



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, November 19, 2019

7:00 PM

Council Chambers

1. ROLL CALL

1.A ANNOUNCEMENTS

1.B APPROVAL OF AGENDA

2. SPECIAL RECOGNITION

2.A [19-1085](#) Special Recognition - Olympia Historical Society and Bigelow House Museum

Attachments: [Proclamation](#)

2.B [19-1016](#) Special Recognition - American Planning Association Names 4th Avenue One of Three Great Streets in Washington

3. PUBLIC COMMENT

(Estimated Time: 0-30 Minutes) (Sign-up Sheets are provided in the Foyer.)

During this portion of the meeting, citizens may address the City Council regarding items related to City business, including items on the Agenda. In order for the City Council to maintain impartiality and the appearance of fairness in upcoming matters and to comply with Public Disclosure Law for political campaigns, speakers will not be permitted to make public comments before the Council in these three areas: (1) on agenda items for which the City Council either held a Public Hearing in the last 45 days, or will hold a Public Hearing within 45 days, or (2) where the public testimony may implicate a matter on which the City Council will be required to act in a quasi-judicial capacity, or (3) where the speaker promotes or opposes a candidate for public office or a ballot measure.

Individual comments are limited to three (3) minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the City Council will refrain from commenting on individual remarks until all public comment has been taken. The City Council will allow for additional public comment to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.

COUNCIL RESPONSE TO PUBLIC COMMENT (Optional)

4. CONSENT CALENDAR

(Items of a Routine Nature)

4.A [19-1087](#) Approval of November 12, 2019 City Council Meeting Minutes

Attachments: [Minutes](#)

- 4.B [19-0358](#) Approval of a Resolution Authorizing a Contract Renewal with the Olympia School District for the School Resource Officer Program

Attachments: [Resolution](#)
[Agreement](#)

- 4.C [19-1054](#) Approval of a Resolution Authorizing an Interlocal Agreement between the City of Olympia, the Olympia Metropolitan Park District, and the Port of Olympia related to a Brownfield Assessment Grant

Attachments: [Resolution](#)
[Agreement](#)

4. SECOND READINGS (Ordinances)

- 4.D [19-0884](#) Approval of an Ordinance Amending Final Plat Approval Process

Attachments: [Ordinance](#)

- 4.E [19-1045](#) Approval of an Ordinance Authorizing Issuance of General Obligation Bonds

Attachments: [Ordinance](#)

- 4.F [19-1047](#) Approval of an Ordinance to Provide Authority to Issue Revenue Refunding Bonds

Attachments: [Ordinance](#)

- 4.J [19-1048](#) Approval of an Ordinance Setting the 2020 Ad Valorem Tax

Attachments: [Ordinance](#)
[Estimated 2020 General Fund Revenue by Type](#)

4. FIRST READINGS (Ordinances)

- 4.G [19-1065](#) Approval of an Ordinance Amending Ordinance 7201 (Special Funds)

Attachments: [Ordinance](#)

- 4.H [19-1072](#) Approval of an Ordinance Amending Ordinance 7202 (Capital Budget)

Attachments: [Ordinance](#)

- 4.I [19-1066](#) Approval of an Ordinance Amending Ordinance 7203 (Operating Budget)

Attachments: [Ordinance](#)

5. PUBLIC HEARING

- 5.A [19-1035](#) Public Hearing on the 2021-2026 Six-Year Transportation Improvement Program (TIP)

Attachments: [TIP Project Summary 2021-2026](#)

[TIP Project Maps 2021-2026](#)

[TIP WSDOT Technical Report 2021-2026](#)

- 5.B** [19-1058](#) Public Hearing on the 2020 Preliminary Operating Budget and Preliminary Capital Facilities Plan (CFP) and 2020-2025 Financial Plan

6. OTHER BUSINESS

- 6.A** [19-1001](#) Transportation Master Plan Update

Attachments: [Transportation Master Plan Development Graphic](#)

7. CONTINUED PUBLIC COMMENT

(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes)

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

8.B CITY MANAGER'S REPORT AND REFERRALS

9. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please contact the Council's Executive Assistant at 360.753.8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Council

Special Recognition - Olympia Historical Society and Bigelow House Museum

Agenda Date: 11/19/2019
Agenda Item Number: 2.A
File Number: 19-1085

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition - Olympia Historical Society and Bigelow House Museum

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Recognize Olympia Historical Society and Bigelow House Museum for their contributions to preserve and promote the rich heritage of Olympia, Washington State's capital city.

Report

Issue:

Whether to recognize the Olympia Historical Society and Bigelow House Museum for their contributions to preserve and promote the rich heritage of Olympia, Washington State's capital city.

Staff Contact:

Jay Burney, Interim City Manager, (360) 753-8470

Presenter(s):

Shirley Battan, President, Olympia Historical Society and Bigelow House Museum
Karen Johnson, Editor, Thurston County Historical Journal

Background and Analysis:

The Olympia Historical Society was founded in 2001 with the vision to collect and preserve Olympia area historical resources, from family attic treasures to architectural gems, and to find ways to make that history accessible and available to the public. The Bigelow House Preservation Association was formed in 1992, dedicated to preservation of Bigelow House and interpretation of local and regional history. In December 2013, the memberships of both organizations voted to merge and become the Olympia Historical Society and Bigelow House Museum (Society and Museum).

The Council will recognize the Olympia Historical Society and Bigelow House Museum for their contributions to preserve and promote the rich heritage of Olympia, Washington State's capital city.

Type: recognition **Version:** 1 **Status:** Recognition

Attachments:

Proclamation

PROCLAMATION

WHEREAS, the preservation of the uniquely rich history of Olympia, through written word, sites, and artifacts is important as Washington State's Capital City; and

WHEREAS, the Olympia Historical Society (established in 2001) and Bigelow House Museum (established in 1992), merged in 2013 to become the Olympia Historical Society and Bigelow House Museum and is the leader in preserving Olympia's history; and

WHEREAS, the Olympia Historical Society and Bigelow House Museum is a non-profit volunteer organization actively engaged in promoting Olympia's history through activities ranging from the administration of the Bigelow House Museum; educational presentations; walking tours of the downtown; yearly tours of historic homes throughout the City; leadership in the establishment of a Thurston County Historical Journal (published by the Olympia Tumwater Foundation) and the pursuit of a history museum and archive facility downtown; and

WHEREAS, the City of Olympia has a longstanding policy of promoting and supporting the preservation of Olympia's rich history through coordinated efforts by the Olympia City Council, City staff, and the Heritage Commission, along with community organizations; and

WHEREAS, the City of Olympia looks forward to many years of working with the Olympia Historical Society and Bigelow House Museum in the further preservation and enhancement of Olympia's heritage; and

NOW THEREFORE, BE IT RESOLVED, that the Olympia City Council does hereby recognize the

OLYMPIA HISTORICAL SOCIETY AND BIGELOW HOUSE MUSEUM

for its leadership and exceptional contributions to the preservation and enhancement of the history of the City of Olympia.

SIGNED IN THE CITY OF OLYMPIA, WASHINGTON THIS 19th DAY OF NOVEMBER 2019.

OLYMPIA CITY COUNCIL

***Cheryl Selby
Mayor***



City Council

Special Recognition - American Planning Association Names 4th Avenue One of Three Great Streets in Washington

Agenda Date: 11/19/2019
Agenda Item Number: 2.B
File Number: 19-1016

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition - American Planning Association Names 4th Avenue One of Three Great Streets in Washington

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Recognize the recent award from the Washington Chapter of the American Planning Association and the Planning Association of Washington.

Report

Issue:

Recognize the recent award from the Washington Chapter of the American Planning Association and the Planning Association of Washington.

Staff Contact:

Marygrace Goddu, Senior Planner, Community Planning & Development, 360.753.8031

Presenter(s):

Marygrace Goddu, Senior Planner, Community Planning & Development
Bob Bengford, Washington Chapter of the American Planning Association

Background and Analysis:

The Washington Chapter of the American Planning Association has launched an annual program honoring "Great Places in Washington," which parallels the national Association's "Great Places in America" program. It is intended to recognize neighborhoods, streets, and public spaces that make communities stronger and bring people together through good planning.

This summer, the Association's Washington Chapter called for nominations for "Great Streets in Washington," and Olympia responded, nominating 4th Avenue.

Type: recognition **Version:** 1 **Status:** Recognition

In early October we were pleased to learn that 4th Avenue had been selected as one of three “Great Streets,” in the category of “Great Urban Main Street.”

Award criteria included:

- Integrate a mix of uses that supports the greater community
- Interesting building facades that contribute to use and popularity of the street
- Attributes and design elements that create a distinctive character
- Safe and welcoming to all, particularly pedestrians
- Accommodate community events and facilitate social interaction.

Awards were officially presented at the Planning Association’s annual conference on October 17 in Tacoma.

Attachments:

None



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of November 12, 2019 City Council Meeting Minutes

Agenda Date: 11/19/2019
Agenda Item Number: 4.A
File Number: 19-1087

Type: minutes **Version:** 1 **Status:** Consent Calendar

Title

Approval of November 12, 2019 City Council Meeting Minutes



Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, November 12, 2019

7:00 PM

Council Chambers

1. ROLL CALL

Present: 7 - Mayor Cheryl Selby, Mayor Pro Tem Jessica Bateman, Councilmember Jim Cooper, Councilmember Clark Gilman, Councilmember Nathaniel Jones, Councilmember Lisa Parshley and Councilmember Renata Rollins

1.A ANNOUNCEMENTS - None

1.B APPROVAL OF AGENDA

Mayor Selby noted Items 2A and 4E have been pulled from this evening's agenda.

The agenda was approved as amended.

2. SPECIAL RECOGNITION

2.A [19-0990](#) Special Recognition - Pesticide Free Parks

The recognition was postponed.

3. PUBLIC COMMENT

The following people spoke: Heather Spradlin, Malorie Kennedy, John Looyson, Ken Burch, Candy Mercer, Thomas Anney, Talauna Reed, Maeve Flannagan, Sara Joseph, Rene Darrs, Danae Rosen, Linda Ann Moniz, and Izi Lemay.

COUNCIL RESPONSE TO PUBLIC COMMENT (Optional)

Mayor Pro Tem Bateman discussed the benefits of citizens advocating for homelessness resources at the State and County level.

4. CONSENT CALENDAR

Administrative Services Director Debbie Sullivan provided clarification on items 4.H and 4.I.

4.A [19-1053](#) Approval of November 4, 2019 City Council Meeting Minutes

The minutes were adopted.

- 4.B** [19-1052](#) Approval of the Proposed Agenda Items, Location, and Facilitator for the 2020 Annual City Council Retreat

The decision was adopted.

- 4.C** [19-0859](#) Approval to Launch the Program Year 2019 Community Development Block Grant (CDGB) Amendment Public Process

The decision was adopted.

- 4.D** [19-0993](#) Approval of Community Development Block Grant (CDBG) Program Year 2018 Annual Report

The decision was adopted.

- 4.E** [19-1003](#) Approval of a Resolution Authorizing a Sublease at Percival Landing with Mg Burgher and Associates

The resolution was postponed.

4. SECOND READINGS (Ordinances)

- 4.F** [19-0991](#) Approval of an Ordinance Imposing the Maximum Sales and Use Tax for Affordable Housing Permitted by SHB 1406

The ordinance was adopted on second reading.

4. FIRST READINGS (Ordinances)

- 4.G** [19-0884](#) Approval of an Ordinance Amending Final Plat Approval Process

The ordinance was approved on first reading and moved to second reading.

- 4.H** [19-1045](#) Approval of an Ordinance Authorizing Issuance of General Obligation Bonds

The ordinance was approved on first reading and moved to second reading.

- 4.I** [19-1047](#) Approval of an Ordinance to Provide Authority to Issue Revenue Refunding Bonds

The ordinance was approved on first reading and moved to second reading.

Approval of the Consent Agenda

Councilmember Parshley moved, seconded by Mayor Pro Tem Bateman, to adopt the Consent Calendar. The motion carried by the following vote:

Aye: 7 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones, Councilmember Parshley and Councilmember Rollins

5. PUBLIC HEARING

5.A [19-1000](#) Public Hearing on a Petition for the Bethel Street Right-of-Way Vacation

City Engineer Fran Eide discussed the vacation right-of-way at State Avenue and Bethel Street. Councilmembers asked clarifying questions.

