds, warrants or other short-term financing payable out of the guaranty fund.~~

~~C. 1. Whenever any bond, warrant or other short term obligation guaranteed under the provisions of the laws of the state of Washington in pursuance of which this section is passed shall be in default, upon the presentment and delivery of any such defaulted bond, warrant or other short term obligation, the city treasurer shall purchase the same by executing, duly issuing and delivering a warrant drawn on the guaranty fund to the person presenting the same, and the city treasurer shall honor and pay a warrant on the guaranty fund in such amount as may be necessary to pay in full any such bond, warrant or other short term obligation with any interest to be held for the benefit of the guaranty fund. If more than one bond, warrant or other short term obligation is so presented, they shall be purchased in their order of presentment.~~

~~2. Whenever any interest payment guaranteed under the laws of the state of Washington in pursuance of which this section is passed shall be in default, upon the presentment and delivery of the defaulted~~

~~interest coupon or, in the absence of coupons, proof of ownership of the bond and proof of default in the payment of interest thereon, the city treasurer shall pay such interest in the same manner as set forth in subsection (C)(1) of this section for payment of bonds, warrants or other short term obligations in default. In the absence of coupons, a certificate of the bond registrar that the interest due has not been paid shall be and is presumed to be adequate proof of default.~~

~~D. Warrants drawing interest at a rate not to exceed 15 percent per annum shall be issued as other warrants are issued by the city against the guaranty fund to meet any liability accruing against it. Such warrants shall at no time exceed five percent of the outstanding obligations guaranteed by the guaranty fund.~~

~~E. Upon certification by the city treasurer that the guaranty fund has sufficient funds currently on hand to meet all valid outstanding obligations of the guaranty fund reasonably expected to be incurred in the near future, the city by ordinance may provide for the transfer of assets from the guaranty fund to the city's general fund, except that the net cash of the guaranty fund may not be reduced by such transfer to an amount less than 10 percent of the net outstanding obligations guaranteed by such fund.~~

~~If, at any time within five years of any transfer of assets from the guaranty fund to the general fund the net cash of the guaranty fund is reduced below 10 percent of the net outstanding obligations guaranteed by the guaranty fund, the city to the extent of the amount transferred shall pay valid claims against the guaranty fund as a general obligation of the city and shall pay all reasonable costs of collection necessarily incurred by the holders of valid claims against the guaranty fund.~~

~~F. This section constitutes the rules and regulations for the maintenance and operation of the guaranty fund. Money of the guaranty fund also may be used for and in such manner as is or hereafter may be authorized by Chapter 35.54 RCW.~~

~~G. If any provision of this section or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of this section or the application of the provision to other persons or circumstances shall not be affected. (Ord. 1094 §§ 1 - 7, 1988).~~

3.24.150 Authorizing the usage of bank check and electronic funds transfers (EFTs).

A. All claims or other obligations of the city, which are payable out of solvent funds, shall be paid by the issuance of bank checks or electronic funds transfers (EFTs), provided that this section does not authorize any creditor to demand payment upon any obligation prior to its proof and normal maturity in due course. Electronic Funds Transfers shall be monitored the same as payments by check.

B. Two signatures shall be required to validate the checks herein authorized and the first signature shall be that of the mayor, or in the mayor's absence, the mayor pro tempore, and the second signature shall be that of the ~~clerk treasurer~~Finance Director, or in the ~~clerk treasurer's~~Finance Director's absence, the ~~deputy clerk treasurer~~City Clerk. (Ord. 1112, 1989).

3.24.160 Law enforcement confidential fund.

A. 1. At the time of making the annual budget, the council shall provide for sufficient funds to establish the law enforcement confidential fund as an imprest cash fund at an amount certain, which amount shall be replenished by the city finance officer, as needed, upon written request of the chief law enforcement officer showing the then existing balance of said fund.

2. Purpose. Monies from the fund shall be used for purposes of the surveillance and investigation of violators of the law, excluding civil infractions, including but not limited to the purchase of controlled substances or drugs for use in criminal prosecution, the payment of monies to informants, or for such other expenses as the chief law enforcement officer shall determine to be reasonable and necessarily incident to use in criminal investigations and/or prosecutions.

3. Bookkeeping and Accounting. The chief law enforcement officer shall be responsible for the custody of said fund and for the implementation and maintenance of such bookkeeping and accounting as will, at a minimum, record the following:

- a. The advancement of funds to particular persons for potential use;
- b. The actual use of funds advanced;
- c. The recovery of funds spent, if any;
- d. The return of funds advanced but not expended;
- e. Any additional requirements of the State Auditor's Office; and
- f. Specific details of fund activity shall be exempt from disclosure to the extent permitted pursuant to Chapter 42.17 RCW.

B. The law enforcement confidential fund shall be established as of the effective date of the ordinance codified in this section with an operating total balance of \$500.00 cash to be made available to the chief law enforcement officer. This fund shall be an imprest cash or revolving fund in an amount not to exceed \$1,500. The mayor shall have the authority to approve the transfer of any monies to the fund above the \$500.00 operating balance upon finding that any additional amount up to a total \$1,500 is necessary for effective law enforcement in a particular case as presented by the chief law enforcement officer. (Ord. 1199 §§ 1, 2, 1992).

3.24.165 Milton reserve police officers fund.

A. There is hereby established a fund of the city designated "Milton reserve police officers fund" for the sole purpose of accounting for all financial resources and expenses that are related to the donations received for the Milton reserve police officers.

B. All such payments may only be expended to fund the Milton reserve police officer's program, and must follow all guidelines of the BARS accounting practices, State Auditor's Office, and the city's purchasing policies and procedures. (Ord. 1735 § 1, 2008).

