



## McCleary City Council Agenda

**June 28th, 2017 6:30 PM**

**Flag Salute**

**Roll Call:** \_\_\_ Pos. 1- Orffer, \_\_\_ Pos. 2-Richey , \_\_\_ Pos. 3- Peterson, \_\_\_ Pos. 4- Blankenship, \_\_\_ Pos. 5- Ator

**Public Hearing** **6 Year Transportation Improvement Plan**

**Mayor Comments**

**Public Comment**

**Executive Session**

**Minutes**

**Tab A**

Introduction **X** Action **X**

**Approval of Vouchers**

Introduction **X** Action **X**

**Staff Reports**

**Tab B** Dan Glenn

**Tab C** Todd Baun

**Old Business**

**Tab D** Fire Levy Proposal

**New Business**

**Tab E** Bear Festival Contract

**Tab F** Electrical "subsidiary" Connection

**Tab G** 3rd St. Project Prospectus

**Ordinances**

**Tab H** Electrical "subsidiary" Connection

**Resolutions**

**Tab I** 6 yr. TIP (STIP)

**Tab J** Financial Policies

**Mayor/Council Comments**

**Public Comments**

**Executive Session**

**Adjournment or Recess Meeting**

**Previously Tabled Items**

CAO Update, Dev. Incentives, Nuisance Update

**Please turn off Cell Phones- Thank you**

Americans with Disabilities Act (ADA) Accommodation is Provided Upon Request

The City of McCleary is an equal opportunity provider and employer.

La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
07	1	/ Z141(004)  S. 3rd Street Upper  Mox Chehalis to E. Oak Street  Intersection improvements, resurface and repair, new curb and gutter, storm, sidewalks and shared bike lane.	WA-05603	06/08/16	06/08/16		689	04	C G O P S T W	0.260	CE	No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
S	RW	2018	STP(R)	86,500		0	13,500	100,000
S	CN	2018	STP(R)	1,424,163		0	222,268	1,646,431
Totals				1,510,663		0	235,768	1,746,431

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
RW	100,000	0	0	0	0
CN	1,646,431	0	0	0	0
Totals	1,746,431	0	0	0	0

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07	2	S. 3rd Street Lower S. 3rd Street Oak St to Simpson Ave Resurface and repair, New curb and gutter, storm, planter strip where possible, sidewalk, and shared bike lane	WA-05604	06/08/16	06/08/16		689	04	C G O P S T W	0.250		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2018		0	TIB	61,300	63,000	124,300
P	CN	2019		0	TIB	1,118,700	0	1,118,700
Totals				0		1,180,000	63,000	1,243,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
CN	1,118,700	0	0	0	0
Totals	1,118,700	0	0	0	0

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00	3	Main Street Realign Main Street 3rd Street to Main Street Realign roadway to correct sight distance issues, New curb and gutter and sidewalk, minimal storm water improvements.	WA-05605	06/28/17	06/28/17			04	O	0.050		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	OTHER	185,000	10,000	195,000
Totals				0		185,000	10,000	195,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	195,000	0	0	0	0
Totals	195,000	0	0	0	0



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00	4	West Ash Street Part 1 West Ash St N 9th St to N 7th St Resurface and repair.	WA-05607	06/08/16	06/08/16		689	04	C G O P S T W	0.130		No

Error: Subreport could not be shown.

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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00	5	West Ash Street Part 2 Ash Street N 9th St. to N 10th St. Resurface and Repair	WA-05608	06/08/16	06/08/16		689	04	C G O P S T W	0.120		No

Error: Subreport could not be shown.

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
	0	0	0	0	0
Totals	0	0	0	0	0

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Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
06	6	Intersection Simpson and Summit Simpson Ave Simpson Ave to Summit Rd Intersection improvements, new curb and gutter, storm, sidewalk, landscaping, and bike lane.	WA-05610	06/08/16	06/08/16		689	04	C G O P S T W	0.020		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2018		0	TIB	67,000	68,000	135,000
P	CN	2019		0	TIB	1,215,000	0	1,215,000
Totals				0		1,282,000	68,000	1,350,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	135,000	0	0	0	0
CN	0	1,215,000	0	0	0
Totals	135,000	1,215,000	0	0	0

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06	7	Summit Road Downtown Summit Rd Simpson Ave to Beck St Resurface, widen, new curb and gutter, storm improvements, sidewalk, landscaping and/or planter strips where possible and bike lane	WA-05611	06/08/16	06/08/16		689	04	C G O P S T W	0.280		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	TIB	1,352,000	72,000	1,424,000
Totals				0		1,352,000	72,000	1,424,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	1,424,000	0	0	0	0
Totals	1,424,000	0	0	0	0

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06	8	Summit Road "S" Turn Part 1 Summit Rd Beck St to E. Wildcat Creek Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05612	06/08/16	06/08/16		689	04	C G O P S T W	0.330		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2019		0	TIB	1,634,000	87,000	1,721,000
Totals				0		1,634,000	87,000	1,721,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,721,000	0	0	0
Totals	0	1,721,000	0	0	0

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06	9	Summit Road "S" Turn Part 2 Summit Rd E Wildcat Creek to SR 108 Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05613	06/08/16	06/08/16		689	04	C G O P S T W	0.310		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2019		0	TIB	1,510,000	80,000	1,590,000
Totals				0		1,510,000	80,000	1,590,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,590,000	0	0	0
Totals	0	1,590,000	0	0	0

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08	10	Summit Road North Summit Rd SR 108 to Bear St. Full Depth Reclamation where possible, Resurface, widen, new curb and gutter, storm improvements, sidewalk, planter strips, and bike lanes where possible.	WA-05614	06/08/16	06/08/16		689	04	C O P S T W	0.420		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	2,037,000	108,000	2,145,000
Totals				0		2,037,000	108,000	2,145,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	2,145,000	0	0
Totals	0	0	2,145,000	0	0

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00	11	S. 4th Street Downtown S. 4th St Simpson Ave to W. Fir St. Full Depth Reclamation, Resurface, widen, new curb and gutter, storm water system improvements, sidewalk on both sides of road separated from parking areas with planter strips, possible bicycle lanes.	WA-05615	06/08/16	06/08/16		689	04	C G O P S T W	0.140		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	1,232,000	65,000	1,297,000
Totals				0		1,232,000	65,000	1,297,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,297,000	0	0	0
Totals	0	1,297,000	0	0	0

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00	12	S. 4th Street Residential S. 4th St W. Fir St to South City Limits Full Depth Reclamation, Resurface, new curb/gutter and sidewalks on both sides of roadway, planter strip separation from traffic, storm water improvements.	WA-05616	06/08/16	06/08/16		689	04	C G O P S T W	0.360		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	280,000	15,000	295,000
Totals				0		280,000	15,000	295,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	295,000	0	0
Totals	0	0	295,000	0	0

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00	13	W. Maple Street Downtown W. Maple St S. 3rd St to S. 5th St Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05617	06/08/16	06/08/16		689	04	C G O P S T W	0.170		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	824,000	44,000	868,000
Totals				0		824,000	44,000	868,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	868,000	0	0
Totals	0	0	868,000	0	0

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00	14	W. Maple Street Residential W. Maple Street S. 5th Street to S. 7th Street Resurface, Curb/gutter and sidewalk on South side	WA-08006	06/08/16	06/08/16		689	04	C G O P S T W	0.150		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	TIB	110,000	10,000	120,000
Totals				0		110,000	10,000	120,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	110,000	0	0	0	0
Totals	110,000	0	0	0	0

	Federal Funds	State Funds	Local Funds	Total Funds
Grand Totals for McCleary	1,510,663	11,626,000	857,768	13,994,431

