

Gig Harbor City Council Meeting

**April 25, 2011
5:30 p.m.**



**AMENDED AGENDA FOR
GIG HARBOR CITY COUNCIL MEETING
Monday, April 25, 2011 – 5:30 p.m.**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of April 11, 2011.
2. Receive and File: a) PCRC Annual General Meeting Announcement; b) Minutes of April 4, 2011 Planning/Building Committee; c) Minutes of April 4, 2011 Finance / Safety Committee; d) 2011 First Quarter Financial Report; e) Gig Harbor Boat Shop 2010 Annual Report.
3. Liquor License Action: a) Renewals: Walgreens; Anthony's at Gig Harbor; Kelly's Café; Tanglewood Grill; Bistro Satsuma; and Blazing Onion Restaurant; b) Application: Farmers Market; c) Special Occasion – Soroptomists.
4. Correspondence / Proclamations: 2011 Travel and Tourism Week.
5. Resolution No. 860 – Amendments to 2011 Employee Flex Plan.
6. Boys and Girls Club Subgrant Agreement.
7. Boys and Girls Club HUD Agreement.
8. Eddon Boat Park – AHA-1 Property (DOE Approval of Memorandum of Understanding) – Amendment to Environmental Covenant.
- ~~9. Donkey Creek Restoration Project – Amendment to Engineering Contract with MSA.~~
10. Approval of Payment of Bills for April 25, 2011: Checks #66729 through #66823 in the amount of \$287,981.33.

PRESENTATIONS:

1. Swearing-in Ceremony: Reserve Officers Matthew Bell, Jennifer Moots and James Oxier.
2. Peninsula Communities of Faith - Plan to Assist and End Homelessness – Steve Wickline.

OLD BUSINESS:

1. Second Reading of Ordinance – Definition of Gross Income for B&O Utility Tax.

NEW BUSINESS:

1. First Reading of Ordinance – Establishing HBZ State Sales Tax Credit.

STAFF REPORT: Request to Use the Civic Center as a Voting Center.

PUBLIC COMMENT:

MAYOR'S REPORT / COUNCIL COMMENTS:

ANNOUNCEMENT OF OTHER MEETINGS:

1. Planning / Building Committee – Mon. May 2nd at 5:15 p.m.
2. City Council / Planning Commission Joint Worksession: Thu. May 12th at 5:30 p.m.

EXECUTIVE SESSION: For the purpose of discussing potential litigation per RCW 42.30.110(1)(i).

ADJOURN:

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – April 11, 2011

PRESENT: Councilmembers Young, Franich, Conan, Payne, Kadzik and Mayor Hunter. Councilmembers Ekberg and Malich were absent.

CALL TO ORDER: 5:31 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of March 28, 2011.
2. Receive and File: GHHWA Progress Report.
3. Correspondence / Proclamations: Parks Appreciation Day
4. Liquor License Action: a) Application – Rexall Drug; b) Special Occasion – Chamber of Commerce.
5. Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care Workshops.
6. Resolution No. 859 - Adding Skansie Netshed to the Gig Harbor Register of Historic Places.
7. Cushman Trail Culvert Repair – Amendment No. 1 to Interlocal Agreement.
8. Shorecrest Sewer System Rate Study and Connection Fees Analysis – Amendment No. 1 to Consultant Services Contract/Peninsula Financial Consulting.
9. Standard Service Area Agreement with Pierce County and the City of Gig Harbor Water Department.
10. Approval of Payment of Bills for April 11, 2011: Checks #66579 through #66728 in the amount of \$769,445.48.
11. Approval of Payroll for the Month of March: Checks #5871 through #5877 in the amount of \$311,375.19.

MOTION: Move to approve the Consent Agenda as presented.
Conan / Payne - unanimously approved.

SPECIAL PRESENTATIONS:

1. Recognition of Margaret Klockars, Hearing Examiner. Mayor Hunter read a certificate of appreciation recognizing Ms. Klockars for her contributions during the four years she served as the city's Hearing Examiner.

2. Parks Appreciation Day Proclamation - Robyn Denson. Mayor Hunter presented members of the Parks Commission Robyn Denson and Michael Perrow with the proclamation and thanked the Parks Commission for their hard work. Mr. Perrow gave a brief overview of the activities planned for April 16th.

3. Crescent Creek Playground Update: Robyn Denson and Stephanie Payne. Robyn Denson, Vice-Chair of the Parks Commission, presented a proposal to replace the aging playground equipment at City Park at Crescent Creek with a more ADA

accessible “destination” playground representing the unique character of Gig Harbor. She described a maritime theme utilizing a fishing boat as the focal element. Addressing the cost she said replacement of the existing structure would be about \$75,000. A destination playground would cost around \$200,000. Ms. Denson pointed out the age and condition of the current equipment and said that there is a group of parents offering to fund-raise. She introduced Stephanie Payne.

Stephanie Payne. Ms. Payne described her involvement with a group of Moms dedicated to playgrounds that allow kids of all abilities to play together. This group’s efforts resulted in the boundless playground at Sehmel Homestead Park. She said that they are interested in bringing another destination playground to Gig Harbor, which would be an opportunity for another staple hub to bring people to the downtown. She talked about some of the design components of the playground. Ms. Payne asked that Council discuss the project during the upcoming retreat and consider adding \$100,000 to the 2012 budget for the project. She said the group would partner with the city to raise the other \$100,000 over the next 18 months.

Ms. Denson and Ms. Payne addressed Council questions. Mayor Hunter recommended keeping up the existing park to ensure it would not go dormant during the fundraising efforts. Ms. Denson agreed, and said that the fundraising would be aggressive to keep people excited, and then the whole park could be overhauled at one time.

OLD BUSINESS:

1. Official City Newspaper. City Clerk Molly Towslee explained that the validity of the *Gig Harbor Life* as a legal newspaper had been raised after Council appointment of March 14th. She explained that *Gig Harbor Life* met the April 11th deadline to be added to the Pierce County Superior Court list of legal newspapers and recommended no further action.

Councilmember Payne said that although *Gig Harbor Life* had the most cost competitive bid, they did not meet the bid requirements and due to another mistake in the bidding process, he was compelled to rescind the vote.

MOTION: Move to rescind the March 14th approval of *Gig Harbor Life* as the official newspaper of Gig Harbor effective April 15th.
Payne / Young –

After discussing the cost effectiveness, circulation, deadlines and effectiveness of the two publications, it was suggested to go with the bid criteria and then open this up again next year for rebid.

RESTATED MOTION: Move to rescind the March 14th approval of *Gig Harbor Life* as the official newspaper of Gig Harbor effective April 15th.
Payne / Young – unanimously approved.

MOTION: Move to accept *The Peninsula Gateway* as the official newspaper of the City of Gig Harbor effective immediately.

Payne / Kadzik –

City Attorney Angela Belbeck responded to a question of the legality of staying with *Gig Harbor Life* by saying that it wouldn't be illegal, but it would not meet the typical bid process.

Mike Stevens, 7738 Paridot Place NW, Silverdale. Mr. Stevens, Community Publications Director for *The Kitsap Sun*, gave an overview of the family of Kitsap Sun publications, including *Gig Harbor Life*. He explained that they responded to the call for bids because they have long-served the legal needs of communities and because the free access and wide circulation of the *Gig Harbor Life* meets the intent of legal advertising. He added that it seems prudent to save the citizens' money in the process. Mr. Stevens emphasized that the Pierce County Superior Court document shows that they meet the legal requirements of a legal newspaper, adding that he does not see the error in Council's choice of *Gig Harbor Life*. He suggested that Council make that decision again.

Councilmember Franich spoke in support of staying with *Gig Harbor Life*. Mr. Stevens responded by saying that he feels they met the bid qualifications outlined in RCW 65.16.020 and now have further documentation to back that up.

Councilmember Payne apologized to Mr. Stevens, saying that he too supported the choice by relying upon information provided by staff. He explained that the bid documents referenced RCW 65.16 as a whole and so he is compelled to rescind the vote. He added that it would be just as effective to have our notices in *Gig Harbor Life*.

Mr. Stevens pointed out that it would also save the city \$6,000 that could go towards other things such as playground equipment. He said the city should do this in a manner that's legal, serves the legal needs at a price that saves the city money, and sends the message out to more people. He added that they are not a litigious company and so this will be the end of any action until the next time they can submit a bid.

RESTATED MOTION: Move to accept *The Peninsula Gateway* as the official newspaper of the City of Gig Harbor effective immediately.

Payne / Kadzik – unanimously approved.

NEW BUSINESS:

1. Arts Commission Request for Direction. City Administrator Rob Karlinsey introduced the subject of a Performing Arts Center. He introduced Julene Shaw, Gig Harbor Arts Commission and Ann Knapp from the newly formed Arts Alliance to address this project.

Ann Knapp - 5810 19th St. NW. Ms. Knapp presented information on the effort to bring a combination visual and performing arts facility to Gig Harbor. Ms. Knapp explained that they are still early in the planning process and will need people with expertise to guide them through. She said that they do not have a cost but said it could be anywhere from ten million to sixty million. She added that they are not asking the city for money, but for buy-in and an interest in partnering.

Council responded that the city is not able to support the effort monetarily, but the Gig Harbor Arts Commission could continue to be; when a site is located and funding is secured, the city could help with zoning concerns.

Julene Shaw – GHAC. Representing the Arts Commission, Ms. Shaw voiced their unanimous vocal and emotional support of a performing arts facility. She said they understand that the city cannot commit monetarily but said that if the City Council is supportive it makes it easier to campaign. She encouraged a visit to other similar cities that have such a facility.

Councilmembers suggested discussing this at the upcoming retreat and the possibility of coming back with a proclamation of support at a later date.

Matt Meacham – 4215 61st St. Ct NW. Mr. Meacham, member of the Board of Directors for the Peninsula Youth Symphony, spoke in favor of a performing arts center. He gave an overview of the PYS growth, saying they have outgrown local venues. He said that he also serves on the Board for the Gig Harbor Boat Shop and that that having a place for a hot crafts / bronzing program is a wonderful idea that could bring back historic maritime metalwork projects. He said that community arts centers require a long-term commitment and what they are looking for at this time is quality of commitment rather than quantity of dollars; a commitment that will continue to pay off 20-30 years from now.

2. First Reading of Ordinance – Definition of Gross Income for B&O Utility Tax.

Finance Director David Rodenbach presented the background information for this ordinance that would allow accrual based businesses to deduct for bad debt write-offs. He said that the Finance/Safety Committee reviewed the ordinance requested by Peninsula Light Company, but wasn't supportive. He explained that if the ordinance is adopted, the cost to the general fund would be approximately \$2,500 a year.

Mr. Rodenbach was asked if the discussion from the Finance/Safety Committee was based on fiscal concern. He responded that it was more about unrelated relationship issues with Peninsula Light. Councilmember Payne added that the committee members did consider this fiscally as well and determined that although it's not a lot of money there is no compelling argument to move forward.

Councilmember Franich commented on the unfairness of the B & O tax and said it should be a fiscal decision for the city.

Mr. Karlinsey further explained that Peninsula Light wanted this ordinance in place in case a bill that would have allowed counties to impose utility taxes passed. He said that that bill recently died in the State Legislature.

Bob Dragoo – 11318 65th Ave. Representing Peninsula Light, Mr. Dragoo spoke in favor of the ordinance by saying it would be consistent with state practice, pre-emptive if the County is allowed to request a utility tax, and is a fairness issue. He asked why the company should pay taxes to the city on money they are unable to collect.

Councilmembers were encouraged to contact staff for further clarification on the how Finance Committee recommendation before the next reading. Mr. Rodenbach addressed how the city handles bad debt.

3. Maritime Pier Restroom Contribution Agreements - Sunshine LLC and Dylan Enterprises (Tides Tavern). City Administrator Rob Karlinsey presented the background information for these agreements to allow contribution toward construction of a public restroom at the Maritime Pier location in exchange for certain key points. He addressed Council questions regarding the possibility of future placement of fuel tanks on the site.

MOTION: Authorize the Mayor to execute the Maritime Pier Restroom Contribution Agreements with Sunshine LLC and Dylan Enterprises.
Payne / Kadzik – unanimously approved.

4. Tides Tavern Shed License Agreement - Dylan Enterprises. Rob Karlinsey gave an overview of the key points for the allowing the shed located on city right-of-way to remain for twenty-years with an option for a five-year extension. He addressed Council questions.

MOTION: Authorize the Mayor to execute the Tides Tavern Shed License Agreement with Dylan Enterprises.
Payne / Conan – unanimously approved.

STAFF REPORT:

Donkey Creek Daylighting Project – Rob Karlinsey provided background for this long-term project. He explained that the city has received two federal appropriations, a state grant for the estuary portion of the project, and some funds have been budgeted from the stormwater capital account. He asked City Engineer Steve Misiurak to present the information on the recommendation to reduce the scope of the project from the original concept.

Mr. Misiurak gave an overview of meetings with the consultant Murray, Smith & Associates, the State Department of Fish and Wildlife, and contractors. He described the three options that have been discussed and the challenges and cost of each. He said that the most recent value-engineer study has led to a recommendation to let the current 30" culvert remain and add on a 22 foot plate-arch culvert to daylight to the

stream. He said that the cost for this option could be funded by the funding already in place and The History Museum has agreed to provide the necessary easement. He continued to give a more detailed description of this option and the next steps to move forward. Rob Karlinsey described some of the amenities of the reduced scope saying that this does not preclude realization of the full project when and if the funding is available.

Mr. Misiurak, Senior Planner Emily Appleton and Special Project Coordinator Lita Dawn Stanton addressed questions about the project.

Councilmember Payne complimented MSA Consultants and staff for working through the issues. He then voiced disappointment that this proposal is so far from the original goal to daylight the creek and improve pedestrian traffic.

Staff continued to answer questions about the elements and cost of the project. Ms. Appleton explained that reason that all three options went over budget was due to the additional wall required for stabilizing around the excavation for the culvert and also for stabilizing Austin Street.

Councilmember Conan echoed the comments by Councilmember Payne. He said that he doesn't think we will go back and finish later and that although he is in favor of daylighting the creek, but he doesn't feel good about spending this kind of money and not getting what we want. He said he would rather hold off until we have the money to do the whole project.

Mayor Hunter stressed that we are in the position of losing the grants and we would need at least another million dollars to do the whole project. Ms. Stanton responded to questions by saying that we need to construct within two years to keep the grants adding that each grant is dependent upon the other.

Councilmember Young commented that this option is way different than what he has been describing and asked when we changed direction. Mayor Hunter responded that they have been working on a solution that would satisfy the Department of Fish and Wildlife since Thanksgiving. Councilmember Young voiced reluctance to go forward with this option because it is so far removed from the original concept but said that giving up the grants seems foolish.

Councilmember Payne commented that he hoped for significant traffic improvements at that intersection but this option doesn't seem change to the flow much. Councilmembers agreed that this requires more discussion on options and asked that it be added to the retreat agenda.

Councilmember Franich commented that this idea has been around a long time with competing views on what will improve traffic flow and what the project is really about. He objected to spending 2.8 million dollars of public money, and said that the grants

should be returned. He said in today's fiscal condition, the city should be focusing on critical issues such as road improvements.

Rob Karlinsey recognized City Attorney Angela Belbeck for her work with Sunshine LLC and Dylan Enterprises on the agreements just adopted. He also thanked Emily Appleton for coming tonight to address the Donkey Creek Daylighting project as she went home from work not feeling well.

PUBLIC COMMENT:

Mark Hoppen – 8133 Shirley Avenue. Mr. Hoppen made three comments: 1) Will the fish biology be improved by daylighting Donkey Creek? If so, then the city should move forward with the project (as it was his idea); 2) Its better for the public to have better, more timely access to public noticing and so the official newspaper should be both a local paper *and* a daily publication; and 3) The proposed performing arts facility relates to how you plan for the future. What gets built is what is included in the Comprehensive Plan. He mentioned the Boys & Girls Club, YMCA, and History Museum as examples of this. He suggested that the city should be the leader in a multi-agency discussion, adding that wherever it's located it will draw a lot of people and will benefit the city.

MAYOR'S REPORT / COUNCIL COMMENTS:

Councilmember Conan announced the swearing in ceremony for Fire Chief John Burgess, who is only the fourth Fire Chief in the history of this career fire district. He mentioned that when it became a career district in 1950, the first Fire Chief sworn in replaced his Grandfather.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Disaster Preparation Forum – Tue. Apr. 12th at 6:00 p.m.
2. Council Retreat – Fri. Apr. 22nd at 8:30 a.m.
3. Parks Appreciation Day – Sat. Apr 16th

ADJOURN:

MOTION: Move to adjourn at 8:03 p.m.
Franich / Conan – unanimously approved.

CD recorder utilized: Tracks 1002 – 1025

Charles L. Hunter, Mayor

Molly Towslee, City Clerk

From: Sheila Rogers [SRogers@psrc.org]
Sent: Friday, April 08, 2011 1:48 PM
To: Sheila Rogers
Subject: Mark your calendar: PSRC General Assembly, May 26, 2011

Puget Sound Regional Council

2011 Annual General Assembly

save the date!
Thursday — May 26, 2011

Business Meeting — No-Host Reception
Seattle City Hall
600 Fourth Avenue — Seattle, WA 98124

The Puget Sound Regional Council General Assembly includes all mayors, county executives, commissioners, and councilmembers of PSRC member jurisdictions and tribes. Each elected representative is a voting member of the General Assembly.

Registration is expected to begin at 3:30 P.M. **More details to follow.**



For more information contact Sheila Rogers at 206-464-5815 or srogers@psrc.org.

If you are having trouble reading this email, visit <http://www.psrc.org/about/boards/assembly>.

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CITY OF GIG HARBOR
PLANNING AND BUILDING
COMMITTEE MEETING - MINUTES

DATE of MEETING: April 4, 2011
TIME: 5:20 pm
LOCATION: Planning/Building Conference Room
MEMBERS PRESENT: Councilmembers Kadzik, Conan and Young
STAFF PRESENT: Planning Director Tom Dolan
OTHERS PRESENT: Jon Moist
SCRIBE: Tom Dolan

1. CHAIR OF THE COMMITTEE.

The committee voted to retain Paul Kadzik as committee chair (unanimous).

2. WATERFRONT MILLVILLE RESTAURANT DEVELOPMENT REGULATIONS TEXT AMENDMENT.

DISCUSSION POINTS

The committee discussed the application for a code amendment that would allow Restaurant Level 1's in the Waterfront Millville District to 1) extend the hours of operation to 7:00 a.m. to 9:00 p.m.; 2) allow Restaurant Level 1's to be up to 1,200 square feet in size and; 3) allow Restaurant Level 1 restaurants to serve beer and wine. Staff had previously provided a memo dated 3/31/11 outlining two possible options for a code amendment.

RECOMMENDATION / ACTION / FOLLOW-UP

After discussion, the committee voted to recommend bringing Option 1(below) to the entire City council for direct consideration. In addition, the committee decided to retain the requirement that Restaurant Level 1's obtain a conditional use permit in the Waterfront Millville District.

Meeting adjourned at 5:50 p.m.

Option 1: Definition Change

Proposed Language:

17.04.702 Restaurant 1.

“Restaurant 1” means an establishment that serves food and nonalcoholic beverages and operates without a grill or deep-fat fryer. Beer and wine may be served in a restaurant 1 establishment provided the restaurant 1 use does not exceed 1,200 square feet in size.

17.48.035 Hours of operation. (WM only)

A. The following uses shall be limited to operating between the hours of 7:00 a.m. to 7:00 p.m., daily:

- 1. ~~A.~~ Sales, level 1;
- ~~B.~~ Restaurant 1;
- 2. ~~C.~~ Boat construction;
- 3. ~~D.~~ Clubs.

B. Restaurant 1 uses shall be limited to operating between the hours of 7:00 a.m. to 9:00 p.m., daily.

**CITY OF GIG HARBOR
COMMITTEE OUTLINE MINUTES**

City of Gig Harbor Finance and Safety Committee
(Council Committee Ekberg, Malich, and Payne)

Date: April 4, 2011

Time: 4:00 p.m.

