

SELAH CITY COUNCIL

6:30pm October 28, 2014



Selah City Council
Regular Meeting
Tuesday, October 28, 2014
6:30pm
City Council Chambers

Mayor:
Mayor Pro Tem:
Council Members:

John Gawlik
Brooke Finch
Paul Overby
John Tierney
Dave Smeback
Allen Schmid
Roy Sample
Jane Williams

CITY OF SELAH
115 West Naches Avenue
Selah, Washington 98942

City Administrator: David Kelly
City Attorney: Bob Noe
Clerk/Treasurer: Dale Novobielski

AGENDA

- A. Call to Order – Mayor Gawlik
- B. Roll Call
- C. Pledge of Allegiance
- D. Agenda Changes **None**
- E. Public Appearances/Introductions/Presentations
 - 1. Jim Hall, Office of Emergency Management – Emergency Services 2015 Budget Presentation
- F. Getting To Know Our Businesses **None**
- G. Communications
 - 1. Oral

This is a public meeting. If you wish to address the Council concerning any matter that is not on the agenda, you may do so now. Please come forward to the podium, stating your name for the record. The Mayor reserves the right to place a time limit on each person asking to be heard.

- 2. Written **None**
- H. Proclamations/Announcements **None**
- I. Consent Agenda

All items listed with an asterisk (*) are considered routine by the City Council and will be enacted by one motion, without discussion. Should any Council Member or member of the audience request that any item of the Consent Agenda be considered separately, that item will be removed from the Consent Agenda and become a part of the regular Agenda.

- Monica Lake * 1. Approval of Minutes: October 14, 2014 Study Session & Council Meeting
- Dale N. * 2. Approval of Claims & Payroll

- J. Public Hearings **None**
- K. New Business
 - Charlie Brown 1. Youth Center Closure
- L. Old Business **None**
- M. Resolutions
 - Joe Henne * 1. Resolution Authorizing the Mayor to accept the Goodlander Road Zone 4 Water Main as complete and approve final Progress Estimate number 2 and Project

- Joe Henne * 2. Acceptance
Resolution Authorizing the Mayor to accept the Bartlett Avenue Intersection Improvements as complete and approve final Progress Estimate number 2 and Project Acceptance
- Joe Henne * 3. Resolution Establishing November 25, 2014 as the Public Hearing date to consider the adoption of the "Water System Plan Update"
- Dale N. 4. Resolution Adopting Financial Policies for the City of Selah

N. Ordinances

- Dale N. 1. Ordinance of the City of Selah, Washington, relating to contracting indebtedness; providing for the issuance, fixing or setting parameters with respect to certain terms and covenants, and fixing the form of not to exceed \$3,500,000 aggregate principal amount limited tax general obligation refunding bonds to provide money with which to pay the cost of refunding, paying and redeeming certain outstanding nonvoted obligations of the City; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of the refunding bonds herein authorized and for the use and application of the money derived from those investments; authorizing the execution of an agreement with U.S. Bank National Association, as refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; appointing the City's designated representative to approve the final terms of the sale, issuance and delivery of the bonds; authorizing the sale and providing for the delivery of the bonds to D.A. Davidson & Co.; and providing for other matters properly related thereto

O. Communications

- 1. Oral

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P. Reports/Announcements

- 1. Mayor
- 2. Council Members
- 3. Departmental
- 4. Boards

Q. Executive Session **None**

R. Adjournment

Each item on the Council Agenda is covered by an Agenda Item Sheet (AIS)

A yellow AIS indicates an action item.

A blue AIS indicates an information/non-action item.

Next Study Session November 11, 2014
 Next Regular Meeting November 11, 2014



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING INFORMATIONAL ITEM

10/23/2014 E - 1

Title: Emergency Management Services 2015 Budget Presentation

Thru: David Kelly, City Administrator

From: Jim Hall, Office of Emergency Management

Action Requested: Informational - No action

Board/Commission Recommendation: Not applicable

Fiscal Impact: \$8,305.00

Funding Source: Fund 001

Staff Recommendation:

N/A

Background / Findings & Facts:

Due to the City of Yakima's withdrawal from the Emergency Management Interlocal Agreement, the assessment to each entity has increased to cover expenses. See attached documents for further details.

Recommended Motion:

N/A

Yakima Valley Office of Emergency Management

2403 SOUTH 18TH STREET, UNION GAP, WASHINGTON 98903
PHONE: (509) 574-1900 FAX: (509) 574-1901

September 19, 2014

Mr. David Kely City Administrator
City of Selah
115 West Naches Ave
Selah, WA 98942

Reference Emergency Management's 2015 Preliminary Budget and the City of Selah's 2015 Assessment (the City of Selah's 2015 assessment can be located on page 11 of the budget or in the last row of the table below)

The Yakima Valley Office of Emergency Management's 2015 preliminary budget request has been reviewed by members of the Emergency Services Executive Board and the Emergency Services Council. After long and difficult discussions dealing with the City of Yakima pulling out of the inter local agreement for Emergency Management, the board and council agreed Emergency Management had been reduced to its minimum staffing. With that understanding, the groups approved recommending the requested 50% increase in the local assessment to their governing bodies. The increase will replace 84% of the City of Yakima's portion of the assessment. The remaining 16% will come from increases in one or more of our federal grants and, if needed, reserves. The Emergency Services Council while approving the increase requested a review of Emergency Management in early 2015 to see if there is a better and/or more economical way to accomplish what is needed. The council, by agreement, is made up of now 13 mayors, with Yakima pulling out, and 3 county commissioners in the valley.

Emergency Management like most government agencies has gone through significant reductions in staff and resources due to budget restraints. At the beginning of 2012 the office had 4.5 FTE's. At present and into the near future the plan is for 3 FTE's.

The attached preliminary budget is available for review and comment.

Please see the table below for current assessment and some history for the City of Selah:

Year	Population	Pop Change	Per Capita Assessment	Assessment	Assess Change
2014	7340	50	\$.7484	<u>\$5493</u>	\$383
2015	7395	55	\$1.123	<u>\$8305</u>	\$2811

What Emergency Management does for you?

RCW 38.52 requires each jurisdiction to have an Emergency Plan. Emergency Management creates and maintains the Comprehensive Emergency Management Program (CEMP) or plan to meet this requirement, a 390-page document. Each member jurisdiction in the valley has adopted this plan which addresses your major program elements. It is reviewed every year and must be updated every four years.

Multi-Jurisdictional Hazard Mitigation Plan. This plan identifies mitigation projects that reduce the impact of hazards. It is a FEMA required and certified plan that necessitates

Member Jurisdictions

GRANDVIEW, GRANGER, HARRAH, MABTON, MOXEE, NACHES,
SELAH, SUNNYSIDE, TIETON, TOPPENISH, UNION GAP, WAPATO, YAKIMA COUNTY, ZILLAH

constant review and update. It is required for eligibility of federal funding for mitigation projects. It significantly increases our potential for disaster relief funding if one were to occur.

Emergency Management facilitates our Local Emergency Planning Committee (LEPC). This is a local jurisdiction required committee under the Federal Emergency Planning and Community Right-to-know Act (EPCRA) Title III (hazardous materials) RCW 38.63 and WAC 118.40. It is primarily for our refrigerated storage facilities. There are a lot of them.

Emergency Management maintains a functional Emergency Operations Center to support local jurisdictions in the event of a major emergency or disaster.

We have knowledge of and manage several federal grants. We have requested and received funding for several multiple jurisdictional projects. The law enforcement Active Shooter Program training and equipment was funded through a Homeland Security grant from emergency management. This project touched each of the valley's jurisdictions.

We facilitate exercises and training. Emergency Management facilitates a minimum of one ICS 300 and ICS 400 course each year. This is required training for responders. We participate in regional exercises as they are offered. We present six to eight exercises to local jurisdictions each year.

We provide situational awareness to local jurisdiction for local and state events/emergencies that would affect the valley. This is the MyStateUSA System.

Community outreach Emergency Management, when requested, provides preparedness presentations to civic groups and organizations. We have available preparedness brochures and information for citizen preparedness.

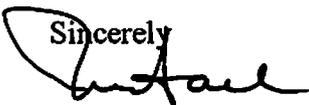
We review and update our available resources in our Resource Inventory Management System (RIMS) database. This is a database system of resources, trucks, generators, pumps, etc. We also maintain contact information for jurisdiction officials, fire officials, law enforcement officials, school officials, etc.

There are many other smaller tasks that are performed regularly for our jurisdictions.

The items listed above are geared towards a cost effective collaborative way of consolidating tasks keeping the City of Selah current with the state and federal law and other requirements. Many of the tasks are not always visible to those that must support the office. If you would like to see more please contact us. We work hard at maintaining the systems that will assist the City of Selah if it were to become overwhelmed by unforeseen events, either natural or manmade.

I have also enclosed copies of our last 5 Insider Newsletters to provide you with an overview of our activities.

We, Emergency Management, and staff are available to present the OEM budget or any other preparedness issue or project at your request. If you have questions or require additional information please contact me at 574-1904 or e-mail jim.hall@co.yakima.wa.us

Sincerely


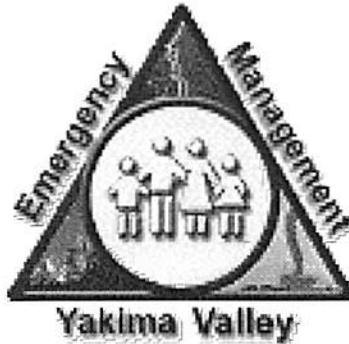
James W. Hall Director

Your 2014 Emergency Services Executive Board:

Commissioner	Rand Elliott Chair Yakima County	
Councilperson	Bill Lover	City of Yakima
Mayor	Jesse Farias	City of Wapato
Councilperson	Loren Belton	City of Toppenish
Mayor	John Gawlik	City of Selah

Member Jurisdictions

GRANDVIEW, GRANGER, HARRAH, MABTON, MOXEE, NACHES,
SELAH, SUNNYSIDE, TIETON, TOPPENISH, UNION GAP, WAPATO, YAKIMA COUNTY, ZILLAH



Yakima Valley

Office of

Emergency Management

**2015 Preliminary
Budget Overview**

Member Jurisdictions

GRANDVIEW, GRANGER, HARRAH, MABTON, MOXEE, NACHES,
SELAH, SUNNYSIDE, TIETON, TOPPENISH, UNION GAP, WAPATO, YAKIMA COUNTY, ZILLAH

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Yakima Valley Office of Emergency Management

2403 SOUTH 18TH STREET UNION GAP WASHINGTON 98903

PHONE: (509) 574-1900 FAX: (509) 574-1901

2015 Budget Overview;

2015 will bring changes to the Emergency Management Office. The Yakima City Council has voted to pullout of the Yakima Valley Office of Emergency Management Agreement. We have yet to be officially notified but through a visit by the City Manager Tony O'Rourke and several staff members at an Emergency Services Executive Board Meeting we learned the city staff was requesting from the City Council to pullout. The Council voted on August 5, 2014.

The Emergency Services Executive Board met and discussed the issue. The board agreed the office should continue to provide the required and prudent Emergency Management Services for the remaining jurisdictions. The board's discussion surrounding the financial deficit was discussed. It was agreed the Office of Emergency Management (OEM) budget should be developed with a 50% increase. This increase would provide approximately 84% of the funding lost. The increase would maintain the OEM at its current staffing level. These positions include an Administrative Assistant, Senior Program Analyst, and a Director. The Yakima Valley OEM runs at a minimum staff level to accomplish its mission. This is by design to provide the required deliverables at an affordable cost. With each new disaster the planning, preparedness, and public expectations continue to rise.

One bright spot for the office is we have received notice of an increase in one of our federal grants. This will make up the remaining 16% of the lost revenue and the normal annual increases in personnel and operations lessening the impact of this issue.

We have operated for a long time doing mostly the minimums or just what needed to be done. There has been a strong push not to raise the local assessment given the past budget crisis. We have worked hard to maintain the levels of service and a functioning emergency management office.

The Yakima Valley OEM represents, now without the City of Yakima, and serves the 13 cities, towns, and Yakima County providing consolidated and coordinated emergency management services through the Agreement for Emergency Management. The agreement was first signed in 1984 and updated in 2000. YVOEM works with over 70 different jurisdictions, agencies, organizations, and private businesses to provide this service. The Emergency Services Executive Board is the day to day governing body and oversight for the organization. Your 2014 elected Executive Board Members are:

Rand Elliott Chair
Bill Lover
Jesse Farias
Loren Belton
John Gawlik

Yakima County Commissioner
Councilman City of Yakima (Will need to be replace January 2015)
Mayor City of Wapato
Mayor City of Toppenish
Mayor City of Selah

The Executive Board is elected by the Emergency Services Council made up of the 13 mayors and 3 commissioners, in the valley. The election takes place at their annual meeting.

If there are any concerns or questions about this budget or any other issue please contact an Executive Board Member or Jim Hall by e-mail jim.hall@co.yakima.wa.us or call Jim at 574-1904 office, 969-9905 cell, or 697-8724 home

Member Jurisdictions

GRANDVIEW, GRANGER, HARRAH, MABTON, MOXEE, NACHES,
SELAH, SUNNYSIDE, TIETON, TOPPENISH, UNION GAP, WAPATO, YAKIMA COUNTY, ZILLAH

Yakima Valley Office of Emergency Management

Fund
612
Act. #

2015 Revenue Budget

Beginning Fund Balance

	Reserves	\$25,000	
	Projected 2014 Ending Fund Balance	\$15,000	
Sub-total Beginning Balance			\$40,000

Local Government (100)

110		Local Percapita Assessments	\$174,874	
Sub-total Local Government				\$174,874

State Funding (200)

210	EFSEC - CGS	Washington State Energy facility Site Evaluation Council (EFSEC) Columbia Generating Station Pass through from State EMD	\$31,625	
Sub-total State Funding				\$31,625

Federal Funding (300)

310	EMPG	Department of Homeland Security Emergency Management Program Grant Pass through from State	\$75,000	
311	SHSP Planning	Department of Homeland Security funding Preparedness Planning Training and Exercise Pass through from Region #8	\$41,500	
312	SHSP Equip	Department of Homeland Security funding for Preparedness equipment Pass through from State EMD	\$40,000	
313		Blank for future use		
314		Blank for future use		
315	Health Planning	US DOH to State DOH to Yakima Health District Agreement	\$10,000	
316	Blank	Saved for Future Use		
Sub-total Federal Funding				\$166,500

Other Funding (400)

410	Investment Revenue	Investment Revenue from funds held by the Yakima County Treasure	\$250	
Sub-total Other Funding				\$250

Total 2015 Revenue Yakima Valley Office of Emergency **\$413,249**

Total 2015 Expenditure Yakima Valley Office of Emergency **\$373,344**

Ending Fund Balance **\$39,905**

Yakima Valley Office of Emergency Management
2015 Expenditure Summary By Funding Source

Fund
612
Act #

Local Government (100)		
110	Local Percapita Assessments	
	Employees	\$96,421
	Benefits	\$27,253
	Operations	\$54,046
	Sub-total	<u>\$177,720</u>
Sub-total Local Funding Expenditures		\$177,720

State Funding (200)		
210	EFSEC - CGS	
	Employees	\$19,568
	Benefits	\$5,242
	Operations	\$6,816
	Sub-total	<u>\$31,625</u>
Sub-total State Funding Expenditures		\$31,625

Federal Funding (300)		
310	EMPG	
	Employees	\$40,431
	Benefits	\$11,102
	Operations	\$23,467
	Sub-total	<u>\$75,000</u>
311	SHSP 13 and 14 Planning	
	Employees	\$32,484
	Benefits	\$7,136
	Operations	\$1,880
	Sub-total	<u>\$41,500</u>
312	SHSP 13 and 14 Equip	
	Employees	\$0
	Benefits	\$0
	Operations	\$40,000
	Sub-total	<u>\$40,000</u>
315	2014 Health District Planning	
	Employees	\$7,273
	Benefits	\$1,920
	Operations	\$807
	Sub-total	<u>\$10,000</u>
Sub-total Federal Funding Expenditures		\$166,500

Other Funding (400)		
4**	Interest	\$250
	Sub-total	
Sub-total Other Expenditures		\$250

Employees

Yakima Valley Office of Emergency Management
2015 Expenditure Summary By Funding Source

Fund
612
Act #

Position	Benefits	Salary	Total Cost
Manager			
Salary		\$82,419	
Benefits	Retirement	\$0	
	Medical	\$8,910	
	Workers Comp	\$384	
	Statutory	\$6,983	
	Total Benefits	\$16,277	
	Total Cost of Employee		\$98,696
Sr. Program Analyst			
Salary		\$68,575	
Benefits	Retirement	\$5,315	
	Medical	\$8,910	
	Workers Comp	\$384	
	Statutory	\$5,842	
	Total Benefits	\$20,451	
	Total Cost of Employee		\$89,026
Financial Technician			
Salary		\$40,181	
Benefits	Retirement	\$3,131	
	Medical	\$8,910	
	Workers Comp	\$384	
	Statutory	\$3,500	
	Total Benefits	\$15,925	
	Total Cost of Employee		\$56,106

Total Cost of Employee **\$243,828**

Part Time On Call Help Employee Grant Funded	\$2,500	
Total Part Time Help		\$2,500
Total Employees		\$246,328

Operations

Fund 612	Acct. #	Operations	Budgeted
3101		Office/Operating Supplies	\$9,328
3104		Printing	\$1,421
3201		Fuel	\$100
3501		Small Tools/Minor Equipment	\$2,400
3502		Software	\$900
3590		Small Attractive Tracked Inventory	\$500
4101		Professional Services	\$50,400
4125		Yakima County Indirect Costs	\$5,306
4191		Purchasing Services	\$821
4192		Information Services	\$13,235
4198		GIS	\$1,418
4199		Dept of Security	\$0
4201		Communications Telephone	\$0
4202		Communications Postage	\$600
4219		Phone Line Charges	\$834

Yakima Valley Office of Emergency Management

2015 Expenditure Summary By Funding Source

Fund
612
Act #

4301	Travel	\$1,619
4401	Advertising	\$100
4501	Operating Rental/Lease	\$3,087
4590	Facility Maintenance	\$32,022
4690	Liability Insurance	\$2,475
4801	Repairs and Maintenance	\$250
4901	Miscellaneous	\$200
6401	Capital Expense	\$0
Total Operating		\$127,016

Total Funding from Revenue Summary	\$413,249
Total Operations Exp By GL Code	\$127,016
Total Employee Costs	\$246,328
Total OEM Expenditures	\$373,344
Expenditure difference between Funding Source and Expenditure (Ending Fund Balance)	\$39,905
Total Operations By Acct Number	\$413,249

Yakima Valley Office of Emergency Management

2015 Budget

Expenditure Budget Summary

Employees			
Line Item #	Name	Justification	2013
6121001	Manager Salary	Projected cost provided by Yakima County Human Resources	\$82,419
6122002	Benefits	Projected cost provided by Yakima County Human Resources	\$16,277
6121001	Sr. Program Analyst	Projected cost provided by Yakima County Human Resources	\$68,575
6122002	Benefits	Projected cost provided by Yakima County Human Resources	\$20,451
6121001	Financial Technician	Projected cost provided by Yakima County Human Resources	\$40,181
6122002	Benefits	Projected cost provided by Yakima County Human Resources	\$15,925
6121003	Part Time / On Call Help	This funding comes from the DHS Planning Grant.	\$2,500
	Benefits	There are no benefits paid for this position.	\$0
Total Salaries/Benefits Expenditures			\$246,328

Operations

6123101	Office & Operating Supplies	This line item fluctuates as we do exercises and other activities.	\$9,328
6123201	Fuel	A small amount remains in this line item to support operations of our generators	\$100
6123104	Printing	We find ourselves printing more public material than in the past. Most of the funding comes from grant dollars and is specific to an issue.	\$1,421
6123501	Small Tools and Minor Equipment	Funding is intended to purchase a computer and other items	\$2,400
6123502	Software	Funding is used for software upgrades etc.	\$900
6123590	Small Attractive Tracked Inventory	This item fluctuates significantly as grant funding is used to complete projects within the office	\$500
6124101	Professional Services	This line item is used to hire contractors etc. for training and studies. This years large number is from grant funding and is intended for a county wide notification	\$50,400
6124191	Purchasing Services	Dictated by Yakima County and fluctuates each year depending on use.	\$821
6124192	Information Services	Funds provide our phone and data systems. Computer and system maintenance	\$13,235
6124198	GIS	This line item is required to access the GIS data from the county. It provides incidental maps etc without cost.	\$1,418
6124201	Communications Telephone	Office staff continues to use their personal cell phones for office use.	\$0
6124202	Communications Postage	This line item is largely driven by the grant deliverables	\$600

6124219	Phone Line Charges	31 Phone lines @\$5.25 per month plus any direct charges per month The budgeted dollars are to pay for the office phone lines. County Financial Services has agreed to charge us \$6.00 for 7 phones and \$1.00 for each additional 28 phone lines in the OAEOC that are not often used.	\$834
6124301	Travel	This line item is used for out of town training and meetings. It is also used for reimbursement of mileage and travel for office staff. We make every effort to seek reimbursement from the DHS grants to recoup	\$1,619
6124401	Advertising	Remain the same as 2014	\$100
6124501	Operating Rentals/Lease	This funding is for the OEM vehicle. 53 cents per mile it includes fuel, car washes, and maintenance. A portion of the cost is recoverable from grant funds.	\$3,087
6124590	Facility	Space rental at the Yakima County Resource Center	\$32,022
6124690	Liability Insurance	Liability Insurance for YVOEM through Yakima County	\$2,475
6124801	Repairs & Maintenance	These funds are used to repair office equipment etc.	\$250
6124125	Yakima County Indirect Costs.	These funds provide financial services and HR from Yakima County	\$5,306
6124901	Miscellaneous	No change to this line item	\$200
6126401	Capital Expense	There are no Capital Expenditures planned for 2015	\$0
Total Operating Budgeted Expenditures			\$127,016