**TAB - A**

**CITY OF MCCLEARY**  
**Regular City Council Meeting**  
**Wednesday, June 14, 2017**

ROLL CALL AND FLAG SALUTE	Councilmembers Orffer, Richey, Peterson, Ator and Blankenship were in attendance.
ABSENT	None.
STAFF PRESENT	Present at the meeting were Todd Baun, Wendy Collins, Chief Steve Blumer and Dan Glenn.
PUBLIC HEARING	None.
EXECUTIVE SESSION	There was an executive session lasting ten minutes, starting at 6:35 and ending at 6:45 to discuss litigation per RCW 42.30.110(i).
MINUTES APPROVED	<b>It was moved by Councilmember Peterson, seconded by Councilmember Orffer to approve the minutes from the meetings on May 10, 2017. Motion Carried 5-0.</b>
VOUCHERS	Accounts Payable checks approved were 42714 - 42781 including EFT's in the amount of \$283,082.81 and 42785 - 42828 including EFT's in the amount of \$35,935.15.  Payroll checks approved were 42689 - 42784 including EFT's in the amount of \$155,768.83.  Bank reconciliations for May 2017.  <b>It was moved by Councilmember Orffer, seconded by Councilmember Ator to approve the vouchers. Motion Carried 5-0.</b>
MAYOR'S COMMENTS	Mayor Schiller announced Officer Chad Sample has accepted a position with the Elma Police Department and is leaving McCleary. We all wish him our very best and thank him for his service to our community.  The City offered a lateral Police Officer position to Leighton Cox, who will be joining the Police Department full-time on June 26th. The City is excited to welcome Officer Cox!  The City will be interviewing for the fourth officer this Friday.
PUBLIC COMMENT	Gloria Hale asked Mayor Schiller about the amount of days that fireworks are let off before and after July 4th. She would prefer to have the City allow them for no more than two nights due to the disturbance it causes.  Gary Atkins told the Council they are doing a great job. He also commended the Police Department for all their hard work in cleaning up the City. The changes are noticeable. Members of the audience agreed.  Councilmember Ator gave kudos to the Light and Power Department for their fast and thorough response during an outage this morning at Gordon's Grocery Store.
CITY ATTORNEY REPORT	Dan Glenn provided a written report for the Council and is available to address any questions.
DIRECTOR OF PUBLIC WORKS REPORT	Todd Baun provided a written report for the Council.
POLICE CHIEF BLUMER	On May 26, 2017 Chief Blumer received a grant reward from the Fraternal Order of Police for three auto defibrillators, which have a value of approximately \$1,600. This is a huge benefit for the Police Department and for the safety of McCleary residents.

BEAR FESTIVAL REPRESENTATIVES	Tanya Beavers and her daughter, Queen Natalee Beavers, attended the meeting to specially thank the City Elected Officials and all the City Staff for their ongoing support of the Bear Festival. Queen Natalee handed out Bear Festival buttons to the Mayor, Council and Staff and invited them to come to the Bear Festival and enjoy some bear stew and take in all the fun activities that will be happening during the Bear Festival, which takes place July 7th through the 9th.
2016 ANNUAL REPORT ACCEPTANCE AND APPROVAL	As Clerk-Treasurer, Wendy Collins is required to prepare an annual financial accountability report to the State Auditor's Office. Included are the beginning balances, expenditures, revenues, loans, grants, and the end of the year compensated absences for employees. The report takes many hours of preparation and research to create. The Council is asked to approve the 2016 submitted report. <b>It was moved by Councilmember Orffer, seconded by Councilmember Blankenship to accept and approve the 2016 Annual Report. Motion Carried 5-0.</b>
FIRE LEVY PROPOSAL	The City has been actively trying to obtain grants for the fire department's outdated and failing equipment. Unfortunately, we have not been awarded any of the grants we have applied for. A solution the City and Fire Department would like to present to the Council is the option to run a levy/proposition for \$250,000, which is the amount needed to purchase the necessary equipment. Fire Chief Paul Nott provided a budget report and a document from the Washington State Department of Revenue for ballot measure requirements. Councilmember Orffer suggested part of the funding could come from the REED fund, which is the fund that was used to purchase additional police equipment and expand the fire station. Todd Baun will provide additional details at the next meeting for Council to consider running a levy.
FINANCIAL POLICIES	Wendy Collins prepared Financial Policies to fulfill the auditor's recommendation. Councilmember Orffer requested one change to Section 4. She would like to end the first sentence after the word "Reserves" and strike the rest of the sentence. She does not want to box the City in to a specific amount for reserves due to the fluctuation of the financials from year to year. <b>It was moved by Councilmember Ator, seconded by Councilmember Peterson to accept and authorize the Mayor to implement the new Financial Policy. Motion Carried 5-0.</b>
2018 SIX-YEAR STREET PLAN (STIP) PUBLIC HEARING DATE	Todd Baun provided a 2018 draft STIP for the Council to review. It is the same as the 2017 STIP. This is an annual process for local jurisdictions to identify their potential future transportation improvement needs. The RCW's mandate that cities update their program annually and file a copy of the adopted program with the Washington State Department of Transportation before July 1st.
WATER LINE REPLACEMENT MATERIAL	The City Public Works crew will be replacing 1000 feet of water main between our well site and Ash Street. The project will upgrade a small, failing 6" asbestos cement line with a new 8" plastic line and will also add two hydrants to the system. Four bids were obtained for the project. The project is included in the 2017 budget. <b>It was moved by Councilmember Orffer, seconded by Councilmember Ator to accept the low bid of \$19,487.94, before tax, from Ferguson. Motion Carried 5-0.</b>
WASHINGTON STATE PATROL (WSP) CONTRACT	<b>It was moved by Councilmember Ator, seconded by Councilmember Peterson to authorize the Mayor to sign the Washington State Patrol Contract Amendment. Motion Carried 5-0.</b>
PUBLIC COMMENT	Sue Portschy will be contacting the League of Women's Voters to set up a public question and answer forum for the candidates who are running for Council/Mayor positions in McCleary.  Gary Atkins would like to see something don't to the brick building across from the Shell Gas Station about it's terrible condition.
MEETING ADJOURNED	<b>It was moved by Councilmember Ator, seconded by Councilmember Peterson to adjourn the meeting at 7:35 pm. The next meeting will be Wednesday, June 28, 2017 at 6:30 pm. Motion Carried 5-0.</b>

**TAB - B**

**MEMORANDUM**

TO: MAYOR AND CITY COUNCIL, City of McCleary

FROM: DANIEL O. GLENN, City Attorney

DATE: June 22, 2017

RE: LEGAL ACTIVITIES as of June 28, 2017.

THIS DOCUMENT is prepared by the City Attorney for utilization by the City of McCleary and its elected officials and is subject to the attorney-client privileges to the extent not inconsistent with laws relating to public disclosure.

1. **TRANSPORTATION IMPROVEMENT PLAN RESOLUTION:** As referenced in the prior report, this plan serves as the guide for obtaining funding for public transportation projects. The notice has not been given as required by law. Upon completion of the public hearing, the resolution will be subject to consideration by you for adoption and, upon adoption, timely submission to the Transportation Improvement Board.

In the event the questions arise, the sequence of projects is not binding upon the City in terms of submissions of requests for funding. Also, it can be amended during the year to add new projects.

2. **FIRE DEPARTMENT FUNDING:** My understanding is that the goal is to raise approximately an additional \$250,000.00 over the next five years in order to fund improvements to the Department's equipment and operational capabilities. As was stated at the last meeting the goal is to achieve the funding through voter-approved increases in the assessments affecting real property. As I referenced at the last meeting, if the City wishes to submit a proposal to the voters at the November general election, it will have to be submitted to the County Auditor by August 1<sup>st</sup>.

I have been researching the possible alternatives available to the City. A primary source of reliable information, Ms. Bednarik, the Chief Deputy Assessor, is out of the office until the 26<sup>th</sup> and thus any information I receive from her will

be provided in a supplemental report. However, I have researched the prior actions in this area, spoken to Ms. Toni Nelson, MRSC's chief financial consultant, and researched their site. Their website provides an extensive information source which can be accessed at the following address:

<http://mrsc.org/Home/Explore-Topics/Finance/Revenues/Levy-Lid-Lift.aspx>

Based upon the research and the discussion with Ms. Nelson, it appears to basically boil down to the following situation:

A. Based upon my review of the MRSC material, it would appear that, since the City provides its own fire services and contracts for EMS with FD #5, it would not have the option of a fire district or, as to EMS, of seeking approval of a multi-year excess levy.

B. If that is correct, it would appear the options would be basically either to [a] submit a multi-year levy lift request to raise the sum or [b] do successive excess levy requests in the pattern Elma has followed this year.

As to the multi-year levy lift approach, when I talked to Toni Nelson she indicated they were just finishing an updated document on this subject which is likely to go on their website next week. She did indicate their database, as of the 2016 level, showed a tax imposed level for McCleary of \$2.76 per thousand with the maximum allowed levy at \$3.19. (The TRL tax is deducted from the legal maximum of \$3.375 per thousand.) Based upon the application of those figures to the assessed valuation of the City, she doubted, even if the maximum was approved by the voters, that the funding received would come close to generating the \$250,000 figure in the five years.

As to the successive one year excess levies approach, while they can generate a large sum each year, that they must be submitted to and approved by the voters each year obviously does not provide assurance of funding.

It is my hope some of my initial conclusions will be proven incorrect by Ms. Bednarik. For your easy access, I have attached at the end of this Report an article on this subject written by Judy Cox, the predecessor of Ms. Nelson, back in 2010. As noted, we will be able to access even more current information when the site updating is completed in the next couple of weeks.