Location: Executive Conf Rm.

Scribe: Jaci Auclair

Commission Members and Staff Present: Steve Ekberg, Ken Malich, Tim Payne, David Rodenbach, Lieutenant Bill Colberg, Sergeant Sharon Cox, and Barb Tilotta.

Others Present: Jeff Lange, Gig Harbor resident

Absent:

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
NEW BUSINESS		
1. Panhandler Ordinance.	Councilmember Steve Ekberg called the meeting to order and began by addressing the panhandlers' ordinance. Gig Harbor resident, Jeff Lange, was in attendance for this topic. Mr. Ekberg asked Lieutenant Colberg and Sergeant Cox to answer questions from the committee members. Councilmember Malich stated that he initiated an encounter with a panhandler named John and described the meeting as unobjectionable. He also stated he has not heard negative comments from the community regarding the panhandlers. Mr. Ekberg asked the officers what kind of time is being spent on calls and the nature of complaints related to the panhandlers. Sergeant Cox stated that the original two panhandlers identified are not homeless, they reside in Lakewood, are well-known	Finance committee advised staff to present the ordinance to the city attorney and then to city council.

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
	<p>to law enforcement on both sides of the bridge, and they come to Gig Harbor because there is nothing to prevent them and the residents here are generous. Some calls to the police department are solely because of the panhandlers' appearance in Gig Harbor, but mostly, complaints are traffic-jam related due to drivers giving out money. However, the panhandlers have perpetrated crimes such as shoplifting, mugging and bank robbery. Mr. Ekberg pointed out that these crimes are not being committed on the sidewalk and there are current laws in place to deal with them. Sergeant Cox stated that word has now spread to other panhandlers, increasing their numbers, and creating feuds between the panhandlers themselves. She even related one incident where a resident, known to have a violent history and who owns firearms, assaulted one of the panhandlers. There is another panhandler who has been approaching citizens in grocery store parking lots, oftentimes in an intoxicated state. This activity is generating extensive police response. Lieutenant Colberg stated many surrounding communities have ordinances in place to handle this issue; the City of Tacoma having one that has been modeled by many other communities. As a result, the panhandlers are being pushed out of those communities and the word is out that we are a lucrative location. Lieutenant</p>	

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
	<p>Colberg and Sergeant Cox said they would use an ordinance by first educating the panhandler community of the ordinance's existence and advise them to move on; if the problem persisted, they could be fined or arrested. Mr. Ekberg stated that, while there are current laws in place to deal with the crimes being committed, and he is concerned with the preservation of free of speech and congregation, he is willing to look at a draft ordinance. Mr. Malich said he is opposed to an ordinance, being mostly concerned with safety issues, but will entertain an ordinance. Mr. Payne suggested that these panhandlers are not generally down-and-out; they are in business as a professional crew. Given the direct connection between the panhandlers and these crimes, he is in favor of bringing an ordinance for review. Mr. Lange departed at the conclusion of this topic.</p>	
<p>2. Reduced Rate Ordinance for Seniors and the Disabled.</p>	<p>Based upon a request from a Gig Harbor resident, Finance Director, David Rodenbach, introduced the idea of offering utility rate discounts to low income disabled customers. According to the National Bureau of Economic Research, this group would equate to approximately 4% of the population, constituting a potential loss of approximately \$40,000 per year in utility revenue. Mr. Rodenbach recommended an amendment to the</p>	<p>Committee members directed staff to draft an ordinance for city attorney review and city council consideration.</p> <p>The committee separately directed staff to research the creation of a designated assistance fund to which citizens could donate.</p>

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
	<p>already existing low income senior discount ordinance to include low income disabled customers. He also indicated that applicable rates could be reviewed during the rate study due in 2-3 years.</p> <p>Councilmember Payne asked if the city could establish a fund to which citizens could donate for low income assistance. Mr. Rodenbach indicated he would look into the possibility and report back.</p>	
3. B&O Utility Tax Amendment.	Mr. Rodenbach stated that Peninsula Light requested a credit on their city business & occupation tax for their uncollectable accounts. His research, confirmed by the city attorney, showed that credits are prohibited by the city municipal code. Mr. Rodenbach is presenting to the finance committee for review; the annual financial impact would be approximately \$1,400 annually and would require a simple one line fix to the GHMC. He also indicated that the state and other cities offer this type of credit on uncollectable accounts.	Committee members unanimously rejected the request until which time Peninsula Light begins the process of burying power lines.
4. Five Year Forecast.	Mr. Rodenbach gave an overview of the five year forecast and answered questions from committee members.	No further action at this time.
5. Reduced Rate for Storm Charges	Mr. Rodenbach introduced the possibility of offering reduced rates for storm	Committee members directed staff to draft an ordinance for city attorney review and

Next Meeting: December 20, 2010 at 4:00 p.m.

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
Meeting adjourned at 5:10 p.m.	drainage charges for low income seniors and disabled. Currently, reduced rates are only offered for water and sewer.	city council consideration. Committee members also directed staff to create a color-coded map depicting the utility accounts throughout the city.

Next Meeting: December 20, 2010 at 4:00 p.m.



TO: MAYOR HUNTER AND CITY COUNCIL
FROM: DAVID RODENBACH, FINANCE DIRECTOR *DR*
DATE: APRIL 25, 2011
SUBJECT: 1st QUARTER FINANCIAL REPORTS

The financial reports for the first quarter of 2011 are attached.

Total resources, including revenues and beginning cash balances for all funds, are 57% of the annual budget (as compared to 35% and 54% in 2009 and 2010 respectively). Beginning fund balance for all funds in the current fiscal year was \$18,834,261. Revenues, excluding beginning cash balances, are at 18% of budget, while expenditures are at 16%.

General Fund first quarter revenues (excluding beginning balance) are at 21% of budget as compared to 24% for the same period last year. Sales and city utility tax revenues are on pace to meet budget. If the present pace continues, building permit fees are on track to exceed budget by \$200,000 (37%); while planning and land use fees are tracking to fall short of budget by \$20,000.

General Fund expenditures are at 18% of budget. All General Fund departments are within first quarter budgeted expenditures.

Water, Sewer and Storm operating fund revenues are at 25%, 21% and 22% of budget; this compares to first quarter 2010 as follows: 24%, 22% and 19% respectively. Water, Sewer and Storm expenditures are at 22%, 24% and 22% through the end of the first quarter. For the same period in 2010 the expenditures were 12%, 22% and 13% of budget, respectively.

All funds have adequate cash on hand at this time to meet upcoming obligations.

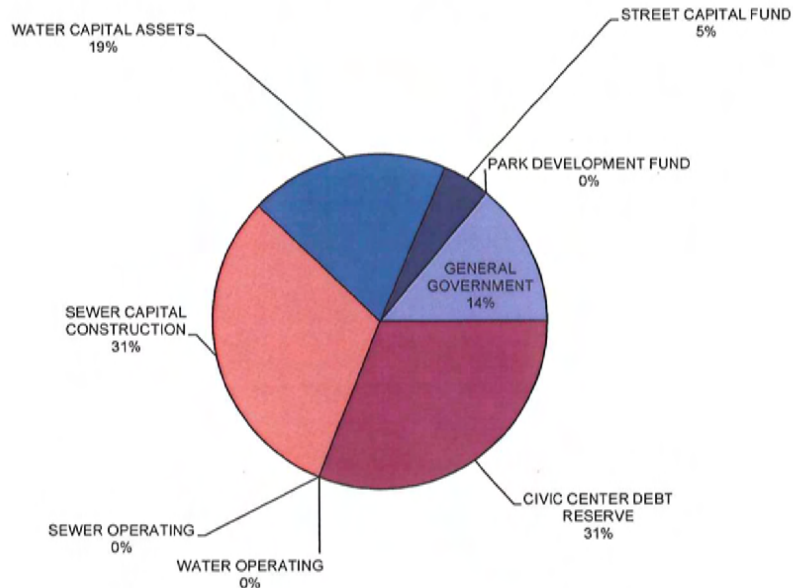
**CITY OF GIG HARBOR
CASH AND INVESTMENTS
YEAR TO DATE ACTIVITY
AS OF MARCH 31, 2011**

FUND NO.	DESCRIPTION	BEGINNING BALANCE	REVENUES	EXPENDITURES	OTHER CHANGES	ENDING BALANCE
001	GENERAL GOVERNMENT	\$ 1,625,537	\$ 1,963,095	\$ 1,767,729	\$ (140,237)	\$ 1,680,667
101	STREET FUND	432,205	61,188	293,071	4,967	205,289
102	STREET CAPITAL FUND	510,149	199,436	71,136	(74,213)	564,237
105	DRUG INVESTIGATION FUND	5,897	2,503	-	(150)	8,250
106	DRUG INVESTIGATION FUND	34,075	19	-	1	34,095
107	HOTEL-MOTEL FUND	97,817	46,025	31,612	(3,932)	108,298
108	PUBLIC ART CAPITAL PROJECTS	91,787	51	-	-	91,838
109	PARK DEVELOPMENT FUND	492,075	45,708	98,861	(181,930)	256,992
110	CIVIC CENTER DEBT RESERVE	3,983,655	2,109	200,000	-	3,785,765
111	STRATEGIC RESERVE FUND	-	280,156	-	-	280,156
112	EQUIPMENT RESERVE FUND	-	50,028	-	-	50,028
208	LTGO BOND REDEMPTION	41,478	53	-	-	41,531
209	2000 NOTE REDEMPTION	18,610	11,557	-	-	30,167
210	LID NO. 99-1 GUARANTY	95,237	53	-	-	95,290
211	UTGO BOND REDEMPTION	180,670	(3,598)	-	5,733	182,805
301	PROPERTY ACQUISITION FUND	115,953	49,948	-	-	165,901
305	GENERAL GOVT CAPITAL IMPR	124,360	45,051	-	3,267	172,679
309	IMPACT FEE TRUST	318,022	47,305	-	13,900	379,227
401	WATER OPERATING	208,566	316,963	220,422	(59,624)	245,483
402	SEWER OPERATING	341,899	702,972	549,587	(145,702)	349,582
407	UTILITY RESERVE	1,325,893	739	-	-	1,326,632
408	UTILITY BOND REDEMPTION	4,902	125,044	12,254	-	117,692
410	SEWER CAPITAL CONSTRUCTION	5,754,371	115,471	1,435,902	(663,527)	3,770,413
411	STORM SEWER OPERATING FUND	268,469	167,923	155,576	82,042	362,858
412	STORM SEWER CAPITAL	449,520	15,334	2,183	(1,615)	461,056
420	WATER CAPITAL ASSETS	2,311,006	88,104	40,179	(9,581)	2,349,350
605	LIGHTHOUSE MAINTENANCE TRUST	2,107	1	-	(1)	2,108
631	MUNICIPAL COURT	-	30,987	30,987	-	-
		\$ 18,834,261	\$ 4,364,227	\$ 4,909,497	\$ (1,170,602)	\$ 17,118,389

**COMPOSITION OF CASH AND INVESTMENTS
AS OF MARCH 31, 2011**

	MATURITY	RATE	BALANCE
CASH ON HAND			\$ 300
CASH IN BANK			770,792
LOCAL GOVERNMENT INVESTMENT POOL		0.2300%	16,347,297
			\$ 17,118,389

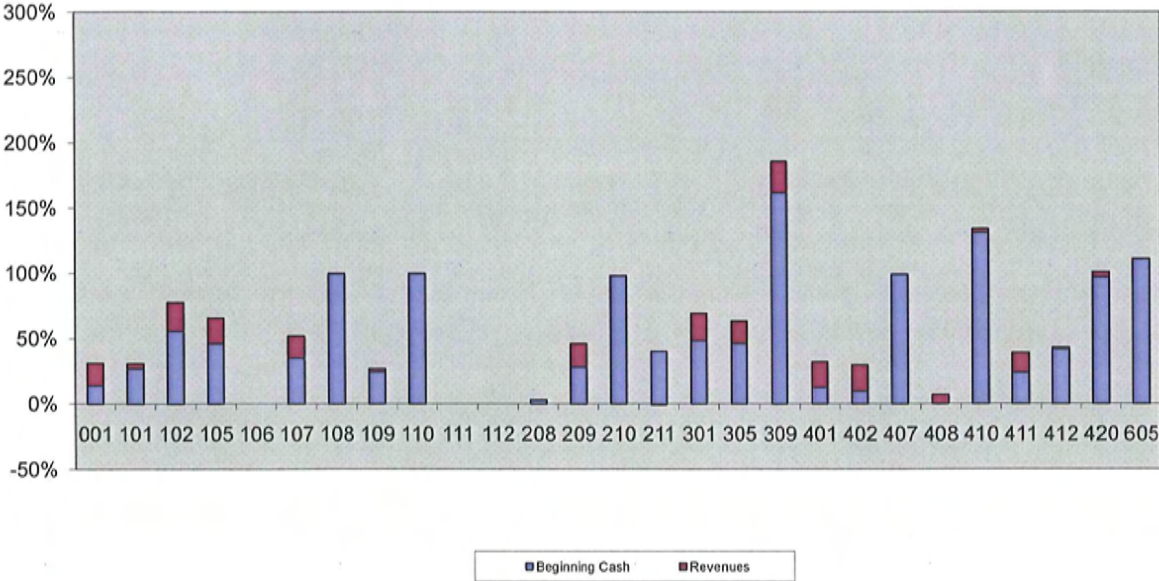
Ending Cash Balances by Fund



CITY OF GIG HARBOR
YEAR-TO-DATE RESOURCE SUMMARY
AND COMPARISON TO BUDGET
AS OF MARCH 31, 2011

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$ 11,475,566	\$ 3,588,632	\$ 7,886,934	31%
101	STREET FUND	1,593,266	493,393	1,099,874	31%
102	STREET CAPITAL FUND	911,556	709,585	201,971	
105	DRUG INVESTIGATION FUND	12,776	8,400	4,376	66%
106	DRUG INVESTIGATION FUND	34,071	34,094	(23)	
107	HOTEL-MOTEL FUND	276,430	143,842	132,588	52%
108	PUBLIC ART CAPITAL PROJECTS	91,938	91,838	100	100%
109	PARK DEVELOPMENT FUND	1,986,919	537,783	1,449,135	27%
110	CIVIC CENTER DEBT RESERVE	3,989,426	3,985,765	3,661	100%
111	STRATEGIC RESERVE FUND	280,000	280,156	(156)	
112	EQUIPMENT RESERVE FUND	50,000	50,028	(28)	
208	LTGO BOND REDEMPTION	1,370,824	41,531	1,329,293	3%
209	2000 NOTE REDEMPTION	65,296	30,167	35,129	46%
210	LID NO. 99-1 GUARANTY	97,032	95,290	1,742	98%
211	UTGO BOND REDEMPTION	448,272	177,072	271,200	40%
301	PROPERTY ACQUISITION FUND	238,761	165,901	72,860	69%
305	GENERAL GOVT CAPITAL IMPR	267,561	169,412	98,149	63%
309	IMPACT FEE TRUST	196,407	365,327	(168,920)	186%
401	WATER OPERATING	1,630,318	525,529	1,104,789	32%
402	SEWER OPERATING	3,522,988	1,044,871	2,478,116	30%
407	UTILITY RESERVE	1,336,291	1,326,632	9,659	99%
408	UTILITY BOND REDEMPTION	1,854,697	129,946	1,724,751	7%
410	SEWER CAPITAL CONSTRUCTION	4,376,516	5,869,842	(1,493,327)	
411	STORM SEWER OPERATING FUND	1,115,176	436,392	678,785	39%
412	STORM SEWER CAPITAL	1,074,092	464,854	609,238	43%
420	WATER CAPITAL ASSETS	2,379,995	2,399,111	(19,116)	
605	LIGHTHOUSE MAINTENANCE TRUST	1,900	2,109	(209)	
631	MUNICIPAL COURT		30,987	(30,987)	
		\$ 40,678,072	\$ 23,198,488	\$ 17,479,584	57%

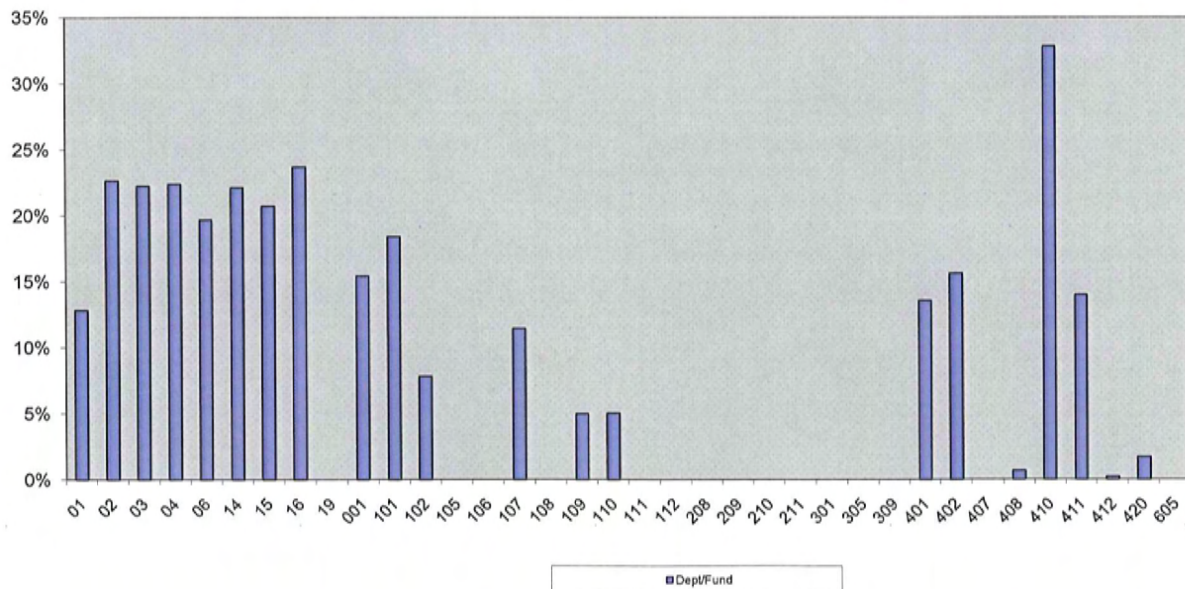
Resources as a Percentage of Annual Budget



CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING MARCH 31, 2011

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$ 3,166,427	\$ 406,250	\$ 2,760,177	13%
02	LEGISLATIVE	29,350	6,644	22,706	23%
03	MUNICIPAL COURT	360,750	80,294	280,456	22%
04	ADMINISTRATIVE/FINANCIAL	1,290,800	289,189	1,001,611	22%
06	POLICE	2,846,352	560,157	2,286,195	20%
14	COMMUNITY DEVELOPMENT	1,200,050	265,702	934,348	22%
15	PARKS AND RECREATION	483,175	100,135	383,040	21%
16	BUILDING	250,330	59,358	190,972	24%
19	ENDING FUND BALANCE	1,848,330	-	1,848,330	
001	TOTAL GENERAL FUND	11,475,564	1,767,729	9,707,835	15%
101	STREET FUND	1,593,266	293,071	1,300,195	18%
102	STREET CAPITAL FUND	911,556	71,136	840,420	8%
105	DRUG INVESTIGATION FUND	12,776	-	12,776	
106	DRUG INVESTIGATION FUND	34,071	-	34,071	
107	HOTEL-MOTEL FUND	276,430	31,612	244,818	11%
108	PUBLIC ART CAPITAL PROJECTS	91,938	-	91,938	
109	PARK DEVELOPMENT FUND	1,986,919	98,861	1,888,058	5%
110	CIVIC CENTER DEBT RESERVE	3,989,426	200,000	3,789,426	5%
111	STRATEGIC RESERVE FUND	280,000	-	280,000	
112	EQUIPMENT RESERVE FUND	50,000	-	50,000	
208	LTGO BOND REDEMPTION	1,370,824	-	1,370,824	
209	2000 NOTE REDEMPTION	65,297	-	65,297	
210	LID NO. 99-1 GUARANTY	97,032	-	97,032	
211	UTGO BOND REDEMPTION	448,272	-	448,272	
301	PROPERTY ACQUISITION FUND	238,761	-	238,761	
305	GENERAL GOVT CAPITAL IMPR	267,561	-	267,561	
309	IMPACT FEE TRUST	196,407	-	196,407	
401	WATER OPERATING	1,630,320	220,422	1,409,898	14%
402	SEWER OPERATING	3,522,989	549,587	2,973,402	16%
407	UTILITY RESERVE	1,336,291	-	1,336,291	
408	UTILITY BOND REDEMPTION	1,854,697	12,254	1,842,444	1%
410	SEWER CAPITAL CONSTRUCTION	4,376,516	1,435,902	2,940,614	33%
411	STORM SEWER OPERATING FUND	1,115,176	155,576	959,600	14%
412	STORM SEWER CAPITAL	1,074,092	2,183	1,071,909	0%
420	WATER CAPITAL ASSETS	2,379,995	40,179	2,339,816	2%
605	LIGHTHOUSE MAINTENANCE TRUST	1,900	-	1,900	
631	MUNICIPAL COURT	-	30,987	(30,987)	
		\$ 40,678,076	\$ 4,909,497	\$ 35,768,579	12%