Yakima Valley Office of Emergency Management Five -Year Expenditure Comparison

Fund	Account Revenue	2011	2012	2013	2014	2014
612						
77648	Director Salary	\$75,735	\$75,735	\$78,429	\$77,648	\$82,419
	Benefits	\$14,691	\$14,691	\$15,753	\$15,597	\$16,277
	Senior Program Analyst					
	Salary	\$63,136	\$63,136	\$65,848	\$65,185	\$68,575
	Benefits	\$18,114	\$18,114	\$20,084	\$19,884	\$20,451
	Financial Technician Salary	\$37,018	\$37,018	\$43,249	\$38,396	\$40,181
	Benefits	\$14,209	\$14,209	\$16,377	\$15,488	\$15,925
	Part Time and On Call Help					
	Grant Funded	\$23,250	\$23,250	\$2,500	\$2,500	\$2,500
	Benefits	\$0	\$0			
	Total					
	Salary/Benefits/Overtime	\$246,153	\$246,153	\$242,240	\$234,698	\$246,328

Fund	Account Operating	2011	2012	2013	2014	2015
612						
3101	Office & Operating Supplies	11138	9938	13977	11362	9328
3104	Printing	3750	2000	3750	1022	1421
3201	Fuel	100	100	100	100	100
3501	Small Tools	127250	67703	31759	31000	2400
3502	Software	10943	750	1000	1200	900
3590	Small Att Tracked Inventory	3000	2000	2000	900	500
4101	Professional Services	25849	16585	6377	400	50400
4125	Yakima Co Indirect Costs	3150	4832	4612	5461	5306
4191	Purchasing Services	102	1455	751	650	821
4192	Information Services	19706	23592	13,725	14,275	13,235
4198	GIS	1,271	1271	1,321	1,629	1,418
4199	Dept of Security	0	3683	0	0	0
4201	Communications Telephone	2901	2901	2,901	250	0
4202	Communications Postage	1750	1750	1,500	1,500	600
4219	Phone Line Charges	0	1953	729	850	834
4301	Travel	4600	4100	3,801	1,332	1,619
4401	Advertisement	500	500	500	100	100
4501	Operating/Rentals/Leases	5000	5000	5,000	3,250	3,087
4590	Facility Maintenance	27921	26565	41,748	31,368	32,022
4690	Liability Insurance	5714	3731	3,209	2,079	2,475
4801	Repairs/Maintenance	1000	1000	750	500	250
4901	Miscellaneous	500	500	500	250	200
6401	Capital Expense	98000	20000	0	0	0
	Total Operating	\$354,145	\$201,909	\$140,010	\$109,478	\$127,016

	2010	2011	2012	2013	2014
Total Expenditures YVOEM	\$600,298	\$448,062	\$382,250	\$344,176	\$373,344

This is our local Jurisdiction assessment funding. It funds the largest portions of three positions in OEM. They are the Financial Tech, Senior Program Analyst, and the Manager. At the present time we use EMPG, CGS, and Health District funding to pay a portion of cost for these positions

Account # 110 Local Jurisdiction Assessments

Account # 110 Revenue

	2012		2013		2014		2015	
City/ Town	2011 Pop	Reduction & Return to Per Capita	2012 Pop	Option #2 6.5% Increase to maintain Helga Staffan Part Time	2013 Pop	Jurisdiction Assessment 2.5 % increase	2014 Pop	Jurisdiction Assessment 50 % increase
Assessment		0.6855		0.7301		0.7484		1.123
Grandview	10,920	\$7,486	11,000	\$8,031	11,010	\$8,240	11,170	\$12,544
Granger	3,270	\$2,242	3,285	\$2,398	3,315	\$2,481	3,495	\$3,925
Harrah	630	\$432	650	\$475	645	\$483	645	\$724
Mabton	2,290	\$1,570	2,290	\$1,672	2,305	\$1,725	2,310	\$2,594
Moxee	3,415	\$2,341	3,505	\$2,559	3,655	\$2,735	3,720	\$4,178
Naches	805	\$552	805	\$588	805	\$602	815	\$915
Selah	7,205	\$4,939	7,290	\$5,322	7,340	\$5,493	7,395	\$8,305
Sunnyside	16,010	\$10,975	16,130	\$11,777	16,200	\$12,124	16,230	\$18,226
Tieton	1,195	\$819	1,195	\$872	1,235	\$924	1,255	\$1,409
Toppenish	8,950	\$6,135	8,950	\$6,534	8,950	\$6,698	8,955	\$10,056
Union Gap	6,055	\$4,151	6,105	\$4,457	6,110	\$4,573	6,140	\$6,895
Wapato	5,025	\$3,445	5,030	\$3,672	5,035	\$3,768	5,040	\$5,660
Yakima	91,630	\$62,812	91,930	\$67,118	92,620	\$69,317	xxxx	xxxx
Yakima County	84,300	\$57,788	84,800	\$61,912	84,910	\$63,547	85,410	\$95,915
Zillah	3,000	\$2,057	3,035	\$2,216	3,115	\$2,331	3,140	\$3,526
Pop/Revenue	244,700	\$167,742	246,000	\$179,605	247,250	\$185,042	155,720	\$174,874
Pop Change			1,300		1,250		-91,530	
\$ Change		\$0		\$11,863		\$5,437		-\$10,168

Account # 110 Expenditures (Local Assessments)

		diff	Budget
Contract Funds Budgeted for 2015	\$177,720	-\$2,846	\$ 174,874
Salaries	\$96,421		
Benefits	\$27,253		
Good & Ser	\$54,046		

Employees

Position		Remainder after EMPG & CGS	
		Salaries	Benefits
			48%
Manager	Salary	\$82,419	\$39,561
	Benefits	\$16,277	\$7,813
			46%
Sr. Prog Analyst	Salary	\$68,575	\$31,545
	Benefits	\$20,451	\$9,407
			63%
Financial Technician	Salary	\$40,181	\$25,314
	Benefits	\$15,925	\$10,033
	Total Cost of Employee		
Total Budgeted		\$96,421	\$27,253
		\$123,674	

Operations

Fund 612		Budgeted
Acct 210	Operations	
3101	Office/Operating Supplies	\$2,524
3104	Printing	\$500
3201	Fuel	\$100
3501	Small Tools/Minor Equipment	\$2,400
3502	Software	\$400
3590	Small Attractive Tracked	\$500
4101	Professional Services	\$400
4125	Yakima County Indirect Cost	\$5,306
4191	Purchasing Services	\$821
4192	Information Services	\$9,735
4198	GIS	\$1,218
4199	Dept of Security	\$0
4201	Communications Telephone	\$0
4202	Communications Postage	\$500
4219	Phone Lines	\$834
4301	Travel	\$500
4401	Advertising	\$100
4501	Operating Rental/Lease	\$2,500
4590	Facility Maintenance	\$22,783
4690	Liability Insurance	\$2,475
4801	Repairs and Maintenance	\$250
4901	Miscellaneous	\$200
6401	Capital Expense	\$0
Total Operations		\$54,046

Account # 210 EFSEC - CGS Funding

This is funding provided by the nuclear power plant on the Hanford Reservation. It is pass through money from the Washington State Military Department through the Emergency Management Division. Their cycle starts July 1 and ends June 30 of each year.

Revenue

Contract Funds Budgeted for 2014	\$31,625	diff	\$0	Budget	\$ 31,625.00
Salaries	\$19,568				
Benefits	\$5,242				
Good & Services	\$6,816				

Expenditures

Employees		Salaries	Benefits	
Position		10%	10%	
Manager	Salary	\$82,419	\$8,242	\$1,628
	Benefits	\$16,277		
			13%	13%
Sr. Program Analyst	Salary	\$68,575	\$8,915	\$2,659
	Benefits	\$20,451		
Financial Technician	Salary	\$40,181	6%	6%
	Benefits	\$15,925	\$2,411	\$956
	Total Cost of Employee			
Total Budgeted		\$19,568	\$5,242	\$24,809

Operations

Fund 612		Budgeted
Acct 210	Operations	
3101	Office/Operating Supplies	\$500
3104	Printing	\$221
3201	Fuel	\$0
3501	Small Tools/Minor Equipment	\$0
3502	Software	\$500
3590	Small Attractive Tracked Inventory	\$0
4101	Professional Services	\$0
4191	Purchasing Services	\$0
4192	Information Services	\$0
4198	GIS	\$200
4201	Communications Telephone	\$0
4202	Communications Postage	\$0
4301	Travel	\$769
4401	Advertising	\$0
4501	Operating Rental/Lease	\$587
4590	Facility Maintenance	\$4,039
4690	Liability Insurance	\$0
4801	Repairs and Maintenance	\$0
4901	Miscellaneous	\$0
6401	Capital Expense	\$0
Total Operations		\$6,816

Account # 310 Emergency Management Performance Grant (EMPG)

The Emergency Management Performance Grant is provided from Homeland Security passed through the Washington State Military Department. The funding is intended to support our operating budget in an effort to enhance our Emergency Management Program. It comes with a significant list of deliverables that support our operation.

Revenue

Contract Funds Budgeted for 2015	\$75,000	Diff	\$0	Grant \$'s	\$75,000
Salaries	\$40,431				
Benefits	\$11,102				
Good & Ser	\$23,467				

Expenditures

Employees

Position	Salary	21%	21%	
	Benefits	% Salaries	% Benefits	
Manager		\$82,419	\$17,308	\$3,418
		\$16,277		
		22%	22%	
		% Salaries	% Benefits	
Sr. Program Analyst		\$68,575	\$15,087	\$4,499
		\$20,451		
		20%	20%	
Financial Technician		\$40,181	% Salaries	% Benefits
		\$15,925	\$8,036	\$3,185
	Total Cost of Employee			
Total Budgeted		\$40,431	\$11,102	\$51,533

Operations

Fund 612

Acct 310	Operations	Budgeted
3101	Office/Operating Supplies	\$4,167
3104	Printing	\$600
3201	Fuel	\$0
3501	Small Tools/Minor Equipment	\$0
3502	Software	\$0
3590	Small Attractive Tracked Inventory	\$0
4101	Professional Services	\$10,000
4191	Purchasing Services	\$0
4192	Information Services	\$3,500
4198	GIS	\$0
4201	Communications Telephone	\$0
4202	Communications Postage	\$0
4301	Travel	\$0
4401	Advertising	\$0
4501	Operating Rental/Lease	\$0
4590	Facility Maintenance	\$5,200
4690	Liability Insurance	\$0
4801	Repairs and Maintenance	\$0
4901	Miscellaneous	\$0
6401	Capital Expense	\$0
Total Operations		\$23,467

Account # 311 State Homeland Security Program
Regional Planning, Exercise, and Training
funding from Homeland Security Region #8

Revenue

Contract Funds Budgeted for 2015	\$41,500	Difference	\$0	Grant Dollars	\$41,500
Salaries	\$32,484				
Benefits	\$7,136				
Good & Ser	\$1,880				

Expenditures

Employees			Salaries	Benefits
Position			18%	18%
Manager	Salary	\$82,419	\$14,835	\$2,930
	Benefits	\$16,277		
			12%	12%
Sr. Prgm Analyst	Salary	\$68,575	\$8,229	\$2,454
	Benefits	\$20,451		
Financial Technician	Salary	\$40,181	11%	11%
	Benefits	\$15,925	\$4,420	\$1,752
Part Time On Call Help Employee Grant Funded		\$2,500	\$2,500	
Total				
Salaries			\$32,484	
Total				
Benefits				\$7,136

Operations

Fund 612		Budgeted
Acct 311	Operations	
3101	Office/Operating Supplies	\$1,480
3104	Printing	\$100
3201	Fuel	\$0
3501	Small Tools/Minor Equipment	\$0
3502	Software	\$0
3590	Small Attractive Tracked	\$0
4101	Professional Services	\$0
4191	Purchasing Services	\$0
4192	Information Services	\$0
4198	GIS	\$0
4201	Communications Telephone	\$0
4202	Communications Postage	\$100
4301	Travel	\$200
4401	Advertising	\$0
4501	Operating Rental/Lease	\$0
4590	Facility Maintenance	\$0
4690	Liability Insurance	\$0
4801	Repairs and Maintenance	\$0
4901	Miscellaneous	\$0
6401	Capital Expense	\$0
Total Operations		\$1,880

Account # 312 SHSP Equipment State EMD Federal

Homeland Security provides this funding to prevent, deter, respond to and recover from acts of terrorism. The funding comes to us through the State Homeland Security Program (SHSP) It is provided to provide unique needs for our community. This funding has deminished significantly over the last few years.

Revenue

	FFY13	FFY14	Total Bgt
Contract Funds Budgeted for 2015	\$0	\$40,000	\$40,000
Salaries	\$0		
Benefits	\$0		
Operations	\$40,000		

Expenditures

Estimated 2015 employee cost \$0

Operations

Fund 612		Budgeted
Acct 312	Operations	
3101	Office/Operating Supplies	\$0
3104	Printing	\$0
3201	Fuel	\$0
3501	Small Tools/Minor Equipment	\$0
3502	Software	\$0
3590	Small Attractive Tracked Inventory	\$0
4101	Professional Services	\$40,000
4191	Purchasing Services	\$0
4192	Information Services	\$0
4198	GIS	\$0
4201	Communications Telephone	\$0
4202	Communications Postage	\$0
4301	Travel	\$0
4401	Advertising	\$0
4501	Operating Rental/Lease	\$0
4590	Facility Maintenance	\$0
4690	Liability Insurance	\$0
4801	Repairs and Maintenance	\$0
4901	Miscellaneous	\$0
6401	Capital Expense	\$0
Total Operations		\$40,000

Account # 315 Yakima Health District Planning

This is an interlocal agreement between the Yakima Valley Office of Emergency Management and the Yakima Health District. The agreement specifies an hourly rate which includes office space, phone, computer, supervision and support from OEM. This years deliverables will include a review of the districts response plan a Table Top Exercise and the continued review of the Strategic National Stockpile plan (SNS).

Revenue

Contract Funds Budgeted for 2015	\$10,000	\$10,000	Diff	\$0
Salaries	\$7,273			
Benefits	\$1,920			
Operating Costs	\$807			
Management and Admin	\$0			

Expenditures

Employees

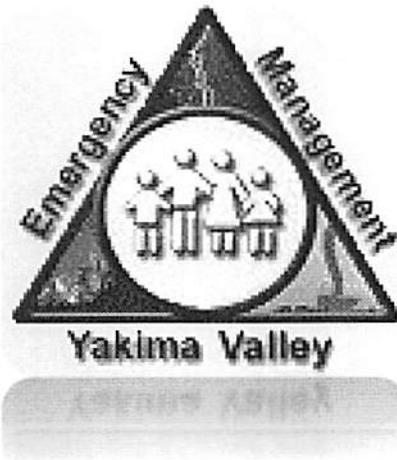
			3%		
Manager	Salary	\$82,419		\$2,473	
	Benefits	\$16,277		\$488	
					7%
Sr. Prgm Analyst	Salary	\$68,575		\$4,800	
	Benefits	\$20,451		\$1,432	
		Total Salaries		\$7,273	
		Total Benefits		\$1,920	

Operations

Fund 612

Acct 315	Operations	Budgeted
3101	Office/Operating Supplies	\$657
3104	Printing	\$0
3201	Fuel	\$0
3501	Small Tools/Minor Equipment	\$0
3502	Software	\$0
3590	Small Attractive Tracked Inventory	\$0
4101	Professional Services	\$0
4191	Purchasing Services	\$0
4192	Information Services	\$0
4198	GIS	\$0
4201	Communications Telephone	\$0
4202	Communications Postage	\$0
4301	Travel	\$150
4401	Advertising	\$0
4501	Operating Rental/Lease	\$0
4590	Facility Maintenance	\$0
4690	Liability Insurance	\$0
4801	Repairs and Maintenance	\$0
4901	Miscellaneous	\$0
6401	Capital Expense	\$0
	Total Operations	\$807

Totals By Account	Local	State	Fed EMPG	Fed SHSP Planning	Fed SHSP Equip	Fed Health		
	110	210	310	311	312	315		
Salaries	\$96,420.74	\$19,567.51	\$40,430.69	\$32,484.33	\$0.00	\$7,272.82	\$196,176.09	\$248,829.09
Benefits	\$27,253.17	\$5,241.83	\$11,102.39	\$7,135.73	\$0.00	\$1,919.88	\$52,653.00	
Operations	\$54,046.00	\$6,816.00	\$23,467.00	\$1,880.00	\$40,000.00	\$807.00	\$127,016.00	\$248,829.09
							\$375,845.09	
Totals from Expenditure Sheet								
Percent of Employee								
Salaries								
Jim	48%	10%	21%	18%		3%	100%	
Charles	46%	13%	22%	12%		7%	100%	
Lisa	63%	6%	20%	11%			100%	
Benefits								
Jim	48%	10%	21%	18%		3%	100%	
Charles	46%	13%	22%	12%		7%	100%	
Lisa	63%	6%	20%	11%			100%	



The Insider

Yakima Valley Office of Emergency Management

December through August

Insider Newsletters



The Insider

*Yakima Valley Office of Emergency Management
December 2013 Newsletter Issue #21*

The Valley Preparing for Catastrophic Flood Event

OAEOC – Activation for a catastrophic flood response. Forty-one officials responded to the Operational Area Emergency Operations Center (OAEOC) January 10, 2013 to manage the effects of a simulated flood event. We seldom see a major flood here but we have potential every season.

The exercise provided a great opportunity for OAEOC staff to update and familiarize themselves with the new facility, checklists, and equipment available. The Flood Control Zone District provided an update on their monitoring and response thresholds



The primary objective of the brief exercise was the orientation of information sharing and dissemination systems. The After Action Report pointed out the need to further evaluate and test these systems more directly. Discussions during the exercise provided a potential solution: develop and present a Full Scale Exercise where people are sent to known flood problem areas to gather information and report the information back to a central location. Once received, the information would be

assimilated into a report for dissemination to area officials.

The After Action Report and Improvement Plan is available at OEM if further details are needed.

(Article by Jim Hall OEM Director 574-1904)

Comprehensive Emergency Management Program (CEMP)

Emergency Management – The process continues with Charles Erwin making direct contact with many of the stakeholders gathering input on the plan. We are on schedule to send our updated plan to State Emergency Management for approval by mid-January. Once approved, we anticipate taking the program/plan to the governing bodies of each of our member jurisdictions. The program/plan is an RCW required document for each jurisdiction in the state. The final promulgation should start in late February – early March. Over 170 CEMP packets were mailed to various stakeholders in the valley requesting review and comment. Some very good changes have been brought forward so far. If you have comments get them to Charles Erwin 509-574-1905 or

Charles.erwin@co.yakima.wa.us.

Cities and Towns receive Direct Support on EM Program

Yakima Valley – Charles Erwin, Senior Program Analyst for Yakima OEM, is spending a great deal of time assisting local cities and towns with their Emergency Management Program. He has been focusing on the development of their Emergency Coordination Center and the Comprehensive Emergency Management Program

Charles has visited the Cities of Grandview, Yakima, Selah, Tieton, Toppenish, and Wapato. All are working at improving their capabilities to manage the affects of a major emergency or

disaster. This activity is seen as a very positive thing. As Snoopy says "Five minutes before the party is not the time to learn to dance" Kudos to those working on this. (Jim Hall 574-1904)

ESD 105 School Superintendents get Exercise Demonstration

ESD 105 Service Area - Working from the successes of the Selah School District, a couple of years ago, and Zillah School District, this year: Table Top Exercises. Approximately 30 people from the ESD 105 service area assembled for the demonstration on the effectiveness of a Table Top Exercise in preparing school officials and staff for a major emergency or disaster in their facilities.

The presentation was well received with a number of officials contacting Randy Town ESD's School Safety Officer about the possibility of presenting an exercise in their district. A meeting is scheduled to determine how many exercises could be done with the available resources.

Additionally the same presentation was provided to the School Administrators Conference November 23, 2013 in Bellevue. It was well received there as well.

Will Your People BE THERE when the Balloon Goes Up?

Yakima Valley - We practice emergencies and disasters and we look at what impacts they will have on our communities. In our own mind inside our sphere of control, we have a plan to attack the problem and in no time we will be back to normal. We have done it before we call out our crews and they solve the problem. "What If" we called and the crews couldn't come? Their house is damaged, the lights are out, its cold, their family is in need. If you look at other overwhelming events that have occurred in the nation this is a common occurrence.

We in government are asked/should have a Continuity of Operations Plan (COOP). For the most part I think jurisdictions, agencies, etc. have at least thought about it. What will we do to maintain our mission in a catastrophic overwhelming event? An element of a continuity plan is how our people will be able to come and or get to work.

A catastrophic unthinkable event is overwhelming by its nature. Not having a reasonable plan or system to deal with the affects will make the event even more overwhelming and increase the impact to

your jurisdiction, your sphere of control, and your mission

This article is food for thought. If you have not thought about, talked about, or taken any action to prepare your people to "BE THERE when the balloon goes up then it is time you did. The goal of any emergency management program is to return to normal as soon as possible. Without people it is hard to respond yet alone recover from an overwhelming event.

There are many publications and other information that could help your jurisdiction, business, etc. If you would like to develop a Continuity of Operations Plan please contact Yakima OEM 574-1900. We can help

(article by Jim Hall 574-1904)

Special Event Planning Course to be Offered By OEM

Yakima Valley – There is still time to register for the January courses. Answers to questions and registration are available by contacting Lisa Truhlicka at 574-1903 or e-mail lisa.truhlicka@co.yakima.wa.us.

Exercises and Training Completed

ESD 105 Superintendents Exercise Design Overview and Demonstration - October 17, 2013

Washington State School Administrators Conference Table Top Exercise Overview November 23, 2013

Future Exercises and Training

Flood Response Information Gathering and Dissemination Exercise: Early January

Special Event Planning Seminar -January 22, 2014 from 0930 to 1530 hrs work hours -January 22-23, 2014 in the evening from 1800 to 2030 evenings, Contact Lisa Truhlicka at 509-574-1903 or lisa.truhlicka@co.yakima.wa.us

Operational Area Emergency Operations Center Staff Training. January 2013 thru March 2014

The Emergency Management Staff



OEM Staff
- Charles Erwin Senior Program Analyst
- Jim Hall Director
- Helga Staffan Homeland Security Planner
- Lisa Truhlicka Administrative Assistant

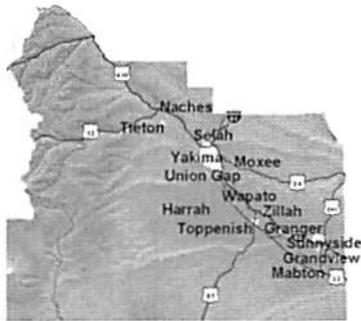


The Insider

*Yakima Valley Office of Emergency Management
February 2014 Newsletter Issue #22*

Advantages of Our Consolidated Emergency Management System

We have a great environment here in the Valley. Our history tells us that we don't have major emergencies or disasters very often. Our response systems do an outstanding job in dealing with the emergencies we see on a "normal" basis. What we do not see is when an overwhelming event either a large flood, volcano, a protracted hazardous materials spill, a major earthquake on the western side of the state occurs the systems behind the scene need to be in place and functioning if we as government are to do what is expected of us. One expectation is largely those we in government work together to solve the issues regardless of how monumental they are.