3. **NUISANCE ORDINANCE DRAFT**: The Mayor, Council Member Blankenship, Chief Blumer, Mr. Morrison, Mr. Baun and myself will

be meeting this following Friday to review what is now Draft H of this ordinance. It has been provided to them in advance so they may review the 40 pages or so at their convenience.

Since the much earlier version was before you for review and comment, I have made the modifications to the draft suggested by you. (Removal of the 50 square foot room size, fencing for swimming pools, etc.) Based upon a meeting with Todd and Paul, suggestions from Paul through email, and my own "ruminations", I have also made other modifications and have inserted some additional suggestions or concerns. Hopefully we will have a proposed final draft available for your review and action at the first meeting in July.

4. BEAR FESTIVAL ACTIVITIES: The Chair of the Festival appeared before you last meeting. However, I do not have notes indicating that action was requested of you or that action authorizing the utilization of City assets or services was taken. Thus, I have imposed upon Todd to place the matter on this meeting's agenda. I have prepared a contract which will utilize as the authorized activities the document provided to you at the last meeting. I would ask that the Mayor be authorized to execute the Agreement.

5. ZONING MATTER:

A. HEARING EXAMINER'S REPORT AND RECOMMENDATIONS: Based upon a contact from Mr. Aaland, it is anticipated that he will be providing on Monday the results of his holding of the public hearing and research on the matter of zoning provisions related to particular type of facility referred to him. The pertinent provisions of Section 17.40.140[D] state upon receipt of the Recommendation,

...the city council shall at the next regular meeting of the council either set a time and place of public hearing thereon and order public notice as herein provided, or, if determines that no additional public hearing is necessary, set the matter on for consideration at its next regular council session. If at the time set for consideration without public hearing, the majority of the council determines it appropriate to schedule a public hearing, such hearing may be scheduled and held as provided for herein. So long as the council determines it has adequate information from the applicant and/or planning commission to make a decision, the council shall take final action within sixty days after the later of (1) any public hearing held by it or (2) the date of the consideration without public hearing. The council may

issue its decision by passing an amendatory ordinance, by declining to amend, or by referring the matter back to the planning commission for further consideration. To the extent required by law, the council shall issue written findings of fact and conclusions of law in relation to the decision it makes....

So, now the Recommendation has been received, it boils down to you will need to make an initial decision as to whether or not to hold your own public hearing. (You can change your position on that at the next meeting, if you desired.) If the decision is to move forward based upon the information within the Report, the initial consideration would occur at your next meeting. A final decision must be made within 60 days of the commencement of consideration unless you hold your public hearing.

B. BHO Litigation: Mr. Myers and I have been in continuing contact with the counsel for BHO and the Assistant Attorney General who has contacted us in relation to the BHO allegation relating to violation of the ADA. We will be providing the Report to both as a courtesy. At this stage, pursuant to an agreement, we have not filed a formal answer to the Complaint.

6. FINANCIAL POLICY RESOLUTION: Ms. Collins submitted this draft to you at the prior meeting for your review. So as to be consistent with the practice in relation to the other policies adopted at the recommendation of the SAO, it is back before you this evening for formal adoption through a resolution which will be "trackable".

As always, this is not meant to be all inclusive. If you have any questions or comments, please direct them to me.

#### REFERENCED MRSC ARTICLE

**Revised October 2010**

##### **Levy Lid Lifts1**

By Judith Cox, MRSC Public Finance Consultant

The passage of Initiative 747 in 2001 limited taxing jurisdictions with a population of less than 10,000 to an increase of one percent in their levy, plus taxes on new construction and increases in state-assessed utility valuation. Levy increases for municipalities with a population of 10,000 or more are limited to the lesser of one percent or the increase in the July implicit price deflator for personal consumption expenditures as published in the September issue of the *Survey of Current Business*.

One exception to the one percent rule is the levy lid lift. RCW 84.55.050. Taxing jurisdictions with a tax rate that is less than their statutory maximum rate may ask the voters to "lift" the levy lid by increasing the tax rate to some amount equal to or less than their statutory maximum rate. The proposed tax rate must be stated in the ballot title. RCW 84.55.050(1) and (2)(a). (If you do not know your statutory maximum rate, ask your county assessor.) A simple majority vote is required.

***How much revenue can you raise from a levy lid lift?***

Start by calculating the difference between your current tax rate and the maximum guaranteed statutory rate.

**Maximum Statutory Tax Rate: Cities** are senior taxing districts and their maximum tax rates differ, depending on whether they have a firemen's pension fund or whether they are annexed to a fire district and/or a library district. The maximum regular property tax levy for most cities is \$3.375 per thousand dollars assessed valuation (AV). RCW 84.52.043(1)(d). Some cities have a firemen's pension fund. (If you do not know whether you have one, you probably do not.) Those cities can levy an additional \$0.225 per thousand dollars assessed valuation, resulting in a maximum levy of \$3.60 per thousand dollars AV. RCW 41.16.060. For cities that belong to a fire district and/or a library district, the rules are a little more complicated. Nominally they have a maximum rate of \$3.60 per thousand dollars AV. But, they can never collect that much because the levy of the special districts must be subtracted from that amount. RCW 27.12.390 and RCW 52.04.081. The library district levy has a maximum rate of \$0.50 per thousand dollars AV (RCW 27.12.050) and the fire district levy can be as high as \$1.50. RCW 52.16.130, RCW 52.16.140, and RCW 52.16.160.

Therefore, if a city belongs to both a fire district and a library district, and if these districts are currently levying their maximum amount, then the local levy can be no higher than \$1.60 ( $\$3.60 - .50 - 1.50 = \$1.60$ ). The Department of Revenue has also determined that if a city has a Firemen's Pension Fund **and** is also in a library and/or a fire district, its maximum levy rate is \$3.825 minus the levy rates of the districts.<sup>2</sup>

For **counties**, the maximum regular property tax levy rate that may be imposed on real and personal property is \$1.80 per thousand dollars AV for its current expense or general fund, and \$2.25 per thousand dollars AV for its road fund. However, a county can raise its general fund levy rate up to \$2.475 per thousand dollars AV provided the total of the levy rates for the general fund and road fund do not exceed \$4.05 per thousand

dollars AV **and** the increase in the general fund levy does **not** result in a reduction in the levy of any other taxing district.

Some **special districts** have the authority to levy regular property taxes and do lid lifts. Unlike city and county levies, special district levies are subject to prorationing. If the total levy rate in a district from the city, county, and special district levies is greater than \$5.90, then there is a pecking order set up in RCW 84.52.010(2). One or more of the special district levy rates must be decreased until the total is \$5.90. A district could pass a levy lid lift of a certain amount only to find, in some future year, another taxing district has increased its rate so that the total is greater than \$5.90.<sup>3</sup> Depending on where the districts lie in the prorationing pecking order, the amount of the lid lift might have to be decreased.

Example: A city has a maximum tax rate of \$3.375 per thousand dollars. Its current rate is \$2.90 and its assessed valuation is \$100,000,000.  $3.375 - 2.90 = \$0.475$ . Multiply the difference between your maximum rate and current rate by your AV divided by 1000 because the tax rate is levied on each thousand dollars of assessed valuation, not each dollar.  $\$0.475 \times 100,000,000/1000 = \$47,500$ .

\$47,500 is the maximum amount of **extra** revenue the city could get in its first year after doing a levy lid lift. Its total levy, if the vote on the lid lift is successful, would be \$337,500 compared to \$290,000 without the lift. If the council is not be interested in that big an increase in the rate, multiply whatever rate increase they have in mind times your assessed valuation divided by 1000.

2 "First Levy Audit Completed," by Fletcher Barkdull, *Property Tax Review*, (Department of Revenue: Olympia) October 2002.

3 Some property tax levies not subject to this limit include state levies, levies for public utility districts, excess property tax levies, special levies for local school districts, levies for acquiring conservation futures, emergency medical service levies, low income housing levies, ferry district levies, and, under certain restrictive conditions, the 25 cent metropolitan park district levy. Some of these are, however, subject to the one percent constitutional limit. (RCW 84.52.043)

***If you think you want to explore the idea of a levy lid lift further, what are your options?***

There are two different approaches to, or options for, a levy lid lift, with each having different provisions and advantages.

**Option 1: "Original flavor" lid lift (or "single-year" lift or "one-year" lift or "basic" lift)**

In 2003, when the legislation (2ESSB 5659, Ch. 24, 1st spec. sess., Laws of 2003) establishing the multi-year lid lift was passed, MRSC nicknamed the "old" version the "original flavor" lid lift. Others used the term "basic" lift. Recently, we have seen the terms "single-year" and "one-year" lift used. We have discovered, however, that some people think this means that the lift ends or goes away after one year. As we discuss below, the lift generally lasts for a number of years, perhaps permanently. A better way to describe it may be to call it the "one-bump" lid lift compared to the multi-year lift, which "bumps up" for up to six years. In our discussion, we will continue to refer to it as the "original flavor" lift.