Mayor Selby opened the public hearing at 8:03 p.m. The following people spoke: lisa Illahee and Randy Foster. The public hearing was closed at 8:10 p.m.

Councilmember Cooper moved, seconded by Councilmember Jones, to approve the petition to vacate, direct staff to prepare a vacation ordinance, and require payment to the City of Olympia of one-half of the appraised value. The motion carried by the following vote:

Aye: 7 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones, Councilmember Parshley and Councilmember Rollins

5.B [19-1034](#) Public Hearing to Consider an Ordinance Declaring a Continuing State of a Public Health Emergency Related to Homelessness - First and Final Reading

Interim Assistant City Manager Keith Stahley discussed the need to continue the declaration of a state of a public health emergency related to homelessness.

Mayor Selby opened the hearing at 8:21 p.m. No one spoke. The public hearing was closed at 8:22 p.m.

Mayor Pro Tem Bateman moved, seconded by Councilmember Jones, to adopt an ordinance declaring a continuing state of a public health emergency related to homelessness on first and final reading. The motion carried by the following vote:

Aye: 7 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones, Councilmember Parshley and Councilmember Rollins

5.C [19-1048](#) Public Hearing on an Ordinance Setting the 2020 Ad Valorem Tax

Fiscal Services Director Nancy Lein provided background on the 2020 Ad Valorem Tax. Councilmembers asked clarifying questions.

Mayor Selby opened the hearing at 8:35 p.m. No one spoke. The public hearing was closed at 8:35 p.m.

Councilmember Jones moved, seconded by Councilmember Cooper, to approve an ordinance setting the 2020 Ad Valorem tax on first reading and

forward to second reading. The motion carried by the following vote:

Aye: 7 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones, Councilmember Parshley and Councilmember Rollins

6. OTHER BUSINESS

6.A [19-1042](#) Discussion of Budget Special Topics - Utility Rates, Impact Fees, Development Fees, PBIA, and Lodging Tax

Ms. Sullivan noted special topics related to the budget.

Water Resources Director Eric Christensen presented proposed utility rate increases and recommendations from the Utility Advisory Committee.

Program and Planning Supervisor Laura Keehan presented Park Impact Fees.

Deputy Public Works Director Mark Russell presented Transportation Impact Fees.

Olympia School District Assistant Superintendent Jennifer Priddy presented Olympia School District Impact Fees.

Interim Community Planning & Development Director Leonard Bauer presented development fee adjustments.

Parking Program Analyst Max DeJarnatt presented the 2020 Parking Business Improvement Area (PBIA) budget.

Mayor Pro Tem Bateman presented the Lodging Tax Advisory Committee 2020 funding recommendations.

The discussion was completed.

7. CONTINUED PUBLIC COMMENT - None

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

Councilmembers reported on meetings and events attended.

8.B CITY MANAGER'S REPORT AND REFERRALS

Interim City Manager Jay Burney welcomed Keith Stahley as Interim Assistant City Manager and Leonard Bauer as Interim Community Planning & Development Director.

9. ADJOURNMENT

The meeting adjourned at 9:51 p.m.



City Council

Approval of a Resolution Authorizing a Contract Renewal with the Olympia School District for the School Resource Officer Program

Agenda Date: 11/19/2019
Agenda Item Number: 4.B
File Number: 19-0358

Type: contract **Version:** 1 **Status:** Consent Calendar

Title

Approval of a Resolution Authorizing a Contract Renewal with the Olympia School District for the School Resource Officer Program

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a Resolution authorizing a contract renewal with the Olympia School District for the existing School Resource Officer Program.

Report

Issue:

Whether to approve a Resolution authorizing a contract renewal with the Olympia School District for the existing School Resource Officer Program.

Staff Contact:

Chandra Brady, Support Administrator, Olympia Police Department, 360.753.8214

Presenter(s):

None

Background and Analysis:

The existing contract between the City of Olympia and the Olympia School District (OSD) is expiring. This contract builds the foundation for the partnership between OSD and the Olympia Police Department (OPD) and forms the existing School Resource Officer (SRO) program. The program provides SROs at OSD locations. The new contract provides similar parameters and includes specific language to document both OSD and OPD's commitment to protection of immigrant youth and families under OSD policy and the City of Olympia's Sanctuary City policies.

Neighborhood/Community Interests (if known):

The SRO program formalizes a relationship between OSD and OPD, formalizing relationship and OPD presence at OSD locations. SRO involvement in community schools within Olympia. This supports OSD and OPD's mission to the Olympia community and build opportunities for OPD to build relationship with all Olympia youth and families.

Options:

1. Approve - Approving the proposed contract will allow OSD and OPD to continue providing School Resource Officers in Olympia schools.
2. Modify - A modification would require additional negotiation and legal review and may require changes to the existing SRO program.
3. Don't approve - Not approving the contract would terminate the formal relationship between OSD and the City of Olympia; eliminating OPD's ability to provide designated officers at community schools.

Financial Impact:

OSD shares the cost of the SRO program (50% of program costs for 9 months of the year).

Attachments:

Resolution
Agreement

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,
AUTHORIZING AN AGREEMENT BETWEEN THE OLYMPIA SCHOOL DISTRICT AND THE
CITY OF OLYMPIA FOR SCHOOL RESOURCE OFFICERS IN OLYMPIA SCHOOLS**

WHEREAS, the School Resource Officer (SRO) Program formalizes an existing relationship between the Olympia School District (OSD) and the Olympia Police Department (OPD) and OPD presence at Olympia High School and Capital High School; and

WHEREAS, the SRO program supports OSD and OPD's mission to the Olympia community and creates opportunities for OPD to build relationships with Olympia youth and families; and

WHEREAS, the OSD desires to solidify the SRO Program and relationship with OPD through an agreement; and

WHEREAS, the Olympia City Council has determined that it would be in the best interest of the City of Olympia to continue the School Resource Officer Program;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. The Olympia City Council hereby approves the form of Agreement between the City of Olympia and the Olympia School District for school resource officers and the terms and conditions contained therein.
2. The City Manager is authorized and directed to execute on behalf of the City of Olympia the Agreement, and any other documents necessary to execute said Agreement, and to make any minor modifications as may be required and are consistent with the intent of the Agreement, or to correct any scrivener's errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____ 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY

When signed return to:
City of Olympia
Attn: City Clerk
PO Box 1967
Olympia, WA 98507-1967

**AGREEMENT BETWEEN THE CITY OF OLYMPIA
AND
THE OLYMPIA SCHOOL DISTRICT
FOR
SCHOOL RESOURCE OFFICERS**

Whereas, RCW 35A.11.010 permits cities governed under the optional municipal code to contract; and

Whereas, pursuant to OMC 3.16.030, the City Manager or City Manager's designee, is authorized to approve and execute on behalf of the City of Olympia any contract not otherwise subject to City Council approval; and

Whereas, the District desires to protect the school community from threats to the physical safety of its students and staff;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the City of Olympia (CITY) and the Olympia School District (DISTRICT) agree as follows:

I. Purpose/Objective

The purpose of this Agreement is to establish terms and conditions for the CITY's regular deployment of School Resource Officers at DISTRICT locations outlined in this Agreement.

II. Definitions

In this Agreement, the following words shall have the meanings set forth below:

- A. Deploy: Assign to a particular location for the purpose of undertaking job activities from that location.
- B. School Resource Officer (SRO): A general service police officer employed by the CITY who has special training in the investigation and prevention of crimes committed by and against juveniles.

III. Scope of Agreement/Work

A. Responsibilities of the CITY shall be as follows:

1. The CITY agrees to deploy one SRO to each of the following DISTRICT facilities:
 - a. Olympia High School located at 1302 North Street SE, Olympia, WA 98501;
 - b. Capital High School located at 2707 Conger Ave NW, Olympia, WA 98502.
 - c. SROs based at Capital or Olympia High Schools will fulfill duties related to all district schools, generally dividing responsibilities between the West and East sides of the district.
2. The CITY agrees to such deployment on an annual basis, for a period of time that corresponds generally with the DISTRICT's regular school year, for as long as this Agreement remains in force.
3. The CITY agrees to permit the DISTRICT to participate in the process for selecting SROs.
4. The CITY agrees to work cooperatively with the DISTRICT on developing and annually reviewing activities (as contained in Olympia PD General Order 44.1.7) and performance standards that support the CITY's mission and the District's policies and expectations for SROs. The CITY further agrees that mutually determined changes to those activities and/or standards may be recommended to the Chief of Police at any time, with the understanding that final decisions on all personnel and procedure matters involving SROs remain solely with the Chief of Police.
5. In the event that an incumbent SRO leaves his/her assignment during the course of a school year, the CITY agrees to provide a replacement (as a temporary or regular assignment, at the CITY's discretion) no later than sixty (60) school days from the incumbent's last day of SRO service.

6. Consistent with the City of Olympia's Sanctuary City declaration, SROs assigned to the Olympia School District will carry out their duties consistent with the Sanctuary City policy and policing procedures. Further, the District and City support the current federal immigration enforcement policy set forth in the October 24, 2011 memo from the director of U.S. Immigration and Customs Enforcement that directs immigration agents to avoid questioning, searches, surveillance, and arrests at sensitive locations, including schools, school bus stops, and educational activities. Therefore, in the performance of SRO duties, the SRO shall not inquire about a person's place of birth or citizenship solely for the purpose of determining immigration status. The SRO will not initiate contact with immigration enforcement and will not share information with immigration enforcement for the purpose of enforcing administrative non-judicial immigration warrants. If a situation arises in which the SRO becomes aware of what the SRO believes is a valid federal judicial immigration warrant the SRO will request involvement of a patrol officer, if an arrest is anticipated, to preserve the SRO relationship with immigrant families attending Olympia schools.
7. In providing services under this Agreement, the City's SROs may, as legally permissible, with parental consent have access to personally identifiable education records and confidential information regarding District students (collectively referred to as "Confidential Information"). The City agrees that it and its personnel will maintain the confidentiality of Confidential Information. The use or disclosure of any Confidential Information for any purpose not directly connected to the City's services under this Agreement is strictly prohibited except where required or authorized by law.

SROs remain employees of the CITY and are not school staff or school officials for purposes of the Federal Educational Rights and Privacy Act (FERPA) or District Policy and Procedure 3231 and 3231P, School Records.

8. SROs are expected to comply with all laws and regulations pertaining to nondiscrimination. No person shall, on the grounds of race, creed, religion, color, national origin, sex, sexual orientation including gender expression or identity, age, marital status, veterans' status, disability, or use of a trained guide dog or service animal by a person with a disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any activity performed pursuant to this Agreement.

B. Responsibilities of the DISTRICT shall be as follows:

1. The DISTRICT agrees to permit SROs to be deployed on DISTRICT property, consistent with applicable DISTRICT policies. The DISTRICT shall provide the CITY with any DISTRICT policy applicable to SRO's service at the DISTRICT,

including Policy and Procedure 3226 and 3226P, Interviews and Investigations of Students on School Premises.

2. The DISTRICT agrees to participate with the CITY in the process of selecting SROs, with the full understanding that the CITY has the final decision regarding which officer will be assigned.
3. The DISTRICT agrees to provide a workspace with basic office furnishings for an SRO at each of the DISTRICT facilities to which an SRO is deployed.
4. The DISTRICT agrees to work cooperatively with the CITY on developing and annually reviewing activities (as contained in Olympia PD General Order 44.1.7) and performance standards that support the CITY's mission for SROs. The DISTRICT further agrees that mutually determined changes to those activities and/or standards may be recommended to the CITY's Chief of Police at any time, with the understanding that final decisions on all personnel and procedure matters involving SROs remain solely with the Chief of Police.

C. General terms and conditions:

1. SROs shall not be used to supplant DISTRICT staff in the provision of any service which the DISTRICT expects one or more of its employees to provide.
2. SROs shall not be used to provide any service that is outside the scope of work assigned to them by the CITY (i.e., all work must be reasonably related to the investigation or prevention of crimes committed by or against juveniles).
3. SROs shall not be utilized in lieu of private security at any DISTRICT facility or event.
4. SROs shall remain available for temporary redeployment to other duties in the event of a bona fide emergency or other valid purpose, as determined by the CITY.