The Yakima Valley Office of Emergency Management is a consolidated system. Each of our fifteen political jurisdictions in the valley participates. What this means is we have one comprehensive emergency management plan. It is coordinated and standardized for each jurisdiction. When we train or exercise we do it together with multiple jurisdictions, agencies, and departments participating. People get to know each other and work together to solve problems. Some say that emergency management is about relationships and knowing the people involved before you need them in a disaster. We believe this to be true in every sense.

The leadership of each of our jurisdictions in the valley needs to be commended for their vision and willingness to be part of a system that works. Our system is looked at as a model of a cost effective best practice for an emergency management system in the state. (Jim Hall 574-1904)

County Wide Alert and Warning System Planning Resumes

About a year ago we began research on a notification system that would be capable of notifying each household with a phone line of an occurring or pending emergency. The system will need the capability for each jurisdiction to have their own portion to manage and use to notify their citizen's, responders, elected officials, and other individuals. The system would also allow citizens to sign up for alerts and warning on their cell phone, e-mail, pager, etc.

While doing this research we learned there are a bunch of vendors claiming theirs is the best. We looked at a couple of system and have talked to people who are using them. There seems to be a large window on capabilities and pricing so further research is needed.

We have had several other pressing issues on the table so this project has been in dormant for a few months. We now will be moving it forward in hopes of identifying who could use a system and how can we pay for it. By the first of March our jurisdictions, cities, towns, county, schools, fire districts, and others will receive a letter identifying a potential system's capabilities and a short survey asking some basic questions about need, use, and funding. If there is consensus the valley would benefit from a system we will move forward to identifying how we might pay for it. A consolidated system is much less expensive than purchasing separate systems for each.

We believe a notification system in our technological age is an emergency management best practice as well as its day to day uses. We are one of the few larger populated counties that has not acquired a system. More information as we move forward. (Jim Hall 574-1904)

City of Selah & The Selah School District Full Scale Exercise

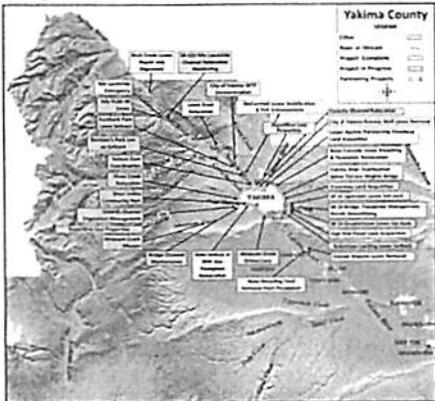
Planning is underway for a Full Scale Exercise at one of the Selah School Districts facilities in the

City of Selah. The Planning team has been selected and will meet this week to develop the scope of activity, a scenario, and who needs to play in the exercise. The exercise date is tentatively scheduled for early June just after school lets out to include more school district players.

We will attempt get the most from this exercise by inviting other school district personnel and responders from other jurisdictions to assist with or observe exercise activity.

Flood Control Zone District Mitigating the Hazards

The Yakima County Water Resource Division Flood Control Zone District has been working on multiple mitigation projects to lessen the impact of high water and flooding events in the valley. Some



of the major projects they participated on included the relocation of an auto recycling yard near Wapato. This project not only had flood issues but some environmental

issues as well. The levee set back on the Yakima River at Hwy 24.

We spent some time with Terry Keenhan the Surface Water Manager who was very upbeat about the projects and the mitigation they bring to areas that have seen significant problems in years past. Kudos to the Surface Water folks for their hard work and dedication in making it better for all of us, Thank You!

If you would like to see more information on their projects and activities visit their website at <http://www.yakimacounty.us/SurfaceWater/FloodControl/Projects/Map.pdf>

Local Emergency Planning Committee (LEPC)

OAEOC - February 11, 2014, 52 attendees representing 29 anhydrous ammonia-user facilities; emergency responders and other community groups participated in the annual meeting and training exercise.

Charles Erwin the LEPC Chair said the focus of the meeting was on emergency planning for a major

release of ammonia which would impact a community. Three fundamental questions were addressed: How prepared do we need to be, How prepared are we now and How do we prioritize efforts to reduce or close the difference?



The information was well received by those in attendance.

Community Wildland Fire Protection Plan (CWPP) Workshop

Yakima – January 30, 2014, Yakima Fire Marshal's Office along with its state, federal, and community partners hosted a workshop to discuss the potential of updating the County Wide and Hwy 12 -410 CWPP's. The plans written a few years back with involvement for citizens, responders and other government officials are in need of review and update. Presenters from other areas of the state from private, local, state and federal agencies talked about their successes and challenges with plan development and community involvement. Future planning meetings are scheduled.

Exercises and Training Completed

Flood Response Information Gathering and Dissemination Exercise: Early January

Special Event Planning Seminar -January 22, 2014 from 0930 to 1530 hrs work hours – The evening classes were canceled due to lack of students.

Local Emergency Planning Committee (LEPC)
Annual meeting and training

Future Exercises and Training

Operational Area Emergency Operations Center Staff Training. January 2013 thru March 2014

Selah School District Full Scale Exercise June 2014

The Emergency Management Staff



OEM Staff
- Charles Erwin Senior Program Analyst
- Jim Hall Director
- Helga Staffan Homeland Security Planner
- Lisa Truhlicka Administrative Assistant



The Insider

Yakima Valley Office of Emergency Management
April 2014 Newsletter Issue #23

Comprehensive Emergency Management Program (CEMP)

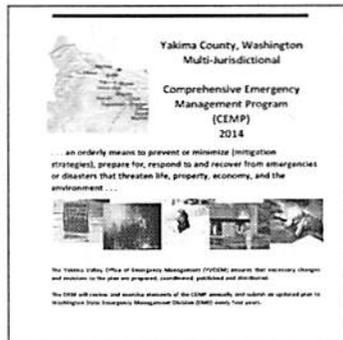
Yakima County – After a yearlong review, our CEMP has received its final approval by the State Military Department Emergency Management Division. The CEMP is our strategic plan of action in a major emergency or disaster. It is the parent document for every subsequent emergency response plan.

RCW 38.52 requires each local jurisdiction to have an emergency response plan with WAC 118.30 identifying the plan requirements. As a consortium in Yakima County

we make this process cost effective by having one strategic plan and providing implementation guidance through our Community Emergency Response System or CEMS. CEMS provides individual checklists for local city/county elected officials, department heads, and other officials.

The final step in completing the review and update of the CEMP is the promulgation or adoption of the plan by each of the member jurisdictions and other governing bodies in the valley. This process will begin soon with a request for adoption going to each of the cities, towns, and the county. Additionally we will be asking each fire district, school district, the Sheriff, and other elected officials to adopt the plan.

We have also created an interactive CD containing the plans many parts. In addition to the adoption the plan will be distributed to other community leaders and responders. If you need and would like a copy contact Lisa Truhlicka at 509-574-1903



Emergency Management takes on Heavy Exercise Schedule

OEM – Emergency Management has taken on a heavy exercise schedule this year.

Following the required Homeland Security Exercise Evaluation Program (HSEEP) it takes about 100 hours to facilitate,



Airport Full Scale Exercise 2012

plan for, develop, and present a good Table Top exercise. Full Scale Exercises can take much longer depending on how involved they are. See Future Exercises and Training on the next page for a list of our schedule.

The schedule has two full scale and two table top exercises that we will facilitate. We will also be participating in one functional exercise facilitated by Region #8 Health. There will also be several smaller exercises including two or three notification drills, one or two Joint Information System Drills, and Columbia Generating Station (CGS) Food Control Drills.

These exercises are in addition to the planning needs of the cities, towns, and county. The schedule will certainly keep the office busy and make the summer move by quickly.

Homeland Security Funding to go to SWAT Team Communications

Yakima – The Yakima Police Department Special Weapons and Tactics (SWAT) Team received approval from the local Stakeholders Grant Review Group for a portion of their Communications Enhancement Project. The total grant funding just over



\$31,000 is about half the cost of the project. The City of Yakima has agreed to fund the other half. The team's current portable radios, purchased with Homeland Security dollars a few years back are outdated and unserviceable.

The SWAT Team has become a county wide team with two members coming from the Sheriff's Office, two members from Union Gap PD, and one member from Grandview PD. The team responds county wide and is a mutual aid partner with other teams in Central Washington.

There were three other projects submitted. They included: City of Toppenish a repeater enhancement project, City of Selah Emergency Coordination Center communications tower project, and City of Yakima Fire Department Tri County Hazmat Team Biohazard Monitoring equipment. Each project very worthwhile but not enough funding.

The funding request now goes to the Emergency Services Executive Board for final local approval and then on to the state and Homeland Security for final approval and funding the project.

EMS and 911 Dispatch

Union Gap – There seems to be a steady stream of people looking at the unused portion of the Yakima County Resource Center. The center is located at 2403 South 18th Street in Union Gap. Potential tenants, engineers, architects, etc. have made the tour developing the plans for the Yakima County Department of Emergency Medical Services and SunComm 911 Dispatch to move to the new location. Plans are reaching their final version as the project should go to bid later this year.

School Safety Advisory Workgroup Continues to Meet

Started in response to the Sandy Hook school shooting back east school officials, local police, fire, and others continue to meet on a regular basis. The School Safety Advisory Workgroup agenda items include facility safety, grants available to promote safety, lessons learned, Planning, technology, safety strategies, exercises, etc. The goal of the group is to promote safety for the kids in our local schools, identify capabilities and share information about what works well and what may need improvement. Randy Town Educational Service District (ESD) 105 facilitates the meetings that have brought significantly greater understanding between school officials and emergency responders. The work completed by this group is clearly providing a safer environment for our children in the valley.

Yakima County CWPP Plan Review Begins

Local, State, and Federal partners in the Yakima County Community Wildfire Protection Plan (CWPP)



have joined forces and are meeting on a regular basis. The groups plan is to review and update the 2005 and 2008 CWPP for Yakima County.

CWPP's are developed to identify and mitigate the hazards presented by a wildland fire. As our population grows more people live in the urban interface where development meets wildland vegetation. This vegetation can often burn out of control creating a risk to homes and structures. The CWPP encourages homeowners and others to work at fuel reduction and buffer zones around their homes and structures. In some cases there is grant funds available for these mitigation projects.

Exercises and Training Completed

- Notification Drill 2-25-2014 AAR-IP Available
- Columbia Generating Station (CGS) Food Control Area Drill 3-11-2014

Future Exercises and Training

- Region #8 Health Functional Exercise May 14, 2014. Facilitated by Region #8 Health.
- Selah School District Full Scale Active Shooter Exercise June 9, 2014 Facilitate by YVOEM
- Valley Mall Simple Table Top Active Shooter Exercise (TTX) July 10, 2014 Facilitated by YVOEM
- Yakima Air Terminal Table Top Exercise Early September 2014
- Valley Mall Full Scale Active Shooter Exercise Mid October. Facilitated by YVOEM

The Emergency Management Staff



OEM Staff
- Charles Erwin Senior Program Analyst
- Jim Hall Director
- Helga Staffan Homeland Security Planner – Temporally laid off
- Lisa Truhlicka Administrative Assistant



The Insider

*Yakima Valley Office of Emergency Management
June 2014 Newsletter Issue #24*

Selah Armed Intruder Full Scale Exercise

Selah – The scenario we chose is being played out much too often these days. An armed person enters the school and shoots anyone in the area. Adult, child it seems to make no difference. Obviously preventing these events is the preferred concept, but living in a free society this is not always possible. Knowing this we must prepare our school systems for an event such as this hoping we never need to use what we have learned.



June 9, 2014, the City of Selah and Selah School District took a giant step in preparing their city and school system for such an event. The scenario played out with a man who had lost custody of his daughter and went to the school to take her by force with the intentions of leaving the area. He went with a gun and simulated using it on the several school staff and students. Many of the individuals simulated being shot were moulaged with simulated injuries with appropriate body damage and blood to provide a realistic scene for responders to react to. The scenario used approximately 80 actors to play various roles. The actors in addition to the bad guy, school staff and students, actors played worried parents, media reporters, and simulated numerous phone calls to the various agencies and departments that participated in the exercise.

The exercise can be looked at as a huge success. Although there were minor glitches with some of the simulations things went very well. Local police and their mutual aid partners responded and within five minutes of receiving the call the suspect was neutralized. Local Fire and EMS responders aided the injured.

Students were transported to the Selah High School for reunification with their parents.

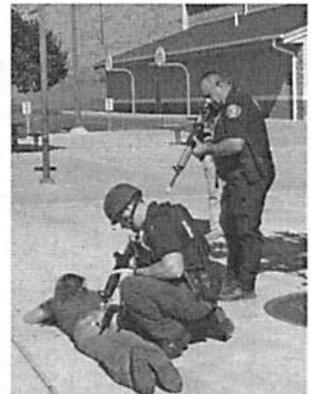
The different agencies playing or helping with this exercise included:

- Selah School District
- Selah Intermediate School
- Selah Police Department
- Selah Fire Department
- Selah City Emergency Coordination Center
- Selah Public Works
- Yakima Sheriff's Office Dispatch Center
- SunComm 911
- Yakima Regional Hospital and Cardiac Center
- Toppenish Community Hospital
- Zillah Police Department
- Toppenish Police Department
- Advanced Life Systems
- American Medical Response
- Yakima County EMS Office
- Washington State Patrol
- Citizen Volunteers (Actors)
- Yakima Valley Office of Emergency Management

The exercise also had a group of observers from several other School Districts and higher education institutions. They were watching how the scenario unfolded and how people reacted.

After the experience at the Columbine High School shooting and other events law enforcement changed the way they respond to these events. To implement this new protocol the Yakima County Sheriff and Police Chief's Association implemented a training and equipment program for officers here in the valley. The goal is to train and equip each officer in the county in this new protocol and needed equipment. Available funding through Homeland Security Grants and local budgets was used. The Sheriff and Police Chief's Association, Chief Dave Simmons Zillah PD, Lt Brian Winters Yakima Sheriff's Office, and many others were the driving force behind the implementation of this program.

Thanks to all of the actors and other that made this exercise possible. Your time and effort is greatly appreciated.



Communications

A Tool To Help Make it Better

Radio Cache Available for Use

YVOEM - When a major event occurs the one thing we always see in the After Action Reports is a problem with communications. Someone did not get the information they needed when they needed it and a poor or no decision was made on a problem, usually having compounding effects on the response to the event.

To help with this issue the Yakima Valley Office of Emergency Management has acquired through several Homeland Security Grants two nineteen radio each radio caches. These radios are available for use on major emergencies, disasters and community events in the valley. The radios; Motorola XTS 2500s are analog and digital capable. They are programed with the common frequencies used by law enforcement and the fire service.



We are working on a plan to move one of the caches to the Fire District #5 Dispatch in the lower valley making it more accessible when and where it may be needed. The other cache will remain with Emergency Management in the upper valley.

If you have a need for the radio cache, contact the Emergency Management Office 574-1900.

How do we stay prepared when budgets have so many priorities?

Disaster management (or emergency management) is the effort of communities or businesses to plan for and coordinate personal and materials required to either mitigate the effects of, or recover from, natural or man-made disasters, or acts of terrorism

In a utopian world where everything is perfect we would have mitigated a large percentage of the risks we have. We would be ready with personnel, equipment, facilities, etc. for anything and everything that could possibly happen to the Yakima Valley. Unfortunately this level of preparedness would be cost prohibitive. So, we work at being prepared and having the systems in place to mitigate, prepare for, respond to, and recover from our identified hazards. We have taken an all hazard approach, meaning there is a single strategic plan to respond to any overwhelming event we might have.

In the last few years the government budget crisis has affected our ability to reach a level of preparedness needed to be ready for that overwhelming event. Yes we

have the plan. Yes the checklists are in place. The thing that is missing is the people who will need to have the experience to understand what is happening and what will need to happen to reduce the suffering of citizen and return our community back to normal as soon as possible.

We must have a mindset that the overwhelming emergency or disaster will happen. Maybe not tomorrow but sooner or later we will see an event in the valley that will be unthinkable and overwhelming. Officials who have the responsibility to make decisions need to participate in training and exercises not send their underlings. The Yakima Valley is blessed in many ways. We do not have major emergencies or disasters very often. This is a great thing. However when we do we will be a little inexperienced in how to deal with it. We will see people make comments in the aftermath, "I sure didn't think that could happen" or "That's never happened before". Then the finger pointing begins and so on. To give this a little perspective think back a month or two to the SR 530 Landslide in Snohomish County and some of the first official comments that were made to the media. They felt the area was safe and nothing like what happened could happen. Food for thought. By Jim Hall 574-1904

Exercises and Training Completed

- May 14, 2014 Region #8 Health Functional Exercise. Facilitated by Region #8 Health.
- May 28, 2014 Yakima Health District Table Top Exercise
- June 9, 2014 City of Selah, Selah School District Full Scale Exercise

Future Exercises and Training

- Valley Mall Simple Table Top Active Shooter Exercise (TTX) July 9, 2014 Facilitated by YVOEM
- Central Washington State Fair Advanced Table Top Exercise Facilitated by YVOEM
- Yakima Air Terminal Table Top Exercise Early September 2014
- Valley Mall Full Scale Active Shooter Exercise Mid October. Facilitated by YVOEM

The Emergency Management Staff



OEM Staff
- Charles Erwin Senior Program Analyst
- Jim Hall Director
- Helga Staffan Homeland Security Planner -
- Lisa Truhlicka Administrative Assistant



The Insider

Yakima Valley Office of Emergency Management
August 2014 Newsletter Issue #25

Central Washington State Fair Ferris Wheel Collapses

State Fair Park – The simulated collapse of one of the carnivals Ferris Wheels during an unsuspected windstorm, presenting 90+ mph winds, created a challenging exercise for those playing in the Table Top August 13, 2014 at the SunDome. The fair board, fair management and staff, and vendors all work hard at making the Central Washington State Fair a enjoyable and safe place to enjoy the entertainment, food, etc. However, one only needs to pick up the morning paper and read about the unthinkable events that happened somewhere USA. We know unthinkable events can happen. Understanding this, the fair and



its emergency responders exercise annually an unthinkable scenario to review and understand their emergency plans, protocols and build institutional knowledge of a fairgrounds emergency response within the community.



The scenario presented was on the closing Saturday of the fair. There would be approximately 45,000 patrons on the grounds and the carnival would

have large waiting lines. There was 30 or so victims hurt, worried parents, media, and other aspects were injected for exercise players to respond to.

It was an Advanced Table Top Exercise presenting responders with patient information where they needed to treat and transport simulated people. The Emergency Medical System organized to send the patients to the right hospital for care. The ambulance companies would move these patients, on paper, from

the crash site to the designated hospitals. Yakima Police assisted by CMS Security maintained crash site security and order on the grounds.



There was significant discussion on what to do with the fair and 45,000 patrons in attendance. What about the planed shows and Demolition

Derby? Fair Management brought their management team together and worked through the issues. In the end a decision to close the fair, evacuate the grounds, and evaluate the situation was made. This decision created the question of how to evacuate the grounds and not interrupted emergency responders trying to get there. The Yakima Police came up with the traffic plan and assisted by neighboring jurisdictions established the system to accomplish this mission.

During the Hotwash, or review of exercise play, following the exercise a number of very good things were pointed out as working well. There were also a number of issues that require improvement. The number of working well issues far



exceeded the issues needing improvement. A written After Action Report and Improvement Plan will be developed in the next few weeks.

The different agencies playing or helping with this exercise included:

- State Fair Park/Central Washington State Fair and its many departments or divisions
- Yakima Police Department
- Yakima Fire Department
- Yakima Public Works
- Yakima Sheriff's Office
- SunComm 911
- Yakima Regional Hospital and Cardiac Center
- Yakima Memorial Hospital
- Advanced Life Systems
- American Medical Response
- Yakima Health District
- CMS Security (Fair Contractor)
- Back Stage Electric

- Yakima County EMS Office
- Yakima Valley Office of Emergency Management
- Yakima OEM Volunteers

Thanks to all the players and others that made this exercise possible. Your time and effort is greatly appreciated.

City of Union Gap & the Valley Mall Prepares for Armed Intruder



Union Gap - July 9, 2014 Emergency Responders and Yakima Valley Mall Managers and Staff came together to work a simulated armed intruder

scenario taking place inside the mall. This is part one of a two part exercise program to prepare the city and the mall for a catastrophic mass casualty event. City of Union Gap and Mall managers were seeking to review their plans, prepare their community and build institutional knowledge within the community

The exercise a Discussion Table Top Exercise presented a scenario with information about an



armed intruder entering the mall and began hurting people. Each of the different areas or departments were asked to explain their roles and actions as new information on the intruder was presented.

Exercise players while listening to other areas and departments gained a better understanding of the different roles each would play in an event. There were many good or positive issues identified. There were several planning issues identified as needing review. The learning process was greatly enhanced by the cooperative attitude amongst the players. Several good relationships were established and others enhanced from this exercise. The city and Valley Mall will host a Full Scale Exercise with actors and simulated munitions October 16, 2014. If you are interested in participating contact Jim Hall at the Emergency Management Office 574-1900.

The City of Union Gap and the Yakima Valley Mall must be recognized for the foresight and willingness to take on sensitive issues and prepare their systems for whatever they may face. Kudos!!

Jurisdictions and Businesses playing in the exercise:

- Union Gap Police Department
- Union Gap Fire Department
- SunComm -911

- Valley Mall Security
- Valley Mall Business Office
- Zillah Police Department
- Selah Police Department
- Sunnyside Police Department
- Washington State Patrol
- Yakima Sheriff's Office
- Yakama Nation Emergency Management
- Yakima School District
- American Medical Response
- Yakima Memorial Hospital
- Yakima Regional Hospital and Cardiac Center
- Washington State Sheriff's and Police Chief's
- Yakima Valley Office of Emergency Management Volunteers
- Yakima Valley Office of Emergency Management

Yakima County Multi-Jurisdictional Hazard Mitigation Plan

Yakima County - Emergency Management has begun the process of updating the 2010 Yakima County Multi-Jurisdictional Hazard Mitigation Plan. The five year update will meet our FEMA requirement. We have a number of meetings and planning processes to get through. Each of the Cities and Towns, the county, and other governmental jurisdictions need to be part of a Hazard Mitigation Plan to be eligible for certain disaster and other grant funding. The plan beyond identifying mitigation projects will lessen the impacts of our hazards and goes a long way in making us eligible for disaster funds when there is an event. It is our intentions to submit our updated plan to State EMD and /FEMA by the end of this year to meet the March, 2015, adoption deadline.