**1. Purpose.** It may be done for any purpose, and the purpose may be included in the ballot title, but need not be. RCW 84.55.050(4)©. You could say it would be for hiring more firefighters or for additional money for general government purposes, or you could say nothing at all. In the latter case, by default, it would be for general government purposes. Stating a particular purpose may improve your chances of getting the voters to approve it.

**2. Length of time of lid lift.** It can be for any amount of time, unless the proceeds will be used for debt service on bonds, in which case the maximum time period is nine years. RCW 84.55.050(4)(b) and (b). Setting a specific time period may make the ballot measure more attractive to the voters. But, making it permanent means you can use the funds for ongoing operating expenditures without having to be concerned that you will have to go back to the voters for another lid lift. To make the lift permanent requires language in the ballot title expressly stating it is permanent or that future levies will increase as allowed by chapter 84.55 RCW. RCW 84.55.050(4)(a). If the lift is not made permanent, the base for future levies will, at the end of the time period specified in the ballot title, revert to what the dollar amount of the levy would have been if no lift had ever been done. RCW 84.55.050(5). Note that the assessor will assume that the governing body would have increased its levy by the maximum amount allowed each year if there had been no lid lift.

**3. Subsequent levies.** After the initial "lift" in the first year, the jurisdiction's levy in future years is subject to the 101 percent lid in chapter 84.55.RCW. This is the maximum amount it can increase without returning to the voters for another lid lift.

**4. Election date.** The election may take place on any election date listed in RCW 29A.04.321.

**Option 2: Multiple/multi-year lid lift**

**1. Purpose.** It may be done for any purpose, but the purpose(s) must be stated in the title of the ballot measure. RCW 84.55.050(2)(a). New funds raised may not supplant existing funds used for that purpose for any lid lift approved by the voters before July 27, 2009. Existing funds mean the actual operating expenditures for the calendar year in which the ballot measure is approved by voters. Actual operating expenditures excludes lost federal funds, lost or expired state grants or loans, extraordinary events not likely to reoccur, changes in contract provisions beyond the control of the taxing district receiving the services, and major nonrecurring capital expenditures. RCW 84.55.050(2)(b).

The supplanting restrictions have been repealed for lid lifts approved by the voters starting July 27, 2009. They will be reimposed, however, for lid lifts passed in King County beginning January 1, 2012.

**2. Length of time of lid lift.** The lid may be "bumped up" each year for up to six years. RCW 84.55.050(2)(a). At the end of the specified period, the levy in the final period may be designated as the base amount for the calculation of all future levy increases (made permanent) if expressly stated in the ballot title. The levy in future years will then be subject to the 101 percent lid in chapter 84.55 RCW. RCW 84.55.050(4)(a). If the lift is not made permanent, at the end of the time period specified in the ballot title, the base for future levies will revert to what the dollar amount of the levy would have been if no lift had ever been done. Note that the assessor will assume that the governing body would have increased its levy by the maximum amount allowed each year if there had been no lid lift. RCW 84.55.050(5).

**3. Subsequent levies.** The lift for the first year must state the new tax rate for that year. RCW 84.55.050(2)(a). For the ensuing years, the lift may be a dollar amount, a percentage increase amount tied to an index such as the CPI, or a percentage amount set by some other method. The amounts do not need to be the same for each year. However the ballot title may only have 75 words, so one does not have much space to get too fancy or creative. (Note that one cannot specify that the lift be to a specific tax rate for each year. A tax rate **must** be specified for the first year, like "increase the rate to \$3.10." For ensuing years, however, the ballot measure **cannot** say something like "and raise the rate to \$3.10 in each of the next five years.")

If the amount of the increase for a particular year would require a tax rate that is above the maximum tax rate, the assessor will levy only the maximum amount allowed by law.

**4. Election date.** The election date must be the August primary or the November general election. RCW 84.55.050(2)(a).  
***So, which is the better option?***

As usual, of course, it depends. The requirement that a purpose must be stated in the ballot title for a multi-year lid lift makes it appear to be less flexible than the "original flavor" or single-year version. This may be true more in theory than practice, however, because we know of no county and only one city that has successfully passed a ballot measure where they did not specify the use of the funds.

The requirement that there be no supplanting in expenditures in a multi-year lift in King County starting January 1, 2012 is more restrictive. It certainly is attractive to have the opportunity to do a levy lid lift for a popular program, such as public safety, and then use part of the money that would have been spent on that program for, say, a new computer system. One presumes, however, that citizens believe there will be no supplanting even when the statutes do not prohibit it, and that they will require some accounting from government officials.

***If you use the CPI as the inflator in a multi-year lid lift, which index should you choose?***

There are all sorts of consumer price indices. **It is absolutely crucial that you correctly identify the one you want to use in your ballot measure.** The considerations are the same as choosing a consumer price index for a labor contract. The Bureau of Labor Statistics has a Web site that will help you make that decision. <http://www.bls.gov/cpi/cpi1998d.htm> Figure out when you will want the information, for budgeting purposes, on how much your property tax levy can be increased. Then make certain that the CPI index you have chosen will be available by that date. The U.S. CPI figures are available monthly with a lag of about two and a half weeks. For example, the April statistics are published around May 19 or so. The Seattle-Tacoma-Bremerton CPIs are published bimonthly for even-numbered months. The February numbers are published in mid-March, to give one example. The Portland-Salem indices are only published twice a year. The second half of 2010, for example, will be published in mid-February 2011 and the first half of 2011 in mid-August, 2011.

***What election date should you choose?***

If you are doing a multi-year lid lift, you are limited to either the August primary or the November general election. For the "original flavor" (single-year) increase you may also choose one of the special election dates listed in RCW 29A.04.321. There are a number of considerations here. Your election date will determine (assuming the ballot measure is passed) when you will get your first tax receipts.

Taxes levied in November are first due on April 30 of the following year. Therefore, to receive taxes next year from a levy you are discussing during the current year, your election can be no later than November. We know some councils first begin thinking of a levy lid lift in September or October, during budget discussions for coming year. By that time it was too late to get any measure on the November ballot. Your county auditor must receive your ordinance or resolution 45 days before a special election and 84 days before the primary or general election. **RCW 29A.04.321 It pays to plan ahead.**

Councils and commissions should ask around to find out what other elections will be coming up during the coming year. You may not want to go head-to-head with a school levy election or a voted bond issue.

DG/le

**TAB - C**

## **STAFF REPORT**

To: Mayor Schiller  
From: Todd Baun, Director of Public Works  
Date: June 23, 2017  
Re: Current Non-Agenda Activity

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### **Fire Hall Expansion**

The Fire Hall expansion is about completed on the exterior. We will be turning the interior over to the volunteer firemen to complete the interior.

### **Road Patching**

We have completed the road patches that was funded through the TIB grant we received last month. .

### **PW Projects**

We are completing items necessary for the Bear Festival, which is quickly approaching.

**TAB - D**

**STAFF REPORT**

To: Mayor Schiller  
From: Todd Baun, Director of Public Works  
Date: June 23, 2017  
Re: Fire Levy Proposal

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Dan and I both have been trying to get in touch with Paula Bednarik, the Chief Deputy Assessor from Grays Harbor County, but she is out of the office for a few days. We are trying to get more information about running a fire levy.

The information below is what Dan has found out so far.

"FIRE DEPARTMENT FUNDING: My understanding is that the goal is to raise approximately an additional \$250,000.00 over the next five years in order to fund improvements to the Department's equipment and operational capabilities. As was stated at the last meeting the goal is to achieve the funding through voter-approved increases in the assessments affecting real property. As I referenced at the last meeting, if the City wishes to submit a proposal to the voters at the November general election, it will have to be submitted to the County Auditor by August 1st.

I have been researching the possible alternatives available to the City. A primary source of reliable information, Ms. Bednarik, the Chief Deputy Assessor, is out of the office until the 26th and thus any information I receive from her will be provided in a supplemental report. However, I have researched the prior actions in this area, spoken to Ms. Toni Nelson, MRSC's chief financial consultant, and researched their site. Their website provides an extensive information source which can be accessed at the following address:

<http://mrsc.org/Home/Explore-Topics/Finance/Revenues/Levy-Lid-Lift.aspx>

Based upon the research and the discussion with Ms. Nelson it appears to basically boil down to the following situation:

A. Based upon my review of the MRSC material, it would appear that since the City provides its own fire services and contracts for EMS with FD #5, it would not have the option of a fire district or, as to EMS, of seeking approval of a multi-year excess levy.