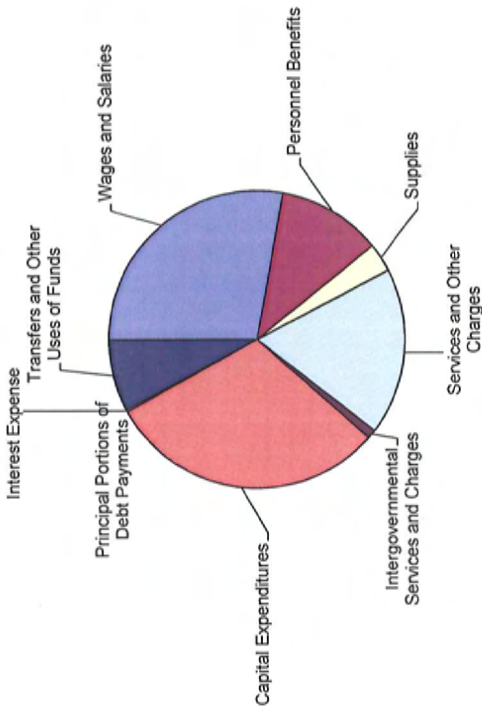
Expenditures as a Percentage of Annual Budget



CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
BY TYPE
FOR PERIOD ENDING MARCH 31, 2011

TYPE OF EXPENDITURE	AMOUNT
Wages and Salaries	\$ 1,367,613
Personnel Benefits	556,117
Supplies	153,668
Services and Other Charges	894,591
Intergovernmental Services and Charges	47,074
Capital Expenditures	1,494,258
Principal Portions of Debt Payments	-
Interest Expense	12,254
Transfers and Other Uses of Funds	383,923
Total Expenditures	4,909,497
Ending Cash Balance	17,118,389
Total Uses	\$ 22,027,886

Expenditures by Type - All Funds

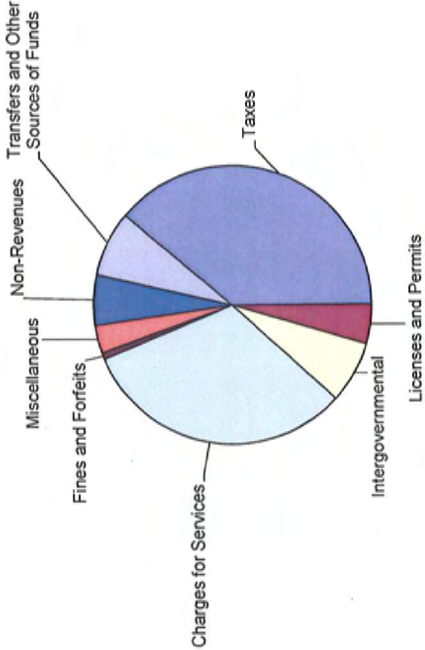


CITY OF GIG HARBOR
YEAR-TO-DATE REVENUE SUMMARY
BY TYPE
FOR PERIOD ENDING MARCH 31, 2011

TYPE OF REVENUE	AMOUNT
Taxes	\$ 1,692,330
Licenses and Permits	202,461
Intergovernmental	315,813
Charges for Services	1,391,358
Fines and Forfeits	33,285
Miscellaneous	141,590
Non-Revenues	257,390
Transfers and Other Sources of Funds	330,000
Total Revenues	4,364,227
Beginning Cash Balance	18,834,261
Total Resources	\$ 23,198,488

diff \$ 1,170,603

Revenues by Type - All Funds



CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2011

	SPECIAL REVENUE FUNDS											
	001 GENERAL GOVERNMENT	101 STREET	102 ST CAP	105 DRUG INVESTIGTN	106 DRUG INVESTIGTN	107 HOTEL - MOTEL	108 PUBLIC ART PROJECTS	109 PARK DVL P FUND	110 CIVIC CTR DEBT RSRV	111 STRATEGIC RESERVE	112 EQUIPMENT RESERVE	
ASSETS												
CASH	\$ 75,772	\$ 9,244	\$ 25,406	\$ 371	\$ 1,535	\$ 4,876	\$ 4,135	\$ 11,572	\$ 170,465	\$ 12,615	\$ 2,253	
INVESTMENTS	1,604,895	196,045	538,830	7,878	32,559	103,422	87,703	245,421	3,615,300	267,541	\$ 47,775	
RECEIVABLES	1,174,066	41,790	55,690	-	-	39,989	-	-	-	-	-	
FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	
OTHER	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	2,854,733	247,079	619,926	8,250	34,094	148,288	91,838	256,992	3,785,765	280,156	50,028	
LIABILITIES												
CURRENT	17,839	75,567	-	-	-	-	-	10,297	-	-	-	
LONG TERM	4,598	13,987	-	-	-	-	-	-	-	-	-	
TOTAL LIABILITIES	22,436	89,555	-	-	-	-	-	10,297	-	-	-	
FUND BALANCE:												
BEGINNING OF YEAR	2,636,930	389,408	491,626	5,747	34,075	133,874	91,787	299,848	3,983,655	-	-	
Y-T-D REVENUES	1,963,095	61,188	199,436	2,503	19	46,025	51	45,708	2,109	280,156	50,028	
Y-T-D EXPENDITURES	(1,767,729)	(293,071)	(71,136)	-	-	(31,612)	-	(98,861)	(200,000)	-	-	
ENDING FUND BALANCE	2,832,296	157,525	619,926	8,250	34,094	148,288	91,838	246,695	3,785,765	280,156	50,028	
TOTAL LIAB. & FUND BAL.	2,854,733	247,079	619,926	8,250	34,094	148,288	91,838	256,992	3,785,765	280,156	50,028	

CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2011

	SPECIAL REVENUE FUNDS										TOTAL SPECIAL REVENUE	
	301 PROPERTY ACQUISITION	305 GEN GOVT CAPITAL IMP	309 IMPACT TRUST FUND	605 LIGHTHOUSE MAINT	607 EDDON BOATYARD	608 FHS TRFC MITIGATION	631 MUNICIPAL COURT					
ASSETS												
CASH	\$ 7,470	\$ 7,775	\$ 17,076	\$ 95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,889	
INVESTMENTS	158,431	164,903	362,151	2,014	-	-	-	-	-	-	5,829,972	
RECEIVABLES	-	-	-	-	-	-	-	-	-	-	137,470	
FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	
OTHER	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	165,901	172,679	379,227	2,109	-	-	-	-	-	-	6,242,331	
LIABILITIES												
CURRENT	-	3,267	22,240	-	-	-	-	-	-	-	111,371	
LONG TERM	-	-	-	-	-	-	-	-	-	-	13,987	
TOTAL LIABILITIES	-	3,267	22,240	-	-	-	-	-	-	-	125,359	
FUND BALANCE:												
BEGINNING OF YEAR	115,953	124,360	309,682	2,107	-	-	-	-	-	-	5,982,121	
Y-T-D REVENUES	49,948	45,051	47,305	1	-	-	-	-	-	-	829,529	
Y-T-D EXPENDITURES	-	-	-	-	-	-	-	-	-	-	(694,679)	
ENDING FUND BALANCE	165,901	169,412	356,987	2,109	-	-	-	-	-	-	6,116,972	
TOTAL LIAB. & FUND BAL.	\$ 165,901	\$ 172,679	\$ 379,227	\$ 2,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,242,331	

CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2011

	208 LTGO BOND REDEMPTION*****	209 2000 NOTE REDEMPTION*****	210 LID 99-1 GUARANTY	211 UTGO BOND REDEMPTION*****	TOTAL DEBT SERVICE
ASSETS					
CASH	\$ 1,870	\$ 1,358	\$ 4,291	\$ 8,231	\$ 15,750
INVESTMENTS	39,661	28,808	90,999	174,574	334,043
RECEIVABLES	-	-	-	6,215	6,215
FIXED ASSETS	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL ASSETS	41,531	30,167	95,290	189,020	356,008
LIABILITIES					
CURRENT	-	-	-	12,820	12,820
LONG TERM	-	-	-	2,450	2,450
TOTAL LIABILITIES	-	-	-	15,269	15,269
FUND BALANCE:					
BEGINNING OF YEAR	41,478	18,610	95,237	177,349	332,674
Y-T-D REVENUES	53	11,557	53	(3,598)	8,065
Y-T-D EXPENDITURES	-	-	-	-	-
ENDING FUND BALANCE	41,531	30,167	95,290	173,751	340,739
TOTAL LIAB. & FUND BAL.	\$ 41,531	\$ 30,167	\$ 95,290	\$ 189,020	\$ 356,008

CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2011

	PROPRIETARY										TOTAL PROPRIETARY	TOTAL	
	401 WATER OPERATING	402 SEWER OPERATING	407 UTILITY RESERVE	408 UTILITY BOND REDEMPTION	410 SEWER CAP. CONST.	411 STORM SEWER OPERATING	412 STORM SEWER CAPITAL	420 WATER CAP. ASSETS					
ASSETS													
CASH	\$ 11,149	\$ 15,836	\$ 59,735	\$ 5,299	\$ 169,774	\$ 16,339	\$ 20,760	\$ 105,786	\$ 404,680	\$ 771,092			
INVESTMENTS	234,334	333,746	1,266,897	112,393	3,600,639	346,519	440,296	2,243,564	8,578,388	16,347,297			
RECEIVABLES	313,847	301,360	-	-	5,490	74,468	-	-	695,164	2,012,915			
FIXED ASSETS	3,273,359	8,209,417	-	-	23,764,369	394,566	34,642	2,093,722	37,770,075	37,770,075			
OTHER	-	-	-	144,755	-	-	-	-	144,755	144,755			
TOTAL ASSETS	3,832,689	8,860,359	1,326,632	262,447	27,540,272	831,891	495,699	4,443,072	47,593,062	57,046,133			
LIABILITIES													
CURRENT	127,304	8,706	-	1,217,888	(6,714)	16	-	9	1,347,209	1,489,239			
LONG TERM	43,795	80,717	-	23,366,538	-	33,251	-	-	23,524,302	23,545,337			
TOTAL LIABILITIES	171,100	89,423	-	24,584,426	(6,714)	33,266	-	9	24,871,511	25,034,576			
FUND BALANCE:													
BEGINNING OF YEAR	3,565,048	8,617,550	1,325,893	(24,434,770)	28,867,418	786,278	482,548	4,395,137	23,605,103	32,556,828			
Y-T-D REVENUES	316,963	702,972	739	125,044	115,471	167,923	15,334	88,104	1,532,551	4,333,240			
Y-T-D EXPENDITURES	(220,422)	(549,587)	-	(12,254)	(1,435,902)	(155,576)	(2,183)	(40,179)	(2,416,102)	(4,878,510)			
ENDING FUND BALANCE	3,661,590	8,770,936	1,326,632	(24,321,979)	27,546,986	798,625	495,699	4,443,063	22,721,551	32,011,558			
TOTAL LIAB. & FUND BAL.	\$ 3,832,689	\$ 8,860,359	\$ 1,326,632	\$ 262,447	\$ 27,540,272	\$ 831,891	\$ 495,699	\$ 4,443,072	\$ 47,593,062	\$ 57,046,133			

CITY OF GIG HARBOR



2011 / 1ST QUARTER PERFORMANCE AND WORKLOAD MEASURES

ADMINISTRATION

Administration

Performance Measures

	2008 Actual	2011 Goal
Percent of Citizens Agreeing with Survey Questions:		
Pleased with Overall Direction of the City	58%	N/A*
Receive Good Value for Taxes Paid	61%	N/A*
The City Listens to its Citizens	43%	N/A*
City has a Strong Sense of Community	84%	N/A*

* No survey to be conducted in 2011.

Workload Measures

	2008 Actual	2009 Actual	2010 Actual	2011 YTD
Population	6,780	6,910	7,165	7,126
City-wide Assessed Property Valuation	1,699,571,402	1,955,970,466	2,061,648,756	1,942,220,965
Total Capital Project Budget	25,630,000	21,800,000	24,263,000	7,338,600

City Clerk Office

Performance Measures

	Public Records Requests (respond within 5 days)	Ordinance /Resolutions (within 4 working days)	Council Packets on time	Minutes done within 6 days
2009 Actual	100%	98%	91%	44%
2010 Actual	100%	95%	95%	85%
2011 YTD	100%	100%	98%	95%

Workload Measures

	Request for Public Records	Council Packets # of Pages	Ordinances & Resolutions	Minutes # of pages	Claim for Damages/ Lawsuits	Spcl Events Parks & Facility Resv
2010 1st Quarter	42	1170	10	41	11	85
2011 1st Quarter	39	644	6	27	10	69
2010 Actual	126	4552	54	165	35	507
2011 YTD	39	644	6	27	10	69

POLICE

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Number of traffic infractions and citations written	251	474	1280	474
Number of felony arrests	16	13	65	13
Number of misdemeanor arrests	108	162	421	162
Number of DUI arrests	18	23	68	23
Number of warrant arrests	13	19	54	19
UCR Violent crimes per 1000 population	*	*	*	*
UCR Property crimes per 1000 population	*	*	*	*
Average police emergency response time in minutes	7.31	6.89	7.17	6.89

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Number of dispatched calls for service	1845	1791	8384	1791
Number of office walk in requests for service	548	599	2614	599
Number of cases assigned for follow-up	70	23	214	23
Number of reportable traffic accidents	44	25	156	25
Number of police reports written	534	523	2130	523

* stats unavailable

MUNICIPAL COURT

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Infraction Filings	163	315	905	315
Infraction Hearings	130	252	724	252
Criminal Filings	113	141	425	141
Criminal Hearings	584	729	2,197	729

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Collection Assignments	89/\$55,098	78/\$51,084	388/\$230,186	78/\$51,084
Collection Recovery	\$17,089	\$26,591	\$60,490	\$26,591
% PC Compliance	100%	100%	100%	100%
% Speedy Compliance	100%	100%	100%	100%

The Court does not set gross revenue or case filing goals.
Judge Dunn does not influence nor comment on revenue or case filings.

BUILDING AND FIRE SAFETY

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 Estimate
Complete first review or plan approval letter within 28 days of receipt of complete application (OCA)	Not submitted	Not submitted	95%	94%
Provide second review or approval letter within 14 days of receipt of re-submittals	Not submitted	Not submitted	95%	95%
Provide inspections within 24 hours of request	Not submitted	Not submitted	95%	90%

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 Actual
Inspections	Not submitted	Not submitted	930	1106
Commercial permits received	Not submitted	Not submitted	3	3
Residential permits received	Not submitted	Not submitted	10	25
Commercial permits issued	Not submitted	Not submitted	71	58
Residential permits issued	Not submitted	Not submitted	54	63

PLANNING DEPARTMENT

Performance Measures

	2010 1st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
% of land use cases processed under 120 days	97%	100%	99%	100%
% of preliminary plats processed under 90 days	n/a	n/a	n/a*	n/a
% of short plats processed under 30 days	n/a	n/a	n/a	n/a

NOTES

N/A indicates no permits of that type approved during the quarter

* Harbor Hill Residential Plat was approved in 2010, but was not subject to the processing timeline due to the Development Agreement. This was the only plat approved in 2010.

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Number of land use cases	68	71	261	71
Amount of fees collected	\$22,847	\$22,971	\$147,375	\$22,971

PUBLIC WORKS

Parks

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Landscaping Maintained (sq ft/FTE)	149,526	152,020	686,308	152,020
Parks cleaned per day	100%	100%	100%	100%
Complaints addressed within 24 hrs	100%	100%	100%	100%

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Acres of park space & streetscapes	71.7	75.9	71.7	75.9
Community event sponsored hours	77	21.5	686	21.5
Acres of park land (per FTE)	n/a	n/a	n/a	n/a
Park related phone calls	13	23	83	23

Streets

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Streets sweeping (FTE hours)	105	443	483	443
Streets maintain (lane miles/FTE)	5.6	5.6	5.6	5.6

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Streetlights	423	520	520	520
Lane miles maintained	81.45	81.45	81.45	81.45
Street signs repaired	30	4	160	4
Pavement markings (feet)	3 rd qtr	3 rd qtr	473,577	3 rd qtr
Sidewalks maintained (feet)	157,784	157,784	157,784	157,784
Street-related phone calls	35	33	120	33
Fleet serviced shop vehicles (hrs)	109.5	86.3	451.8	86.3
Fleet serviced police vehicles (hrs)	66	104	235.5	104

Water

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Meters read per FTE	3,243	3,312	11,943*	3,312
After hrs emer. responses w/in 45 min.	100%	100%	100%	100%

* no meters read during month of September 2010

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Gallons of storage capacity	4,550,000	4,550,000	4,550,000	4,550,000
Number of gallons pumped per year	55.5 mg	53.0 mg	294.1 mg	53.0 mg
Number of water related calls	31	20	132	20

Stormwater

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Percent of storm ponds brushed	100%	100%	100%	100%
Progress toward NSDES Phase II comp.	65%	75%	75%	75%

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Catch basins cleaned	4 th qtr	4 th qtr	1,000	4 th qtr
Catch basins installed	0	0	0	0
Catch basins maintained	4 th qtr	4 th qtr	1,000	4 th qtr
Storm ponds maintained	3 rd qtr	3 rd qtr	11*	3 rd qtr

* In the process of determining whether storm drains are city or private.

Wastewater

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Dewatering w/ thickening process (gallons)	806,968	709,100	3,161,638	709,100
Line Cleaning (feet)	0	1,948	44,973	1,948
Plant performance award	4 th qtr	4 th qtr	Yes	4 th qtr

Wastewater

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Raw sewage treated	84.107 mg	80.8075 mg	303.94 mg	80.8075 mg
Tons of bio-solids produced*	184.01 wet tons	373.73 wet tons	937.27 wet tons	373.73 wet tons
Work orders for plant/lift station maintenance	137/144	98/137	417/430	98/137
Lift station checks	221	221	884	221
Corrective/Special Projects Work Order QUANTITY	8/12	27/32	49/70	27/32
Corrective/Special Projects Work Orders HOURS	50/101.5	158.25/461.5	421.25/448.75	158.25/461.5

* The reduction in biosolid tons produced is a positive cost saving measure.