IV. Cost of SRO program

- A. The Annual Program Cost for each SRO shall be determined by the CITY as outlined in this section and communicated to the DISTRICT no later than June 1 of each year while this Agreement is in force. The rate so communicated shall apply throughout

the subsequent school year (i.e., from the beginning of the regular school year that starts after the rate is determined until the end of that same regular school year).

- B. The Annual Program Cost of an SRO is deemed to include the following expenses:
1. Salary
 2. Benefits (as applicable to the assigned officers)
 3. Uniforms/clothing/cleaning and equipment
 4. Vehicles and fuel
 5. Training
 6. Materials and printing
 7. Communications service (cell phone and wireless computer access)

V. **Method of Payment**

It is the intent of this Agreement for the CITY and the DISTRICT to share equally the cost of providing SRO service. To that end, the parties agree as follows:

- A. The DISTRICT agrees to pay to the CITY its share of the program cost, which is agreed to be .5 Annual Program Cost x .75. The .75 represents the three-quarters of the year that school is in session SROs are provided. The program cost is determined as outlined in Section IV. The District's cost shall be prorated where the SRO services are not provided to the District for a period of 30 or more days.
- B. Payment may be made by the DISTRICT to the CITY either in full at the start of each school year (by September 1st) or in installments as agreed upon by the parties by June 30th of each year.
- C. The CITY has no obligation to replace the SRO for absences of less than 30 days, but will attempt to fill in with police officers that do not have specialized training as an SRO.

VI. **Indemnification & Insurance**

- A. The DISTRICT agrees to defend, indemnify and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses

or suits including reasonable attorney fees, arising out of or in connection with the CITY's performance of the Agreement, except to the extent such injuries and damages are caused by the negligence of the CITY.

- B. The CITY agrees to defend, indemnify and hold the DISTRICT, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or in connection with the DISTRICT's performance of this Agreement, except to the extent such injuries and damages are caused by the negligence of the DISTRICT.

VII. Duration of Agreement

This Agreement shall be effective, subject to annual review unless otherwise terminated in the manner described under the termination section of this Agreement.

VIII. Termination of Agreement

This Agreement may be terminated by either party on June 30th of any year, upon sixty (60) days notice to the other party prior to June 30th, using the method of notice provided for in this Agreement.

IX. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the CITY and the DISTRICT and supersedes any and all prior agreements oral or otherwise with respect to the subject matter addressed herein.

X. Employment Relationship

Employees of the CITY shall remain at all times under the direction and control of the CITY and the performance of work for DISTRICT shall not change that relationship for any purpose.

The City shall perform all duties pursuant to this Agreement as an independent contractor. The District shall not control or supervise the manner in which this Agreement is performed, except as expressly provided herein. Nothing in this Agreement shall be construed to create a partnership, agency relationship, or employer-employee relationship between the District and the City or its personnel. Neither party may incur debts or make commitments for the other party.

The City and its SROs shall not represent himself, herself, or itself as an employee, representative, or spokesperson for the District.

XI. Notice

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

CITY OF OLYMPIA
Attn: Chandra Brady, Support Administrator
Re: SRO Agreement with Olympia School District
PO Box 1967
Olympia, WA 98507-1967

OLYMPIA SCHOOL DISTRICT
Patrick Murphy, Superintendent
Attn: Jennifer Priddy, Assistant Superintendent
Re: SRO Agreement with City of Olympia
1113 Legion Way SE
Olympia, WA 98501

XII. Records

Each party shall maintain its own public records, and each shall be solely responsible for responding to any records request it receives about the subject matter of this Agreement. Although each party is responsible for responding to its own public records requests, the parties shall cooperate with each other as necessary to fully respond to any such request regarding CITY work for the DISTRICT.

XIII. Interpretation and Venue

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The parties hereby agree that venue for enforcement of this agreement shall be the Superior Court of Thurston County.

XIV. Ratification

Any work performed prior to the effective date that falls within the scope of this Agreement and is consistent with its terms is hereby ratified by the parties and confirmed.

XV. Effective Date

Once fully executed, this Agreement shall take effect as of the date of the last signature affixed hereto.

CITY OF OLYMPIA

OLYMPIA SCHOOL DISTRICT

City Manager



Dr. Patrick Murphy Ed.D., Superintendent

Date: _____

Date: 10/21/2019

Approved as to form:

Approved as to form:



City Attorney (DCA)

OSD Counsel

OCT 24 2011



U.S. Immigration
and Customs
Enforcement

MEMORANDUM FOR: Field Office Directors
Special Agents in Charge
Chief Counsel

FROM: John Morton
Director

A handwritten signature in black ink, appearing to read "John Morton", written over the printed name and title.

SUBJECT: Enforcement Actions at or Focused on Sensitive Locations

Purpose

This memorandum sets forth Immigration and Customs Enforcement (ICE) policy regarding certain enforcement actions by ICE officers and agents at or focused on sensitive locations. This policy is designed to ensure that these enforcement actions do not occur at nor are focused on sensitive locations such as schools and churches unless (a) exigent circumstances exist, (b) other law enforcement actions have led officers to a sensitive location as described in the "Exceptions to the General Rule" section of this policy memorandum, or (c) prior approval is obtained. This policy supersedes all prior agency policy on this subject.¹

Definitions

The enforcement actions covered by this policy are (1) arrests; (2) interviews; (3) searches; and (4) for purposes of immigration enforcement only, surveillance. Actions not covered by this policy include actions such as obtaining records, documents and similar materials from officials or employees, providing notice to officials or employees, serving subpoenas, engaging in Student and Exchange Visitor Program (SEVP) compliance and certification visits, or participating in official functions or community meetings.

The sensitive locations covered by this policy include, but are not limited to, the following:

¹ Memorandum from Julie L. Myers, Assistant Secretary, U.S. Immigration and Customs Enforcement, "Field Guidance on Enforcement Actions or Investigative Activities At or Near Sensitive Community Locations" 10029.1 (July 3, 2008); Memorandum from Marcy M. Forman, Director, Office of Investigations, "Enforcement Actions at Schools" (December 26, 2007); Memorandum from James A. Puleo, Immigration and Naturalization Service (INS) Acting Associate Commissioner, "Enforcement Activities at Schools, Places of Worship, or at funerals or other religious ceremonies" HQ 807-P (May 17, 1993). This policy does not supersede the requirements regarding arrests at sensitive locations put forth in the Violence Against Women Act, see Memorandum from John P. Torres, Director Office of Detention and Removal Operations and Marcy M. Forman, Director, Office of Investigations, "Interim Guidance Relating to Officer Procedure Following Enactment of VAWA 2005 (January 22, 2007).

- schools (including pre-schools, primary schools, secondary schools, post-secondary schools up to and including colleges and universities, and other institutions of learning such as vocational or trade schools);
- hospitals;
- churches, synagogues, mosques or other institutions of worship, such as buildings rented for the purpose of religious services;
- the site of a funeral, wedding, or other public religious ceremony; and
- a site during the occurrence of a public demonstration, such as a march, rally or parade.

This is not an exclusive list, and ICE officers and agents shall consult with their supervisors if the location of a planned enforcement operation could reasonably be viewed as being at or near a sensitive location. Supervisors should take extra care when assessing whether a planned enforcement action could reasonably be viewed as causing significant disruption to the normal operations of the sensitive location. ICE employees should also exercise caution. For example, particular care should be exercised with any organization assisting children, pregnant women, victims of crime or abuse, or individuals with significant mental or physical disabilities.

Agency Policy

General Rule

Any planned enforcement action at or focused on a sensitive location covered by this policy must have prior approval of one of the following officials: the Assistant Director of Operations, Homeland Security Investigations (HSI); the Executive Associate Director (EAD) of HSI; the Assistant Director for Field Operations, Enforcement and Removal Operations (ERO); or the EAD of ERO. This includes planned enforcement actions at or focused on a sensitive location which is part of a joint case led by another law enforcement agency. ICE will give special consideration to requests for enforcement actions at or near sensitive locations if the only known address of a target is at or near a sensitive location (e.g., a target's only known address is next to a church or across the street from a school).

Exceptions to the General Rule

This policy is meant to ensure that ICE officers and agents exercise sound judgment when enforcing federal law at or focused on sensitive locations and make substantial efforts to avoid unnecessarily alarming local communities. The policy is not intended to categorically prohibit lawful enforcement operations when there is an immediate need for enforcement action as outlined below. ICE officers and agents may carry out an enforcement action covered by this policy without prior approval from headquarters when one of the following exigent circumstances exists:

- the enforcement action involves a national security or terrorism matter;
- there is an imminent risk of death, violence, or physical harm to any person or property;

- the enforcement action involves the immediate arrest or pursuit of a dangerous felon, terrorist suspect, or any other individual(s) that present an imminent danger to public safety; or
- there is an imminent risk of destruction of evidence material to an ongoing criminal case.

When proceeding with an enforcement action under these extraordinary circumstances, officers and agents must conduct themselves as discretely as possible, consistent with officer and public safety, and make every effort to limit the time at or focused on the sensitive location.

If, in the course of a planned or unplanned enforcement action that is not initiated at or focused on a sensitive location, ICE officers or agents are subsequently led to or near a sensitive location, barring an exigent need for an enforcement action, as provided above, such officers or agents must conduct themselves in a discrete manner, maintain surveillance if no threat to officer safety exists and immediately consult their supervisor prior to taking other enforcement action(s).

Dissemination

Each Field Office Director, Special Agent in Charge, and Chief Counsel shall ensure that the employees under his or her supervision receive a copy of this policy and adhere to its provisions.

Training

Each Field Office Director, Special Agent in Charge, and Chief Counsel shall ensure that the employees under his or her supervision are trained (both online and in-person/classroom) annually on enforcement actions at or focused on sensitive locations.

No Private Right of Action

Nothing in this memorandum is intended to and may not be relied upon to create any right or benefit, substantive or procedural, enforceable at law by any party in any administrative, civil, or criminal matter.

This memorandum provides management guidance to ICE officers exercising discretionary law enforcement functions, and does not affect the statutory authority of ICE officers and agents, nor is it intended to condone violations of federal law at sensitive locations.

INTERVIEWS AND INTERROGATIONS OF STUDENTS ON SCHOOL PREMISES

The district encourages interviews and interrogations of students by law enforcement, the Department of Social and Health Services (DSHS) and the county health department(s) to take place off school premises in order to minimize interruption to the instructional program. When an onsite interview or interrogation is insisted upon by said entities, the district will utilize established protocols. The Superintendent will establish such protocols.



