



**RIDGEFIELD CITY COUNCIL
MEETING AGENDA**

**Thursday, August 25, 2016
Ridgefield Community Center
210 N. Main, Ridgefield, WA 98642**

I. STUDY SESSION - 5:30 P.M.

1. Study Session - Introduction to the 2017 Baseline Budget - Kirk Johnson, Finance Director

II. GENERAL SESSION CALL TO ORDER - 6:30 PM

1. Flag Salute
2. Roll Call
3. Late changes to the agenda

III. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding items not on the agenda may come forward at this time. Please state your name and address. Comments are limited to three minutes. Written comments may be submitted to the City Clerk prior to the meeting.

IV. CONSENT AGENDA

1. Approval of Minutes from the Following Meeting of the Council: August 11, 2016
2. Approval of Claims And/Or Payroll

V. PRESENTATION

1. Salary Commission Presentation - Lee Knottnerus, Deputy City Manager
2. Second Quarter 2016 Financial Report - Kirk Johnson, Finance Director

VI. PUBLIC HEARING/BUSINESS

1. Public Hearing and First Reading on Ordinance No. 1216 - Petition to Annex the Brown Property - Jeff Niten, Community Development Director

VII. BUSINESS

The public is invited to comment on business items at the conclusion of Council discussion prior to the vote. In cases where public record has been closed, no additional comments may be received.

1. Ordinance No. 1213 - Second Reading on Brown Development Agreement - Jeff Niten, Community Development Director
2. Ordinance No. 1214 – Second Reading to Authorize Condemnation Processing -Steve Stuart, City Manager

3. **Ordinance No. 1217 – First Reading of Repealing Ordinance No. 753 - Ridgefield Municipal Code Chapter 3.64 (Water/Sewer Capital Facilities and Equipment Replacement Fund)-Kirk Johnson, Finance Director**
4. **Resolution No. 512 Approval of Amendment to Financial Management Policies-Kirk Johnson, Finance Director**
5. **Resolution No. 513 - Approval of Debt Management Policies -Kirk Johnson, Finance Director**
6. **Motion - Approval of City Manager 2016-17 Employment Compensation Agreement - Paul Lewis, City Consultant**
7. **Motion - Approval of Land Purchase for Ridgefield Outdoor Recreation Complex - Steve Stuart, City Manager**

VIII. PUBLIC COMMENT

Anyone requesting to speak to the Council regarding items not on the agenda may come forward at this time. Please state your name and address. Comments are limited to three minutes. Written comments may be submitted to the City Clerk prior to the meeting.

IX. COUNCIL/PRESIDING OFFICER/STAFF REPORTS

1. **Council**
2. **Mayor**
3. **City Manager**

X. FROM THE COUNCIL

XI. ADJOURN

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016
ITEM: PRESENTATION
AGENDA ITEM TITLE: Study Session - Introduction to the 2017 Baseline Budget

GOVERNING LEGISLATION: RCW 35A.33

PREVIOUS COUNCIL ACTION TAKEN: Council adopts an annual budget each year. The 2016 budget, Ordinance No. 1197, was adopted December 3, 2015.

SUMMARY/BACKGROUND: Study session to present the 2017 baseline operating budget, 2017 budget assumptions, and 2017 special revenue fund revenue projections.

BUDGET/FINANCIAL IMPACTS: Initial discussion for 2017 operating and capital budgets.

RECOMMENDED ACTION OR MOTION: None

STAFF CONTACT: Kirk Johnson, Finance Director
ATTACHMENTS: 2017 Baseline Budget Aug 2016 (PPTX)

Approved to be placed on City Council Agenda:



2017 Baseline Operating Budget

City Council Work Session August 25, 2016

Agenda

- BUDGET CALENDAR
- KEY ASSUMPTIONS: 2017 BUDGET
- PRELIMINARY 2017 BASELINE OPERATING BUDGET
- AVAILABLE FUND BALANCE
- OPERATING FUNDS
- REVENUE PROJECTION – SPECIAL REVENUE FUNDS

City Council Work Session August 25, 2016

2017 Budget Calendar

Week of	May	June	July				Aug					Sept				Oct					Nov				Dec			
			4	11	18	25	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	5	12	19	26
City Council Goals/Retreat																												
Management Initiatives/Goals Retreat																												
Review Budget and Financial Policies																												
Review Economic Conditions						28th																						
Determine Baseline Assumptions																												
Develop Proposed Budget																												
Levels of Service																												
Baseline/Beginning Budget																												
New Programs or Initiatives																												
Update Indirect Cost Plan																												
Update Equipment Replacement Fund																												
Preliminary Budget																												
Operating																												
Capital																												
Update Financial Forecast																			20th									
Adopt Final Budget																												
Conduct Hearing on Revenue Sources																				3rd								
Draft Final Budget																												
Adopt Property Tax Levy																				3rd		17th						
Update Utility Rates																				3rd		17th						
Final Budget and Conduct Hearings																						17th		1st				
Executive Management Meetings						28th		11th				8th				6th				3rd								
Budget Advisory Committee Meetings (2pm)									18th				15th				13th				10th							
City Council Work Sessions										25th			22nd					20th										

City Council Work Session August 25, 2016

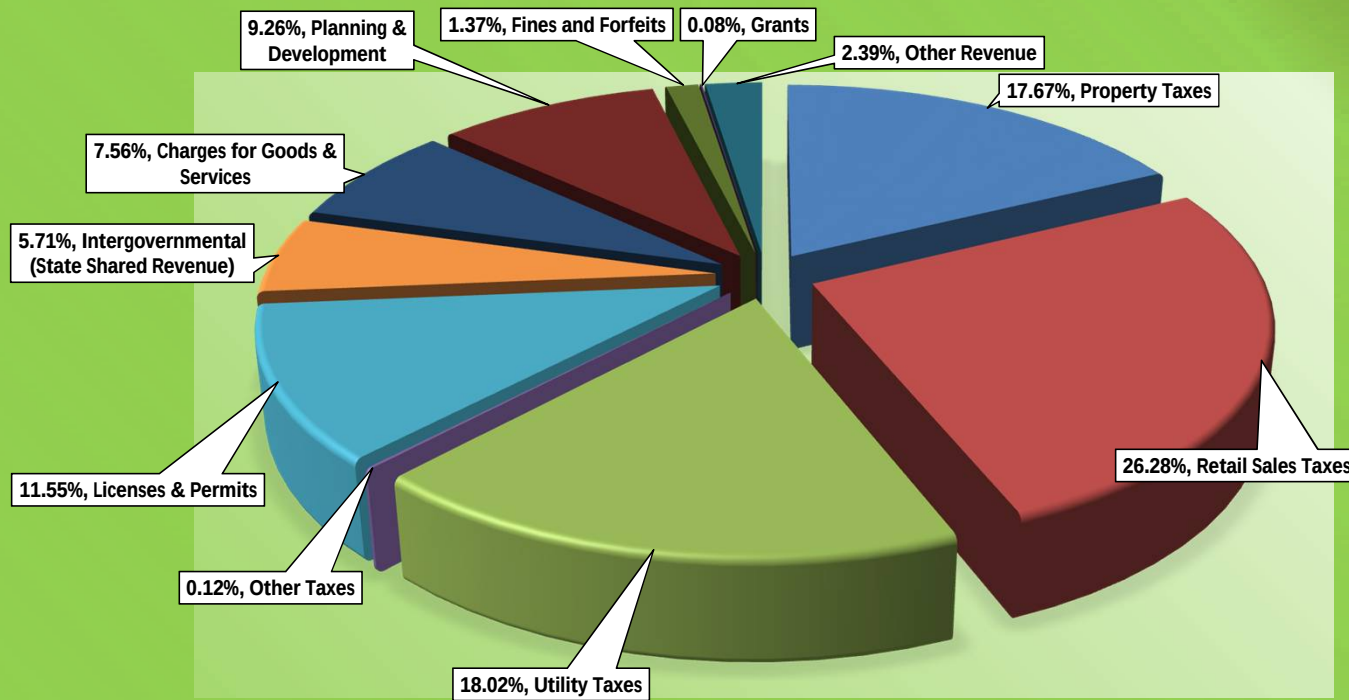
Key Assumptions Baseline Budget

A baseline budget consists of the current years operating budget adjusted for inflation, contractual commitments, cost of living adjustments and population projections. The baseline assumes the City will maintain levels of service consistent with current operations.

City Council Work Session August 25, 2016

Key Assumptions

General and Street Fund Revenue Structure: 2017 Estimate



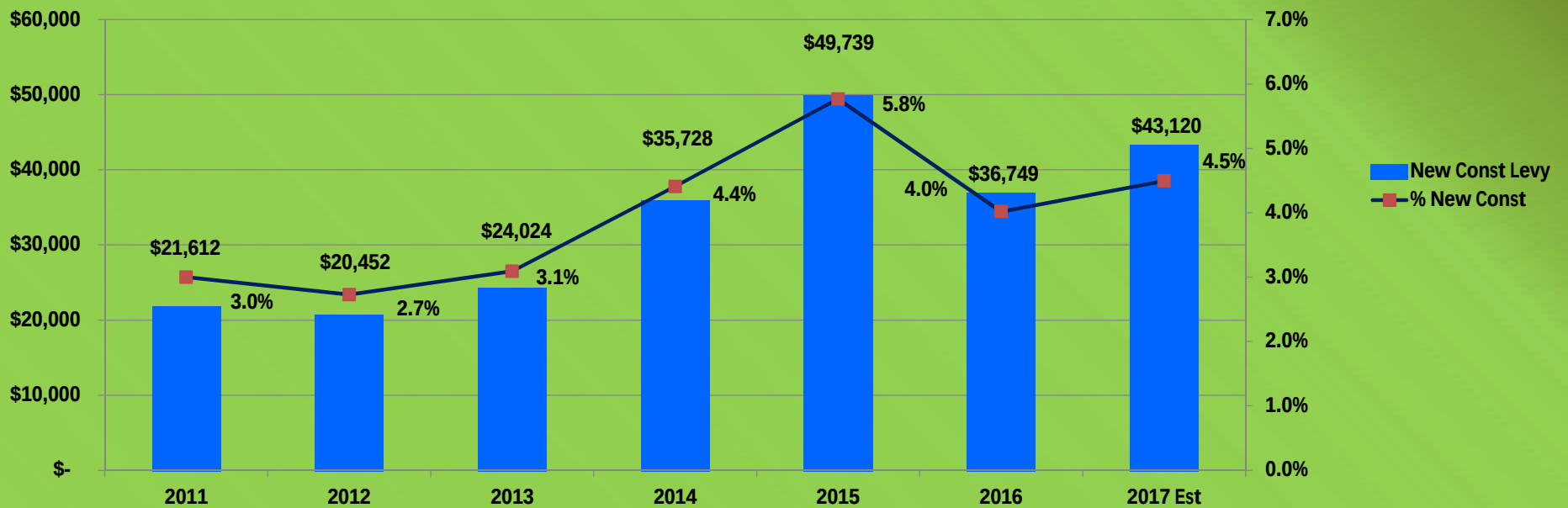
City Council Work Session August 25, 2016

Key Assumptions Property Tax: Growth

- 1% statutory increase
 - \$9,606
- 17% increase in new construction from 2016
 - \$43,120 an increase of \$6,371 from 2016
- Annexation increase
 - \$485

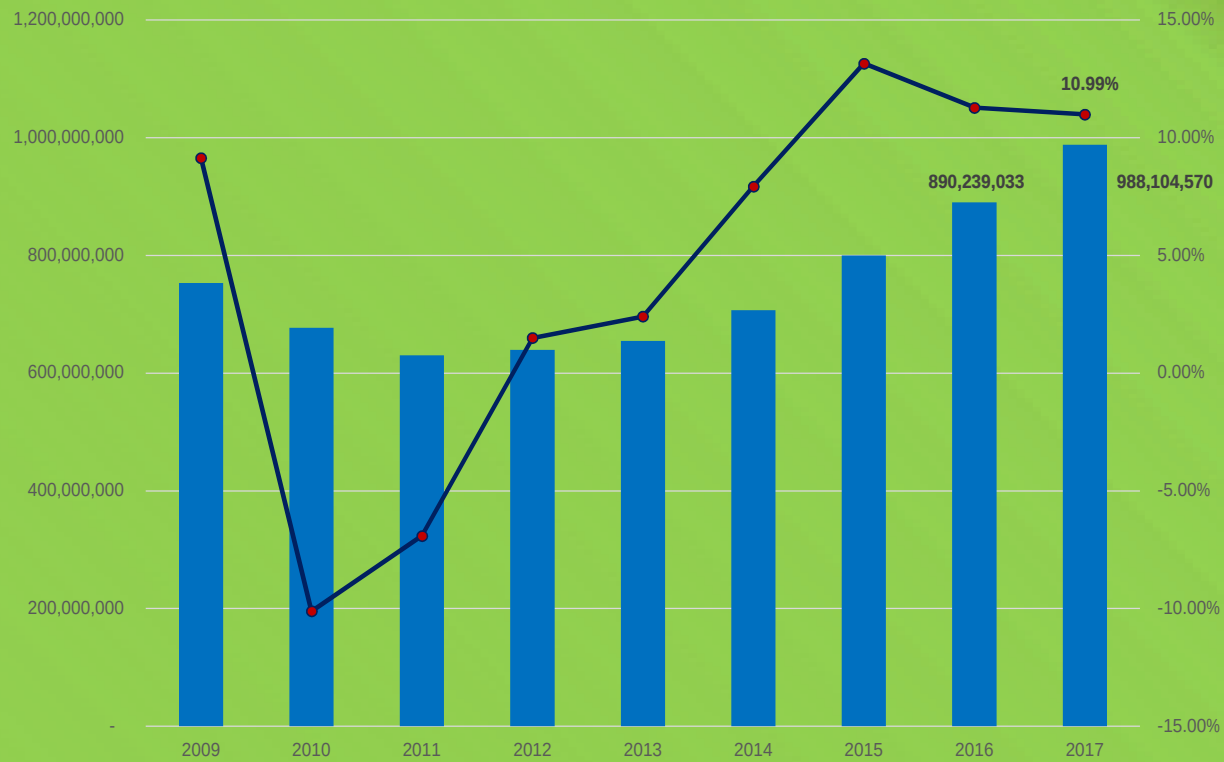
City Council Work Session August 25, 2016

Key Assumptions Property Tax New Construction



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Key Assumptions Assessed Values 2009-2017 Est



City Council Work Session August 25, 2016

Key Assumptions Property Tax Levy Rate



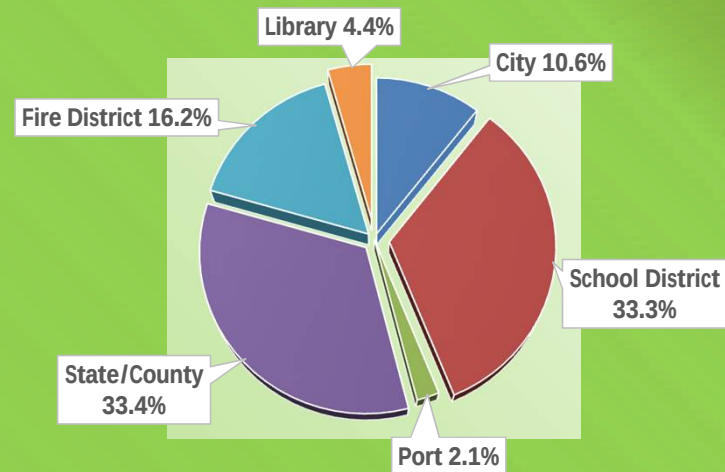
City Council Work Session August 25, 2016

Key Assumptions

2016 Property Tax Levy Rate as a Percentage of Total

Total Property Tax Levy

- City \$1.08
- School District \$3.38
- Port \$0.22
- State/County \$3.40
- Fire District \$1.65
- Library \$0.45
- Total Levy \$10.18



City Council Work Session August 25, 2016

Key Assumptions

Property Tax Levy Rate County Comparison



City Council Work Session August 25, 2016

Key Assumptions Retail Sales Tax Growth

- Estimate a 10.3% increase from 2016 in retail sales tax revenue - \$1,424,576
- Construction related sales estimated to increase 6% from 2016 year-end estimate – 42% of overall retail sales
 - \$598,322
- Non-construction related sales estimated to increase 13% over 2016 year-end estimate – 58% of overall retail sales
 - \$826,254

City Council Work Session August 25, 2016

Key Assumptions Sales Tax Trends



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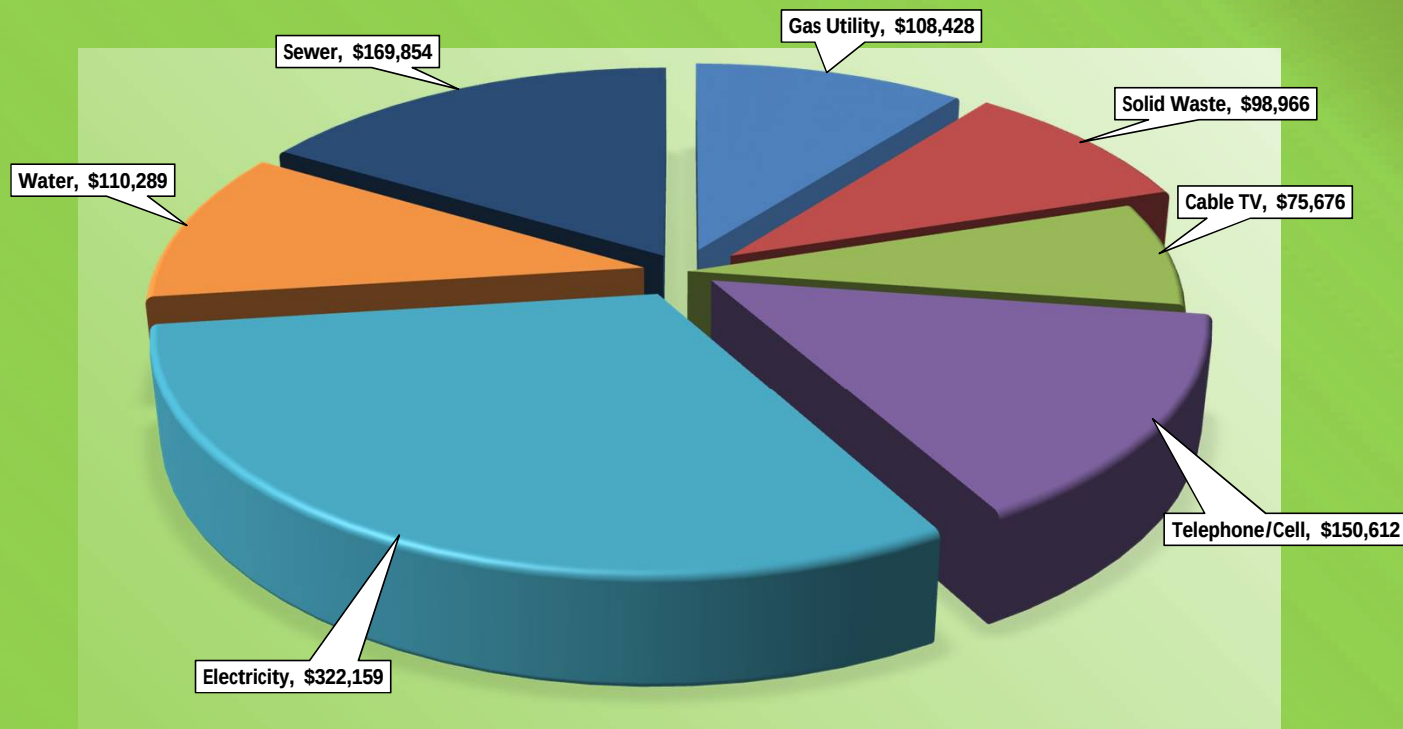
Key Assumptions Utility Tax

- 3 year trend including population increase, estimated rate increases and inflation (CPI-U less food and energy 2.6% 2015)
- Rate increases
 - Water - 3% increase
 - Stormwater – not subject to tax
 - Telephone, electricity, solid waste, sewer, cable TV – no anticipated rate increase
 - Natural Gas includes a 1.15% rate reduction Nov 2015

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Key Assumptions

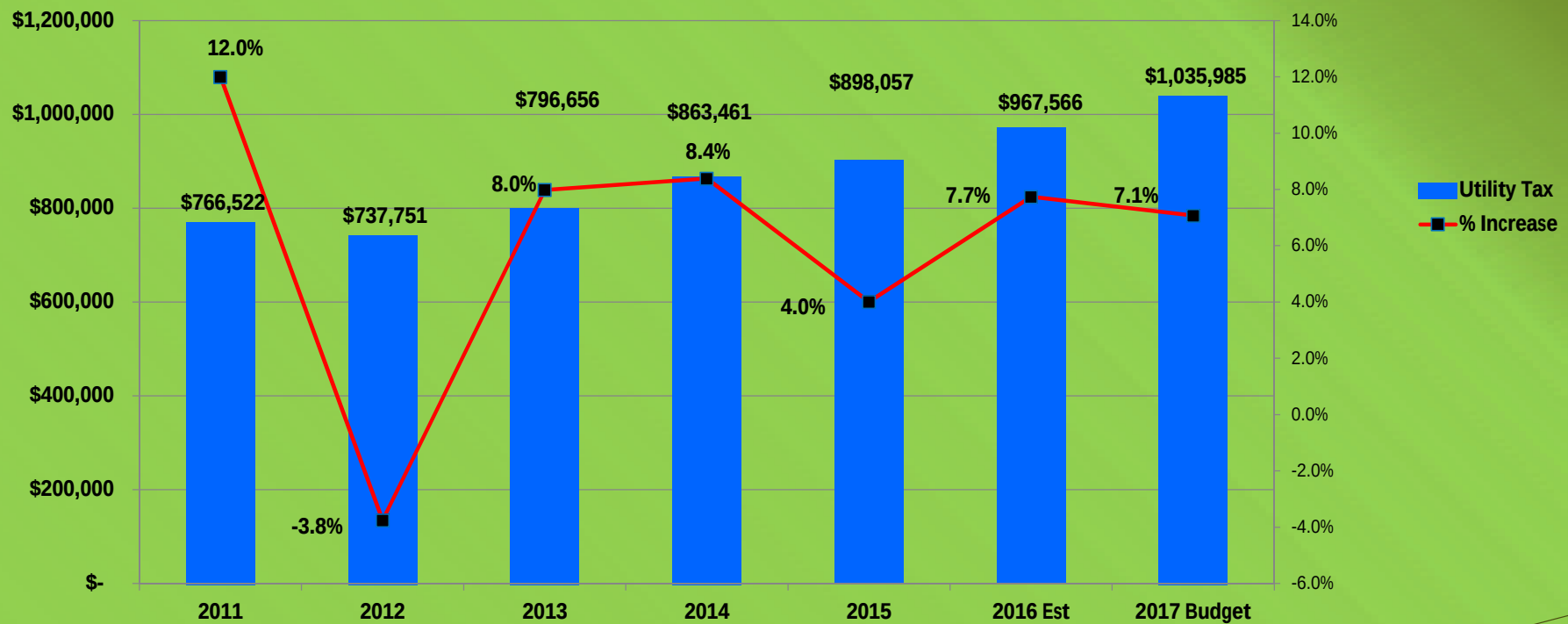
Utility Tax Revenue Structure



City Council Work Session August 25, 2016

Key Assumptions

Utility Tax Trends Update this slide



City Council Work Session August 25, 2016

Key Assumptions City Utility Rates

- Utility Rate increases
 - Water \$1.53 per bi-monthly billing @ 1,000 cf avg.
 - Stormwater \$1.46 per bi-monthly billing

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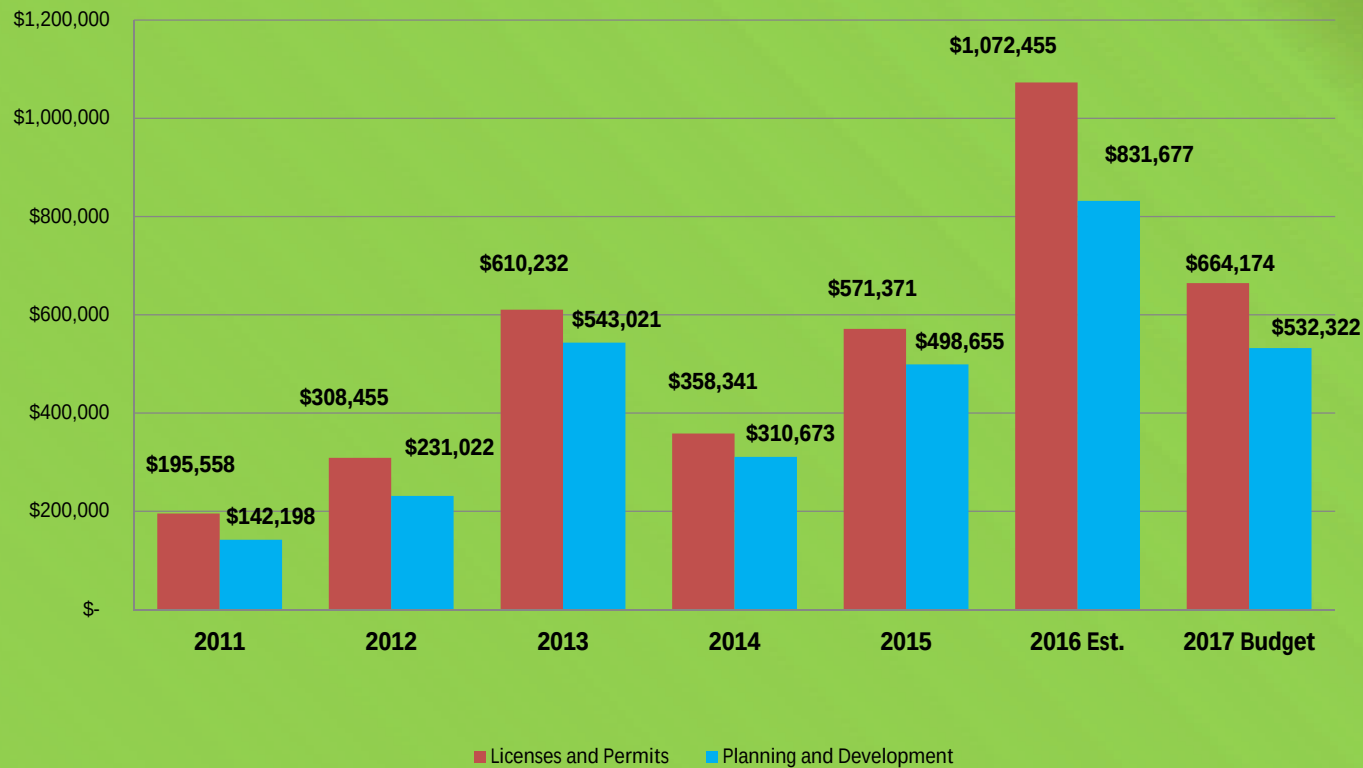
Key Assumptions Permits and Development Fees

- 2017 commercial and residential building activity is expected to maintain current pace
- Use population projection of 7.19% annual increase and inventory of buildable lots to estimate new single family residential permits. 250 permits - \$921,525
- Commercial permits estimated at 4 projects and 350,000 square feet - \$118,140
- Total license, permit and development activity \$1,196,496

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Key Assumptions

Permit and Development Fee Trends



City Council Work Session August 25, 2016

Key Assumptions State Shared Revenue

- Office of Financial Management population estimate as of April 1, 2016 – 6,870.
- State shared revenue paid based on population numbers
- State shared revenue accounts for 5.71% of revenues in the General and Street Fund – \$328,212
- The City is not eligible for marijuana distribution

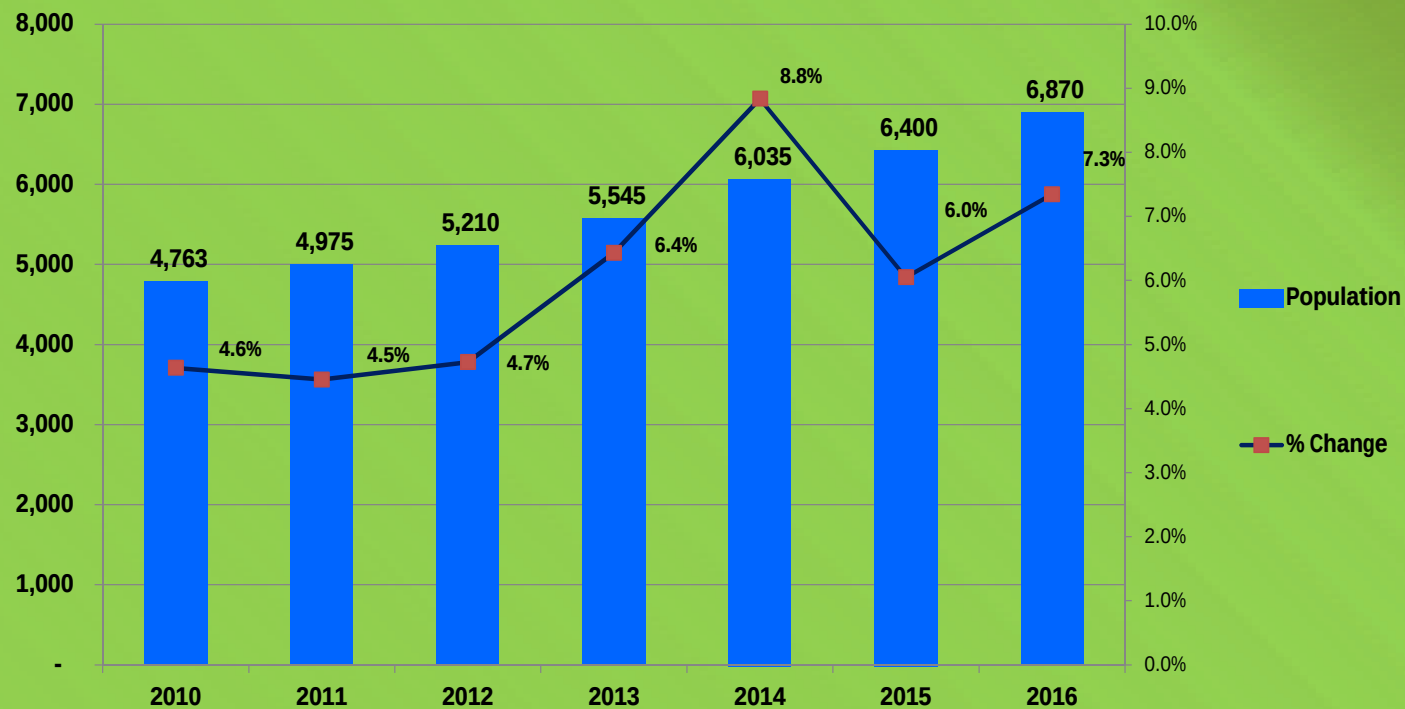
Per Capita Amounts for Cities and Towns							
	2011	2012	2013	2014	2015	2016	2017 Est.
Gas Tax	\$20.82	\$20.38	\$20.25	\$20.63	\$20.78	\$20.98	\$20.84
Multi-modal distribution						1.03	1.05
Gas tax ESSB 5987					0.30	0.60	0.92
Liquor profits	7.93	6.93	9.96	8.89	8.57	8.47	8.45
Liquor tax	4.91	4.86	3.68	0.66	2.72	4.55	4.67
Marijuana distribution							0.58
Criminal justice (special programs)	0.84	0.83	0.85	0.89	0.95	1.02	1.04
Criminal justice (population-based)	0.25	0.25	.025	0.26	0.28	0.30	0.31
Total	\$34.75	\$33.25	\$34.99	\$31.33	\$33.60	\$36.95	\$37.86

Source MRSC

City Council Work Session August 25, 2016

Key Assumptions

Population Growth Trends



Source: WA Office of Financial Management

City Council Work Session August 28, 2016

Key Assumptions Staffing Levels

- Public Works staffing FTE budget reflects analysis conducted from January 2015 – June 2016 of actual hours worked by department and classification
- Current baseline staffing levels reflect additions in 2016
 - Full-time Sergeant
 - Full-time Facilities position focusing on Storm
 - Increase of 2 part-time PW positions to full-time
 - Backfill position for Police Officer
 - Backfill position for Engineer