Engineering

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Percent of project milestones met with the quarter	80%	75%	75.5%	75%
Ratio of PW variances approved w/in 6 weeks of complete application	0 rec'd	100%	100%	100%

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Number of consultant contracts managed (number of design contracts managed in house)*	n/a	3/2	n/a	3

* new measure for 2011

FINANCE

Finance

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Maintain city bond rating (Moody's Aa3)	Aa3	Aa3	Aa3	Aa3
Unqualified audit financial statement opinion	Yes	Yes	Yes	Yes

Workload Measures

	2010 1 ST Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Number of invoices processed	1,179	1,764	7,442	1,764
Number of transactions receipted	4,502	4,590	17,004	4,590
Number of utility bills processed	3,219	3,295	14,560	3,295
Number of payroll checks processed	563	555	2,385	555
Number of business licenses processed	209	195	729	195

Information Technology

Performance Measures

	2008 Actual	2009 Actual	2010 Actual	2011 YTD
Average Cost of IT per Citizen	31	28	20	19
Average Cost of IT per Employee	1880	1666	1471	1630
Network uptime	99%	99%	99%	99%

Workload Measures

	2008 Actual	2009 Actual	2010 Actual	2011 YTD
Number of IT staff	2	2	1.5	1.5
Number of remote sites	3	3	3	2
Average monthly help desk calls	360	370	110	121

MARKETING

Performance Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Occupancy Percentages	n/a	n/a	n/a	n/a
% Change in Visitor Info Requests	-60%	-47%	-13%	-47%
Editorial Medial Value *	\$40,000	\$14,000	\$165,000	\$14,000

Workload Measures

	2010 1 st Qtr	2011 1 st Qtr	2010 Actual	2011 YTD
Promotion and Advertising Budget	4,000	7,750	36,000	4,000
Number of Filled Requests	1148	610	11,242	610
Travel writers/media hosted in Gig Harbor **	4	1	6	4

* This figure is value of editorial articles generated by the marketing department figured by the publication advertising rates.

** Travel writers this quarter include and not limited to: Coastal Living Magazine writer visited Jennifer Kilmer at Harbor History Museum unannounced 2/11



Subject: Gig Harbor BoatShop (GHB)
Tenant 2010 Annual Report.

Proposed Council Action: Receive and file.

Dept. Origin: Administration
Prepared by: Lita Dawn Stanton
Special Projects
For Agenda of: January 24, 2011
Exhibits: 2010 Annual Report

Concurred by Mayor: Initial & Date CLH 4/20/11
Approved by City Administrator: RJK
Approved as to form by City Atty: _____
Approved by Finance Director: DP 4/20/11
Approved by Department Head: _____

Expenditure			Amount			Appropriation		
Required	\$	n/a	Budgeted	\$	n/a	Required	\$	n/a

INFORMATION / BACKGROUND

The City acquired the Eddon Boat Park property in 2004. After the Eddon Boat Building was restored through a Heritage Grant, it was leased to the Gig Harbor BoatShop for the purpose of carrying on the boat building's traditional use. GHB committed to a minimum of 450 hours of programming in the first year (2009) and a minimum of 900 hours per year in subsequent years for the following activities:

- Boat building, repair, and restoration workshops and apprenticeship programs,
- Maritime skills programs (e.g. navigation, power vessel handling, marine photography)
- Public presentations (e.g. skills demonstrations)
- Craft-on-the-water skills and field trip programs
- Vessel documentation projects
- School outreach programs (e.g. tours, apprentice-for-a-day)
- Year round interpretive signs and displays
- Observation area(s) where the public can view boat building and educational activities
- Retail sales of items related to maritime heritage activities

In return for GHB's services for public access and enjoyment, GHB entered into a lease to occupy the building for 20 years at one dollar per year ending June 30, 2027. GHB has met and exceeded their commitment during the 2010 lease period. GHB shall review and reevaluate with the City every five years beginning in 2014.



2010 ANNUAL ACTIVITY REPORT

GIG HARBOR BOATSHOP

MARCH 31, 2011

3805 HARBORVIEW DRIVE
MAIL: PO BOXES 1187
GIG HARBOR, WA 98335

GIG HARBOR BOATSHOP ANNUAL REPORT

The Mission of Gig Harbor BoatShop is to Preserve, Interpret, and Perpetuate
Gig Harbor's Historic Working Waterfront

BOARD OF DIRECTORS

Guy Hoppen –President
John McMillan –Treasurer
Matt Meacham –Secretary
Jaime Storkman
Gene Pearson
Erik Carlson
Vern Scott
John Bare

2010 GIG HARBOR BOATSHOP MILESTONES

2010 was the first full year of on-site operations for the Gig Harbor BoatShop (GHB), at the historic Eddon Boatyard. During 2010 GHB expanded maritime programming, added new workshops, increased public and private tours of the boatyard, realized more volunteer support, restored donated vessels for re-sale, and opened of the Gig Harbor BoatShop store. In addition, GHB was awarded several grants and initiated an annual membership campaign.



2010 Maritime Programming & Workshops

From January through December 2010, GHB offered classes and workshops taught by experienced boat builders and mariners. Programs were designed to appeal to novice and experienced boat builders and to those interested in acquiring seamanship skills. GHB's goal is to teach contemporary as well as traditional skills, sustaining the rich diversity of the local waterfront.

2010 Programs & Workshops

The Shipwright's Toolbox - The Networked Boat

Lofting the Thunderbird Sailboat - Lapstrake Skiff Restoration - Vessel Documentation Workshop

Public and Private Tours

More than **725 visitors** enjoyed interpretive tours of the boatyard on Saturday's 10am to 4pm. Volunteer docents gave guests a history of the boatyard, described GHB, city and state roles regarding the building and dock restorations, and provided information and background on GHB's history and mission. In addition, visitors were able to observe boatbuilding activities in the boatyard shops, experiencing authentic working waterfront culture and maritime traditions in action. GHB also hosted three free public BBQ's during the summer of 2010.

During 2010 GHB added private weekly tours, and hosted the following private groups:

- **Bainbridge Island Paddle Club – April 17, 2010**
- **Thunderbird Bird Fleet One Group – April 24, 2010**
- **Gig Harbor Lions Club – April 26, 2010**
- **Washington State Museum Association– June 17, 2010**
- **Washington Trust for Historic Preservation – July 16, 2010**
- **MCA Small Craft Association – October 25, 2010**

Volunteer Support

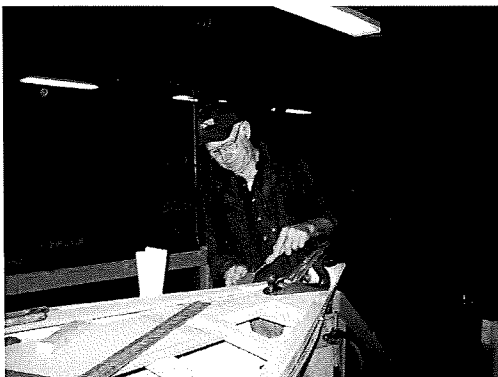
Volunteers logged **3085 hours** supporting GHB in 2010. Volunteers managed general facility projects, acted as tour guides, provided restoration demonstrations and served as program instructors. Due in part to their experience volunteering at the boatyard, two of our volunteers went on to continue their education in the maritime field. Riley Hall is now at the International Yacht Restoration School in Newport, RI and Jenna Davidson will spend July 2011 crewing on the Adventuress.



Restoration & Repair of Donated Vessels

As planned, volunteers implemented many of the boatbuilding activities in 2010. For example, in January 2010, a small team led by Master Shipwright Roy Fisk, repaired an historic rowing skiff. The boat sold for \$2500 in early January 2011. Another project completed in 2010 was the repair of a 9' Dyer Dhow, which is currently for sale in the Gig Harbor BoatShop store.

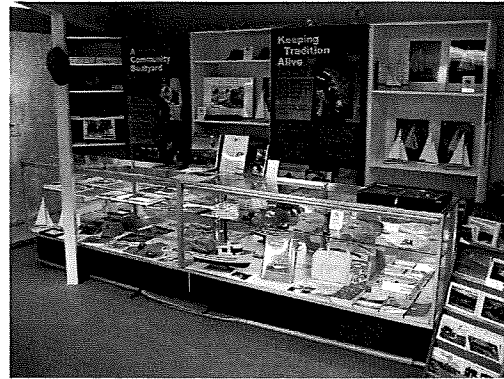
In November 2009, GHB moved T-Bird #2 into the large boat shop. Since then volunteers have finished documenting the boat and restoration of this historic vessel is well underway. During guided tours of the boatyard visitors have opportunities to talk with project leaders, watch restoration work, and learn about the history of Thunderbirds and the Eddon Boatyard.



Vessels donated and acquired in 2010 for Restoration & Repair include a Willits Canoe, 9' Dyer Dhow, 12' Eddon Gig, and 26' Longboat.

Gig Harbor BoatShop Store

In 2010 another milestone was achieved by launching the Gig Harbor BoatShop store. The store offers guests an opportunity to support the Gig Harbor BoatShop's mission and operations by purchasing unique maritime art and useful boatbuilding items. Due to the store's proximity to Harborview Drive it is a focal point of the Eddon Boatyard. Professionally staffed, the boatyard store allows walk-in visitors to learn about the history of the facility and GHB collaboration with the City of Gig Harbor and our community.



Collaboration

The Gig Harbor BoatShop recognizes that without collaboration many of our 2010 goals would not have been achieved. A special thank you is extended to the City of Gig Harbor and its staff for support on the following projects:

- **Dust Collection System**
- **New Public Dock Installation**
- **December 11, 2010 - Ribbon Cutting Ceremony**

WHAT LIES AHEAD IN 2011

MARINE RAILWAYS 'Ways' CAMPAIGN: In 2011 GHB will launch the 'Ways' Fundraising Campaign. With the understanding that the Eddon Boatyard cannot function as a boatyard without the ability to get boats into and out of the water the Gig Harbor City Council voted to give GHB the authority to project manage and fund the marine railways restoration project. Once complete GHB can fulfill its mission to preserve, interpret and perpetuate the traditional small boatyard.



PUBLIC TOURS: GHB hopes to expand tour hours from Saturdays to include one or two more days during the week. Expanding hours in 2011 will allow visitors to take advantage of guided tours during the work week.

STAFF ADDITIONS: In 2011 GHB hopes to secure funding that will allow for several part time staff positions:

- **Program Director**
- **Executive Director**
- **Sales Clerk**
- **Shipwright**

PROGRAM DEVELOPMENT: The Board of Directors along with Steve Helgeson will work on continued development of new and expanded programming that will serve the community and further the mission of the Gig Harbor BoatShop.

Additional programs being developed for 2011:

- **Free one hour T-Bird sails**
- **Team building aboard the 26' gig Porpoise**
- **Oar Making workshop**

A MESSAGE FROM GHB PRESIDENT GUY HOPPEN

Several of Gig Harbor BoatShop's board members and volunteers have been involved in the boatshop project since mid 2004 when the campaign to save the Eddon Boatyard from the wrecking ball began. Since then we have witnessed a remarkable series of events: the bond issue that voters passed to save the Eddon Boatyard, Gig Harbor City Council approval of a GHB proposal for boatyard use, the ratified City/GHB Eddon Boatyard lease agreement, and the completion of the 1.3 million dollar boatyard and dock restoration projects.

But perhaps the most amazing phenomenon of all is the collection of people that have embraced the boatyard project during the past year. GHB's volunteers have given over 3000 hours of time to projects and tasks that GHB has taken on in 2010. Generous financial support from Gig Harbor BoatShop funders and members has provided the means for GHB to open the Eddon Boatyard doors. The board and I thank all of you and look forward to your continued support in 2011.



The *Little Revenge* on its maiden voyage - a 53' Wm. Garden design built at the Eddon Boatyard in 1960.

WASHINGTON STATE LIQUOR CONTROL BOARD
LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF GIG HARBOR
(BY ZIP CODE) FOR EXPIRATION DATE OF 20110731

LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1. WALGREEN CO.	WALGREENS #12910 4840 BORGES BLVD NW GIG HARBOR WA 98332 6826	405890	GROCERY STORE - BEER/WINE
2. MAD ANTHONY'S INCORPORATED	ANTHONY'S AT GIG HARBOR 8827 N HARBORVIEW DR GIG HARBOR WA 98335 0000	351502	SPIRITS/BR/WN REST LOUNGE + OFF-PREMISES SALE WINE
3. G.T. ENTERPRISES LLC	KELLY'S CAFE AND ESPRESSO 7806 PIONEER WAY GIG HARBOR WA 98335 1133	400599	BEER/WINE REST - BEER/WINE OFF PREMISES
4. HINDQUARTER II, INC.	TANGLEWOOD GRILL 3222 56TH ST GIG HARBOR WA 98335 1359	082991	SPIRITS/BR/WN REST LOUNGE -
5. JAPANESE CREATIVE CUISINE, INC	BISTRO SATSUMA 5315 PT FOSDICK NW GIG HARBOR WA 98335 1720	077012	BEER/WINE REST - BEER/WINE
6. D & L JONES, INC.	BLAZING ONION, BEER, WINE, AND SPIRITS 4701 POINT FOSDICK DR NW GIG HARBOR WA 98335 2319	405241	SPIRITS/BR/WN REST LOUNGE +

NOTICE OF LIQUOR LICENSE APPLICATION



RUG

RETURN TO: WASHINGTON STATE LIQUOR CONTROL BOARD
License Division - 3000 Pacific, P.O. Box 43075
Olympia, WA 98504-3075
Customer Service: (360) 664-1600
Fax: (360) 753-2710
Website: www.liq.wa.gov

TO: MOLLY TOWSLEE, CITY CLERK
RE: NEW APPLICATION

DATE: 4/07/11

UBI: 604-000-000-000-0102

License: 407877 - 6A County: 27
Tradename: GIG HARBOR FARMERS MARKET AT UPTOWN SHOP CNTR
Loc Addr: 4701 PT FOSDICK DR
GIG HARBOR WA 98335-2319

APPLICANTS:
GIG HARBOR FARMERS MARKET AT UPTOWN SHOP C

Mail Addr: PO BOX 1142
GIG HARBOR WA 98335-3142

Phone No.: 253-851-7397 DALE SCHULTZ

Privileges Applied For:
FARMERS MARKET FOR BEER/WINE

As required by RCW 66.24.010(8), the Liquor Control Board is notifying you that the above has applied for a liquor license. You have 20 days from the date of this notice to give your input on this application. If we do not receive this notice back within 20 days, we will assume you have no objection to the issuance of the license. If you need additional time to respond, you must submit a written request for an extension of up to 20 days, with the reason(s) you need more time. If you need information on SSN, contact our CHRI Desk at (360) 664-1724.

- | | YES | NO |
|---|--------------------------|--------------------------|
| 1. Do you approve of applicant ? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you approve of location ? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If you disapprove and the Board contemplates issuing a license, do you wish to request an adjudicative hearing before final action is taken? | <input type="checkbox"/> | <input type="checkbox"/> |
| (See WAC 314-09-010 for information about this process) | | |
| 4. If you disapprove, per RCW 66.24.010(8) you MUST attach a letter to the Board detailing the reason(s) for the objection and a statement of all facts on which your objection(s) are based. | | |

DATE

SIGNATURE OF MAYOR, CITY MANAGER, COUNTY COMMISSIONERS OR DESIGNEE

WASHINGTON STATE LIQUOR CONTROL BOARD-License Services
3000 Pacific Ave SE - P O Box 43075
Olympia WA 98504-3075

TO: MAYOR OF GIG HARBOR

April 11, 2011

SPECIAL OCCASION # 094460

SOROPTIMIST INTERNATIONAL OF GIG HARBOR PO BOX 2761 GIG HARBOR WA 98335

DATE: MAY 7, 2011

TIME: 5 PM TO 9 PM

PLACE: WESLEY INN-6575 KIMBALL DR, GIG HARBOR

CONTACT: BARBIE SCHAEFER

253-279-0479

SPECIAL OCCASION LICENSES

- * License to sell beer on a specified date for consumption at specific place.
- * License to sell wine on a specific date for consumption at a specific place.
- * Beer/Wine in unopened bottle or package in limited quantity for off premises consumption.
- * Spirituous liquor by the individual glass for consumption at a specific place.

If return of this notice is not received in this office within 20 days from the above date, we will assume you have no objection to the issuance of the license. If additional time is required please advise.

1. Do you approve of applicant? YES ___ NO ___
2. Do you approve of location? YES ___ NO ___
3. If you disapprove and the Board contemplates issuing a license, do you want a hearing before final action is taken? YES ___ NO ___

<u>OPTIONAL CHECK LIST</u>	<u>EXPLANATION</u>		
LAW ENFORCEMENT	_____	YES ___	NO ___
HEALTH & SANITATION	_____	YES ___	NO ___
FIRE, BUILDING, ZONING	_____	YES ___	NO ___
OTHER:	_____	YES ___	NO ___

If you have indicated disapproval of the applicant, location or both, please submit a statement of all facts upon which such objections are based.

DATE SIGNATURE OF MAYOR, CITY MANAGER, COUNTY COMMISSIONERS OR DESIGNEE

**PROCLAMATION OF THE MAYOR
OF THE CITY OF GIG HARBOR**

Whereas travel matters to the nation's economic prosperity and its image abroad, to business wealth and to individual travelers and to Gig Harbor; and

Whereas travelers to Gig Harbor in 2010 spent \$35.9 million, generated \$2.8 million in state and local tax revenues creating 410 jobs with \$8.9 million in earnings; and

Whereas tourism is the fourth largest industry in the State of Washington; and

Whereas travelers to the State of Washington in 2010 spent \$15.2 billion, generated \$1 billion in state and local tax revenues creating 143,800 jobs with \$4.3 billion in earnings; and

Whereas travel to and within the United States provides significant economic benefits for the nation, generating \$1.8 trillion in economic output in 2010, with \$759 billion spent directly by travelers that spurred an additional \$1 trillion in other industries; and

Whereas travel is among the largest private-sector employers in the United States, supporting 14.1 million jobs in 2010, including 7.4 million directly in the travel industry and 6.7 million in other industries; and

Whereas travelers' spending generated tax revenues of \$117 billion for federal, state and local governments, funds used to support essential services and programs; and

Whereas international travel to the United States is the nation's largest single export industry – greater than the export of business services, machinery, computer and electronic products, motor vehicles and agriculture. In 2010, travel accounted for 8 percent of total U.S. domestic exports, creating \$134 billion in sales from abroad; and

Whereas meetings, events and incentive travel are core business functions that help companies strengthen business performance – averaging a return on investment of \$12.50 in profits and \$3.80 in revenue for every dollar spent on corporate travel; and

NOW, THEREFORE, I, Chuck Hunter, Mayor of the City of Gig Harbor, recognizing that tourism is a positive effort in our community, do hereby proclaim May 7-15 as

2011 TRAVEL AND TOURISM WEEK

in the City of Gig Harbor and urge the citizens of Gig Harbor to join me in this special observance with appropriate events and commemorations.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 25th day of April, 2011.

Chuck Hunter, Mayor, City of Gig Harbor

Date



**Subject: Amendments to Section 125
Flexible Spending Plan Document**

Proposed Council Action:

**Adopt the Resolution approving
Amendments to the city's Section 125
Flexible Spending Plan Documents**

Dept. Origin: Administration

Prepared by: Rob Karlinsey

**For Agenda of: April 25, 2011
Exhibits: Resolution**

Initial & Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

CH 4/19/11
RJK
VIA FLEX PLAN
4/19/11

Expenditure Required	Amount \$1500	Amount Budgeted \$1500	Appropriation Required	N/A
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INFORMATION / BACKGROUND

In June, 2009, Council adopted a Section 125 Cafeteria Plan for Flexible Spending Accounts to provide for pre-tax flexible spending accounts for health and dependent care expenses as negotiated through the Employee Guild Contracts. This amendment to the plan is to add Dependent Age/Definition of dependent to qualify under the plan, Over-the-Counter medicine and drug prescription requirements, and Women's Health and Cancer Rights Act. Exhibits A & B of the resolution are quite large and will be on file with the City Clerk for review.

FISCAL CONSIDERATION

The annual Flex Plan Service fee is \$600 plus \$6 per participant. In addition, there is a monthly processing fee of \$5 per participating employee. Flex Plan Services charges \$1.10 per check or statement mailed; however, most employees opted to use the "Benny Card" to avoid these costs. Flex Plan Services provides on-site, annual enrollment and Benefits Fair meetings at no charge.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Adopt the Resolution approving amendments to the employee Section 125 Flexible Spending Plan documents.