B. If that is correct, it would appear that the options would be basically either to [a] submit a multi-year levy lift request to raise the sum or [b] do successive excess levy requests in the pattern Elma has followed this year.

As to the multi-year levy life approach, when I talked to Toni Nelson she indicated that they were just finishing an updated document on this subject which is likely to go on their website next week. She did indicate that their database, as of the 2016 level, showed a tax imposed level for McCleary of \$2.76 per thousand with the maximum allowed levy at \$3.19. (The TRL tax is deducted from the legal maximum of \$3.375 per thousand.) Based upon the application of those figures to the assessed valuation of the City, she doubted that even if the maximum was approved by the voters that the funding received would come close to generating the \$250,000 figure in the five years.

As to the successive one year excess levies approach, while they can generate a large sum each year that they must be submitted to and approved by the voters each year obviously does not provide assurance of funding.

**STAFF REPORT**

June 23, 2017

Page 2 of 2

It is my hope that some of my initial conclusions will be proven incorrect by Ms. Bednarik.

**TAB - E**

## **AGREEMENT**

THIS AGREEMENT made and entered into by and between McCLEARY SECOND GROWTH & BEAR FESTIVAL, INC., hereinafter referred to as "FESTIVAL"; and the CITY OF McCLEARY, hereinafter referred to as "CITY".

### **R E C I T A L S:**

1. The FESTIVAL is a non-profit entity organized to accomplish a number of purposes, including the promotion of tourism, trade, and business activity within the corporate limits of the CITY. Its state identification number is 601053245. Its mailing address is 100 South 3<sup>rd</sup> Street, McCleary, Washington 98557.

2. The CITY is a municipal corporation situate in the County of Grays Harbor, State of Washington.

3. The FESTIVAL has contacted the CITY in relation to the FESTIVAL'S presentation of the tourist event commonly known as the Bear Festival, an event which has been held for many years, as well as other tourist and trade promotion.

4. At the June 14, 2017, meeting of the City Council, the FESTIVAL, by and through its authorized representative, AIMEE ROWLAND, submitted a request to utilize certain property of which the CITY is the owner, as well as to receive certain assistance from the City in terms of implementation of certain of its

activities. The primary uses of the property and involvement of City staff, which are more fully detailed in that certain submission attached hereto as Exhibit 1, are as a staging site for the parade, location of vendors, and associated activities. This exhibit reflects a program of event scheduling and utilization running between July 6th and July 9th, 2017.

5. Subject to compliance with the provisions of this contract, as the result of action taking at its meeting of June 26, 2017, the City Council authorized the CITY to undertake certain actions at the request of the FESTIVAL, as well as the execution of this contract by the Mayor.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

SECTION I: The FESTIVAL may utilize, for the purpose of the programs more fully detailed upon Exhibit #1, the specified portions of the right of way and parcels held by the CITY. This utilization is conditioned upon and subject to compliance with the conditions set forth in Section II. The period of authorized use shall run from 3:00 P.M. on the 6th day of July, 2017, through 9:00 p.m. on the 9th day of July, 2017.

SECTION II: CONDITIONS OF USE: FESTIVAL's utilization of the CITY's property, as requested in Exhibit #1 is conditioned upon the FESTIVAL's compliance with the following terms and conditions:

A. Providing to the CITY, by and through the Clerk-Treasurer, written proof of general hazard insurance of an

occurrence nature having policy limits of \$1,000,000/\$1,000,000, showing the CITY as a named insured thereon, such proof to be satisfactory to the Mayor and the authorized representative of the City's insurer.

B. Taking such steps as may be necessary to assure that neither any participant in nor spectator of the event shall, while upon the property the utilization of which is authorized in relation to this event:

1. Consume or allow to be consumed any alcohol except as may be allowed by any permit issued by the Washington State Liquor Control Board.

2. Perform any unlawful act.

C. Without the prior written authorization of the Director of Public Works, make any modifications or additions to the site.

D. Make provision for and carry forth clean-up programs so that, within 18 calendar hours of the completion of the actual event, any waste, debris, and other litter resulting from or associated with the event will have been cleaned up. Further, to the extent deemed necessary and appropriate by the Director of Public Works, restore the site utilized during the event to the condition which existed prior to the commencement of use by the FESTIVAL.

E. Cooperate fully with the representatives of the Police and Public Works Department, as well as of the Fire Department, in assuring the safety of the attendees.

**AGREEMENT- 3**  
**6/21/2017**  
DG/le

CITY OF McCLEARY  
100 S 3<sup>rd</sup> Street  
McCLEARY, WASHINGTON 98557

F. The FESTIVAL shall defend, indemnify, and hold the CITY, its officers, officials, employees, and volunteers, harmless from any and all claims, injuries, damages, losses, or suits, including attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the CITY.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the FESTIVAL and the CITY, its officers, officials, employees, and volunteers, the FESTIVAL's liability hereunder shall be only to the extent of the FESTIVAL's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the FESTIVAL'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.

G. Provide to the Clerk-treasurer the names and telephone numbers of individuals authorized to act upon behalf of the FESTIVAL.

### SECTION III: RELATIONSHIP OF THE PARTIES

As to the relationship between the CITY and the FESTIVAL, the FESTIVAL's status in relation to CITY is that of an

independent contractor. It is agreed the FESTIVAL shall be responsible for paying any taxes which may be required under any applicable law in relation to the activities to be performed under the provisions of this contract.

SECTION IV: GENERAL PROVISIONS:

A. The FESTIVAL specifically agrees and understands that compliance with all terms and conditions set forth in Section II of this Agreement are necessary for the public health and safety. In the event the CITY gives the FESTIVAL written notice of a breach of the FESTIVAL's responsibilities under this Agreement, the FESTIVAL shall immediately take the necessary corrective steps. In the event of any failure to so correct, the CITY may revoke the right to use and occupy the areas covered under this Permit: PROVIDED THAT, if, in the sole discretion of the CITY, the breach constitutes an immediate danger to life, health, or property, the CITY may immediately revoke the right to use and occupy and take such other steps to reduce or eliminate the danger as it may deem reasonably necessary. Such revocation shall not give rise on the part of the FESTIVAL to a claim of any nature whatsoever and shall not relieve the FESTIVAL of the responsibility to restore the covered areas to their original condition specifically by the removal of any trash or debris.

B. In the event the CITY must expend monies as a result of the failure of the FESTIVAL to comply with any term or condition of this Permit, including by way of representation the responsibility to clean up the area after the event, then the

FESTIVAL shall reimburse the CITY for those monies within 30 calendar days of the submission of a bill therefor.

C. For purposes of contact as to implementing the utilization authorized under this agreement, the appropriate contact for the CITY shall be Todd Baun, the CITY's Director of Public Works, or such other persons as he may designate in writing. For the FESTIVAL, William Roundtree or such other person he may designate in writing shall be deemed to be the appropriate contact person.

D. Each party has had the opportunity to have this agreement reviewed by counsel of its choice prior to its execution.

E. Each individual executing this Agreement represents that she or he is authorized to execute the same upon behalf of the party they represent.

F. That in the event of any dispute arising out of this Agreement which is not resolved between the Parties, any litigation shall be commenced in the Courts of the County of Grays Harbor. Further, in the event of such litigation, in addition to any other relief which may be granted the prevailing party, it shall be entitled to an award of reasonable attorneys' fees and costs.

G. NOTICES:

1. For purposes of this Agreement, a notice required hereunder shall be deemed to have been given on the earlier occurring of the date of personal service of the written notice

upon the recipient party or the third day following the date of posting of the written notice in the United States Postal Service, First Class, postage prepaid, addressed to the recipient at the addresses stated below:

THE FESTIVAL:

MCCLEARY SECOND GROWTH & BEAR FESTIVAL, INC.  
c/o Tanya Beavers, Co-chair  
P.O. Box 408  
McCleary, Washington 98557  
Attn: Aimee Rowland

CITY OF McCLEARY:

CITY OF McCLEARY  
P. O. Box D  
McCleary, Washington 98557  
Attn: Wendy Collins

2. A notice shall not be deemed to have been given unless it is given in writing.

EXECUTED this \_\_\_\_\_ day of June, 2017.

CITY OF McCLEARY:

\_\_\_\_\_  
BRENT SCHILLER, Mayor

ATTEST:

\_\_\_\_\_  
WENDY COLLINS Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
DANIEL O. GLENN, City Attorney

**AGREEMENT- 7**  
**6/21/2017**  
DG/te

CITY OF McCLEARY  
100 S 3<sup>rd</sup> Street  
McCLEARY, WASHINGTON 98557

Executed this \_\_\_\_ day of June, 2017

McCLEARY SECOND GROWTH & BEAR FESTIVAL, INC.