Mitigation efforts include activities that will prevent or reduce the impact of emergency/ disaster results on people, property and the environment. Efforts include instituting building codes, land use planning, zoning ordinances, training and education, structural and non-structural safety measures. Federal policies require a formal mitigation program implementation plan any time an area is subject of a Presidential Disaster Declaration and federal disaster monies are received.

Exercises and Training Completed

- Valley Mall Simple Table Top Active Shooter Exercise (TTX) July 9, 2014 Facilitated by YVOEM
- Central Washington State Fair Advanced Table Top Exercise Facilitated by YVOEM

Future Exercises and Training

- Yakima Air Terminal Table Top Exercise Early September 4, 2014
- Pacific Power and Light Briefing September 11, 2014. 1030 to 1130 at OEM
- Valley Mall Full Scale Active Shooter Exercise Mid October 16, 2014. Facilitated by YVOEM



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 I – 1

Title: Approval of Minutes: October 14, 2014 Study Session & Council Meeting

Thru: David Kelly, City Administrator

From: Monica Lake, Executive Assistant

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: N/A

Funding Source: N/A

Staff Recommendation:

Approval of the Minutes from the last Council Meeting.

Background / Findings & Facts:

See Minutes for details.

Recommended Motion:

Motion to approve the Consent Agenda as read. (This item is part of the Consent Agenda)

City of Selah
Council Minutes
October 14, 2014

Regular Meeting
Selah Council Chambers
115 West Naches Avenue
Selah, WA 98942

A. Call to Order Mayor Gawlik called the meeting to order at 4:00pm.

B. Roll Call

Members Present: Paul Overby; John Tierney; Dave Smeback; Allen Schmid ; Brooke Finch;
Roy Sample

Members Excused: Jane Williams

Staff Present: David Kelly, City Administrator; Bob Noe, City Attorney; Gary Hanna,
Fire Chief; Joe Henne, Public Works Director; Eric Steen, Deputy Police
Chief; Dale Novobielski, Clerk/Treasurer; Dennis Davison, Community
Planner; Charlie Brown, Recreation Manager; Monica Lake, Executive
Assistant

C. Pledge of Allegiance

Council Member Schmid led the Pledge of Allegiance. Pastor Mark Griesse led the opening prayer.

D. Agenda Changes

1. Relocate M – 6, N – 2, and N – 3 to immediately follow the Consent Agenda

E. Public Appearances/Introductions/ Presentations **None**

F. Getting To Know Our Businesses **None**

G. Communications

1. Oral

Mayor Gawlik opened the meeting.

Rick Betsch approached the podium and addressed the Council. He said that he is promoting the annual fitness challenge; he would like to partner with the City Council and have them become more involved with the health and fitness of the community. He expressed his frustration with Yakima businesses that attempting to get information out, saying that the choices people make today will affect their senior years.

Seeing no one else rise to speak, Mayor Gawlik closed the meeting.

2. Written

- a. September 2014 Monthly Report for Building Permit, Animal Control and Code Enforcement

H. Proclamations/Announcements None

I. Consent Agenda

Executive Assistant Lake read the Consent Agenda.

All items listed with an asterisk (*) were considered as part of the Consent Agenda.

- * 1. Approval of Minutes: September 23, 2014 Council Meeting
- * 2. Approval of Claims & Payroll:
 - Payroll Checks Nos. 77902 – 77932 for a total of \$208,446.95
 - Claim Checks Nos. 64594 – 64595 for a total of \$ 149.00
 - Claim Checks Nos. 94596 – 94705 for a total of \$527,121.06
- * 3. Resolution M – 2: Resolution Authorizing the Mayor to sign Task Order 2014-3 between the City of Selah and Huibregtse, Louman Associates, Inc. for Engineering and Surveying Services for the East Goodlander Road Transportation Improvement Board (TIB) Improvements Project
- * 4. Resolution M – 3: Resolution Authorizing the Mayor to sign Task Order 2014-4 between the City of Selah and Huibregtse, Louman, Associates Inc. for Construction services for the East Goodlander Road Water Improvements Project
- * 5. Resolution M – 4: Resolution Authorizing the Mayor to sign Task Order 2014-5 between the City of Selah and Huibregtse, Louman, Associates Inc. for Construction services for sewer system improvements on the Transportation Improvement Board (TIB) East Goodlander Road Improvements Project

Council Member Tierney moved, and Council Member Schmid seconded, to approve the Consent Agenda as read. By voice vote, approval of the Consent Agenda was unanimous.

RELOCATED

Resolution M – 6: Resolution of the City Council adopting the Findings and Recommendation of the Planning Commission and Approving Preliminary Plat No. 912-42.14-05, "Somerset II"

Ordinance N – 2: Ordinance Adopting the Selah Urban Growth Area Comprehensive Plan Amendment 2014-01 (Zuker-Sample L.L.C.) as Recommended by the City of Selah Planning Commission

Ordinance N – 3: Ordinance Amending Ordinance No. 1634 Zoning Map Amendment No. 914.42.14-04 Rezone to Planned Development (PD)

City Administrator Kelly advised that it would be appropriate at this time for Council Member Sample to recuse himself.

Council Member Sample recused himself and left Council Chambers.

Mayor Gawlik said that, when the application came to our attention, it was determined time that a number of things were lacking in the application that was submitted, and that after consideration it was decided to recommend to Council that it be remanded back to the Planning Commission for completion. He noted that the recommendation comes from himself and City Administrator Kelly.

Council Member Schmid moved, and Council Member Smeback seconded, to Remand the proposal back to the Planning Commission for further consideration of the major rezone request including the Comprehensive Plan, Zoning change, and Preliminary Plat.

Council Member Tierney asked if the motion applied to all three items or if they would have to be done separately.

Council Member Schmid replied that his motion was all-inclusive.

Council Member Finch remarked that they have a large group in attendance, and she would be interested to hear their comments either for or against Somerset II.

City Attorney Noe responded that the matter has to go back to the Planning Commission; the City Council item is a closed record hearing.

Council Member Finch inquired if there would be an opportunity for the public to address the Council rather than the Planning Commission.

City Attorney Noe replied in the negative, saying that the law provides for an open hearing in front of the Planning Commission and a closed hearing at the Council meeting.

Mayor Gawlik asked at what point in the process would Council be able to hear comments from audience on the recommendation to remand it back to the Planning Commission.

City Attorney Noe responded that Council could hear comments on the issue of remanding it back to the Planning Commission.

Mayor Gawlik inquired if they should act on motion now or wait until the conclusion of comments from those in attendance.

City Attorney Noe said that it is up to him whether to have comments before or after the vote.

Mayor Gawlik opened the meeting, reminding those in attendance that all comments must pertain to the issue of remanding the proposal back to the Planning Commission.

City Administrator Kelly commented that all testimony provided at the Planning Commission hearing is provided to Council in the form of minutes, and that any new comments on the matter need to be brought up at the next Planning Commission meeting.

Mayor Gawlik asked when next scheduled meeting would be.

Community Planner Davison stated that the Planning Commission meets on the first and third Tuesdays of each month, on an as-needed basis, and since November 4th is holiday the next meeting would be November 18th. He noted that a special hearing council be scheduled, and that he will advise if they opt to do so.

Mayor Gawlik reiterated that the next scheduled hearing date is November 18th.

City Administrator Kelly said that they will identify on website when the next meeting will be.

Council Member Tierney wondered if they had addresses for the folks in attendance today.

Mayor Gawlik assumed that those in the audience had signed in, and recommended that they do so if they had not.

Community Planner Davison remarked that he sent out notices to every property owner within six hundred feet of the proposal.

Council Member Tierney suggested mailing notice to all in attendance tonight along with those within six hundred feet.

Wayne Worby approached the podium and addressed the Council. He asked if Council couldn't go back to the open portion of the meeting to allow those who want to speak the opportunity to do so.

City Attorney Noe replied that it is a quasi-judicial meeting, and as such, the Council is required to follow the judicial process in this matter.

Mr. Worby felt that the Council Members needed to see and hear those who had concerns. He added that meetings should never be held before 7pm at night to allow everyone the opportunity to attend and express their wishes on the matter.

Mayor Gawlik informed him that one Council Meeting per month is scheduled at 6:30pm, with the other being at 4pm per the City's Municipal Code, and that they try to schedule the hot button topics for the later meeting to allow those who wish to speak the opportunity to attend.

Mr. Worby inquired if the Planning Commission is under the same restraints regarding meeting times.

Mayor Gawlik responded that their meetings are held in the evening.

Community Planner Davison stated that the Planning Commission meets at 5:30pm.

Brian Richards approached the podium and addressed the Council. He wanted to know where in the Comprehensive Plan or Rules of Order it stated that that asking for a remand of proposal meant that one did not have to schedule a public hearing as they did today.

City Attorney Noe noted that the Planning Commission conducts the open hearing.

Mr. Richards remarked that he was not talking about them, he was talking about the Council, and wondered why they wouldn't do another mailing to discuss the matter with the public.

City Attorney Noe replied that there will be another Planning Commission meeting to discuss the matter further, which will create a record to come back to the Council at a later meeting. He noted that it will not be another hearing.

Mr. Richards wondered where that information came from.

City Attorney Noe responded that it is mandated by State law.

Mr. Richards inquired if they could discuss the missing pieces of the application, and why it was incomplete.

Mayor Gawlik observed that there are a number of questions on the application that need to be answered by the proponent, and that he and City Administrator Kelly opted to recommend that Council remand the matter back to the Planning Commission. He noted that they also had concerns regarding a Planning Commissioner who should have recused himself from the matter.

City Administrator Kelly gave an example of something that should have been included with the application, adding that the proponent had these items available but hadn't included them with the application.

Brian Richards wondered why tonight's meeting was an open hearing on the matter.

Mayor Gawlik replied that, by law, it isn't intended to be.

Mr. Richards responded that the Council is making the decision.

Mayor Gawlik acknowledged his comment, but noted that, by law, that is the only place it can be done.

Mr. Richards stated that the City Council still has to have a hearing on the issue.

City Attorney Noe remarked that the Council reviews the closed record, receives a transcript of the Planning Commission meeting and reviews the documents pertaining to the matter.

Mr. Richards felt that doing it that way didn't make sense.

Mayor Gawlik reiterated that the only place that testimony can be received and recorded is at the Planning Commission hearing per State law; the transcript is then sent to the for them to decide whether to accept or deny it.

Mr. Richards asked why they were notified of the meeting if they aren't allowed to speak.

Community Planner Davison said that statute provides that rezone applications and subdivision applications come to the Council at a public meeting to consider the Planning Commission's recommendation; a Comprehensive Plan amendment is different, the Planning Commission considers the amendment and makes a recommendation, then Council holds a hearing on the Comprehensive Plan amendment only.

Mr. Richards wondered why, if the application is sent back, the process isn't repeated when it's received again.

Council Member Tierney stated that Council will only hear the Comprehensive Plan amendment.

Mr. Richards felt that all three items should be discussed at a public hearing.

City Attorney Noe replied that the zoning request and Comprehensive Plan amendment are consolidated together; when the Planning Commission does their hearing it is for both items, which are then presented to Council at a closed record meeting.

Mr. Richards asked why they were brought here in the first place.

City Attorney Noe responded that perhaps the notice wasn't clear, but this is a but closed record review.

Mayor Gawlik inquired why the letter sent out stated that they could give testimony tonight.

Community Planner Davison replied that Council holds hearing on Comprehensive Plan amendments, and that if they vote to remand the matter back to the Planning Commission then no hearing will be held on the Comprehensive Plan amendment.

City Attorney Noe stated that all items would come back as closed record, not open record.

City Administrator Kelly informed the audience that there will be no public record hearing today, adding that the next letter sent out will be very clear on that; testimony from citizens will be given at the Planning Commission meeting, then the items will be consolidated and come back before Council.

Mr. Richards inquired if the process for this was in the Comprehensive Plan or State RCW?

City Attorney Noe replied that the process is in City's Municipal Code, with an overlay of State law, that only one open record hearing can be held, and that it also provides for consolidation of permits of items such as a major rezone with a Comprehensive Plan amendment. He noted that the City's Code provides for consistency with State law.

Tisha Busey approached the podium and addressed the Council. She said that she owns property in the same location. She stated that she attended the Planning Commission meeting and that she felt it was a very unprofessional one, saying that the Commissioners acted more like consultants to the developer rather than Commissioners concerned with Selah's long-term growth goals. She noted that the Comprehensive Plan outlines the goals of the community for long-range growth; it's designed to reflect the community as a whole, not the needs of one developer, nor should it be amended for one developer. She wondered how the Planning Commissioners could properly implement the Comprehensive Plan, or work within its guidelines, if they don't understand it.

City Attorney Noe observed that the proposal would be denied if the applicant was unable to satisfy all the requirements.

Ms. Busey stated that the Commissioners didn't seem educated; they would look at Mr. Durante or Community Planner Davison for answers. She added that she took the time to read through the City's Comprehensive Plan and read aloud from the section dealing with goals in housing.

Mayor Gawlik responded that he understands what she has said, that Council is interested in what she has to say, and that they will educate the Commissioners about their responsibilities and what is necessary for them to make an informed decision. He noted that they are also discussing the possibility of changing the process to have most, if not all, of these matters go before the Hearing Examiner in lieu of the Planning Commission.

Ms. Busey said that she has been involved in the development of subdivisions, and has attended Hearing Examiner meetings in Yakima County. She felt that it would have appeased people if Council had explained that they can have a say in the process, as it feels like the City is dealing with their property without any say-so from the property owners.

City Attorney Noe replied that she can speak on the closed record.

Ms. Busey remarked that she understands that but others here do not. She asked if there would be an opportunity to speak at a future Council meeting.

Mayor Gawlik wanted her to understand that they respect her property rights and what she wishes to do with her property, adding that the Council is challenged by what law allows them to do or not to do. He

felt that what has happened is simply a miscommunication, and that the Council will do everything they can to make things right.

Attorney Mike Shen, Halverson NW, approached the podium and addressed the Council. He expressed his appreciation for the process and felt that it was a show of good faith on the City's part that staff is arguing for a remand of the application back to the Planning Commission. He thanked City Attorney Noe for clarifying the process for those in attendance and explaining what happens before the Council when a recommendation is made. He noted that, in his previous experience, those who testified at a Planning Commission meeting were allowed to argue, provided they presented no new testimony on the subject. He suggested that Council limit people to three or five minutes, which would require them to organize their thoughts beforehand and be concise when speaking.

Dr. Richard Weller approached the podium and addressed the Council. He indicated that his confusion resulted from a misunderstanding of an open meeting, as his previous experience came from the annexation proposal heard before the Council.

City Attorney Noe clarified that an annexation isn't quasi-judicial, and therefore different laws apply.

Dr. Weller asked if they would be allowed to present testimony again if the matter was remanded to the Planning Commission.

Mayor Gawlik responded in the affirmative.

Dr. Weller said that he sent emails to each Council Member asking for clarification on who chairs the Planning Commission and who sits on the Commission.

Council Member Overby remarked that Council Members cannot have any communication outside of formal channels on a quasi-judicial matter; the only evidence they can consider is what takes place in the public hearing held by the Planning Commission.

Dr. Weller said he looked for information on the Planning Commission on the City's website.

Mr. Worby approached the podium once again to address the Council. He expressed confusion over the order of the three items according to the agenda, noting that zoning should be done before the development itself.

City Attorney Noe remarked that regulatory reform required consolidation of these items so that a developer doesn't have to wait years for the process; it allows for an expeditious review of land applications.

Mr. Worby stated that Yakima County doesn't do it that way.

City Attorney Noe replied that the City is required to consolidate where it can in these matters.

Mr. Worby wondered how a development that is inconsistent with underlying code can be brought in.

City Attorney Noe responded that the City's code anticipates that the application will be consistent with zoning and development.

City Administrator Kelly noted that, during a regular Council Meeting, Resolutions are heard prior to Ordinances.

David Spicer approached the podium and addressed the Council. He said that he really doesn't understand a lot of this stuff, and wanted to know why they have closed meetings and open meetings rather than having everything open and transparent. He asked how he was supposed to attend a Planning Commission meeting when he normally works until 6 or 7pm. He thought that this was similar to the games played as children where the rules changed halfway through the game. He wondered about the need for parks and green space as opposed to cramming duplexes on every nice piece of dirt in Selah. He thanked Council for the opportunity to speak.

Council Member Tierney called for the question.

Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Smeback – yes; Council Member Schmid – yes; Council Member Finch – yes. By voice vote, approval was unanimous.

Council Member Tierney thanked those in attendance for coming and apologized for any misunderstandings. He expressed his appreciation of their comments, adding that it was nice to have people attend who are concerned about their City.

Council Member Schmid moved, and Council Member Overby seconded, to take a ten minute recess.

Council took a ten minute recess.

J. Public Hearing None

K. New Business

1. Bond Refinancing

City Administrator Kelly addressed K – 1. He said that, as discussed during the Council Retreat, there is an opportunity to save some additional money on the Marudo debt. He introduced the bond counsel.

Jim Nelson, D.A. Davison, approached the podium and addressed the Council. He gave a brief description of his firm and qualifications, then referred Council to the handout provided in the packet. He discussed that revenue sources available to them, and the interest rates in the current market.

Mayor Gawlik expressed some concern that interest rates are liable to increase in the near future.

Mr. Nelson responded that the economy is starting to recover, which will likely result in higher rates. He stated that they have an interest rate expert on their staff, and outlined her prediction for the coming

quarters, which brings a little more urgency to the decision at hand. He talked about bond rating rates and gave some recent examples of smaller cities receiving higher rates than anticipated. He suggested that the Council consider adopting a formal financial management policy.

City Administrator Kelly remarked that one will be presented at the next Council meeting.

Council Member Finch requested confirmation that the City had no rating at present.

Mr. Nelson replied in the affirmative, adding that he anticipates the City's initial rating will be A+ or possible AA-. He outlined the items that are reviewed before a rating is assigned.

City Administrator Kelly noted that some of the numbers had changed since the last meeting.

Council Member Finch inquired about the coupon rate.

Mr. Nelson explained the variance of the coupon rate, then reviewed the remainder of the packet information.

City Administrator Kelly commented that this is also part of the necessary process for construction of new municipal buildings and where the City is financially in their debt management.

Council Member Tierney wondered if they had enough time to proceed with the refinance.

Mr. Nelson responded in the affirmative, saying that they can meet that schedule. He noted that the City will need to enter into an underwriting engagement letter with his firm per the new Security Exchange Commission rules.

Council Member Smeback moved, and Council Member Schmid seconded, to authorize the Mayor to sign the Underwriting Engagement Letter with D. A. Davidson. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Smeback – yes; Council Member Schmid – yes; Council Member Finch – yes; Council Member Sample – yes. By voice vote, approval was unanimous.

L. Old Business None

M. Resolutions

1. Resolution authorizing the Mayor to sign a Professional Services Contract with Margita A. Dornay for prosecution services

City Administrator Kelly addressed M – 1. He said that this puts in writing the change that they are making in moving away from City Attorney Noe's firm to someone else. He commented that Ms. Dornay has been doing the prosecution under the City Attorney's firm, and that the \$2500 he negotiated with her is within the current budget.

Council Member Tierney asked for confirmation that the compensation would be \$2500 a month plus an additional amount for jury trials.

City Administrator Kelly responded in the affirmative, saying that he wanted to have the same language as they have in the public defender's contract.

Council Member Tierney wondered how many trials are held on an annual basis.

City Attorney Noe answered that there are maybe four per year.

Council Member Schmid moved, and Council Member Smeback seconded, to Approve the Resolution authorizing the Mayor to sign a Professional Services Contract with Margita A. Dornay for prosecution services. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Smeback – yes; Council Member Schmid – yes; Council Member Finch – yes; Council Member Sample – yes. By voice vote, approval was unanimous.

- * 2. Resolution Authorizing the Mayor to sign Task Order 2014-3 between the City of Selah and Huibregtse, Louman Associates, Inc. for Engineering and Surveying Services for the East Goodlander Road Transportation Improvement Board (TIB) Improvements Project
- * 3. Resolution Authorizing the Mayor to sign Task Order 2014-4 between the City of Selah and Huibregtse, Louman, Associates Inc. for Construction services for the East Goodlander Road Water Improvements Project
- * 4. Resolution Authorizing the Mayor to sign Task Order 2014-5 between the City of Selah and Huibregtse, Louman, Associates Inc. for Construction services for sewer system improvements on the Transportation Improvement Board (TIB) East Goodlander Road Improvements Project
- 5. Resolution Authorizing the Mayor to sign a Transportation Improvement Board (TIB) Consultant Agreement for Professional Construction Services for the East Goodlander Roadway Improvements between North First Street and Wenas Road

Public Works Director Henne addressed M – 5. He said that this is a formal contract between the City of Selah and the transportation Improvement Board (TIB) to proceed with the grind and overlay project, and that it allows them to create plan specs and construction documents. He noted that the total amount for it is \$29, 419.

Council Member Smeback asked if they would be doing an early start in the spring in order to be done by June.

Public Works Director Henne responded in the affirmative, saying that they have to be done by the end of June.

Council Member Schmid commented that the consultant agreement has a dollar figure of \$29,400 and wondered if it should be \$29,419.

City Administrator Kelly suggested making it \$29,419 to cover it.

Public Works Director Henne remarked that the dollar amount isn't specified in the Resolution.

Council Member Tierney moved, and Council Member Schmid seconded, to Approve the Resolution Authorizing the Mayor to sign a Transportation Improvement Board (TIB) Consultant Agreement for Professional Construction Services for the East Goodlander Roadway Improvements between North First Street and Wenas Road. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Smeback – yes; Council Member Schmid – yes; Council Member Finch – yes; Council Member Sample – yes. By voice vote, approval was unanimous.