RESOLUTION NO. 860

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ADOPTING AMENDMENTS TO THE CITY'S SECTION 125 CAFETERIA PLAN FOR FLEXIBLE SPENDING ACCOUNTS

WHEREAS, on June 9, 2009, Council adopted Resolution No. 792 implementing flexible spending accounts for the employees; and

WHEREAS, this flexible benefits plan (FSA) has been amended to include Dependent Age/Definition of dependent to qualify under the plan, Over-the-Counter medicine and drug prescription requirements, and Women's Health and Cancer Rights Act; now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The form of amended Cafeteria Plan including a Health Flexible Spending Arrangement and Day Care Flexible Spending Arrangement effective January 1, 2011, is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

Section 2. The Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

Section 3. The duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Cafeteria Plan updates by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved. Exhibits A and B, respectively attached to this resolution, are true copies of City of Gig Harbor Flexible Benefits Plan and the Summary Plan Description approved and adopted in this resolution.

RESOLVED by the City Council this 25th day of April, 2011.

APPROVED:

Charles L. Hunter Mayor

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

Filed with the City Clerk: 04/19/11
Passed by the City Council: 04/25/11
Resolution No. 860



Subject: Sub-Grant Agreement with the Boy and Girls Club for HUD Grant Funds.

Proposed Council Action: Authorize the Mayor to execute the proposed Sub-Grant Agreement with the Boy and Girls Club for HUD Grant Funds.

Dept. Origin: Administration
Prepared by: Lita Dawn Stanton
Special Projects *AS*
For Agenda of: April 25, 2011
Exhibits: Agreement and Exhibits

Concurred by Mayor: CLH 4/20/11 Initial & Date
Approved by City Administrator: RJK
Approved as to form by City Atty: via email
Approved by Finance Director: PR 4/20/11
Approved by Department Head: _____

Expenditure	Amount	Appropriation
Required \$ n/a	Budgeted \$ n/a	Required \$ n/a

INFORMATION / BACKGROUND

The City was awarded a Fiscal Year 2010 EDI Special Project No. B-10-SP-WA-0097 Grant from the Department of Housing and Urban Development (“HUD”) for the Boys and Girls Clubs of America. The funds were used by the Boys and Girls Club to construct a multi-use facility. The City designated the Boys and Girls Club as the single Subgrantee and will pass through funds from HUD that for the project. A Subgrant agreement is attached that sets out the requirements of disbursement for those funds. A copy of the Boys and Girls Club Financial Status Report Form SF-425 that will be required is also attached.

FISCAL CONSIDERATION

This is a pass-through grant from HUD to the Boys and Girls Club of America.

BOARD OR COMMITTEE RECOMMENDATION

n/a

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to execute the proposed Sub-Grant Agreement with the Boy and Girls Club for HUD Grant Funds.

**SUBGRANT AGREEMENT FOR USE OF
GRANT FUNDS FOR THE CONSTRUCTION OF A MULTI-USE FACILITY
FY 2010 EDI – SPECIAL PROJECT NO. B-10-SP-WA-0097**

THIS SUBGRANT AGREEMENT (“Agreement”) by and between the CITY OF GIG HARBOR, a Washington municipal corporation (the “City”), and BOYS AND GIRLS CLUB OF SOUTH PUGET SOUND, a Washington non-profit corporation (the “Boys and Girls Club”), hereafter referred to as the “Parties,” is entered into this ____ day of _____, 2011, based on the facts and for the purposes set forth in the following recitals:

RECITALS

WHEREAS, the City has applied for and has been awarded the FY 2010 EDI-Special Project No. B-10-SP-WA-0097 Grant Agreement with the Department of Housing and Urban Development (“HUD”), a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference (the “Grant Agreement”); and

WHEREAS, the City plans to use the funds under the Grant Agreement for construction of a multi-use facility by the Boys and Girls Club; and

WHEREAS, as Grantee, the City has designated the Boys and Girls Club as the single Subgrantee and will pass through funds available for the construction of the multi-use facility; and

WHEREAS, this Agreement is needed in order to set out requirements for the disbursement of funds from the Grant;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. The Project. The Project consists of the construction of the Jim and Carolyn Milgard Family HOPE Center at 8502 Skansie Avenue, Gig Harbor, Washington, as further described in the application for the Grant.

2. Compliance with Grant Agreement. As the Grantee and the Subgrantee, the City and the Boys and Girls Club shall comply with all applicable terms and conditions of the Grant Agreement.

3. Funds. The funds for the Project from the Grant Agreement are committed only when and if received. This Agreement creates no obligation for the City to transfer any funds from the City’s General Fund or any other funding sources.

4. Requirements for Reimbursement/Project Close-out.

4.1. Grant funds will be disbursed to the Boys and Girls Club by way of reimbursements. The Boys and Girls Club shall, on a monthly basis, send the City an invoice that details the costs and particular services that have been provided by the Boys and Girls Club, its employees, agents, contractors and/or consultants. As part of the invoice, the Boys and Girls Club shall include the following:

i. An up-to-date Financial Status Report Form SF-425, attached hereto as **Exhibit B**, incorporated herein by this reference;

ii. A narrative description of the work done, including a monthly progress report that details budget to actual cost comparisons and Project progress data.

4.2. After approval of the invoice from the Boys and Girls Club, the City shall request grant funds from HUD. The City will disburse funds to the Boys and Girls Club within thirty (30) days of the City's receipt of grant funds from HUD. City disbursements shall be made to the Boys and Girls Club, and not to its employees, contractors, agents or consultants.

4.3. The City may refuse to continue to disburse funds for the Project if it concludes that the Boys and Girls Club is not in compliance with any term or condition of this Agreement. Such a determination generally shall be provided by the City to the Boys and Girls Club within 30 days of the City's receipt of a monthly invoice which indicates non-performance or non-compliance. If the City decides to refuse disbursement of funds pursuant to this section, the City shall provide written notice to the Boys and Girls Club and an opportunity to respond within 30 days.

4.4. In the event HUD determines that the Boys and Girls Club failed to expend the grant funds in accordance with applicable federal, state and local requirements or this Agreement, and determines that funds must be returned, the Boys and Girls Club shall pay to the City the amount demanded by HUD, and the City shall have the right to commence an action to recover the funds, in addition to all of the City's other available remedies at law. This section shall survive termination or expiration of this Agreement.

4.5 Upon Project Close-out, the Boys and Girls Club shall cooperate with the City to provide all paperwork necessary to close out the Grant, including but not limited to:

i. A final financial report giving the amount and types of project costs charged to the Grant, a certification of the costs, and the amounts and sources of other project funds; and

ii. A final report to consist of a narrative of all work accomplished with each of the project commitments and objectives indicated in the approved application,

the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns; and

- iii. Any other information required by HUD for Grant close-out.

5. Budget.

5.1. The City will disburse all amounts for the Project from the account established under the Grant Agreement.

5.2. The City will not request or disburse funds until funds are needed. All requests and disbursements shall be the minimum amount necessary.

6. Term. This Agreement shall remain in effect until September 30, 2017, or until final execution a Grant Close-out Agreement, whichever is first.

7. Record Keeping and Auditing.

7.1. The Boys and Girls Club shall maintain and make available upon the City's request the following records associated with the Project (the "Records"):

- i. All invoices received from the general contractor during the course of construction of the Project;

- ii. All invoices from the Boys and Girls Club consultants including, but not limited to, architects, construction inspectors, attorneys, accountants and other consultants performing services related to the construction of the Project;

- iii. Diagrams that show the actual technical specifications of the Project as constructed indicating any changes from the Project as designed; and

- iv. Any other information and records necessary for the City to verify the Project was completed pursuant to the Scope of Work.

7.2. Representatives of the City shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all of the Boys and Girls Club records with respect to all matters covered by this Agreement. Such representatives shall be permitted to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, and other matters covered by this Agreement. In order to facilitate any audits and inspections, the Boys and Girls Club shall retain all documents, papers, accounting records, and other materials pertaining to this Agreement for six years from the date of termination of the Agreement and such additional time as is necessary to allow for the completion of an audit should the obligation to retain documents and records hereunder expire while any such audit is ongoing. Should litigation related to rights or obligations relating to this Agreement ensue prior to expiration of record-retention deadlines

hereunder, those Agreement records shall be retained for such additional periods as is necessary to assure availability during the full period required to resolve that litigation.

8. Relationship of the Parties. The Parties are separate legal entities. The Boys and Girls Club is not an independent contractor, agent or employee of the City. The City shall have the right to control the Boys and Girls Club only with respect to the services undertaken pursuant to this Agreement or separate agreement. The Boys and Girls Club shall have no authority, express or implied, pursuant to this Agreement to bind the City to any obligation whatsoever.

9. Indemnification. The Boys and Girls Club shall hold harmless, indemnify and defend the City, its officers, elected and appointed officials, employees and agents from and against all claims, actions, damages and lawsuits, including costs and reasonable attorney's fees, resulting from, arising out of or suffered, directly or indirectly, by reason of or in connection with the performance of this Agreement; PROVIDED, that the obligation hereunder shall not extend to injury, sickness, death or damage caused by or arising out of the sole negligence of the City, its officers, elected and appointed officials, employees or agents; PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, the Boys and Girls Club obligations hereunder shall apply only to the percentage of fault attributable to the Boys and Girls Club, its employees or agents.

10. Dispute Resolution. Prior to filing a claim under this Agreement for any alleged breach, the aggrieved party shall first give the other party an opportunity to cure the alleged breach by sending written notice to the breaching party and giving the breaching party a minimum of 30 days from receipt of notice to cure the alleged violation.

11. Notices. All notices or demands of any kind required or desired to be given by either party shall be in writing and deemed delivered upon actual delivery or forty-eight (48) hours after depositing the notice or demand in the United States mail, certified or registered, postage prepaid, and shall be addressed:

If to City at:

City of Gig Harbor
Attn: City Administrator
3510 Grandview Street
Gig Harbor, WA 98335
(253) 851-6127

If to Boys and Girls Club at:

Boys and Girls Club of South Puget Sound
Attn: President/CEO
1501 Pacific Avenue South, Suite 301
Tacoma, WA 98402
(253) 502-4626

or such other addresses as the parties may from time to time designate in writing.

12. Nondiscrimination. Boys and Girls Club agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or

materialman, because of race, color, creed, religion, national origin, marital status, sex, sexual orientation, age or handicap, except for a bona fide occupational qualification.

13. Governing Law, Jurisdiction and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. The Parties agree to submit themselves to venue and jurisdiction in the appropriate court in Pierce County, Washington.

14. Attorneys' Fees. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

15. Amendments. This Agreement may be amended only by a written instrument signed by the City and Boys and Girls Club.

16. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

17. Waiver. No covenant, term or condition of this Agreement or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition.

18. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties concerning the subject matter herein and shall supersede all prior agreements, oral or otherwise.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed, effective as of the date and year first above written.

CITY OF GIG HARBOR

BOYS AND GIRLS CLUB OF
PUGET SOUND

Mayor Charles L. Hunter
Date: _____

By: _____
Its: _____
Date: _____

ATTEST:

Molly Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

FY 2010 EDI-SPECIAL PROJECT NO. B-10-SP-WA-0097

**GRANT AGREEMENT
(Includes Sub-Grantee)**

This Grant Agreement between the Department of Housing and Urban Development (HUD) and City of Gig Harbor (the Grantee) is made pursuant to the authority of Public Law 111-117 (Consolidated Appropriations Act, 2010) and a listing of certain specific Economic Development Initiative Special Projects specified in the Conference Report accompanying the Act (HR 111-366). The Grantee's application, as may be amended by the provisions of this Grant Agreement, is hereby incorporated into this Agreement.

In reliance upon and in consideration of the mutual representations and obligations hereunder, HUD and the Grantee agree as follows:

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$730,500 available to the Grantee.

The Grantee agrees to abide by the following:

ARTICLE I. HUD Requirements.

The Grantee agrees to comply with the following requirements for which HUD has enforcement responsibility.

A. The grant funds will only be used for activities described in the application, which is incorporated by reference and made part of this Agreement as may be modified by Article VIII (A) of this Grant Agreement.

B. EQUAL OPPORTUNITY REQUIREMENTS

The grant funds must be made available in accordance with the following:

1. For projects involving housing, the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107.
2. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.
3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4. The requirements of 24 CFR 5.105(a) regarding equal opportunity as well as the requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
5. For those grants funding construction covered by 24 CFR 135, the requirements of section 3 of the Housing and Urban Development Act of 1968, (12 U.S.C. 1701u) which requires that economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be given to low- and very low-income persons and to businesses that provide economic opportunities for these persons.
6. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with grant funded activities. See 24 CFR Part 85.36(e), which describes actions to be taken by the Grantee to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.
7. Where applicable, Grantee shall maintain records of its efforts to comply with the requirements cited in Paragraphs 5 and 6 above.

C. ENVIRONMENTAL REVIEW REQUIREMENTS.

1. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee agrees to assume all of the responsibilities for environmental review and decision-making and actions, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.
2. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital, or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe, or Alaskan Native Village, within which the project is located and which exercises land use responsibility, to assume all of the responsibilities for environmental review and decision-making as specified in paragraph C.1 above, and the Grantee shall carry out all of the responsibilities of a recipient under 24 CFR Part 58.

- D. Administrative requirements of OMB Circular A-133 "Audits of States, Local governments and Non-Profit Organizations."
- E. For State and Local Governments, the Administrative requirements of 24 CFR Part 85, including the procurement requirements of 24 CFR Part 85.36, and the requirements of OMB Circular A-87 regarding Cost Principles for State and Local Governments. For Non-Profits, the Administrative requirements of 24 CFR Part 84, including the procurement requirements of 24 CFR Part 84.40, and OMB Circular A-122 regarding Cost Principles for Non-Profit Institutions. For Institutions of Higher Education the applicable OMB Circular regarding Cost Principles is A-21.
- F. The regulations at 24 CFR Part 87, related to lobbying, including the requirement that the Grantee obtain certifications and disclosures from all covered persons.
- G. The regulations at 24 CFR Part 21, regarding requirements for Drug- Free Workplace.
- H. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.
- I. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.
- J. The regulations at 24 CFR Part 35, where applicable, regarding Lead-Based Paint Poisoning Prevention in Certain Residential Structures.
- K. The regulations at 24 CFR Part 5.109, where applicable, regarding Equal Participation of Religious Organizations in HUD Programs and Activities.
- L. The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the Central Contractor Registration (CCR) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to Part 25 of the Financial Assistance Use of Universal Identifier and Central Contractor Registration, 75 Fed. Reg. 55671 (Sept. 14, 2010) (to be codified at 2 CFR part 25) and Appendix A to Part 170 of the Requirements for Federal Funding Accountability and Transparency Act Implementation, 75 Fed. Reg. 55663 (Sept. 14, 2010) (to be codified at 2 CFR part 170).

ARTICLE II. Agreement to Enforce Compliance by the Sub-Grantee with the requirements of this Grant Agreement.

- A. The Grantee agrees to enter into a Sub-Grant Agreement with each Sub-Grantee that will have responsibility for designated aspects of project performance as identified in the application and Article VIII (B) of the Grant Agreement. The Sub-Grant Agreement shall commit the Sub-Grantee to comply with the terms of this Grant Agreement.

2. All applicable equal opportunity requirements set forth in Article I, Section B of this Grant Agreement.
3. Anti-lobbying requirements in 24 CFR Part 87, including the requirement to provide certain certifications and/or disclosures to the Grantee.
4. The administrative requirements of 24 CFR Part 84 or Part 85 as appropriate and Treasury Circular 1075, that grants funds shall not be requested or disbursed by the Grantee until needed and shall be the minimum amount necessary. Additional requirements for draw downs are in Articles III and IV.
5. The cost charges to the grant must be allowable (including the "reasonable and necessary" standard) and allocable as specified in OMB Circular A-87, A-122 or A-21 as appropriate.
6. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.
7. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.
8. Restrictions on participation by ineligible, debarred or suspended persons or entities as described in Executive Order 12549 and at CFR 24 Part 5.105(c).

ARTICLE III. Conditions Precedent to Draw Down.

The Grantee may not draw down grant funds until the following actions have taken place:

- A. The Grantee and each Sub-Grantee have executed a contract as required by Article II.
- B. The Grantee has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying and by 24 CFR 24.510(b) regarding ineligibility, suspension and debarment.
- C. Any other conditions listed in Article VIII (C) of this Grant Agreement.

ARTICLE IV. Draw Downs.

- A. A request by the Grantee to draw down grant funds under the Voice Response Access system or any other payment system constitutes a representation by the Grantee that it and all participating parties are complying with the terms of this Grant Agreement.
- B. The Grantee will be paid on an advance basis provided that the Grantee minimizes the time elapsing between transfer of the grant funds and disbursement for project

- C. Before the Grant Agreement is signed, the Grantee may incur cost for activities which are exempt from environmental review under 24 CFR Part 58 and may charge the costs to the grant.

ARTICLE V. Performance Reports.

- A. The Grantee shall submit to the Grant Officer a performance report every six-months after the effective date of the Grant Agreement. Performance reports shall consist of (1) a one-page narrative of work accomplished during the reporting period and (2) a completed Federal Financial Report Form SF-425. HUD may require additional information or increased frequency of reporting as described in article VIII C.
- B. The performance reports must contain the information required under 24 CFR Part 85.40(b) (2) or 24 CFR Part 84.51(a), as applicable including a comparison of actual accomplishment to the objectives indicated in the approved application, the reasons for slippage if established objectives were not met, and additional pertinent information including explanation of significant cost overruns.
- C. No grant drawdowns will be approved for projects with overdue progress reports.

ARTICLE VI. Project Close-out.

- A. The grantee shall submit to the Grant Officer a written request to close-out the grant 30 days after the grantee has drawn down all funds and completed the activities described in the application, as may be amended. The final report shall consist of (1) a narrative of all work accomplished during the project period and (2) a completed Federal Financial Report Form SF-425 covering the entire project period.

HUD will then send the Close-out Agreement and Close-out Certification to the Grantee. At HUD's option, the Grantee may delay initiation of project close-out until the resolution of any HUD monitoring findings. If HUD exercises this option the Grantee must promptly resolve the findings.

- B. The Grantee recognizes that the close-out process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any review in any way possible, including making available records requested by HUD and the project for on-site HUD inspection.
- C. The Grantee shall provide to HUD the following documentation:
 - 1. A Certificate of Project Close-out.
 - 2. A Grant Close-out Agreement.

3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of OMB Circular A-122, A-87 or A-21 as applicable, including the "necessary and reasonable" standard); a certification of the costs, and the amounts and sources of other project funds.
 4. A final performance report providing a comparison of actual accomplishment with each of the project commitments and objectives indicated in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
- D. The Grantee agrees that the grant funds are allowable only to the extent that the project costs, meeting the standard of OMB Circular A-122, A-87, or A-21 as applicable, equal the grant amount plus other sources of projects funds provided.
- E. When HUD has determined that the grant funds are allowable, the activities were completed as described by the Grant Agreement, and all Federal requirements were satisfied, HUD and the Grantee will sign the Close-out Agreement and Close-out Certificate.

ARTICLE VII. Default.

A default under this Grant Agreement shall consist of using grant funds for a purpose other than as authorized by this Agreement, any noncompliance with legislative, regulatory, or other requirements applicable to the Agreement, any other material breach of this Agreement, or any material misrepresentation in the application submissions.

ARTICLE VIII. Additional Provisions.