\_\_\_\_\_, its Co-chair  
TANYA BEAVERS OR WILLIAM ROUNDTREE

\_\_\_\_\_, its Secretary  
AMANDA FREDRICKSON

STATE OF WASHINGTON     )  
                                     : ss.  
GRAYS HARBOR COUNTY     )

I certify that I know or have satisfactory evidence that Brent Schiller and Wendy Collins are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath, stated that they were authorized to execute the instrument and acknowledged it as the Mayor and Clerk-Treasurer, respectively of the City of McCLEARY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_ day of June, 2017.

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE STATE  
OF WASHINGTON, Residing at:  
My appointment expires:

STATE OF WASHINGTON     )  
                                     : ss.  
GRAYS HARBOR COUNTY     )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that she/he signed this instrument and acknowledged it to be her/his free and voluntary act for the uses and purposes mentioned in the instrument and within the scope of granted authority.

DATED this \_\_\_\_ day of June, 2017.

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE STATE  
OF WASHINGTON, Residing at:  
My appointment expires:

STATE OF WASHINGTON     )  
                                  :   ss.  
GRAYS HARBOR COUNTY    )

I certify that I know or have satisfactory evidence that Amanda Fredrickson is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_ day of June, 2017.

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE STATE  
OF WASHINGTON, Residing at:  
My appointment expires:

**TAB - F**

**STAFF REPORT**

To: Mayor Schiller  
From: Todd Baun, Director of Public Works  
Date: June 23, 2017  
Re: Electrical "subsidiary" Connection

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Staff has been working on a solution for some safety concerns for residences that are using neighboring properties for electrical power. We are seen a few places that do not have power service at their homes, but are stringing electrical cords from the neighboring properties to provide power.

Extension cords are not intended to be used as permanent wiring. This creates a danger from overheating of the cords or outlets and can create a hazardous situation for our Light and Power crew if they have to work on the meter or power lines in the area.

Dan has drafted an Ordinance that Paul M, Paul N and myself have all reviewed and believe it help protect the safety of residences and our employees.

**Action Requested:**

Please adopt the Ordinance.

**TAB - G**

## STAFF REPORT

To: Mayor Schiller  
From: Todd Baun, Director of Public Works  
Date: June 23, 2017  
Re: 3rd St. Project Prospectus

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Since we have received additional funding for our 3<sup>rd</sup> Street project, we have to update our project prospectus. This is the update.

### **Action Requested:**

Please allow the Mayor to sign the updated project prospectus.



## Local Agency Federal Aid Project Prospectus

	Prefix	Route	(   )	Date	
Federal Aid Project Number				DUNS Number	
Local Agency Project Number		( WSDOT Use Only )		Federal Employer Tax ID Number	

Agency		CA Agency Yes      No	Federal Program Title 20.205      Other		
Project Title			Start Latitude N	Start Longitude W	
			End Latitude N	End Longitude W	
Project Termini From-To			Nearest City Name		Project Zip Code (+4)
Begin Mile Post	End Mile Post	Length of Project		Award Type Local      Local Forces      State      Railroad	
Route ID	Begin Mile Point	End Mile Point	City Number	County Number	County Name
WSDOT Region	Legislative District(s)		Congressional District(s)		Urban Area Number

Phase	Total Estimated Cost (Nearest Hundred Dollar)	Local Agency Funding (Nearest Hundred Dollar)	Federal Funds (Nearest Hundred Dollar)	Phase Start Date	
				Month	Year
P.E.					
R/W					
Const.					
Total					

Description of Existing Facility (Existing Design and Present Condition)	
Roadway Width	Number of Lanes

Description of Proposed Work
Description of Proposed Work (Attach additional sheet(s) if necessary)

Local Agency Contact Person		Title		Phone	
Mailing Address			City	State	Zip Code
Project Prospectus	By _____ Approving Authority				
	Title				Date

Agency	Project Title	Date
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Type of Proposed Work				
Project Type (Check all that Apply)			Roadway Width	Number of Lanes
New Construction	Path / Trail	3-R		
Reconstruction	Pedestrian / Facilities	2-R		
Railroad	Parking	Other		
Bridge				

Geometric Design Data						
Description	Through Route			Crossroad		
<b>Federal Functional Classification</b>			Principal Arterial			Principal Arterial
			Minor Arterial			Minor Arterial
	Urban		Collector	Urban		Collector
	Rural		Major Collector	Rural		Major Collector
	NHS		Minor Collector	NHS		Minor Collector
			Local Access			Local Access
Terrain	Flat	Roll	Mountain	Flat	Roll	Mountain
Posted Speed						
Design Speed						
Existing ADT						
Design Year ADT						
Design Year						
Design Hourly Volume (DHV)						

Performance of Work		
Preliminary Engineering Will Be Performed By	Others %	Agency %
Construction Will Be Performed By	Contract %	Agency %

Environmental Classification	
Class I - Environmental Impact Statement (EIS) Project Involves NEPA/SEPA Section 404 Interagency Agreement  Class III - Environmental Assessment (EA) Project Involves NEPA/SEPA Section 404 Interagency Agreements	Class II - Categorically Excluded (CE) Projects Requiring Documentation (Documented CE)

Environmental Considerations
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Agency	Project Title	Date
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### Right of Way

<b>No Right of Way Needed</b> * All construction required by the contract can be accomplished within the exiting right of way.	<b>Right of Way Needed</b>	
	No Relocation	Relocation Required

### Utilities

### Railroad

No utility work required All utility work will be completed prior to the start of the construction contract All utility work will be completed in coordination with the construction contract	No railroad work required All railroad work will be completed prior to the start of the construction contract All the railroad work will be completed in coordination with the construction contract
---	--

Description of Utility Relocation or Adjustments and Existing Major Structures Involved in the Project

FAA Involvement

Is any airport located within 3.2 kilometers (2 miles) of the proposed project?      Yes      No

Remarks

This project has been reviewed by the legislative body of the administration agency or agencies, or it's designee, and is not inconsistent with the agency's comprehensive plan for community development.

Agency

Date

By

Mayor/Chairperson

**TAB - H**

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

**AN ORDINANCE RELATING TO THE  
PROVISION OF UTILITY SERVICE, ADDING A NEW  
SECTION TO CHAPTER 13.16, SETTING  
CONDITIONS AND PENALTIES, PROVIDING FOR  
SEVERABILITY AND AN EFFECTIVE DATE.**

**R E C I T A L S:**

1. The City has become aware that safety issues can result from an authorized user providing electrical service to structures upon adjoining properties without authorization and review by the City.

2. These issues result from such matters as the connection of service by extension cords and, in the structure receiving this unauthorized service, the connection of a series of extension cords to serve various rooms. The "web" of cords can create dangers in a variety of ways, including the risk of injury from falling to anyone walking in the structure, the overloading of the lines and the resulting fire danger, and the danger of electrical shock.

3. The City intends to reduce the risks to persons and properties from such activities by providing a method for such connection, but requiring prior approval.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE  
CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION I: There shall be added to Chapter 13.16 a  
new section to read as follows:

A. No customer of the City's electrical utility shall connect their service with that of any other customer, or in any way supply any other person or premises with electricity through their service, except as approved by the City after the filing of a written application for such authorization with the Office of the Clerk-treasurer for the connection and the receipt of a written approval of the request from the Director of Public Works.

The application shall contain no less than the following:

1. Provision of the following information:
  - a. The addresses of the premises from which the service will be provided and the premises to receive the service.
  - b. The anticipated period of requested authorization.
  - c. The reason for the necessity of the request.

2. Acknowledgment of the applicant that acceptance of any approval by the Director includes [a] the granting to the City of the authority to enter upon the premises involved to confirm the state of use, and [b] that violation of the permit may result in discontinuance of service to the premises for which the permit is issued.

B. Violation of any term or condition of the permit under which service is authorized pursuant subsection A of this ordinance shall subject the party to which the permit was issued to the following enforcement actions or penalties:

1. A violation of a term or condition of the permit constitute a civil infraction and a finding of committed as to a violation of subsection A shall subject the violator to a civil fine or forfeiture not to exceed Five Hundred Dollars (\$500) for each separate offense in addition to the City's cost of investigating and establishing such violation.

2. In recognition of the potential dangers to the health and safety of those occupying either premises and the other adjacent premises resulting from such violations, in the discretion of the Director, service to the premises\ to which the permit was issued as the premises providing the

electrical power to the other premise may be suspended until the violation is corrected.

C. If any premises provides power to another premises under circumstances for which a permit is required under the provisions of Section A without a valid permit having been issued under this ordinance, the occupant or account holder shall be notified of the non-compliance. If the unpermitted service is not terminated within \_\_\_\_\_hours of delivery/receipt of the notice of the violation, electrical service to that premises may be terminated until the violation is corrected and the account holder's account assessed a fee of \_\_\_\_\_dollars (\$\_\_\_\_\_) representing the cost incurred by the City in taking this action.