City Council Work Session August 25, 2016

Key Assumptions

Staffing Levels: Citywide Trend

Total Full Time Equivalent Employees: 2006-2017 Baseline



City Council Work Session August 25, 2016

Key Assumptions

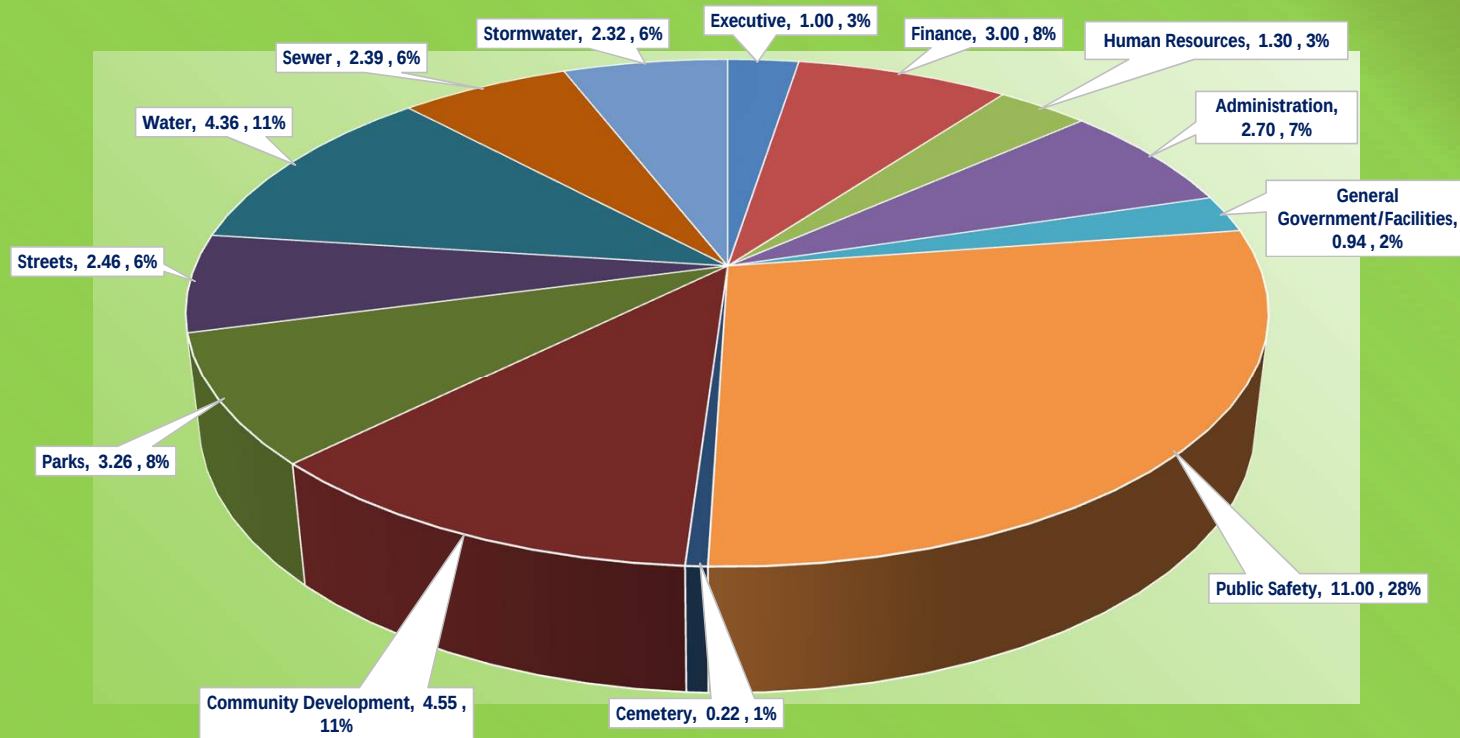
Staffing Levels: Department Trend

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 Baseline
Executive	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.50	3.00	3.00	3.00	3.00
Human Resources									1.35	1.35	1.30	1.30
Administration	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	3.45	3.65	3.70	2.70
General Government/Facilities	0.75	0.55	1.15	0.85	0.75	0.88	0.45	0.47	0.54	0.54	0.92	0.94
Public Safety	8.00	8.00	9.00	8.50	8.33	8.50	9.00	9.00	10.00	10.00	11.00	11.00
Cemetery	0.15	0.13	0.18	0.33	0.32	0.29	0.32	0.34	0.60	0.60	0.24	0.22
Community Development	7.00	7.90	7.40	4.20	1.10	1.10	1.75	2.05	2.25	4.25	4.25	4.55
Parks	1.50	1.33	1.45	1.05	1.65	1.60	2.26	2.34	3.19	3.19	3.21	3.26
Streets	1.22	1.24	1.42	1.22	1.12	1.30	1.43	1.51	1.76	1.76	2.41	2.46
Water	4.65	4.65	3.95	3.35	3.50	3.50	3.55	3.63	3.90	3.90	3.94	4.36
Sewer	4.58	5.05	4.05	4.05	4.30	4.10	3.75	3.83	1.80	1.80	2.39	2.39
Stormwater	0.40	0.40	0.40	0.45	0.60	0.57	0.91	0.95	2.06	2.06	2.14	2.32
Total	34.25	36.25	36.00	31.00	28.67	28.84	30.42	31.62	34.90	37.10	39.50	39.50
Total General & Street Fund	24.62	26.15	27.60	23.15	20.27	20.67	22.21	23.21	27.14	29.34	31.03	30.43
% General & Street Fund	72%	72%	77%	75%	71%	72%	73%	73%	78%	79%	79%	77%
Total Utility Funds	9.63	10.10	8.40	7.85	8.40	8.17	8.21	8.41	7.76	7.76	8.47	9.07
% Utility Funds	28%	28%	23%	25%	29%	28%	27%	27%	22%	21%	21%	23%
Annual Change:		2.00	(0.25)	(5.00)	(2.33)	0.17	1.58	1.20	3.28	2.20	2.40	-

City Council Work Session August 25, 2016

Key Assumptions

Staffing Levels: 2017 FTE Allocation

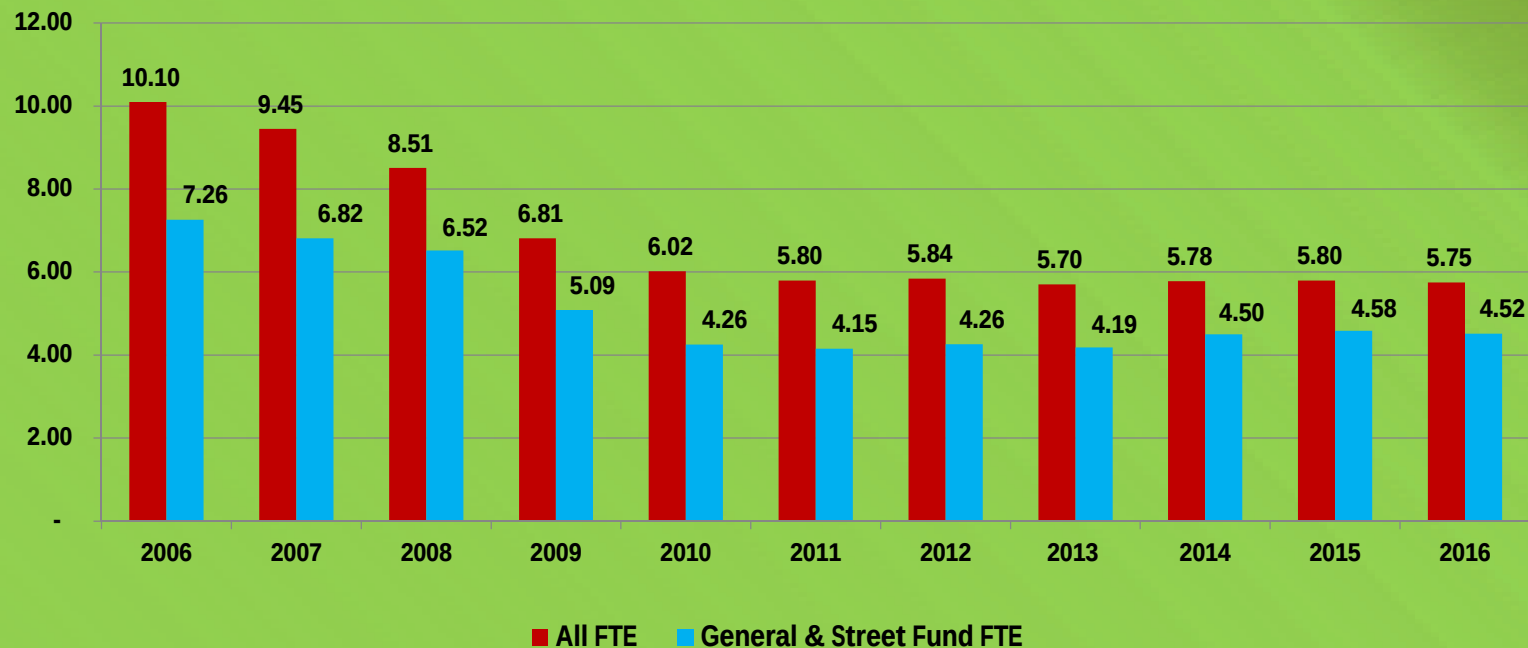


City Council Work Session August 25, 2016

Key Assumptions

Staffing Levels: Per 1,000 Population

Total Employees per 1,000 Population: 2006-2016



City Council Work Session August 25, 2016

Key Assumptions Wages and Benefits

- Wage adjustments
 - Teamsters - 3%
 - Police Association – 5.5%
 - Non represented - 3%
- Health care increases - 10%
- City retirement contribution
 - PERS January – June 2017 - 11.18%
 - Actuary estimate PERS July – December 2017 - 12.92%
 - LEOFF January – June 2017 - 5.23%
 - Actuary estimate LEOFF July - December 2017 - 5.49%

City Council Work Session August 25, 2016

Key Assumptions Non-Personnel

- Three year trend performed for baseline expenditures
- Staffing related expenditures broken down on a per employee cost
- Inflation (CPI-U less food and energy 2.6%) increase for supplies, materials and services
- Baseline modified to reflect known changes in existing contractual commitments
- 2017 baseline Street Fund transfer \$371,000. 2016 baseline transfer \$343,200
- 2017 ERF contribution included in baseline
- 2017 capital contributions TBD
- 2016 capital projects and initiatives carried forward to 2017 TBD

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget General Fund Revenues

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
001 General Fund								
Revenue								
Property Tax	855,256	931,292	965,000	965,000	982,000	1,016,000	-	1,016,000
Retail Sales & Other Tax	1,151,866	1,138,504	1,162,295	1,162,295	1,382,941	1,518,114	-	1,518,114
Utility Taxes	714,782	738,759	796,016	796,016	782,372	974,442	-	974,442
License & Permits	350,864	566,594	537,990	739,050	1,054,899	654,237	-	654,237
Planning & Development	310,673	498,655	432,730	563,410	831,677	532,322	-	532,322
Fines & Forfeits	86,102	76,077	92,248	92,248	74,062	78,747	-	78,747
Charge for Goods & Svc	354,945	360,957	418,815	418,815	420,580	434,619	-	434,619
Intergovernmental/Grant	337,225	388,706	286,831	309,831	327,868	175,822	-	175,822
Other Rev/Donations	59,310	86,158	104,111	104,111	115,944	134,981	-	134,981
Total Revenue	4,221,023	4,785,702	4,796,036	5,150,776	5,972,343	5,519,285	-	5,519,285

City Council Work Session August 25, 2016

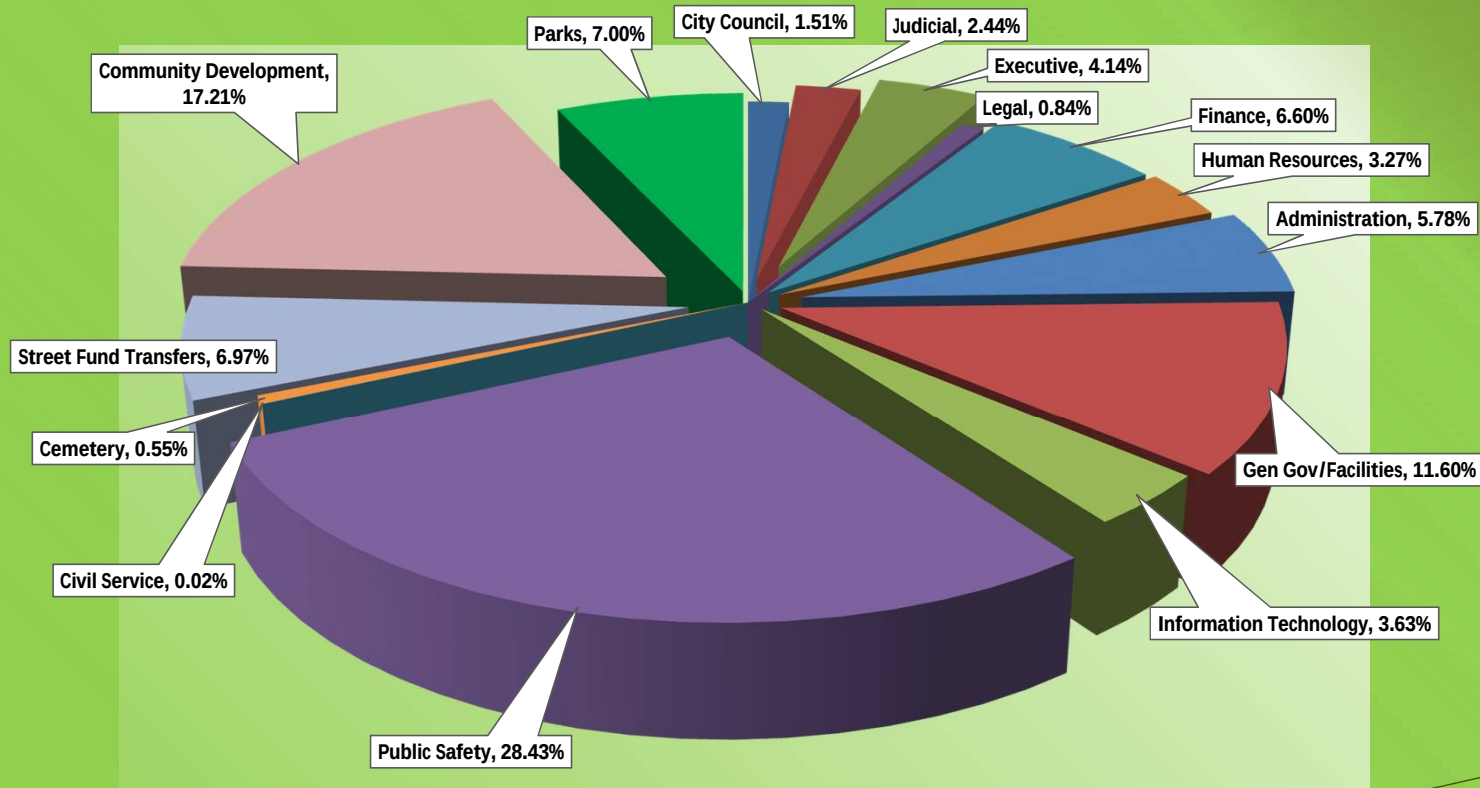
2017 Preliminary Baseline Budget

General Fund Expenditure by Department

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
001 General Fund								
Expense								
City Council	47,339	52,575	60,940	60,940	65,198	80,433	-	80,433
Judicial	121,433	116,151	128,000	124,500	108,922	130,000	-	130,000
Executive	226,988	179,499	198,429	193,429	192,604	220,447	-	220,447
Legal	52,275	62,129	60,000	60,000	32,322	45,000	-	45,000
Finance	291,905	311,700	323,724	314,724	305,958	351,646	-	351,646
Human Resources	147,210	172,569	169,135	201,635	198,902	174,218	-	174,218
Administration	274,182	313,041	330,090	325,090	349,787	307,972	-	307,972
Gen Govt/Facilities	449,627	526,600	549,290	653,461	639,285	617,811	-	617,811
Information Tech	107,839	115,942	103,318	219,054	219,305	193,098	-	193,098
Public Safety	1,159,728	1,237,531	1,330,045	1,453,845	1,395,376	1,514,355	-	1,514,355
Civil Service	48	794	1,300	1,300	103	1,000	-	1,000
Cemetery	63,571	34,010	29,430	29,990	21,148	29,466	-	29,466
Transfers	378,174	326,000	343,200	612,300	612,300	371,000	-	371,000
Community Development	624,280	1,031,026	604,255	911,755	884,561	916,451	-	916,451
Parks	319,540	353,263	323,626	394,004	348,526	372,916	-	372,916
Total Expense	4,264,139	4,832,830	4,554,782	5,556,027	5,374,298	5,325,813	-	5,325,813
Net Total	(43,116)	(47,128)	241,254	(405,251)	598,045	193,472	-	193,472

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget General Fund Expenditure by Department



City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget General Fund: Available Fund Balance

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
001 General Fund								
Fund Balance								
Beginning Fund Balance	2,372,511	2,329,395	2,282,272	2,282,272	2,282,272	2,880,317	3,073,789	2,880,317
Ending Fund Balance	2,329,395	2,282,272	2,523,526	1,877,021	2,880,317	3,073,789	3,073,789	3,073,789
Req Gen Fund Reserve Bal	1,358,881	1,533,259	1,444,213	1,444,213	1,444,213	1,429,097	1,429,097	1,429,097
Req Building Reserve Bal	-	214,104	214,104	214,104	214,104	311,653	311,653	311,653
Restricted for Building	-	277,454	532,328	532,328	1,161,164	1,171,050	1,171,050	1,171,050
Fund Balance Available	970,514	257,455	332,881	(313,624)	60,836	161,989	161,989	161,989

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget General Fund Net Revenue



City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget General Fund Revenue, Expense, and Fund Balance



City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget Street Fund Revenues and Expenditures

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
101 Street Fund								
Revenue								
Utility Tax/Franchise Fee	40,213	43,058	57,049	57,049	58,425	61,543	-	61,543
Permits	7,477	4,777	7,500	7,500	17,556	9,937	-	9,937
Grants	-	-	-	3,500	3,500	-	-	-
Intergovernmental	124,152	129,095	138,048	138,048	144,704	156,705	-	156,705
Other Revenue	5,464	13,017	300	300	5,942	2,525	-	2,525
Transfers In	283,560	326,000	343,200	454,200	454,200	371,000	-	371,000
Total Revenue	460,866	515,947	546,097	660,597	684,327	601,709	-	601,709
Expense								
Streets	452,433	510,409	530,603	656,149	627,312	630,976	-	630,976
Total Expense	452,433	510,409	530,603	656,149	627,312	630,976	-	630,976
Net Total	8,433	5,538	15,494	4,448	57,015	(29,267)	-	(29,267)
Fund Balance								
Beg Fund Balance	2,433	10,866	16,404	16,404	16,404	73,419	44,152	73,419
Ending Fund Balance	10,866	16,404	31,898	20,852	73,419	44,152	44,152	44,152
Reserves Maintain in GF	-	-	-	-	-	-	-	-
Fund Balance Available	10,866	16,404	31,898	20,852	73,419	44,152	44,152	44,152

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget

Water Utility Fund Revenues and Expenditures

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
406 Water Utility Fund								
Revenue								
Charge for Goods & Svc	1,060,132	1,292,763	1,370,437	1,408,687	1,542,576	1,504,869	-	1,504,869
Other Revenue	14,613	9,275	9,000	9,000	8,210	10,557	-	10,557
Transfers In	9,756	86,750	323,775	323,775	323,775	-	-	-
Total Revenue	1,084,501	1,388,788	1,703,212	1,741,462	1,874,560	1,515,426	-	1,515,426
Expense								
Water Utility	1,255,812	1,314,627	1,610,915	1,699,957	1,616,367	1,302,848	-	1,302,848
Total Expense	1,255,812	1,314,627	1,610,915	1,699,957	1,616,367	1,302,848	-	1,302,848
Net Total	(171,311)	74,161	92,297	41,505	258,193	212,577	-	212,577
Fund Balance								
Beginning Fund Balance	1,238,771	1,053,526	1,170,879	1,170,879	1,170,879	1,429,072	1,641,650	1,429,072
Ending Fund Balance	1,053,526	1,170,879	1,263,176	1,212,384	1,429,072	1,641,650	1,641,650	1,641,650
Required Reserves	432,168	453,177	485,130	485,130	485,130	501,793	501,793	501,793
Fund Balance Available	621,358	717,702	778,046	727,254	943,942	1,139,857	1,139,857	1,139,857

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget

Sewer Utility Fund Revenues and Expenditures

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
407 Sewer Utility Fund								
Revenue								
Charge for Goods & Srvs	544,724	868,735	630,221	630,221	630,221	658,812	-	658,812
Other Revenue	410,032	153,133	1,201,275	1,201,275	1,200,825	50	-	50
Total Revenue	954,756	1,021,868	1,831,496	1,831,496	1,831,046	658,862	-	658,862
Expense								
Sewer Collection & Debt	382,077	154,476	1,200,775	1,200,775	1,200,775	-	-	-
Sewer Treatment Utility	1,359,927	1,228,501	630,671	630,671	615,501	642,695	-	642,695
Total Expense	1,742,004	1,382,977	1,831,446	1,831,446	1,816,276	642,695	-	642,695
Net Total	(787,248)	(361,109)	50	50	14,770	16,167	-	16,167
Fund Balance								
Beginning Fund Balance	1,431,834	501,175	140,066	140,066	140,066	154,836	171,003	154,836
Ending Fund Balance	501,175	140,066	140,116	140,116	154,836	171,003	171,003	171,003
Required Reserves	156,000	156,000	156,000	156,000	156,000	170,000	170,000	170,000
Fund Balance Available	345,175	(15,934)	(15,884)	(15,884)	(1,164)	1,003	1,003	1,003

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget

Stormwater Utility Fund Revenues and Expenditures

Description	2014 Actual	2015 Actual	2016 Baseline	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
408 Stormwater Utility Fund								
Revenue								
Charge for Goods & Svc	337,107	375,878	401,910	401,910	419,780	431,678	-	431,678
Other Revenue	3,115	2,842	2,500	2,500	1,504	2,620	-	2,620
Total Revenue	340,222	378,720	404,410	404,410	421,284	434,298	-	434,298
Expense								
Stormwater Utility	239,073	345,262	248,237	844,840	632,456	429,118	-	429,118
Total Expense	239,073	345,262	248,237	844,840	632,456	429,118	-	429,118
Net Total	101,149	33,458	156,173	(440,430)	(211,172)	5,181	-	5,181
Fund Balance								
Beginning Fund Balance	368,203	472,055	500,838	500,838	500,838	289,666	294,847	289,666
Ending Fund Balance	472,055	500,838	657,011	60,408	289,666	294,847	294,847	294,847
Required Reserves	96,619	120,761	149,726	149,726	149,726	145,830	145,830	145,830
Fund Balance Available	375,436	380,077	507,285	(89,318)	139,940	149,017	149,017	149,017

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget Special Revenue Fund: Revenue Projections

Description	2014 Actual	2015 Actual	2016 Final Budget	2016 Est. Year End	2017 Baseline	2017 Additions	2017 Final Budget
105 Real Estate Excise Tax (REET) Fund							
Total Revenue	526,129	682,500	500,000	788,114	772,722	-	772,722
111 Drug Fund							
Total Revenue	3,298	5,572	1,150	1,188	1,149	-	1,149
114 Park Impact Fee (PIF) Fund							
Total Revenue	355,343	1,239,569	726,595	1,036,804	753,691	-	753,691
115 Traffic Impact Fee (TIF) Fund							
Total Revenue	90,887	104,264	238,904	229,039	256,913	-	256,913
416 Water Utility SDC Fund							
Total Revenue	610,056	714,675	1,062,750	1,627,098	1,073,541	-	1,073,541

City Council Work Session August 25, 2016

2017 Preliminary Baseline Budget Special Revenue Fund: 2017 Fund Balance

Fund	Beginning	Ending
105 Real Estate Excise Tax (REET)	3,322,566	4,095,288
111 Drug Fund	12,747	13,896
114 Park Impact Fee (PIF)	1,939,416	2,693,107
115 Transportation Impact Fee (TIF)	705,595	962,508
416 Water System Development Charge	4,965,268	6,023,997

City Council Work Session August 25, 2016

Next Steps

- Review Department Director initiatives
- September Budget Advisory Committee Meeting
 - Updated revenue forecast
 - Present proposed budget with initiatives
 - Present capital budget
- September Council Work Session
 - Updated revenue forecast
 - Present proposed budget with initiatives
 - Present capital budget

City Council Work Session August 25, 2016

Next Steps

- October Budget Advisory Committee Meeting
 - Present preliminary budget and budget message
 - Updated revenue forecast
- October Council Work Session
 - Present preliminary budget and budget message
 - Updated revenue forecast
- November Budget Advisory Committee Meeting
 - Present final draft of budget
 - Prepare for revenue hearing

City Council Work Session August 25, 2016

Next Steps

- November Council Meetings
 - Present final draft of 2016 budget and conduct public hearing and first reading
 - Conduct public hearing on revenues
 - Propose property tax levy and utility rate increase
- December Council Meeting
 - Conduct public hearing and second reading of 2016 budget for adoption
 - Publish budget

City Council Work Session August 25, 2016

ACKNOWLEDGEMENTS QUESTIONS?

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016

ITEM: CONSENT AGENDA

AGENDA ITEM TITLE: Approval of Minutes from the Following Meeting of the Council:
August 11, 2016

AGENDA ITEM TITLE:

Approval of minutes from the following meeting(s) of the council:

August 11, 2016 City Council Meeting

GOVERNING LEGISLATION:

Not applicable

PREVIOUS COUNCIL ACTION TAKEN:

Not applicable

SUMMARY/BACKGROUND:

Staff has prepared the minutes for Council consideration of adoption for the Council meeting(s)

BUDGET/FINANCIAL IMPACTS:

Not applicable

RECOMMENDED ACTION OR MOTION:

Staff recommends Council approve the minutes by making the following motion:

1. "I move to approve the consent agenda"

STAFF CONTACT: Julie Basarab, City Clerk

ATTACHMENTS: City Council 20160811 (PDF)

Approved to be placed on City Council Agenda:

CITY OF RIDGEFIELD, WASHINGTON

CITY COUNCIL MEETING MINUTES

DATE: August 11, 2016

ATTENDANCE:

COUNCIL: Mayor Ron Onslow, Council Member Lee Wells, Sandra Day, David Taylor, John Main, Don Stose, Darren Wertz.

ABSENT: None

STAFF: City Manager Steve Stuart,
Community Development Director Jeff Niten, Public Works Director Bryan Kast,
Finance Director Kirk Johnson, City Attorney Janean Parker,
City Clerk Julie Basarab.

CALL TO ORDER [6:31:07 PM](#)

FLAG SALUTE

ROLL CALL

LATE CHANGES TO THE AGENDA: [6:31:57 PM](#)

Add Executive Session regarding potential litigation after the approval of Consent Agenda.

PUBLIC COMMENT: [6:32:50 PM](#)

Tevis Laspa – Resident [6:33:07 PM](#)

Submitted letter to City Council regarding storm water concerns on Gee Creek.

Requesting City to effectively and economically treat storm water.

Learned that pipe line that emerges at 4th/Division is to be expanded in size without storm water treatment.

Old town needs drainage improvement - asking to consider improvement.

Be proactive to clean up old pollution.

Council member Lee Wells in attendance [6:36:04 PM](#)

Tevis Laspa – Resident/Member of Friends of the Ridgefield Library

Great that the City is supporting new library.

Condemnation of the property is not the way we do stuff – not the correct way.

Roger Oviatt - Resident [6:37:08 PM](#)

Received letter today regarding condemnation of the property.

Haven't been contacted before - Would like to find out what it's for.

Attachment: City Council 20160811 (1052 : Approval of Minutes)

CONSENT AGENDA: [6:37:44 PM](#)**1. Approval of Minutes from July 28, 2016****2. Approval of Claims/Payroll**

MOTION: Council member Don Stose moved to approve consent agenda as presented.

SECOND: Council member David Taylor.

[6:38:05 PM](#)

Vote: 7-0

Yes: Mayor Ron Onslow; Council member David Taylor, Lee Wells, Darren Wertz, Don Stose, John Main and Sandra Day

No: None

Abstained: None

Absent: None

Motion unanimously passed.

MOTION: Council member Don Stose moved to recess into executive session pursuant to RCW 42.30.110 for 15th minutes to discuss potential litigation regarding Walker/Rohrer Development Agreement.

SECOND: Council Member John Main [6:39:09 PM](#)

Vote: 7-0

Yes: Mayor Ron Onslow; Council member David Taylor, Lee Wells, Darren Wertz, Don Stose, John Main and Sandra Day

No: None

Abstained: None

Absent: None

Motion unanimously passed.

Mayor Onslow reconvened the meeting at 6:51 P.M.

PUBLIC HEARING/BUSINESS: [6:52:28 PM](#)**1. Hearing on Walker-Rohrer Development Agreement Amendment**

City Attorney Janean Parker - legal issue were raised regarding this agreement, City has authority to enter into development agreement per RCW 36C.170 - development agreement itself does not create lots, does not subdivide the property and does not violate the terms of the covenant that's been brought before you. Clarification – even if it did this is a private restricted covenant between property owners and it is not enforceable by the City.

Community Development Director Jeff Niten - The original annexation and development agreement was approved by Council on April 10, 2008 through adoption of Ordinance 988. The proposed amendment to the Development Agreement applies primarily to properties owned or controlled by Holt (formerly Walker and Rohrer). However, similar provisions will apply to the property owned by Urban Downs subject to several requirements that must be met prior to July 31, 2017. The amended development agreement will allow the Holt properties to develop at densities shown on the attached concept plan, and that Holt will dedicate 2.0 acres of parkland to the City as shown on the Concept Plan. Holt will also

make 6.0 acres of parkland available for purchase as shown on the Concept Plan. Trail development in compliance with the 2014 Comprehensive Parks and Trails Plan shall also be provided as shown on the attached Concept Plan. As part of this amendment the applicant has agreed to comply with the neighborhood design standards (18.210.060) for this development, as well as the lighting standards (18.715) requiring LED lighting throughout the development.

Mayor Opened the Hearing [7:03:46 PM](#)

Jim Wilson – Helens View HOA [7:04:12 PM](#)

We have come to the microphone before and did question back in 2008 the annexation of lot #26.

Very concerned about this development - 586 homes proposed.

Density adjustment was done back in 2008 for larger lots.

Concerns - No views of mountains or votes on land development.

Susan Rasmussen – Helens View Resident [7:07:31 PM](#)

Ordinance No. 988 on page one – “To encourage the most appropriate use of land throughout the area to be annexed; to lessen traffic congestion and accidents; to secure safety from fire; to provide adequate light and air; to prevent overcrowding of land; to avoid undue concentration of population; to promote a coordinated development of the unbuilt areas; to encourage the formation of neighborhood or community units;” – You have a neighborhood in place that is protected with CC&R’s.

Neighborhood has concerns about your attitude in regards to our CC&R’s.

Binding CC&R’s on lot#26.

Suggesting to pass the Ordinance but eliminate lot# 26.

We would like to maintain the character of our neighborhood.

Randy Printz – Representative [7:10:40 PM](#)

City went through a long process back in 2008.

Lot sizes that are in Helens View are illegal today under the GMA – they are illegal to create anymore.

Minimum 765 homes under the existing agreement.

Master plan creates 586 homes, parks are increased.

Capital facilities are at capacity for the project.

We understand is difficult for Helens view folks.

What we are proposing is not required – we are proposing a better agreement.

Will still have to go through subdivision process and additional public hearings.

Richard Bustamante – Helens View Resident [7:17:55 PM](#)

Sounds like great calibration has taking place but it hasn’t happened with us.

Difficult in the position we are in – we’re County property.

I don’t feel like I’m being represented here.

I don’t have an elected official to represent me here.

Mayor Closed the Hearing [7:19:34 PM](#)

2. Ordinance No. 1210 [7:19:59 PM](#)**First Reading on Walker-Rohrer Development Agreement Amendment**

MOTION: Council member Don Stose moved to waive the second reading and adopt Ordinance No. 1210 as presented.

SECOND: Council Member John Main.

Council discussion, Mayor Onslow went over discussion that occurred back in 2008 and history.

[7:32:20 PM](#)

Vote:

7-0

Yes:

Mayor Ron Onslow; Council member David Taylor, Lee Wells, Darren Wertz, Don Stose, John Main and Sandra Day

No:

None

Abstained:

None

Absent:

None

Motion unanimously passed.

PUBLIC HEARING/BUSINESS: [7:32:30 PM](#)**1. Hearing on Brown Development Agreement**

The City, during the development of the 2016 Ridgefield Urban Area Comprehensive Plan, requested the subject area be considered by Clark County for an Urban Growth Area expansion. The Clark County Board of Councilors considered the requested expansion for inclusion and ultimately granted the request at a duly noticed public hearing on June 21, 2016. Clark County Ordinance 2016-06-12 was adopted by the County on June 28, 2016 and is effective ten (10) days following adoption, or July 8, 2016. The development agreement proposes a number of items that will control development of the property.

Mayor opened the hearing [7:37:13 PM](#)

Newt Rumble – Non Resident [7:37:51 PM](#)

Property located North/Western of the project - Allen Canyon flows through area
Development on 31st and Pioneer – have not adequately addressed the drainage problem along Allen Canyon.

A year ago in July flooding occur in Allen Canyon Creek – 6 inches of run off.

Seasonal standing water concerns.

Allen Canyon Creek banks flooding.

This is a high end development and it is appreciated.

Protect us downstream from water damage.

Require the developers to take adequate action to prevent run off damage.

Jamie Howsley - Attorney for Mr. Brown [7:42:01 PM](#)

Thank you Council for working with my client.

Larger lots will be provided under the development.

Storm water evaluation process will be completed during the PUD application.

Cynthia Carlson – Non Resident [7:44:25 PM](#)

Traditional agricultural area in Clark County – rural area.

Irrigation is limited in agricultural areas.

Vote should not be taking tonight.

Yards to be irrigated.

We all have wells – and should be maintained at the well capacity.

Appreciate that it's a high land development but we have number of concerns.

Janice Myev – Non Resident [7:48:03 PM](#)

Heard what you have done for the other development – Walker/Rohrer.

Concerns about the development – agricultural zoning.

Don't want to see the nature and hills to change.

Questions about the integrity regarding Mr. Brown – google his name.

Oregon Supreme Court case – #S43511, some of the charges are fraud and dishonesty on Mr. Brown.

All development procedures take time - things could change down the line and we have no guarantee.

Concerns regarding traffic and drainage.

Dave Garret – Non Resident [7:51:49 PM](#)

Mr. Brown property surrounds mine – I lived there for 20 years.

I have a views of mountains and open fields.

Concerns - taking property and turning into hundreds of homes.

What's the purpose of the annexation?

I know Mr. Brown and had many conversations.

Take the property and turn it into parks instead of homes.

Would like to have a say at the next meeting.

George Cook – Non Resident [7:55:18 PM](#)

Not within the 300 feet boundary but I am downstream of the Allen Canyon Creek.

Drainage concerns - take control of Allen Canyon Creek.

Traffic concerns – crossing 289th with no traffic control.

Please consider communicating with County for traffic control.

Collaboration with neighbors, please consider us and inform us on ongoing discussions.

Charles Hendrickson – Non Resident [8:00:47 PM](#)

I have no understanding of what you are doing tonight.

Prior to passing more discussions are needed.

Dave Garret – Non Resident [8:01:56 PM](#)

289th and 45th/31st Ave traffic concerns.

Cars drive fast down and up the hill in that spot.

More of a vote is needed and I don't understand the whole process.

Trying to understand the annexation and how that happens.

Kay Hendrickson – Non Resident [8:04:08 PM](#)

We have a lot of animals, wildlife and we love it.

Traffic concerns on 45th Avenue.

How many houses per lot?

Don't like to see development this close.

Sarah Smith – Non Resident [8:05:04 PM](#)

Trying to understand the process.