A. Project Description. The project is as described in the application with the following changes:

B. Changes or Clarification to the Application Related to Participating Parties:

The grantee may elect to sub-grant all or a portion of this grant to:

Boys & Girls Clubs of South Puget Sound

The Administrative Agent if any:


C. Special Conditions:

The Consolidated Appropriations Act, 2010 provides that no funds made available under the Act may be used to support any Federal, State or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

U.S. Department of Housing
and Urban Development

City of Gig Harbor
Mr. Dave Rodenbach

Authorized Signature



Authorized Signature

Robert Duncan
Associate Deputy Assistant Secretary
for Economic Development

DUNS 014365621-0000

Finance Director

Title

Date

2/24/11

Date

Assistance Award/Amendment

U.S. Department of Housing
and Urban Development
Office of Administration

1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment																					
3. Instrument Number B-10-SP-WA-0097	4. Amendment Number	5. Effective Date of this Action	6. Control Number																				
7. Name and Address of Recipient City of Gig Harbor 3510 Grandview Street Gig Harbor, WA 98335-1214 EIN: 91-6001435 DUNS# 014365621-0000		8. HUD Administering Office CPD, EDI Special Project Division 451 7th Street, SW, Rm 7146 Washington, DC 20410-7000																					
10. Recipient Project Manager Dave Rodenbach		9. HUD Government Technical Representative Gregory Lambert 202-402-4621																					
11. Assistance Arrangement <input type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input checked="" type="checkbox"/> Fixed Price	12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse	13. HUD Payment Office Chief Financial Officer																					
14. Assistance Amount		15. HUD Accounting and Appropriation Data																					
<table border="1"> <tr><td>Previous HUD Amount</td><td></td></tr> <tr><td>HUD Amount this Action</td><td>\$730,500.00</td></tr> <tr><td>Total HUD Amount</td><td>\$730,500.00</td></tr> <tr><td>Recipient Amount</td><td></td></tr> <tr><td>Total Instrument Amount</td><td>\$730,500.00</td></tr> </table>		Previous HUD Amount		HUD Amount this Action	\$730,500.00	Total HUD Amount	\$730,500.00	Recipient Amount		Total Instrument Amount	\$730,500.00	<table border="1"> <tr> <td>15a. Appropriation Number</td> <td>15b. Reservation Number EID 10</td> </tr> <tr> <td colspan="2"> <table border="1"> <tr><td>Amount Previously Obligated</td><td></td></tr> <tr><td>Obligation by this Action</td><td>\$730,500.00</td></tr> <tr><td>Total Obligation</td><td>\$730,500.00</td></tr> </table> </td> </tr> </table>		15a. Appropriation Number	15b. Reservation Number EID 10	<table border="1"> <tr><td>Amount Previously Obligated</td><td></td></tr> <tr><td>Obligation by this Action</td><td>\$730,500.00</td></tr> <tr><td>Total Obligation</td><td>\$730,500.00</td></tr> </table>		Amount Previously Obligated		Obligation by this Action	\$730,500.00	Total Obligation	\$730,500.00
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16. Description
City of Gig Harbor, Gig Harbor, WA for construction of a multi-use facility by the Boys and Girls Club

This Award consists of the following items which are appended to and hereby made part of this Award:

(A) Cover Page - HUD 1044
(B) Grant Agreement

Special Conditions:

Please contact Deborah Peavler-Stewart - HUD Area Environmental Officer at 206-220-5150, Deborah_Peavler-Stewart@hud.gov concerning environmental review. NO FUNDS may be committed to the project or drawn down prior to environmental release of funds approval.

17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office.	18. <input type="checkbox"/> Recipient is not required to sign this document.
19. Recipient (By Name): Mr. Dave Rodenbach	20. HUD (By Name): Robert Duncan
Signature & Title: Financial Director	Signature and Title: ADAS for Economic Development
Date: 2/24/11	Date:

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)			Page	1	of
pages							
3. Recipient Organization (Name and complete address including Zip code)							
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual		
8. Project/Grant Period From: (Month, Day, Year)				To: (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)	
10. Transactions						Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts							
b. Cash Disbursements							
c. Cash on Hand (line a minus b)							
<i>(Use lines d-o for single grant reporting)</i>							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized							
e. Federal share of expenditures							
f. Federal share of unliquidated obligations							
g. Total Federal share (sum of lines e and f)							
h. Unobligated balance of Federal funds (line d minus g)							
Recipient Share:							
i. Total recipient share required							
j. Recipient share of expenditures							
k. Remaining recipient share to be provided (line i minus j)							
Program Income:							
l. Total Federal program income earned							
m. Program income expended in accordance with the deduction alternative							
n. Program income expended in accordance with the addition alternative							
o. Unexpended program income (line l minus line m or line n)							
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
						g. Totals:	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:							
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official					c. Telephone (Area code, number and extension)		
					d. Email address		
b. Signature of Authorized Certifying Official					e. Date Report Submitted (Month, Day, Year)		
14. Agency use only:							

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Subject: Grant Agreement with HUD for Grant Funds for the Boys and Girls Club of America.

Proposed Council Action: Authorize the Mayor to execute the proposed Grant Agreement with HUD for \$730,500.00 in funds for the Boys and Girls Club of America.

Dept. Origin: Administration

Prepared by: Lita Dawn Stanton
Special Projects *LD*

For Agenda of: April 25, 2011

Exhibits: Agreement

	Initial & Date
Concurred by Mayor:	<u>CLH 4/20/11</u>
Approved by City Administrator:	<u>RLK</u>
Approved as to form by City Atty:	<u>okay email</u>
Approved by Finance Director:	<u>CLH 4/20/11</u>
Approved by Department Head:	_____

Expenditure		Amount		Appropriation	
Required	\$ 730,500	Budgeted	\$ -0-	Required	\$ 730,500

INFORMATION / BACKGROUND

The City was awarded a Fiscal Year 2010 EDI Special Project No. B-10-SP-WA-0097 Grant from the Department of Housing and Urban Development ("HUD") for the Boys and Girls Clubs of America. The funds are for the Boys and Girls Club to construct a multi-use facility. The City designated the Boys and Girls Club as the single Subgrantee and will pass through funds from HUD that for the project. The HUD Agreement is attached.

FISCAL CONSIDERATION

This is a pass-through grant from HUD to the Boys and Girls Club of America. We will present a budget amendment to Council at a later date.

BOARD OR COMMITTEE RECOMMENDATION

n/a

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to execute the proposed Grant Agreement with HUD for \$730,500.00 in funds for the Boys and Girls Club of America.

FY 2010 EDI-SPECIAL PROJECT NO. B-10-SP-WA-0097

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(Includes Sub-Grantee)**

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3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.

4. The requirements of 24 CFR 5.105(a) regarding equal opportunity as well as the requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
5. For those grants funding construction covered by 24 CFR 135, the requirements of section 3 of the Housing and Urban Development Act of 1968, (12 U.S.C. 1701u) which requires that economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be given to low- and very low-income persons and to businesses that provide economic opportunities for these persons.
6. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with grant funded activities. See 24 CFR Part 85.36(e), which describes actions to be taken by the Grantee to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.
7. Where applicable, Grantee shall maintain records of its efforts to comply with the requirements cited in Paragraphs 5 and 6 above.

C. ENVIRONMENTAL REVIEW REQUIREMENTS.

1. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee agrees to assume all of the responsibilities for environmental review and decision-making and actions, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.
2. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital, or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe, or Alaskan Native Village, within which the project is located and which exercises land use responsibility, to assume all of the responsibilities for environmental review and decision-making as specified in paragraph C.1 above, and the Grantee shall carry out all of the responsibilities of a recipient under 24 CFR Part 58.

- D. Administrative requirements of OMB Circular A-133 "Audits of States, Local governments and Non-Profit Organizations."
- E. For State and Local Governments, the Administrative requirements of 24 CFR Part 85, including the procurement requirements of 24 CFR Part 85.36, and the requirements of OMB Circular A-87 regarding Cost Principles for State and Local Governments. For Non-Profits, the Administrative requirements of 24 CFR Part 84, including the procurement requirements of 24 CFR Part 84.40, and OMB Circular A-122 regarding Cost Principles for Non-Profit Institutions. For Institutions of Higher Education the applicable OMB Circular regarding Cost Principles is A-21.
- F. The regulations at 24 CFR Part 87, related to lobbying, including the requirement that the Grantee obtain certifications and disclosures from all covered persons.
- G. The regulations at 24 CFR Part 21, regarding requirements for Drug- Free Workplace.
- H. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.
- I. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.
- J. The regulations at 24 CFR Part 35, where applicable, regarding Lead-Based Paint Poisoning Prevention in Certain Residential Structures.
- K. The regulations at 24 CFR Part 5.109, where applicable, regarding Equal Participation of Religious Organizations in HUD Programs and Activities.
- L. The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the Central Contractor Registration (CCR) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to Part 25 of the Financial Assistance Use of Universal Identifier and Central Contractor Registration, 75 Fed. Reg. 55671 (Sept. 14, 2010) (to be codified at 2 CFR part 25) and Appendix A to Part 170 of the Requirements for Federal Funding Accountability and Transparency Act Implementation, 75 Fed. Reg. 55663 (Sept. 14, 2010) (to be codified at 2 CFR part 170).

ARTICLE II. Agreement to Enforce Compliance by the Sub-Grantee with the requirements of this Grant Agreement.

- A. The Grantee agrees to enter into a Sub-Grant Agreement with each Sub-Grantee that will have responsibility for designated aspects of project performance as identified in the application and Article VIII (B) of the Grant Agreement. The Sub-Grant Agreement shall commit the Sub-Grantee to comply with the terms of this Grant Agreement.

2. All applicable equal opportunity requirements set forth in Article I, Section B of this Grant Agreement.
3. Anti-lobbying requirements in 24 CFR Part 87, including the requirement to provide certain certifications and/or disclosures to the Grantee.
4. The administrative requirements of 24 CFR Part 84 or Part 85 as appropriate and Treasury Circular 1075, that grants funds shall not be requested or disbursed by the Grantee until needed and shall be the minimum amount necessary. Additional requirements for draw downs are in Articles III and IV.
5. The cost charges to the grant must be allowable (including the “reasonable and necessary” standard) and allocable as specified in OMB Circular A-87, A-122 or A-21 as appropriate.
6. The Uniform Relocation Act as implemented by regulations at 49 CFR Part 24.
7. The Grantee will comply with all accessibility requirements under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, where applicable.
8. Restrictions on participation by ineligible, debarred or suspended persons or entities as described in Executive Order 12549 and at CFR 24 Part 5.105(c).

ARTICLE III. Conditions Precedent to Draw Down.

The Grantee may not draw down grant funds until the following actions have taken place:

- A. The Grantee and each Sub-Grantee have executed a contract as required by Article II.
- B. The Grantee has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying and by 24 CFR 24.510(b) regarding ineligibility, suspension and debarment.
- C. Any other conditions listed in Article VIII (C) of this Grant Agreement.

ARTICLE IV. Draw Downs.

- A. A request by the Grantee to draw down grant funds under the Voice Response Access system or any other payment system constitutes a representation by the Grantee that it and all participating parties are complying with the terms of this Grant Agreement.
- B. The Grantee will be paid on an advance basis provided that the Grantee minimizes the time elapsing between transfer of the grant funds and disbursement for project

- C. Before the Grant Agreement is signed, the Grantee may incur cost for activities which are exempt from environmental review under 24 CFR Part 58 and may charge the costs to the grant.

ARTICLE V. Performance Reports.

- A. The Grantee shall submit to the Grant Officer a performance report every six-months after the effective date of the Grant Agreement. Performance reports shall consist of (1) a one-page narrative of work accomplished during the reporting period and (2) a completed Federal Financial Report Form SF-425. HUD may require additional information or increased frequency of reporting as described in article VIII C.
- B. The performance reports must contain the information required under 24 CFR Part 85.40(b) (2) or 24 CFR Part 84.51(a), as applicable including a comparison of actual accomplishment to the objectives indicated in the approved application, the reasons for slippage if established objectives were not met, and additional pertinent information including explanation of significant cost overruns.
- C. No grant drawdowns will be approved for projects with overdue progress reports.

ARTICLE VI. Project Close-out.

- A. The grantee shall submit to the Grant Officer a written request to close-out the grant 30 days after the grantee has drawn down all funds and completed the activities described in the application, as may be amended. The final report shall consist of (1) a narrative of all work accomplished during the project period and (2) a completed Federal Financial Report Form SF-425 covering the entire project period.

HUD will then send the Close-out Agreement and Close-out Certification to the Grantee. At HUD's option, the Grantee may delay initiation of project close-out until the resolution of any HUD monitoring findings. If HUD exercises this option the Grantee must promptly resolve the findings.

- B. The Grantee recognizes that the close-out process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any review in any way possible, including making available records requested by HUD and the project for on-site HUD inspection.
- C. The Grantee shall provide to HUD the following documentation:
 - 1. A Certificate of Project Close-out.
 - 2. A Grant Close-out Agreement.

3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of OMB Circular A-122, A-87 or A-21 as applicable, including the "necessary and reasonable" standard); a certification of the costs, and the amounts and sources of other project funds.
 4. A final performance report providing a comparison of actual accomplishment with each of the project commitments and objectives indicated in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
- D. The Grantee agrees that the grant funds are allowable only to the extent that the project costs, meeting the standard of OMB Circular A-122, A-87, or A-21 as applicable, equal the grant amount plus other sources of projects funds provided.
- E. When HUD has determined that the grant funds are allowable, the activities were completed as described by the Grant Agreement, and all Federal requirements were satisfied, HUD and the Grantee will sign the Close-out Agreement and Close-out Certificate.

ARTICLE VII. Default.

A default under this Grant Agreement shall consist of using grant funds for a purpose other than as authorized by this Agreement, any noncompliance with legislative, regulatory, or other requirements applicable to the Agreement, any other material breach of this Agreement, or any material misrepresentation in the application submissions.

ARTICLE VIII. Additional Provisions.

A. Project Description. The project is as described in the application with the following changes:

B. Changes or Clarification to the Application Related to Participating Parties:

The grantee may elect to sub-grant all or a portion of this grant to:

Boys & Girls Clubs of South Puget Sound

The Administrative Agent if any:

C. Special Conditions:

The Consolidated Appropriations Act, 2010 provides that no funds made available under the Act may be used to support any Federal, State or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

U.S. Department of Housing
and Urban Development

City of Gig Harbor
Mr. Dave Rodenbach

Authorized Signature



Authorized Signature

DUNS 014365621-0000

Robert Duncan

Associate Deputy Assistant Secretary
for Economic Development

Finance Director

Title

Date

2/24/11

Date

Assistance Award/Amendment

U.S. Department of Housing
and Urban Development
Office of Administration

1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment											
3. Instrument Number B-10-SP-WA-0097	4. Amendment Number	5. Effective Date of this Action	6. Control Number										
7. Name and Address of Recipient City of Gig Harbor 3510 Grandview Street Gig Harbor, WA 98335-1214 EIN: 91-6001435 DUNS# 014365621-0000		8. HUD Administering Office CPD, EDI Special Project Division 451 7th Street, SW, Rm 7146 Washington, DC 20410-7000											
10. Recipient Project Manager Dave Rodenbach		9. HUD Government Technical Representative Gregory Lambert 202-402-4621											
11. Assistance Arrangement <input type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input checked="" type="checkbox"/> Fixed Price	12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse	13. HUD Payment Office Chief Financial Officer											
14. Assistance Amount		15. HUD Accounting and Appropriation Data											
<table border="1"> <tr><td>Previous HUD Amount</td><td></td></tr> <tr><td>HUD Amount this Action</td><td>\$730,500.00</td></tr> <tr><td>Total HUD Amount</td><td>\$730,500.00</td></tr> <tr><td>Recipient Amount</td><td></td></tr> <tr><td>Total Instrument Amount</td><td>\$730,500.00</td></tr> </table>		Previous HUD Amount		HUD Amount this Action	\$730,500.00	Total HUD Amount	\$730,500.00	Recipient Amount		Total Instrument Amount	\$730,500.00	15a. Appropriation Number	15b. Reservation Number EID 10
Previous HUD Amount													
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Amount Previously Obligated													
Obligation by this Action	\$730,500.00												
Total Obligation	\$730,500.00												

16. Description
City of Gig Harbor, Gig Harbor, WA for construction of a multi-use facility by the Boys and Girls Club

This Award consists of the following items which are appended to and hereby made part of this Award:

(A) Cover Page - HUD 1044
(B) Grant Agreement

Special Conditions:

Please contact Deborah Peavler-Stewart - HUD Area Environmental Officer at 206-220-5150, Deborah_Peavler-Stewart@hud.gov concerning environmental review. NO FUNDS may be committed to the project or drawn down prior to environmental release of funds approval.

17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office.	18. <input type="checkbox"/> Recipient is not required to sign this document.
19. Recipient (By Name): Mr. Dave Rodenbach	20. HUD (By Name): Robert Duncan
Signature & Title: Financial Director	Signature and Title: ADAS for Economic Development
Date: 2/24/11	Date:

Subject: Eddon Boat Park Remediation Proj.
-- Amendment to Environmental Covenant

Proposed Council Action: Authorize the Mayor to approve the Amendment to the Environmental Covenant as presented.

Dept. Origin: Public Works/Engineering

Prepared by: Stephen Misiurak, PE
City Engineer



For Agenda of: April 25, 2011

Exhibits: Amendment to Environmental Covenant
Dept. of Ecology Cleanup
Approval letter dated April 5, 2011

Concurred by Mayor:

Initial & Date
CLH 4/21/11

Approved by City Administrator:

RJK

Approved as to form by City Atty:

approve via email 4/21/11

Approved by Finance Director:

CFR 4/21/11

Approved by Department Head:

4/20/11

Expenditure		Amount	Appropriation	
Required	\$5,000	Budgeted	Required	0
		\$0		

INFORMATION / BACKGROUND

This amendment to the existing recorded Environmental Restrictive Covenant acknowledges that upon City completion of the placement of a landscape barrier, gravel cap, City signage and sealing off of the side access door to the north, and recordation of this amended restrictive covenant, the strip of land approximately five feet in width, as depicted in Exhibit "B" will be considered remediated to the satisfaction of the Department of Ecology. All work will be completed by City personnel.

FISCAL CONSIDERATION

City Park funds will be utilized in remediation of this small strip of land estimated in the amount of \$5,000 or less.

RECOMMENDATION / MOTION

Move to: Authorize the Mayor to approve the Amendment to Environmental Covenant.

The City of Gig Harbor
Attn: City Clerk
3510 Grandview Street
Gig Harbor, WA 98335

WASHINGTON STATE COUNTY AUDITOR/RECORDER'S INDEXING FORM

Document Title(s) (or transactions contained therein):

Amendment to Environmental Covenant – Eddon Boat Park

Grantor(s) (Last name first, then first name and initials)

City of Gig Harbor, Washington

Grantee(s) (Last name first, then first name and initials)

Washington State Department of Ecology

Legal Description (abbreviated: i.e., lot, block, plat or section, township, range)

Section 05, Township 21, Range 02, Quarter 33 (additional legal description on page 7)

Assessor's Property Tax Parcel or Account Number: 0221053074 and 0221053050

Reference Number(s) of Documents assigned or released: Auditor Ref 200907280613

AMENDMENT TO ENVIRONMENTAL COVENANT

Grantor: City of Gig Harbor
Grantee: State of Washington, Department of Ecology
Legal: Section 05 Township 21 Range 02 Quarter 33
Tax Parcel Nos.: 022105-3074 and 022105-3050

Environmental Covenant, recording number 200907280613, was recorded in Pierce County, Washington on July 28, 2009. The Environmental Covenant imposed limitations on the use of property at the Eddon Boat Park, Pierce County tax parcel numbers 022105-3074 and 022105-3050. The limitations are required because remedial actions on the property resulted in some areas with residual contaminants being left on the property. Limits on disturbances of these areas are required by the original covenant to prevent release to the environmental or human exposure to contaminants.

Grantor, City of Gig Harbor, hereby binds Grantor, its successors and assigns to the land use restrictions identified herein and grants such other rights under this amendment to environmental covenant (hereafter "Amendment to Covenant") made this ____ day of _____, 2011 in favor of the State of Washington Department of Ecology (hereafter "Ecology"). Ecology shall have full right of enforcement of the rights conveyed under this Covenant pursuant to the Model Toxics Control Act, Revised Code of Washington (hereafter "RCW") 70.105D.030(1)(g), and the Uniform Environmental Covenants Act, 2007 Washington Laws chapter 104, section 12.