<i>CROSS REFERENCES</i>	<i>Policy 3231</i>	<i>Student Records</i>
	<i>Policy 3432</i>	<i>Emergencies</i>
	<i>Policy 3414</i>	<i>Infectious Diseases</i>
	<i>Policy 4310</i>	<i>District Relationships with Law Enforcement & Other Government Agencies</i>
<i>LEGAL REFERENCE</i>	<i>RCW 26.44.030</i>	<i>Interviews of children</i>
	<i>RCW 26.44.050</i>	<i>Abuse or neglect of child—duty of law enforcement agency of department of social and health services—taking child into custody without consent order, when.</i>
	<i>RCW 26.44.110</i>	<i>Written statement required</i>
	<i>RCW 26.44.115</i>	<i>Notice required</i>
	<i>RCW 28A.635.020</i>	<i>Willfully disobeying school administrative personnel or refusing to leave public property, violations, when--Penalty</i>
<i>MANAGEMENT RESOURCES</i>	<i>Policy and Legal News, July 2013</i>	<i>New interviews/interrogations of students on school premises policy</i>
	<i>Policy News, April 2011</i>	<i>Compliance Office Provides FERPA Update</i>
	<i>Policy News, February 1998</i>	<i>FERPA limits student records access</i>



POLICY ADOPTED *November 25, 2013*

POLICY SECTION 3000 - STUDENTS

INTERVIEWS AND INTERROGATIONS OF STUDENTS ON SCHOOL PREMISES

The district encourages interviews and interrogations of students to take place off school premises in order to minimize interruption to the instructional program. When an onsite interview/interrogation is warranted by the circumstances of the case, the following protocols will be used:

PROTOCOL FOR LAW ENFORCEMENT AND/OR DEPARTMENT OF SOCIAL AND HEALTH SERVICES (DSHS) INTERVIEWS IN CHILD ABUSE OR NEGLECT INVESTIGATIONS

1. In conducting an investigation of alleged child abuse or neglect, law enforcement or DSHS (for purposes of this section, "the interviewer") may interview students at school. School personnel will not make a student available for an investigative interview unless the student gives consent, as described below. In these interviews, the following protocol will be used:
2. Upon entering a school building, the interviewer will contact the principal or his/her designee.
3. The interviewer may request and be granted such student information as address, telephone number, parents' /guardians' names, date of birth and other directory information, if the parent or student over 18 years of age has not filed a written objection to the release of directory information. Student records protected by the federal Family Educational Rights and Privacy Act (FERPA) may only be examined or released: 1) following written permission of a minor student's parent; 2) following written permission of an adult student; 3) pursuant to a court order or subpoena; 4) in response to a health or safety emergency, or 5) in order to better serve the student in the juvenile justice system prior to adjudication.
4. The interviewer, in the presence of the principal or his/her designee, will first obtain the student's consent to be interviewed. If the student does not consent to be interviewed, the principal or his/her designee will request that the interviewer cease communicating with the student and the interview will not take place on school premises, unless the interviewer has determined that exigent circumstances exist to conduct the interview, or has a warrant authorizing the interview.
5. If the interviewer indicates to the principal or his/her designee that the parent or guardian is suspected of child abuse or neglect of the student, parent/guardian notification will not be required.
6. If the parent or guardian is not suspected of child abuse or neglect of the student, parental notification of the interview must occur at the earliest possible point in the investigation that will not jeopardize the safety or protection of the child or the course of the investigation. The interviewer must recognize the potential time delay between parent/guardian contact and their arrival at school.
7. If the interviewer is unable to contact parent(s)/guardian(s) or a designated adult after a reasonable time, the interviewer may proceed with the interview if the student consents or when, in the judgment of the interviewer, an emergency exists and further delay would impair the handling of that emergency.
8. Prior to commencing the interview, the interviewer will, in the presence of the principal or designee, determine whether a student wishes an adult third party to be present for the interview and, if so, will make reasonable efforts to accommodate the student's

POLICY SECTION 3000 - STUDENTS

wishes unless, in the opinion of the interviewer, the presence of the third party would jeopardize the course of the investigation.

9. If the student elects to have an adult third party present in the interview, the principal or designee will, prior to the interview, inform the third party of their role as an observer in the process. The principal or designee will instruct the third party not to speak to, coach, or provide non-verbal cues to the student or the interviewer or otherwise interfere with the questioning of the student. The third party will also be instructed as to his/her duty to keep all aspects of the interview confidential.
10. If a student has an aide as part of his/her IEP or Section 504 plan and requests that a third party be included in an interview, the interview may include the third party in addition to the student's aide.
11. Any school employee requested by a student to attend an interview may opt out of attending. This refusal may not serve as grounds for discharge, non-renewal of an employment contract, or other action adversely affecting the employee's contract status. The student will be requested to choose another third party. In the event no school employees or other third party wishes to participate, the principal or designee will attend the interview.
12. If a third party present during the student interview believes that the student is being intimidated, threatened or coerced during questioning, that the student is unaware that he or she is free to leave the interview at any time, or that the student is in physical or emotional distress, he or she may request that a break be taken. During the break, the student will be excused while the third party shares his/her concerns with the interviewer and the principal (or his/her designee). Based on this information, the principal or designee will determine whether to request that the interviewer continue, temporarily suspend or terminate the interview.
13. At a minimum, the school's record of the interview/interrogation will document the date, time, place, and length of the interview; the student name and consent to be interviewed, the interviewing officer; and any third or additional parties present.
14. A DSHS interviewer is required to have 1) a court order; 2) a Voluntary Placement Agreement; or 3) a law enforcement exercise of custody and transfer of custody to DSHS in order for the school to release custody of the student. However, if the DSHS interviewer is accompanied by law enforcement, no warrant will be required. Law enforcement may, independent of DSHS, take custody of the student.
15. Law enforcement is not required to have a warrant in order for the school to release the student into custody. In the event a student is taken into custody by law enforcement, the school will immediately notify the parent or guardian unless: 1) directed not to do so by law enforcement because a case of child abuse or neglect is alleged against the parent/guardian, or 2) some other similar, specified reason exists for prohibiting notification. School authorities may request that this denial and the reasons for it be put in writing.

PROTOCOL FOR LAW ENFORCEMENT INTERVIEWS/INTERROGATIONS NOT INVOLVING CHILD ABUSE OR NEGLECT INVESTIGATIONS

1. Law enforcement will contact the principal or his/her designee upon entering a school building.
2. Law enforcement may request and be granted such student information as address, telephone number, parents' names, date of birth and other directory information, if the

POLICY SECTION 3000 - STUDENTS

parent or student over 18 years of age has not filed a written objection to the release of directory information. Student records protected by the federal Family Educational Rights and Privacy Act may only be examined or released: 1) following written permission of a minor student's parent; 2) following permission by an adult student; 3) pursuant to a court order or subpoena; 4) in response to a health or safety emergency, or 5) in order to better serve the student in the juvenile justice system prior to adjudication.

3. If the student is under twelve (12) years of age, parent(s)/guardian(s) or designated adult notification and permission is required before any interview/interrogation will take place unless the law enforcement official has a warrant or a court order or the official stipulates that exigent circumstances exist.
4. If the student is twelve (12) years of age and over, the principal or designee will make a reasonable effort to contact the parent(s)/ guardian(s) prior to the interview or as soon as possible thereafter. If the parent/guardian cannot be contacted, the principal or designee will contact the designated adult noted on the student's emergency contact card for their consent. Parent contact will not be required where the law enforcement indicates that child abuse or neglect is alleged.
5. Law enforcement personnel must recognize the potential time delay for the parent(s)/guardian(s) to be contacted and a reasonable time for the parent(s)/guardian(s) to arrive at the school.
6. If unable to contact parent(s)/guardian(s) or a designated adult after a reasonable time, law enforcement may nevertheless proceed with the interview/interrogation if the student consents or when, in the judgment of the officer, an emergency exists and further delay would impair the handling of that emergency. The officer will advise and afford a student all legal rights required by law.
7. Law enforcement is not required to have a warrant in order for the school to release the student into custody. In the event a student is taken into custody by law enforcement, the school will immediately notify the parent or guardian unless: 1) prohibited by law enforcement because a case of child abuse or neglect is involved, or 2) some other similar, specified reason exists for prohibiting notification. School authorities will request that this denial and the reasons for it be put in writing.
8. If a court has released a student on conditions related to school, including attendance, behavior or progress, the administration will encourage the court to include as a condition of release the written permission of the adult student or parent of a minor student to release the student's records to the court or its designee.

PROTOCOL FOR INTERVIEWS BY HEALTH DEPARTMENT IN COMMUNICABLE DISEASE INVESTIGATIONS

1. A health department official will contact the principal or his/her designee upon entering a school building.
2. A health department official may request and be granted such student information as address, telephone number, parents' names, date of birth and other directory information, if the parent or student over 18 years of age has not filed a written objection to the release of directory information. Student records protected by the federal Family Educational Rights and Privacy Act (FERPA) may only be examined or released: 1) following written permission of a minor student's parent; 2) following permission by an adult student; 3) pursuant to a court order or subpoena; or 4) in response to a health or

POLICY SECTION 3000 - STUDENTS

safety emergency or 5) in order to better serve the student in the juvenile justice system prior to adjudication.

3. The principal and his/her designee will permit a health official to conduct a confidential interview during school hours with a student suspected of being in contact with an individual infected with a communicable disease if the principal chooses not to release the student to travel to the health department.

PROCEDURE ESTABLISHED *November 25, 2013*
REVISED *February 27, 2019*

POLICY SECTION 3000 - STUDENTS

TO BE HANDED TO THE OFFICIAL REQUESTING THE INTERVIEW

Olympia School District ("OSD") policy and procedures regarding interviews with its students are attached. Please review these documents before we proceed. OSD staff will comply with the District's policy and procedure for interviews of students.

Prior to a student interview by law enforcement and/or DSHS on school grounds, it is OSD policy that the following occur:

- A parent or guardian will be notified of the interview and given reasonable time to arrive at the school to witness the interview.
- The student will consent to being interviewed or a warrant authorizing the interview will be presented.
- The student will be given the opportunity to have an adult third party (school staff member) present during the interview.

If you determine that circumstances exist which justify skipping or altering one or more of these steps, please sign below so indicating.

IT IS MY DETERMINATION THAT THE PROCEDURES INDICATED MUST BE ALTERED IN THIS SITUATION:

PRINTED NAME OF PERSON CONDUCTING INTERVIEW

SIGNATURE

DATE

NAME OF STUDENT _____

NAME OF SCHOOL _____

NAME OF ADMINISTRATOR _____

WILL YOU NOTIFY A PARENT OR GUARDIAN FOLLOWING THE INTERVIEW? YES NO

IF YOU DO NOT INTEND TO NOTIFY A PARENT OR GUARDIAN REGARDING THE INTERVIEW, IS THE DISTRICT PERMITTED TO DO SO? YES NO

Please attach a business card from the person conducting the interview to this form and send the form to the principal's evaluator.

Policy 4310
Section 4000 – Community Relations

District Relationships with Law Enforcement and other Government Agencies

The Olympia School District values its relationships with law enforcement and other government agencies while at the same time valuing and welcoming all students and their families.

The primary responsibility for maintaining proper order and conduct in the schools resides with district staff. Staff will be responsible for holding students accountable for infractions of school rules, which may include minor violations of the law occurring during school hours or at school activities.

However, there are times when district staff will call upon law enforcement, child protective agencies and the county health department to ensure the safety and protection of students or staff. When there is substantial threat to the health and safety of students or others, such as in the case of bomb threats, threats of violence or threats of substantial bodily harm, law enforcement will be called upon for assistance. Information regarding major violations of the law will be communicated to the appropriate law enforcement agency.

The district will strive to develop and maintain cooperative working relationships with law enforcement, child protective authorities and health department officials. The superintendent or designee will confer with representatives of these agencies to establish agreed upon procedures. Such procedures should address the handling/reporting of child abuse and neglect allegations/investigations; communicable disease allegations/investigations; criminal allegations/investigations, including bomb threats/other threat assessment, and arrests by law enforcement officers on school premises; the availability of law enforcement personnel for crowd control; and other matters where the work and duties of the district overlap with these agencies. Such procedures include 3432P – Emergencies and 3226P Interviews and Interrogations of Students on School Premises. The district will revise the procedures as necessary and make them available to affected staff members.

If the district engages with a School Resource Officer (SRO), the district will clarify its relationship with the SRO, including the SRO's purpose, role, supervisory structure and limitations on access to student information in a written memorandum of understanding (MOU).

In contrast to the working relationships noted above, the work of immigration agents does not overlap with the work or duties of the district. This is because the district's obligation to educate the children residing within its borders is not diminished by the children or parents' immigration status. Further, the district supports the federal immigration enforcement policy that directs

immigration agents to avoid questioning and arrests at sensitive locations, including schools. Therefore, staff shall not grant information or access to immigration agents unless/until the district Superintendent or designee, and/or district legal counsel determine the request complies with *Plyler v. Doe* and other applicable laws according to the criteria in 3226P Interviews and Interrogations of Students on School Premises.

Child Protective Services or agencies and law enforcement are defined as stated in RCW 26.44.020. County health department means a local entity defined in RCW 70.05.010.

“Immigration agent” shall mean an agent of U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, any individuals authorized to conduct enforcement of civil immigration laws under 8 U.S.C. §1357(g) or any other federal law, other federal agents charged with enforcement of civil immigration laws, and any successors.

Olympia School District staff will be informed annually about this policy.