Have the same concerns as my neighbors.

Traffic, drainage concerns.

You are putting more homes then jobs.

Concerns regarding the infrastructure out there.

Lots of traffic concerns.

Barb Kusik – Non Resident [8:07:45 PM](#)

All great things happen in schools.

Space for education is needed – we are overcrowded.

What's the infrastructure?

Once it's annexed it will be developed.

Vote should not be made tonight

Mayor closed the hearing [8:08:58 PM](#)

Staff provided answers – 107 acres, half or less is buildable – 200 homes. Properties inside the city limits are only required to connect.

2. Ordinance No. 1213 [8:14:02 PM](#)

First Reading on Brown Development Agreement

First reading conducted

BUSINESS: [8:14:49 PM](#)

1. Ordinance No. 1214

First Reading to Authorize Condemnation Process

The City of Ridgefield has determined that current facilities for the public library no longer meet the needs of a growing community. As a result the City has been looking for property for an expanded public library facility that will meet the needs of the community now and into the future. The only remaining site vetted by the City Council as a potential location for expansion of the Ridgefield Community Library, based on the needs analysis, site evaluation, and community input, is properties located at the corner of Mill and Main, and extending west along Mill to Railroad Ave.

The City has mailed notice to the property owner of record via certified mail to provide required notification per RCW 8.25.290.

First reading conducted.

2. Ordinance No. 1215 [8:21:02 PM](#)

First Reading of Amendment to Ridgefield Municipal Code 18.070 (Impact Fees Collection)

Currently the city collects impact fees at the time of building permit application. During the 2015 Legislative session the State Legislature adopted ESB 5923 which requires counties, cities, and towns planning under the Growth Management Act to adopt a deferral program for impact fees on attached and detached single family residential construction. The legislation and this ordinance only applies to impact fees such as schools, parks, and transportation. System development charges including water and sewer are unaffected. The Ordinance also removes entirely RDC 18.070.110. This section is a remnant that should have been removed during the Comprehensive Plan process and the Council's adoption of Ordinance 1203. This ordinance corrects that oversight.

MOTION: Council member Don Stose, ESB 5923 must be implemented by September 1, 2016 and it is urgent we adopt Ordinance No. 1215. I move to waive the second reading and adopt Ordinance No. 1215 as presented".

SECOND: Council member David Taylor.

[8:24:56 PM](#)

Vote:	7-0
Yes:	Mayor Ron Onslow; Council member David Taylor, Lee Wells, Darren Wertz, Don Stose, John Main and Sandra Day
No:	None
Abstained:	None
Absent:	None

Motion unanimously passed.

3. Resolution No. 511 [8:25:04 PM](#)

Notice of Intent to Annex for Brown Property

The City received a Notice of Intent to Annex for the Brown property on June 22, 2016. The annexation notice was submitted by the owner of all of the properties within the annexation area, Milt Brown representing several LLCs. The Brown property is located on the City's northern border in the NW corner of the intersection of N 45th Ave and N 10th St. The area includes 18 individual parcels and adjacent ROW along NW 31st Ave (to become N 45th Ave as part of the City grid) and NW 289th St, totaling 111.42 acres. The proposed Brown annexation area is designated Urban Low in the Comprehensive Plan, and the recommended zoning upon annexation is Residential Low-Density 4 (RLD-4) with Urban Holding 10 (UH-10) overlay to limit development until capital facilities are sufficient to support development. The property is currently undeveloped.

MOTION: Council member Don Stose moved to adopt Resolution No. 511 as presented.

SECOND: Council member David Taylor.

[8:31:54 PM](#)

Vote:	7-0
Yes:	Mayor Ron Onslow; Council member David Taylor, Lee Wells, Darren Wertz, Don Stose, John Main and Sandra Day

No: None
 Abstained: None
 Absent: None

Motion unanimously passed.

PUBLIC COMMENT [8:32:01 PM](#)

Lorna Earl – Member of Friends of the Ridgefield Library.

Appreciate the service and finding the property for the library, fundraising has become difficult without knowing the location. Concerns regarding the condemnation of any property.

Sandy Schill - Resident [8:33:59 PM](#)

Asked neighbors that live next to the dog park what they think – they are delighted and see lots of dogs playing in the field and appreciate the City putting the dog park there.
 While I was visiting them I saw 6 dogs playing at the park.

Roy Rhine - Lieutenant [8:35:28 PM](#)

National Night Out was a great event - appreciation to all employees that helped out.

COUNCIL/PRESIDING OFFICER/STAFF REPORTS: [8:36:07 PM](#)

Council member Wertz - attended National Night Out event, dedication ceremony for the U-Haul sign, briefing with City Manager.

Council member Taylor – attended National Night Out event, dedication ceremony for the U-Haul sign, briefing with City Manager, meeting with NW Natural folks.

Council member Main – attended dedication ceremony for the U-Haul sign, pump station dedication ceremony.

Council member Wells – attended pump station dedication ceremony, dedication ceremony for the U-Haul sign, National Night Out event, tour with CREDC and their new marketing director.

Council Member Day – attended friends of the refuge meeting, and many other meeting that the rest of the council attended, joint City, Port and School meeting, AWC committee meeting in Olympia.

Council member Stose – attended joint City, Port and School meeting.

Mayor Ron Onslow – attended many meetings, National Night Out was a huge success, Clark College meeting, dedication ceremony for the U-Haul sign, meeting at the school regarding athletics and library meeting.

City Manager Steve Stuart – National Night Out was a great community event, joint meeting with Port and School, condemnation process update provided, Tuesdays in the park events.

Community Development Director Jeff Niten – CDD report provided.

Public Works Director Bryan Kast – National Night Out was a great event – Thank you to Public Works staff, additional grapes vines were received today and ready to be planted at the roundabout.

Finance Director Kirk Johnson – First budget advisory committee meeting is next week.

FROM THE COUNCIL

ADJOURN [8:50:23 PM](#)

Julie Basarab, City Clerk

Ron Onslow, Mayor

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016
ITEM: CONSENT AGENDA
AGENDA ITEM TITLE: Approval of Claims And/Or Payroll

GOVERNING LEGISLATION:

Revised Code of Washington Title 35A

PREVIOUS COUNCIL ACTION TAKEN:

City Council approves claims and/or payroll of the City on a regular basis

BACKGROUND:

Vendor claims

BUDGET/FINANCIAL IMPACTS:

See vendor detail attached

RECOMMENDED ACTION OR MOTION:

Staff recommends Council approve the claims and/or payroll by making the following motion:

“I move to approve the consent agenda as presented”

STAFF CONTACT: Kirk Johnson, Finance Director
ATTACHMENTS: August 25 2016 - Claims Report (PDF)

Approved to be placed on City Council Agenda:

City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
2569	ANDERSON SIGNS, INC.*	32447	PD VEHICLE LOGOS		Pub Safety	600.00
						600.00
32	ARAMARK UNIFORM SERVICES*	862474439	FLOOR MATS - CITY HALL/PW/CDD/PD		Genl Govt	19.39
32	ARAMARK UNIFORM SERVICES*	862474440	UNIFORM SERVICES		Genl Govt	64.16
						83.55
2165	B & L PAPER COMPANY*	22733	OVERLOOK PARK PAPER TOWELS		Pub Wrks	136.58
						136.58
1708	BERGERABAM*	315714	RORC GRANT SUPPORT	P1010	Pub Wrks	1,351.51
1708	BERGERABAM*	315752	SMYTHE ROAD TRAIL PROJECT	P1012	Pub Wrks	955.67
						2,307.18
2119	BSK ASSOCIATES*	V602552	LAB ANALYSIS - ALKALINITY & COLIFORM		Pub Wrks	529.00
						529.00
2634	CARVER*KEVIN & HOLLY	1	UTIL REFUND 12 88534		Admin	65.72
						65.72
2230	CASCADE WEST DEVELOPMENT*	201608-01	PERMIT OVERPAYMENT REFUND		Admin	6,000.00
						6,000.00
2551	CFM STRATEGIC COMMUNICATIONS, INC.*	23544	JULY 2016 LOBBYIST		Genl Govt	4,559.16
						4,559.16
92	CITY OF BATTLE GROUND*	848	COURT COSTS - JULY 2016		Judicial	12,061.66
						12,061.66
2391	CLACKAMAS CONSTRUCTION, INC.*	11A	JUNCTION 1.0 RESERVOIR - LESS 5% RETAINAGE	P1018	Pub Wrks	124,681.91
2391	CLACKAMAS CONSTRUCTION, INC.*	11B	JUNCTION WELL - LESS 5% RETAINAGE	P1019	Pub Wrks	7,726.05
						132,407.96
554	CLARK COUNTY TREASURERS OFFICE*	201608-01	JULY 2016 IMPACT FEES		Admin	120,021.00
						120,021.00
102	CLARK COUNTY*	170010049	COMM NOTIFICATION OF REGISTERED SEX OFFENDER		Pub Safety	37.94
						37.94
110	CLARK PUBLIC UTILITIES*	20160817-1	ELECTRICITY - 3701 N 3RD CIR		Pub Wrks	26.90
110	CLARK PUBLIC UTILITIES*	20160817-2	ELECTRICITY - 512 ALLEN DR		Pub Wrks	26.83
110	CLARK PUBLIC UTILITIES*	20160817-3	ELECTRICITY - PIONEER ST & GEE CREEK LOOP		Pub Wrks	27.48
110	CLARK PUBLIC UTILITIES*	20160817-4	ELECTRICITY - OVERLOOK PARK		Pub Wrks	52.05

Attachment: August 25 2016 - Claims Report (1053 : Approval of Claims And/Or Payroll)

City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
110	CLARK PUBLIC UTILITIES*	20160817-5	ELECTRICITY - 2300 N 3RD WAY BELLWOOD TRAIL		Pub Wrks	32.94
110	CLARK PUBLIC UTILITIES*	20160817-6	WATER - 800 NE 264 ST INTERTIE 1		Pub Wrks	1,445.30
110	CLARK PUBLIC UTILITIES*	20160817-7	WATER - 1504 NW 289 ST INTERTIE 3		Pub Wrks	729.50
110	CLARK PUBLIC UTILITIES*	20160817-8	WATER - 911 N 65 AV INTERTIE 2		Pub Wrks	231.90
						2,572.90
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-1	301 N 3RD AVE - CDD SEWER		Com Dev	49.10
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-2	109 W DIVISION WWTP SEWER		Pub Wrks	233.07
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-3	116 N MAIN AVE - PD SEWER		Pub Safety	47.86
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-4	230 PIONEER ST CITY HALL - SEWER		Genl Govt	88.88
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-5	ABRAMS PARK KITCHEN & IRRIGATION - SEWER		Pub Wrks	44.13
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-6	ABRAMS PARK RESTROOMS - SEWER		Pub Wrks	88.25
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-7	ABRAMS PARK FORMER PARK MGR HOUSE - SEWER		Pub Wrks	40.68
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-8	ABRAMS PARK CONCESSIONS		Pub Wrks	45.37
741	CLARK REGIONAL WASTEWATER DISTRICT*	20160815-9	255 S 56TH PL		Pub Wrks	43.65
						680.99
2271	COMCAST BUSINESS*	201608-01	PD COMMUNICAITONS		Pub Safety	287.63
2271	COMCAST BUSINESS*	201608-02	PW/WWTP COMMUNICATIONS		Pub Wrks	294.32
2271	COMCAST BUSINESS*	201608-03	CITY HALL COMMUNICAITONS		Genl Govt	239.37
2271	COMCAST BUSINESS*	904853386	CITY HALL COMMUNICATIONS		Genl Govt	363.75
						1,185.07
1101	COMDATA NETWORK, INC.*	20255169	PD FUEL - XN795		Pub Safety	543.25
1101	COMDATA NETWORK, INC.*	20255170	PW/CDD FUEL XN173 & NNO PROPANE		Com Dev	1,130.13
						1,673.38
2410	COURTNEY ACOSTAGRATES*	2217	INTREPERTATION SERVICES		Judicial	83.64
						83.64
2452	CROSSMATCH*	276024	LIVE FINGERPRINT SCANNER	P1002	Pub Safety	11,094.74
						11,094.74
154	DEPARTMENT OF LICENSING*	201608-02	CPL FEES - FISHER		Admin	18.00
154	DEPARTMENT OF LICENSING*	201608-03	CPL FEES - GINGER MCKETHAN		Admin	18.00
154	DEPARTMENT OF LICENSING*	201608-04	CPL FEES - RIPP		Admin	18.00

Attachment: August 25 2016 - Claims Report (1053 : Approval of Claims And/Or Payroll)

City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
154	DEPARTMENT OF LICENSING*	201608-05	CPL FEES - KELLER		Admin	18.00
154	DEPARTMENT OF LICENSING*	201608-06	CPL FEES - MCPEAKE		Admin	18.00
154	DEPARTMENT OF LICENSING*	201608-07	CPL FEES - JENNIFER MOURIKIS		Admin	18.00
154	DEPARTMENT OF LICENSING*	201608-08	CPL FEES - AARON MOURIKIS		Admin	18.00
						126.00
2369	DOLLAR TREE DISTRIBUTION*	201608-01	PARK REFUNDABLE DEPOSIT		Admin	50.00
						50.00
485	E2 LAND USE PLANNING SERVICES, LLC*	201608-01	JULY 2016 PLANNING CONSULTING - PRO SERVICES		Com Dev	16,555.92
						16,555.92
2081	ELCOR, INC*	7844	INFORMATION TECHNOLOGY SERVICES			11,381.84
						11,381.84
2630	ENGLISH & MARSHALL, PLLC*	10434	7/12/16 TRIAL FEE		Judicial	900.00
						900.00
2632	ERICKSON STRUCTURAL CONSULT. ENGINEERS*	6961	RSD SOIL ANCHORS @ MODULAR CLASSROOM BLDG		Com Dev	1,096.25
						1,096.25
181	FERGUSON ENTERPRISES INC # 8423*	0534533	STREETS SUPPLIES		Pub Wrks	27.11
						27.11
677	FIDELITY NATIONAL TITLE*	20160817-1	LAND PURCHASE AGREEMENT		Pub Wrks	1,025,000.00
677	FIDELITY NATIONAL TITLE*	20160817-2	LAND PURCHASE AGREEMENT - EARNEST MONEY		Pub Wrks	100,000.00
						1,125,000.00
2555	GEORGE TURKOV*	201608-03	MILEAGE REIMBURSEMENT - POLICE ACADEMY		Pub Safety	163.62
						163.62
2036	H.D. FOWLER COMPANY*	C394229	RETURN - LIBERTY THEARTER SERVICE RELOCATION		Pub Wrks	-131.18
2036	H.D. FOWLER COMPANY*	I4274990	WATER METERS		Pub Wrks	970.92
2036	H.D. FOWLER COMPANY*	I4286830	DOG PARK SUPPLIES	P1014	Pub Wrks	95.61
2036	H.D. FOWLER COMPANY*	I4292338	2009 S. SEVIER - SERVICE REPAIR		Pub Wrks	66.56
2036	H.D. FOWLER COMPANY*	I4295180	LIBERTY THEARTER SERVICE RELOCATION		Pub Wrks	537.93
2036	H.D. FOWLER COMPANY*	I4295396	LIBERTY THEARTER SERVICE RELOCATION		Pub Wrks	304.09
2036	H.D. FOWLER COMPANY*	I4296312	WATER SUPPLIES		Pub Wrks	110.30
2036	H.D. FOWLER COMPANY*	I4296313	LIBERTY THEARTER SERVICE RELOCATION		Pub Wrks	19.25

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City of Ridgefield

Claims Payment Report

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Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
2036	H.D. FOWLER COMPANY*	I4299655	WATER OPERATIONAL SUPPLIES		Pub Wrks	148.87
						2,122.35
214	HARRY'S LAWN & POWER EQUIPMENT*	105204	WEED EATER SUPPLIES		Pub Wrks	61.87
						61.87
734	HDR ENGINEERING, INC.*	1200004573	UNDERSIZED WATER MAIN REPLACEMENT		Pub Wrks	9,550.19
734	HDR ENGINEERING, INC.*	1200004991	MAIN AVE PRESERVATION PROJECT	P1008	Pub Wrks	5,489.32
						15,039.51
2528	HERB N' ROOTS CATERING CO.*	20160819-1	2016 RIDGEFIELD FARM TO TABLE EVENT		Genl Govt	6,504.00
						6,504.00
2635	HOLT OPPORTUNITY FUND*	SGN-16-0008	REFUND - OVERPMT ON SIGN PERMIT SGN-16-0008		Admin	136.00
						136.00
1805	HOME DEPOT CREDIT CARD SERVICES*	4575216	DUSTEN GLOVES & PW SHOP SUPPLIES		Genl Govt	47.59
						47.59
2594	HR ANSWERS, INC.*	39113	CLASSIFICATION/COMPENSATION STUDY			1,200.14
						1,200.14
2187	INTERMEDIA.NET, INC*	1608002935	VOICE SERVICE CHARGES			80.02
						80.02
540	INTERNATIONAL CODE COUNCIL, INC.*	3104901	ANNUAL MEMBERSHIP DUES - PERRY		Com Dev	135.00
						135.00
558	J.L. STOREDAHL & SONS*	192250	CRUSHED ROCK - DOG PARK	P1014	Pub Wrks	310.68
558	J.L. STOREDAHL & SONS*	192517	CRUSHED ROCK - DOG PARK	P1014	Pub Wrks	865.95
558	J.L. STOREDAHL & SONS*	192904	CRUSHED ROCK - DOG PARK	P1014	Pub Wrks	166.47
						1,343.10
2265	JESSICA DUNCAN*	201608-01	PARK REFUNDABLE DEPOSIT - 2 DAYS		Admin	100.00
						100.00
2099	JESSICA KIPP*	201608-02	MILEAGE REIMBURSEMENT - EVENT ERRANDS		Genl Govt	43.36
2099	JESSICA KIPP*	201608-03	MILEAGE REIMBURSEMENT - EVENT ERRANDS		Genl Govt	22.04
						65.40
2448	JOHN MAIN*	201608-01	MILEAGE REIMBURSEMENT - JULY 2016		Council	34.13
						34.13
2629	JOSH SAUER*	201608-01	PARK REFUNDABLE DEPOSIT		Admin	50.00

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City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
						50.00
2088	LARCH CORRECTIONS CENTER*	LCC1607.375A	DOG PARK CLEAN UP	P1014	Pub Wrks	524.58
2088	LARCH CORRECTIONS CENTER*	LCC1607.375B	STREETS/STORM AREA CLEANUP		Pub Wrks	353.43
						878.01
1784	LARSEN SIGN CO*	20858	POLICE VEHICLE DECALS		Pub Safety	1,247.16
						1,247.16
899	MACKAY & SPOSITO, INC.*	028740	GEE CREEK TRAIL PROJECT	P1011	Pub Wrks	16,392.49
						16,392.49
285	MALLORY SAFETY & SUPPLY LLC*	4123679	PW SAFETY VESTS		Genl Govt	89.24
285	MALLORY SAFETY & SUPPLY LLC*	4123791	UNIFORMS - THAMERT		Genl Govt	253.57
						342.81
498	NAPA AUTO PARTS*	924171	VEHICLE MAINT. - 1997 FORD RANGER		Genl Govt	67.23
498	NAPA AUTO PARTS*	926416	VEHICLE MAINTENANCE		Com Dev	77.31
						144.54
1219	NATIONAL ASSOCIATION OF TOWN WATCH*	NNO3593	2016 NNO BANNERS		Genl Govt	175.00
						175.00
522	NORTHWEST STAFFING*	4064991	TEMP SERVICES - WEEK ENDING 7/24/16		Com Dev	904.80
522	NORTHWEST STAFFING*	4065262	TEMP SERVICES - WEEK ENDING 7/31/16		Com Dev	904.80
522	NORTHWEST STAFFING*	4065571	TEMP SERVICES - WEEK ENDING 8/7/16		Com Dev	904.80
						2,714.40
1599	OFFICEMAX, INCORPORATED*	659842	EXTERNAL CD/DVD READER FOR ENGINEER			54.15
1599	OFFICEMAX, INCORPORATED*	761653	PD OFFICE & OPERATIONAL SUPPLIES		Pub Safety	484.46
						538.61
2562	OPENGOV, INC*	2203	OPENGOV SOFTWARE			8,400.00
						8,400.00
1787	OTAK, INC.*	000081600033	SARGENT ST. STORMWATER IMPROVEMENT	P1021	Pub Wrks	691.24
1787	OTAK, INC.*	000081600045	CONSTRUCTION INSPECTION SERVICES		Com Dev	2,543.39
						3,234.63
1564	PACIFIC OFFICE AUTOMATION*	269902	CITY HALL & PW/CDD QUARTERLY USAGE		Genl Govt	178.70
1564	PACIFIC OFFICE AUTOMATION*	269903	PW QUARTERLY USAGE		Pub Wrks	11.53
1564	PACIFIC OFFICE AUTOMATION*	51208772	PW/CDD COPIER LEASE		Com Dev	322.94

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City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
1564	PACIFIC OFFICE AUTOMATION*	51209701	CITY HALL COPIER & PW PRINTER LEASE		Genl Govt	770.96
						1,284.13
2372	PATRICK HILDRETH BRAND & DESIGN*	638	NEW LOGO BUSINESS CRDS/LETTERHEAD/WEB DESIGN		Genl Govt	9,447.06
						9,447.06
2637	PIONEER CANYON INVESTMENTS, LLC*	BLD-15-0341	TIF OVERPAYMENT REFUND		Admin	1,517.74
						1,517.74
2082	PORTLAND ENGINEERING, INC*	5909	TELEMETRY MAINT - C2015-052		Pub Wrks	1,013.81
						1,013.81
2633	PROGRESSION PLANNING SERVICES*	16124	SPORTS COMPLEX - PLANNING & ENGINEERING SVCS	P1010	Pub Wrks	2,850.00
						2,850.00
841	RAYMOND NEWBILL*	201608-01	ICC CERTIFICATION RENEWAL REIMBURSEMENT		Com Dev	110.00
						110.00
2385	REAL PROPERTY MANAGEMENT AUTHORITY*	1004	707 N ABRAMS - CHIMNEY REPAIRS		Genl Govt	2,617.86
						2,617.86
369	REFLECTOR*	92782	ORDINANCE NO. 1211		Com Dev	44.28
369	REFLECTOR*	92940	DNS - PORT OF RIDGEFIELD		Com Dev	105.22
369	REFLECTOR*	92941	DNS - HILLHURST COMMERCIAL CENTER		Com Dev	102.14
369	REFLECTOR*	92946	PUB. HRG. NOTICE - PET ANNEX BROWN PROPERTY		Com Dev	45.51
369	REFLECTOR*	92947	PUB. HRG. NOTICE - BROWN DEV. AGREEMENT		Com Dev	43.36
369	REFLECTOR*	92964	DNS - RIDGECREST PUD		Com Dev	112.39
						452.90
376	RIDGEFIELD HARDWARE*	201608-01	OPERATIONAL SUPPLIES		Pub Wrks	583.84
						583.84
556	SANDY'S SIGN AND DESIGN*	484	TEMP. PARKING LOT & MISC BUSINESS SIGNS		Genl Govt	308.94
						308.94
1688	SENVOY, LLC*	97348	COURIER SERVICES		Finance	32.20
						32.20
2596	SGA ENGINEERING, PLLC*	10329	45TH & ROYLE RD IMPROVEMENT	P1026	Pub Wrks	8,772.43
						8,772.43
2274	SHRED-IT USA LLC*	8120788409	JULY 2016 SECURE SHREDDING - CITY HALL		Genl Govt	31.20

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City of Ridgefield

Claims Payment Report

For Approval on: August 25, 2016

Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
2274	SHRED-IT USA LLC*	8120788410	JULY 2016 SECURE SHREDDING - CDD/PW		Pub Wrks	31.20
2274	SHRED-IT USA LLC*	8120788411	JULY 2016 SECURE SHREDDING - PD		Pub Safety	33.28
						95.68
1083	SHRM*	9006715375	MEMBERSHIP RENEWAL 10/1/16-9/30/17			190.00
						190.00
2550	SMARSH*	INV00170721	SOCIAL MEDIA & EMAIL ARCHIVING - JULY 2016			188.00
						188.00
156	STATE OF WASHINGTON*	18703018	JULY 2016 EXCISE AND B&O TAX		Pub Wrks	12,925.90
						12,925.90
2075	STEVE STUART*	201608-02	MILEAGE REIMBURSEMENT-WCMA 2016 SUMMER CONF		Exec	279.18
						279.18
2636	STEVEN A. NORTON*	201608-01	PD CHIEF RECRUITMENT			400.00
						400.00
1788	SYSTEMS FOR PUBLIC SAFETY, INC.*	28420	INSTALL EMERGENCY EQUIPMENT - 59461D		Pub Safety	5,626.50
1788	SYSTEMS FOR PUBLIC SAFETY, INC.*	28422	INSTALL EMERGENCY EQUIPMENT - 59463D		Pub Safety	5,626.50
1788	SYSTEMS FOR PUBLIC SAFETY, INC.*	28423	INSTALL EMERGENCY EQUIPMENT - 59462D		Pub Safety	5,389.10
						16,642.10
825	TEST AMERICA LABORATORIES, INC*	58096748	ANNUAL BIO SOLIDS TEST		Pub Wrks	288.00
						288.00
1857	THE GOODYEAR TIRE & RUBBER COMPANY*	43365938	PD SNOW TIRES		Pub Safety	523.41
						523.41
1786	THE MASTERS TOUCH, LLC*	46778	DELINQUENT UTILITY STMTS JULY 2016		Pub Wrks	338.54
1786	THE MASTERS TOUCH, LLC*	P46778	POSTAGE - DELINQUENT UTILITY STMTS JULY 2016		Pub Wrks	248.78
						587.32
964	THE PARR COMPANY*	26328446	U-HAUL SIGN SUPPLIES		Pub Wrks	51.44
964	THE PARR COMPANY*	26328969	DOG PARK SUPPLIES	P1014	Pub Wrks	146.84
964	THE PARR COMPANY*	26329198	DOG PARK SUPPLIES	P1014	Pub Wrks	71.70
964	THE PARR COMPANY*	26329305	DOG PARK SUPPLIES	P1014	Pub Wrks	20.74
964	THE PARR COMPANY*	26329357	DOG PARK SUPPLIES	P1014	Pub Wrks	20.00
964	THE PARR COMPANY*	26329978	OFFICE TRAILER REPAIR		Pub Wrks	12.24

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City of Ridgefield

Claims Payment Report

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Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
964	THE PARR COMPANY*	26330025	WATER OPERATIONAL SUPPLIES		Pub Wrks	7.58
964	THE PARR COMPANY*	26330198	WWTP SUPPLIES & PW OFFICE TRAILER REPAIR		Pub Wrks	20.34
						350.88
2625	THE REFUGE CHEF*	1012	FARM TO TABLE APPETIZER SERVICE		Genl Govt	1,951.20
						1,951.20
2046	THE REINALT-THOMAS CORPORATION*	2032783	TIRES - 1997 FORD RANGER		Genl Govt	877.70
						877.70
2236	TRABUCCO CONSULTING, LLC*	6784	1ST SATURDAY POSTCARDS		Genl Govt	300.00
2236	TRABUCCO CONSULTING, LLC*	6785	ENHANCE BUSINESS OPPORTUNITY		Com Dev	1,207.39
						1,507.39
747	TRIBECA TRANSPORT LLC*	COR-1612	SLUDGE HAULING		Pub Wrks	2,440.00
						2,440.00
2237	US BANK*	201608-01	JULY 2016 CUSTODY CHARGES		Finance	36.00
						36.00
451	VANCOUVER AUTO GROUP*	89952	PD VEHICLE MAINT.		Pub Safety	316.50
						316.50
452	VERIZON WIRELESS*	9769479826-1	CDD CELL PHONES		Com Dev	329.49
452	VERIZON WIRELESS*	9769479826-2	IPADS		Pub Safety	574.60
452	VERIZON WIRELESS*	9769479826-3	PD CELL PHONES		Pub Safety	793.73
452	VERIZON WIRELESS*	9769479826-4	PW CELL PHONES		Genl Govt	566.36
452	VERIZON WIRELESS*	9769479826-5	(7) NEW COUNCIL IPADS			6,677.30
						8,941.48
464	WALLIS ENGINEERING*	12819	REIMAN ROAD GUARDRAIL	P1009	Pub Wrks	152.05
						152.05
463	WASHINGTON STATE PATROL*	I17000590	CPL BACKGROUND CHECKS		Admin	191.75
						191.75
1681	WELLS FARGO*	201608-1765	JULY 2016 VISA STATEMENT - HOOTS		Pub Safety	108.21
1681	WELLS FARGO*	201608-2725	JULY 2016 VISA STATEMENT - STUART		Exec	57.30
1681	WELLS FARGO*	201608-4542	JULY 2016 VISA STATEMENT - BASARAB		Genl Govt	1,331.33
1681	WELLS FARGO*	201608-4814	JULY 2016 VISA STATEMENT - KAST		Genl Govt	40.19
1681	WELLS FARGO*	201608-5651	JULY 2016 VISA STATEMENT - BLEHM		Genl Govt	19.47

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City of Ridgefield

Claims Payment Report

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Vendor #	Vendor Name	Invoice No.	Description	Contract No.	Resp. Dept	Amount
1681	WELLS FARGO*	201608-5669	JULY 2016 VISA STATEMENT - ARENDS		Pub Wrks	318.72
1681	WELLS FARGO*	201608-5677	JULY 2016 VISA STATEMENT - BRUNSON		Genl Govt	560.01
1681	WELLS FARGO*	201608-6206	JULY 2016 VISA STATEMENT - RHINE		Pub Safety	43.96
1681	WELLS FARGO*	201608-7785	JULY 2016 VISA STATEMENT - KNOTTNERUS		Administratio n	160.00
1681	WELLS FARGO*	201608-7829	JULY 2016 VISA STATEMENT - KIPP		Genl Govt	1,483.08
1681	WELLS FARGO*	201608-8717	JULY 2016 VISA STATEMENT - NITEN		Com Dev	14.85
						4,137.12
655	WILCO FARM STORE*	683731	PARKS OPERATIONAL SUPPLIES		Pub Wrks	21.67
655	WILCO FARM STORE*	683878	STREETS OPERATIONAL SUPPLIES		Pub Wrks	81.29
						102.96
1050	YULIYA BASARAB*	201608-01	MILEAGE REIMBURSEMENT		Genl Govt	19.82
						19.82
Total All Vendors						1,594,523.32

Attachment: August 25 2016 - Claims Report (1053 : Approval of Claims And/Or Payroll)

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016
ITEM: PRESENTATION
AGENDA ITEM TITLE: Salary Commission Presentation

The following information is being provided to enable the Ridgefield Salary Commission to fulfill its responsibilities under Ridgefield Municipal Code Section 2.62.

Commission Role:

In April 2014, the City Council established an independent Salary Commission. The role of the Commission is to review and establish the salaries of the mayor and the council members.

The RMC directs that the Salary Commission submit a salary schedule to the City Clerk for publication in ordinance form. The schedule shall then be incorporated into the city budget without further action by the Council.

Commissioners:

The Commission is made up of five citizens residing within the Ridgefield city limits or its urban growth boundary. The Commissioners are appointed by the Mayor, subject to approval of the City Council. No Commission member may be a city officer, official or employee of the city or any of their immediate family members. Commission members serve four year terms and may be appointed for no more than two terms.

The current members of the Salary Commission who are involved in the salary setting process are: David Kelly, Chair, Terry Hurd, Gary Adkins, Clyde Burkle and Victoria Haugen.

History:

At its meeting on October 7, 2014, a salary schedule was adopted in ordinance form by a unanimous vote of the Commissioners. The salary schedule became effective January 1, 2015. The ordinance provided for the following salaries:

Approved to be placed on City Council Agenda:

Mayor – A monthly salary of \$750; for an annual maximum of \$9,000.

Councilmembers – A monthly salary of \$375 for an annual maximum of \$4,500.

Prior to the increase on January 1, 2015 Mayor/Councilmembers held the following salary schedule (which had been established in 2003):

Mayor – \$100 per meeting; for an annual maximum of \$6,000.

Councilmembers - \$50 per meeting; for an annual maximum of \$3,000.

The Salary Setting Process:

The Commission used the following process to develop the salary schedule:

Research was done on the salaries of mayors and councilmembers in other Washington cities which are comparable to the City of Ridgefield and/or in the Clark County area.

Review of the current economic and budget conditions of the City.

Consideration of pay increases provided to City employees over the past three (3) years.

Two public meetings were held for discussion and public comment on the appropriate salaries for the mayor and council.

Commission Decision

At its final meeting on May 10, 2016, a salary schedule was adopted in ordinance form by a unanimous vote of the Commissioners. The salary schedule will become effective law 30 days after adoption but will not be implemented until January 1, 2017. The ordinance provides for the following salaries:

Mayor – A monthly salary of \$1,000; for an annual maximum of \$12,000.

Councilmembers – A monthly salary of \$500 for an annual maximum of \$6,000.

STAFF CONTACT: Lee Knottnerus, Deputy City Manager

ATTACHMENTS:

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016
ITEM: PRESENTATION
AGENDA ITEM TITLE: Second Quarter 2016 Financial Report

GOVERNING LEGISLATION: N/A

PREVIOUS COUNCIL ACTION TAKEN: Council adopted the 2016 budget on December 3, 2015. The Finance department presents quarterly reports on budget to actual ongoing.

SUMMARY/BACKGROUND: The Finance Department is presenting the second quarter financial report for 2016.

BUDGET/FINANCIAL IMPACTS: No financial impacts are anticipated.