This Amendment to Covenant is made pursuant to RCW 70.105D.030(1)(f) and (g) and Washington Administrative Code (hereafter "WAC") 173-340-440 by City of Gig Harbor, its successors and assigns, and Ecology, its successors and assigns.

A remedial action (hereafter "Remedial Action") occurred at the property that is the subject of this Amendment to Covenant. The property is legally described in Exhibit A to this Amendment to Covenant. The Remedial Action conducted at the property is described in the following document[s]:

- Agreed Order (hereafter "AO") DE 5597, August 2008
- Cleanup Action Plan (hereafter "CAP") for the Eddon Boatyard Site (Exhibit of the AO, June 2008)
- Memorandum of Understanding, to Joyce Mercuri, Washington State Department of Ecology, from City of Gig Harbor, City Engineer, dated March 7, 2011

These documents are on file at Ecology's Southwest Regional Office.

This Amendment to Covenant is required because the Remedial Action resulted in residual concentrations of polyaromatic hydrocarbons which exceed the Model Toxics Control Act, Method A soil cleanup levels for unrestricted land use established under WAC 173-340-740. The polyaromatic hydrocarbon area covered by this Amendment to Covenant are located in the strip of land between the northwest side of the boat shed building and the northern property line. This area has been remediated by isolating contaminated soils beneath a landscape barrier and gravel cap and by limiting public access. This area is in addition to the parts of the site initially identified in the Cleanup Action Plan and included in the original Environmental Covenant.

Section 1. In addition to the restrictions required in the original Environmental Covenant, recording number 200907280613, the following restrictions are required for the area identified on Exhibit B with cross-hatching, between the northwest property line and the boatshed building.

Activities that may result in the release or exposure to the environment of contaminated soils that were contained as part of the Remedial Action, or create a new exposure pathway, are prohibited without prior written approval from Ecology. Some examples of activities that are prohibited in the capped area include drilling, digging, piercing the surface with a spike or similar item, or removal or disturbance of gravel cap.

Access to this area by the general public shall be limited by the placement of signs, and physically restricted access from the boatshed building and the viewing platform.

Section 2. Any activity on the Property that may interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Any activity on the Property that may result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 4. The Owner of the Property must give thirty (30) days advance written notice to Ecology of the Owner's intent to convey any interest in the Property. No conveyance of title, easement, lease or other interest in the Property shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

Section 5. The Owner must restrict leases to uses and activities consistent with the Covenant and notify all lessees of the restrictions on the use of the Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Covenant. Ecology may approve any inconsistent use only after public notice and comment.

Section 7. The Owner shall allow authorized representatives of Ecology the right to enter the Property at reasonable times for the purpose of evaluating the Remedial Action; to take samples, to inspect remedial actions conducted at the property, to determine compliance with this Covenant, and to inspect records that are related to Remedial Action.

Section 8. The Owner of the Property reserves the right under WAC 173-340-440 to record an instrument that provides that this Covenant shall no longer limit use of the Property or be of any further force or effect. However, such an instrument may be recorded only if Ecology, after public notice and opportunity for comments, concurs.

City of Gig Harbor

Charles L. Hunter
Mayor

Dated: _____

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Rebecca S. Lawson, P.E.
Toxics Cleanup Program
Section Manager
Southwest Region

Dated: _____

[REPRESENTATIVE ACKNOWLEDGEMENT]

STATE OF _____
COUNTY OF _____

On this ____ day of _____, 20__, I certify that _____ personally appeared before me, acknowledged that **he/she** signed this instrument, on oath stated that **he/she** was authorized to execute this instrument, and acknowledged it as the Section Manager of Washington State Department of Ecology Toxics Cleanup Program, Southwest Region to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

STATE OF _____
COUNTY OF _____

On this ____ day of _____, 20__, I certify that Charles L. Hunter personally appeared before me, acknowledged that **he** signed this instrument, on oath stated that **he** was authorized to execute this instrument, and acknowledged it as the Mayor of The City Of Gig Harbor to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

EXHIBIT A
LEGAL DESCRIPTION

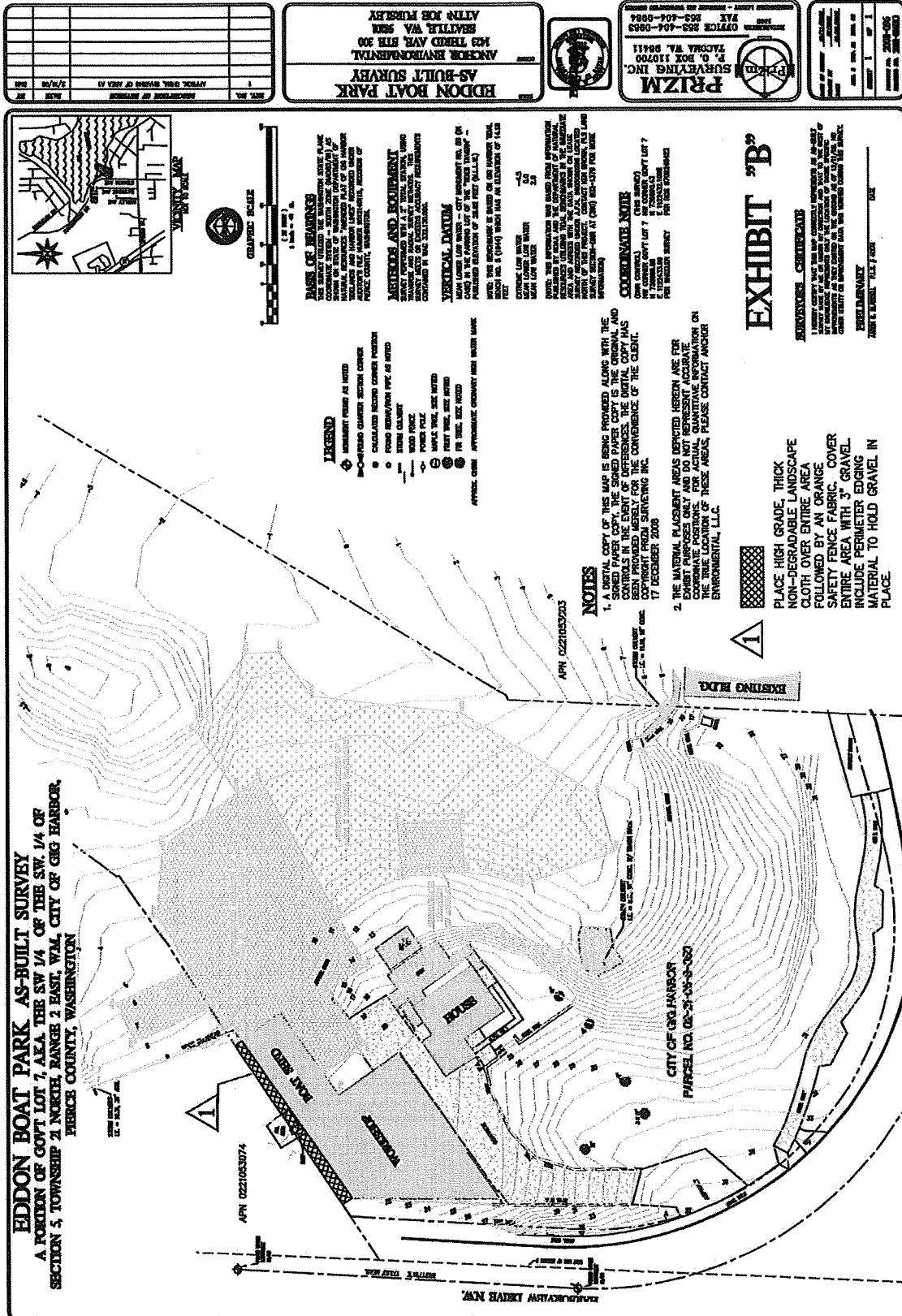
022105-3074

Section 05 Township 21 Range 02 Quarter 33 : COM AT MC AT NW COR LOT 7 TH S 41 DEG 03 MIN E 75.21 FT ALG ML TH S 26 DEG 03 MIN E 200 FT TO TRUE POB TH CONT S 26 DEG 03 MIN E 125.5 FT TH S 19 DEG 49 MIN W 79 FT TH S 50 DEG 55 MIN W 162.65 FT TO HWY TH NLY ALG ELY LI HWY TO PT S 54 DEG 48 MIN W FROM POB TH N 54 DEG 48 MIN E 145 FT TO POB TOG/W TDLDS ABUTT

022105-3050

Section 05 Township 21 Range 02 Quarter 33 : COM NW COR GOVT LOT 7 TH S 01 DEG 13 MIN W 572.82 FT N 50 DEG 55 MIN E 58 FT TO INTER ELY LI OF B H CO RD & POB TH CONT N 50 DEG 55 MIN E 162.55 FT N 19 DEG 49 MIN E 79 FT TO INTER ML OF GIG HARBOR TH S 25 DEG 00 MIN E 90.96 FT N 63 DEG 57 MIN E 55 FT M/L TO A PT THAT IS 287.37 FT E OF & AT R/A TO W LI SEC TH S 01 DEG 13 MIN W 163 FT M/L TO INTER NLY LI SD B H CO RD TH WLY & SLY 272 FT ALG NLY LI SD RD TO BEG TO /W TDLDS ABUTT

EXHIBIT B
MAP - AMENDED RESTRICTED AREA





STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

Consent Agenda - 8
Page 19
RECEIVED

APR 08 2011

CITY OF GIG HARBOR
ENGINEERING

April 5, 2011

Steve Misiurak, P.E., City Engineer
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

SUBJECT: Eddon Boat Park (Facility-Site identification 1301959)
Memorandum of Understanding for additional cleanup measures – March 7, 2011

Dear Mr. Misiurak:

I am writing to provide Department of Ecology (Ecology) approval of the Memorandum of Understanding for additional cleanup measures for the Eddon Boat Park Site.

Background

Site investigations during the remedial investigations phases of the site cleanup found carcinogenic polyaromatic hydrocarbons (cPAH) in a sample from 1.5 to 3 feet deep, at a location to the north of the boatshed building. The sample was close to the end of a ramp that came from the side door to the building. The location is on the neighboring property but was sampled to test for contamination that may have come from the boatyard operation. The sample location was called AHA-1 in the Data Assessment and Conceptual Cleanup Plan by Anchor Environmental (2005).

According to the Agreed Order (DE 5597) and Cleanup Action Plan, the remedial action for AHA-1 was to excavate an area of 100 square feet around the sample location, then conduct confirmation sampling to ensure the contaminated area was addressed. Cleanup standards set for this area for cPAH are 0.1 milligrams per kilogram (mg/kg), measured as total toxicity equivalent (TEQ).

An area of about 25 square feet around AHA-1 was excavated to a depth of 3 feet in 2008. A composited confirmation sample from the excavation sidewalls and bottom contained 1.9 mg/kg cPAH. A sample taken from the bottom of the excavated area contained only 0.0066 mg/kg of cPAH, indicating that the contamination is not present below a depth of about 3 feet.

Additional samples were taken beyond the limits of the excavation to determine whether the cPAH were widespread. Samples obtained from borings up to 4 feet away from the excavated area contained up to 1.9 ppm cPAH TEQ from 0-3 feet deep.



Based on the results of the samples, Ecology determined that there was a likelihood of another source of contamination. Materials containing PAH were not used at the boat yard, and other contaminants that may have been associated with discharges from the boat yard, such as metals or petroleum, were not present. Ecology subsequently worked through the Tacoma-Pierce County Health Department to have an initial investigation (I.I.) conducted on the neighboring property. The I.I. included sampling which confirmed that the cPAH are present over a wider area of the neighboring property than would logically have come from the boat shed doorway.

Additional Cleanup Measures

In a meeting on February 16, 2010, Ecology and the City of Gig Harbor agreed that the strip of land (approximately 5' wide) on the Eddon Boat Park property lying between the northwest side of the boat shed building and the northwest property line should be remediated in order for the Eddon Boat Park site cleanup to be considered complete. Ecology requested Gig Harbor provide a memorandum explaining other cleanup measures to be considered and evaluating feasibility of them.

Gig Harbor submitted an initial memorandum on January 31, 2010 proposing to cover the subject area with landscape cloth and bark. Ecology requested that gravel be used instead of bark, and Gig Harbor resubmitted a revised memorandum on March 7, 2011. It is not feasible to excavate the area due to limited working space/access and the potential to compromise the foundation of the historic building.

The Memorandum of Understanding from Gig Harbor, dated March 7, 2011, includes the following additional cleanup measures:

1. Placement of a high grade, thick, non-degradable landscape cloth over the entire area, followed by orange safety fence fabric. The entire area would then be covered with three inches of uncompacted free draining gravel. This also includes perimeter edging material to hold the gravel in place.
2. The City will install restrictive "no Public Access" signage mounted on wooden posts (at both ends of the side-yard) as well as metal signage along the length of the boathouse.
3. The door from the boat shop to this area will be blocked off from the inside.
4. The ramp from the door will be removed.
5. A chain will be added at the end of the viewing platform walkway.
6. A statement will be added to the Gig Harbor Standard Operating Procedure manual to prohibit digging in this area without prior written approval from Ecology.

Ecology hereby approves of the additional cleanup measures proposed, and Gig Harbor may now begin implementing these measures. When complete, this additional cleanup should be documented in the project completion report, including photographs of the area. I would also appreciate it if you would inform me of the time frame for when this work is planned to begin.

Environmental Covenant

In addition to the above actions, Gig Harbor will need to record an amended Environmental Covenant with the Pierce County Auditor to supplement the existing Environmental Covenant that prohibits disturbances of capped areas. A draft covenant is provided for the City's review and completion. A map will need to be added on the last page of the covenant. Once the covenant is signed and formatted for recording, please send back to me and I will obtain the necessary signatures here and send back to you for recording.

I appreciate the City's ongoing efforts to shepherd this site through the cleanup process and cooperation with Ecology throughout the process. Please feel free to contact me at (360) 407-6260, or by email at Joyce.Mercuri@ecy.wa.gov if you have questions or would like to discuss this letter.

Sincerely,



Joyce Mercuri
Site Manager
Toxics Cleanup Program
Southwest Region

JM/ksc:AHA 1 further work final letter to city

By certified mail: (7009 2820 0001 7155 6870)

cc: Joy Dunay, Anchor QEA (email)

Return Address:

The City of Gig harbor
Attn: City Clerk
3510 Grandview Street
Gig Harbor, WA 98335

Document Title:

Amendment to Environmental Covenant – Eddon Boat Park

Grantor:

City of Gig Harbor, Washington

Grantee:

Washington State Department of Ecology

Abbreviated Legal Description:

Section 05, Township 21N, Range 2E, Quarter 33
Additional legal description on Page 6

Assessor's Property Tax Parcel/Account Number (s):

022105-3074; 022105-3050

Auditor Reference Number:

200907280613

AMENDMENT TO ENVIRONMENTAL COVENANT

Environmental Covenant, recording number 200907280613, was recorded in Pierce County, Washington on July 28, 2009. The Environmental Covenant imposed limitations on the use of property at the Eddon Boat Park, Pierce County tax parcel numbers 022105-3074 and 022105-3050. The limitations are required because remedial actions on the property resulted in some areas with residual contaminants being left on the property. Limits on disturbances of these areas are required by the original covenant to prevent to prevent release to the environment or human exposure to contaminants.

Grantor, City of Gig Harbor, hereby binds Grantor, its successors and assigns to the land use restrictions identified herein and grants such other rights under this amendment to environmental covenant (hereafter "Amendment to Covenant") made this ___ day of _____, 2011 in favor of the State of Washington Department of Ecology (hereafter "Ecology"). Ecology shall have full right of enforcement of the rights conveyed under this Covenant pursuant to the Model Toxics Control Act, Revised Code of Washington (hereafter "RCW") 70.105D.030(1)(g), and the Uniform Environmental Covenants Act, 2007 Washington Laws chapter 104, section 12.

This Amendment to Covenant is made pursuant to RCW 70.105D.030(1)(f) and (g) and Washington Administrative Code (hereafter "WAC") 173-340-440 by City of Gig Harbor, its successors and assigns, and Ecology, its successors and assigns.

A remedial action (hereafter "Remedial Action") occurred at the property that is the subject of this Amendment to Covenant. The property is legally described in Exhibit A to this Amendment to Covenant. The Remedial Action conducted at the property is described in the following document[s]:

- Agreed Order DE 5597, August, 2008
- Cleanup Action Plan for the Eddon Boatyard Site (Exhibit of the Agreed Order, June 2008.
- Memorandum of Understanding, To Joyce Mercuri, Washington State Department of Ecology, from City of Gig Harbor City Engineer, dated March 7, 2011

These documents are on file at Ecology's Southwest Regional Office.

This Amendment to Covenant is required because the Remedial Action resulted in residual concentrations of polyaromatic hydrocarbons which exceed the Model Toxics Control Act, Method A soil cleanup levels for unrestricted land use established under WAC 173-340-740. The polyaromatic hydrocarbon area covered by this Amendment to Covenant are located in the strip of land between the northwest side of the boat shed building and the northern property line. This area has been remediated by isolating contaminated soils beneath a landscape barrier and gravel cap and by limiting public access. This area is in addition to the parts of the site initially identified in the Cleanup Action Plan and included in the original Environmental Covenant.

Section 1. In addition to the restrictions required in the original Environmental Covenant, recording number 200907280613, the following restrictions are required for the area identified on Exhibit B with cross-hatching, between the northwest property line and the boat shed building.

Activities that may result in the release or exposure to the environment of contaminated soils that were contained as part of the Remedial Action, or create a new exposure pathway, are prohibited without prior written approval from Ecology. Some examples of activities that are prohibited in the capped area include drilling, digging, piercing the surface with a spike or similar item, or removal or disturbance of gravel cap.

Access to this area by the general public shall be limited by the placement of signs, and physically restricting access from the boatshed building and the viewing platform.

Section 2. Any activity on the Property that may interfere with the integrity of the Remedial Action and continued protection of human health and the environment is prohibited.

Section 3. Any activity on the Property that may result in the release or exposure to the environment of a hazardous substance that remains on the Property as part of the Remedial Action, or create a new exposure pathway, is prohibited without prior written approval from Ecology.

Section 4. The Owner of the property must give thirty (30) day advance written notice to Ecology of the Owner's intent to convey any interest in the Property. No conveyance of title, easement, lease, or other interest in the Property shall be consummated by the Owner without adequate and complete provision for continued monitoring, operation, and maintenance of the Remedial Action.

Section 5. The Owner must restrict leases to uses and activities consistent with the Covenant and notify all lessees of the restrictions on the use of the Property.

Section 6. The Owner must notify and obtain approval from Ecology prior to any use of the Property that is inconsistent with the terms of this Covenant. Ecology may approve any inconsistent use only after public notice and comment.

Section 7. The Owner shall allow authorized representatives of Ecology the right to enter the Property at reasonable times for the purpose of evaluating the Remedial Action; to take samples, to inspect remedial actions conducted at the property, to determine compliance with this Covenant, and to inspect records that are related to the Remedial Action.

Section 8. The Owner of the Property reserves the right under WAC 173-340-440 to record an instrument that provides that this Covenant shall no longer limit use of the Property or be of any further force or effect. However, such an instrument may be recorded only if Ecology, after public notice and opportunity for comment, concurs.

City of Gig Harbor

Charles L. Hunter
Mayor

Dated: _____

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Rebecca S. Lawson, P.E.
Toxics Cleanup Program
Section Manager
Southwest Region

Dated: _____

[REPRESENTATIVE ACKNOWLEDGEMENT]

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 20__, I certify that _____ personally appeared before me, acknowledged that **he/she** signed this instrument, on oath stated that **he/she** was authorized to execute this instrument, and acknowledged it as the Section Manager of Washington State Department of Ecology Toxics Cleanup Program, Southwest Region to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 20__, I certify that _____ personally appeared before me, acknowledged that **he/she** signed this instrument, on oath stated that **he/she** was authorized to execute this instrument, and acknowledged it as the _____ [type of authority] of _____ [name of party being represented] to be the free and voluntary act and deed of such party for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires _____.