SECTION II: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason

this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION III: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION IV: Corrections by the Clerk-treasurer or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-treasurer and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2017, by the City Council of the City of McCleary, and signed in approval therewith this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF McCLEARY:

\_\_\_\_\_  
BRENT SCHILLER, Mayor

ATTEST:

\_\_\_\_\_  
WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
DANIEL O. GLENN, City Attorney

STATE OF WASHINGTON     )  
                                      : ss.  
GRAYS HARBOR COUNTY     )

I, WENDY COLLINS, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance Number \_\_\_\_\_ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number \_\_\_\_\_, as it was published, is on file in the appropriate records of the City of McCleary.

\_\_\_\_\_  
WENDY COLLINS

SIGNED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by WENDY COLLINS.

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE STATE OF  
WASHINGTON, Residing at:  
My appointment expires:

**TAB - I**

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION ADOPTING A SIX-YEAR STREET PLAN  
FOR THE CITY OF McCLEARY.**

**R E C I T A L S:**

1. The City Council and Mayor have received the recommendations of the Public Works Director in relation to the requirements and programming involved with the six-year street plan. The most recent update was accomplished by the adoption of Resolution 689.

2. A public hearing requesting input from the citizens was held on June \_\_\_\_\_, 2017, after the provision of appropriate notice.

3. The Council wishes to formally adopt those recommendations as they have been recommended by the Director subject to retained authority to authorize any modifications and expansions subsequently authorized by the Council as the result of changes in condition.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: That certain listing of streets and the priorities established thereon, attached hereto as Attachment Number 1 and incorporated by this reference, shall be and is

**RESOLUTION - 1**  
**5/18/17**  
DG/le

**CITY OF McCLEARY**  
**100 SOUTH 3RD STREET**  
**McCLEARY, WASHINGTON 98557**

hereby adopted as the Six-Year Street Plan for the City of McCleary, as that plan is required and designated by the appropriate divisions and agencies of the State of Washington, including but not limited to the Department of Transportation. This plan shall remain in effect until subsequently amended or succeeded.

SECTION II: The provisions of Resolution 689 shall be deemed superseded by the adoption of this resolution.

SECTION III: The Clerk-Treasurer and the Director of Public Works shall provide such distribution of this Resolution as may be required by law or is found to be in the City's best interests from time-to-time.

PASSED THIS \_\_\_\_\_ DAY OF JUNE, 2017, by the City Council of the City of McCleary, and signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF McCLEARY:

\_\_\_\_\_  
BRENT SCHILLER, Mayor

ATTEST:

\_\_\_\_\_  
WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
DANIEL O. GLENN, City Attorney

**RESOLUTION - 2**  
**5/18/17**  
DG/le

CITY OF McCLEARY  
100 SOUTH 3RD STREET  
McCLEARY, WASHINGTON 98557

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
07	1	/ Z141(004)  S. 3rd Street Upper  Mox Chehalis to E. Oak Street  Intersection improvements, resurface and repair, new curb and gutter, storm, sidewalks and shared bike lane.	WA-05603	06/08/16	06/08/16		689	04	C G O P S T W	0.260	CE	No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
S	RW	2018	STP(R)	86,500		0	13,500	100,000
S	CN	2018	STP(R)	1,424,163		0	222,268	1,646,431
Totals				1,510,663		0	235,768	1,746,431

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
RW	100,000	0	0	0	0
CN	1,646,431	0	0	0	0
Totals	1,746,431	0	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
07	2	S. 3rd Street Lower S. 3rd Street Oak St to Simpson Ave Resurface and repair, New curb and gutter, storm, planter strip where possible, sidewalk, and shared bike lane	WA-05604	06/08/16	06/08/16		689	04	C G O P S T W	0.250		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2018		0	TIB	61,300	63,000	124,300
P	CN	2019		0	TIB	1,118,700	0	1,118,700
Totals				0		1,180,000	63,000	1,243,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
CN	1,118,700	0	0	0	0
Totals	1,118,700	0	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	3	Main Street Realign Main Street 3rd Street to Main Street Realign roadway to correct sight distance issues, New curb and gutter and sidewalk, minimal storm water improvements.	WA-05605	06/28/17	06/28/17			04	O	0.050		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	OTHER	185,000	10,000	195,000
Totals				0		185,000	10,000	195,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	195,000	0	0	0	0
Totals	195,000	0	0	0	0



## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	4	West Ash Street Part 1 West Ash St N 9th St to N 7th St Resurface and repair.	WA-05607	06/08/16	06/08/16		689	04	C G O P S T W	0.130		No

Error: Subreport could not be shown.

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	5	West Ash Street Part 2 Ash Street N 9th St. to N 10th St. Resurface and Repair	WA-05608	06/08/16	06/08/16		689	04	C G O P S T W	0.120		No

Error: Subreport could not be shown.

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
	0	0	0	0	0
Totals	0	0	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
06	6	Intersection Simpson and Summit Simpson Ave Simpson Ave to Summit Rd Intersection improvements, new curb and gutter, storm, sidewalk, landscaping, and bike lane.	WA-05610	06/08/16	06/08/16		689	04	C G O P S T W	0.020		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2018		0	TIB	67,000	68,000	135,000
P	CN	2019		0	TIB	1,215,000	0	1,215,000
Totals				0		1,282,000	68,000	1,350,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	135,000	0	0	0	0
CN	0	1,215,000	0	0	0
Totals	135,000	1,215,000	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
06	7	Summit Road Downtown Summit Rd Simpson Ave to Beck St Resurface, widen, new curb and gutter, storm improvements, sidewalk, landscaping and/or planter strips where possible and bike lane	WA-05611	06/08/16	06/08/16		689	04	C G O P S T W	0.280		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	TIB	1,352,000	72,000	1,424,000
Totals				0		1,352,000	72,000	1,424,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	1,424,000	0	0	0	0
Totals	1,424,000	0	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
06	8	Summit Road "S" Turn Part 1 Summit Rd Beck St to E. Wildcat Creek Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05612	06/08/16	06/08/16		689	04	C G O P S T W	0.330		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2019		0	TIB	1,634,000	87,000	1,721,000
Totals				0		1,634,000	87,000	1,721,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,721,000	0	0	0
Totals	0	1,721,000	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
06	9	Summit Road "S" Turn Part 2 Summit Rd E Wildcat Creek to SR 108 Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05613	06/08/16	06/08/16		689	04	C G O P S T W	0.310		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2019		0	TIB	1,510,000	80,000	1,590,000
Totals				0		1,510,000	80,000	1,590,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,590,000	0	0	0
Totals	0	1,590,000	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
08	10	Summit Road North Summit Rd SR 108 to Bear St. Full Depth Reclamation where possible, Resurface, widen, new curb and gutter, storm improvements, sidewalk, planter strips, and bike lanes where possible.	WA-05614	06/08/16	06/08/16		689	04	C O P S T W	0.420		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	2,037,000	108,000	2,145,000
Totals				0		2,037,000	108,000	2,145,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	2,145,000	0	0
Totals	0	0	2,145,000	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	11	S. 4th Street Downtown S. 4th St Simpson Ave to W. Fir St. Full Depth Reclamation, Resurface, widen, new curb and gutter, storm water system improvements, sidewalk on both sides of road separated from parking areas with planter strips, possible bicycle lanes.	WA-05615	06/08/16	06/08/16		689	04	C G O P S T W	0.140		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	1,232,000	65,000	1,297,000
Totals				0		1,232,000	65,000	1,297,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	1,297,000	0	0	0
Totals	0	1,297,000	0	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	12	S. 4th Street Residential S. 4th St W. Fir St to South City Limits Full Depth Reclamation, Resurface, new curb/gutter and sidewalks on both sides of roadway, planter strip separation from traffic, storm water improvements.	WA-05616	06/08/16	06/08/16		689	04	C G O P S T W	0.360		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	280,000	15,000	295,000
Totals				0		280,000	15,000	295,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	295,000	0	0
Totals	0	0	295,000	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	13	W. Maple Street Downtown W. Maple St S. 3rd St to S. 5th St Resurface, widen, new curb and gutter, storm, sidewalk, planter strip, and bike lane.	WA-05617	06/08/16	06/08/16		689	04	C G O P S T W	0.170		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2020		0	TIB	824,000	44,000	868,000
Totals				0		824,000	44,000	868,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	0	0	868,000	0	0
Totals	0	0	868,000	0	0

## Six Year Transportation Improvement Program From 2018 to 2023

Agency: McCleary

County: Grays Harbor

MPO/RTPO: SWW RTPO

N Inside

Y Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID  G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
00	14	W. Maple Street Residential W. Maple Street S. 5th Street to S. 7th Street Resurface, Curb/gutter and sidewalk on South side	WA-08006	06/08/16	06/08/16		689	04	C G O P S T W	0.150		No

Funding								
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	ALL	2018		0	TIB	110,000	10,000	120,000
Totals				0		110,000	10,000	120,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
ALL	110,000	0	0	0	0
Totals	110,000	0	0	0	0

	Federal Funds	State Funds	Local Funds	Total Funds
Grand Totals for McCleary	1,510,663	11,626,000	857,768	13,994,431

**TAB - J**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION IN RELATION TO FINANCIAL  
POLICIES.

R E C I T A L S:

1. The Clerk-treasurer has reported that, in furtherance of assuring consistent application of procedures in relation to certain operations of her office, she has developed draft policies. The Council has previously adopted policies in relation to "Inventory", "Cash Handling" and "Utility Billing". She is now requesting adoption of a policy entitled "Financial Policies."