RECOMMENDED ACTION OR MOTION: None

STAFF CONTACT: Kirk Johnson, Finance Director
ATTACHMENTS: 2nd Quarter 2016 Budget Report (PPTX)

Approved to be placed on City Council Agenda:



2nd Quarter 2016 Financial Report

City Council Meeting August 25, 2016

Agenda

- FUND BALANCES
- REQUIRED RESERVES
- GENERAL FUND REVENUE & EXPENSE
- STREET FUND REVENUE & EXPENSE
- SPECIAL REVENUE FUNDS
- CAPITAL FUNDS
- UTILITY FUNDS
- INVESTMENT REPORT

City Council Meeting August 25, 2016

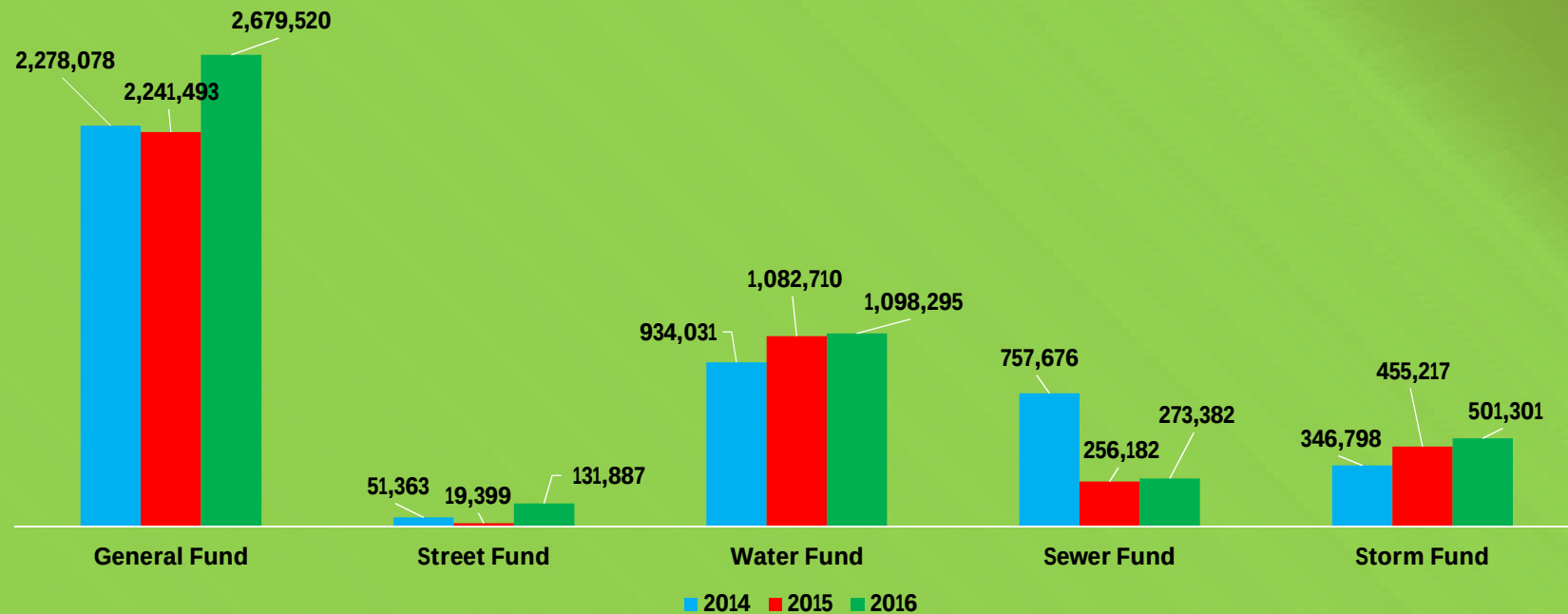
2nd Quarter Ending Fund Balance Operating Funds

	General Fund	Street Fund	Water Utility	Sewer Utility	Storm Utility
Beginning Balance	2,277,931	(5,291)	1,147,320	117,858	525,784
2nd Quarter Ending Bal	2,679,520	131,887	1,098,295	273,382	501,301
Change	401,589	137,178	(49,025)	155,524	(24,483)

City Council Meeting August 25, 2016

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2nd Quarter Ending Fund Balance – Last 3 Years Operating Funds



City Council Meeting August 25, 2016

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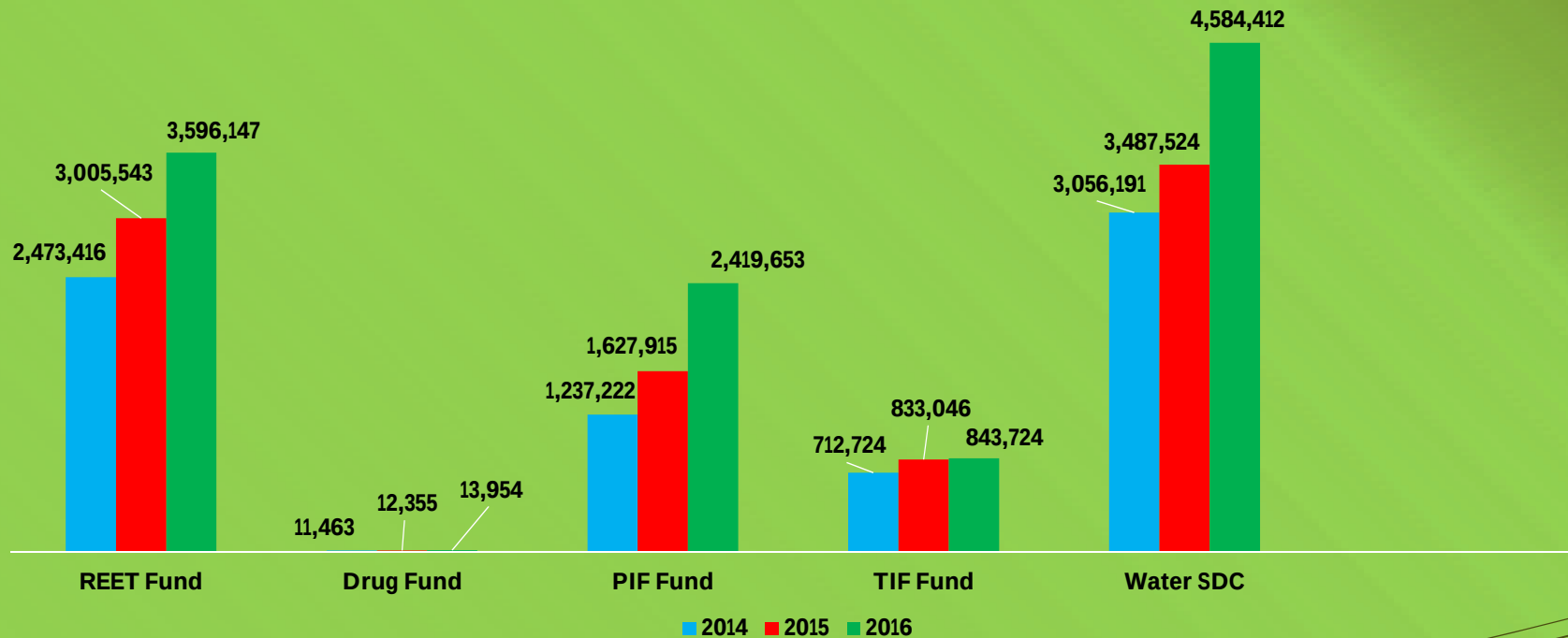
2nd Quarter Ending Fund Balance Special Revenue Funds

	REET Fund	Drug Fund	PIF Fund	TIF Fund	Water SDC
Beginning Balance	3,222,652	15,059	2,041,313	831,555	3,755,157
2nd Quarter Ending Bal	3,596,147	13,954	2,419,653	843,724	4,584,412
Change	373,495	(1,105)	378,340	12,169	829,255

City Council Meeting August 25, 2016

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2nd Quarter Ending Fund Balance – Last 3 Years Special Revenue Funds



City Council Meeting August 25, 2016

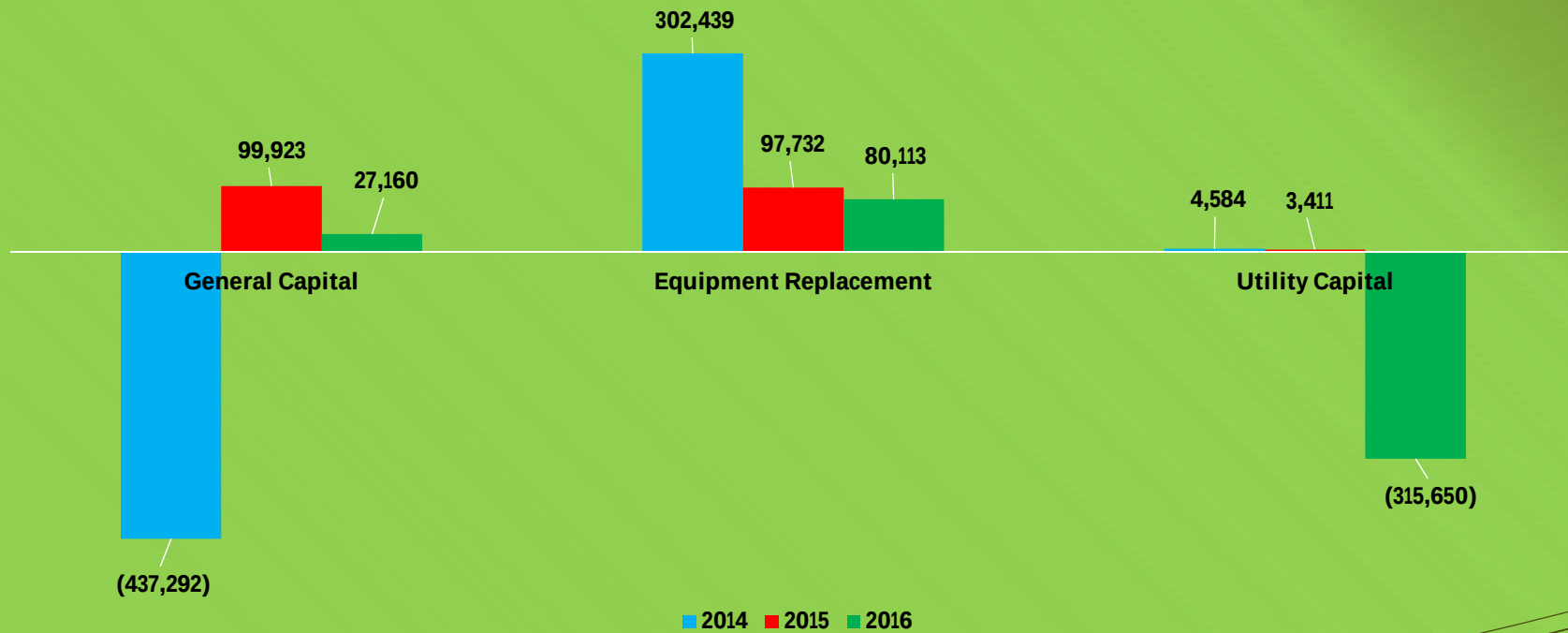
6

2nd Quarter Ending Fund Balance Capital Funds

	General Capital	ERF Fund	Utility Capital
Beginning Balance	102,577	111,928	(569,799)
2nd Quarter Ending Bal	27,160	80,113	(315,650)
Change	(75,417)	(31,815)	254,149

City Council Meeting August 25, 2016

2nd Quarter Ending Fund Balance – Last 3 Years Capital Funds



City Council Meeting August 25, 2016

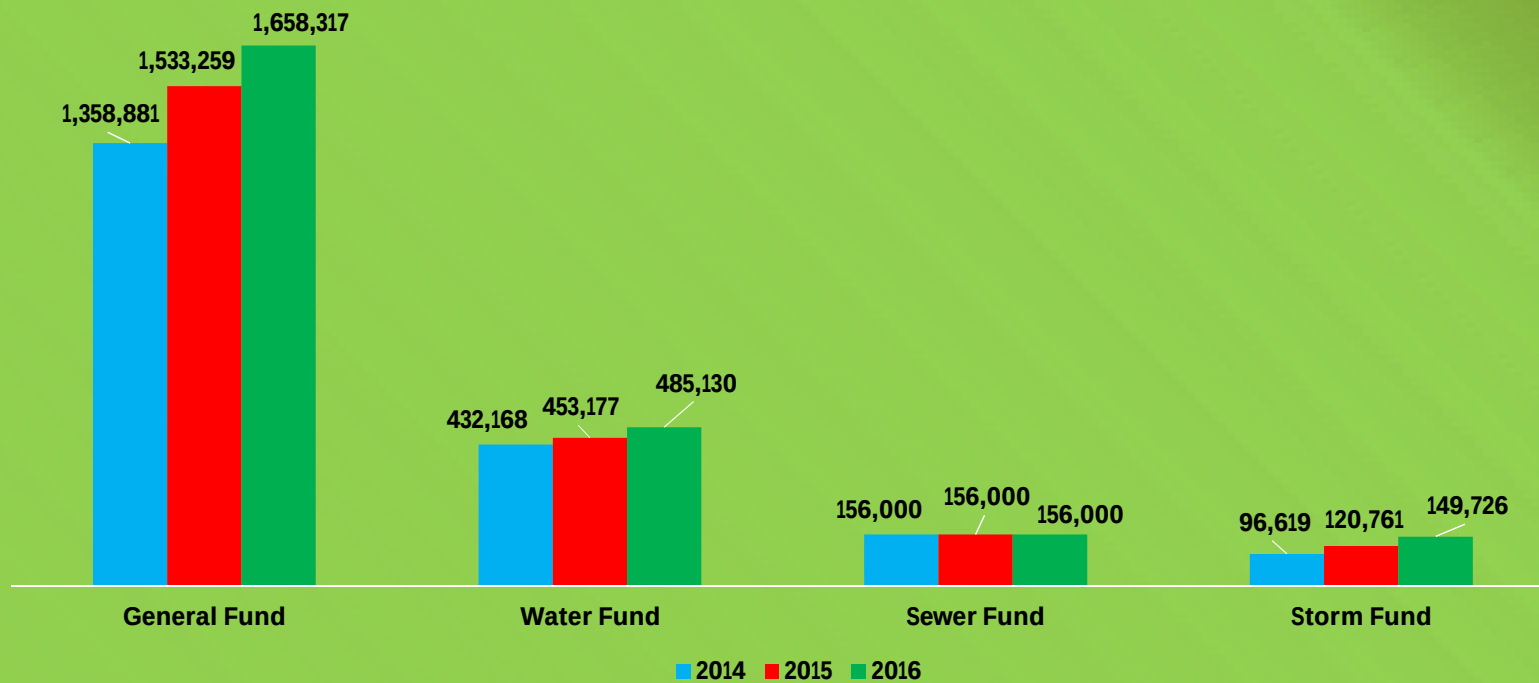
2016 Required Reserve Balances

	O&M	Revenue Stab.	Debt Service	Capital	2016 Reserves	2015 Reserves	% Change
General Fund	805,700	493,241	15,800	343,576	1,658,317	1,533,259	8.16%
Water Fund	302,058	-	75,000	108,072	485,130	453,177	7.05%
Storm Fund	96,199	-	-	53,527	149,726	120,761	23.99%
Total	1,203,957	493,241	90,800	505,175	2,293,173	2,107,197	8.83%

City Council Meeting August 25, 2016

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Required Reserve Balance – Last 3 Years



City Council Meeting August 25, 2016

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General Fund Revenue

Revenue	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Property Taxes	\$ 549,684	\$ 965,000	57.0%	\$ 528,599	4.0%
Retail Sales Taxes	604,135	1,154,185	52.3%	493,657	22.4%
Utility and Other Taxes	300,171	804,126	37.3%	302,922	-0.9%
Licenses and Permits	551,258	739,050	74.6%	225,935	144.0%
Planning and Development	435,911	563,410	77.4%	251,032	73.6%
Fines Forfeits and Restitution	29,768	92,248	32.3%	37,545	-20.7%
Charges for Goods and Services	1,933	2,000	96.7%	921	109.9%
Interfund Charges for Goods and Services	208,407	416,815	50.0%	179,163	16.3%
Intergovernmental/Grants/Other	186,152	413,942	45.0%	194,496	-4.3%
Total General Fund Revenue	\$ 2,867,419	\$5,150,776	55.7%	\$ 2,214,270	29.5%

City Council Meeting August 25, 2016

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General Fund Expense

Expense	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Department					
City Council	\$ 35,256	\$ 60,940	57.9%	\$ 25,122	40.3%
Judicial	51,482	124,500	41.4%	45,984	12.0%
Legal	13,231	60,000	22.1%	24,786	-46.6%
Executive	92,401	193,429	47.8%	88,872	4.0%
Finance	161,632	314,724	51.4%	173,564	-6.9%
Human Resources	71,304	201,635	35.4%	86,325	-17.4%
Administration	158,277	325,090	48.7%	152,790	3.6%
General Government/Facilities	296,342	548,761	54.0%	281,378	5.3%
Information Tech	107,942	219,054	49.3%	38,761	178.5%
Public Safety	644,774	1,455,145	44.3%	586,258	10.0%
Cemetery	9,555	29,990	31.9%	31,539	-69.7%
Community Development	390,701	911,755	42.9%	399,477	-2.2%
Parks	147,377	364,004	40.5%	154,200	-4.4%
Transfer to Equip Replace Fund	26,175	104,700	25.0%	35,098	-25.4%
Transfers Out - To Street Fund	227,100	462,300	49.1%	175,583	29.3%
Transfers To Capital - Streets	2,281	150,000	1.5%	-	
Transfers To Capital - Parks	30,000	30,000	100.0%		
Total General Fund Expense	\$ 2,465,830	\$5,556,027	44.4%	\$ 2,299,737	7.2%
Total Net Revenue (Loss)	\$ 401,589	\$ (405,251)	-99.1%	\$ (85,467)	-569.9%

City Council Meeting August 25, 2016

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Attachment: 2nd Quarter 2016 Budget Report (1047 : Second Quarter 2016 Financial Report)

General Fund - Fund Balance

Fund Balance	2Q 2016 YTD Actual	2016 Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 2,277,931	\$2,277,931	\$2,326,959	-2.1%
Net Increase (Decrease)	401,589	(405,251)	(85,467)	-569.9%
Ending Balance	2,679,520	1,872,680	2,241,492	19.5%
Less: Reserved Amounts *	1,658,317	1,658,317	1,533,259	8.2%
Net Ending and Available Balance	\$ 1,021,203	\$ 214,363	\$ 708,233	44.2%
* Includes Street Fund Reserves				

City Council Meeting August 25, 2016

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Street Fund – Revenue & Expense

Revenue	2Q 2016		2016 Budget	2Q % of Budget	2Q 2015		2Q 2016 v 2Q 2015
	YTD	Actual			YTD	Actual	
Tax/Franchise Fees	\$	20,856	\$ 57,049	36.6%	\$	20,596	1.3%
Vehicle Motor Fuel Tax		48,847	138,048	35.4%		49,388	-1.1%
Grants		-	3,500	0.0%		-	
Permits		9,357	7,500	124.8%		1,870	400.4%
Transfer In - General Fund		227,100	454,200	50.0%		175,583	29.3%
Other Revenue		5,934	300	1978.0%		11	53845.5%
Total Street Fund Revenue	\$	312,094	\$ 660,597	47.2%	\$	247,448	26.1%
Expense	2Q 2016		2016 Budget	2Q % of Budget	2Q 2015		2Q 2016 v 2Q 2015
	YTD	Actual			YTD	Actual	
Street Fund	\$	174,916	\$ 656,149	26.7%	\$	238,915	-26.8%
Total Street Fund Expense	\$	174,916	\$ 656,149	26.7%	\$	238,915	-26.8%
Total Net Revenue (Loss)	\$	137,178	\$ 4,448	3084.0%	\$	8,533	1507.6%
Fund Balance	2Q 2016		2016 Budget		2Q 2015		2Q 2016 v 2Q 2015
	YTD	Actual			YTD	Actual	
Beginning Balance	\$	(5,291)	\$ (5,291)		\$	10,867	-148.7%
Net Increase (Decrease)		137,178	4,448			8,533	1507.6%
Ending Balance		131,887	(843)			19,400	
Less: Reserved Amounts *		-	-			-	
Net Ending and Available Balance	\$	131,887	\$ (843)		\$	19,400	

*Reserves Maintained in General Fund

City Council Meeting August 25, 2016

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Real Estate Excise Tax Fund

Real Estate Excise Tax (REET)	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 392,977	\$ 500,000	78.6%	\$ 306,925	28.0%
Expense	19,482	2,313,200	0.8%	23,084	
Total Net Revenue (Loss)	\$ 373,495	\$(1,813,200)	-20.6%	\$ 283,841	31.6%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 3,222,652	\$ 3,222,652		\$ 2,721,702	18.4%
Net Increase (Decrease)	373,495	(1,813,200)		283,841	31.6%
Ending Fund Balance	\$ 3,596,147	\$ 1,409,452		\$ 3,005,543	19.7%

City Council Meeting August 25, 2016

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Drug Fund

Drug	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 594	\$ 1,150	51.7%	\$ 388	53.1%
Expense	1,699	3,500	48.5%	-	
Total Net Revenue (Loss)	\$ (1,105)	\$ (2,350)	47.0%	\$ 388	-384.8%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 15,059	\$ 15,059		\$ 11,967	25.8%
Net Increase (Decrease)	(1,105)	(2,350)		388	-384.8%
Ending Fund Balance	\$ 13,954	\$ 12,709		\$ 12,355	12.9%

City Council Meeting August 25, 2016

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Park Impact Fee Fund

Park Impact Fee (PIF)	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 566,038	\$ 951,895	59.5%	\$ 226,740	149.6%
Expense	187,698	1,364,000	13.8%	21,346	0.0%
Total Net Revenue (Loss)	\$ 378,340	\$ (412,105)	-91.8%	\$ 205,394	84.2%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 2,041,313	\$ 2,041,313		\$ 1,422,521	43.5%
Net Increase (Decrease)	378,340	(412,105)		205,394	84.2%
Ending Fund Balance	\$ 2,419,653	\$ 1,629,208		\$ 1,627,915	48.6%

City Council Meeting August 25, 2016

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Traffic Impact Fee Fund

Traffic Impact Fee (TIF)	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 108,390	\$ 238,904	45.4%	\$ 61,539	76.1%
Expense	96,221	355,000	27.1%	540	100.0%
Total Net Revenue (Loss)	\$ 12,169	\$ (116,096)	-10.5%	\$ 60,999	-80.1%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 831,555	\$ 831,555		\$ 772,047	7.7%
Net Increase (Decrease)	12,169	(116,096)		60,999	-80.1%
Ending Fund Balance	\$ 843,724	\$ 715,459		\$ 833,046	1.3%

City Council Meeting August 25, 2016

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General Capital Fund

General Capital Projects	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 335,690	\$ 6,889,850	4.9%	\$ 208,404	61.1%
Expense	411,107	6,974,175	5.9%	56,169	631.9%
Total Net Revenue (Loss)	\$ (75,417)	\$ (84,325)	89.4%	\$ 152,235	-149.5%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 102,577	\$ 102,577		\$ (52,312)	-96.1%
Net Increase (Decrease)	(75,417)	(84,325)		152,235	-149.5%
Ending Fund Balance	\$ 27,160	\$ 18,252		\$ 99,923	127.2%

City Council Meeting August 25, 2016

Equipment Replacement Fund

Equipment Replacement (ERF)	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 41,356	\$ 165,759	24.9%	\$ 68,467	-39.6%
Expense	73,171	123,400	59.3%	44,053	66.1%
Total Net Revenue (Loss)	\$ (31,815)	\$ 42,359	-75.1%	\$ 24,414	-230.3%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 111,928	\$ 111,928		\$ 73,318	52.7%
Net Increase (Decrease)	(31,815)	42,359		24,414	-230.3%
Ending Fund Balance	\$ 80,113	\$ 154,287		\$ 97,732	-18.0%

City Council Meeting August 25, 2016

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Water Utility Fund

Water Utility O&M	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 625,306	\$ 1,741,462	35.9%	\$ 549,992	13.7%
Expense	674,331	1,699,957	39.7%	587,633	14.8%
Total Net Revenue (Loss)	\$ (49,025)	\$ 41,505	-118.1%	\$ (37,641)	30.2%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 1,147,320	\$ 1,147,320		\$ 1,120,351	2.4%
Net Increase (Decrease)	(49,025)	41,505		(37,641)	30.2%
Ending Balance	1,098,295	1,188,825		1,082,710	1.4%
Less: Reserved Amounts	485,130	485,130		453,177	7.1%
Net Ending and Available Fund Balance	\$ 613,165	\$ 703,695		\$ 629,533	-2.6%

City Council Meeting August 25, 2016

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Sewer Treatment Utility Fund

Sewer Treatment Utility O&M	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 448,061	\$ 1,831,496	24.5%	\$ 389,717	15.0%
Expense	292,537	1,831,446	16.0%	1,035,707	-71.8%
Total Net Revenue (Loss)	\$ 155,524	\$ 50	311048.0%	\$ (645,990)	-124.1%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 117,858	\$ 117,858		\$ 902,172	-86.9%
Net Increase (Decrease)	155,524	50		(645,990)	-124.1%
Ending Balance	273,382	117,908		256,182	6.7%
Less: Reserved Amounts	156,000	156,000		156,000	0.0%
Net Ending and Available Fund Balance	\$ 117,382	\$ (38,092)		\$ 100,182	17.2%

City Council Meeting August 25, 2016

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Stormwater Utility Fund

Stormwater Utility O&M	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 210,367	\$ 404,410	52.0%	\$ 189,078	11.3%
Expense	234,850	844,840	27.8%	185,824	26.4%
Total Net Revenue (Loss)	\$ (24,483)	\$ (440,430)	5.6%	\$ 3,254	-852.4%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 525,784	\$ 525,784		\$ 451,963	16.3%
Net Increase (Decrease)	(24,483)	(440,430)		3,254	-852.4%
Ending Balance	501,301	85,354		455,217	10.1%
Less: Reserved Amounts	149,726	149,726		120,761	24.0%
Net Ending and Available Fund Balance	\$ 351,575	\$ (64,372)		\$ 334,456	5.1%

City Council Meeting August 25, 2016

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Water SDC Fund

Water SDC	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 866,461	\$ 1,062,750	81.5%	\$ 331,614	161.3%
Expense	37,206	781,275	4.8%	37,338	-0.4%
Total Net Revenue (Loss)	\$ 829,255	\$ 281,475	294.6%	\$ 294,276	181.8%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ 3,755,157	\$ 3,755,157		\$ 3,193,248	17.6%
Net Increase (Decrease)	829,255	281,475		294,276	181.8%
Net Ending and Available Fund Balance	\$ 4,584,412	\$ 4,036,632		\$ 3,487,524	31.5%

City Council Meeting August 25, 2016

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Utility Capital Fund

Utility Capital Projects	2Q 2016 YTD Actual	2016 Budget	2Q % of Budget	2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Revenue	\$ 1,655,056	\$ 2,954,550	56.0%	\$ 16,017	10233.1%
Expense	1,400,907	2,954,500	47.4%	17,206	8042.0%
Total Net Revenue (Loss)	\$ 254,149	\$ 50	508298.0%	\$ (1,189)	-21475.0%
Fund Balance	2Q 2016 YTD Actual	2016 Budget		2Q 2015 YTD Actual	2Q 2016 v 2Q 2015
Beginning Balance	\$ (569,799)	\$ (569,799)		\$ 4,600	-12486.9%
Net Increase (Decrease)	254,149	50		(1,189)	-21475.0%
Net Ending and Available Fund Balance	\$ (315,650)	\$ (569,749)		\$ 3,411	-9353.9%

City Council Meeting August 25, 2016

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City Investments

- Total investment portfolio \$9,407,046
- Change in investments
 - Redeemed FNMA \$500,000 6/13/16
 - Purchased FNMA \$300,000 5/23/16
 - Purchased Whatcom County Public Utility \$115,000 5/2/16
 - Purchased Oregon School Boards Assoc. G/O Bonds \$375,000 6/17/16
 - Purchased Energy NW Wash Electric \$175,000 6/3/16
 - Purchased Energy NW Wash Electric \$200,000 6/9/16
- Current yield on investment 1.90%
- Weighted Avg. Maturity 26.92 months
- All investments within policy limits

City Council Meeting August 25, 2016

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QUESTIONS?

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CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: PUBLIC HEARING/BUSINESS

AGENDA ITEM TITLE: Public Hearing and First Reading on Ordinance No. 1216 -
Petition to Annex the Brown Property

GOVERNING LEGISLATION:

RCW 35A.14.120-150, Direct Petition Method for Annexation by Code Cities

PREVIOUS COUNCIL ACTION TAKEN:

Approval of Notice of Intent to Annex, Resolution 511 approved August 11, 2016
Public hearing and first reading of Ordinance 1213, August 11, 2016

BACKGROUND:

The City approved the Notice of Intent to Annex for the Brown property on August 11, 2016, the first step in the direct petition method for annexation. The City received a Notice of Petition to Annex on June 22, 2016, the second step in the process. The annexation notice is for 107.28 acres (111.42 acres with adjacent right of way) contained within 18 parcels APN 213065-000, 213066-000, 213067-000, 213068-000, 213069-000, 213070-000, 213071-000, 213072-000, 213073-000, 213074-000, 213075-000, 213076-000, 213077-000, 213078-000, 213079-000, 213080-000, 213081-000, and 213082-000. Generally located at the NW corner of NW 31st Avenue and N. 10th Street. (see attached map). The 107.28-acre property is designated Urban Low, and will be zoned Residential Low Density – 4 (RLD-4) upon annexation. The Urban Holding 10 (UH-10) overlay will also be applied to the property until adequate public services are available to serve the subject area. The City would assume ownership of the 4.14 acres of right-of-way that comprise the segments of NW 289th St. and NW 31st Ave. adjacent to the property. The total acreage for the proposed annexation area is 111.42 acres.

Staff provided the Petition to Annex to the Clark County Assessor's Office for review, and the Assessor issued a Certificate of Sufficiency certifying that the signatures represent 60% of the assessed property value within the annexation area, which meets the state annexation minimums.

BUDGET/FINANCIAL IMPACTS:

No budgetary or financial impacts are anticipated.

Approved to be placed on City Council Agenda:

RECOMMENDED ACTION OR MOTION:

None. Second reading on this item is scheduled for September 8, 2016.

STAFF CONTACT:

Jeff Niten, Community Development Director, jeff.niten@ci.ridgefield.wa.us 360-857-5013

ATTACHMENTS:

Notice of Petition to Annex

Certificate of Sufficiency

Ordinance 1216, including legal description and map of annexation area

STAFF CONTACT:

Jeff Niten, Community Development Director

ATTACHMENTS:

ORD 1216 Brown Annexation_rev160825 (PDF)

17RF_Brown_CertificationOfSufficiency (PDF)

NoticePetitionSignatures (PDF)

Intent to annex application packet 3 (PDF)

Intent to annex application packet 8 (PDF)

Intent to annex application packet 10 (PDF)

Brown Annexation Area (PDF)

BROWN RIDGEFIELD - REV1 (PDF)

BROWN RIDGEFIELD SKETCH REV (PDF)

ORDINANCE NO. 1216

AN ORDINANCE OF THE CITY OF RIDGEFIELD, WASHINGTON ANNEXING INTO THE CORPORATE LIMITS OF THE CITY OF RIDGEFIELD APPROXIMATELY 111.42 ACRES OF CERTAIN REAL PROPERTY LOCATED WITHIN THE RIDGEFIELD URBAN GROWTH AREA, AND ASSIGNING THE ZONING OF THE ANNEXED AREA AS RESIDENTIAL LOW DENSITY 4

WHEREAS, annexations to the City of Ridgefield are regulated by Revised Code of Washington (RCW) Chapter 35A.14, Annexation by Code Cities; and

WHEREAS, the annexation name is Brown Annexation; and

WHEREAS, the proposed annexation area is within the Ridgefield Urban Growth Area as shown on the Ridgefield Urban Growth Area Comprehensive Plan Map of the Clark County 20-Year Comprehensive Growth Management Plan which the Board of Clark County Councilors adopted on June 28, 2016, Ordinance No. 2016-06-12; and

WHEREAS, the proposed annexation area is within the Ridgefield Urban Growth Area and the annexation area is designated Urban Low as shown on the Comprehensive Plan Map of the Ridgefield Urban Area Comprehensive Plan which the City Council adopted on February 25, 2016, Ordinance No. 1203; and

WHEREAS, RCW 35A.14.010 provides that an unincorporated area lying contiguous to a code city may become part of the charter code city or noncharter code city by annexation; and

WHEREAS, the area proposed to be annexed is contiguous to the north city limits; and

WHEREAS, RCW 35A.14.120 provides a direct petition annexation method which requires that prior to circulating a petition for annexation, the initiating party or parties, who shall be the owners of not less than ten percent in value, according to the assessed valuation for general taxation of the property for which annexation is sought, shall notify the legislative body of a charter code city or noncharter code city; and

WHEREAS, on August 11, 2016, the City Council of the City of Ridgefield adopted Resolution No. 511 to accept a notice of intent to annex the Brown property identified by Assessor's Serial Nos. 213065-000, 213066-000, 213067-000, 213068-000, 213069-000, 213070-000, 213071-000, 213072-000, 213073-000, 213074-000, 213075-000, 213076-000, 213077-000, 213078-000, 213079-000, 213080-000, 213081-000, and 213082-000 and adjacent Clark County right-of-way, and the Council authorized commencement of annexation proceedings; and

WHEREAS, on June 22, 2016, the City of Ridgefield received a petition to annex and assigned File No. PLZ-16-0044; and

Attachment: ORD 1216 Brown Annexation_rev160825 (1055 : Ord. 1216 Petition to Annex the Brown Property)

WHEREAS, RCW 35A.14.120 requires that the petition to annex must be signed by the owners of not less than sixty percent in value, according to the assessed valuation for general taxation of the property for which annexation is petitioned; and

WHEREAS, on August 10, 2016, the City of Ridgefield requested that the Clark County Department of Assessment and GIS certify the petition to annex by direct petition method according to RCW 35A.01.040(4) which requires that a petition signed by property owners be transmitted to the county assessor for determination of sufficiency; and

WHEREAS, on August 15, 2016, the Clark County Deputy Assessor mailed to the City of Ridgefield a Certification of Sufficiency for the annexation petition by the direct petition method; and

WHEREAS, RCW 43.21C.222 exempts annexation of territory by a city or town from compliance with the chapter entitled State Environmental Policy; and

WHEREAS, RCW 35A.14.130 provides that the legislative body of a code city may entertain a petition for annexation and fix a date for a public hearing thereon and cause notice of the hearing to be published in one or more issues of a newspaper of general circulation in the city, and post in three public places within the territory proposed for annexation, and shall specify the time and place of hearing and invite interested persons to appear and voice approval or disapproval of the annexation; and

WHEREAS, the City of Ridgefield met the requirements defined within RCW 35A.14.130 by publishing a notice of public hearing in the July 27, 2016, issue of the Reflector newspaper and posting notice of public hearing at three public places within the territory proposed for annexation; and

WHEREAS, on August 25, 2016, the City Council of the City of Ridgefield held and closed a public hearing on the proposed annexation; and

WHEREAS, RCW 35A.14.440 provides that after the public hearing, if the legislative body determines to effect the annexation, then they shall do so by ordinance and file a copy of the ordinance with the board of county commissioners.