6. Resolution of the City Council adopting the Findings and Recommendation of the Planning Commission and Approving Preliminary Plat No. 912-42.14-05, "Somerset II"

RELOCATED

7. Resolution authorizing the Mayor to sign a contract with Marshall Architecture, P.C for professional services related to the conceptual design of a proposed municipal multi-purpose facility

City Administrator Kelly addressed M – 7. He said that they received four responses to the request for qualifications, and that the selected architect works with the particular company they've been discussing. He talked briefly about the qualifications of the selected firm, noting that the agreement for \$13,800 would get them a preliminary zoning and code review, conceptual drawings, and renderings for both projects over a period of time. He noted that it's generally a four to six week process to come up with drawings and a preliminary conceptual floor plan, at which point they will give the City a cost estimate. He expressed his excitement to have real numbers on a real building, adding that he recommends the creation of a committee to go through the process.

Mayor Gawlik suggested that the committee also include any department heads that will be effected.

City Administrator Kelly agreed.

Council Member Tierney wondered how the other bid estimates came in.

City Administrator Kelly responded that most architectural firms start out at \$250-300 per foot when talking about a new building, which is normal, but he's interested to see if an aesthetically pleasing building can be done for a lot less. He outlined the process that will be done, noting that they will put it out to bid once the drawings are done, at which time local people can bid on it.

Council Member Finch moved, and Council Member Overby seconded, to Approve the Resolution authorizing the Mayor to sign a contract with Marshall Architecture, P.C. for professional services related to the conceptual design of a proposed municipal multi-purpose facility. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Smeback – yes;

Council Member Schmid – yes; Council Member Finch – yes; Council Member Sample – yes. By voice vote, approval was unanimous.

City Administrator Kelly said that he was hoping to get a committee together, and that he would like to have three Council Members, along with the Mayor, to help with design of the two buildings.

Council Members Tierney, Sample, and Smeback volunteered to serve on the committee.

N. Ordinances

- 1. Ordinance Amending Section of Title 10, Chapter 10.28, Table 5 – A, and Chapter 10.28.040, Regulatory Notes, of the Selah Municipal Code**

Community Planner Davison addressed N – 1. He said that the proposed code amendment came about after the Hearing Examiner considered a preliminary plat that followed a provision from 2006 that allows duplexes within an R-1 zone. He explained the history of the provision, noting that it was put in place to allow for a diversity of housing types in residential areas without requiring a rezone to an R-2 designation. He referred Council to the information included in the packet, stating that the Planning Commission considered the matter and voted to recommend an amendment to the Municipal Code.

Council Member Finch remarked that Planning Commission minutes state that no one was in the audience, yet they have testimony in favor of the amendment.

Community Planner Davison responded that there was no one in attendance aside from Council Member Sample.

Council Member Finch expressed her frustration over receiving minutes dating back to May and June, but no the minutes pertaining to the matter at hand.

Community Planner Davison replied that they are in draft form a present, as they haven't been adopted by the Planning Commission.

Council Member Finch moved that Ordinances only be brought before the Council after the minutes relating to the matter have been approved by the Planning Commission.

Council Member Tierney seconded the motion.

Community Planner Davison asked if they wanted to kill the amendment or wait until next meeting for the Planning Commission minutes.

Council Member Finch stated that she already knows how she will vote on this issue, and that she is interested in acting more professional going forward.

City Administrator Kelly said that he would work with Community Planner Davison on protocol and having the minutes provided to Council in an approved form.

Community Planner Davison noted that the first meeting since June was in September, at which time they adopted the minutes provided in the packet.

Council Member Tierney didn't want to act on any Ordinances based on insufficient information, adding that they should have the final minutes to accurately act on an Ordinance.

City Administrator Kelly remarked that the Planning Commission doesn't meet again until next Tuesday, which means that they won't have adopted minutes until the following Tuesday.

Council Member Sample stated that he spoke about this subject with the Planning Commission at the last meeting, and he remembered discussing things such as lot size. He opined that there are several good looking subdivisions around town with seven thousand square foot lots, adding that he doesn't agree with having a duplex in middle of nine or ten single-family homes; they should be grouped together as much as possible.

Council Member Schmid said that one of the State mandates for the Growth Management Act dealt with providing a diversity of housing types in new subdivisions, which is why the City ended up with this in the Municipal Code.

Council Member Sample agreed.

Council Member Smeback noted that adding the sub-category to R-1 gives a formula allowing a developer with undesirable lots to finish the development with duplexes.

Community Planner Davison commented that the individual has to decide if they want to build a duplex, and that if it damages the marketing abilities the builder won't opt to do it.

Council Member Sample thought that there was a better way to fix it than the Ordinance presented.

Council Member Smeback suggested that they provide some direction to the Planning Commission.

Council Member Finch stated that the Council should review the Code as a whole before adding or amending it; they've identified several issues with planning codes that need to be dealt with. She added that she also wants to have up-to-date approved minutes at that time.

Community Planner Davison inquired if she would like the minutes for this if denied.

Council Member Finch responded in the negative.

Council Member Smeback expressed his appreciation for what the Planning Commission was trying to do, noting that these matter are sometimes viewed as housekeeping items.

Community Planner Davison said that he will come back at a later time with an Ordinance to repeal that section of the R-2 zoning that allows duplexes to be built there.

Council Member Finch moved, and Council Member Overby seconded, to Deny the Ordinance Amending Section of Title 10, Chapter 10.28, Table 5 – A, and Chapter 10.28.040, Regulatory Notes, of the Selah Municipal Code. Roll was called: Council Member Overby – Yes; Council Member Tierney – yes; Council Member Smeback – yes; Council Member Schmid – no; Council Member Finch – yes; Council Member Sample – yes. Motion passed with five yes votes and one no vote.

City Administrator Kelly asked Council if they all concurred with Council Member Finch about looking at the Code as a whole.

Council Member Smeback said that, while he appreciates what Community Planner Davison is trying to do, it's sometimes important to have the minutes, and that those people doing developments need to realize that it may take a little longer than necessary.

City Administrator Kelly remarked that this is in the Code two different ways at present, and that a denial of the Ordinance will have an Ordinance brought to them to remove the other.

Council Member Schmid wondered where that would leave them in regards to the Growth Management Act.

Council Member Smeback suggested that the matter be brought back to Council with approved minutes.

Council Member Schmid noted that they have conflicting items in the Code at present.

City Attorney Noe commented that any Council Member who voted in favor of denial can bring it back at a later date.

Council Member Overby wanted to have the full information in front of them for consideration, and that he is open to revisiting the matter at a later date.

Council Member Smeback moved to remand the issue back to the Planning Commission for consideration.

City Attorney Noe asked that he clarify what the Planning Commission should consider to be brought back to the Council.

Council Member Smeback withdrew his motion.

2. Ordinance Adopting the Selah Urban Growth Area Comprehensive Plan Amendment 2014-01 (Zuker-Sample L.L.C.) as Recommended by the City of Selah Planning Commission

RELOCATED

3. Ordinance Amending Ordinance No. 1634 Zoning Map Amendment No. 914.42.14-04 Rezone to Planned Development (PD)

RELOCATED

O. Communications

1. Oral

Mayor Gawlik opened the meeting.

Chris Dykstra approached the podium and addressed the Council. He presented pictures to Council of the large hole in the access road in front of his house and asked why it takes so long to get something like that fixed. He said that he has three children aged six and under, and that the hole is a danger to them.

Council Member Smeback asked if he resided in the City or the County.

Mr. Dykstra replied that he was in the County but was recently annexed into the City. He went on to say that, if someone fell into the hole, Selah doesn't have capabilities of getting them out of it; it would require a technical rescue team out of Yakima. He expressed his frustration that it has been three years since the hole was dug and he has yet to get anyone to deal with it.

Council Member Smeback wondered if it was a County road.

Mr. Dykstra stated that the County told him it was private property, an access easement, and they couldn't do anything to remedy the situation.

Council Member Smeback inquired if it was on his parcel of land.

Mr. Dykstra responded in the negative, saying that the property belongs to the developer, who started it and then left it like this. He said that it is directly in front of his house, and that there are at least two more holes similar to this down further. He asked why it takes so long to get something like this fixed.

Council Member Tierney inquired who he talked with about the matter.

City Administrator Kelly remarked that he spoke with Mr. Dykstra's wife earlier that day.

Public Works Director Henne said that he received a call and turned the matter over to the City's Code Enforcement Officer, who talked to property owner about the matter. He noted that the property owner indicated that the matter would be taken care of, which didn't happen, and that he has spoken with City Administrator Kelly about the item as it involves a Council Member.

City Administrator Kelly commented that the weeds have been mowed down, and that he has spoken with developer about covering the holes. He asked what would be considered sufficient to cover it.

Mr. Dykstra replied that he would prefer it to be as close as possible to a completed state, suggesting that the developer put in manhole covers and fill dirt around them, as plywood with bricks is not sufficient.

Council Member Smeback commented that a manhole cover couldn't be moved by a child.

Mr. Dykstra thanked Council for their time.

Seeing no one else rise to speak, Mayor Gawlik then closed the meeting.

P. Reports/Announcements

1. Mayor

Mayor Gawlik had no report.

2. Council Members

Council Member Finch had no report.

Council Member Overby had no report.

Council Member Sample had no report.

Council Member Tierney had no report.

Council Member Smeback had no report.

Council Member Schmid had no report.

3. Departmental

Public Works Director Henne said that there is information in the packet on building permits and code enforcement. He commented that Matson Fruit held an open house at their new facility last Friday, and that his department is moving ahead on projects.

Clerk/Treasurer Novobielski said that he has provided City Administrator Kelly and his fellow Department Heads with the September financial statements, noting that everything is on par for the year.

Community Planner Davison had no report.

Recreation Manager Brown said that the Volunteer Park project has been started; the Parks crew has been tearing out trees and putting in a water line.

Deputy Police Chief Steen had no report.

City Administrator Kelly had no report.

City Attorney Noe had no report.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014

I - 2

Title: Claims & Payroll

Thru: David Kelly, City Administrator

From: Dale Novobielski, Clerk/Treasurer

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: See Check Registers

Funding Source: Various. See Check Registers.

Staff Recommendation:

Approval of Claims & Payroll as listed on Check Registers.

Background / Findings & Facts:

See Check Registers.

Recommended Motion:

Motion to Approve the Consent Agenda as read. (This item is part of the Consent Agenda)



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 K – 1

Title: Youth Center Closure

Thru: David Kelly, City Administrator

From: Charles Brown, Recreation Manager

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: \$30,000

Funding Source: Fund 001

Staff Recommendation:

I recommend that when the Youth Center closes for winter break that it remain closed.

Background / Findings & Facts:

Over the years the number of kids has dwindled from approximately 35 daily users to the current 6 kids daily. Funding from Central Washington University that was helping pay for employees has continually been cut by the University. Because they have less money to spend, we have fewer employees than in past years. Selah Community Action Network for a long time was helping to pay the cost of some of the bills, but that too has diminished over time. Efforts have been made to fundraise for the youth center, but not enough has been brought in for them to continue to pay. For these reasons I recommend that when we close the youth center for Christmas Break, it remain closed.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



Recommended Motion:

Move to approve the closing of the Selah Youth Center.

Record of all prior actions taken by the City Council and/or a City Board, City Committee, Planning Commission, or the Hearing Examiner (where applicable)

Date:

Action Taken:

[Click here to enter a date.](#) [Click here to enter text.](#)

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**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 M – 1

Title: Resolution Authorizing the Mayor to accept the Goodlander Road Zone 4 Water Main as complete and approve final Progress Estimate number 2 and Project Acceptance.

Thru: David Kelly, City Administrator

From: Joe Henne, Public Works Director

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: \$3,377.43

Funding Source: Street Fund 111

Staff Recommendation:

Acceptance and approval.

Background / Findings & Facts:

The Goodlander Road Zone 4 Water Main has been completed and Progress Estimate number 2 has been designated as the Final for work performed by Paragon Northwest, LLC, through August 31, 2014. Progress Estimate number 2 shows a payment of \$320.54 due to the contractor and a retainage fee of \$3,377.43 to be released after the conditions listed in the attached letter from Huibregtse, Louman Associates, Inc. have been met.

Recommended Motion:

Accept and approve resolution for final payment.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



Record of all prior actions taken by the City Council and/or a City Board, City Committee, Planning Commission, or the Hearing Examiner (where applicable)

Date:

Action Taken:

2/26/2013

Council awards construction contract to Paragon Northwest LLC.

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RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT THE
GOODLANDER ROAD ZONE 4 WATER MAIN AS COMPLETE
AND APPROVE FINAL PROGRESS ESTIMATE NUMBER 2**

WHEREAS, the City of Selah contracted with Paragon Northwest, LLC to perform work for the Goodlander Zone 4 Water Main, and

WHEREAS, Selah Public Works has reviewed the work performed by Paragon Northwest, LLC on this project and believes it has been completed satisfactorily; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, the Mayor accept the Goodlander Zone 4 Water Main as complete.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, this 28th day of October, 2014.

John Gawlik, Mayor

ATTEST:

Dale E. Novobielski, Clerk/Treasurer

APPROVED AS TO FORM:

Robert F. Noe, City Attorney

RESOLUTION NO. _____

October 20, 2014

City of Selah
222 So. Rushmore Road
Selah, WA 98942

Attn: Mr. Joe Henne
Public Works Director

Re: City of Selah
GOODLANDER ROAD ZONE 4 WATER MAIN
HLA Project No.: 12035C
Final Progress Estimate and Project Acceptance



Dear Joe:

Enclosed is Progress Estimate No. 2 designated as the Final for work performed by Paragon Northwest, LLC, through August 31, 2014, in connection with their contract on the above referenced project. The amount due the Contractor of \$320.54 is net after retainage, as per the contract documents. We recommend this Final Progress Estimate be considered and accepted by the Selah City Council.

This letter also serves as our recommendation for acceptance of this project by the City of Selah. We have reviewed the work performed by Paragon Northwest, LLC on this project and believe it has been completed satisfactorily. Please provide us a copy of the Council resolution authorizing project acceptance.

Enclosed for your action is the "Notice of Completion of Public Works Contract" to be completed and sent to the Department of Revenue, Department of Labor and Industries, and Employment Security Department in Olympia. Forward one (1) copy each of the Notice of Completion to the Department of Revenue, Department of Labor and Industries, and the Employment Security Department as soon as the Selah City Council has accepted the project.

The retainage on this project in the amount of \$3,377.43 should be released to Paragon Northwest, LLC, after acceptance of the project and when the following conditions have been satisfied:

1. There are no liens or claims for labor and materials furnished on this project filed against the retainage.
2. A full sixty (60) days have elapsed since the official acceptance of this project by the City of Selah.
3. The City has received Notice of Completion clearance from the Department of Revenue, Department of Labor and Industries, and the Employment Security Department relative to this contract. Please provide a copy of each to our office.

4. The City has received the following from Huibregtse, Louman Associates, Inc. (HLA):
 - a. HLA has confirmed that all punch list items identified during the final walk-through inspection have been completed.
 - b. HLA has delivered two (2) 11"x17" neatly marked sets of record drawings to the City of Selah on August 13, 2014.
 - c. A notarized certificate from the Contractor which states that all labor and materials furnished on this project have been paid for is attached.
 - d. The required project labor and equal employment opportunity documents were mailed to the City of Selah on October 15, 2014.

We would appreciate receiving a copy of your Council Resolution authorizing release of retainage.

Please contact this office if you have questions or if we may furnish additional information.

Very truly yours,



Terry D. Alapeteri, PE

TDA/crf

Enclosures

Copy: Paragon Northwest, LLC
Steven Sziebert, HLA
Correspondence File

NOTARIZED STATEMENT

TO THE
City of Selah

I hereby certify that

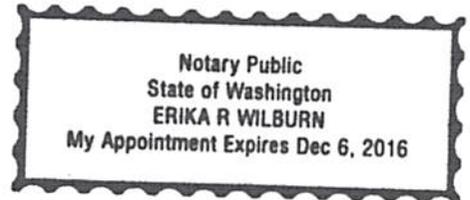
- a) all materials and labor used and performed in the construction of the GOODLANDER ROAD ZONE 4 WATER MAIN – Project Number 12035C, for the City of Selah, have been paid in full and there are no liens or other legal actions pending;
- b) Paragon Northwest, LLC, has complied with the provisions of Section 1-07.19 (Gratuities) of the Standard Specifications; and
- c) All industrial insurance premiums, as required under RCW 51.12.050 (Public Works) and RCW 51.12.070 (work done by contract) have been paid.

by 

Joseph Sevigny Member
Name and Title (Please print or type)

Paragon Northwest, LLC
Contractor

STATE OF Washington)
COUNTY OF Yakima) SS



SIGNED AND SWORN TO (OR AFFIRMED) BEFORE ME ON 9-12, 2014

BY Erika Wilburn
(Signature)

Notary Public Printed Name: Erika Wilburn

My Appointment Expires: 12-7-16

(Please return completed CERTIFICATION form to HLA)

City of Selah
 222 So. Rushmore Road
 Selah, WA 98942

GOODLANDER ROAD ZONE 4 WATER MAIN

HLA Project No.: 12035C

TO: Paragon Northwest, LLC
 651 N. Keys Road
 Yakima, WA 98901

Progress Estimate No.: 2 AND FINAL

Date: August 31, 2014

Item No.	Description	Unit	Contract Quantity	Unit Price	Estimate 2 Quantity	Quantity to Date	Amount	Contract Quantity
1	Mobilization	LS	1	\$7,000.00	0%	100%	\$7,000.00	100%
2	Project Temporary Traffic Control	LS	1	\$3,000.00	0%	100%	\$3,000.00	100%
3	Unclassified Excavation Incl. Haul	CY	85	\$25.00	0	85	\$2,125.00	100%
4	Removal of Structure and Obstruction	LS	1	\$2,900.00	0%	100%	\$2,900.00	100%
5	Crushed Surface Base Course	TON	160	\$19.00	0.00	188.15	\$3,574.85	118%
6	Crushed Surfacing Top Course	TON	100	\$17.00	0.00	98.87	\$1,680.79	99%
7	HMA Cl. 1/2-Inch PG 64-28	TON	110	\$105.00	0.00	113.79	\$11,947.95	103%
8	D.I. Pipe for Water Main, 8 In. Diam.	LF	70	\$65.00	0	68	\$4,420.00	97%
9	D.I. Pipe for Water Main, 12 In. Diam.	LF	345	\$76.00	0	290	\$22,040.00	84%
10	12-Inch Butterfly Valve and Valve Box	EA	1	\$1,776.77	0	1	\$1,776.77	100%
11	8-Inch Gate Valve and Valve Box	EA	1	\$1,322.75	0	1	\$1,322.75	100%
12	Shoring or Extra Excavation	LF	415	\$0.50	0	358	\$179.00	86%
13	Service Connection 1 In. Diam.	EA	2	\$1,050.00	0	3	\$3,150.00	150%
14	Select Backfill, As Directed	CY	100	\$14.00	0	60	\$840.00	60%
15	Minor Change	FA	EST.	\$5,000.00	310.60	1,591.54	\$1,591.54	32%
SUBTOTAL							\$67,548.65	



Original
 Revised # _____

NOTICE OF COMPLETION OF PUBLIC WORKS CONTRACT

Date: 10/17/14

Contractor's UBI Number: _____

Name & Mailing Address of Public Agency
City of Selah 222 So. Rushmore Road Selah, WA 98942 UBI Number: 392 000 174

Department Use Only
Assigned to: _____
Date Assigned: _____

Notice is hereby given relative to the completion of contract or project described below

Project Name GOODLANDER ROAD ZONE 4 WATER MAIN	Contract Number 12035C	Job Order Contracting <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description of Work Done/Include Jobsite Address(es) Construction of 345 LF of new 12-inch water main and 70 LF of new 8-inch water main including trench excavation and backfill, valves, fittings, water service connections, testing, disinfection, and surface repair. 222 So. Rushmore Selah, WA 98942		
Federally funded transportation project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if yes, provide Contract Bond Statement below)		
Contractor's Name Paragon Northwest, LLC	E-mail Address joe@paragonnorthwest.com	Affidavit ID* 533926
Contractor Address 651 N. Keys Road Yakima, WA 98901		Telephone # (509)452-6465
If Retainage is not withheld, please select one of the following and List Surety's Name & Bond Number. <input type="checkbox"/> Retainage Bond <input type="checkbox"/> Contract/Payment bond (valid for federally funded transportation projects)		
Name: _____		Bond Number: _____
Date Contract Awarded 02/25/14	Date Work Commenced 04/07/14	Date Work Completed 04/29/14
Date Work Accepted _____		_____
Were Subcontractors used on this project? If so, please complete Addendum A. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Affidavit ID* - No L&I release will be granted until all affidavits are listed.		

Contract Amount	\$ <u>73,892.02</u>		
Additions (+)	\$ _____	Liquidated Damages \$	_____
Reductions (-)	\$ <u>6,343.37</u>	Amount Disbursed \$	<u>69,710.21</u>
Sub-Total	\$ <u>67,548.65</u>	Amount Retained \$	<u>3,377.43</u>
Amount of Sales Tax <u>8.2</u>	\$ _____		
(If various rates apply, please send a breakdown)	\$ <u>5538.99</u>		
TOTAL	\$ <u><u>73,087.64</u></u>	TOTAL \$	<u><u>73,087.64</u></u>

NOTE: These two totals must be equal

Comments:

Note: The Disbursing Officer must submit this completed notice immediately after acceptance of the work done under this contract.
NO PAYMENT SHALL BE MADE FROM RETAINED FUNDS until receipt of all release certificates.
Submitting Form: Please submit the completed form by email to all three agencies below.

Contact Name: Mr. Dale Novobielski
 Email Address: dnovobielski@ci.selah.wa.us

Title: Clerk - Treasurer
 Phone Number: (509)698-7328



Washington State
Department of Revenue
PO Box 47474
Olympia, WA 98504-7474

601 672 468

Certificate of Payment of State Excise Taxes by Public Works Contractor

MRM CONSTRUCTION INC
PO BOX 838
ELLENSBURG WA 98926 0838

CITY OF CLE ELUM
TONI FIELDS, CITY CLERK
119 W FIRST ST
CLE ELUM WA 98903 0008

We hereby certify that taxes, increases and penalties due or to become due from the above-named contractor under Chapter 180, Laws of 1935, as amended, with respect to the following public works contract:

CITY OF CLE ELUM

05038-C STAFFORD AVE & SECOND ST TIB SIDEWALK IMPROVES

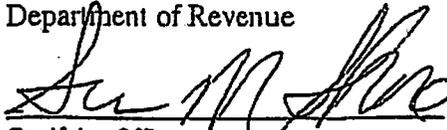
Together with all other taxes, increases and penalties due from such contractor, have been paid in full or that they are, in the Department's opinion, readily collectible without recourse to the state's lien on the retained percentage.