Cross References

3432 - Emergencies

3414 - Infectious Diseases

3231 - Student Records

3226 - Interview and Interrogations of Students on School Premises

Legal References

RCW 26.44.030 - Interviews of children

RCW 26.44.050 - Abuse or neglect of child – Duty of law enforcement agency or department of social and health services – Taking child into custody without court order, when

RCW 26.44.110 - Information about rights - Custody without court order – Written statement required - Contents

RCW 26.44.115 - Child taken into custody under court order – Information to parents

RCW 28A.635.020 - Willfully disobeying school administrative personnel or refusing to leave public property, violations, when – Penalty

20 U.S.C. § 1232g - Family Education Rights and Privacy Act

Adoption Date: May 8, 1972

Olympia School District

Olympia, WA

Classification: **Encouraged**

Revised Dates: 01.76; 03.96; 09.04; 10.13; 07.19



City Council

Approval of a Resolution Authorizing an Interlocal Agreement between the City of Olympia, the Olympia Metropolitan Park District, and the Port of Olympia related to a Brownfield Assessment Grant

Agenda Date: 11/19/2019
Agenda Item Number: 4.C
File Number: 19-1054

Type: resolution **Version:** 1 **Status:** Consent Calendar

Title

Approval of a Resolution Authorizing an Interlocal Agreement between the City of Olympia, the Olympia Metropolitan Park District, and the Port of Olympia related to a Brownfield Assessment Grant

Recommended Action

Move to approve a resolution authorizing an Interlocal Agreement between the City of Olympia, the Olympia Metropolitan Park District, and the Port of Olympia

Issue:

Whether to approve a resolution authorizing an Interlocal Agreement (ILA) between the City of Olympia, the Olympia Metropolitan Park District, and the Port of Olympia for the purposes of applying for and receiving EPA grant dollars for Brownfield Assessment.

Staff Contact:

Mike Reid, Economic Development Director, CP&D, 360.753.8591

Presenter(s):

None

Background and Analysis:

The United States Environmental Protection Agency ("EPA") makes grants available to entities "to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites." These assessment grants may be awarded to a coalition of three or more entities acting together under a cooperative agreement, known as an "Assessment Coalition." "Assessment Coalitions are designed for one 'lead' eligible entity to partner with two or more eligible entities that have limited capacity to manage their own EPA cooperative agreement."

Neighborhood/Community Interests (if known):

Brownfields assessments have the potential to “unlock” sites that may be historically economically and environmentally challenged for development purposes.

Options:

1. Approve a resolution authorizing the proposed Interlocal Agreement
2. Approve a resolution with authorizing the proposed Interlocal Agreement with changes
3. Do not approve a resolution authorizing the proposed Interlocal Agreement

Financial Impact:

Up to \$600,000 of grant dollars have been made available to coalition partners for the purposes of Brownfield Assessments

Attachments:

Resolution
Agreement

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON,
APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF OLYMPIA,
THE PORT OF OLYMPIA, AND THE OLYMPIA METROPLITAN PARKS DISTRICT
FOR ENVIRONMENTAL EVALUATION AND GRANT MANAGEMENT SERVICES**

WHEREAS, RCW 39.34.010 permits public agencies, including units of local government, “to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities;” and

WHEREAS, pursuant to RCW 39.34.080, a public agency is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract must be authorized by the governing body of each party to the contract and must set forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the United States Environmental Protection Agency (“EPA”) makes grants available to entities “to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites.” These assessment grants may be awarded to a coalition of three or more entities acting together under a cooperative agreement, known as an “Assessment Coalition.” Assessment Coalitions are designed for one ‘lead’ eligible entity to partner with two or more eligible entities that have limited capacity to manage their own EPA cooperative agreement; and

WHEREAS, the City of Olympia (“City”), the Olympia Metropolitan Park District (“MPD”), and the Port of Olympia (“Port”), collectively the “Coalition Partners,” each wishes to cooperate with the other Coalition Partners in applying for and receiving funding from EPA for Brownfield Assessment activities as an Assessment Coalition; and

WHEREAS, the City has the capacity and expertise to serve as Lead Coalition Partner and the other Coalition Partners desire the City to fulfill this role; and

WHEREAS, the Coalition Partners have negotiated an Interlocal Agreement governing their activities as an Assessment Coalition for the purpose of applying for and receiving funding from EPA for Brownfield Assessment activities;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE as follows:

1. The Olympia City Council hereby approves the City's entry into an Assessment Coalition with the MPD and the Port in order to apply for and receive funding from the EPA for Brownfield Assessment activities and approves the City serving in the role of Lead Coalition Partner.
2. The Olympia City Council hereby approves the form of the Interlocal Agreement between the City, the MPD, and the Port governing the Coalition Partners' activities as an Assessment Coalition, and the terms and conditions contained in that Interlocal Agreement.
3. The Interim City Manager is directed and authorized to execute the Interlocal Agreement on behalf of the City of Olympia, and to make any minor modifications as may be required and are consistent with the intent of the Interlocal Agreement, or to correct any clerical or scrivener's errors.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of November 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY

**INTERLOCAL AGREEMENT
BETWEEN
THE CITY OF OLYMPIA, THE OLYMPIA METROPLITAN PARK DISTRICT, and
THE PORT OF OLYMPIA FOR ENVIRONMENTAL EVALUATION AND GRANT
MANAGEMENT SERVICES**

THIS INTERLOCAL AGREEMENT ("Agreement") is made by and among the CITY OF OLYMPIA, WASHINGTON ("OLYMPIA"); the OLYMPIA METROPOLITAN PARK DISTRICT ("MPD"); and the PORT OF OLYMPIA ("PORT"). In this Agreement, the parties together will be referred to as the "Coalition Partners." This Agreement is effective on the effective date, as defined below; and

WHEREAS, RCW 39.34.010 permits public agencies, including units of local government, "to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities;" and

WHEREAS, pursuant to RCW 39.34.080, a public agency is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract must be authorized by the governing body of each party to the contract and must set forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the United States Environmental Protection Agency ("EPA") makes grants available to entities "to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites." <https://www.epa.gov/brownfields/types-brownfields-grant-funding>. These assessment grants may be awarded to a coalition of three or more entities acting together under a cooperative agreement, known as an "Assessment Coalition." Assessment Coalitions are designed for one 'lead' eligible entity to partner with two or more eligible entities that have limited capacity to manage their own EPA cooperative agreement;" and

WHEREAS, each of the Coalition Partners wishes to cooperate with the other Coalition Partners in applying for and receiving funding from EPA for Brownfield Assessment activities as an Assessment Coalition; and

WHEREAS, OLYMPIA has the capacity and expertise to serve as Lead Coalition Partner and the Coalition Partners desire OLYMPIA to fulfill this role;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, OLYMPIA, the PORT, and the MPD agree as follows:

I. Purpose/Objective

The Coalition Partners wish to apply for and receive funding from the EPA for Brownfield Assessment activities. The purpose of this Agreement is to create an Assessment Coalition and define the roles and responsibilities of the Coalition Partners acting as a Brownfields Assessment Coalition in order to carry out the activities outlined in the EPA application for the funding of Brownfield Assessment activities and subsequent grant agreement documentation.

II. Scope of Agreement/Work

A. The Coalition Partners hereby form an Assessment Coalition for the purpose of applying for, receiving, and administering one or more EPA Brownfields Assessment Grants.

B. Activities undertaken under this Agreement may include inventory preparation, site selection criteria development, assessments, planning (including cleanup planning) relating to brownfield sites, and outreach materials and implementation, and other eligible activities. OLYMPIA, acting as Lead Coalition Partner, may retain a consultant(s) and contractor(s) to undertake various activities under this Agreement.

C. Obligations of OLYMPIA:

OLYMPIA shall serve as the Lead Coalition Partner. In that capacity, OLYMPIA shall:

1. Manage and administer this Agreement;
2. Prepare grant applications to EPA and other such agencies on behalf of the Coalition Partners;
3. Be responsible to EPA for management of this Agreement and compliance with the statutes, regulations, and terms and conditions of any grant awarded to the Coalition Partners by EPA;
4. Procure the consultant(s) in compliance with all Washington State statutes and the requirements of 2 CFR 200.317-326, if applicable; issue Requests for Proposals or Requests for Qualification; oversee receipt of the submitted proposals and selection and award of contracts; and negotiate the terms of agreements in consultation with the MPD and the PORT;
5. In consultation with MPD and the PORT, develop a site selection process based on agreed upon factors that ensure that minimum of 15 sites are assessed over the life of this Agreement;
6. For site plans for which EPA funding is sought, submit identified sites to the EPA for prior approval to ensure eligibility;

7. Upon designation of the specific sites, work with MPD and the PORT if the site is located outside the Olympia city limits, to finalize the scope of work for the consultant or contractor;
8. Insure that other activities as negotiated in the work plan, such as community outreach and involvement, are implemented in accordance with a schedule agreed upon by OLYMPIA, and if outside Olympia City Limits, MPD and the PORT;
9. Comply with the statutes, regulations, and terms and conditions of any grants received by the Coalition;
10. Administer grants received by the Coalition;
11. Insure MPD and the PORT comply with the terms and conditions of this Agreement; and
12. Provide timely information to MPD and the PORT regarding the management of this Agreement and any changes that may be made to this Agreement over the period of performance.

D. Obligations of MPD and the PORT:

The MPD and the Port each shall:

1. Appoint one (1) individual to be the point of contact for purposes of consulting with the other Coalition Partners in administering this Agreement;
2. Provide timely information to OLYMPIA as may be requested by OLYMPIA in performing OLYMPIA's duties under this Agreement;
3. Participate fully in the brownfields assessment process;
4. For sites located outside the Olympia City Limits but within the jurisdiction of the MPD or the PORT, obtain all required permits, easements, or access agreements as may be necessary to undertake assessments at the selected sites; provided however, if MPD or the PORT lack the capacity to perform these activities, OLYMPIA may assist in securing necessary site access agreements and permits;
5. Comply with all requirements in any grant agreements that may be entered into by the Coalition Partners, including an accounting of expenditures of grant funds made by MPD and the PORT; and

6. Comply with any other requests that may be made by OLYMPIA from time to time in performing its duties under this Agreement.

III. Financing and Budgeting

The activities conducted under this Agreement are to be funded by grants received by the Coalition Partners. OLYMPIA, as Lead Coalition Partner, shall establish and maintain the budget for activities undertaken under this Agreement.

IV. Administration

- A. As provided in Section II C, above, OLYMPIA shall administer this Agreement in consultation with the MPD and the PORT.
- B. This Agreement creates no Joint Board and no separate legal entity.

V. Duration of Agreement

This Agreement is effective until September 6, 2022, unless terminated in the manner described under the termination section of this Agreement.

VI. No Joint Acquisition of Holding of Property

The Coalition Partners will not jointly acquire or hold any real or personal property under this Agreement.

VII. Termination of Agreement

- A. This Agreement may be terminated upon sixty (60) days' notice to the other Coalition Partners using the method of notice provided for in this Agreement.
- B. Upon termination of this Agreement, any property owned by one Coalition Partner that is in the possession of another Coalition Partner for purposes of this carrying out this Agreement must be returned to the owner.

VIII. Entire Agreement

This Agreement contains all terms and conditions agreed upon by the Coalition Partners and supersedes any and all prior agreements oral or otherwise with respect to the subject matter addressed in this Agreement.

IX. Posting or Recording

Prior to its entry into force, OLYMPIA shall post this Agreement on its website or OLYMPIA shall file this Agreement with the Thurston County Auditor's Office.

X. Employment Relationship

Employees of each of the Coalition Partners are at all times under the direction and control of their employing agency and the performance of work for any other Coalition Partner pursuant to this Agreement does not change that relationship for any purpose. None of the Coalition Partners is obligated to pay any other Coalition Partner's employees any wages or benefits afforded to its own employees. Further, each Coalition Partner's responsibilities to its own employees for work place injuries remains unchanged by this Agreement.

XI. Notice

Any notice required under this Agreement must be given to the Coalition Partners as follows and is effective three days following the date of deposit in the United States Postal Service:

For City of Olympia:
Mike Reid, Director of Economic Development
6014th Ave SE
Olympia, WA 98501
360-753-8591
mreid@ci.olympia.wa.us

For Port of Olympia:
Rachael Jamison
Planning, Public Works & Environmental Director
360-528-8020
rachaelj@portolympia.com

For Olympia Metropolitan Park District:
Jonathon Turlove, Director of Parks Planning and Maintenance
6014th Ave SE
Olympia, WA 98501
360-753-8068
jturlove@ci.olympia.wa.us

XII. Records

Each Coalition Partner shall maintain its own public records and is solely responsible for responding to records requests received about the subject matter of this Agreement. The Coalition Partners shall handle any public records request addressed to the group as a request received by each Coalition Partner individually. Each Coalition Partner shall respond separately, unless agreed to otherwise in writing and properly documented.