NOW THEREFORE, the City Council for the City of Ridgefield hereby ordains as follows:

SECTION 1. Annexation. The City of Ridgefield hereby annexes into the corporate limits of the City of Ridgefield the territory described in Exhibit 1 and as shown in Exhibit 2.

SECTION 2. Zoning. The zoning of the annexed area shall be Residential Low Density 4 with Urban Holding 10 overlay.

SECTION 3. City Filing of Certificate with Washington State Office of Financial Management. A Certificate of Annexation shall be filed with the Washington State Office of Financial Management within thirty (30) calendar days of the effective date of this ordinance.

SECTION 4. City Filing with Clark County. A certified copy of the adopted ordinance shall be separately filed with the Board of Clark County Commissioners and the Clark County Department of Assessment and GIS.

SECTION 5. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

SECTION 6. Effective Date. This ordinance shall be in full force and effect thirty (30) calendar days after adoption and publication pursuant to law.

SECTION 7. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 25TH DAY OF AUGUST, 2016.

Ron Onslow, Mayor

ATTEST/AUTHENTICATED:

Julie Basarab
Deputy City Clerk

APPROVED AS TO FORM:

Janean Parker, City Attorney

First Reading: August 25, 2016
Second reading/Passage: _____
Date of Publication: _____
Effective Date: _____

EXHIBIT 1:

Legal Description of Annexation Area

EXHIBIT 2:

Map of Annexation Area



proud past, promising future

CLARK COUNTY
WASHINGTON

DEPARTMENT OF ASSESSMENT

Peter Van Nortwick, Assessor

6.1.b

August 15th 2016

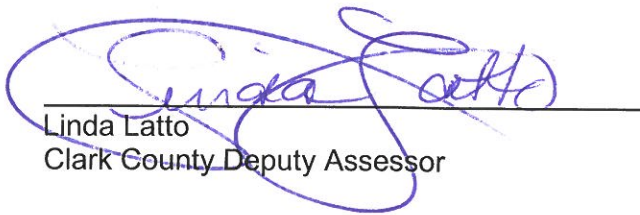
Jeff Niten
City of Ridgefield
PO Box 608
Ridgefield, WA 98660

Dear Jeff:

You will find enclosed the Certification of Sufficiency of the petition for annexation of land to the City of Ridgefield: Brown Annexation.

Please contact me should you have any questions regarding this annexation.

Sincerely,



Linda Latta
Clark County Deputy Assessor

Encls.

Attachment: 17RF_Brown_CertificationOfSufficiency (1055 : Ord. 1216 Petition to Annex the Brown Property)

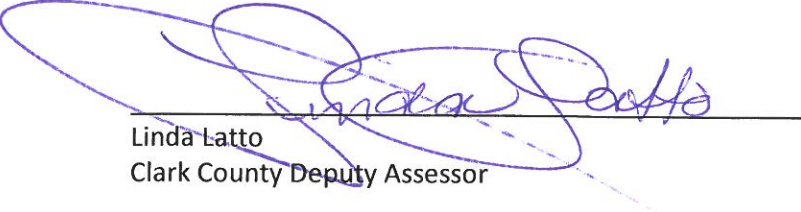
Certification of Sufficiency
Brown Annexation

The City of Ridgefield on August 10th 2016, submitted for review by Clark County Assessor, a petition to annex to the city, approximately 107.40 acres of land known as the Brown Annexation. Subject to the requirements of RCW 35.21.005 and 35A.01.040 I now certify the following in my capacity as Clark County Assessor:

1. On August 10th, 2016 the City of Ridgefield submitted for certification by the Clark County Assessor a petition to annex to the city 19 parcels of land and associated road and public utility rights-of-way, totaling approximately 107.40 acres.
2. The legal description and map of the area proposed for annexation, as provided by the City of Ridgefield, are attached to this certification. According to the map provided by the city, this area is located in unincorporated Clark County and within the urban growth boundary.
3. The city is completing annexation pursuant to the direct petition method of annexation, RCW 35A.14.120 through 150
4. The Clark County Assessor initiated determination of petition sufficiency on August 10, 2016 which is the "terminal date" as defined in RCW 35.21.005 and 35A.01.040.
5. The area proposed for annexation has a certified annexation value for general taxation of \$214,863.
6. Petition signatures provided by the city represent valid owner signatures of a combined total assessed value for general taxation of not less than 60% of the total assessed value for general taxation of all property in the proposed annexation area. This review did not address the legal sufficiency of any proxy or utility covenant, only the sufficiency of the presence of signatures thereon.

Therefore, based on the petition certification request and supporting materials submitted by the city, I hereby declare and certify that the petition represents the affirmative consent of properties totaling more than 60% of the value according to the assessed valuation for general taxation purposes of the property proposed for annexation.

Given under my hand and seal this August 15th, 2016.


Linda Latto
Clark County Deputy Assessor

NOTICE OF PETITION TO ANNEX

DECLARATION

We, the undersigned, are owners of real property lying outside of the corporate limits of the City of Ridgefield, Washington, but contiguous thereto and designated as part of the Ridgefield Urban Growth Area.

We, the undersigned, are petitioning for annexation under the Direct Petition Method as described in RCW 35A.14.120-150. We attest that we are owners of not less than 60% in value pursuant to the assessed valuation records compiled and maintained by the Clark County Department of Assessment and GIS of the total acreage of the properties described in the proposed annexation area. We do hereby petition for annexation to the City of Ridgefield, Washington. It is acknowledged that this petition may consist of multiple documents filed separately.

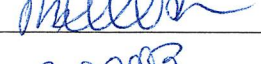
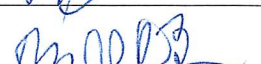
WARNING

Every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Each signature shall be executed in ink or indelible pencil and shall be followed by the name and address of the signer and the date of signing.

AUTHORIZATION

Printed names and signatures of all persons having an interest in real property in the described area whose consent is required by virtue of such interest to authorize the filing of this notice are hereto identified:

NAME OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE (PRINT CLEARLY)	SIGNATURE OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE	ADDRESS OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE	CLARK COUNTY ASSESSOR'S PARCEL NUMBER	DATE SIGNED
RDGB Royal Farms LLC		8320 NE Highway 99 Vancouver WA 98665	213065000	6/22/16
RDGK Rest view Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213066000	6/22/16
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213067000	6/22/16
RDGB Royal Farms LLC		8320 NE Highway 99 Vancouver WA 98665	213068000	6/22/16
RDGK Rest View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213069000	6/22/16
RDGF River View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213070000	6/22/16
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213071000	6/22/16
RDGB Royal Farms LLC		8320 NE Highway 99 Vancouver WA 98665	213072000	6/22/16
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213073000	6/22/16
RDGF River View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213074000	6/22/16

Note: If additional space is needed, please obtain and use an additional "Notice of Intent" form.

NOTICE OF PETITION TO ANNEX

PAGE (2)

DECLARATION

We, the undersigned, are owners of real property lying outside of the corporate limits of the City of Ridgefield, Washington, but contiguous thereto and designated as part of the Ridgefield Urban Growth Area.

We, the undersigned, are petitioning for annexation under the Direct Petition Method as described in RCW 35A.14.120-150. We attest that we are owners of not less than 60% in value pursuant to the assessed valuation records compiled and maintained by the Clark County Department of Assessment and GIS of the total acreage of the properties described in the proposed annexation area. We do hereby petition for annexation to the City of Ridgefield, Washington. It is acknowledged that this petition may consist of multiple documents filed separately.

WARNING

Every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Each signature shall be executed in ink or indelible pencil and shall be followed by the name and address of the signer and the date of signing.

AUTHORIZATION

Printed names and signatures of all persons having an interest in real property in the described area whose consent is required by virtue of such interest to authorize the filing of this notice are hereto identified:

NAME OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE (PRINT CLEARLY)	SIGNATURE OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE	ADDRESS OF PROPERTY OWNER/ AUTHORIZED REPRESENTATIVE	CLARK COUNTY ASSESSOR'S PARCEL NUMBER	DATE SIGNED
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213075000	6/22/16
RDGK Rest View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213076000	6/22/16
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213077000	6/22/16
RDGS Real View LLC		8320 NE Highway 99 Vancouver WA 98665	213078000	6/22/16
RDGK Rest View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213079000	6/22/16
RDGF River View Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213080000	6/22/16
RDGS Real View LLC		8320 NE Highway 99 Vancouver WA 98665	213081000	6/22/16
RDGM Rawhide Estates LLC		8320 NE Highway 99 Vancouver WA 98665	213082000	6/22/16

Note: If additional space is needed, please obtain and use an additional "Notice of Intent" form.

PAGE (2)

DECLARATION

We, the undersigned, are owners of real property lying outside of the corporate limits of the City of Ridgefield, Washington, but contiguous thereto and designated as part of the Ridgefield Urban Growth Area.

We, the undersigned, attest that we are owners of not less than 10% in value pursuant to the assessed valuation records compiled and maintained by the Clark County Department of Assessment and GIS of the total acreage of the properties described in the proposed annexation area. We do hereby declare our intention to circulate a petition for annexation to the City of Ridgefield, Washington under the Direct Petition Method as described in RCW 35A.14.120-150. It is acknowledged that this petition may consist of multiple documents filed separately.

AUTHORIZATION

Printed names and signatures of all persons having an interest in real property in the described area whose consent is required by virtue of such interest to authorize the filing of this notice are hereto identified:

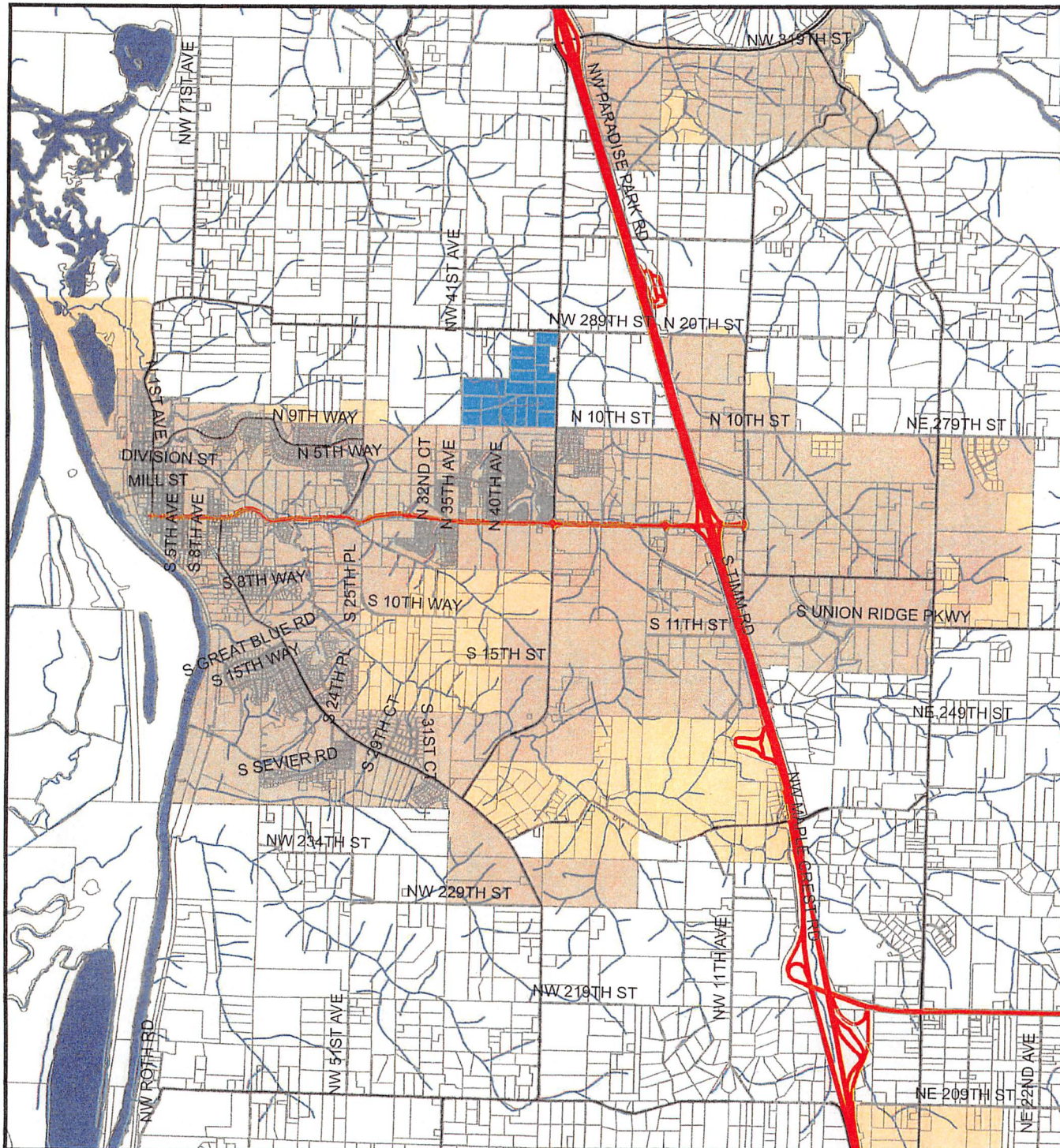
[illegible]

Note: If additional space is needed, please obtain and use an additional "Notice of Intent" form.

Exhibit B

Legal Tax Lots Comprising the Subject Property

Lot No.	County Assessor Parcel Id. Number	LLC Ownership	Lot Size
1	213065000	RDGB Royal Farms LLC	5.09
2	213066000	RDGK Rest View Estates LLC	5.24
3	213067000	RDGM Rawhide Estates LLC	5.35
4	213068000	RDGB Royal Farms LLC	5.15
5	213069000	RDGK Rest View Estates LLC	5.05
6	213070000	RDGF River View Estates LLC	5.02
7	213071000	RDGM Rawhide Estates LLC	6.07
8	213072000	RDGB Royal Farms LLC	6.00
9	213073000	RDGM Rawhide Estates LLC	6.54
10	213074000	RDGF River View Estates LLC	6.02
11	213075000	RDGM Rawhide Estates LLC	5.00
12	213076000	RDGK Rest View Estates LLC	5.00
13	213077000	RDGM Rawhide Estates LLC	13.94
14	213078000	RDGS Real View LLC	5.87
15	213079000	RDGK Rest View Estates LLC	6.87
16	213080000	RDGF River View Estates LLC	5.04
17	213081000	RDGS Real View LLC	5.16
18	213082000	RDGM Rawhide Estates LLC	5.17
		Total Acres	107.58



VICINITY MAP

Legend

-  Parcels Proposed for Annexation
-  Incorporated
-  Urban Growth Area

1:48,000

0 1,000 2,000 4,000 6,000 8,000 10,000 Feet



proud past, promising future

CLARK COUNTY
WASHINGTON

Geographic Information System

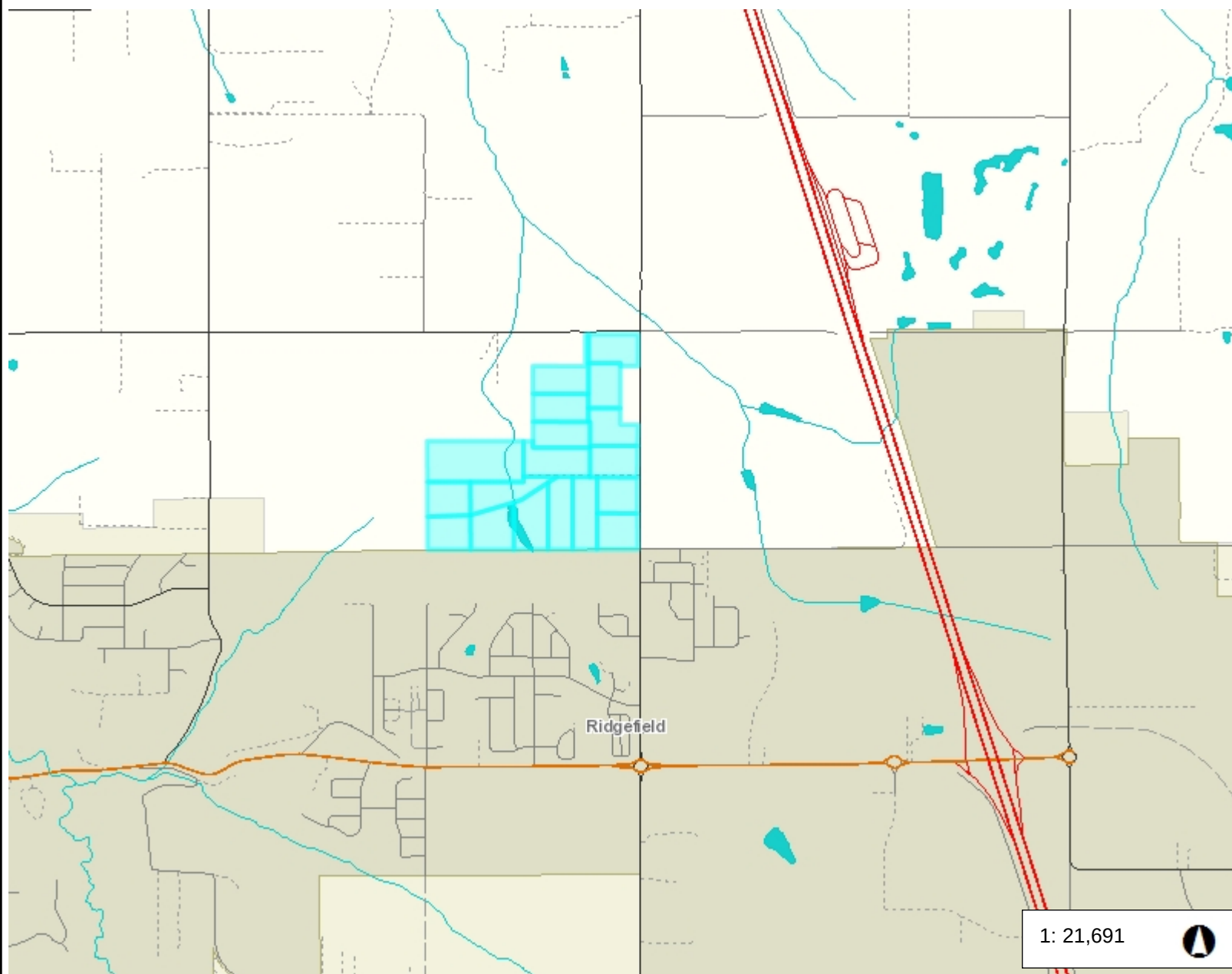
Information shown on this map was collected from several sources. Clark County accepts no responsibility for any inaccuracies that may be present

Printed On: Jun 16, 2016

Project: Q:\Projects\storefront\Orders_Mailing\LabelPackets\JordanRamis\WailingPacket_0616201



Brown Annexation Area



3,615.1 0 1,807.57 3,615.1 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Clark County, WA. GIS - <http://gis.clark.wa.gov>

This map was generated by Clark County's "MapsOnline" website. Clark County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.

1: 21,691



Legend

- Cities Boundaries
- Urban Growth Boundaries

Notes:

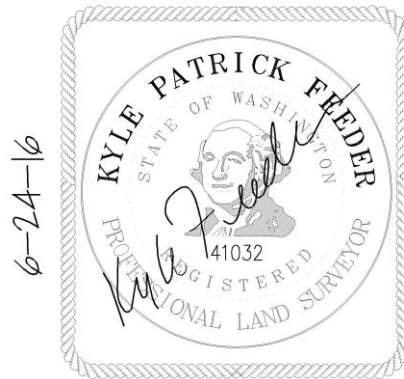
6.1.g



Attachment: Brown Annexation Area (1055 : Ord. 1216 Petition to Annex the Brown Property)



KPF Surveying Inc.
1514 N.E. 267th Ave.
Camas, WA 98607
360-834-0174



June 24, 2016

EXHIBIT "A"

A portion of the Southeast and Northeast quarter of Section 17, and the Southwest and Northwest quarter of Section 16, Township 4 North, Range 1 East, W.M., Clark County, Washington, described as follows:

BEGINNING at the southeast corner of said Southeast quarter of Section 17;

Thence North 89°39'41" West, along the south line of said southeast quarter for a distance of 2601.69 feet;

Thence North 00°20'09" East, for a distance of 662.77 feet;

Thence North 89°39'20" West, for a distance of 20.00 feet, to a point on the west line of said Southeast quarter of Section 17;

Thence North 00°20'09" East, along said west line of the southeast quarter of Section 17, for a distance of 662.77 feet to the southeast corner of the Northwest quarter of the Southeast quarter of said Section 17;

Thence South 89°39'00" East, along the south line of said Northwest quarter of the Southeast quarter, for a distance of 1313.43 feet to the southeast corner of said Northwest quarter of the Southeast quarter of Section 17;

Thence North 00°26'51" East, along the east line of said Northwest quarter of the Southeast quarter of Section 17, for a distance of 917.21 feet;

Thence South 89°38'27" East, for a distance of 637.45 feet;

Thence North 00°28'28" East, for a distance of 100.00 feet;

Thence North 89°38'27" West, for a distance of 5.00 feet;

Thence North 00°28'28" East, for a distance of 338.06 feet, to a point on the north right-of-way line of NW 289th Street;

Thence South 89°38'19" East, along said north right-of-way line, for a distance of 713.42 feet to the easterly right-of-way line of NW 31st Avenue;

Thence South 00°33'34" West along said easterly right-of-way line, for a distance of 450.51 feet;

Thence North 89°39'30" West, for a distance of 275.00 feet;

Thence South 00°33'34" West, for a distance of 711.00 feet;

Thence South 89°39'30" East, for a distance of 275.00 feet to a point on said easterly right-of-way line of NW 31st Avenue;

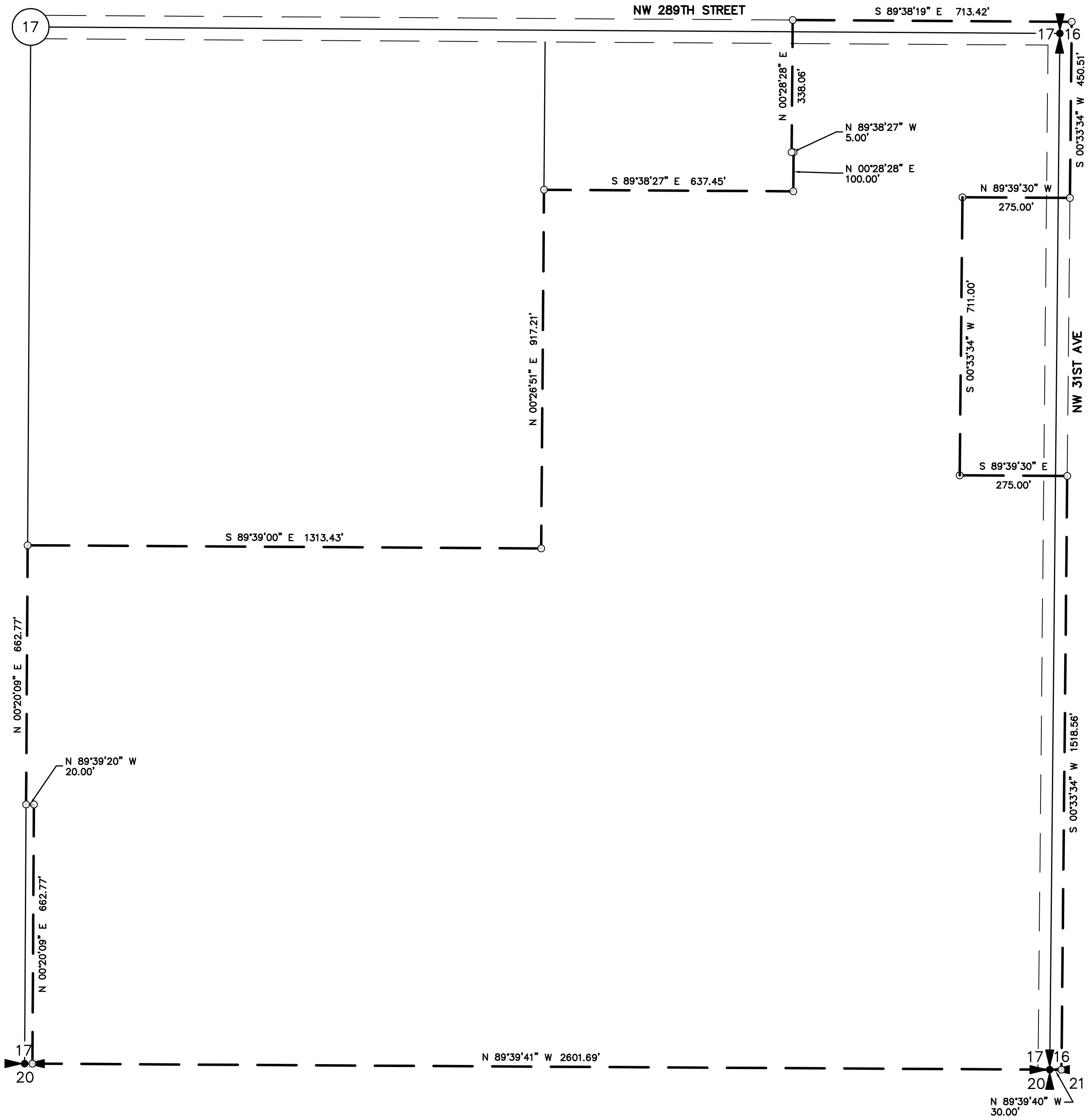
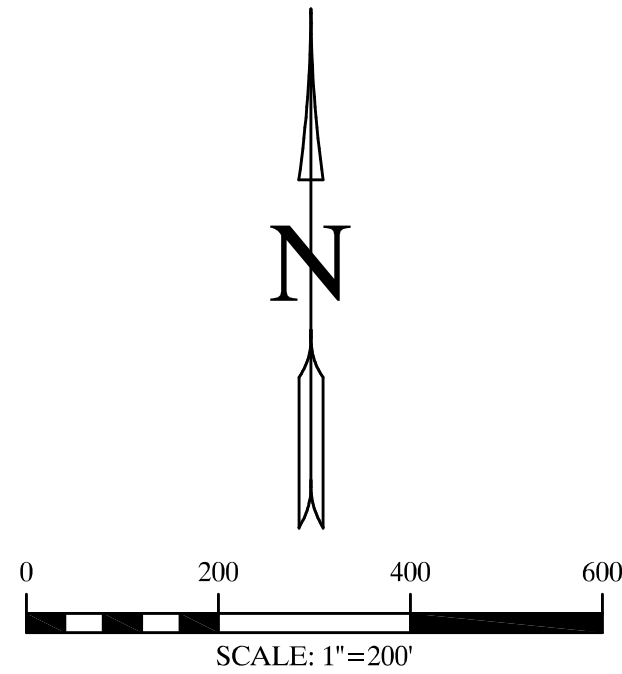
Thence South 00°33'34" West, along said westerly right-of-way line, for a distance of 1518.56 feet to a point on the south line of the southwest quarter of said Section 16;

Thence North 89°39'40" West, for a distance of 30.00 feet to the POINT OF BEGINNING.

Containing, 111.42 acres, more or less

Together with and subject to easements, reservations, covenants, and restrictions apparent or of record.

SKETCH
IN A PORTION OF
THE SE 1/4 AND NE 1/4 OF
SECTION 17,
AND THE SW 1/4 AND NW 1/4
OF SECTION 16,
T. 4 N., R. 1 E., W.M.,
CLARK COUNTY, WASHINGTON



DATE:	6-24-16
SCALE:	1"=200'
JOB NO.:	16-043
CALC BY:	KPF
DRAWN BY:	GLF
CHECKED BY:	KPF
SHEET	1 OF 1

KPF
SURVEYING, INC.
1514 N.E. 267TH AVE CAMAS, WA 98607
360-834-0174 fax: 360-838-0155

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Ordinance No. 1213 - Second Reading on Brown Development Agreement

GOVERNING LEGISLATION:

Ordinance No. 1213 – Approving a Pre-Annexation and Development Agreement with RDGB Royal Farms LLC, RDGK Rest View Estates LLC, RDGM Rawhide Estates LLC, RDGF River View Estates LLC, and RDGS Real View LLC.

GOVERNING LEGISLATION:

RCW 36.70B.170 - 36.70B.210 (Development Agreements)

RDC 18.310.150, Development Agreements

PREVIOUS COUNCIL ACTION TAKEN:

First Reading August 11, 2016

BACKGROUND:

The City, during the development of the 2016 Ridgefield Urban Area Comprehensive Plan, requested the subject area be considered by Clark County for an Urban Growth Area expansion. The Clark County Board of Councilors considered the requested expansion for inclusion and ultimately granted the request at a duly noticed public hearing on June 21, 2016. Clark County Ordinance 2016-06-12 was adopted by the County on June 28, 2016 and is effective ten (10) days following adoption, or July 8, 2016.

The development agreement proposes a number of items that will control development of the property:

- The property shall be zoned Residential Low Density 4 (RLD-4), and will have the Urban Holding 10 (UH-10) overlay at the time of annexation. This agreement does not vest the property in any way to current regulations.

Approved to be placed on City Council Agenda:

- The agreement requires the applicant to develop the property under the Planned Unit Development Code within 10 years of the effective date of the annexation.
- The agreement requires the submission of a conceptual plan showing location of future homes, conceptual phasing plan, location of park and trails, streets, water, sanitary sewer, and other public improvements within one (1) year after the effective date of the annexation.
- The agreement requires dedication of a minimum of 15 acres to the City for a Community Park, and the Community park is required to be located surrounding the water feature at the southern end of the subject property. The agreement also requires the developer to construct the Community Park to city standards.
- The developer is also required to dedicate and construct a trail network throughout the property connecting the Community Park and the Annexation area. The developer is further required to ensure the trail network accounts for the future expansion and connection of future trails on adjacent properties.
- The agreement requires dedication of right of way sufficient for a collector street providing east/west connection through the property. The collector is required to be constructed to city standards by the developer.
- The agreement, if approved, would require the city to pursue annexation of the property.

There were questions raised during public comment at the first reading of the ordinance regarding traffic, storm water, water, and sanitary sewer services. Traffic from the proposed development will be accommodated by the east west collector street (70 feet of right of way) identified by this agreement, as well as standard improvements to the existing streets to widen the paved width on the development side of the right-of-way, add curb, gutter, and sidewalks adjacent to areas where development is actively occurring. The applicant, when submitting for review of the Planned Unit Development, will be required to submit a traffic study identifying the road improvements necessary to accommodate the expected increase in trips. The improvements identified will be required as conditions of approval for the development prior to the final subdivision process.

Similarly, storm water mitigation measures will be required to be identified by the applicant during the permitting process. The applicant is required to submit a preliminary storm water plan detailing how storm water will be retained on site and/or how the storm water flow rate will not exceed the rate observed prior to development.

Water service to the property will be provided through existing water rights held by the city, this development will not require new wells or additional city water rights beyond those included in the Capital Facilities Plan.

Sanitary sewer services will be provided by Clark Regional Wastewater District and the district has certified that there is existing capacity to serve the area under consideration. New infrastructure, including pump stations and lines, will be necessary as part of this development but the district has adequate capacity to accommodate the proposed development.

BUDGET/FINANCIAL IMPACTS:

Staff does not foresee any budget or financial impacts as a result of an approval of this pre-annexation and development agreement amendment.

RECOMMENDED ACTION OR MOTION:

Staff recommends the Council approve the Development Agreement. A suggested motion is:

I move to approve Ordinance 1213 as presented.

STAFF CONTACT:

Jeff Niten, Community Development Director, jeff.niten@ci.ridgefield.wa.us, 360.857.5013

ATTACHMENTS:

Ordinance Number 1213, Development Agreement, legal descriptions, location map.

STAFF CONTACT:

Jeff Niten, Community Development Director

ATTACHMENTS:

Brown Annexation and DA _ 8_19 (PDF)

Brown Annexation Area (PDF)

BROWN RIDGEFIELD - REV1 (PDF)

BROWN RIDGEFIELD SKETCH REV (PDF)

Ord 1213 Brown DA (PDF)

When Recorded Return To:

City of Ridgefield,
Attn. City Manager
P.O. Box 605
Ridgefield, WA, 98642

Development and Pre-Annexation Agreement

This Development and Pre-Annexation Agreement (“Agreement”) is made and entered into this 28th day of July, 2016 between the City of Ridgefield, a municipal corporation, (hereinafter “City”), and RDGB Royal Farms LLC, a Washington limited liability company, RDGK Rest View Estates LLC, a Washington limited liability company, RDGM Rawhide Estates LLC, a Washington limited liability company, RDGF River View Estates LLC, a Washington limited liability company, and RDGS Real View LLC, a Washington limited liability company (collectively “Owner”), and their assigns and successors.