This certificate is issued pursuant to the provision of Chapter 60.28 Revised Code of Washington for the sole purpose of informing the state, county, or municipal officer charged with the duty of disbursing or authorizing the payment of public funds to said contractor that the Department of Revenue hereby releases the state's lien on the retained percentage provided by this Chapter for excise taxes due from said contractor.

This certificate does not release said contractor from liability for additional tax that may be later determined to be due with respect to the above-mentioned contract or other activities.

Dated 2/28/2008 at Olympia, Washington,

State of Washington
Department of Revenue


Certifying Officer

To inquire about the availability of this document in an alternate format for the visually impaired or in a language other than English, please call (360) 486-2342.
T users may call 1-800-451-7985.

REV 31 0028 (10-01-02) ROUTING: Disbursing Officer, Contractor, File, Special File



Washington State Department of
Labor & Industries Contract Release
 PO Box 44274
 Olympia, WA 98504-4274

Certificate of Release of the State's Lien on Public Works Contracts

Awarding agency name

Attn: Disbursing officer name

Awarding agency address

With this letter, the Washington State Department of Labor & Industries (L&I) approves of your release or payment of the contract amount retained from the following contractor —

GC dba and address

GC LNI account number

— related to the following public works contract:

Public works contract name and number

In our opinion, all workers' compensation insurance premiums, increases, and penalties due to L&I from this contractor have been paid in full or are readily collectible without recourse to the state's lien on the retained percentage.¹

This letter's sole purpose is to communicate our release of the state's lien to the public official responsible for paying or authorizing the payment of public funds to the contractor named above.

If we later determine that the contractor owes additional premiums related to the above-mentioned contract or other activities, the contractor is still liable for payment.

Dated _____ at Olympia, Washington.

State of Washington
 Department of Labor & Industries

Contract Release Specialist

360-902-xxxx or XXX@Lni.wa.gov

¹ Title 51 RCW authorizes L&I to collect workers' compensation insurance premiums, increases, and penalties. Chapter 60.28 RCW establishes L&I's priority regarding the lien.



Employment Security Department

WASHINGTON STATE

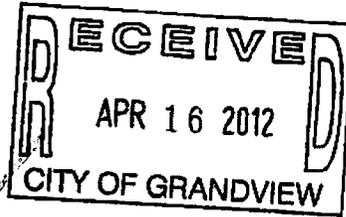
P.O. Box 9046 Olympia, WA 98507-9046 | Fax 360-902-9287

CITY OF GRANDVIEW
Attn: ANITA PALACIOS
207 W 2ND ST
GRANDVIEW, WA 98930

) CERTIFICATE OF
) PAYMENT OF CONTRIBUTIONS
) PENALTIES AND INTEREST ON
) PUBLIC WORKS CONTRACT

ES Reference #: 41888600 6
UBI No: 600192346

CONTRACTOR:
A & B ASPHALT INC
P O BOX 5280
BENTON CITY, WA 99320-5280



The Employment Security Department hereby certifies those contributions, penalties and interest due from the above named contractor under the Employment Security Act have been paid in full or provided for with respect to the following public works contract:

Description: EAST WINE COUNTRY ROAD IMPROVEMENTS.

Contract number: 11016C

The Employment Security Department hereby certifies that it has no claim pursuant to RCW 50.24.130 against the public body named above for tax attributable to service performed for said public body by the above named contractor on the above described contract. The Employment Security Department releases its lien on the retained percentage which is provided by RCW 60.28.040 for contributions, penalties and interest due from said contractor.

This certificate does not release said contractor from liability for additional contributions, penalties and interest which may be later determined to be due with respect to the above mentioned contract.

Dated at Olympia, Washington on April 12, 2012.

EMPLOYMENT SECURITY DEPARTMENT

By

Robyn R. Wells
Authorized Representative

Original - Disbursing Officer
Duplicate - Employer
Triplicate - Central Office Files



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 M – 2

Title: Resolution Authorizing the Mayor to accept the Bartlett Avenue Intersection Improvements as complete and approve final Progress Estimate number 2 and Project Acceptance.

Thru: David Kelly, City Administrator

From: Joe Henne, Public Works Director

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: \$2,989.96

Funding Source: Street Fund 111

Staff Recommendation:

Acceptance and approval.

Background / Findings & Facts:

The Bartlett Avenue Intersection Improvements have been completed and Progress Estimate number 2 has been designated as the Final for work performed by AGR Contracting Inc., through August 31, 2014. Progress Estimate number 2 shows no payment due to the contractor; however the retainage of \$2,989.96 is to be released after the conditions listed in the attached letter from Huibregtse, Louman Associates, Inc. have been met.

Recommended Motion:

Accept and approve resolution for final payment.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



Record of all prior actions taken by the City Council and/or a City Board, City Committee, Planning Commission, or the Hearing Examiner (where applicable)

Date:

Action Taken:

10/22/2013

Council approves design contract

2/25/2014

Council awards construction contract to AGR Contracting, Inc.

[Click here to enter a date.](#) [Click here to enter text.](#)

[Click here to enter a date.](#) [Click here to enter text.](#)

[Click here to enter a date.](#) [Click here to enter text.](#)

[Click here to enter a date.](#) [Click here to enter text.](#)

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT THE
BARTLETT AVENUE INTERSECTION IMPROVEMENTS AS
COMPLETE AND APPROVE FINAL PROGRESS ESTIMATE
NUMBER 2**

WHEREAS, the City of Selah contracted with AGR Contracting, Inc. to perform work for the Bartlett Avenue Intersection Improvements, and

WHEREAS, Selah Public Works has reviewed the work performed by AGR Contracting, Inc. on this project and believes it has been completed satisfactorily; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, the Mayor accept the Bartlett Avenue Intersection Improvements as complete.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, this 28th day of October, 2014.

John Gawlik, Mayor

ATTEST:

Dale E. Novobielski, Clerk/Treasurer

APPROVED AS TO FORM:

Robert F. Noe, City Attorney

RESOLUTION NO. _____

October 20, 2014

City of Selah
222 So. Rushmore Road
Selah, WA 98942

Attn: Mr. Joe Henne
Public Works Director

Re: City of Selah
BARTLETT AVENUE INTERSECTION IMPROVEMENTS
HLA Project No.: 13108C
Final Progress Estimate and Project Acceptance



Dear Joe:

Enclosed is Progress Estimate No. 2 designated as the Final for work performed by AGR Contracting, Inc., through August 31, 2014, in connection with their contract on the above referenced project. The amount due the Contractor of \$0.00 is net after retainage, as per the contract documents. We recommend this Final Progress Estimate be considered and accepted by the Selah City Council.

This letter also serves as our recommendation for acceptance of this project by the City of Selah. We have reviewed the work performed by AGR Contracting, Inc. on this project and believe it has been completed satisfactorily. Please provide us a copy of the Council resolution authorizing project acceptance.

Enclosed for your action is the "Notice of Completion of Public Works Contract" to be completed and sent to the Department of Revenue, Department of Labor and Industries, and Employment Security Department in Olympia. Forward one (1) copy each of the Notice of Completion to the Department of Revenue, Department of Labor and Industries, and the Employment Security Department as soon as the Selah City Council has accepted the project.

The retainage on this project in the amount of \$2,989.96 should be released to AGR Contracting, Inc., after acceptance of the project and when the following conditions have been satisfied:

1. There are no liens or claims for labor and materials furnished on this project filed against the retainage.
2. A full sixty (60) days have elapsed since the official acceptance of this project by the City of Selah.
3. The City has received Notice of Completion clearance from the Department of Revenue, Department of Labor and Industries, and the Employment Security Department relative to this contract. Please provide a copy of each to our office.

4. The City has received the following from Huibregtse, Louman Associates, Inc. (HLA):
 - a. HLA has confirmed that all punch list items identified during the final walk-through inspection have been completed.
 - b. HLA has delivered two (2) 11"x17" neatly marked sets of record drawings to the City of Selah on August 13, 2014.
 - c. A notarized certificate from the Contractor which states that all labor and materials furnished on this project have been paid for is attached.
 - d. The required project labor and equal employment opportunity documents were mailed to the City of Selah on August 28, 2014.

We would appreciate receiving a copy of your Council Resolution authorizing release of retainage.

Please contact this office if you have questions or if we may furnish additional information.

Very truly yours,



Terry D. Alapeteri, PE

TDA/crf

Enclosures

Copy: AGR Contracting, Inc.
Steven Sziebert, HLA
Correspondence File

NOTARIZED STATEMENT

TO THE
City of Selah

I hereby certify that

- a) all materials and labor used and performed in the construction of the BARTLETT AVENUE INTERSECTION IMPROVEMENTS – Project Number 13108C, for the City of Selah, have been paid in full and there are no liens or other legal actions pending;
- b) AGR Contracting, Inc., has complied with the provisions of Section 1-07.19 (Gratuities) of the Standard Specifications; and
- c) All industrial insurance premiums, as required under RCW 51.12.050 (Public Works) and RCW 51.12.070 (work done by contract) have been paid.

by 

SHANE MACDONALD PRESIDENT
Name and Title (Please print or type)

AGR Contracting, Inc.
Contractor

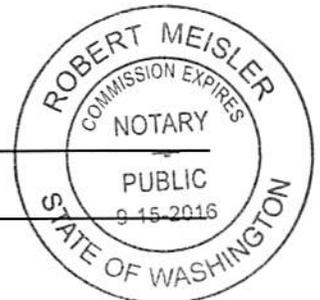
STATE OF Washington)
) SS
COUNTY OF Snohomish)

SIGNED AND SWORN TO (OR AFFIRMED) BEFORE ME ON October 17th, 20 14,

BY 
(Signature)

Notary Public Printed Name: Robert Meisler

My Appointment Expires: 9-15-2016



(Please return completed CERTIFICATION form to HLA)

City of Selah
 222 So. Rushmore Road
 Selah, WA 98942

BARTLETT AVENUE INTERSECTION IMPROVEMENTS

HLA Project No.: 13108C

TO: AGR Contracting, Inc.
 P.O. Box 56
 Monroe, WA 98272

Progress Estimate No.: 2 AND FINAL

Date: August 31, 2014

Item No.	Description	Unit	Contract Quantity	Unit Price	Estimate 2 Quantity	Quantity to Date	Amount	Contract Quantity
1	Mobilization	LS	1	\$3,400.00	0%	100%	\$3,400.00	100%
2	Project Temporary Traffic Control	LS	1	\$2,054.00	0%	100%	\$2,054.00	100%
3	Unclassified Excavation Incl. Haul	CY	225	\$30.84	0	225	\$6,939.00	100%
4	Crushed Surfacing Base Course	TON	240	\$26.14	0.00	219.87	\$5,747.40	92%
5	Crushed Surfacing Top Course	TON	55	\$28.54	0.00	51.76	\$1,477.23	94%
6	HMA Cl. 1/2-Inch PG 64-28	TON	95	\$154.10	0.00	90.18	\$13,896.74	95%
7	Cement Conc. Traffic Curb and Gutter	LF	195	\$21.46	0	195	\$4,184.70	100%
8	Cement Conc. Sidewalk 6-Inch Thick	SY	75	\$58.90	0	75	\$4,417.50	100%
9	Cement Conc. Sidewalk Ramp	EA	3	\$984.00	0	3	\$2,952.00	100%
10	Storm Sewer Pipe 12 In. Diam.	LF	134	\$32.84	0	134	\$4,400.56	100%
11	Catch Basin Type 1L	EA	2	\$1,195.00	0	2	\$2,390.00	100%
12	Trench Excavation (WSDOT Installed Conduit)	LF	140	\$16.40	0	140	\$2,296.00	100%
13	Select Backfill, as Directed	CY	15	\$38.40	0	24	\$921.60	160%
14	Adjust Valve Box	EA	2	\$280.00	0	2	\$560.00	100%
15	Pavement Markings	LS	1	\$2,196.00	0%	100%	\$2,196.00	100%
16	Permanent Signing	LS	1	\$1,054.00	0%	100%	\$1,054.00	100%
17	Minor Change	FA	EST.	\$5,000.00	0.00	912.37	\$912.37	18%
SUBTOTAL							\$59,799.10	

Item No.	Description	Unit	Contract Quantity	Unit Price	Estimate 2 Quantity	Quantity to Date	Amount	Contract Quantity
							\$59,799.10	
							\$0.00	
							\$59,799.10	
							\$59,799.10	
							\$2,989.96	
							\$56,809.14	
							\$0.00	

Progress Estimate No. 1 \$ 56,809.14 Retainage \$ 2,989.96
Progress Estimate No. 2 AND FINAL \$ 0.00 Retainage \$ 0.00

I hereby certify that the foregoing is a true and correct statement of the work performed under this Contract.


Terry D. Alapeteri, PE

ACCEPTED:

I hereby accept the Final Progress Estimate and Final Contract Voucher Certification, in accordance with Section 1-09.9 of the WSDOT Standard Specifications.



AGR Contracting, Inc.

10/17/14

Date:



Original
 Revised # _____

NOTICE OF COMPLETION OF PUBLIC WORKS CONTRACT

Date: 10/20/14

Contractor's UBI Number: 602 967 226

Name & Mailing Address of Public Agency
City of Selah 222 So. Rushmore Road Selah, WA 98942 UBI Number: 392 000 174

Department Use Only
Assigned to: _____
Date Assigned: _____

Notice is hereby given relative to the completion of contract or project described below

Project Name BARTLETT AVENUE INTERSECTION IMPROVEMENTS	Contract Number 13108C	Job Order Contracting <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description of Work Done/Include Jobsite Address(es) Reconstruction of N. Wenas Rd and East Bartlett Ave intersection east leg, including 295 T crushed surfacing, 95 T HMA pavement, 195 LF curb and gutter, 75 SY sidewalk, and storm drainage improvements. 222 So. Rushmore Rd Selah, WA 98942		
Federally funded transportation project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (if yes, provide Contract Bond Statement below)		
Contractor's Name AGR Contracting, Inc.	E-mail Address agr54@live.com	Affidavit ID* 519861
Contractor Address P.O. Box 56 Monroe, WA 98272		Telephone # (425)231-7219
If Retainage is not withheld, please select one of the following and List Surety's Name & Bond Number. <input type="checkbox"/> Retainage Bond <input type="checkbox"/> Contract/Payment bond (valid for federally funded transportation projects)		
Name: _____		Bond Number: _____
Date Contract Awarded 02/25/14	Date Work Commenced 03/31/14	Date Work Completed 04/15/14
Date Work Accepted		
Were Subcontractors used on this project? If so, please complete Addendum A. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Affidavit ID* - No L&I release will be granted until all affidavits are listed.		

Contract Amount	\$ <u>64,902.56</u>	
Additions (+)	\$ _____	Liquidated Damages \$ _____
Reductions (-)	\$ <u>5,103.46</u>	Amount Disbursed \$ <u>56,809.14</u>
Sub-Total	\$ <u>59,799.10</u>	Amount Retained \$ <u>2,989.96</u>
Amount of Sales Tax _____	\$ _____	
(If various rates apply, please send a breakdown)	\$ _____	
TOTAL	\$ <u>59,799.10</u>	TOTAL \$ <u>59,799.10</u>

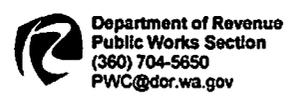
NOTE: These two totals must be equal

Comments:

Note: The Disbursing Officer must submit this completed notice immediately after acceptance of the work done under this contract.
 NO PAYMENT SHALL BE MADE FROM RETAINED FUNDS until receipt of all release certificates.
 Submitting Form: Please submit the completed form by email to all three agencies below.

Contact Name: Mr. Dale Novobielski
 Email Address: dnovobielski@ci.selah.wa.us

Title: Clerk - Treasurer
 Phone Number: (509)698-7328





Employment Security Department

WASHINGTON STATE

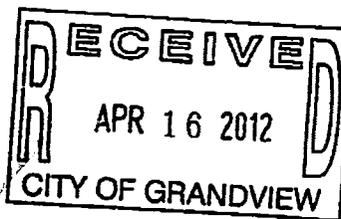
P.O. Box 9046 Olympia, WA 98507-9046 | Fax 360-902-9287

CITY OF GRANDVIEW
Attn: ANITA PALACIOS
207 W 2ND ST
GRANDVIEW, WA 98930

) CERTIFICATE OF
) PAYMENT OF CONTRIBUTIONS
) PENALTIES AND INTEREST ON
) PUBLIC WORKS CONTRACT

ES Reference #: 41888600 6
UBI No: 600192346

CONTRACTOR:
A & B ASPHALT INC
P O BOX 5280
BENTON CITY, WA 99320-5280



The Employment Security Department hereby certifies those contributions, penalties and interest due from the above named contractor under the Employment Security Act have been paid in full or provided for with respect to the following public works contract:

Description: EAST WINE COUNTRY ROAD IMPROVEMENTS.

Contract number: 11016C

The Employment Security Department hereby certifies that it has no claim pursuant to RCW 50.24.130 against the public body named above for tax attributable to service performed for said public body by the above named contractor on the above described contract. The Employment Security Department releases its lien on the retained percentage which is provided by RCW 60.28.040 for contributions, penalties and interest due from said contractor.

This certificate does not release said contractor from liability for additional contributions, penalties and interest which may be later determined to be due with respect to the above mentioned contract.

Dated at Olympia, Washington on April 12, 2012.

EMPLOYMENT SECURITY DEPARTMENT

By

Robyn R. Wells

Authorized Representative

Original - Disbursing Officer
Duplicate - Employer
Triplicate - Central Office Files



Washington State Department of
Labor & Industries

Contract Release
PO Box 44274
Olympia, WA 98504-4274

Certificate of Release of the State's Lien on Public Works Contracts

Awarding agency name

Attn: Disbursing officer name

Awarding agency address

With this letter, the Washington State Department of Labor & Industries (L&I) approves of your release or payment of the contract amount retained from the following contractor —

GC dba and address

GC LNI account number

— related to the following public works contract:

Public works contract name and number

In our opinion, all workers' compensation insurance premiums, increases, and penalties due to L&I from this contractor have been paid in full or are readily collectible without recourse to the state's lien on the retained percentage.¹

This letter's sole purpose is to communicate our release of the state's lien to the public official responsible for paying or authorizing the payment of public funds to the contractor named above.

If we later determine that the contractor owes additional premiums related to the above-mentioned contract or other activities, the contractor is still liable for payment.

Dated _____ at Olympia, Washington.

State of Washington
Department of Labor & Industries

Contract Release Specialist

360-902-xxxx or XXX@Lni.wa.gov

¹ Title 51 RCW authorizes L&I to collect workers' compensation insurance premiums, increases, and penalties. Chapter 60.28 RCW establishes L&I's priority regarding the lien.

Washington State
Department of Revenue
PO Box 47474
Olympia, WA 98504-7474

601 672 468

Certificate of Payment of State Excise Taxes by Public Works Contractor

MRM CONSTRUCTION INC
PO BOX 838
ELLENSBURG WA 98926 0838

CITY OF CLE ELUM
TONI FIELDS, CITY CLERK
119 W FIRST ST
CLE ELUM WA 98903 0008

We hereby certify that taxes, increases and penalties due or to become due from the above-named contractor under Chapter 180, Laws of 1935, as amended, with respect to the following public works contract:

CITY OF CLE ELUM

05038-C STAFFORD AVE & SECOND ST TIB SIDEWALK IMPROVES

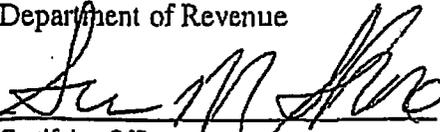
Together with all other taxes, increases and penalties due from such contractor, have been paid in full or that they are, in the Department's opinion, readily collectible without recourse to the state's lien on the retained percentage.

This certificate is issued pursuant to the provision of Chapter 60.28 Revised Code of Washington for the sole purpose of informing the state, county, or municipal officer charged with the duty of disbursing or authorizing the payment of public funds to said contractor that the Department of Revenue hereby releases the state's lien on the retained percentage provided by this Chapter for excise taxes due from said contractor.

This certificate does not release said contractor from liability for additional tax that may be later determined to be due with respect to the above-mentioned contract or other activities.

Dated 2/28/2008 at Olympia, Washington,

State of Washington
Department of Revenue


Certifying Officer

To inquire about the availability of this document in an alternate format for the visually impaired or in a language other than English, please call (360) 486-2342.
TDD users may call 1-800-451-7985.

REV 31 0028 (10-01-02) ROUTING: Disbursing Officer, Contractor, File, Special File



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 M – 3

Title: Resolution Establishing November 25, 2014 as the Public Hearing date to consider the adoption of the “Water System Plan Update”

Thru: David Kelly, City Administrator

From: Joe Henne, Public Works Director

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: None

Funding Source: N/A

Staff Recommendation:

Set public hearing date of November 25th to consider the “Water System Plan Update”

Background / Findings & Facts:

The Department of Health requires the City is to update its water plan every six years.

Recommended Motion:

I move we adopt the Resolution establishing the 2014 Water System Plan public hearing date.

RESOLUTION NO. _____

RESOLUTION ESTABLISHING NOVEMBER 25, 2014 AS THE PUBLIC HEARING DATE TO CONSIDER THE ADOPTION OF THE "WATER SYSTEM PLAN UPDATE"

WHEREAS, the Department of Health requires the City to update its water system plan every six years; and,

WHEREAS, the City desires to adopt the updated water system plan; and,

WHEREAS, the City wishes to hold a public hearing to invite comments; and,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, as follows:

That November 25, 2014, at 6:30 p.m., or as soon thereafter as practical, in the Council Chambers, City Hall Bldg., 115 W. Naches Avenue, Selah, WA. is established as the date, time and place of a public hearing to hear and decide said "2014 Water System Plan Update" and that notice of said public hearing shall be provided as required by law.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, THIS 28th DAY OF OCTOBER, 2014.