XIII. Interpretation and Venue

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of this agreement is the Thurston County Superior Court.

XIV. Effective Date

This Agreement takes effect as of the date of filing or posting as required by RCW 39.34.040 ("effective date").

CITY OF OLYMPIA

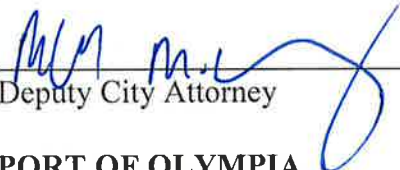
OLYMPIA METROPOLITAN PARK DISTRICT

Signature
Print Name _____
Title _____
Date: _____

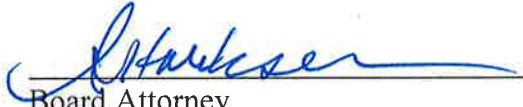
Signature
Print Name _____
Title _____
Date: _____

Approved as to form:

Approved as to form:



Deputy City Attorney



Board Attorney

PORT OF OLYMPIA

Signature
Print Name _____
Title _____
Date: _____

Approved as to form:

Attorney



City Council

Approval of an Ordinance Amending Final Plat Approval Process

Agenda Date: 11/19/2019
Agenda Item Number: 4.D
File Number: 19-0884

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of an Ordinance Amending Final Plat Approval Process

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the ordinance amending the final plat approval process per RCW 58.17.100 on second reading.

Report

Issue:

Whether to approve an ordinance amending the final plat approval process as allowed per RCW 58.17.100.

Staff Contact:

Joyce Phillips, Senior Planner, Community Planning and Development, 360.570.3722

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Background and analysis has not changed from first to second reading.

In 2017, Senate Bill 5674 was passed by the Legislature and signed into state law. This revision to the state statutes for subdivisions allows a local government legislative body to delegate the authority to approve final plat applications to an established planning commission or agency, or to other administrative personnel. This is because the final plat approval process is ministerial in nature and based on a non-discretionary process. Final plat approval is only granted when the applicant meets all of the terms and conditions of the preliminary plat approval. If the final plat conforms to state law and local ordinances, final approval must be granted under state law (RCW 58.17.170). There is no public hearing for final plat approval.

Neighborhood/Community Interests (if known):

Neighborhood and community interests vary with each project. However, these comments are made at the time of preliminary plat review and at the public hearing, where these comments are factored in to the decision regarding the preliminary application. At the time of final plat review, the developer must show conformance with all conditions of preliminary approval and all final plat submittal requirements. The preliminary plat conditions of approval cannot be amended by the public, city, or the developer at the time of final review.

Options:

1. Approve the text amendments to Titles 17 and 18, as proposed.
2. Approve text amendments to Titles 17 and 18, as modified by City Council.
3. Do not approve text amendments to Titles 17 and 18, as proposed.

Financial Impact:

Approval of this ordinance will result in a reduction of staff time spent on approval of final plat applications because an additional staff report and City Council meeting will not be required to occur once staff has completed the necessary review to determine that all conditions of approval have been completed before a final plat can be recorded and finalized.

Attachments:

Ordinance

Ordinance No.

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING CHAPTER 17.24, SUBDIVISIONS, AND SECTION 18.72.100, UNIFIED DEVELOPMENT CODE, OF THE OLYMPIA MUNICIPAL CODE.

WHEREAS, Senate Bill No. 5674 relating to the final approval of subdivisions of land was enacted by the Washington State Legislature in 2017 and codified under RCW 58.17; and

WHEREAS, RCW 58.17.100 allows the legislative body of a city to adopt by ordinance the delegation of final plat approval to an established planning agency or administrative personnel; and

WHEREAS, to conform with RCW 58.17.100, the City of Olympia Community Planning and Development Department has proposed minor amendments to Title 17, Subdivisions, and Title 18, Unified Development Code, of the Olympia Municipal Code (OMC) (the Proposed Amendments) regarding final city approval of subdivisions; and

WHEREAS, the Proposed Amendments are consistent with Chapter 58.17 RCW, Plats, Subdivisions, Dedications; and

WHEREAS, the Proposed Amendments are consistent with the Olympia Comprehensive Plan and other chapters of Title 18 OMC; and

WHEREAS, Chapters 35A.63 and 36.70A RCW and Article 11, Section 11 of the Washington State Constitution authorize and permit the City to adopt this Ordinance;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Amendment of OMC 17.24. Olympia Municipal Code Chapter 17.24 is hereby amended to read as follows:

Chapter 17.24
FINAL PLAT

17.24.000 Chapter Contents

Sections:

- 17.24.010 Submission of application.
- 17.24.020 Format and content of application.
- 17.24.030 Distribution of copies.
- 17.24.040 Time to act.
- 17.24.050 Review criteria.
- 17.24.060 ~~City-Council action~~ final approval.
- 17.24.070 Filing for record--Copies.
- 17.24.080 Filing for record--Time limit.

17.24.010 Submission of application

The subdivider shall submit twelve (12) dark line prints and one stable base polyester film or other approved material (hereinafter referred to as Mylar) to the department.

17.24.020 Format and content of application

A. Survey of Subdivision and Preparation of Plat. The survey of the proposed subdivision and preparation of the plat shall be made by or under the supervision of a registered land surveyor who shall certify on the plat that it is a true and correct representation of the lands actually surveyed.

B. Drafting Standards. All final plats shall be drawn in accordance with the following:

1. The final plat shall be clearly and legibly drawn in permanent black ink upon a stable base polyester film.
2. The scale of the plat shall be not less than 1" = 200'. Lettering shall be at least 3/32 of an inch high. The perimeter of the plat or subdivision being recorded shall be depicted with heavier lines wider than the remaining portion of the plat or subdivision.
3. The size of each sheet shall be 18" by 24".
4. A marginal line shall be drawn completely around each sheet, leaving an entirely blank margin of three inches on the left, and one-half inch on each side of the other three sides.
5. If more than two sheets are used, an index of the entire subdivision showing the arrangement of all sheets shall be included. Each shall be appropriately numbered.
6. The plat title, date, scale and north arrow shall be shown on each appropriate sheet of the final plat.
7. All signatures placed on the final plat shall be original signatures written in permanent black India ink.

C. Street Monuments. The surveyor preparing the plat shall submit a street monumentation plat to the Public Works Department for approval prior to setting any permanent street monuments. The Public Works Department shall determine the number and location of permanent control monuments in streets within and leading into the plat, if any. All street monuments shall conform to the standard specifications of the American Public Works Association or as amended by city standard plans.

D. Content.

1. The following information is required on the final plat map:

- a. The date, scale, north arrow, legend, controlling topography and existing features such as highways and railroads;
- b. Legal description of the plat boundaries;
- c. Reference points and lines of existing surveys identified, related to the plat as follows:
 - i. Adjoining corners of adjoining subdivisions,
 - ii. City or county boundary lines when crossing or adjacent to the subdivision,
 - iii. Section and donation land claim lines within and adjacent to the plat,
 - iv. Whenever the county or a city has established the centerline of a street adjacent to or within the proposed subdivision, the location of this line and monuments found or reset,
 - v. All other monuments found or established in making the survey of this subdivision or required to be installed by provisions of this title,
 - vi. The basis of bearing shall be shown and shall be the Olympia coordinate system;
- d. The exact location and width of streets and easements intersecting the boundary of the tract;
- e. Tract, block and lot boundary lines and street rights-of-way and centerlines, with dimensions, bearings or deflection angles, radii, arcs, points of curvature and tangent bearings. Tract boundaries, lot boundaries and street bearings shall be shown to the nearest second with basis of bearings. All distances shall be shown to the nearest 0.01 foot;
- f. The width of the portion of streets being dedicated, the width of any existing rights-of-way and the width of each side of the centerline. For streets on curvature, curve data shall be based on the street centerline. In addition to the centerline dimensions, the radius and central angle shall be indicated;
- g. Easements denoted by fine dashed lines or described by narrative, clearly identified and, if already of record, their recorded reference. The width of the easement, its length and bearings, and sufficient ties to locate the easement with respect to the subdivision must be shown. If the easement is being dedicated by the map, it shall be properly referenced in the owner's certificate of dedication;

h. Lot numbers beginning with number "1" and numbered consecutively without omission or duplication throughout the plat. The numbers shall be solid, of sufficient size and thickness to stand out and so placed as not to obliterate any figure. Lot numbers in an addition to a subdivision of the same name shall be a continuation of the numbering of the original subdivision;

i. Accurate outlines and designations of any areas to be dedicated or reserved for public use or to be committed for the common use of all property owners with the purpose of dedication, reservation and commitment to be clearly set forth on the plat document together with accurate references to appropriate recorded documents;

j. All required dedications, endorsements, covenants, affidavits and certificates shall show on the face of the final plat;

k. The final plat shall show the subdivision of the section or sections involved and show the township(s) and range(s); provided, that if the land being platted is not described by section subdivision, the final plat map shall show a vicinity map showing monuments and land corners sufficient to properly orient the new subdivision;

l. Specific wording as may be required by the preliminary plat approval;

m. A plat or subdivision contiguous to, or representing a portion of or all of the frontage of a body of water, river or stream shall indicate the location of monuments, which shall be located at such distance above high-water mark as to reasonably insure against damage and destruction by flooding or erosion;

n. Lots containing one acre or more shall show net acreage to nearest hundredth, whenever possible;

o. Designation of lots to be used for other than single-family residential purposes;

p. If the plat constitutes a replat of all or portions of an existing subdivision, this shall be clearly indicated just below the subdivision name. All original plat lines shall be shown in half-tone around the perimeter of the new plat.

q. A summary of the terms and conditions, including building permit restrictions, of any agreement and security to construct improvements in the future on the plat.

2. Acknowledgments and Certificates. Acknowledgments and certificates required by this title shall be in language substantially indicated in the following subsections:

a. Dedications. The intention of the owner shall be evidenced by the owner's presentation for filing of a final plat clearly showing the dedication thereof and bearing the following certificate signed by all real parties of interest:

"Know all persons by these presents that _____, the undersigned owner, in fee simple of the land hereby platted, _____, and _____, the mortgagee thereof, hereby declare this plat and dedicate to the use of the public forever all streets, avenues, places and sewer easements or whatever public property there is shown on the plat and the use for public purposes. Also, the right to make all necessary slopes for cuts and fills upon lots, blocks, tracts, etc. shown on this plat in the reasonable original grading of all the streets, avenues, places, etc. shown hereon. Also the right to drain all streets over and across any lot or lots where water might take a natural course after the street or streets are graded. Also, all claims for damage against any governmental authority are waived which may be occasioned to the adjacent land by the established construction, drainage and maintenance of said roads.

IN WITNESS WHEREOF we set our hands and seals this _____ day of _____, [year].

In the event that a waiver of right of direct access is included, then the certificate shall contain substantially the following additional language:

"Access to _____ street from lots numbered _____ is hereby waived, and dedication to the public shall in no way be construed to permit a right of direct access to _____ street from lots numbered _____, nor shall the City of Olympia or any other local governmental agency within which the property is or may become located ever be required to grant a permit to build or construct an access of approach to said street from said lots."

b. Acknowledgment.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This is to certify that on this _____ day of _____, [year], before me, the undersigned, a notary public, personally appeared to me known to be the person(s) who executed the foregoing dedication and acknowledged to me that _____ signed the same as _____ free and voluntary act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year first above-written.