3.24.170 Storm and surface water utility fund.¹

There is created and established a special fund to be known as the storm and surface water utility fund. This fund shall be used for the accumulation of and accounting for all funds obtained pursuant to Chapter 13.26 MMC as presently enacted or hereinafter amended and all funds made available to the storm and surface water utility from other sources, including from revenue bonds or general obligation bonds or both. Further, said funds shall be used exclusively for the storm and surface water utility including for such purposes as maintenance, operation, repair, capital improvements and planning. (Ord. 1211 § 1, 1993).

3.24.180 Capital projects/capital improvements fund.

A. There is created the capital projects/ capital improvements fund for deposits and expenditures of revenues derived from the real estate excise taxes collected under MMC 3.16.010 pursuant to the enabling provisions of Chapter 82.45 RCW and RCW 82.46.010 and pursuant to Ordinance No. 1260², imposing additional real estate excise taxes, pursuant to the enabling provisions of RCW 82.46.035.

B. Upon receipt, the revenues deposited into the fund established at subsection A, above, shall be prorated for deposit into two separate accounts as follows:

1. The “capital improvements account” shall be maintained for deposits and expenditures of funds deriving from real estate excise taxes imposed pursuant to MMC 3.16.010, 3.16.020, and Chapter 82.45 RCW and RCW 82.46.010.

2. The “capital projects account” shall be maintained for deposits and expenditures of funds deriving from the additional real estate excise taxes imposed pursuant to Ordinance No. 1260 and RCW 82.46.035. (Ord. 1262 § 1, 1995).

~~**3.24.190 — Wetlands and streams mitigation fund.³**~~

~~There is created and established a special fund to be known as the “wetlands and streams mitigation fund.” This fund shall be used for the accumulation and accounting for all funds obtained pursuant to Chapter 18.14 MMC as presently enacted or hereafter amended. Said funds shall be used exclusively for the purposes of Chapter 18.14 MMC including but not limited to MMC 18.14.120(C)(1)(e). Said funds shall not include moneys received for any fees required incident to the permitting or plan review process conducted pursuant to the provisions of Chapter 18.14 MMC. (Ord. 1272 § 1, 1995).~~

3.24.200 Storm drainage capital improvement fund.

There is created and established a fund to be known as the “storm drainage capital improvement fund.” Two dollars and fifty cents of the monthly charge for each storm drain utility equivalent service unit shall be placed in the storm drainage capital improvement fund for the sole purpose of funding all costs of storm drainage capital improvements, including planning, design, right-of-way and easement acquisition, construction, construction inspection and construction management. (Ord. 1656 § 1, 2005).

3.24.210 Community events fund.

A. There is created and established a fund of the city designated as “community events fund” for the sole purpose of accounting for all financial resources and expenses that are related to all community events.

B. All moneys received by the city shall be properly accredited and expended in accordance with the rules and regulations of the state of Washington and the city’s purchasing policies and procedures. (Ord. 1811 § 1, 2013).

3.24.220 Internal information technology service fund.

There is hereby created a new fund, entitled “internal information technology service fund,” for the purpose of accounting for the appropriation, receipt and distribution of income and expense related to the city’s information technology program.

Moneys from this fund shall be utilized specifically for programs related to the city’s information technology program. (Ord. 1863 § 1 (Exh. A), 2015).

3.24.230 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. (Ord. 1878 § 1, 2015).

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. (Ord. 1873 § 1, 2015).

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. (Ord. 1872 § 1, 2015).

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. (Ord. 1876 § 1, 2015).

3.24.275 Electric utility asset replacement fund.⁴

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. (Ord. 1877 § 1, 2015).

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. (Ord. 1875 § 1, 2015).

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. (Ord. 1874 § 1, 2015).

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. (Ord. 1882 § 1 (Exh. A), 2015).

¹ Code reviser's note: To avoid duplicating section numbers, this section has been renumbered.

² Codified at MMC 3.16.015.

³ Code reviser's note: To avoid duplicating section numbers, this section has been renumbered.

⁴ Code reviser's note: Ord. 1877 adds this section as 3.24.270. It has been editorially renumbered to avoid duplication of numbering.

Section 4. Amended. Chapter 3.52 of the Milton Municipal Code is hereby amended as follows:

Chapter 3.52

CONTRACT APPROVALS

Sections:

3.52.010 Contract approval authorization.

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 mayor or the mayor's designee 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. All contracts for purchase of goods, supplies, materials or equipment involving a cost or fee (including sales tax) of less than that does not exceed \$7,500 refer to the city's Purchasing Policy.~~

~~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 \$65,000 involving multiple trades, and \$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.~~

~~84.~~ 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).

~~95.~~ 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.

~~106.~~ 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:

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

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.

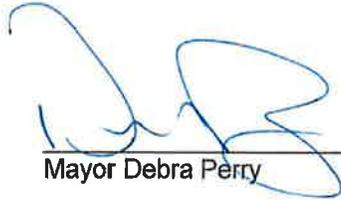
G. "Contract" means any agreement creating a legal relationship between the city and another person or entity, or any amendment thereto. (Ord. 1881 § 4, 2015; Ord. 1722 § 1, 2008).

Section 5. 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 6. 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 7. 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 1st day of February, 2016.



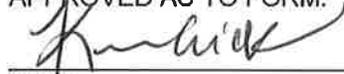
Mayor Debra Perry

ATTEST/AUTHENTICATED:



Katie Bolam, City Clerk

APPROVED AS TO FORM:



Kristin Eick, City Attorney

Published: 2/4/16

Effective Date: 2/9/16