Recitals:

Whereas, the Owner has requested that the City of Ridgefield annex Owner’s property described herein and the Owner has plans of developing the annexed property for single family residential development; and

Whereas, it is the intention of the Owner to complete annexation proceedings for the incorporation of the real property described herein in to the City of Ridgefield; and

Whereas, the City has determined that there are certain impacts as a result of this annexation and proposed development; and

Whereas, the Owner has agreed to take certain actions as a condition of annexation to mitigate the impacts; and

Whereas, pursuant to the authority granted by RCW 36.70B.170 through 210, the City and Owner wish to enter into this Agreement to govern the development, use, and mitigation of certain impacts associated with annexation and development of the Owner’s property; and

Whereas, Owner voluntarily agrees to enter in to this Agreement to provide for certain improvements as specified herein, as a condition of annexation; and

NOW THEREFORE in consideration of the mutual agreements set forth herein, the City and Owner agree to the following terms and conditions:

1. **Location and Legal Description.** Owner is the owner of approximately 111.42 acres of certain real property and adjacent right of way legally described in Exhibit A, and shown on the map attached as Exhibit B, such exhibits being attached hereto and incorporated fully by this reference, (hereinafter, "Annexation Area").
2. **Zoning and Development Standards.** Pursuant to State annexation regulations, the City is required to establish a comprehensive plan and zoning designation for annexed property. The City's adopted comprehensive plan designation Urban Low (UL) and the City's adopted zoning designation is RLD - 4. However, the Annexation Area is not vested by this Agreement in the comprehensive plan or zoning designations or in the development standards in place at the time of annexation; all such comprehensive plan and zoning designations, may be amended under the procedures set forth in the City's municipal code. The Owner agrees that these zoning and development standards shall govern development of the property until such time as the City Council amends the standards as part of an annual comprehensive plan update. The City may propose or the owner may apply for different zoning.

The entirety of the Annexation Area will have Urban Holding (UH-10) designation applied at the time of annexation. Owner agrees not to develop their respective property until such time as the City, pursuant to R.D.C. 18.270.060 determines that public facilities to serve the proposed development identified within the applicable Capital Facilities Plan for the City or appropriate jurisdiction or service district are reasonably funded. "Reasonably funded" shall be defined as having identified revenue sources that are capable of being realized over a six-year CFP period. For the purposes of this Section, public facilities shall include: water, sanitary sewer, and transportation.

3. **Other Development Regulations.** The Annexation Area is not vested by this Agreement in any other development regulations or land use decisions applicable to the development of the Annexation Area.
4. **Annexation.** In reliance upon the provisions of this Agreement, the city hereby agrees to annex the Annexation Area in accordance with RCW 35.
5. **Development Permits.** Owner agrees to develop the Annexation Area as a Planned Unit Development under the Ridgely Municipal Code. Owner agrees to submit applications for the Planned Unit Development and other development permits for the development of the Annexation Area, and to develop the Annexation Area within 10 years of annexation. Owner agrees to submit a conceptual plan showing location of future homes, conceptual phasing plan, location of park and trails, streets, water, sanitary sewer, and other public improvements within one year after the effective date of the annexation.

6. **Public Improvements.** In addition to any other improvements subsequently determined to be necessary as a condition of development for any portion of the Annexation Area, Owner agrees to perform the following additional obligations at the time of the subdivision or development of the Annexation area, whichever is sooner:

- A. Dedicate a minimum of 15 acres of real property to the City for a Community City park in the Annexation Area (“Community Park Property”). The Community Park Property shall be located to the east, west and north of the water feature within the southern portion of annexation area (on tax parcels APN 213073-000 and APN 213074-000). Owner shall dedicate the Community Park Property to the City prior to or at approval of final plat for phase 1 of single family residential development.

The Community Park Property dedicated to the City shall be counted towards and a part of the park and open space set aside requirements for a planned unit development is not in addition to such requirements.

Owner shall develop Community Park Property to City of Ridgefield Community Park standards. The Owner may defer the development of the Community Park Property until prior to approval of a final plat for the 130th single family lot so long as the financial guarantee provisions Section 6 D of this Agreement are satisfied.

- B. Owner shall dedicate a trail network connecting the Community Park to the Annexation Area, and shall design the network for future expansion and connection of existing and planned future trails on adjacent properties. Dedication shall take place at or prior to approval of a final plat for phase 1 of future development.

Owner shall develop the trail network to City of Ridgefield trail standards. Owner may defer the development of the trail network until prior to approval of a final plat for the 130th single family lot so long as the financial guarantee provisions of Section 6 D of this Agreement are satisfied.

The trail network dedicated to the City shall be counted towards, and a part of, the park and open space set aside requirements for a planned unit development and is not in addition to such requirements.

- C. Owner shall dedicate right-of-way sufficient for an east/west collector roadway mid-way between NW 289th Street and N. 10th Street prior to approval of final plat for phase 1 of future development. The right-of-way width shall not exceed 70 feet for a full street section, and shall not exceed 35 feet for a half width section, so long as this width is consistent with any traffic analysis required as a part of the Planned Unit Development application.

- Owner shall construct the east/west collector, including all underground utilities, prior to approval of final plat for the 130th single family lot, so long as the financial guarantee provisions of Section 6 D of this agreement are satisfied.
- D. For the development of the public improvements described herein, the Owner may defer the construction of the improvements until the final plat for the 130th single family lot upon the City's approval of a surety bond or other financial guarantee acceptable to the City which provides for and secures the actual construction of the public improvements as provided for in Ridgefield Municipal Code 18.620.070 as adopted or hereafter amended.
 - E. The City intends to provide improved traffic circulation at the intersection of 289th and 31st connecting this development to both NW 31st and NW 289th. Owner agrees that this traffic improvement will provide a benefit to the Property; by this Agreement Owner agrees to contribute to the funding for this needed improvement by paying a voluntary assessment in an amount proportional to the impacts of the development in relation to the overall capacity of the street improvements. This amount shall be determined by a traffic impact analysis to be completed by Owner concurrent with the PUD application process and approved by the City. Owner agrees not to protest the formation of any district or improvement area that may be formed for the construction of the improvement and the levying of the assessment. The Owner agrees that this voluntary assessment is necessary to mitigate direct impacts of the annexation and subsequent development of the Property. Any assessment or other contribution that exceeds the proportional share will be reimbursed with traffic impact fee credits as per RMC 18.070.150. Such assessment is in addition to any applicable traffic impact fees which may be assessed on the Property.
 - F. Owner agrees to provide for integrated storm water mitigation that will ensure that storm water flows off the property will not exceed pre-development rates, and will achieve compliance with storm water regulations in effect at the time of development.
7. **Impact Fee Credits.** Upon performance of the obligations identified in Paragraph 6 above the Owner will receive a credit against City Impact Fees for such improvements as are included in the City's Capital Facilities Plan at the time of construction. City agrees to propose and recommend for approval to the City Council the addition of the east/west collector, the intersection of NW 31st and NW 289th, and the Community Park and trails to the Capital Facilities Plan during the 2017 CFP update, including the classification of the Community Park and the east/west collector as system improvements under SMC 18.070.150. The credits will be approved in the manner and in the amounts provided for in the Ridgefield Municipal Code.

8. **Effective Date.** This Agreement will become effective upon the effective date of the City's ordinance annexing the Annexation Area. This Agreement shall be void and of no effect if the City shall not annex the Annexation Area.

9. **Right to Farm.** This Agreement will allow Owner to maintain farming uses of the Property that are consistent with best management practices (BMP) currently in existence, including but not limited to ongoing maintenance, repair, operation and transportation for farm uses. This city will allow reasonable improvements to the farming operations so as not to hinder the farming operation from achieving economic viability until such time that development occurs.

10. General Provisions.

- a) The conditions and covenants set forth in this Agreement shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties, and their heirs, successors and assigns. This Agreement shall be recorded against the Property with the Clark County Auditor.
- b) The Term of this Agreement shall be from the Effective Date of this Agreement and shall continue in force until the Property has been fully developed and all of the Owner's obligations in connection therewith are satisfied as determined by the City.
- c) Severability. In the event that any provision of this Agreement or its application to any person, legal entity, or circumstance is held invalid or otherwise unenforceable, the remainder of the Agreement or its application to other persons, legal entities, or circumstances is not affected.
- d) This Agreement may be supplemented, amended, or modified only by the mutual written agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all parties, or their assigns and successors.
- e) Indemnification. The Owner acknowledges that appeals or other actions outside the City's control may occur concerning the Property. The Owner specifically agrees to hold the City harmless from any claims, injuries, suits, losses or damages arising out of or in connection with City compliance with any orders or required comprehensive plan changes related to such actions outside the City's control.
- f) All notices, demands and communication to the City and Owner and Developer under this Agreement shall be in writing and mailed or delivered to the parties at the addresses below or such other address as the party will have designated by notice to

the other. Such notices, demands, and communication shall be deemed delivered two (2) days after mailing.

Notices to City:

Steve Stuart
City of Ridgefield
230 Pioneer Street
P.O. Box 608
Ridgefield, WA 98642

Notices to Member of Owners:

Milton O. Brown
8320 NE Highway 99
Vancouver, WA 98665

Notices to Representative:

Jamie Howsley
Jordan Ramis, P.C.
1499 SE Tech Center Place
Suite 380
Vancouver WA 98683

Signatures to appear on following pages

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates set forth below.

City of Ridgefield

By: _____
Steve Stuart, City Manager

Attest:

By: _____
Julie Basarab, City Clerk

Approved as to Form:

By: _____
Janean Parker, City Attorney

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me STEVE STUART, City Manager for the CITY OF RIDGEFIELD, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this _____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires:_____

RDGB Royal Farms LLC:

By: _____
Milton O. Brown, Member

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me MILTON O. BROWN, Member of RDGB Royal Farms LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this _____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires: _____

RDGK Rest View Estates LLC:

By: _____
Milton O. Brown, Member

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me MILTON O. BROWN, member of RDGK Rest View Estates LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this ____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires: _____

RDGM Rawhide Estates LLC

By: _____
Milton O. Brown, Member

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me MILTON O. BROWN, member of RDGM Rawhide Estates LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this ____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires: _____

RDGF River View Estates LLC:

By: _____
Milton O. Brown, Member

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me MILTON O. BROWN, member of RDGF River View Estates LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this _____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires: _____

RDGS Real View LLC:

By: _____
Milton O. Brown, Member

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me MILTON O. BROWN, member of RDGS Real View LLC, a Washington limited liability company, who executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

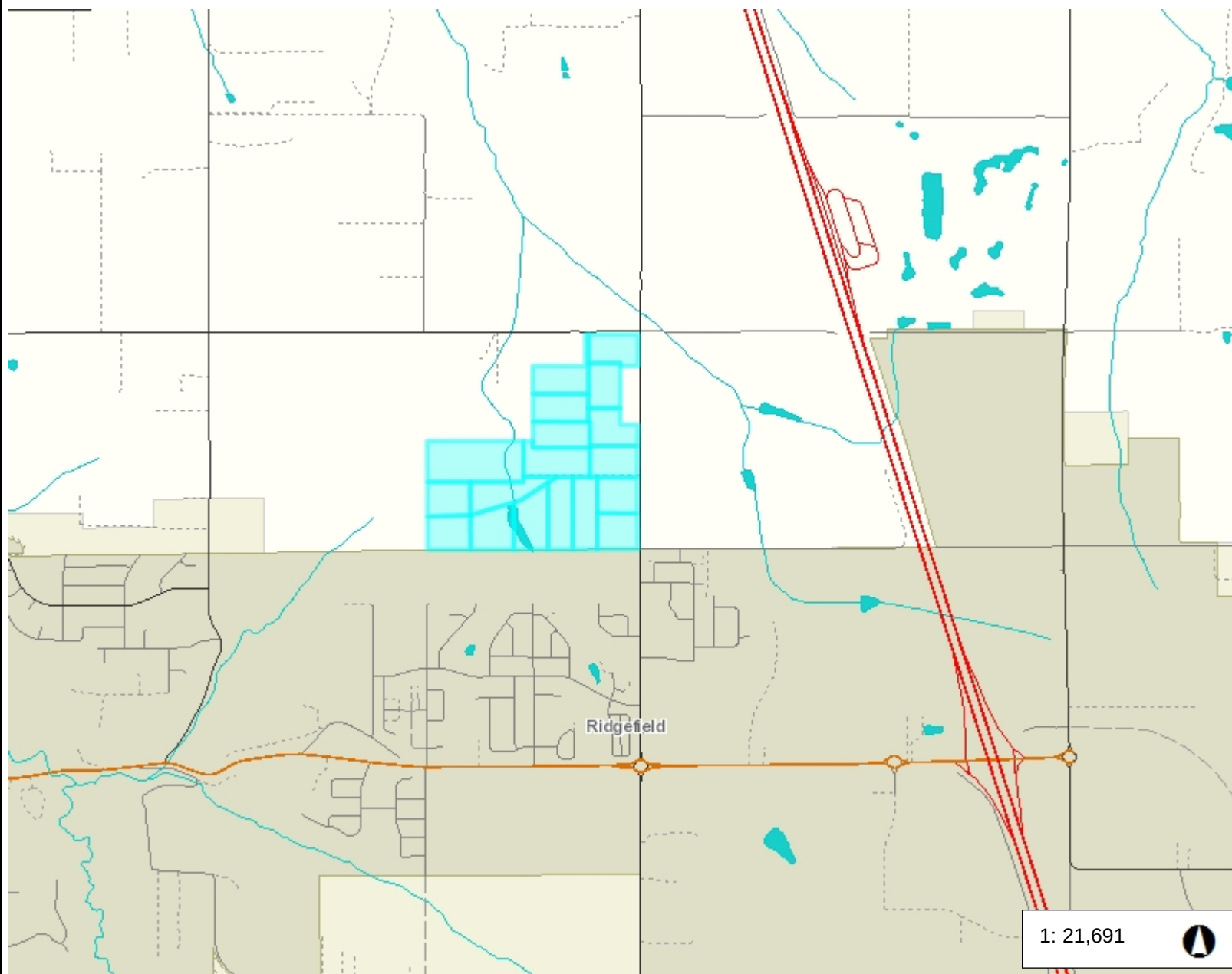
GIVEN under my hand and official seal this ____ day of _____, 2016

NOTARY PUBLIC in and for the
State of Washington, residing at

My commission expires: _____



Brown Annexation Area



3,615.1 0 1,807.57 3,615.1 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
Clark County, WA. GIS - <http://gis.clark.wa.gov>

This map was generated by Clark County's "MapsOnline" website. Clark County does not warrant the accuracy, reliability or timeliness of any information on this map, and shall not be held liable for losses caused by using this information.

1: 21,691



Legend

- Cities Boundaries
- Urban Growth Boundaries

Notes:

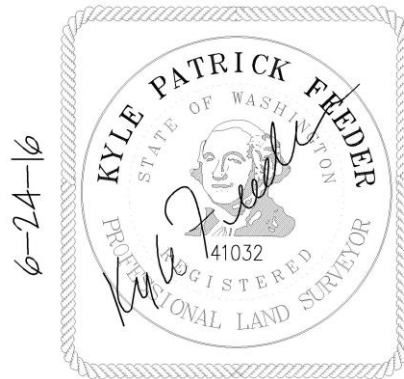
7.1.b



Attachment: Brown Annexation Area (1056 : Ord. 1213 Brown Development Agreement)



KPF Surveying Inc.
1514 N.E. 267th Ave.
Camas, WA 98607
360-834-0174



June 24, 2016

EXHIBIT "A"

A portion of the Southeast and Northeast quarter of Section 17, and the Southwest and Northwest quarter of Section 16, Township 4 North, Range 1 East, W.M., Clark County, Washington, described as follows:

BEGINNING at the southeast corner of said Southeast quarter of Section 17;

Thence North 89°39'41" West, along the south line of said southeast quarter for a distance of 2601.69 feet;

Thence North 00°20'09" East, for a distance of 662.77 feet;

Thence North 89°39'20" West, for a distance of 20.00 feet, to a point on the west line of said Southeast quarter of Section 17;

Thence North 00°20'09" East, along said west line of the southeast quarter of Section 17, for a distance of 662.77 feet to the southeast corner of the Northwest quarter of the Southeast quarter of said Section 17;

Thence South 89°39'00" East, along the south line of said Northwest quarter of the Southeast quarter, for a distance of 1313.43 feet to the southeast corner of said Northwest quarter of the Southeast quarter of Section 17;

Thence North 00°26'51" East, along the east line of said Northwest quarter of the Southeast quarter of Section 17, for a distance of 917.21 feet;

Thence South 89°38'27" East, for a distance of 637.45 feet;

Thence North 00°28'28" East, for a distance of 100.00 feet;

Thence North 89°38'27" West, for a distance of 5.00 feet;

Thence North 00°28'28" East, for a distance of 338.06 feet, to a point on the north right-of-way line of NW 289th Street;

Thence South 89°38'19" East, along said north right-of-way line, for a distance of 713.42 feet to the easterly right-of-way line of NW 31st Avenue;

Thence South 00°33'34" West along said easterly right-of-way line, for a distance of 450.51 feet;

Thence North 89°39'30" West, for a distance of 275.00 feet;

Thence South 00°33'34" West, for a distance of 711.00 feet;

Thence South 89°39'30" East, for a distance of 275.00 feet to a point on said easterly right-of-way line of NW 31st Avenue;

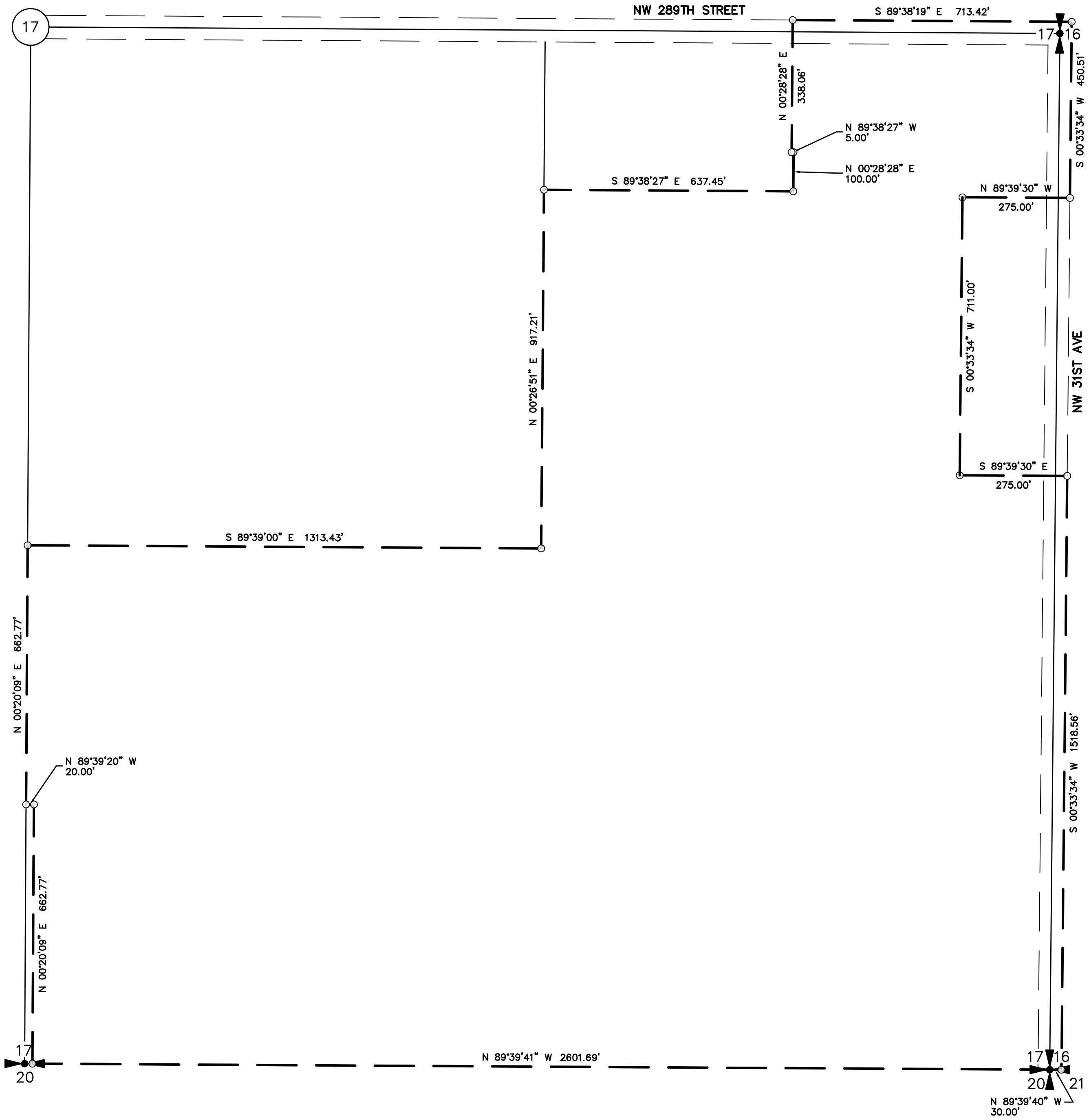
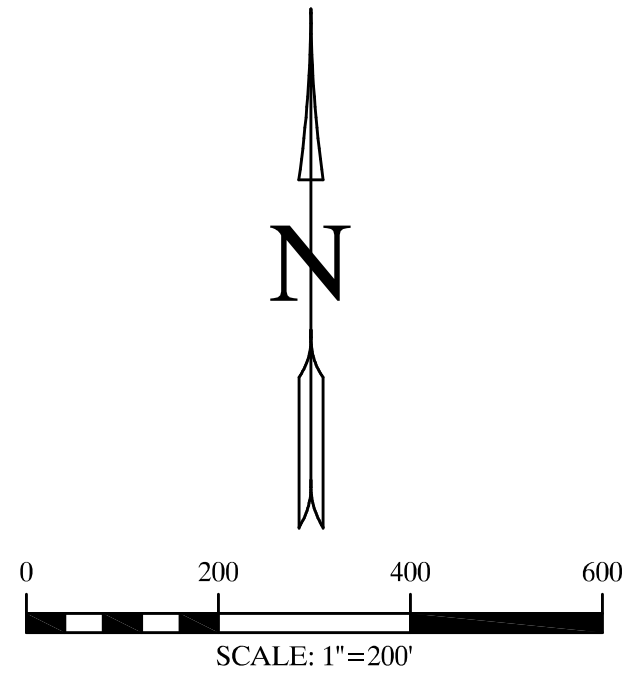
Thence South 00°33'34" West, along said westerly right-of-way line, for a distance of 1518.56 feet to a point on the south line of the southwest quarter of said Section 16;

Thence North 89°39'40" West, for a distance of 30.00 feet to the POINT OF BEGINNING.

Containing, 111.42 acres, more or less

Together with and subject to easements, reservations, covenants, and restrictions apparent or of record.

SKETCH
IN A PORTION OF
THE SE 1/4 AND NE 1/4 OF
SECTION 17,
AND THE SW 1/4 AND NW 1/4
OF SECTION 16,
T. 4 N., R. 1 E., W.M.,
CLARK COUNTY, WASHINGTON



DATE:	6-24-16
SCALE:	1"=200'
JOB NO.:	16-043
CALC BY:	KPF
DRAWN BY:	GLF
CHECKED BY:	KPF
SHEET	1 OF 1

KPF
SURVEYING, INC.
1514 N.E. 267TH AVE CAMAS, WA 98607
360-834-0174 fax: 360-838-0155

ORDINANCE NO. 1213

AN ORDINANCE OF THE CITY OF RIDGEFIELD, WASHINGTON APPROVING A DEVELOPMENT AND PRE-ANNEXATION AGREEMENT WITH RDGB ROYAL FARMS, RDGK REST VIEW ESTATES, RDGM RAWHIDE ESTATES, RDGF RIVER VIEW ESTATES, AND RDGS REAL VIEW ESTATES

WHEREAS, the City is a Washington Municipal Corporation with land use planning and permitting authority over all land within its corporate limits; and,

WHEREAS, the City has the authority to enter into development agreements and pre-annexation agreements pursuant to RCW 36.70B.170; and

WHEREAS, RDGB Royal Farms LLC, a Washington limited liability company, RDGK Rest View Estates LLC, a Washington limited liability company, RDGM Rawhide Estates LLC, a Washington limited liability company, RDGF River View Estates LLC, a Washington limited liability company, and RDGS Real View LLC, a Washington limited liability company (hereinafter "Owner") are collectively the owners of approximately 107.28 acres of certain real property described in Exhibit A located in unincorporated Clark County Washington within the City's urban growth area; and

WHEREAS, the Owner has requested that the City of Ridgefield annex Owner's property described herein and the Owner has plans of developing the annexed property; and

WHEREAS, it is the intention of the Owner to complete annexation proceedings for the incorporation of the real property described herein in to the City of Ridgefield; and

WHEREAS, the City has determined that there are certain impacts as a result of this annexation and proposed development; and

WHEREAS, the City and Owner wish to enter into a development and pre-annexation agreement related to the development of the property to be annexed to the City; and

WHEREAS, the City Council conducted a public hearing and took testimony on the proposed development and pre-annexation agreement at a regular meeting held on July 14, 2016; and

WHEREAS, the City Council conducted a first reading of the ordinance on July 14, 2014

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. **Public Interest.** The City Council for the City of Ridgefield, Washington finds, following a public hearing process, that it is in the public interest for the City of Ridgefield to approve the Development and Pre-Annexation Agreement with Owners. Execution of this Agreement will generally govern the development and use of the proposed annexation area and provide certain public improvements to mitigate impacts associated with the annexation and development of Owners property.

Section 2. **Development and Pre-Annexation Agreement Approved.** The City Council for the City of Ridgefield hereby approves the Development and Pre-Annexation Agreement ("Agreement") attached hereto as Exhibit "A" hereby incorporated fully herein by this reference, and authorizes the City Manager to execute the Agreement substantially in the form attached and to take such other actions as may be necessary to effect this Agreement.

Section 3. **Corrections.** The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. **Severability.** Any provision of this ordinance or its application to any person, legal entity, or circumstance is held invalid, the remainder of the ordinance or its application to other persons, legal entities, or circumstances is not affected.

Section 5. **Effective Date.** This ordinance shall be in full force and effect thirty (30) calendar days after adoption and publication pursuant to law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 25th DAY OF AUGUST 2016.

CITY OF RIDGEFIELD

Mayor, Ron Onslow

ATTEST:

Julie Basarab
Deputy City Clerk

APPROVED AS TO FORM:

Janean Parker, City Attorney

Public Hearing: August 11, 2016
First reading: August 11, 2016
Second Reading/Passage: August 25, 2016

Ordinance No. 1213 Page 2 of 4

Attachment: Ord 1213 Brown DA (1056 : Ord. 1213 Brown Development Agreement)

Date of Publication:
Effective Date:

**EXHIBIT A
Legal Description**

Attachment: Ord 1213 Brown DA (1056 : Ord. 1213 Brown Development Agreement)

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: An Ordinance of the City of Ridgefield, Washington Relating to the Acquisition by Eminent Domain of Certain Property in the City of Ridgefield for Construction of a Public Library; Declaring Public Use and Necessity for Land and Property to be Condemned for the Construction of the Project, Authorizing the Condemnation of Property Therefore, Authorizing the Payment Therefore, and Authorizing the City Attorney to Prosecute Such Action in the Event Direct Purchase Efforts Are Not Successful.

PREVIOUS COUNCIL ACTION TAKEN: None. First Reading of Ordinance No. 1214 was conducted on August 11, 2016.

SUMMARY/BACKGROUND: The City of Ridgefield has determined that current facilities for the public library no longer meet the needs of a growing community. As a result the City has been looking for property for an expanded public library facility that will meet the needs of the community now and into the future.

The Fort Vancouver Regional Library District conducted a 2013 needs assessment which recommended increased library capacity in Ridgefield, due to the City's usage rate at the existing library, existing space constraints, growth over the past decade creating unmet needs, and the projected growth to approximately 25,000 people by 2035.

The District conducted a 2014 Building Pre-Design Program, including analysis of Ridgefield public library needs and potential sites. The District's 2014 report studied sites throughout Ridgefield, with specific needs for site size, configuration, and accessibility. The report identified 5 potential sites as possible library sites.

In 2015, the City Council evaluated a total of 9 potential library sites, including the 5 sites identified by the District. Of the 9 potential library sites vetted by City Council, only 2 sites offered the accessibility, size, configuration, and location identified as necessary for an expanded Ridgefield Community Library in the 2014 report. Of the 2 sites that the City Council vetted as potential locations for expansion of the Ridgefield Community Library, one of those sites - properties at the corner of Simons and Main - are subject of brownfield site reclamation which will require several years of cleanup when/if started - as identified in the City's Integrated Planning Grant Report of

Approved to be placed on City Council Agenda:

Kirk Johnson	Completed	08/17/2016 3:02 PM
Approved to move to Council		
Steve Stuart	Completed	08/22/2016 2:37 PM
City Council	Pending	08/25/2016 6:30 PM

2015.

The only remaining site vetted by the City Council as a potential location for expansion of the Ridgefield Community Library, based on the needs analysis, site evaluation, and community input, is properties located at the corner of Mill and Main, and extending west along Mill to Railroad Ave.

The City has every intention of working with the current property owners of the selected location to come to an agreement on purchase of the property. In the event the City needs to move forward in the condemnation process, the first step is to determine public use and necessity. Ordinance No. 1214 accomplishes this requirement.

The City has mailed notice to the property owner of record via certified mail to provide required notification per RCW 8.25.290.

BUDGET/FINANCIAL IMPACTS: Budget impact has yet to be determined for the just compensation due the property owner. It is anticipated that the land will be purchased using Real Estate Excise Tax Funds.

RECOMMENDED ACTION OR MOTION:

Staff recommends Council adopt Ordinance No. 1214 by making the following motion:

“I move to adopt Ordinance No. 1214, as presented.”

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

ORDINANCE NO. 1214

AN ORDINANCE OF THE CITY OF RIDGEFIELD, WASHINGTON RELATING TO THE ACQUISITION BY EMINENT DOMAIN OF CERTAIN PROPERTY IN THE CITY OF RIDGEFIELD FOR CONSTRUCTION OF A PUBLIC LIBRARY; DECLARING PUBLIC USE AND NECESSITY FOR LAND AND PROPERTY TO BE CONDEMNED FOR THE CONSTRUCTION OF THE PROJECT, AUTHORIZING THE CONDEMNATION OF PROPERTY THEREFORE, AUTHORIZING THE PAYMENT THEREFORE, AND AUTHORIZING THE CITY ATTORNEY TO PROSECUTE SUCH ACTION IN THE EVENT DIRECT PURCHASE EFFORTS ARE NOT SUCCESSFUL.

Whereas, the Fort Vancouver Regional Library District ("District") conducted a 2013 needs assessment which recommended increased public library capacity in Ridgefield, due to the City's usage rate at the existing library, existing space constraints, growth over the past decade creating unmet needs, and projected growth to approximately 25,000 people by 2035; and

Whereas, the District conducted a 2014 Building Pre-Design Program, including analysis of Ridgefield public library needs and potential sites; the District's 2014 report studied sites throughout Ridgefield, with specific needs for site size, configuration, and accessibility and identified 5 potential sites as possible library sites; and

Whereas, in 2015, the Ridgefield City Council evaluated a total of 9 potential library sites, including the 5 sites identified by the District; and

Whereas, of the 9 potential library sites vetted by City Council, only 2 sites offered the accessibility, size, configuration, and location identified as necessary for an expanded Ridgefield Community Library in the 2014 report, and one of those sites is the subject of brownfield site reclamation which will require several years of cleanup prior to use; and

Whereas, the only remaining site vetted by the City Council as a potential location for expansion of the Ridgefield Community Library, based on the needs analysis, site evaluation, and community input, is the properties located at the corner of Mill and Main, and extending west along Mill to Railroad Avenue, including the subject property.

Whereas, based on the foregoing, the City Council finds that it is necessary to acquire certain property by eminent domain; and

Whereas, the City has provided notice of the planned final action described below, in the manner provided for in RCW 8.12.005 and 8.25.290;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. **Findings of Fact.** Each and every one of the recitals contained in the 'whereas' clauses of the preamble to this ordinance are hereby adopted as findings of fact and incorporated herein fully by reference.

Section 2. **Public Interest.** The City Council for the City of Ridgefield, Washington finds, following a public hearing process, that it is in the public interest for the City to acquire certain property described herein by eminent domain.

Section 3. **Declaration of Public Use and Necessity.** The construction of a public library within the City of Ridgefield and the property therefore are hereby declared to be a public use and necessary for public purposes, namely to improve public services to the citizens of Ridgefield. The public use and necessity demands the acquisition of the property described in Section 4 for the construction of the Ridgefield public library.

Section 4. **Condemnation of Property Authorized.** The City shall, after reasonable efforts at direct negotiation, condemn the property at 211 N. Main Avenue in Ridgefield, described in Exhibit A attached hereto and incorporated herein by this reference to obtain ownership and rights thereto, after just compensation having been first paid or paid into court for the owner in the manner prescribed by law.

Section 5. **Authorization of the City Attorney.** The City Attorney and/or designees are hereby authorized to commence condemnation proceedings for the property described in Section 3, pursuant to law, to determine and make or pay just compensation, and to take such other steps as they deem necessary to complete acquisition of the property. The City Attorney is further authorized to adjust the extent of the property taken or acquired to facilitate implementation of this ordinance, provided that such adjustment shall not be inconsistent with the Ridgefield public library project.

Section 6. **Compensation.** Compensation to be paid to the owners of the property identified in Section 3, and all costs of litigation therefore, shall be paid from the City's Real Estate Excise Tax Fund.

Section 7. **Corrections.** The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. **Severability.** Any provision of this ordinance or its application to any person, legal entity, or circumstance is held invalid, the remainder of the ordinance or its application to other persons, legal entities, or circumstances is not affected.

Section 5. **Effective Date.** This ordinance shall be in full force and effect thirty (30) calendar days after adoption and publication pursuant to law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 25TH DAY OF AUGUST 2016.

CITY OF RIDGEFIELD

Mayor, Ron Onslow

ATTEST:

Julie Basarab
City Clerk

APPROVED AS TO FORM:

Janean Parker, City Attorney

First reading:	August 11, 2016
Second Reading/Passage:	August 25, 2016
Date of Publication:	August 31, 2016
Effective Date:	September 30, 2016

Exhibit A.**Property Identification No. 68027000****Real Property****Address 211 N. Main Avenue, Ridgefield, WA 98642****Legal Description:****THAT PORTION OF THE ARTHUR QUIGLEY DONATION LAND CLAIM DESCRIBED AS FOLLOWS:**

BEGINNING AT A POINT ON THE WEST LINE OF MAIN STREET IN THE TOWN OF RIDGEFIELD THAT IS 549 FEET NORTH AND 936.9 FEET WEST OF THE QUARTER POST ON THE EAST LINE OF SECTION 24, TOWNSHIP 4 NORTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN; THENCE WEST 100 FEET; THENCE NORTH 62.4 FEET; MORE OR LESS, TO THE SOUTH LINE OF DEPOT STREET; THENCE EAST, ALONG THE SOUTH LINE OF SAID DEPOT STREET, 100 FEET TO THE WEST LINE OF SAID MAIN STREET; THENCE SOUTH 62.4 FEET TO THE POINT OF BEGINNING.