(Seal)

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

- c. Restrictions. The following restrictions shall show on the face of the final plat:
 - i. The following shall be required when the plat contains a private street: "The cost of construction and maintaining all streets not herein dedicated as public streets shall be the obligation of all of the owners and the obligation to maintain shall be concurrently the obligation of any corporation in which title of the streets may be held."
 - ii. "All landscaped areas in public rights-of-way shall be maintained by the owner and the owner's successor(s) and may be reduced or eliminated if deemed necessary for or detrimental to City road purposes."
 - iii. The following shall be required when the plat contains commonly owned tracts: "Community tracts shall be owned and maintained in common for the benefit of all lot owners. All lots have an undivided interest in the ownership and maintenance of community areas. The ownership interest in each community tract shall be stated in the deed to each lot"
 - iv. The following shall be required when the installation of required improvements has not been completed prior to recording: "Pursuant to City Ordinance, the City of Olympia may deny the issuance of building or occupancy permits for any structure within this plat until street, sidewalk, or other required plat improvements have been installed."
 - v. Any additional conditions as approved by the ~~council~~ or hearing examiner.
- d. Certificate From Land Surveyor. The completed plat must show a certificate from the land surveyor who platted the property, in substantially the following form:

"I hereby certify that the Plat of _____ is based upon an actual survey and subdivision of a portion of Section _____, Township _____, Range _____, W.M.; that the distances and courses shown thereon are correct; that the monuments have been set and lot and block corners staked on the ground."

- e. Certificates of City Officers. The plat shall also show the following certificates:

- i. Certificate--City Engineer.

"Examined and approved this ____ day of _____ [year].

Olympia City Engineer"

- ii. Certificate--Health Officer.

"Examined and approved this ____ day of _____ [year].

Health Officer"

iii. Certificate--Assessor.

"Examined and approved this ____ day of _____ [year].

Thurston County Assessor"

iv. Certificate-Treasurer.

"I hereby certify that all taxes on the land described hereon have been fully paid to and including the year ____.

Thurston County Treasurer"

v. Certificate--Planning Director.

"Examined and approved this ____ day of _____ [year].

Planning Director"

vi. ~~Certificate--City Council.~~

~~"Examined and approved this ____ day of _____ [year].~~

~~_____
Mayor, City of Olympia"~~

ATTEST:

City Clerk"

vii. Certificate--City Clerk-Treasurer.

"I hereby certify that all Local Improvement District Assessments on the land described hereon have been fully paid to and including the year ____

Clerk-Treasurer, City of Olympia"

viii. Certificate--County Auditor.

"Filed for record at the request of _____ this ____ day of _____, [year], at _____ minutes past _____.m., and recorded in Volume _____ of Plats, on page _____, records of Thurston County, Washington.

Thurston County Auditor

Deputy Auditor"

3. Supplemental information as required by the Application Content Lists must be submitted with the final plat map. See OMC 18.77.010.

17.24.030 Distribution of copies

The Public Works Department shall forward a dark line print to the Planning Department, county assessor, county health department, county treasurer, fire department, and any other agency responsible for the provision of services or insuring compliance with conditions of preliminary plat approval. Said agencies shall examine the plat for compliance with the provisions of this title.

17.24.040 Time to act

Final plats shall be approved, disapproved or returned to the applicant within 30 days from the date of filing unless the applicant consents to an extension of such time period.

17.24.050 Review criteria

A. The Public Works Department shall examine the map as to sufficiency of affidavits and acknowledgments, correctness of surveying data, mathematical data and computations, and such other matters as require checking to insure compliance with the provisions of state laws pertaining to subdivisions, with this title and with the conditions of approval. Traverse sheets (computation of coordinates) and work sheets showing the closure of the exterior boundaries and of each irregular lot and block and the calculation of each lot size shall be furnished. If the final plat is found to be in correct form and the matters shown thereof are sufficient, the Public Works Department shall certify the mylar of the plat to the Planning Department.

B. In addition to a statement of approval from the Public Works Department, the following approvals must be submitted in writing to the Planning Department prior to its certification of the final plat:

1. Health Approval. The county health department shall indicate compliance with the health requirements of the preliminary plat and shall indicate the adequacy of the method of sewage disposal. Approval by the Health Department of the final plat shall not vary or negate any requirements for obtaining septic tank and drainfield permits for any lots therein;

2. Department of Ecology approval. In those cases where the subdivision is located in a flood control zone as established by RCW Chapter 86.16 the Department of Ecology shall indicate approval of the plat and shall state any special conditions or restrictions deemed by it to be necessary for effective flood protection;
3. Fire department's approval;
4. Water purveyor's approval;
5. Sewer purveyor's approval;
6. County treasurer's approval;
7. County assessor's approval;
8. Other approvals as may be required in the conditions of preliminary plat approval.

D. If each department determines that the final plat conforms fully with all applicable regulations and standards, they shall then affix their signatures to the final plat.

~~E. Upon confirmation of compliance with the conditions of approval, and subsequent to affixing its signature to the final plat, the Planning Department will instruct the Public Works Department to schedule final consideration of the plat map before the council.~~

17.24.060 City ~~council action~~ final approval

After being approved as required in Section 17.24.050, the final plat shall be presented to the ~~city council~~ Community Planning and Development Director. After finding that the final plat has been completed in accordance with the provisions of this title, and that all required improvements have been completed or that arrangements or contracts have been entered into to guarantee that such required improvements will be completed, and that the interests of the city are fully protected, the ~~city council~~ Director or the Director's designee shall sign the final plat accepting such dedications and easements as may be included thereon, and the final plat shall be returned to the applicant for filing for record with the county auditor.

17.24.070 Filing for record –Copies

The original of said final plat shall be filed for record with the county auditor. One reproducible copy of a stable base material shall be furnished to the Public Works Department. One paper copy shall be filed by the auditor with the assessor, planning department, health department, building department and the fire chief. All required paper copies shall bear the auditor's recording date.

17.24.080 Filing for record –Time limit

Approval of the final plat shall be null and void if the plat is not recorded within 30 days after the date the last required signature has been obtained.

Section 2. Amendment of OMC 18.72.100. Section 18.72.100 of the Olympia Municipal Code is hereby amended to read as follows:

18.72.100 Review and appeal authority

The following table describes development permits and the final decision and appeal authorities. When separate applications are consolidated at the applicant’s request, the final decision shall be rendered by the highest authority designated for any part of the consolidated application

KEY:

- Director = Community Planning and Development Director or designee
- SPRC = Site Plan Review Committee
- DRB = Design Review Board
- PC = Planning Commission
- HC = Heritage Commission
- HE = Hearing Examiner
- Council = City Council
- R = Recommendation to Higher Review Authority
- D = Decision
- O = Open Record Appeal Hearing
- C = Closed Record Appeal Hearing

[NOTE: City Council decisions may be appealed to Superior Court except comprehensive plan decisions which may be appealed to the State Growth Management Hearings Board.]

Director SPRC DRB PC HC HE Council

ZONING

Conditional Use Permit		R				D
Interpretations	D					O
Land Use Review	D ¹	R				O
Small Lot Review	D					O
Townhouse (2 – 4 Units)	D					O

	Director	SPRC	DRB	PC	HC	HE	Council
Townhouse (10 or more units)		R	R			D	
Townhouse Final (2-9)	D					O	
Townhouse Final (10 or more)		R					D
Zoning Variance	R					D	
Zone Map Change, without Plan Amendment	R					R	D
Zone Change, with Plan Amendment or Ordinance Text Amendment	R			R			D
Home Occupation	D					O	
Temporary Use Permit	D					O	
SEPA exempt Building Permit	D					O	
Parking or Fence Variance	D	R				O	
Accessory Dwelling Unit	D					O	
Accessory Building	D					O	
Occupancy Permit	D					O	
Sign Permit	D					O	
Landscape Plan	D					O	
Tree Plan	D					O	
Historic Properties	D	R			R	O	
COMPREHENSIVE PLAN							
Amendments (map, text)	R			R			D
DESIGN REVIEW							
Detailed Review	D		R				
major			O				
Concept Review	D	R	R			O	
Signs (general)	D					O	
Scenic Vistas	D	R	R			O	
ENVIRONMENTAL							
Threshold Determination	D					O	
Impact Statement Adequacy	D					O	
Reasonable Use Exception	R					D	

	Director	SPRC	DRB	PC	HC	HE	Council
SEPA Mitigating Conditions	D					O	
Major Shoreline Substantial Development Permit		R				D	
Shoreline Conditional Use Permit		R				D	
Shoreline Variance		R				D	
Shoreline Permit Revision or Exemption	D					O	
SUBDIVISION							
Boundary Line Adjustment (including lot consolidation)	D					O	
Preliminary Plat, Long	R					D	
Preliminary Short, (2-9 lots)	D ¹					O	
Final Short Plat	D					O	
Final Long Plat	<u>RD</u>					<u>O</u>	<u>D</u>
Master Plan Approval	R		R			R	D
MPD Project Approval		R	R			D	
Preliminary PRD		R				R	D
Final PRD		R					D
Time Extensions	D					O	

¹ Except when the Director refers the project for a public hearing before the Hearing Examiner pursuant to OMC 18.60.080 or 17.32.130(A)(4).

Section 4. Corrections. The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 7. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Approval of an Ordinance Authorizing Issuance of General Obligation Bonds

Agenda Date: 11/19/2019
Agenda Item Number: 4.E
File Number: 19-1045

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of an Ordinance Authorizing Issuance of General Obligation Bonds

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to approve the Ordinance authorizing issuance of General Obligation Bonds in the amount of \$53,039,238 on second reading.

Report

Issue:

Whether to approve Ordinance authorizing issuance of General Obligation Bonds

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

Background and analysis has not changed from first to second reading.

This Ordinance provides fiscal authority to provide the funds necessary for Park acquisition; a ladder truck for the Fire Department; paying the existing Bond Anticipated Note (BAN), which is due in 2020; refinancing the existing City Hall and Fire Station Bond debt at a substantially lower interest rate; and paying the costs of issuance and sale of the bonds.

Interest rates are historically low at this time. Estimates for upcoming debt issue are projected in the 2.63 percent - 2.66 percent range. The overall projected savings by refinancing existing debt is \$5.4 million over 20 years. The low interest rates also make it an excellent time to refinance and issue additional debt for other capital needs.

The City Hall, Parks and Fire Truck debt are Limited Tax General Obligation (LTGO); bonds which can be issued without voter approval. The Fire Station refinancing is Unlimited Tax General Obligation (UTGO) Bonds which were approved by the voters in 2009.

The total bond issue is \$53,039,238. Following is a summary of the items included in the 2019 debt issue:

City Hall	\$25,168,349	LTGO
Parks Acquisition	\$16,183,865	LTGO
Fire Ladder Truck	\$ 1,921,629	LTGO
Fire Station	\$ 9,765,395	UTGO

Total Bond Issue **\$53,039,238**

Neighborhood/Community Interests (if known):

N/A

Options:

1. Approve the ordinance on first reading and forward to second reading. This allows staff to continue with the process to refund existing debt for long-term savings, and provide additional funding for Parks and Fire acquisitions.
2. Direct staff to modify the ordinance and schedule for Council consideration at a future meeting.
3. Do not approve the ordinance. This would stop certain projects and not allow for the reduction in debt service costs from refunding current debt.

Financial Impact:

- Refund the LTGO Bonds, 2009B (BABs) - **\$4.3 million projected savings** to the City Hall Debt Fund (225)
- Required refinance of BAN and additional \$2 million for Parks projects - **Low 2.66 percent interest rate** for Capital Improvement Fund (317)
- Additional \$1.9 million for Fire - **Low 2.66 percent interest rate** for Fire Equipment Reserve Fund (331)
- Refund the UTGO Bonds, 2009 - **\$1.1 million projected savings** to the Fire Station Debt Fund (224)

Attachments:

Ordinance

CITY OF OLYMPIA, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Olympia, Washington providing for the issuance of not to exceed \$52,000,000 aggregate principal amount of limited tax general obligation and refunding bonds to provide funds to finance park property acquisitions and replace a fire ladder truck, to repay a bond anticipation note, and to refund certain outstanding limited tax general obligation bonds of the City; providing for the issuance of not to exceed \$10,500,000 aggregate principal amount of unlimited tax general obligation refunding bonds to provide funds to refund certain outstanding unlimited tax general obligation bonds of the City; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Passed November 19, 2019

This document prepared by:

*Foster Garvey PC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF OLYMPIA, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Olympia, Washington providing for the issuance of not to exceed \$52,000,000 aggregate principal amount of limited tax general obligation and refunding bonds to provide funds to finance park property acquisitions and replace a fire ladder truck, to repay a bond anticipation note, and to refund certain outstanding limited tax general obligation bonds of the City; providing for the issuance of not to exceed \$10,500,000 aggregate principal amount of unlimited tax general obligation refunding bonds to provide funds to refund certain outstanding unlimited tax general obligation bonds of the City; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) “*2009 UTGO Bonds*” means the City’s Unlimited Tax General Obligation Bonds, 2009, issued pursuant to the 2009 UTGO Bond Ordinance.