ATTEST:

John Gawlik, Mayor

Dale Novobielski, Clerk Treasurer

APPROVED AS TO FORM:

Robert F. Noe, City Attorney

RESOLUTION NO. _____



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 M – 4

Title: Resolution Adopting Financial Policies for the City of Selah

Thru: David Kelly, City Administrator

From: Dale Novobielski, Clerk/Treasurer

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: Potential reduction in future debt interest costs due to an improved Bond Rating.

Funding Source: Fund 001 General

Staff Recommendation:

Approve Resolution.

Background / Findings & Facts:

The City is currently in the process of refinancing debt on the Marudo property. As a part of this process the City has requested a review and bond rating from Standard & Poor's. This rating will be positively affected by the City having Financial Policies in place.

Recommended Motion:

I move to approve the Resolution adopting Financial Policies for the City.

RESOLUTION NO. _____

**RESOLUTION ADOPTING FINANCIAL POLICIES FOR
THE CITY OF SELAH**

WHEREAS, as stewards of the public's resources, the City Council and City Administrator need to ensure sound financial management of the City; and

WHEREAS, a clear and well-designed set of financial policies can provide consistent guidance regarding financial and budget decisions, and serve to assure citizens, creditors, grantors and others interested in the City's financial condition, that the City is operated in a fiscally sound and prudent manner; and

WHEREAS, it is necessary to adopt the attached policies in futherance of the above stated goals;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SELAH, WASHINGTON, that the City Council hereby adopts the Financial Policies attached hereto as the Financial Policies of the City of Selah.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELAH,
WASHINGTON this 28th day of October, 2014.**

John Gawlik, Mayor

ATTEST:

Dale E. Novobielski, Clerk Treasurer

APPROVED:

Robert Noe, City Attorney

RESOLUTION NO. _____

FINANCIAL POLICIES

Purpose:

The primary purpose of financial management policies is to provide guidelines for the City Council and staff in making financial decisions that ensure core services are maintained and the Council's vision for the community is achieved.

In addition, financial policies provide a level of security for the community by ensuring resident's tax dollars are being used openly, legally, efficiently and effectively and in a manner that provides insulation from fiscal crisis and economic disruption.

Priorities & Practices:

The City will maintain the fiscal integrity of its operating, debt service and capital improvement funds in order to provide services and maintain certain public facilities, streets and utilities.

Sound financial management policies enable the City to accomplish the following:

- Ensure the City maintains a financial base to sustain a consistent level of municipal services.
- Ensure the City is able to withstand local and regional economic variations.
- Direct attention to the total financial picture of the City rather than single-issue areas.
- Adjust to changes in the service requirements of the community.
- Maintain a good credit rating in the financial community, which assures taxpayers and ratepayers that City government is well managed financially and is in sound fiscal condition.

Due to Selah's limited revenue base and the limited potential for future revenue growth, the City must prioritize its services in order to maintain the most important services should revenues become constrained. The following services are considered priorities in the following order:

- **Public Life, Health and Safety:**
 - Police, Fire, Emergency Medical Services; Building Inspections; and Traffic Control.
 - Water, Sewer, Garbage service and infrastructure maintenance.
- **Legal Mandates:** Accounting/auditing/financial reporting; land-use planning.
- **City Facilities and Property:** maintenance of park land, buildings, streets right of way, and equipment.
- **Recreational, athletic, aquatic and youth programs.**
- **Pursue Council and Community goals.**

To ensure the community's dollars are being used efficiently and effectively, the City will practice the following:

- Include all potential stakeholders in evaluating proposed alternate services.
- Form partnerships with other local governments for the provision of services to achieve economies of scale. Examples include contracting for jail services, supplemental building inspection and issuance of business licenses.
- Review partnerships with other local governments on an annual basis during the preparation of the budget to evaluate impact and benefits.
- Explore the privatization of services on an annual basis during the preparation of the budget.
- Citizen involvement will be encouraged in the budget decision-making process to receive input from the Selah community on the level of services desired.

Fund Balances:

General Fund

- The undesignated General Fund Balance (the balance not committed to a designated purpose) will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City will not use the undesignated General Fund Balance to finance recurring operating expenditures. This means annual General Fund revenues will equal annual regular operating expenditures.
- General Fund revenues will be used for general government, street and recreation programs only. General Fund revenues will not be used to subsidize utility operations, which will be self-supporting through user rates.
- The City will maintain a minimum undesignated General Fund Balance equal to 10% of General Fund operating expenditures.
- In the event the undesignated General Fund Balance is used to provide for temporary funding of unforeseen emergency need, the City will restore the undesignated General Fund Balance to the minimum of 10% within two fiscal years.

Enterprise Funds (Water/Sewer/Garbage):

- Enterprise funds will be operated in a manner that maintains a minimum ending fund balance that is not less than 20% of annual operating expenditures.
- Utilities will be self-supporting through user rates and charges.

Charges and Fees for Service:

Cost Recovery

- Where direct beneficiaries of a city program or services can be identified, fees will be established to recover the costs of that service or program.
- Some services provide benefit to the greater community. When a greater community benefit is identified, the City may choose to subsidize, either whole or in part, such service.
- Rental fees will be established to be comparable to commercial rates, while at the same time recovering full costs of use of the property or facility.
- As a whole, the Recreation Department will recover 50% of the overall Department's costs through charges and fees. City residents, who support programs through general taxes, will pay less for programs than non-residents.
- Fees for services will be reviewed and adjusted (where necessary) annually to ensure that rates are equitable and cover the cost of service.

Utility Rates:

- Utility rates will be reviewed annually as a part of the budget process.
- A detailed study of utility rates and other utility charges will be conducted at least every five years to ensure utility revenue is meeting, and not exceeding, need.
- Utility rates will be established using industry-standard methods, including revenue requirement analysis, cost of service analysis, and rate design analysis.

Cash Management and Investments:

At any one time the City may have several million dollars in various funds that are not needed until some point in the future for operations, capital purchases or the repayment of debt. By placing these revenues in interest-bearing investments until the funds are needed, the City is able to earn interest that in turn serves as a revenue source to reduce costs to the community.

A cash management / investment policy helps to balance the day-to-day need for revenues while achieving the highest rate of interest that is reasonable and within the City's acceptable level of investment risk.

Funds will be invested in only those investments permitted by Federal and State law as it relates to public funds. All of the City's funds will be invested with the following objectives (listed in the order of priority):

- **Safety:** Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will (a) seek to avoid realizing any loss through the sale or disposal of an investment; and (b) seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
- **Liquidity:** The investment portfolio will remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio in the following manner: (a) The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity; (b) A portion of City funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and (c) The portfolio will consist largely of investments with active secondary markets.
- **Yield:** The City's investments will be designed with the objective of maximizing a fair rate of return consistent with the safety and liquidity noted above.

Debt:

Borrowing funds may be necessary when an emergency arises, and debt can also be used as a tool to pay for a project and spread the payments out over time to future users.

- In considering whether to borrow, a reliable funding source to repay the debt will be identified and designated.
- As General Fund debt is paid off, the dollars dedicated to that debt will be reserved for other General Fund capital needs, including debt, replacement and repair. The purpose of this practice is to reduce the need to ask voters for a bond levy to pay for regular maintenance and repair items.
- Long-term debt will not be used to finance ongoing current operations and maintenance.
- The maturity date for any debt will not exceed the reasonable expected useful life of the project or projects financed.
- The City will encourage and maintain good relations with financial and bond rating agencies, and will follow a policy of full and open disclosure on every financial report and bond prospectus.

Reserve Policies:

Reserves provide important protections against the regular fluctuations of local economic conditions, month-to-month variability of revenue collections and emergencies. Reasonable reserves provide the working capital needed to support City operations through these cycles and should be set at a level that can sustain city operations for the most adverse conditions that can reasonably be expected.

- The City will strive to build the balance of the Contingency Fund to equal a minimum of 10% of General Fund operating expenditures. The City Council will determine how the Contingency Fund is spent.
- For each utility, an operating reserve will be maintained in an amount equivalent to a minimum of 25% of annual operation and maintenance expenses.

Budgeting:

- The City Council will adopt a balanced budget as required under State law. Further, ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs.
- The budget process will be coordinated in a way that major policy issues are identified for City Council review and discussion several months prior to budget approval. This will allow adequate time for public input and analysis of options.
- One-time revenues will be used for one-time expenditures only.
- Each month the City website will be updated with current financial information of the City's cash, investment, revenue and expenditures.

Accounting, Auditing and Financial Reporting Policies:

The City will establish and maintain a high standard of internal controls and accounting practices. The City accounts for revenues and expenditures on a cash basis.

The accounting system will maintain records consistent with accepted standards for local government accounting which is based on another comprehensive basis of accounting (OCBOA) as prescribed by the State Auditor's Office and contained in the State of Washington Budgeting, Accounting and Reporting Systems (BARS) Manual.

The City will ensure that City records are audited bi-annually and which will result in the issuance of a financial opinion. The results of such audit will be available to the public via the State Auditor's website.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



COUNCIL MEETING ACTION ITEM

10/28/2014 N – 1

Title: Ordinance Providing for the Issuance of Bonds to Refinance Marudo Property Debt

Thru: David Kelly, City Administrator

From: Dale Novobielski, Clerk/Treasurer

Action Requested: Approval

Board/Commission Recommendation: Not applicable

Fiscal Impact: Approximately \$ 221,000 in interest savings over the next 8 years.

Funding Source: Fund 001 General

Staff Recommendation:

Approve Resolution.

Background / Findings & Facts:

Current lending market rates make it favorable for the City to refinance its 2012 LTGO debt.

Recommended Motion:

I move to approve the Ordinance providing for the issuance of bonds to refinance the existing Marudo Property debt.



**CITY OF SELAH
CITY COUNCIL
AGENDA ITEM SUMMARY**



Record of all prior actions taken by the City Council and/or a City Board, City Committee, Planning Commission, or the Hearing Examiner (where applicable)

Date:	Action Taken:
10/14/2014	Council approved an underwriting engagement letter with D.A. Davidson for the refinancing of the Marudo debt.

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ORDINANCE NO. _____

AN ORDINANCE of the City of Selah, Washington, relating to contracting indebtedness; providing for the issuance, fixing or setting parameters with respect to certain terms and covenants, and fixing the form of not to exceed \$3,500,000 aggregate principal amount limited tax general obligation refunding bonds to provide money with which to pay the cost of refunding, paying and redeeming certain outstanding nonvoted obligations of the City; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of the refunding bonds herein authorized and for the use and application of the money derived from those investments; authorizing the execution of an agreement with U.S. Bank National Association, as refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; appointing the City's designated representative to approve the final terms of the sale, issuance and delivery of the bonds; authorizing the sale and providing for the delivery of the bonds to D.A. Davidson & Co.; and providing for other matters properly related thereto.

ADOPTED: OCTOBER 28, 2014

This document prepared by:

*Foster Pepper PLLC
West 422 Riverside Avenue, Suite 1310
Spokane, Washington 99201
(509) 777-1600*

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ORDINANCE NO. _____

AN ORDINANCE of the City of Selah, Washington, relating to contracting indebtedness; providing for the issuance, fixing or setting parameters with respect to certain terms and covenants, and fixing the form of not to exceed \$3,500,000 aggregate principal amount limited tax general obligation refunding bonds to provide money with which to pay the cost of refunding, paying and redeeming certain outstanding nonvoted obligations of the City; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of the refunding bonds herein authorized and for the use and application of the money derived from those investments; authorizing the execution of an agreement with U.S. Bank National Association, as refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; appointing the City's designated representative to approve the final terms of the sale, issuance and delivery of the bonds; authorizing the sale and providing for the delivery of the bonds to D.A. Davidson & Co.; and providing for other matters properly related thereto.

THE CITY COUNCIL OF THE CITY OF SELAH DO ORDAIN as follows:

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates, words importing the singular number shall include the plural number and vice versa.

(a) "2012 Bond" means the City's Limited Tax General Obligation Refunding Bond, 2012 (Tax-Exempt), issued in the original principal amount of \$425,066.81 pursuant to the 2012 Ordinance.

(b) "2012B Bond" means the City's Limited Tax General Obligation Refunding Bond, 2012B (Taxable), issued in the original principal amount of \$3,330,000 pursuant to the 2012B Ordinance.

(c) "2012 Ordinance" means Ordinance No. 1882 passed by the Council and approved by the Mayor and the Council on May 22, 2012, as amended by Ordinance No. 1885 passed by the Council and approved by the Mayor and the Council on June 12, 2012, collectively authorizing the sale, issuance and delivery of the 2012 Bond.

(d) "2012B Ordinance" means Ordinance No. 1886 passed by the Council and approved by the Mayor and the Council on June 12, 2012, authorizing the sale, issuance and delivery of the 2012B Bond.

(e) "Administrator" means the City Administrator or such other officer of the City who may in the future perform the duties of that office, if any.

(f) “Acquired Obligations” means noncallable, nonprepayable Government Obligations purchased to accomplish the Refunding.

(g) “Aggregate Purchase Price” means the price to be paid by the Purchaser for the Bonds, calculated as the stated principal amount of the Bonds, plus original issue premium, if any, net of original issue discount, if any, and less underwriter’s discount.

(h) “Authorized Denomination” means \$5,000 or any integral multiple thereof within a maturity.

(i) “Beneficial Owner” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(j) “Bond Counsel” means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(k) “Bond Fund” means the City’s existing Limited Tax General Obligation Bond Fund.

(l) “Bond Purchase Agreement” means an offer to purchase the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of the Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance.

(m) “Bond Register” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Tax-Exempt and Taxable Bond.

(n) “Bond Registrar” means the fiscal agent of the State, as the same may be designated by the State from time to time, or any successor bond registrar selected by the Treasurer.

(o) “Bonds” means collectively, the Tax-Exempt Bonds and the Taxable Bonds.

(p) “City” means the City of Selah, Washington, a code city and municipal corporation duly organized and existing under the laws of the State.

(q) “City Contribution” means legally available money of the City, in addition to Tax-Exempt and/or Taxable Bond proceeds, necessary or advisable to accomplish the Refunding, as determined by the Designated Representative.

(r) “Clerk” means the de facto or de jure Clerk of the City, or other officer of the City who is the custodian of the seal of the City and of the records of the proceedings of the Council, and her successors in functions, if any.

(s) “Code” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(t) "Council" means the legislative authority of the City, as duly and regularly constituted from time to time.

(u) "Designated Representative" means the officer or employee of the City appointed in Section 5 hereof to serve as the City's designated representative in accordance with RCW 39.46.040(2) for purposes of accepting and executing, on behalf of the City, the Bond Purchase Agreement on terms consistent with this ordinance and the parameters for Final Terms set forth herein.

(v) "DTC" means The Depository Trust Company, New York, New York, or its nominee.

(w) "Final Terms" means the terms and conditions for the sale of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms and conditions deemed appropriate by the Council.

(x) "Government Obligations" means direct obligations of the United States of America, including cash that is legal tender of the United States of America.

(y) "Issue Date" means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(z) "Letter of Representations" means the Blanket Issuer Letter of Representations between the City and DTC, dated October 23, 2001, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(aa) "Mayor" means the de facto or de jure Mayor of the City (including the Mayor pro tempore in the Mayor's absence), or any presiding officer or titular head of the City, and his successors in functions, if any.

(bb) "MSRB" means the Municipal Securities Rulemaking Board.

(cc) "Net Premium" means that portion of original issue premium, if any, net of original issue discount, if any, which is in excess of the sum of the underwriter's discount and all other costs related to the sale, issuance and delivery of the Bonds.

(dd) "Owners" means, without distinction, the Registered Owner(s) and the Beneficial Owner(s).

(ee) "Preliminary Official Statement" means the Preliminary Official Statement regarding the Bonds.

(ff) "Purchaser" means D.A. Davidson & Co., Seattle, Washington.

(gg) "Rating Agency" means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the City.

- (hh) “RCW” means the Revised Code of Washington.
- (ii) “Record Date” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.
- (jj) “Refunded Bonds” means, depending upon context, the 2012 Bond and/or the 2012B Bond.
- (kk) “Refunding” means, depending upon context, the prepayment and redemption of (i) the 2012 Bond through the issuance of the Tax-Exempt Bonds, and/or (ii) the 2012B Bond through the issuance of the Taxable Bonds, all as more particularly described in the Bond Purchase Agreement and/or the Refunding Trust Agreement.
- (ll) “Refunding Trust Agreement” means the Refunding Trust Agreement dated the Issue Date between the City and the Refunding Trustee as further described in Section 15 hereof.
- (mm) “Refunding Trustee” means U.S. Bank National Association of Seattle, Washington.
- (nn) “Registered Owner” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book–entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.
- (oo) “Rule 15c2-12” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.
- (pp) “SEC” means the United States Securities and Exchange Commission.
- (qq) “Substitute Obligations” means other noncallable, nonprepayable direct obligations of the United States of America that are substituted for any of the Acquired Obligations.
- (rr) “Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the City that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.
- (ss) “SIED Loans” means, collectively, the Supporting Investments in Economic Diversification Loan, Contract Nos. YC-NP-05 and YC-SPD-08 between the City and Yakima County, Washington.
- (tt) “State” means the State of Washington.
- (uu) “Tax-Exempt Bonds” means the City’s Limited Tax General Obligation Refunding Bonds, 2014A (Tax-Exempt), issued pursuant to and for the purposes provided in this ordinance.

(vv) “Taxable Bonds” means the City’s Limited Tax General Obligation Refunding Bonds, 2014B (Taxable), issued pursuant to and for the purposes provided in this ordinance.

(ww) “Tax-Exempt Defeasance Account” means the escrow account created pursuant to this ordinance, either by the Treasurer or the Refunding Trustee, into which proceeds of the Tax-Exempt Bonds will be deposited in the event such proceeds are not transferred to the holder of the 2012 Bond as full payment thereof, pursuant to the parameters for Final Terms set forth herein.

(xx) “Taxable Defeasance Account” means the escrow account created pursuant to this ordinance, either by the Treasurer or the Refunding Trustee, into which proceeds of the Taxable Bonds will be deposited in the event such proceeds are not transferred to the holder of the 2012B Bond as full payment thereof, pursuant to the parameters for Final Terms set forth herein.

(yy) “Term Bond” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(zz) “Treasurer” means the de facto or de jure Treasurer of the City, and his successors in functions, if any.

(aaa) “Undertaking” means the undertaking to provide continuing disclosure entered into pursuant to Section 17 of this ordinance.

Section 2. Findings and Determinations. The Council takes note of the following facts and makes the following findings and determinations:

(a) RCW 39.46.040(2) provides that an ordinance authorizing the issuance of bonds may authorize an officer or employee of the City to serve as the City’s designated representative and to accept, on behalf of the City, an offer to purchase those bonds so long as the acceptance of such offer is consistent with terms established by an ordinance that establishes the following terms for the bonds (or parameters with respect thereto): the amount, date, denominations, interest rates, payment dates, final maturity, redemption rights, price, minimum savings for refunding bonds, and any other terms and conditions deemed appropriate by the Council.

(b) Pursuant to the 2012 Ordinance, the City issued the 2012 Bond to redeem the City’s outstanding SIED Loans, originally issued to finance costs of street improvements and ancillary infrastructure. By the 2012 Ordinance, the City reserved the right to prepay any or all of the outstanding principal amount of the 2012 Bond on any June 1 or December 1 at par plus accrued interest to the date of prepayment. The 2012 Bond is currently outstanding in the principal amount of \$370,528 and bears interest at the rate of 3.60% *per annum*.

(c) Pursuant to the 2012B Ordinance, the City issued the 2012B Bond to redeem the City’s outstanding Limited Tax General Obligation Bonds, 2002, originally issued to finance part of the cost of acquiring land and other lawful purposes. By the 2012B Ordinance, the City reserved the right to prepay any or all of the outstanding principal amount of the 2012B Bond on any June 1 or December 1 at par plus accrued interest to the date of prepayment. The 2012B Bond is currently outstanding in the principal amount of \$2,867,029 and bears interest at the rate of 4.30% *per annum*.

(d) After due consideration, it appears to the Council that the Refunded Bonds may be refunded by the sale, issuance and delivery of the Bonds authorized and described herein, so long as a substantial savings will be effected by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the Refunded Bonds but for such refunding. The Council deems it to be in the best interests of the City to sell, issue and deliver the Bonds, subject to the provisions of this ordinance, to accomplish the Refunding. If the Refunded Bonds cannot be retired within a short period of time after the Bonds are issued, it will be necessary and advisable that certain Acquired Obligations bearing interest (if any) and maturing at the time or times as necessary to accomplish the Refunding be purchased out of the proceeds of the sale of the Bonds.

(e) If Tax-Exempt Bonds can be sold, issued and delivered pursuant to the authority delegated by Section 5 of this ordinance, then such sale, issuance and delivery of Tax-Exempt Bonds will effect a savings to the City and its taxpayers, which savings will be in the best interest of the City and in the public interest. In making such finding and determination, the Council has given consideration to the parameters for Final Terms set forth in this ordinance for issuing the Tax-Exempt Bonds, the anticipated maturities of the Tax-Exempt Bonds and the 2012 Bond, the estimated costs related to the sale, issuance and delivery of the Tax-Exempt Bonds and the expected income from the investment of the proceeds of the issuance and sale of the Tax-Exempt Bonds and the City Contribution, if any, used in the Refunding pending payment and redemption of the 2012 Bond. Immediately upon the deposit of Tax-Exempt Bond proceeds in the Tax-Exempt Defeasance Account in accordance with this ordinance, such deposit of Tax-Exempt Bond proceeds will discharge and satisfy the obligations of the City under the 2012 Ordinance with respect to the 2012 Bond, and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to the 2012 Bond, and that the 2012 Bond shall no longer be deemed to be outstanding under the 2012 Ordinance.

(f) If Taxable Bonds can be sold, issued and delivered pursuant to the authority delegated by Section 5 of this ordinance, then such sale, issuance and delivery of Taxable Bonds will effect a savings to the City and its taxpayers, which savings will be in the best interest of the City and in the public interest. In making such finding and determination, the Council has given consideration to the parameters for Final Terms set forth in this ordinance for issuing the Taxable Bonds, the anticipated maturities of the Taxable Bonds and the 2012B Bond, the estimated costs related to the sale, issuance and delivery of the Taxable Bonds and the expected income from the investment of the proceeds of the issuance and sale of the Taxable Bonds and the City Contribution, if any, used in the Refunding pending payment and redemption of the 2012B Bond. Immediately upon the deposit of Taxable Bond proceeds in the Taxable Defeasance Account in accordance with this ordinance, such deposit of Taxable Bond proceeds will discharge and satisfy the obligations of the City under the 2012B Ordinance with respect to the 2012B Bond, and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to the 2012B Bond, and that the 2012B Bond shall no longer be deemed to be outstanding under the 2012B Ordinance.