Exhibit A: Legal Description

022105-3074

Section 05 Township 21 Range 02 Quarter 33 : COM AT MC AT NW COR LOT 7 TH S 41 DEG 03 MIN E 75.21 FT ALG ML TH S 26 DEG 03 MIN E 200 FT TO TRUE POB TH CONT S 26 DEG 03 MIN E 125.5 FT TH S 19 DEG 49 MIN W 79 FT TH S 50 DEG 55 MIN W 162.65 FT TO HWY TH NLY ALG ELY LI HWY TO PT S 54 DEG 48 MIN W FROM POB TH N 54 DEG 48 MIN E 145 FT TO POB TOG/W TDLDS ABUTT

022105-3050

Section 05 Township 21 Range 02 Quarter 33 : COM NW COR GOVT LOT 7 TH S 01 DEG 13 MIN W 572.82 FT N 50 DEG 55 MIN E 58 FT TO INTER ELY LI OF B H CO RD & POB TH CONT N 50 DEG 55 MIN E 162.55 FT N 19 DEG 49 MIN E 79 FT TO INTER ML OF GIG HARBOR TH S 25 DEG 00 MIN E 90.96 FT N 63 DEG 57 MIN E 55 FT M/L TO A PT THAT IS 287.37 FT E OF & AT R/A TO W LI SEC TH S 01 DEG 13 MIN W 163 FT M/L TO INTER NLY LI SD B II CO RD TH WLY & SLY 272 FT ALG NLY LI SD RD TO BEG TO /W TDLDS ABUTT

Exhibit B – Map – Amended Restricted Area



Subject: Second reading—Ordinance allowing a deduction for bad debts on the total gross income upon which business and occupation tax is computed

Proposed Council Action: Adopt ordinance After second reading

Dept. Origin: Finance

Prepared by: David Rodenbach, Finance Director

For Agenda of: April 25, 2011

Exhibits: GHMC 3.16.020 and Ordinance

Concurred by Mayor:

Approved by City Administrator

Approved as to form by City Atty:

Approved by Finance Director:

Approved by Department Head:

Initial & Date

CLH 4/19/11

PKK 4/19/11

by e-mail

DR 4/18/11

Expenditure	Amount	Appropriation
Required \$0	Budgeted \$0	Required \$0

INFORMATION / BACKGROUND

Peninsula Light pays utility tax on gross income received for services billed within Gig Harbor city limits. Current city code does not allow deductions for account write-offs. Peninsula Light has requested the city to allow a deduction for accounts that have been written off.

The Washington State Department of Revenue currently allows a bad debt deduction when calculating the taxable base for state business and occupation taxes.

FISCAL CONSIDERATION

Peninsula Light has indicated that write-offs are approximately .23 percent of total billings. The deduction for Electric B & O utility tax for 2010 would have been \$1,045.

If this same percentage for write-offs were applied across all City B & O tax categories (Water, Natural Gas and Telephone), the amount would be an additional \$1,400.

BOARD OR COMMITTEE RECOMMENDATION

The bad debt deduction was presented to the Finance and Safety committee on April 4. The committee did not support the deduction. For further information see proposed meeting minutes of the Finance and Safety committee in the consent agenda for the April 25, 2011 City Council meeting.

RECOMMENDATION / MOTION

Move to: Staff recommends that City Council adopt this ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING SECTION 3.16.070 GHMC TO ALLOW FOR A DEDUCTION ON THE TOTAL GROSS INCOME UPON WHICH BUSINESS AND OCCUPATION TAX IS COMPUTED FOR BAD DEBTS; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the City of Gig Harbor is authorized to tax the gross income of private utility businesses operating within the City's boundaries and the City's own municipal utilities pursuant to RCW 35A.82.020; and

WHEREAS, the City Council desires to allow for a deduction on the total gross income upon which utility businesses are taxed for certain bad debts; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Amended. Section 3.16.070 GHMC is hereby amended to read as follows:

There is excepted and deducted from the total gross income upon which the license fee or tax is computed, so much thereof as is derived from the business which the city is prohibited from taxing under the Constitution or laws of the United States or the Constitution or laws of the state of Washington, and any amount paid by the taxpayer to the United States or the state of Washington as excise taxes levied or imposed upon the sale or distribution of property or services.

There shall also be excepted and deducted from the total gross income upon which the tax is computed all bad debts for services incurred, rendered or charged for during the tax year. Debts shall be deemed bad and uncollectible when they have been written off the books of the taxpayer. In the event debts are subsequently collected, the income shall be reported in the return for the quarter in which the debts are collected and at the rate prevailing in the tax year when collected.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor,
this ____ day of _____, 2011.

CITY OF GIG HARBOR

Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Angela S. Belbeck

Filed with city clerk: 04/06/11
Passed by the city council:
Date published:
Date effective:

Chapter 3.16
BUSINESS AND OCCUPATION TAX

Sections:

- [3.16.010](#) Exercise of revenue license power.
- [3.16.020](#) Definitions.
- [3.16.030](#) Repealed.
- [3.16.031](#) Repealed.
- [3.16.040](#) Repealed.
- [3.16.050](#) License tax year.
- [3.16.060](#) Occupation license and tax – Applicable businesses – Rate.
- [3.16.070](#) Exceptions and deductions.
- [3.16.080](#) Repealed.
- [3.16.090](#) Monthly, quarterly payments.
- [3.16.100](#) Tax apportioned for business commencing during tax year.
- [3.16.110](#) License prerequisite to monthly payments.
- [3.16.120](#) Sale or transfer of business.
- [3.16.130](#) Books and records of gross income.
- [3.16.140](#) Investigation of returns.
- [3.16.150](#) Over or under payment.
- [3.16.160](#) Nonpayment of tax – Liability.
- [3.16.170](#) Appeals to city council.
- [3.16.180](#) Rules and regulations.
- [3.16.190](#) Posting of license – Transferability.
- [3.16.200](#) Violation – False returns, etc.
- [3.16.210](#) Violation – Penalty.

3.16.010 Exercise of revenue license power.

The provisions of this chapter shall be deemed an exercise of the power of the city to license for revenue. (Ord. 129 § 1, 1970).

3.16.020 Definitions.

In construing the provisions of this chapter, save when otherwise plainly declared or clearly apparent from the context, the following definitions shall be applied:

- A. "Gross income" means the value proceeding or accruing from the sale of tangible property or service, and receipts (including all sums earned or charged, whether received or not) by reason of the investment of capital in the business engaged in, including rentals, royalties, fees or other emoluments, however designated (excluding receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages, or other evidences of indebtedness, or stocks and the like) and without any deduction on account of the cost of the property sold, the cost of materials used, labor costs, interest or discount paid, or any expense whatsoever, and without any deduction on account of losses;
- B. "Taxpayer" means any person liable to the license fee or tax imposed by this chapter;
- C. "Tax year" or "taxable year" means the calendar year, or in lieu thereof, the taxpayer's fiscal year when permission is obtained from the city clerk to use the same as the tax period.

Subject: First reading – Ordinance imposing a 6.5% retail sales and use tax within the Gig Harbor Hospital Benefit Zone

Proposed Council Action: Adopt ordinance after second reading

Dept. Origin: Finance

Prepared by: David Rodenbach, Finance Director

For Agenda of: April 25, 2011

Exhibits: GHMC 3.16.020 and Ordinance

Concurred by Mayor:

Approved by City Administrator

Approved as to form by City Atty:

Approved by Finance Director:

Initial & Date

CLH 4/19/11

RYK

by e-mail (CW)

DR 4/18/11

Expenditure	Amount	Appropriation
Required \$0	Budgeted \$0	Required \$0

INFORMATION / BACKGROUND

The city established a Hospital Benefit Zone (HBZ) in July 2006. In October 2006, the zone was increased to include a small portion of unincorporated Pierce County.

The HBZ was created in order for the city to obtain state funding for certain infrastructure projects within the zone.

The base year, against which future revenues will be measured, was completed in 2007. Subsequent years are referred to as "measurement years," meaning that sales and use tax revenues received by the state that exceed that which was received in the base year can be used to match local money spent on eligible projects within the HBZ. The maximum state match is \$2 million dollars in any given year.

In order to receive the match, the city must have spent money on an eligible project in the preceding year; and impose a sales and use tax within the HBZ prior to July 1 in the year before the city expects to receive the funding.

This is not an additional tax. It will be credited against the portion of the 6.5% that the state would have received on any retail sale within the zone. Total sales and use taxes within the zone will remain at 8.4%.

FISCAL CONSIDERATION

A recap of the base and measurement years is listed below.

	Base Year	Measurement Years			New Business - 1
	2007	2008	2009	2010	Page 2 of 12
State sales tax	\$4,549,775	\$12,630,698	\$13,157,466	\$12,467,919	
City sales tax	\$ 452,359	\$ 1,393,212	\$ 1,402,160	\$ 1,412,689	
County sales tax	\$ 241,427	\$ 532,003	\$ 604,518	\$ 486,271	

As the table above indicates, incremental sales and use tax revenue received by the state is adequate to provide the maximum state match of \$2 million.

BOARD OR COMMITTEE RECOMMENDATION

N/A

RECOMMENDATION / MOTION

Move to: Adopt ordinance after second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, IMPOSING A 6.5% RETAIL SALES
AND USE TAX WITHIN THE GIG HARBOR
HOSPITAL BENEFIT ZONE.

PASSED: _____, 2011

Prepared by:

K&L GATES LLP
Seattle, Washington

CITY OF GIG HARBOR
ORDINANCE NO. _____
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* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, IMPOSING A 6.5% RETAIL SALES
AND USE TAX WITHIN THE GIG HARBOR
HOSPITAL BENEFIT ZONE.

WHEREAS, the Washington State Legislature in its 2006 Regular Session approved SHB 2670, as Chapter 111, Laws of 2006 (the "Act"), authorizing the formation of hospital benefit zones; and

WHEREAS, a hearing was held on July 24, 2006, and the City Council of the City of Gig Harbor, Washington (the "City") approved Ordinance No. 1052, forming the Gig Harbor Hospital Benefit Zone; and a hearing was held on October 23, 2006, and the City Council of the City of Gig Harbor, Washington approved Ordinance No. 1057, amending the Gig Harbor Hospital Benefit Zone; and

WHEREAS, subsequent to the formation of the Gig Harbor Hospital Benefit Zone, Pierce County, Washington (the "County"), pursuant to Resolution No. R2006-141 adopted on November 7, 2006, authorized an Interlocal Agreement with the City (the "Interlocal Agreement"), pursuant to which certain areas within the County and within the City's urban growth boundaries would be included within the Gig Harbor Hospital Benefit Zone (as expanded, the "Benefit Zone"); and

WHEREAS, in November 2006, the Department of Revenue (the "Department") approved the Benefit Zone and implemented the local tax location codes for the for the new zone effective January 1, 2007 for the purpose of imposing the local option sales and use tax authorized in RCW 82.14.465; and

WHEREAS, under the Act, the City and the County are authorized to finance certain public improvements including those set forth in City Ordinance No. 1052 as amended by City Ordinance No. 1057 (as defined therein, the “Public Improvements”); and

WHEREAS, pursuant to the Act and the Interlocal Agreement, the County will allocate excess local excise taxes to the City for the purpose of financing a portion of the costs of the Public Improvements; and

WHEREAS, the base year in which base amounts are determined for future calculations of incremental state and local sales and use tax revenues in the Benefit Zone was completed December 31, 2007 (the “Base Year”). In the Base Year, the State received \$4,549,775 in State sales and use tax on taxable activity generated within the Benefit Zone, and the 0.5% basic and 0.5% optional local sales and use taxes authorized in RCW 82.14.030 on taxable activity within the Benefit Zone generated \$452,359 in tax revenue for the City and \$241,427 for the County; and

WHEREAS, the year ending December 31, 2008 was the first measurement year for the Benefit Zone. In such year, the State received \$12,630,698 in State sales and use tax on taxable activity generated within the Benefit Zone, and the 0.5% basic and 0.5% optional local sales and use taxes authorized in RCW 82.14.030 on taxable activity within the Benefit Zone generated \$1,393,212 in tax revenue for the City and \$532,003 for the County; and

WHEREAS, the year ending December 31, 2009 was the second measurement year for the Benefit Zone. In such year, the State received \$13,157,466 in State sales and use tax on taxable activity generated within the Benefit Zone, and the 0.5% basic and 0.5% optional local sales and use taxes authorized in RCW 82.14.030 on taxable activity within the Benefit Zone generated \$1,402,160 in tax revenue for the City and \$604,518 for the County; and

WHEREAS, the year ending December 31, 2010 was the third measurement year for the Benefit Zone. In such year, the State received \$12,467,919 in State sales and use tax on taxable activity generated within the Benefit Zone, and the 0.5% basic and 0.5% optional local sales and use taxes authorized in RCW 82.14.030 on taxable activity within the Benefit Zone generated \$1,412,689 in tax revenue for the City and \$486,271 for the County; and

WHEREAS, pursuant to RCW 39.100.050, the City is authorized to impose a retail sales and use tax under RCW 82.14.465 to finance the Public Improvements; and

WHEREAS, the tax will be deducted from the amount of tax otherwise required to be collected or paid over to the State of Washington (the "State"), operating to shift a share of the sales and use tax revenues to Benefit Zone; and

WHEREAS, the rate of tax may not exceed 6.5% of the selling price in the case of a sales tax or the value of the article used in the case of a use tax but in no case may the tax exceed what is necessary for the City to receive its entire annual State contribution in a ten-month period of time; and

WHEREAS, revenues collected under RCW 82.14.465 are further limited to the lesser of (a) \$2 million, (b) the amount of local matching funds provided by the local government, or (c) the amount of incremental State revenue received by the State in the previous year as a result of economic development within the benefit zone; and

WHEREAS, the tax imposed under RCW 82.14.465 will expire upon the earlier of the date (a) the tax allocation revenues are no longer used for the Public Improvements and Public Improvement costs, (b) when bonds issued for financing the costs of the Public Improvements are retired, or (c) that is thirty years after the tax is first imposed; and

WHEREAS, it is deemed necessary and advisable that the City now impose a 6.5% sales and use tax in accordance with the Act for this purpose; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DOES ORDAIN; as follows:

Section 1. Findings. The City hereby finds it to be in the public interest and particularly in the interest of the citizens of the City to impose a sales and use tax in accordance with the Act.

(a) The estimated cost of the Public Improvements is \$136,570,000, all or a portion of which is expected to be financed by proceeds of bonds.

(b) The imposition of the local excise taxes by the City pursuant to RCW 39.100.050 and RCW 82.14.465 is in the best interests of the City and in furtherance of the purposes of the Act.

(c) In Ordinance No. 1052 and Ordinance No. 1057, the City Council has made the findings required by the Act.

Section 2. Imposition of Retail Sales and Use Tax. Pursuant to RCW 82.14.465, the City hereby levies a tax on each retail sale within the official boundaries of the City of 6.5% of the selling price. Pursuant to RCW 82.14.465, the City hereby also levies a tax or excise for the privilege of using within the City as a consumer the articles set forth in chapter 82.14 RCW, to be collected from every person within the official boundaries of this City. The tax shall be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the retail sales tax under this Section 2.

Notwithstanding anything to the contrary in this ordinance, the amount of taxes received by the City in any fiscal year (as defined in RCW 39.100.030) pursuant to the authority granted

in this ordinance shall not exceed the amount of the State contribution, and the taxes shall cease to be distributed for the remainder of any fiscal year in which either: (a) the amount of tax distributions totals the amount of the State contribution; (b) the amount of tax distributions totals the amount of local public sources, dedicated in the previous calendar year to finance Public Improvements authorized under chapter 39.100 RCW, expended in the previous year for Public Improvement costs or used to pay for other bonds issued to pay for Public Improvements; or (c) the amount of revenue from taxes imposed by all cities, towns, and counties under chapter 39.100 RCW totals the annual state credit limit of \$2 million in any fiscal year. If the taxes imposed pursuant to this ordinance cease to be distributed for any of the reasons provided in the preceding sentence, the taxes shall be distributed to the City again beginning in the next fiscal year, subject to the restrictions in RCW 82.14.465. Any revenue generated by the taxes imposed pursuant to this ordinance in excess of the amounts specified above shall be remitted to the State for such period.

Section 3. Taxable Events. The taxes imposed pursuant to Section 2 shall be in addition to other taxes authorized by law, and shall be collected from those persons who are taxable by the State of Washington under chapters 82.08 and 82.12 RCW, respectively, upon the occurrence of any taxable event within the taxing jurisdiction of the City.

Section 4. Duration of the Tax. The taxes imposed pursuant to Section 2 shall be in effect from July 1, 2011 until the earlier of the date (a) the tax allocation revenues are no longer used for the Public Improvements, (b) when bonds issued for financing the costs of the Public Improvements are retired, or (c) that is thirty years after the tax is first imposed.

Section 5. Consistency with State Tax. The taxes imposed herein shall comply with all applicable rules, regulations, laws, and court decisions regarding sales and use excise taxes as

imposed by the State under chapters 82.08 and 82.12 RCW and applicable regulations. The provisions of those chapters, to the extent they are not inconsistent with this ordinance, shall apply as though fully set forth herein.

Section 6. Collection of the Tax. The City shall transmit a copy of this ordinance to the Department. The City shall contract with the Department for the administration and collection of the taxes imposed herein. The Director of Finance of the City is hereby authorized to negotiate and execute such agreement on such terms as he deems to be in the best interests of the City.

Section 7. Distribution of Tax Proceeds and Limiting the Use Thereof. The Director of Finance of the City shall deposit the proceeds of the taxes imposed herein and received from the Department in the City's Hospital Benefit Zone Revenue Fund. The City's Hospital Benefit Zone Revenue Fund shall be used by the City solely for the purposes set forth in chapter 36.100 RCW.

Section 8. General Authorization. The Mayor, the City Administrator, the Director of Finance of the City, and each of the other appropriate officers, agents and representatives of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by this ordinance.

Section 9. Prior Acts. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 10. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

Section 11. Effective Date. This ordinance shall be effective five (5) days from and after the date of its final passage and publication as provided by law.

PASSED by the Council of the City of Gig Harbor, Washington, at a regular meeting thereof held this ____ day of _____, 2011.

CITY OF GIG HARBOR, WASHINGTON

Mayor

ATTEST:

City Clerk

First Reading: _____
Date Approved: _____
Date of Publication: _____
Effective Date: _____

CLERK'S CERTIFICATE

I, the undersigned, the duly chosen, qualified, and acting Clerk of the City of Gig Harbor, Washington, and keeper of the records of the Council of the City (herein called the "Council"),

DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Ordinance No. _____ (herein called the "Ordinance") of the Council as finally adopted at a meeting of the Council held on the ____ day of _____, 2011, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2011.

City Clerk



Memo

TO: City Council
FROM: Laurelyn Brekke via Molly Towslee
SUBJ: Voting Center Opportunity
DATE: April 19, 2011

Pierce County was Washington's last holdout against all-mail-in voting. When Gov. Chris Gregoire signed Senate Bill 5124 earlier this month making Washington the second state behind Oregon to implement vote-by-mail, an end came to polling place voting, the system voters have used going back to the 1854 territorial election.

The county will keep a few of its 125 ballot scanners for the handful of voting centers established for people who need assistance. Cindy Hartman from the Pierce County Auditor's office has asked if the Gig Harbor Civic Center might be available as the voting center on the west side of The Narrows Bridge.

Requested of the City is use of the Council Chambers four times a year, plus any special elections, from the hours of 6:00 a.m. – 9:00 p.m. (polling hours are 7:00 a.m. – 8:00 p.m.). Equipment would likely be delivered the day before an election and a secure location requested for storing the equipment. Staffing would be coordinated and/or provided by the County. At this time we do not have an estimate of the number of voters who may take advantage of this service.

Paul Nelson, Court Administrator, has agreed to reschedule Traffic Court if an election falls on the same date.

Thank you.