Property Identification No. 602805000**Mobile Home****Address: 211 N. Main Avenue, Ridgefield, WA 98642****Owner: Roger Oviatt****Legal Description: None****Property Identification No. 602204000****Mobile Home****Address 211 N. Main, Avenue, Ridgefield, WA 98642****Owner: Roger Oviatt****Legal Description: None**

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Repealing Ordinance No. 753 - Ridgefield Municipal Code Chapter 3.64 (Water/Sewer Capital Facilities and Equipment Replacement Fund)

GOVERNING LEGISLATION: Ridgefield Municipal Code Chapter 3.64 – Water/Sewer Capital Facilities and Equipment Replacement Fund.

PREVIOUS COUNCIL ACTION TAKEN: Council adopted Ordinance No. 753 on October 28, 1999 to establish RMC Chapter 3.64.

SUMMARY/BACKGROUND: City Council approved RMC 3.64 to set aside funds in the water and sewer funds for the purpose of repairing and replacing existing capital facilities. At the time of approval, rates collected for these services, were used to support operations and maintenance. It was determined that 5% of rates needed to be set aside to repair and replace the existing infrastructure.

The City transferred the sewer collection system to Clark Regional Wastewater District in 2014 and the treatment system to Discovery Clean Water Alliance in 2015. The City is no longer responsible for repair and replacement of the capital facilities for sewer.

Staff is requesting to repeal Ordinance 753 removing the requirement from code. Staff is presenting an update to the Financial Management Policy to include the repair and replacement reserve in the water and storm water drainage funds. Council adopted resolution 466 on October 9, 2014 to revise the Financial Management Policies and update reserve policies. Combining the repair and replacement reserve into the policy document will bring all reserves into a single document. The revision will also address a much needed reserve for storm water drainage capital facilities repair and replacement.

BUDGET/FINANCIAL IMPACTS: There are no budgetary impacts with the passing of this ordinance.

RECOMMENDED ACTION OR MOTION: Staff recommends Council waive second reading and adopt Ordinance 1217: Repeal of RMC Chapter 3.64, Water/Sewer Capital Facilities and Equipment Replacement Fund. A recommended motion is:

“I move to waive second reading and adopt Ordinance 1217 as presented”

Approved to be placed on City Council Agenda:

Kirk Johnson	Completed	08/17/2016 3:03 PM
Approved for Council		
Steve Stuart	Completed	08/22/2016 2:38 PM
City Council	Pending	08/25/2016 6:30 PM

STAFF CONTACT: Kirk Johnson, Finance Director
ATTACHMENTS:

ORDINANCE NO. 1217

REPEALING ORDINANCE NO. 753 - RIDGEFIELD MUNICIPAL CODE CHAPTER 3.64 (WATER/SEWER CAPITAL FACILITIES AND EQUIPMENT REPLACEMENT FUND)

WHEREAS, Ordinance No. 753 was adopted by the City Council of the City of Ridgefield on October 28, 1999; and,

WHEREAS, Ordinance No. 753 established the purpose and use of the repair and replacement fund and created a new chapter, Chapter 23.64, in the Ridgefield Municipal Code; and,

WHEREAS, there are no State or Federal laws regulating or requiring a repair and replacement fund and,

WHEREAS, The City transferred the sewer collection system to Clark Regional Wastewater District January 1, 2014 and the sewer treatment system to Discovery Clean Water Alliance on January 1, 2015 and is no longer responsible for repair and replacement of sewer capital facilities and,

WHEREAS, this Ordinance will repeal Chapter 3.64 – Water/Sewer Capital Facilities and Equipment Replacement Fund – of the Ridgefield Municipal Code.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON HEREBY ORDAINS AS FOLLOWS:

Section 1. Delete in its entirety Chapter 3.64. Chapter 3.64 pertains to the establishment of the Water/Sewer Capital Facilities and Equipment Replacement Fund. Chapter 3.64 states the following:

3.64.010 – Established.

There is established a “Water/Sewer Capital Facilities and Equipment Replacement Fund” to be segregated from other funds and be used only for the replacement and repair of existing water/sewer capital facilities and existing equipment as of the date of the ordinance codified in this chapter.

3.64.020 – Funding.

Commencing December 1, 1999, five percent of all water utility receipts from rates and five percent of all sewer utility receipts from rates shall be deposited into the water/sewer capital facilities and equipment replacement fund.

3.64.030 – Use of funds.

The fund established in this chapter shall be used only for the repair and maintenance of existing capital facilities and existing equipment.

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

Section 3. Regulatory Conflicts. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of the inconsistency or conflict.

Section 4. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Effective Date. This ordinance shall be in full force and effect thirty (30) calendar days after adoption and publication pursuant to law.

PASSED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON THIS 25TH DAY OF AUGUST, 2016.

By: _____
Ron Onslow, Mayor

ATTEST/AUTHENTICATED:

Julie Basarab,
City Clerk

APPROVED AS TO FORM:

Janean Parker, City Attorney

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Resolution No. 512 Approval of Amendment to Financial Management Policies

GOVERNING LEGISLATION: State of Washington Budgetary, Accounting and Reporting Manual and Government Accounting Standards Board – Pronouncement No. 54 pertaining to fund balance.

PREVIOUS COUNCIL ACTION TAKEN: Council adopted Financial Management Policies by Resolution No. 324 on August 24, 2006. Council amended section VI on January 11, 2011 by Resolution No. 396. Council amended the policy by Resolution No. 466 on October 9, 2014. Council amended the policy by Resolution No. 493 on August 27, 2015.

SUMMARY/BACKGROUND: City staff engaged FCS Group to conduct a rate study for the City's utility funds. During the review staff determined there was reference to a water/sewer capital repair and replacement reserve existing in municipal code. With the transfer of sewer operations, maintaining a reserve fund for repair and replacement of sewer capital facilities in City code is no longer applicable. Reference to the sewer reserves in the municipal code should be removed.

Finance staff recommends removing all reference from code relating to reserve policies and incorporating applicable reserve policies in the financial management policy document approved by Council. A companion recommendation, Ordinance No. 1217, has been submitted to Council to repeal RMC 3.64 Water/Sewer Capital Facilities and Equipment Replacement Fund.

Staff also recognized that the original code did not set aside funds for storm water utility, capital repair and replacement. The changes in section VI. Adds Priority #5 – Capital Repair and Replacement Reserve (Enterprise Funds); designating funding for a reserve for both

Approved to be placed on City Council Agenda:

Kirk Johnson Completed 08/17/2016 2:07 PM

Approved to go to Council

Steve Stuart Completed 08/22/2016 8:50 AM

City Council Pending 08/25/2016 6:30 PM

water and storm water capital repair and replacement. The funding allocation would set aside 5% of rate revenues each year, beginning January 2017, with a minimum target fund balance of 2% of historical cost of capital facilities. The 2017 estimated transfer amounts would be \$68,930 with a target fund balance of \$254,750 for water, and \$21,334 and a target fund balance of \$117,935 in storm. The target minimum balance is expected to be achieved in 4 years for water and 6 years for storm.

Section XI "Short Term Debt" and section XII "Long Term Debt" were combined into a new section XI "Debt Management" with a reference to Financial Policy #10 "Debt Management" which is presented to Council as Resolution 513. The new Debt Management Policy will set forth guidelines for the issuance and management of all debt financings of the City. Additional changes include renumbering of sections, the addition of a reference to the City's investment policy in section XII, and header changes for consistency with all financial policy documents

The financial management policies provide guidelines in making sound financial management decisions, minimize financial risk, and maintain appropriate capacity to meet financial obligations.

BUDGET/FINANCIAL IMPACTS: Approval of the amendment would establish a capital repair and replacement reserve setting aside 5% of rate revenues from water and storm water funds for repair and replacement of existing infrastructure.

RECOMMENDED ACTION OR MOTION: Staff recommends that Council adopt Resolution No. 512 as presented by making the following motion:

"I move to adopt Resolution No. 512 as presented."

STAFF CONTACT: Kirk Johnson, Finance Director
Policy #01 Financial Management Policies 2016 Update (DOCX)

ATTACHMENTS:

Resolution No.512

RESOLUTION REGARDING AN UPDATE TO THE FINANCIAL MANAGEMENT POLICIES FOR THE CITY OF RIDGEFIELD, WASHINGTON

WHEREAS, the City of Ridgefield established financial management policies by the adoption of Resolution No. 324 on August 24, 2006; and amended the policies by the adoption of Resolution No. 396 on January 27, 2011; and amended the policies by the adoption of Resolution No. 466 on October 9, 2014; and amended the policies by the adoption of Resolution No. 493 on August 27, 2015; and

WHEREAS, the City deems it necessary to update these financial management policies by amending the policy to add a capital facilities repair and replacement reserve for Enterprise Funds; and update sections related to debt management within the policy; and

WHEREAS, these policies provide the guidelines for City Council to use in making policy decisions that can have significant fiscal impact on the City; and

WHEREAS, these policies are designed to promote sound financial management, minimize financial risk, and maintain appropriate financial capacity to meet current and future financial needs.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ridgefield approves the updated version of the financial management policies, a copy of which is attached and referenced as Exhibit A.

Section 2. The City Manager, Finance Director, and Deputy City Manager are hereby authorized to implement such policies as necessary to carry out the directions of this Resolution.

Section 3. Effective date of this Resolution shall be in full force and effect on the date adopted by the City Council.

ADOPTED AT A REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 25TH DAY OF AUGUST, 2016.

CITY OF RIDGEFIELD

Ron Onslow, Mayor

ATTEST:

Julie Basarab,
City Clerk

Financial Policy #01: -Financial Management Policies

Effective Date: August ~~2527~~, 201~~65~~

Replaces and Cancels: Replaces Financial Policy #01: Financial Management ~~Policies~~; ~~October 9, 2014~~ August 27, 2015

References:

PURPOSE

To provide the necessary tools to ensure the City is capable of meeting its immediate and long-term financial and service objectives. These policies serve as guidelines for both financial planning and internal financial management of the City.

The City of Ridgefield is accountable to its citizens for the use of public dollars. Resources must be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.

OBJECTIVES

1. To guide City Council in management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To implement balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.

Financial Policy #01: -Financial Management Policies

Effective Date: August ~~25~~²⁷, 201~~6~~⁵

Replaces and Cancels: Replaces Financial Policy #01: Financial Management ~~Policies~~; ~~October 9, 2014~~^{August 27, 2015}

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I. GENERAL INFORMATION

The City of Ridgefield uses the Washington State Auditor's Office prescribed budgetary, accounting and reporting system (BARS) for local governments.

Funds

Funds are used to account for and record designated information. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Types:

General Government Funds:

General Government funds are accounted for on a modified accrual basis of accounting. Following are the General Government funds used by the City.

General Fund: The General Fund is used to account for all of the financial resources of the government, except those required to be accounted for in another fund.

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific special revenue sources legally restricted to expenditures for specific purposes.

Debt Service Funds: Debt Service funds are used to account for accumulation of resources for and payment of general government long-term debt principal and interest. It does not include the payment of principal and interest on debt associated with an enterprise fund.

Capital Projects Funds: Capital projects funds are used to account for financial resources used in the acquisition or construction of capital facilities or - infrastructure not financed by proprietary or trust funds.

Proprietary (Business Type) Funds:

Proprietary funds are used to account for the proprietary or business-type activities for the City. Proprietary funds consist of enterprise funds and internal service funds. Enterprise funds are accounted for on a full accrual basis of accounting.

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Enterprise Funds: Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are maintained on a full accrual basis of accounting.

Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis. The City's Equipment Replacement Fund is established as an Internal Service Fund.

II. BUDGET MANAGEMENT

Budget Development

Refer to **Financial Policy #07: Budget Policies** for more detailed information.

Department directors have primary responsibility for formulating budget proposals in accordance with City Council and City Manager priority direction, and for implementing the budget once they are adopted.

The Finance Department is responsible for conducting the overall preparation and administration of the City's budget. This includes providing information on revenues and expenditures, updating costs and revenues, organizing data in an understandable fashion, and creating and providing tools for budget development.

The Finance Department assists department management in developing their budget proposals including identifying and analyzing budget issues, formulating solutions and alternatives, and implementing any necessary changes.

The budget is prepared and implemented on an annual basis in accordance with RCW 35A.33. The budget includes revenue and expenditure categories that correspond to the State's Budgeting, Accounting and Reporting System (BARS) categories.

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The City develops budgets for the General and Enterprise operating funds, Special Revenue, and Equipment Replacement funds of the City. Budgets are also developed in the Debt Service fund to account for principal and interest payments and in the Capital Project fund to account for capital expenditures and associated capital funding sources.

Budget Adjustments and Amendments

The City Council adopts the budget at the fund level. Budget amendments are needed when total expenditures in a fund are expected to exceed the adopted budget for that fund. This may occur due to policies or programs approved by the City Council after the budget was adopted or due to unanticipated expenses. In addition, the City Council may choose to amend the budget in the event of a material change in the City's revenue sources during the year. Minor changes to anticipated revenues or expenditures do not require City Council to adopt a budget amendment. Budget amendments are authorized by City Council through an ordinance.

Budget adjustments within the City Council adopted budget for a fund proceed as follows:

- The Finance Department receives a request for a budget adjustment from a department. Budget changes can also occur based on new information or documentation that the Finance Department receives directly.
- The Finance Department reviews the request. Adjustments that simply move budget amounts within a department and that do not represent a change in a policy or program are processed by the Finance Department. Budget adjustments that increase the budgeted amount for one department that are offset by decreases in another department are reviewed by the City Manager or other designated person. If approved, the Finance Department makes the requested adjustment as long as it does not change the total budget for the fund.
- Council approval is required if the requested adjustment changes the total budget for a fund. The Finance Department will verify whether there are sufficient resources for the adjustment, and prepare a budget adjustment and ordinance for Council approval.

Budget Monitoring

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Budgets are developed and monitored at the line item level, but are managed at the fund level. A department director can overspend on one line item within their department without the need for a budget adjustment as long as it is balanced out by an under expenditure on another line item. The total expenditures for a fund cannot exceed the total budget for the fund.

Department directors are responsible and accountable for their department budget.

Monthly reports that compare budget to actual will be created by the Finance Department and provided to the appropriate department director for review and response if large discrepancies are identified.

City Positions and Staffing Levels

The budget approved by the City Council will fund a number of authorized full time equivalent City positions. The City's authorized positions, will be included in the budget document and/or included in labor agreements approved by City Council. City Council will approve any new permanent City positions prior to the positions being filled. Temporary and seasonal positions do not require City Council approval as long as the expenditure to support them is provided for in the adopted budget.

III. REVENUES

The City will strive to maintain a diversified and stable revenue system to shield the City from short-term fluctuations from any one revenue source.

The City will work to develop and maintain sustainable revenue sources to ensure its viability over the long term.

Revenue estimates adopted by City Council should be made with consideration to the sensitivity of both local and regional economic activities.

The City will establish all user charges at a level associated with the cost of providing the service.

The City will set fees and user charges for each enterprise fund, such as Water, and Storm Water Drainage, at a level that, along with other anticipated revenue, fully supports the total direct and indirect cost of the activity provided.

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Grant revenue sources will be acquired and used whenever possible.

IV. EXPENDITURES

The City will only propose ongoing operating expenditures that can be supported by ongoing operating revenues.

The City will maintain a level of expenditures consistent with the level of services that will meet the goals and mission of the City as approved by the City Council.

Expenditures funded by one-time only sources, such as grants, must be identified and noted as such. Expenditures funded by these sources will not be included in subsequent budgets once the funding source no longer exists.

The City will maintain expenditure categories according to State statute and administrative regulation.

Expenditures associated with a grant revenue source will be identified and recorded against the corresponding grant.

V. FIXED ASSETS

The City of Ridgefield will maintain a fixed asset system that meets Generally Accepted Accounting Principles (GAAP) and GASB 34 reporting requirements.

A fixed asset system will be maintained to identify all City assets and their condition.

Fixed assets are maintained for both the General Government and Enterprise funds.

Straight line depreciation will be calculated and charged appropriately against the asset.

VI. FUND BALANCE

Fund balances are created and maintained to provide capacity to:

1. Offset significant downturns in the economy.
2. Provide sufficient cash flow to meet daily financial needs.

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3. Meet all statutory and City Council approved loan covenant requirements for required debt reserves to pay debt service.
4. Maintain the ability to meet scheduled equipment repair and replacement needs that sustain city services at an acceptable level to prevent physical deterioration of city assets.
5. Provide the capacity to pay large unanticipated expenses, such as the payment of vacation and sick leave balances for employees that retire or leave employment with the City.

Fund Balance represents the difference between the fund's assets and the fund's liabilities. A positive fund balance should be maintained to properly manage a fund.

Reserves are a portion of the fund balance that is restricted or categorized to use for a designated purpose. The following definitions (though the City may not use all of these categories at any one time) are published by the Governmental Accounting Standards Board – Pronouncement No. 54:

- Non-spendable: Amounts that cannot be spent due to form; for example, inventories, prepaid amounts, long-term and notes receivables, and other restricted items. Also includes amounts that must be maintained intact legally or contractually.
- Restricted: Amounts constrained for a specific purpose by external parties, or constitutional provision, such as a requirement for revenue bonds to set aside funds in a debt service reserve account.
- Committed: Amounts constrained or restricted for a specific purpose by a government using its highest level of decision-making authority. Action by the legislative authority is required to remove or change this amount.
- Assigned: Used for funds to classify any remaining positive amounts not identified as non-spendable, restricted or committed. These amounts should not result in a deficit in unassigned fund balance.

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- Unassigned (remaining fund balance that is not reserved): This is the excess or residual amount of resources that exceed the amount expended, less amounts identified as non-spendable, restricted, committed or assigned. If the residual amount is negative, the assigned amount should be reduced accordingly.

The City has determined the need to create the following reserves and fund balances with the priority identified:

Priority #1- Debt Service Reserve:

Purpose: This reserve account will be established by any fund that budgets debt service, as an expense item in the fund. The purpose of this account is to create the financial ability to pay for principal and interest due on outstanding debt.

Amount: The amount allocated will be determined by bond issuance and/or loan covenant requirements and adjusted annually. The amount will come from a portion of the annual operating revenue generated in the fund that pays debt service.

Category: Identified as a "Committed" fund balance.

Priority #2 - Operations and Maintenance Reserve:

Purpose: This reserve account will be established by any fund that budgets ongoing operations and maintenance. The purpose of this account is to create the financial ability to pay operating expenses from month to month given the routine and seasonal fluctuations in the City's revenue and expenses.

Amount: The General Fund and Street Fund operations and maintenance reserve will be set at 60 days of prior year actual operating expenses. The operations and maintenance reserve for Enterprise Funds (water and storm_water) will be set at 90 days of prior year actual operating expenses. Reserve amounts will be updated annually during the budget process. The source of the operations and maintenance reserve will come from the amount of annual operating revenue that exceeds the annual operating expenses for a fund.

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Category: Identified as "Unassigned" fund balance.

Priority #3 - Revenue Stabilization Reserve:

Purpose: This reserve account will be established in the General Fund. The purpose of this reserve account is to provide the financial ability to cover operating expenses during a longer term revenue shortfall due to reduced ongoing revenue receipts or a downturn in the economy. This reserve will allow the City to sustain service levels while the City Council implements policies that respond to and mitigate the revenue shortfall.

Amount: The amount will be calculated annually at 10% of the prior year actual revenues less any one-time revenues such as grant allocations and inter-fund transfers.

Category: Identified as "Unassigned" fund balance.

Priority #4 - Capital Reserve:

Purpose: This reserve account will be used by any fund that budgets capital and/or large maintenance projects as an expense item in the fund or uses a capital projects fund to budget and pay for these expenses. The purpose of this account is to create the financial ability to pay for unanticipated capital needs typically resulting from a natural disaster or other unanticipated event that damages City infrastructure. This fund may with specific appropriation by City Council be used for investment in revenue producing capital projects.

Amount: The amount allocated will be calculated at 1% of prior year net fixed assets. The amount will come from a portion of the annual operating revenue generated in the fund that pays for these types of projects.

Category: Identified as "Assigned" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

Priority #5 -- Capital Repair and Replacement Reserve (Enterprise Funds)

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Purpose: This reserve account will be used to set aside funds for future repair and replacement of utility infrastructure. The purpose of this account is to create the financial ability to pay for repair or replacement of existing utility infrastructure at the end of the assets useful life, or in the event of a failure of the asset. Use of these funds for specific repair and replacement projects must be appropriated by City Council through the budget process or by emergency declaration in the event of a significant failure of the asset.

Amount: The amount will be allocated on an annual basis as 5% of the previous year utility receipts from rates and will be deposited into a separate fund balance. The minimum target fund balance for this account is 2% of the historical cost for infrastructure, not to include machinery and equipment which is included in the Equipment Replacement Fund Reserve in the accompanying utility fund.

Replenishment of Reserves – The following criteria will be used to restore the Capital Repair and Replacement Reserve Fund based upon the minimum reserve guideline:

1. If the reserves are drawn down by 25-50% of reserve fund balance, then a budgetary plan shall be implemented to return the reserve level to between 75-100% of the minimum reserve balance over a 5-7 year period.
2. If the reserves are drawn down by 10-25% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 3-5 year period.
3. If the reserves are drawn down by 0-10% of reserve fund balance, then the budgetary plan to restore the minimum reserve balance shall be structured over a 1-3 year period.

Category: Identified as "Assigned" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

Priority #6 - Equipment Repair and Replacement Reserve:

Purpose: This reserve account will be set-up as a separate fund to account for equipment replacement for existing City equipment and vehicles. The purpose of this fund is to create the financial flexibility to plan for replacement of these types of expenses, maintaining the City assets at an acceptable level to prevent physical deterioration.

Commented [KJ1]: I was researching the reserve recommendations for the asset repair and replacement we would like to add this year. A GFOA recommended the greater of the average renewal and replacement of the asset over the coming five years or 2 percent of the replacement value. Can you obtain these numbers to target measurable?

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Amount: The amount allocated will be determined by a financial model used to track the funds needed to replace existing vehicles and equipment at the end of their useful life. The amount allocated to the reserves will be updated annually during the budget process.

Category: Identified as "Assigned" fund balance unless a resolution or budget amendment is processed that identifies a specific amount to be used for a specific item or purpose, then this amount would be classified as "Committed" fund balance.

The City will make every effort to create and maintain the fund balances and reserves identified above and based on the priorities established. The City is aware that needs may change over time and fund balance reserve amounts may be redistributed within a fund to meet the needs that occur at a given time. If it is determined that funds need to be redistributed within a fund, the fund balance with the lowest priority will be redistributed first to allow the ability to meet the need of a higher priority fund balance. In all cases, council approval or budget enactment is required before changing or redistributing the amounts allocated to a reserve account.

VII. PURCHASING

Refer to *Financial Policy #04: Procurement of Goods and Services* for more detailed information.

The City shall commit to the following guidelines:

- Comply with all federal, state, and local laws, adopted codes, ordinances, and stated policies in its procurement process.
- Buy competitively and wisely to obtain maximum value for the public resource dollars spent.
- Afford all bidders an equal opportunity to quote and compete on equal terms.
- Initiate and promote good, continuous vendor relations, as well as, reliable alternate sources of supply.

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References:

- Buy from suppliers who maintain adequate financial strength, high ethical standards, a record of adhering to specifications and who will maintain integrity in payment terms, delivery and service.

VIII. CAPITAL IMPROVEMENTS

The City will make capital improvements in accordance with an adopted capital improvement plan.

The capital investment program and the base operating budget will be reviewed at the same time. This will insure that the City's capital and operating needs are balanced with each other.

The City will develop a multi-year plan for capital improvements including operations and maintenance costs and update it every two years or sooner if needed. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in the economic base will be calculated and included in the capital budget projections.

The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental grants, loans and other outside resources whenever possible.

IX. LOCAL IMPROVEMENT DISTRICTS (LID):

LID's are formed to provide an alternative means of financing for property owners, within a defined geographical area, to make improvements benefiting their property.

Improvements financed by the Local Improvement District (LID) may include street and sidewalk construction, construction of water distribution and storm water collection facilities. Assessments are determined by the size and location of each property in relation to the improvement and the benefit to the property.

An LID may be initiated by City Council resolution or by petition of the majority of property owners along the frontage of the improvement, within the boundaries of the district. Refer to RCW 35.43 for authority.

The formation of a Local Improvement District is limited to specific instances and can apply as follows:

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References:

- When a group of property owners wish to accelerate development of a certain improvement; or
- When a group of property owners desire a higher standard of improvement than the City's project contemplates; or
- When a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements.

LID projects may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall request it from the City Council (through the City Clerk) in writing before the LID promotion activity begins.

X. LATECOMER AGREEMENTS

Refer to Ridgefield Municipal Code chapter 3.90 for more detailed information.

As a source of financing capital improvements, the City may work with private developers to construct projects identified in the capital facilities plan.

The City shall collect a connection or impact fee from future developers that utilize the capital improvement and reimburse the developer that built the initial capital improvement.

Construction projects considered under this agreement:

- The project must be a project identified in the adopted capital facilities plan
- The project extension must serve anticipated future development.
- The project requires prior approval by the Community Development Director or Public Works Director.
- The latecomer agreement must be approved by City Council prior to construction.

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References:

Payment of any latecomer fee shall occur within 15 years of final acceptance of construction. Documentation of the actual project costs and the agreement with current participants must be made prior to any reimbursements.

The reimbursements shall not exceed that amount which brings participant costs equal to zero.

XI. SHORT TERM DEBT MANAGEMENT

Refer to Financial Policy #10: Debt Management for more detailed information.

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

~~XI.~~

~~Short term debt covers a period of one year or less.~~

~~The City may use short term debt to cover temporary cash flow shortages that may be caused by a delay in receipting revenues or issuing long term debt.~~

~~The City may issue Interfund loans rather than outside debt instruments to meet short term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of those funds will not impact the fund's current operations. All short term borrowing will be subject to Council approval by ordinance or resolution, and will bear interest based upon the current bank rates.~~

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XII. LONG TERM DEBT

~~Debt financing will not be undertaken without identification of a cash stream sufficient to repay the debt.~~

~~The City will confine long term borrowing to capital improvements that cannot be financed from current revenue sources.~~

~~Acceptable uses of bond and loan proceeds can be viewed as items which can be capitalized and depreciated.~~

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

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References:

~~The City will maintain communications with bond rating agencies about its financial condition.~~

~~The City will follow a policy of full disclosure on every financial report and bond prospectus.~~

~~Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.~~

~~Loans may be obtained to fund capital projects identified in the Capital Facilities Plan.~~

XII. INVESTMENTS

Refer to **Financial Policy #08: Investments** for more detailed information.

XIII.

The policy on investment applies to the investment of all City funds excluding pension funds or trust accounts. The primary objective of investment activities shall be: 1) Safety of principal that seeks to minimize potential losses; 2) Liquidity of cash to sufficiently meet all operating requirements; and 3) Return on investment that allows for the highest market rate of return throughout budgetary and economic cycles.

The City of Ridgefield authorized investment officers will perform their duties in a manner consistent with the standard of a "prudent person," as defined in RCW 43.250.040. A prudent person is defined as "exercising the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital." The investment officer is the Finance Director.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The City may invest in any of the securities identified as eligible investments as defined by RCW's: 35A.40.050, 39.59, 43.250, and 43.84.080. These include: Certificates of Deposit, United States Securities, Bankers' Acceptances, Repurchase Agreements and Certificates, and Notes and

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Replaces and Cancels: Replaces Financial Policy #01: Financial Management ~~Policies~~; ~~October 9, 2014~~^{August 27, 2015}

References:

Bonds of the State of Washington. The City may also create investment accounts with the Clark County Treasurer's Office per RCW 36.29.020, and the Local Government Investment Pool per RCW 43.250.040. Speculative investments are not allowed.

Investment transactions shall be conducted with approved broker/dealers selected by credit worthiness and other selection criteria. Broker/dealers must be registered to provide investment services in the State of Washington.

The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

~~XIV~~^{XIII}. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will establish and maintain a high standard of accounting practices.

The accounting system will maintain records on a basis consistent with accepted standards for local government accounting and the State of Washington Budgeting, Accounting, and Reporting Systems.

Regular monthly, quarterly and annual financial reports will present a summary of financial activity by major types of funds. Monthly reports will also include a summary of the investment activities by type of investment.

Where feasible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and, if necessary, by fund.

The State Auditor's Office will audit City records annually or biannually, depending upon audit requirements, and will issue a financial opinion.

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Resolution No. 513 - Approval of Debt Management Policies

GOVERNING LEGISLATION: RCW 39.36.020 – Limitation of indebtedness prescribed; RCW 35A.40 – Fiscal provisions applicable to code cities; RCW 35.37 – Fiscal – Cities under twenty thousand and cities other than first class - bond; RCW 39.40 – Vote required at bond election; RCW 39.46 Bonds – Other miscellaneous provisions – Registration; RCW 39.52 – Funding indebtedness in counties, cities, and towns; RCW 39.56 – Warrants; RCW 43.80 – Fiscal agencies

PREVIOUS COUNCIL ACTION TAKEN: Approval of Financial Management Policies – Section XI Short Term Debt and XII Long Term Debt, was adopted by Resolution No. 324 on August 24, 2006.

SUMMARY/BACKGROUND: The City currently addresses debt management in the Financial Management Policies, Section XI and XII. The policy addresses debt management on a limited basis, defining short and long term debt; while providing a high level overview of what type of debt is authorized. Debt management practices are not addressed in the current policy.

Industry standards and best practices for debt management policies suggest a comprehensive policy document that addresses all aspects of issuance and management of City issued debt. The Finance Department has developed a document that addresses the purpose and objectives for debt management for the City of Ridgefield. The current policy is modeled on a policy that was certified by the Association of Public Treasurers of US and Canada.

The recommended policy document addresses use of debt, debt limit authority, and allowable types of debt, debt structuring, debt issuance and debt management.

The recommended policy document has been reviewed by Finance Directors with Clark

Approved to be placed on City Council Agenda:

Kirk Johnson Completed 08/17/2016 1:43 PM

approved to move forward to Council

Steve Stuart Pending

City Council Pending 08/25/2016 6:30 PM

County, Battle Ground and Clark Regional Wastewater District as well, and conforms to Government Finance Officers Association best practices.

BUDGET/FINANCIAL IMPACTS: No impact to City finances are anticipated.

RECOMMENDED ACTION OR MOTION: Staff recommends that Council adopt Resolution No. 513 as presented by making the following motion:

"I move to adopt Resolution No. 513 as presented."

STAFF CONTACT: Kirk Johnson, Finance Director
Policy #10 Debt Management (PDF)

ATTACHMENTS:

Resolution No.513**A RESOLUTION REGARDING DEBT MANAGEMENT POLICIES FOR THE CITY OF RIDGEFIELD,
WASHINGTON**

WHEREAS, the City of Ridgefield deems it necessary to establish debt management policies to set forth guidelines for the issuance and management of all debt financing's of the City; and

WHEREAS, these policies ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Ridgefield approves the debt management policies, a copy of which is attached and referenced as exhibit A.

Section 2. The City Manager, Finance Director and Deputy City Manager are hereby authorized to implement such policies as necessary to carry out the directions of this Resolution.

Section 3. Effective date of this Resolution shall be in full force and effect on the date adopted by the City Council.

ADOPTED AT A REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON THE 25TH DAY OF AUGUST, 2016.

CITY OF RIDGEFIELD

Ron Onslow, Mayor

ATTEST:

Julie Basarab,

City Clerk

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

PURPOSE

The Debt Policy for the City of Ridgefield sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

USES OF DEBT

The City of Ridgefield uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens.

The City of Ridgefield uses debt as a mechanism to reduce the immediate costs of substantial public improvements.

The City of Ridgefield will not use long-term debt to support current operations.

Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.

Non-capital furnishings, supplies and personnel will not be financed from bond proceeds.

Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

AUTHORITY – DEBT LIMITS

Legal Limits:

1. The general obligation debt of the City of Ridgefield will not exceed an aggregated total of 2.5% of the assessed valuation of the taxable property within the City. The City may issue additional debt for utilities, 2.5% and open space and park facilities, 2.5% not to exceed a total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
2. The following individual percentages shall not be exceeded in any specific debt category:
 - a. General debt – not to exceed an aggregated total of 2.5% of assessed valuation
 - i. Non-Voted Bonds up to 1.5% Limited Tax General Obligation (LTGO)
 - ii. Voted Bonds up to 2.5% Unlimited Tax General Obligation (UTGO)
 - b. Utility Debt – 2.5% of assessed valuation
 - c. Open Space and Park Facilities – 2.5% of assessed valuation

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

Public Policy Limits:

1. The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
2. Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
3. Debt will be issued in accordance with the CIP as necessary.
4. Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.
5. The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes, can be agreed upon to support the debt service.

Financial Limits:

1. The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
2. The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year and project the effects of that financing through six years of the CIP.

ALLOWABLE TYPES OF DEBT

1. **Short Term Obligations:** Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.
2. **Assessment/LID Bonds:** Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3. Limited Tax General Obligation Bonds: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:
 - a. A project requires funding not available from alternative sources.
 - b. Matching fund monies are available which may be lost if not applied for in a timely manner,
 - c. Emergency conditions exist.
4. Unlimited Tax General Obligation Bonds: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and are subject to voter approval by 60% of the voters.
5. Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.
6. Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are general obligations of the City.
7. Other Loan Programs:
 - a. Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities and bridges.
 - b. The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's Office, subject to existing debt limitations and financial consideration.
 - c. Other state funded programs.
8. Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

DEBT STRUCTURING PRACTICES

1. Maximum term, Payback Period and Average Maturity:
 - a. The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.
 - b. General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
 - c. The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
2. Debt Service Structure:
 - a. Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.
3. Criteria for issuance of advance refunding and current refunding bonds:
 - a. The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a net present value savings after expenses of at least 3%.
4. Other Structuring Practices:
 - a. Bond amortization schedules will be structured to minimize interest expense with the constraints of revenue available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

DEBT ISSUANCE PRACTICES

1. Council Approval: City Council approval is required prior to the issuance of debt.
2. Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.
3. Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition,

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

coordinating meetings and presentations in conjunction with a new issuance as necessary.