2. A copy of the policy has been provided to the Council and Mayor for review.

3. After that review, it is found appropriate and in the Public's interest to adopt formally the policy in furtherance of the desire to maintain accountability as well as consistency of application.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: That document attached to this Resolution as Attachment #1, denominated "Financial Policies" shall be and is

hereby adopted as a policy of the City to be implemented by the Office of the Clerk-treasurer and the other departments which are involved in the administration of the covered activities.

SECTION II: The policy attached to this resolution shall take effect immediately upon adoption of this resolution.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2017, by the City Council of the City of McCleary, and signed in authentication thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF McCLEARY:

\_\_\_\_\_  
BRENT SCHILLER, Mayor

ATTEST:

\_\_\_\_\_  
WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
DANIEL O. GLENN, City Attorney

# City of McCleary Financial Policies

## Effective Date:

## Table of Contents

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- Section 3. Reserve Policies
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- Section 8. Debt Policies
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- Section 11. Investment Policy

## Section 1. Purpose

As stewards of the public's resources, the City Council and Mayor ensure sound financial management of the City over the long-term. The following set of Financial Policies provides consistent guidance to financial and budget decisions. This set of well- designed policies also provides assurances to the citizens, creditors, grantors and others interested in the City's financial condition that the city is operated in a fiscally sound manner.

## Section 2. Budget Policies

As required by State law, and by practical financial management, the City will annually prepare a balanced operating budget where projected resources meet or exceed projected needs. Additionally to be fiscally sound the budget will:

- Fund recurring operating expense with recurring revenues so that ongoing needs are not adversely impacted by the loss of one-time revenues.
- Allow for funding one-time needs with non-recurring revenues wherever possible.
- Provide sufficient resources to the Reserve Fund so that it can reasonably respond to critical unforeseen needs of the City without requiring the City to divert resources from other important services.
- Establish utility rates sufficient to provide net positive operating results and to meet or exceed any revenue bond coverage requirements.
- Align with Council and Citizen priorities.
- Get the best value for each tax dollar.
- Foster continuous learning in the City.
- Build regional cooperation.
- Measure progress towards priorities.

Annual operating budgets should provide for design, construction, maintenance and replacement of the City's capital, plant, and equipment consistent with the Capital Facilities Plan including the related cost for operating such new facilities.

The City will maintain all its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs.

### **Section 3. Reserve Policies**

Reserves provide important protections against the regular fluctuations of local economic conditions and the month-to-month variability of revenue collections. Reasonable reserves provide the working capital needed to support City operations through these cycles and should be set at a level that can sustain City operations for the most adverse conditions that can reasonably be expected. It is most useful to define reserves as a percentage of budgeted expenses so it can be readily converted to the number of days or months the City can operate without receiving additional revenues.

The City of McCleary maintains its accounting records on the cash basis of accounting where revenues and expenses are only recognized when revenues are actually received and expenses when actually paid. Therefore, to properly determine the amount of the reserve in any fund, known liabilities expected to be paid from current resources will be considered as an obligation of existing cash balances so that only the unobligated portion of the cash balance is used to determine the reserve amount.

### **Section 4. General Fund**

The City will strive to build and maintain sufficient General Operating Reserves at a level equal to at least 15% of the total General Fund budgeted revenue, including the beginning fund balance, development review revenue, and any significant one-time revenue. This reserve would exclude any nonrevenue and interfund loans within the current year. The reserve fund is to provide sufficient cash flow to meet daily financial needs and sustain City services in the event of a catastrophic event or a natural/manmade disaster such as an earthquake, windstorm, flood, terrorist attack or a major downturn in the economy. In general, the City shall endeavor to support ongoing operations with ongoing revenues, but may use reserves on a one-time basis to support City services pending the development of a longer term financial solution. However, in no event shall reserves be used longer than one year to support City operations. If reserves are used, the City will begin to replenish these reserves as soon as financially possible.

### **Section 5. Utilities**

The Light & Power, Water, Sewer and Storm Drainage utilities shall maintain sufficient cash reserves to provide for seasonal variability of revenues and to allow it to operate if a monthly billing cycle is disrupted for any reason or a disaster, natural or otherwise, takes place.

### **Section 6. Other Funds**

The other funds of the City are used to account for restricted revenue sources provided for a specifically defined service or expense. Any reserve requirements thought necessary for operations should be determined by the Mayor as part of the budget request.

## **Section 7. Accounting & Financial Reporting Policies**

The City utilizes a "funds" accounting system wherein monies restricted for specific purposes are accounted for in separate "funds" in accordance with national accounting practices. Unrestricted monies will be accounted for in the General Fund. The City maintains its accounting system on the cash basis of accounting as permitted by the State Auditor and will use the BARS chart of accounts as required by the State Auditor. Additionally, the City complies with the systems and controls prescribed by the Office of the State Auditor who establishes procedures and records which reasonably assure safeguarding of assets and the reliability of financial reporting.

The City prepares an annual financial report using the forms prescribed by the State Auditor and is audited on a schedule determined by the State Auditor and as prescribed by State law. The City may, from time-to-time, arrange for additional audits when considered beneficial to the City's operations. The State Auditor is required to examine the affairs of all local governments at least once every three years. The City is audited annually. The examination must include, among other things, the financial condition and resources of the City, whether the laws and constitution of the State are being complied with, the methods and accuracy of the accounts and reports of the City, and federally funded programs (grants) as required for a "single audit" under OMB A-133. Reports of the auditor's examinations are required to be filed in the Office of the State Auditor and in the finance department of the City. The Clerk-Treasurer prepares quarterly financial reports showing the budget versus actual revenues and actual expenses and projecting year end results for the General Fund and each utility fund.

## **Section 8. Debt Policies**

The City's ability to pledge its revenues in support of debt is a valuable "tool" for providing essential public services, but can threaten the City's financial flexibility and the City's credit rating if not used wisely. Excessive use of debt can also create an onerous tax burden on city property owners. Therefore, the City adopts the following policies to guide its use of debt:

- Debt will not be used to fund operating expenses, but will be used solely to fund capital expenses (which can include city costs associated with the capital project) and long-term obligations.
- Utility debt will be secured solely by the revenues of the utility or by special assessments in the case of Utility Local Improvement Districts (ULID's) and will not ordinarily be secured by a general pledge of the City's revenues.
- The City will annually prepare Schedules of Long-term Debt in the form prescribed by the State Auditor to report its debt outstanding and its compliance with State debt limits.

In the event of extreme economic circumstances or natural or manmade disaster the City will modify these policies to ensure the safety and security of the community.

## **Section 9. Short-Term Debt Policies**

Short-term debt is defined as a period of three years or less.

The City may use short-term debt to cover temporary cash flow shortages, which may be caused by a delay in receipting tax revenues or issuing long-term debt. The City will not use short-term debt for current operations.

The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short-term borrowing will be subject to Council approval by resolution as approved for interfund loans.

#### **Section 10. Long -Term Debt Policies**

Long-term debt is debt which exceeds three years.

The City will utilize long-term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows.

The City will not use long-term debt for current operations.

Lease purchase financing may be used when the cost of borrowing or other factors make it in the City's best interest.

The City may apply for low interest loan financing through state and federal programs such as the Department of Commerce, Public Works Board, Department of Ecology, Department of Health and any other program created for low interest financing of capital investments.

#### **Section 11. Investment Policy**

The City will invest some of its cash balances in a manner designed primarily to ensure monies are available for their intended purposes when they are needed. The Clerk-Treasurer will invest only in investment instruments authorized by State statutes. Investments in the State Treasurer's Local Government Investment Pool (LGIP) are considered reasonably diversified because of the asset allocation policies of the "pool."