(g) The Council, pursuant to RCW 39.46.040(2), desires to delegate authority to the Administrator, for a limited time, to accept the Final Terms of, and execute, the Bond Purchase Agreement, subject to the parameters for Final Terms set forth in this ordinance.

(h) Pursuant to Ordinance No. 1882, passed by the Council and approved by the Mayor and the Council on May 22, 2012, the Council adopted Post-Issuance Compliance Policies and Procedures for Tax-Exempt Bonds. Such procedures remain in effect and have not been repealed, revoked or rescinded.

Section 3. Debt Capacity. The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for the calendar year 2014 is \$563,871,437. Following the prepayment and/or defeasance of the Refunded Bonds on the Issue Date, the City will have outstanding general indebtedness evidenced by limited tax general obligation bonds, notes, leases and conditional sales contracts in the principal amount of \$166,192 (in addition to the aggregate principal amount of the Bonds) incurred within the constitutional limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein. The City has no unlimited tax general obligation (voter-approved) bonds outstanding. The aggregate amount of indebtedness for the Bonds authorized herein to be issued is not to exceed \$3,500,000, which, when added to the outstanding non-voted indebtedness of the City and to the aggregate general indebtedness of the City, is within the statutory and constitutional limits of indebtedness prescribed for code cities such as the City.

Section 4. Authorization and Description of Bonds.

(a) **Tax-Exempt Bonds.** The City shall sell, issue and deliver the Tax-Exempt Bonds, designated as the City's "Limited Tax General Obligation Refunding Bonds, 2014A (Tax-Exempt)" (unless otherwise designated pursuant to the parameters for Final Terms set forth in Exhibit A-1, which is attached to this ordinance and incorporated herein by this reference), to prepay and redeem the 2012 Bond. Subject to the parameters for Final Terms, the Tax-Exempt Bonds shall be issued in an aggregate principal amount not exceeding \$400,000; shall be in Authorized Denominations; and shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Tax-Exempt Bonds shall be dated their Issue Date, shall bear interest from their Issue Date at the rates and shall mature in the years and principal amounts, including the designation of Term Bonds, if any, all as set forth in the Bond Purchase Agreement accepted by the Designated Representative pursuant to Section 5 hereof.

(b) **Taxable Bonds.** The City shall sell, issue and deliver the Taxable Bonds, designated as the City's "Limited Tax General Obligation Refunding Bonds, 2014B (Taxable)" (unless otherwise designated pursuant to the parameters for Final Terms set forth in Exhibit A-2, which is attached to this ordinance and incorporated herein by this reference), to prepay and redeem the 2012B Bond. Subject to the parameters for Final Terms, the Taxable Bonds shall be issued in an aggregate principal amount not exceeding \$3,100,000; shall be in Authorized Denominations; and shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Taxable Bonds shall be dated their Issue Date, shall bear interest from their Issue Date at the rates and shall mature in the years and principal amounts, including the designation of Term Bonds, if any, all as set forth in the Bond Purchase Agreement accepted by the Designated Representative pursuant to Section 5 hereof.

Section 5. Appointment of Designated Representative; Setting Parameters with Respect to the Final Terms; Approval of Bond Purchase Agreement; Expiration of Authority. Pursuant to RCW 39.46.040(2), the Administrator is hereby appointed as the City's Designated Representative and is authorized and directed, on the City's behalf, to accept the Final Terms of, and execute, the Bond Purchase Agreement subject to the parameters for Final Terms set forth in Exhibits A-1 and A-2. Final Terms shall be confirmed in the Bond Purchase Agreement and/or separate certificate(s) approved and executed by the Designated Representative in connection with the issuance of the Bonds. The authority granted to the Designated Representative by this Section 5, and the authority to issue Bonds pursuant to this ordinance shall expire on December 31, 2015.

Section 6. Bond Registrar; Registration and Transfer of Bonds.

(a) **Registration of Bonds.** The Bonds shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) **Bond Registrar; Duties.** Pursuant to RCW 39.46.030(3)(a), the Treasurer has appointed the Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) **Bond Register; Transfer and Exchange.** The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds of the same series, in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) **Securities Depository; Book-Entry Only Form.** DTC is appointed as initial Securities Depository. Each Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities

Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance. Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 7. Form and Execution of Bonds.

(a) Form of Bonds; Signatures and Seal. Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. The Bonds shall be printed at City expense and shall be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) Authentication. Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate Of Authentication. This Bond is one of the fully registered City of Selah, Washington, Limited Tax General Obligation Refunding Bonds, [2014A (Tax-Exempt)][2014B (Taxable)]." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 8. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address

appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 9. Redemption Provisions; Purchase of Bonds.

(a) **Optional Redemption.** The Bonds shall be subject to redemption at the option of the City, on terms acceptable to the Designated Representative, if and to the extent set forth in the Bond Purchase Agreement, consistent with the parameters for Final Terms set forth in Exhibit A.

(b) **Mandatory Redemption.** Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters for Final Terms set forth herein and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) **Selection of Bonds for Redemption; Partial Redemption.** If fewer than all of the outstanding Bonds of a series are to be redeemed at the option of the City, the City shall select the maturities within that series to be redeemed. If fewer than all of the outstanding Bonds of a particular maturity within a series are to be redeemed, the Securities Depository shall select such Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other such Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) **Notice of Redemption.** Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be

satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required by the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Clerk shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) Rescission of Optional Redemption Notice. In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of redemption has been rescinded shall remain outstanding.

(f) Effect of Redemption. Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) Purchase of Bonds. The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 10. Failure to Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity date or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants.

(a) Preservation of Tax Exemption for Interest on Tax-Exempt Bonds. The City covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds of the

City treated as proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds which will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bonds.

(b) Designation of Tax-Exempt Bonds as “Qualified Tax-Exempt Obligations.” The Tax-Exempt Bonds are designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code. In making such designation, the Council finds and determines that: (1) the Tax-Exempt Bonds will not be “private activity bonds” within the meaning of Section 141 of the Code; (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Tax-Exempt Bonds are issued (*i.e.* 2014) will not exceed \$10,000,000; and (3) the amount of tax-exempt obligations, including the Tax-Exempt Bonds, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Tax-Exempt Bonds are issued will not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 14. Bond Fund; Deposit of Bond Proceeds.

(a) Bond Fund. The principal of, premium, if any, and interest on the Bonds, when due, shall be paid from the Bond Fund. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund. Until needed to

pay principal of and interest on the Bonds, the City may invest taxes collected for and allocated to the payment of the principal of and interest on the Bonds temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and be spent for the purposes of that fund. The Treasurer shall deposit in the Bond Fund the amount, if any, of Net Premium that the Designated Representative determines, pursuant to Exhibits A-1 and A-2 of this ordinance, is to be deposited in the Bond Fund (which Net Premium shall be used to pay interest on the series of Bonds to which such Net Premium is allocable on their earliest interest payment dates).

(b) Tax-Exempt Defeasance Account. From the proceeds of the Tax-Exempt Bonds, the Treasurer shall deposit in the Tax-Exempt Defeasance Account those proceeds of the Tax-Exempt Bonds, together with the City Contribution, if any, determined by the Designated Representative to be necessary to pay, in full, the outstanding principal and all accrued interest on the 2012 Bond. All other proceeds of the Tax-Exempt Bonds shall be used to pay the allocable costs of issuing the Tax-Exempt Bonds and/or shall be deposited into the Bond Fund to pay interest on the Tax-Exempt Bonds. The Treasurer is directed to create the Tax-Exempt Defeasance Account as an escrow account separate and distinct from all other City funds and accounts, but only if the Designated Representative determines it is practical to retire the 2012 Bond within ten business days after the Issue Date of the Tax-Exempt Bonds.

(c) Taxable Defeasance Account. From the proceeds of the Taxable Bonds, the Treasurer shall deposit in the Taxable Defeasance Account those proceeds of the Taxable Bonds, together with the City Contribution, if any, determined by the Designated Representative to be necessary to pay, in full, the outstanding principal and all accrued interest on the 2012B Bond. All other proceeds of the Taxable Bonds shall be used to pay the allocable costs of issuing the Taxable Bonds and/or shall be deposited into the Bond Fund to pay interest on the Taxable Bonds. The Treasurer is directed to create the Taxable Defeasance Account as an escrow account separate and distinct from all other City funds and accounts, but only if the Designated Representative determines it is practical to retire the 2012B Bond within ten business days after the Issue Date of the Taxable Bonds.

Section 15. Refunding.

(a) Appointment of the Refunding Trustee. Pursuant to RCW 39.53.070, the Refunding Trustee is appointed to serve as trustee to oversee the safekeeping and application of any Bond proceeds delivered to it, if the Designated Representative determines it is not practical to retire the Refunded Bonds within ten business days after the Issue Date of the Bonds. Such appointment will be effective if and when the Refunding Trust Agreement is executed and delivered by the City.

(b) Use of Bond Proceeds; Acquisition of Acquired Obligations. If the Designated Representative determines it is not practical to retire the Refunded Bonds within ten business days after the Issue Date of the Bonds, then all of the proceeds of the sale of the Bonds, exclusive of any Net Premium deposited into the Bond Fund pursuant to Section 14 herein, shall be deposited immediately upon the receipt thereof with the Refunding Trustee, together with the City Contribution, if any, and used to discharge the obligations of the City relating to the Refunded Bonds under the 2012 Ordinance and/or the 2012B Ordinance by providing for the payment of the amounts required to be paid by the Refunding. To the extent practicable, such

obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of Acquired Obligations, bearing such interest (if any) and maturing as to principal in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amounts required to be paid by the Refunding. The Acquired Obligations shall be listed and more particularly described in the Refunding Trust Agreement, but are subject to substitution as set forth below. The Designated Representative is authorized and directed to approve the Acquired Obligations to be purchased. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations, pay the administrative costs of the Refunding and the costs related to the sale, issuance and delivery of the Bonds, and provide a beginning cash balance shall be returned to the City as soon as reasonably practicable following the delivery of the Bonds to the Purchaser and deposited in the Bond Fund to pay interest on the series of Bonds to which such money is allocable on their earliest interest payment date pursuant to Section 14 herein. Any escrow account held by the Refunding Trustee with regard to Tax-Exempt Bond proceeds pursuant to the Refunding Trust Agreement shall be deemed to be the Tax-Exempt Defeasance Account for purposes of this ordinance. Any escrow account held by the Refunding Trustee with regard to Taxable Bond proceeds pursuant to the Refunding Trust Agreement shall be deemed to be the Taxable Defeasance Account for purposes of this ordinance.

(c) Substitution of Acquired Obligations. Prior to the purchase of any Acquired Obligations, the City reserves the right to substitute money and/or Substitute Obligations for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute therefor money or Substitute Obligations subject to the conditions that such money or Substitute Obligations held by the Refunding Trustee shall be sufficient to carry out the Refunding, and that the City obtains, at its expense: (i) a verification by a nationally recognized independent certified public accounting firm confirming that the payments of principal of and interest on the Substitute Obligations, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding; and (ii) that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Bonds, the 2012 Bond and the 2012B Bond. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

(d) Administration of Refunding. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or Substitute Obligations) and to make the payments required to be made by the Refunding from the Acquired Obligations (or Substitute Obligations) and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or Substitute Obligations) and money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the 2012 Ordinance, the 2012B Ordinance, this ordinance, chapter 39.53 RCW and other applicable laws of the State, and the Refunding Trust Agreement. All necessary and proper fees, compensation and expenses of the Refunding Trustee and all other costs incidental to the

setting up of the escrow(s) to accomplish the Refunding and costs related to the sale, issuance and delivery of the Bonds, including bond printing, rating service fees, verification fees, Bond Counsel's fees and other related expenses, shall be paid out of the proceeds of the Bonds.

(e) Authorization for Refunding Trust Agreement. If the Refunding Trustee is required to be retained to carry out the Refunding provided for by this ordinance, the Mayor is authorized to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the prepayment and redemption of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation and expenses of such Refunding Trustee set forth therein are satisfactory to it.

Section 16. Call for Redemption of the Refunded Bonds. Effective upon the Issue Date, if the Tax-Exempt Bonds are issued, the City calls the 2012 Bond for prepayment and redemption on the next occurring June 1 or December 1 following the Issue Date, at the price of par plus accrued interest. Effective upon the Issue Date, if the Taxable Bonds are issued, the City calls the 2012B Bond for prepayment and redemption on the next occurring June 1 or December 1 following the Issue Date, at the price of par plus accrued interest. Any such call for redemption shall be irrevocable once it becomes effective. The Treasurer (if the Tax-Exempt Defeasance Account and/or the Taxable Defeasance Account is to be held by the Treasurer) or the Refunding Trustee (if the Tax-Exempt Defeasance Account and/or the Taxable Defeasance Account is to be held by the Refunding Trustee) is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the 2012 Ordinance, the 2012B Ordinance and the Refunding Trust Agreement, if any, in order to effect the prepayment and redemption of the Refunded Bonds prior to their stated maturity dates.

Section 17. Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement Deemed Final. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12 with respect to the Preliminary Official Statement, the Administrator and/or the Mayor, on the City's behalf, are hereby authorized to: (i) review and "deem final" the Preliminary Official Statement as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12; (ii) authorize the distribution by the Purchaser of the "deemed final" Preliminary Official Statement to potential purchasers of the Bonds; and (iii) acknowledge in writing any action taken pursuant to clauses (i) and (ii) of this paragraph.

(b) Approval of Final Official Statement. The Administrator and/or the Mayor are hereby authorized to review and approve on behalf of the City a final official statement (the "Official Statement") with respect to the Bonds, substantially in the form of the "deemed final" Preliminary Official Statement and supplemented or amended as the Administrator and/or the Mayor, with the approval of Bond Counsel, deems necessary, desirable, or appropriate. The Mayor is authorized to execute the Official Statement and the City is authorized to deliver or cause to be delivered the Official Statement to the Purchaser in the manner required by Rule 15c2-12, the MSRB and the Bond Purchase Agreement.

(c) Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the

Mayor is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds in substantially the form attached as Exhibit B.

Section 18. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the City.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

Section 19. General Authorization and Ratification. The Mayor, the Designated Representative, the Treasurer, the Clerk, other appropriate officers of the City and Bond Counsel are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 20. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

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Section 21. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Selah, Washington, at an open public meeting thereof, this 28th day of October, 2014.

CITY OF SELAH, WASHINGTON

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

(S E A L)

Exhibit A

PARAMETERS FOR FINAL TERMS

Exhibit A-1

PARAMETERS FOR FINAL TERMS OF THE TAX-EXEMPT BONDS

- (a) **Principal Amount.** The Tax-Exempt Bonds may be issued in an aggregate principal amount that does not exceed \$400,000. The principal amount of the Tax-Exempt Bonds (i) may exceed the principal amount of the 2012 Bond by an amount deemed reasonably required to effect the prepayment and redemption of the 2012 Bond, or (ii) may be equal to or less than the principal amount of the 2012 Bond, so long as the proceeds of the Tax-Exempt Bonds (together with the City Contribution, if any) are sufficient to effect the prepayment and redemption of the 2012 Bond.
- (b) **Date or Dates.** Each Tax-Exempt Bond shall be dated the Issue Date, which date may not be later than December 31, 2015.
- (c) **Denominations, Name, etc.** The Tax-Exempt Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. Specifically, if the Taxable Bonds are not issued, the designation of the Tax-Exempt Bonds may be conformed accordingly (e.g., "Limited Tax General Obligation Refunding Bonds, 2014"). Conforming changes, if any, shall be made in the certificate of authentication authorized by Section 7 of this ordinance.
- (d) **Interest Rate(s).** Each Tax-Exempt Bond shall bear interest at a fixed rate *per annum* (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date of such Bonds or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Tax-Exempt Bonds. No rate of interest for any Tax-Exempt Bond may exceed 6.00% *per annum*.
- (e) **Payment Dates.** Interest shall be payable on June 1 and December 1, commencing on the earliest of such dates that occurs at least four months after the Issue Date for the Tax-Exempt Bonds. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable periodically, at maturity and/or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (f) **Final Maturity.** The Tax-Exempt Bonds shall mature no later than the date that is twenty-five years after their Issue Date.
- (g) **Minimum Savings.** The Tax-Exempt Bonds shall produce a minimum net present value savings to the City of 4.00%. Net present value savings means the aggregate difference between (i) annual debt service on the 2012 Bond, less (ii) annual debt service on the Tax-Exempt Bonds (including expenses related to costs of issuance of the Tax-Exempt Bonds) discounted to the Issue Date using the yield on the Tax-Exempt Bonds as the discount rate, plus (iii) any Net Premium deposited into the Bond Fund pursuant to

Section 14 of this ordinance on the Issue Date, if any, and less (iv) the amount of the City Contribution, if any, made on such Issue Date.

(h) Price.

The Aggregate Purchase Price for the Tax-Exempt Bonds may not be less than 95% or more than 120% of the stated principal amount of the Tax-Exempt Bonds. The Designated Representative, in consultation with Bond Counsel, shall determine the amount of Net Premium received from the Purchaser from the Tax-Exempt Bonds, if any, to be deposited into the Bond Fund.

(i) Redemption Rights.

The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Tax-Exempt Bonds, subject to the following:

(1) Optional Redemption. Any Tax-Exempt Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Tax-Exempt Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date of the Tax-Exempt Bonds.

(2) Mandatory Redemption. Any Tax-Exempt Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(j) Other Terms and Conditions.

(1) The Tax-Exempt Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.

(2) The Designated Representative is authorized to determine the amount of the City Contribution and cause the Treasurer to transfer the City Contribution to the Tax-Exempt Defeasance Account or to the Refunding Trustee, as applicable.

(3) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he may determine are in the best interests of the City, consistent with this ordinance.

(4) The Designated Representative is authorized to take such additional action as may be necessary or convenient for the issuance of Tax-Exempt Bonds pursuant to the terms of this ordinance.

Exhibit A-2

PARAMETERS FOR FINAL TERMS OF THE TAXABLE BONDS

- (a) **Principal Amount.** The Taxable Bonds may be issued in an aggregate principal amount that does not exceed \$3,100,000. The principal amount of the Taxable Bonds (i) may exceed the principal amount of the 2012B Bond by an amount deemed reasonably required to effect the prepayment and redemption of the 2012B Bond, or (ii) may be equal to or less than the principal amount of the 2012B Bond, so long as the proceeds of the Taxable Bonds (together with the City Contribution, if any) are sufficient to effect the prepayment and redemption of the 2012B Bond.
- (b) **Date or Dates.** Each Taxable Bond shall be dated the Issue Date, which date may not be later than December 31, 2015.
- (c) **Denominations, Name, etc.** The Taxable Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. Specifically, if the Tax-Exempt Bonds are not issued, the alphanumeric designation of the Taxable Bonds may be removed (e.g., "Limited Tax General Obligation Refunding Bonds, 2014 (Taxable)"). Conforming changes, if any, shall be made in the certificate of authentication authorized by Section 7 of this ordinance.
- (d) **Interest Rate(s).** Each Taxable Bond shall bear interest at a fixed rate *per annum* (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date of such Bonds or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Taxable Bonds. No rate of interest for any Taxable Bond may exceed 7.00% *per annum*.
- (e) **Payment Dates.** Interest shall be payable on June 1 and December 1, commencing on the earliest of such dates that occurs at least four months after the Issue Date for the Taxable Bonds. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable periodically, at maturity and/or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (f) **Final Maturity.** The Taxable Bonds shall mature no later than the date that is twenty-five years after their Issue Date.
- (g) **Minimum Savings.** The Taxable Bonds shall produce a minimum net present value savings to the City of 4.00%. Net present value savings means the aggregate difference between (i) annual debt service on the 2012B Bond, less (ii) annual debt service on the Taxable Bonds (including expenses related to costs of issuance of the Taxable Bonds) discounted to the Issue Date using the yield on the Taxable Bonds as the discount rate, plus (iii) any Net Premium

deposited into the Bond Fund pursuant to Section 14 of this ordinance on the Issue Date, if any, and less (iv) the amount of the City Contribution, if any, made on such Issue Date.

(h) Price.

The Aggregate Purchase Price for the Taxable Bonds may not be less than 95% or more than 120% of the stated principal amount of the Taxable Bonds. The Designated Representative, in consultation with Bond Counsel, shall determine the amount of Net Premium received from the Purchaser from the Taxable Bonds, if any, to be deposited into the Bond Fund.

(i) Redemption Rights.

The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Taxable Bonds, subject to the following:

(1) Optional Redemption. Any Taxable Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Taxable Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date of the Taxable Bonds.

(2) Mandatory Redemption. Any Taxable Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(j) Other Terms and Conditions.

(1) The Taxable Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.

(2) The Designated Representative is authorized to determine the amount of the City Contribution and cause the Treasurer to transfer the City Contribution to the Taxable Defeasance Account or to the Refunding Trustee, as applicable.

(3) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he may determine are in the best interests of the City, consistent with this ordinance.

(4) The Designated Representative is authorized to take such additional action as may be necessary or convenient for the issuance of Taxable Bonds pursuant to the terms of this ordinance.

Exhibit B

**Form of
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

**City of Selah, Washington
Limited Tax General Obligation Refunding Bonds, 2014A (Tax-Exempt)
Limited Tax General Obligation Refunding Bonds, 2014B (Taxable)**

The City of Selah, Washington (the “City”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance No. ____ of the City (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”);
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (b).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in paragraph (a):

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (2) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (3) assessed valuation for that fiscal year; (4) property tax levy amounts and rates for that fiscal year; and (5) a statement of revenues for that fiscal year from any other revenue sources pledged to the Bonds;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2014; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) **Remedy for Failure to Comply with Undertaking.** As soon as practicable after the City learns of any failure to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the City or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) **Designation of Official Responsible to Administer Undertaking.** The City Clerk-Treasurer or his or her designee is the person designated, in accordance with the Bond Ordinance, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the City is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;
- (iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

Dated: [to be dated the Issue Date] .

CITY OF SELAH, WASHINGTON

[to be signed at closing]
Mayor

CERTIFICATION

I, the undersigned, City Clerk of the City of Selah, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. _____ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on October 28, 2014, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City's official newspaper.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: October 28, 2014.

CITY OF SELAH, WASHINGTON

City Clerk