4. Compliance with Statutes and Regulations: The Finance Director, City Attorney, Bond Counsel and Municipal Advisor shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations.
5. Selection and use of professional service providers:
 - a. The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.
 - b. Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all City and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
 - c. Municipal Advisor: A Municipal Advisor(s) may be used to assist in the issuance of the City's debt. The Municipal Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt and preparing official statements of disclosure.
 - d. Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated, competitive or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
 - e. Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
6. Criteria for determining sales method and investment of proceeds:
 - a. The Finance Director shall determine the method of sale best suited for each issuance of debt.
 - b. The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the Underwriter offering to buy the bonds at a price and interest rates that provide the lowest True Interest Cost (TIC).
 - c. The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
 - ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
 - iii. The nature of the debt is unique and requires particular skills from the Underwriter(s) involved.
 - iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.
7. Bond insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

DEBT MANAGEMENT PRACTICES

1. Investment of Bond Proceeds: The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including the City of Ridgefield Investment Policy.
2. Continuing Disclosure: The City shall provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.
3. Arbitrage Rebate Monitoring and Filing: The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.
4. Federal and State Law Compliance Practices: Discussed in Debt Issuance Practices sections 3 and 4 and Debt Management Practices sections 1 and 3.
5. Market and Investor Relations Efforts: The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its

Financial Policy #10: Debt Management

Effective Date: August 25, 2016

Replaces and Cancels:

References: RCW 35A.40, RCW 35.37, RCW 39.40, RCW 39.46, RCW 39.52, RCW 39.56 and RCW 43.80; Financial Policy #01: Financial Management

published Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

6. Periodic Review: The City's debt policy shall be adopted by City Council. The policy shall be reviewed every two years by the Finance Department and modifications shall be submitted to and approved by City Council.

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Motion - Approval of City Manager 2016-17 Employment
Compensation Agreement

Paul Lewis, City Consultant will conduct presentation to City Council.

STAFF CONTACT: Steve Stuart, City Manager

ATTACHMENTS: RF CM Perf Comp Agmt_Council Pkt_08_25_16 (PDF)

Approved to be placed on City Council Agenda:

City of Ridgefield, Washington
City Manager Performance Compensation Agreement
Performance Period: April 2016-April 2017



Staff Report

- The City's employment agreement with the City Manager provides the City Council with the option of granting the City Manager a bonus based on his previous year's performance and the extent to which his performance exceeds established goals and specific criteria.
- The employment agreement calls for those goals and criteria to be developed jointly by the Council and Manager and to be generally attainable within the time limitations and with the funding provided in the annual operating and capital budgets approved by Council.
- The agreement before you tonight includes 14 initiatives or goals across five major performance categories including:
 - Partnerships;
 - Community Development;
 - Organizational Management;
 - Communication, and,
 - Professional Development.
- The agreement calls for the Council to assess the City Manager's performance in these areas no later than the end of April 2017.
- Council will use the results of the assessment, along with the City Manager's annual performance evaluation, to determine any compensation adjustment effective in April 2017 for 2017-18.
- An example of a motion to approve the agreement would be:
 - "I move to approve the City Manager Performance Compensation Agreement for 2016-17."

City of Ridgefield, Washington
City Manager Performance Compensation Agreement
Performance Period: April 2016-April 2017



The City of Ridgefield and Steve Stuart, City Manager hereby agree to the following terms and conditions regarding the availability of a bonus for the City Manager's 2016-2017 performance period. The bonus is available to the City Manager as provided by the City Manager's employment agreement (Agreement) dated March 13, 2014. This memo and its associated terms and conditions constitute the City Manager's 2016-2017 goals and performance objectives as outlined in the Agreement. Nothing contained in this memo alters the City Manager's regular salary.

The City of Ridgefield agrees to make an additional lump sum payment to the City Manager of up to \$10,000 during the month of May 2017 contingent upon the substantial completion of the initiatives set forth below by April 14, 2017.

1) Partnerships.

- a. Ridgefield Community Library:
 - i. Finalize the Ridgefield Community Library site selection in Downtown Ridgefield on a site acceptable to the Fort Vancouver Regional Library.
 - ii. Establish partnership agreements with one or more project partners (Friends of the Ridgefield Library, Fort Vancouver Regional Library District, private land owner/developer, others) for the development of the Ridgefield Community Library.
- b. Ridgefield Outdoor Recreation Center (RORC): Finalize a partnership agreement with the Ridgefield School District for development of the RORC project.
- c. I-5 Overpass Art Project. Establish partnership agreements with one or more project partners (WSDOT, Ridgefield Art Association, sponsors, etc.) for the development of and installation of an art project on the I-5 overpass.

2) Community Development.

- a. Finalize updated/new development agreements for the Brown property, Walker/Rohrer/Schuster property, Kennedy property and Ridgefield Heights subdivision.
- b. Complete the RORC project's master plan, engineering and design.
- c. Establish an Arts District in Downtown Ridgefield.
- d. Meet with (or have substantive contact with) a minimum of 3 retail establishments interested in locating in Ridgefield.

3) Organizational Management.

- a. Implement e-Government software solutions including Legislative Management, Asset Management, Billing, Utilities & Finance modules.
- b. Complete a six-year business plan that reflects City Council priorities and that includes functional and staffing needs analyses and present the plan to the City Council.
- c. Organize and complete one training session involving the City Manager and the City's Management Team (3 hour minimum).

4) Communication.

- a. Implement e-Government software solutions including Customer Relationship Management and Civic Voice modules.
- b. Develop and begin sending quarterly newsletters from the City to citizens, through social media, City website, and utility bill inserts.

5) City Manager Professional Development.

- a. Attend at least one training opportunity for city managers and report to City Council on the lessons learned from the training that are applicable to Ridgefield.

The performance criteria listed above are subject to review throughout the course of the year and may be modified if necessary due to unforeseen events, emerging priorities and or circumstances. To be in effect, any modifications to the above must be agreed to in writing by the City Council and the City Manager. Substantial completion shall be determined by the City Council's average rating of four or higher on a five point scale assessing the completion of the initiatives. The City Council shall complete their assessment no later than April 30, 2017. The City Manager shall provide Council with the status of the initiatives no later than March 31, 2017. The term "substantial completion" does not imply full completion of all initiatives set forth above.

APPROVED BY THE CITY COUNCIL OF THE CITY OF RIDGEFIELD, WASHINGTON ON
THE 25th DAY OF AUGUST 2016.

Ron Onslow, Mayor
City of Ridgefield, Washington

Date

Steve Stuart

Date

ATTEST:

Julie Basarab, Deputy City Clerk

APPROVED AS TO FORM:

Janean Parker, City Attorney

Attachment: RF CM Perf Comp Agmt_Council Pkt_08_25_16 (1060 : Approval of City Manager Compensation Agreement)

CITY OF RIDGEFIELD REQUEST FOR COUNCIL ACTION

MEETING DATE: August 25, 2016

ITEM: BUSINESS

AGENDA ITEM TITLE: Motion - Approval of Land Purchase for Ridgefield Outdoor Recreation Complex

GOVERNING LEGISLATION: RCW 35A.11.010

PREVIOUS COUNCIL ACTION TAKEN: Adopted 2016 budget on December 3, 2015 including funding for land acquisition for RORC. Approved a development agreement on April 10, 2008. Approved an amended development agreement with Kennedy Family and Urban NW Holdings, LLC on July 28, 2016.

SUMMARY/BACKGROUND: City Council approved an amended 2008 development agreement with the Kennedy family and Urban NW Holdings, LLC that includes a provision to purchase 5 acres of land and receive 2.5 acres of land by donation. The City will be using the 7.5 acres of land for the Ridgefield Outdoor Recreation Complex.

The seller is currently completing the required steps to create the 7.5 acre parcel to complete the purchase/dedication. The agreement outlined the price for the property at \$1,125,000. The City has established the fair market value through the development agreement process as required. The property location is off of NW Hillhurst Road, Please refer to exhibit "A" for a map of the location.

The purchase is being funded through a combination of Park Impact Fees (\$755,000) and Real Estate Excise Taxes (\$370,000). The City has added a claim for the full purchase amount, which includes \$100,000 in earnest money and the remaining \$1,025,000 due at closing, to the claims and payroll consent agenda.

Staff will bring a Reimbursement Resolution for Council Action, within the next 60 days to provide the flexibility for the City to reimburse the expense of the land purchase, through a potential bond issuance at a later date.

BUDGET/FINANCIAL IMPACTS: Land purchase was approved by Council as part of the 2016

Approved to be placed on City Council Agenda:

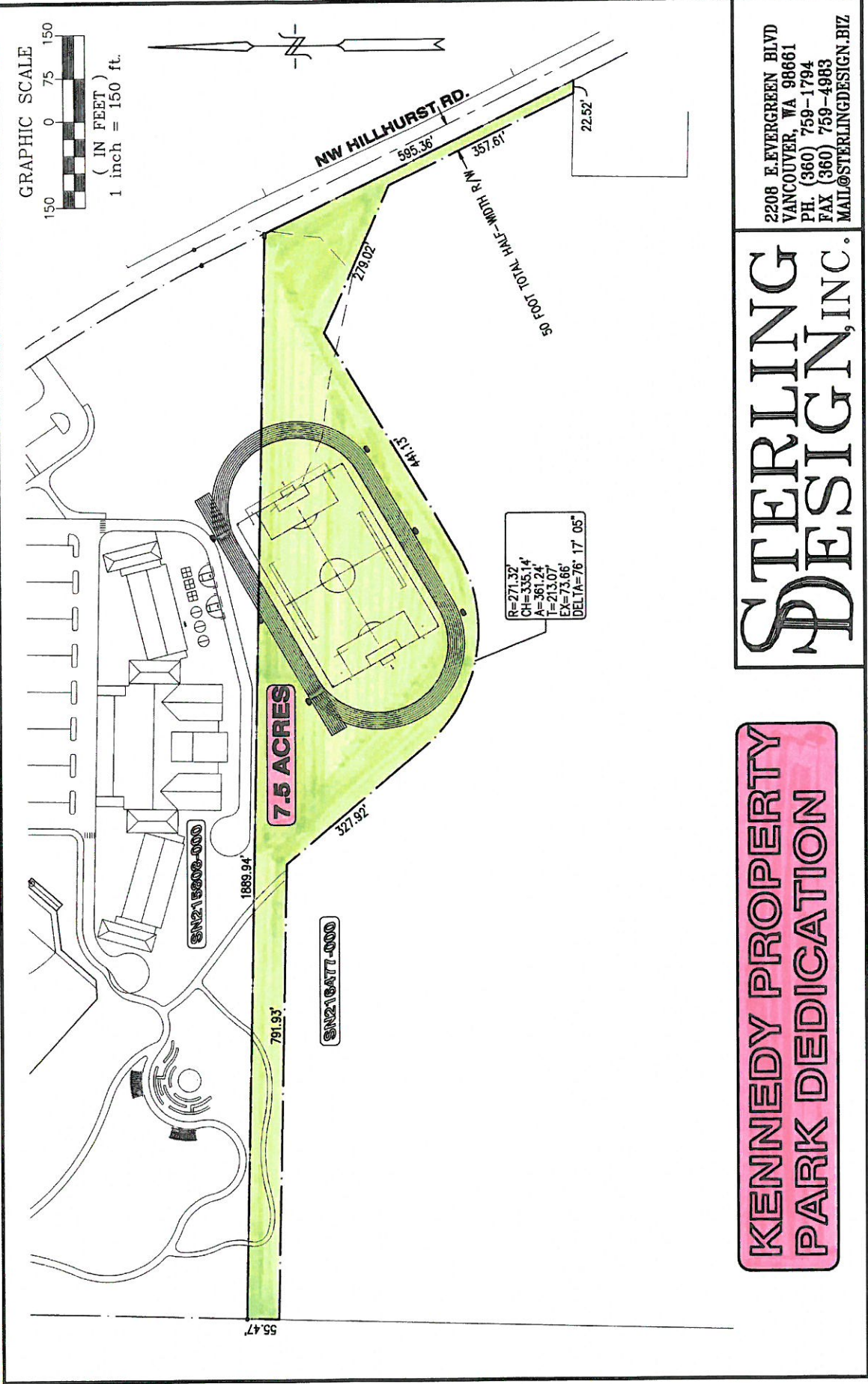
budget line item for design and land acquisition for RORC. The purchase price is \$1,125,000 with \$755,000 from Park Impact Fees and \$370,000 from Real Estate Excise Tax Funds.

RECOMMENDED ACTION OR MOTION: Staff recommends that Council approve purchase of the property legally described as, parcel 986039417 and a recommended motion would be:

“I move to approve the City’s purchase of parcel 986039417 for a purchase price of \$1,125,000 and authorize the City Manager to take all steps necessary to close the sale.”

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS: 20160825 Map for RORC Land Purchase (PDF)
PSA from Developer re Kennedy Purchase--Final (DOCX)



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into this 12 day of August, 2016, by and between, the Kennedy Family and Urban NW Holdings, LLC, a Washington limited liability company (all collectively hereinafter "Seller"), and the City of Ridgefield, a Washington municipal corporation, (hereinafter "Purchaser" / "Buyer") (Seller and Purchaser / Buyer collectively referred to as "Parties"). For good, valuable consideration received, Buyer and Seller hereby agree as follows:

WHEREAS, Seller desires to sell to Purchaser all of Seller's rights in and to the real property located in Clark County, State of Washington, legally described on the attached **Exhibit A** (hereinafter the "Property");

AND WHEREAS, Purchaser desires to acquire the Property for the consideration and upon the terms set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. **Encumbrances.** Title of Seller is to be free of encumbrances or defects except those Permitted Exceptions as described in Section 5 below.

2. **Escrow.**

2.1 This sale shall be closed by Melissa Miller at Fidelity National Title, hereinafter "Title Company."

2.2 Seller and Purchaser shall deposit with title company all instruments and moneys necessary to complete the sale in accordance with this Agreement.

3. **Purchase Price and Earnest Money.** The purchase price for the Property shall be One Million, One Hundred Twenty Five Thousand Dollars (\$ 1,125,000), payable as follows:

3.1 \$ 1,025,000 to be delivered by Buyer at closing. At or before closing, the Parties shall respectively pay closing costs as determined by title company pursuant to section 9 of this agreement.

3.2 **Earnest Money.** One Hundred Thousand Dollars (\$ 100,000) shall be deposited with Escrow Agent by Buyer on August 26, 2016 as follows: cash, check or similar method of payment acceptable to Seller and Escrow Agent. All Earnest Money so deposited shall be applied to the purchase price at closing. In the event of termination of this Agreement, Earnest Money shall be either returned to Purchaser or retained by Seller as provided in the Remedy section.

4. **Date of Closing and Possession.**

PURCHASE AND SALE AGREEMENT

4.1 The date of closing shall be at the earliest possible date, but no later than August 30, 2016 or such other date and time as the parties may mutually agree upon with reference to the day when all appropriate documents are ready for recording and proceeds of this sale are available for disbursement.

4.2 Seller shall deliver possession of the Property to the Purchaser upon closing, but Purchaser shall have access to the Property during the term of this Agreement as provided under Section 6. Upon closing, Seller shall have removed any of Seller's personal property from the Property.

5. **Conveyance and Title Insurance.**

5.1 Upon mutual acceptance of this Agreement, Seller shall deliver a copy of this Agreement to Melissa Miller at Fidelity to open Title and Escrow. Upon receipt of the Preliminary Commitment for Title Insurance ("Title Report") (*standard form Owner's Policy of Title Insurance, in the amount of the Purchase Price insuring against loss or damage sustained*), issued by Fidelity, Purchaser has 5 days to review and object to the condition of title. If objection is made to any element of the "Title Report", Purchaser must provide written objection within 5 days to Seller. Seller may terminate this Agreement or provide written resolution of said objection within 5 days of receipt of Purchaser's objection. If the objection is not resolved to the satisfaction of the Purchaser, Purchaser may terminate the Agreement. If this Agreement is terminated based on objectionable title, Seller and Purchaser shall each pay one-half (1/2) of any cancellation fee for such commitment or policy and Purchaser shall be entitled to a refund of the full amount of the earnest money deposit.

5.2 **Condition of Title; Title Policy.** It is a condition to the Close of Escrow for Purchaser's benefit that fee title to the Property and the right to possession to any portion of the Property conveyed to Purchaser pursuant to this Agreement shall be subject only to the Permitted Exceptions (defined below), as evidenced by the receipt by Escrow Holder of an irrevocable commitment from Title Company to issue to Purchaser upon Close of Escrow its Standard Owner's Form Policy of Title Insurance ("Title Policy") in an amount equal to the Purchase Price, as adjusted, if applicable, showing title to the Property vested in Purchaser, subject only to the Permitted Exceptions. The Parties shall cause the Title Company to issue the Title Policy to Purchaser upon Close of Escrow.

5.3 **Permitted Exceptions.** The term "Permitted Exceptions" as used herein shall mean the following-described conditions and exceptions to title or possession:

5.3.1 A lien to secure payment of general and special real property taxes and assessments, not delinquent.

5.3.2 Matters affecting the condition of title created by or with the consent of Purchaser.

5.3.3 Rights reserved in federal patents or state deeds, building or use restrictions and zoning regulations or provisions.

5.3.4 Other exceptions to title disclosed by the Title Report (defined below) which have been approved in writing by Purchaser prior to the Close of Escrow.

Notwithstanding any other provision(s) in this Agreement, any exceptions to title to the Property representing monetary liens or encumbrances are hereby disapproved and deemed a Disapproved Matter, and Escrow Holder is hereby authorized and instructed to cause at Close of Escrow the satisfaction and removal of any such monetary exceptions from funds otherwise payable to Seller at Close of Escrow.

Seller's Deliveries: No later than two (2) days prior to closing, and provided Purchaser is not in default, Seller shall deposit into Escrow (signed and acknowledged, if applicable): a) Non-Foreign Affidavit in a form sufficient to exempt the transaction from withholding provisions of the Foreign Investment in Real Property Act of 1980, as amended, establishing that Seller is not a "foreign person" as defined therein; b) Deed; c) Owner/Seller's affidavit in the form required by the Title Company; d) all other documents required by this Agreement or the Title Company to be deposited by Seller.

Purchaser's Deliveries: No later than one (1) day prior to closing, and provided Seller is not in default, Purchaser shall deposit into Escrow (signed and acknowledged, if applicable): a) good and immediately available funds in the amount of the Purchase Price, less the amount of the Earnest Money deposit; plus Purchaser's share of prorations, Escrow fees, and costs as provided herein; b) all other documents required by this Agreement or the Title Company to be deposited by Purchaser.

5.2 Upon Purchaser's payment in full of the purchase price, Seller shall convey to Purchaser good and merchantable title, in fee simple, by Statutory Warranty deed, free and clear of all liens, encumbrances, and easements, except those of record as of the date of this Agreement, and standard printed exceptions of standard title insurance policies.

5.3 Upon Purchaser's payment in full of the purchase price, Seller shall deliver to Purchaser a standard coverage policy of title insurance in the amount of the purchase price of the Property, showing title vested in Purchaser, subject only to the standard exceptions of such policy.

6. Conditions Precedent to Closing

6.1 Purchaser's Conditions Precedent to Close of Escrow. The Close of Escrow and Purchaser's obligation to accept title to the Property and pay the Purchase Price are subject to the satisfaction of the following-described conditions for Purchaser's benefit (or Purchaser's waiver thereof, it being agreed that Purchaser may waive any or all of such conditions) on or prior to the Closing Date, or Extended Closing Date, if any:

6.1.1 Ratification of this Agreement by Purchaser's governing body.

6.1.2 Seller shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.

- 6.1.3 Seller shall have completed in a timely fashion all of its obligations that are to be completed prior to the Close of Escrow as provided in this Agreement.
- 6.1.4 Escrow Holder shall have received an irrevocable commitment from the Title Company to issue the Title Policy required pursuant to this Agreement, subject only to the Permitted Exceptions, as set forth in more detail in Article 5.
- 6.1.5 All representations and warranties of the Seller hereunder shall be true as of the Effective Date and as of the Close of Escrow and shall continue thereafter for the full statutory period.
- 6.1.6 All property taxes and assessments attributable to the Property shall have been paid by Seller before delinquency and shall be current as of Close of Escrow.
- 6.1.7 Purchaser shall have approved Escrow Holder's estimated closing costs statement.

6.2 Seller's Condition Precedent to Close of Escrow. The Close of Escrow and Seller's obligation to convey the Property are subject to the satisfaction of the following-described conditions for Seller's benefit (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions) on or prior to the Closing Date, or Extended Closing Date, if any:

- 6.2.1 Purchaser shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.
- 6.2.2 Purchaser shall have completed in a timely fashion all of its obligations which are to be completed prior to the Close of Escrow as provided in this Agreement.
- 6.2.3 All representations and warranties of the Purchaser hereunder shall be true as of the Effective Date and as of the Close of Escrow and shall continue for the full statutory period.
- 6.2.4 Seller shall have approved Escrow Holder's estimated closing costs statement.

7. **Seller's Representations.**

7.1 Seller hereby represents and warrants to Purchaser that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Close of Escrow, and the truth and accuracy of such statements shall constitute a condition precedent to all of Purchaser's obligations under this Agreement:

7.1.1 Authority. Seller has full power and authority to own, sell and convey the Property to Purchaser and to perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by Seller to Purchaser now or at Close of Escrow have been or

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will be duly executed and delivered by Seller and are or will be legal, valid and binding obligations of Seller, sufficient to convey to Purchaser good and marketable title to the Property and are enforceable in accordance with their respective terms.

7.1.2 No Unrecorded Possessory Interests; No Agreements or Undertakings. To Seller's current actual knowledge, there are no agreements for occupancy in effect for the Property (other than the Tenant Leases, if any) and no unrecorded possessory interests or unrecorded agreements that would adversely affect Purchaser's title to or use of the Property. Seller will not enter into any agreements or undertake any obligations prior to Close of Escrow which will in any way burden, encumber or otherwise affect the Property without the prior written consent of Purchaser, including, without limitation, any agreements for occupancy for the Property.

7.1.3 Hazardous Materials. Seller hereby confirms to Purchaser that to the best of Seller's knowledge, no release of Hazardous Materials (as defined below) has come to be located upon or under the Property. Seller further warrants to Purchaser that to the best of Seller's knowledge, the Property and any contiguous real property owned by Seller is not in violation of any federal, state or local statute, regulation or ordinance relating to industrial hygiene or to environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions underlying the Property. Neither Seller nor any other person or predecessor in interest has used, generated, manufactured, stored or disposed of on, under or about the Property or transported to or from the Property any "Hazardous Materials" as defined in any state, federal or local statute, ordinances, rules or regulation applicable to the Property, including without limitation any flammable materials, explosives, radioactive materials, hazardous or contaminated materials or substances, toxic or noxious materials, substances or related materials or substances.

7.1.4 Litigation. There are no claims, actions, suits or proceedings continuing, pending or threatened against or affecting Seller or the Property, or involving the validity or enforceability of this Agreement or of any other documents or instruments to be delivered by Seller at Close of Escrow, at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau, buyer or instrumentality. Seller is not subject to or in default under any notice, order, writ, injunction, decree or demand of any court or any governmental department, board, commission, bureau, buyer or instrumentality.

7.1.5 No Breach. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not violate or result in any breach of or constitute a default under or conflict with or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or, according to Seller's knowledge, any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which Seller is a party or by which Seller or the Property are bound.

7.2 Survival of Representations and Warranties. The covenants, representations and warranties of Seller under this Agreement shall be true on and as of the Close of Escrow and shall survive the recordation of the Warranty Deed and the Close of Escrow. Seller shall defend, indemnify and hold Purchaser harmless from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable

attorney's fees, court costs and litigation expenses, which Purchaser may reasonably incur or sustain by reason of or in connection with any misrepresentation made by Seller.

8. **Attorney Fees.** In the event suit or action is brought in connection with any controversy arising out of this Agreement or to terminate this Agreement or to enforce any of the provisions hereof, the prevailing party shall be entitled to recover all costs including title search, costs and expenses incurred in connection with said action, in addition to such sum for attorney fees as the court may deem just and equitable, and which sum shall include attorney, paralegal, accountant, and other expert fees, costs and expenses actually incurred and reasonably necessary in connection therewith, in addition to all other amounts provided by law. The Parties knowingly agree to waiver of any trial by jury and all Parties agree that sufficient consideration in this Agreement has been provided to induce this specifically negotiated waiver of a right to trial by jury.

9. **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by U.S. Mail, first class, addressed as set forth below:

9.1 All notices to be given to Seller shall be addressed as follows:

Urban NW Holdings, LLC
Attn: Allan Evridge
1004 W. 13th Street
Vancouver, WA 98660

Kennedy Family
Attn: Bill Kennedy
23115 NW Hillhurst Road
Ridgefield, WA 98642

9.2 All notices to be given Purchaser shall be addressed as follows:

City of Ridgefield
Attn: Steve Stuart, City Manager
PO BOX 608
Ridgefield, WA 98642

Either party hereto may, by proper notice to the other, designate such other address for the giving of notices as deemed necessary. Any notice shall be deemed given on the day such notice is personally served or on the third day following the day such notice is mailed in accordance with this paragraph.

10. **Closing Costs.**

10.1 **Purchaser's Closing Costs.** Purchaser shall pay the following closing costs:

- A. 1/2 escrow closing fee, payable to Fidelity National Title
- B. Recording fees for deed transferring title to Purchaser
- C. Purchaser's legal fees
- D. Purchaser's costs of Financing

10.2 **Seller's Closing Costs.** Seller shall pay the following closing costs:

- A. Real Estate excise tax
- B. 1/2 escrow closing fee, payable to Fidelity National Title
- C. Premium for title insurance on Owner's Policy
- D. Seller's legal fees
- E. Any unpaid delinquent taxes and/or penalties and interest thereon, for any delinquent or non-delinquent assessments or bonds against the property.

10.3 **Pro-rated Items.** The following shall be pro-rated as of the date of closing:

- A. 2016 real property taxes;

11. Termination, Default, and **Remedies.**

BY PLACING THEIR INITIALS AT THE END OF THIS SECTION, PURCHASER AND SELLER AGREE TO THE FOLLOWING REMEDIES.

In the event the Purchaser or Seller elects to exercise its right to terminate this Agreement the party may do so by providing written notice of such termination to the other party and Escrow Holder prior to close of escrow. Except in the event of default, the terminating party shall pay any termination fees and charges of the Escrow Holder.

Purchaser Default. IF THE PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BY REASON OF PURCHASER'S BREACH OF THIS AGREEMENT, OR FAILS TO PROVIDE ANY NOTICE TO SELLER HEREUNDER, AND IF WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM SELLER, BUYER FAILS TO CURE SUCH DEFAULT OR PROVIDE THE REQUIRED NOTICE, THEN SELLER'S MAY, IN SELLER'S SOLE DISCRETION, TERMINATE THE AGREEMENT BY WRITTEN NOTICE TO PURCHASER AND ESCROW HOLDER. IN SUCH EVENT, BUYER SHALL PAY ALL TERMINATION COSTS AND EARNEST MONEY DEPOSIT WILL BE PAID TO SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY; THE PARTIES AGREE THAT BECAUSE OF THE NATURE OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, IT WOULD BE IMPRACTICAL AND/OR IMPOSSIBLE TO FIX SELLER'S PURCHASE AND SALE AGREEMENT

ACTUAL DAMAGES IF SUCH A BREACH OCCURS AND THAT THEREFORE THE AMOUNT OF LIQUIDATED DAMAGES SPECIFIED ABOVE SHALL BE PRESUMED TO BE THE AMOUNT OF DAMAGES SELLER WOULD SUSTAIN BY REASON OF SUCH BREACH AND REPRESENTS A REASONABLE ESTIMATE OF THOSE DAMAGES.

SELLER DEFAULT. IF THE SELLER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BY REASON OF THE SELLER'S BREACH OF THIS AGREEMENT OR FAILS TO PROVIDE ANY NOTICE TO PURCHASER HEREUNDER, AND IF WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM PURCHASER, SELLER FAILS TO CURE SUCH DEFAULT OR PROVIDE THE REQUIRED NOTICE, THE PURCHASER MAY, IN PURCHASER'S SOLE DISCRETION AND IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES PURCHASER MAY HAVE AT LAW, (1) TERMINATE THE AGREEMENT BY WRITTEN NOTICE TO SELLER AND TO ESCROW HOLDER, OR (2) INITIATE AN ACTION FOR SPECIFIC PERFORMANCE OF THE AGREEMENT. UPON SUCH TERMINATION, SELLER SHALL PAY ALL TERMINATION COSTS AND DEPOSIT SHALL BE RETURNED TO PURCHASER.

In the event of termination by either party, Parties shall be released from all further obligations with the exception of those imposed pursuant to this Remedy section, and with the exception of obligations which expressly survive termination.

PURCHASER'S INITIALS _____

SELLER'S INITIALS _____

12. Condemnation and Destruction. Prior to the Closing Date, the entire risk of loss due to condemnation or damage by tornado, flood, earthquake, hurricane, landslide, fire, or any other casualty shall be borne and assumed by Seller. If, prior to the Closing, all or any portion of the Property is either: (i) taken by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated); or (ii) damaged or destroyed by tornado, flood, earthquake, earth movement, subsidence, hurricane, landslide, fire, or any other casualty, Seller shall notify Purchaser of such fact or if Purchaser otherwise learns of such fact, then in any event Purchaser shall have the option (which election by Purchaser shall be set forth in a notice from Purchaser to Seller given not later than thirty (30) days after receipt of Purchaser's notice): **(a)** to terminate this Agreement, in which event the Escrow Deposit shall be refunded to Purchaser and the parties shall be relieved of any further liability or obligation under this Agreement, except for such obligations that expressly survive termination; or **(b)** to purchase all of the Property, in which event Seller shall assign and turn over to Purchaser at the Closing, and Purchaser shall be entitled to receive and keep, all amounts awarded or to be awarded as the result of such taking, or all insurance proceeds received or to be received as a result of such casualty, as applicable.

13. Indemnification. Indemnity by Seller. Seller hereby agrees, after the Close of Escrow, at Seller's sole cost and expense, to indemnify, protect, defend (with counsel of Purchaser's choice), and hold Purchaser, its successors and assigns, officers and/or directors, harmless from and against any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses (including, without limitation, attorneys' and experts' reasonable fees and costs) of any kind or nature whatsoever which may at any time be imposed upon, incurred or suffered by, or asserted or awarded against, Purchaser, or Purchaser's successors and assigns, officers and/or

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directors relating to or arising from (i) the Property or Seller's ownership or operation thereof on or before the Close of Escrow, (ii) the use on or before the Close of Escrow of the Property by Seller or any third party, including, without limitation, any tenant, invitee or licensee of Seller, (iii) any breach of any covenant, agreement, representation or warranty of Seller contained in this Agreement; (iv) the presence, use, handling, storage, disposal or release on or before the Close of Escrow of Hazardous Materials on, under or about the Property caused by Seller; and (v) the Seller's violation of any federal, state or local law, ordinance or regulation, occurring or allegedly occurring with respect to the Property prior to the Close of Escrow. This indemnity by Seller herein contained shall survive the Close of Escrow, and the recordation of the Warranty Deed.

14. **Succession.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington.

16. **Entire Agreement.** This Agreement, including all attachments hereto which are incorporated by reference, supersedes any prior oral or written agreements, and contains the entire agreement of the parties as to the matter covered, is binding and inures to the benefit of the parties and their successors and assigns. No other agreement, statement, promise, amendment or modification made by any Party or to any Party, employee or agent of any Party shall be binding unless made in writing and signed by both parties to this Agreement.

17. **Counterparts.** This agreement may be executed simultaneously or in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement. Executed facsimile or email copies shall be deemed originals for the purposes of this Agreement.

18. **Invalidity of Provisions / Severability.** In the event any provision of this Agreement is declared invalid or is unenforceable for any reason; such provision shall be deleted from such document and shall not invalidate any other provision contained in the document.

19. **Contract / Construction.** This is a legally binding contract. All Parties acknowledge that they have sought, or have been provided adequate opportunity to seek, professional legal and accounting counsel before executing this Agreement. Parties understand that it is their obligation to separately and independently seek tax counsel as necessary. The principle that an agreement can be construed against the drafter shall not be applicable to the construction of this Agreement.

20. **No Waiver.** A waiver by either party of a default by the other party is effective only if it is in writing, and shall not be construed as a waiver of any other default.

21. **Time.** Time is of the essence with respect to the performance by Buyer and Seller of each and every obligation under each and every provision of this Agreement.

22. **Further Assurances.** Buyer and Seller shall each promptly sign and deliver all

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additional documents and perform all acts reasonably necessary to perform its obligations and carry out the intent expressed in this Agreement.

23. **Time Periods.** Time periods in this Agreement shall be measured by calendar days and, if the last day in that period is a Saturday, Sunday, or legal holiday, then the last day of the period shall be deemed to be the next following business day. A time period shall begin calculation on the first business day following the day of the action from which it is measured, and the last day of the time period shall be included in the calculation.

24. **No Merger.** All representations and warranties, and all covenants that by their nature are intended to survive the Closing, in this Agreement shall survive the Closing and shall not merge into any instrument of conveyance delivered at the Closing. No Closing by Purchaser shall be deemed to be a waiver by Purchaser of any of the representations, warranties, or covenants of Seller. The effect of the representations and warranties made in this Agreement shall not be diminished, abrogated, or deemed to be waived by any inspections or investigations made by Seller.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SELLER(S):

PURCHASER(S):

William Kennedy

Steve Stuart

Wanita Kennedy

Allan Evridge

[EXHIBIT A – LEGAL DESCRIPTION]