(b) “*2009 UTGO Bond Ordinance*” means Ordinance No. 6667 authorizing the issuance and sale of the 2009 UTGO Bonds.

(c) “*2009 UTGO Refunding Candidates*” means the outstanding 2009 UTGO Bonds maturing in the years 2020, 2021, 2022, 2024 and 2025 through 2029, inclusive, the refundings of which has been provided for by this ordinance.

(d) “*2009B LTGO Bonds*” means the City’s Limited Tax General Obligation Bonds, 2009B (Taxable Build America Bonds – Direct Payment), issued pursuant to the 2009B LTGO Bond Ordinance.

(e) “*2009B LTGO Bond Ordinance*” means Ordinance No. 6653 authorizing the issuance and sale of the 2009B LTGO Bonds.

(f) “*2009B LTGO Refunding Candidates*” means the outstanding 2009B LTGO Bonds maturing in the years 2021, 2023, 2029 and 2039, the refundings of which has been provided for by this ordinance.

(g) “*2010 LTGO Bonds*” means the City’s Limited Tax General Obligation Bonds, 2010, issued pursuant to the 2010 LTGO Bond Ordinance.

(h) “*2010 LTGO Bond Ordinance*” means Ordinance No. 6708 authorizing the issuance and sale of the 2010 LTGO Bonds.

(i) “*2010 LTGO Refunding Candidates*” means the outstanding 2010 LTGO Bonds maturing in the years 2020 through 2029, inclusive, the refundings of which has been provided for by this ordinance.

(j) “*2010B LTGO Bonds*” means the City’s Limited Tax General Obligation Bonds, 2010B, issued pursuant to the 2010B LTGO Bond Ordinance.

(k) “*2010B LTGO Bond Ordinance*” means Ordinance No. 6724 authorizing the issuance and sale of the 2010B LTGO Bonds.

(l) “*2010B LTGO Refunding Candidates*” means the outstanding 2010B LTGO Bonds maturing in the years 2021 through 2028, inclusive, the refundings of which has been provided for by this ordinance.

(m) “*Acquired Obligations*” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

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

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

(p) “*Bond*” means each bond issued pursuant to and for the purposes provided in this ordinance.

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

(r) “*Bond Purchase Agreement*” means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(s) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(t) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City.

(u) “*City*” means the City of Olympia, Washington, a municipal corporation duly organized and existing under the laws of the State.

(v) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

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

(x) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(y) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(z) “*Final Terms*” means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

(aa) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(bb) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

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

(dd) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, dated April 12, 1995, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(ee) “*LTGO Bond Fund*” means the Limited Tax General Obligation and Refunding Bond Fund, of the City created for the payment of the principal of and interest on a Series of the LTGO Bonds.

(ff) “*LTGO Refunded Bonds*” means all or a portion of the LTGO Refunding Candidates selected by the Designated Representative to be refunded with proceeds of a Series of the LTGO Bonds and included in a Refunding Plan.

(gg) “*LTGO Refunding Candidates*” means the 2009B LTGO Refunding Candidates, the 2010 LTGO Refunding Candidates and the 2010B LTGO Refunding Candidates.

(hh) “*MSRB*” means the Municipal Securities Rulemaking Board.

(ii) “*Note*” means the City’s Limited Tax General Obligation Bond Anticipation Note, 2019, issued pursuant to Ordinance No. 7193.

(jj) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

(kk) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(ll) “*Project*” means financing or refinancing park property acquisitions, replacing a fire ladder truck, and other capital purposes, as deemed necessary and advisable by the City. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project.

(mm) “*Project Fund*” means the fund or account designated or created by the Fiscal Services Director for the purpose of carrying out the Project.

(nn) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the Bonds.

(oo) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the City.

(pp) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(qq) “*Refunded Bond Ordinances*” means Ordinances Nos. 6653, 6667, 6708 and 6724, authorizing the issuance of the Refunded Bonds.

(rr) “*Refunded Bonds*” means the LTGO Refunded Bonds and the UTGO Refunded Bonds.

(ss) “*Refunding Candidates*” means the LTGO Refunding Candidates and the UTGO Refunding Candidates.

(tt) “*Refunding Plan*” means:

(1) the placement of sufficient proceeds of a Series of the Bonds which, with other money of the City, if necessary, will be deposited with the Refunding Trustee or may be used to acquire the Acquired Obligations to be deposited along with cash, if necessary, with the Refunding Trustee;

(2) the payment of the principal of and interest on the Refunded Bonds when due up to and including such date or dates determined by the Designated Representative, and the call, payment, and redemption on such date or dates, of all of the then-outstanding Refunded Bonds at a price of par; and

(3) may include the payment of the costs of issuing a Series of the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

(uu) “*Refunding Trust Agreement*” means a Refunding Trust Agreement between the City and the Refunding Trustee.

(vv) “*Refunding Trustee*” means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

(ww) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(xx) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(yy) “*SEC*” means the United States Securities and Exchange Commission.

(zz) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(aaa) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

(bbb) “*State*” means the State of Washington.

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

(ddd) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 19 of this ordinance.

(eee) “*UTGO Bond Fund*” means the Unlimited Tax General Obligation Refunding Bond Fund, 2019, of the City created for the payment of the principal of and interest on the UTGO Bonds.

(fff) “*UTGO Refunded Bonds*” means all or a portion of the UTGO Refunding Candidates selected by the Designated Representative to be refunded with proceeds of a Series of the UTGO Bonds and included in a Refunding Plan.

(ggg) “*UTGO Refunding Candidates*” means the 2009 UTGO Refunding Candidates.

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

(a) *Authority and Description of Project.* The City is in need of park property acquisitions and fire ladder truck replacement and other capital projects. The total expected cost of the Project is approximately \$4,000,000, which is expected to be made up of proceeds of the LTGO Bonds and other available money of the City. The City Council therefore finds that it is in the best interests of the City to carry out the Project.

(b) *Authority and Description of the Refunding Plan.*

(1) Pursuant to the 2009B LTGO Bond Ordinance, the City heretofore issued its \$32,810,000 par value Limited Tax General Obligation Bonds, 2009B (Taxable Build America Bonds – Direct Payment) (the “2009B LTGO Bonds”), for the purpose of financing capital expenditures of the acquisition of a new city hall, and by that ordinance reserved the right to redeem the 2009B LTGO Bonds maturing on December 15 in the years 2021, 2023, 2029 and 2039 (with an interest rate of 6.743%), prior to their maturity on or after December 15, 2019, at a price of par plus accrued interest to the date fixed for redemption, and to redeem the 2009B LTGO Bonds maturing on December 15, 2039 (with an interest rate of 6.143%) on any date at a redemption price equal to the greater of (i) 100% of the principal amount of such 2009B LTGO Bonds plus accrued and unpaid interest on such 2009B LTGO Bonds being redeemed to the date fixed for redemption; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such 2009B Bonds to be redeemed discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the 2009B LTGO Bond Ordinance) plus 30 basis points (the “2009B LTGO Refunding Candidates”).

(2) There are presently \$32,810,000 par value of 2009B LTGO Refunding Candidates outstanding.

(3) Pursuant to the 2009 UTGO Bond Ordinance, the City heretofore issued its \$16,180,000 par value Unlimited Tax General Obligation Bonds, 2009 (the “2009 UTGO Bonds”), for the purpose of financing costs of constructing a fourth fire station, a fire training center and the acquiring of two fully-equipped fire engines and a ladder truck, and by that ordinance reserved the right to redeem the 2009 UTGO Bonds maturing on and after December 1, 2020, prior to their maturity on or after December 1, 2019, at a price of par plus accrued interest to the date fixed for redemption (the “2009 UTGO Refunding Candidates,” or the “UTGO Refunding Candidates”).

(4) There are presently \$10,400,000 par value of 2009 UTGO Refunding Candidates outstanding.

(5) Pursuant to the 2010 LTGO Bond Ordinance, the City heretofore issued its \$5,865,000 par value Limited Tax General Obligation Bonds, 2010 (the “2010 LTGO Bonds”), for the purpose of financing costs of transportation projects, and by that ordinance reserved the right to redeem the 2010 LTGO Bonds maturing on and after December 15, 2020, prior to their

maturity on or after June 15, 2020, at a price of par plus accrued interest to the date fixed for redemption (the “2010 LTGO Refunding Candidates”).

(6) There are presently \$3,795,000 par value of 2010 LTGO Refunding Candidates outstanding.

(7) Pursuant to the 2010B LTGO Bond Ordinance, the City heretofore issued its \$5,670,000 par value Limited Tax General Obligation Bonds, 2010B (the “2010B LTGO Bonds”), for the purpose of financing costs of constructing a portion of the Hands on Children’s Museum, and by that ordinance reserved the right to redeem the 2010B LTGO Bonds maturing on and after June 15, 2021, prior to their maturity on or after June 15, 2020, at a price of par plus accrued interest to the date fixed for redemption (the “2010B LTGO Refunding Candidates,” and collectively with the 2009B LTGO Refunding Candidates and the 2010 LTGO Refunding Candidates, the “LTGO Refunding Candidates,” and together with the UTGO Refunding Candidates, the “Refunding Candidates”).

(8) There are presently \$3,675,000 par value of 2010B LTGO Refunding Candidates outstanding.

(9) After due consideration, it appears to the City Council that all or a portion of the LTGO Refunding Candidates may be refunded by a portion of the issuance and sale of the limited tax general obligation refunding bonds authorized herein and that that all or a portion of the UTGO Refunding Candidates may be refunded by a portion of the issuance and sale of the unlimited tax general obligation refunding bonds authorized herein, so that a savings will be effected by the difference between the principal and interest cost over the life of the portion of the applicable Bonds used for the Refunding Plan and the principal and interest cost over the life of the applicable Refunded Bonds but for such refunding, which refunding will be effected by carrying out the Refunding Plan.

(c) *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$62,500,000. Based on the following facts, up to \$52,000,000 of this amount is to be issued for the LTGO Bonds within the amount permitted to be issued by the City for general municipal purposes without a vote, and up to \$10,500,000 of this amount is to be issued for the UTGO Bonds within the amount permitted to be issued by the City with voter approval for general municipal purposes:

- (1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2019 is \$7,134,825,096.
- (2) As of July 31, 2019, the City had limited tax general obligation indebtedness, consisting of bonds, notes, loans and leases outstanding in the principal amount of \$62,807,528, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote.
- (3) As of July 31, 2019, the City had unlimited tax general obligation indebtedness for capital purposes only outstanding in the principal amount

of \$10,400,000 for general municipal purposes. The indebtedness described in this paragraph has been incurred with the approval of the requisite proportion of the City's qualified voters at an election meeting the minimum turnout requirements, within the limit of up to 2½% of the value of the taxable property within the City for general municipal purposes (when combined with the outstanding limited tax general obligation indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic development purposes.

(d) *The Bonds.* For the purpose of providing the funds necessary to carry out the Project, to repay the Note, to refund the Refunded Bonds and to pay the costs of issuance and sale of the Bonds, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell the Bonds to the Purchaser(s), pursuant to the terms as approved by the City's Designated Representative consistent with this ordinance.

Section 3. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation and refunding bonds evidencing indebtedness in one or more Series in aggregate principal amount not to exceed \$52,000,000 to provide funds necessary to carry out the Project, to repay the Note, to refund the LTGO Refunded Bonds and to pay the costs of issuance and sale of the LTGO Bonds. The proceeds of the Series of LTGO Bonds allocated to paying the cost of the Project shall be deposited as set forth in Section 8 of this ordinance and shall be used to carry out the Project, or a portion of the Project, in such order of time as the City determines is advisable and practicable.

The City is authorized to borrow money on the credit of the City and issue negotiable unlimited tax general obligation refunding bonds evidencing indebtedness in one or more Series in aggregate principal amount not to exceed \$10,500,000 to provide funds necessary to refund the UTGO Refunded Bonds and to pay the costs of issuance and sale of the UTGO Bonds.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Administrative Services Director, or the Fiscal Services Director in the absence of the Administrative Services Director, is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the following parameters:

(a) The LTGO Bonds may be issued in one or more Series, and the aggregate principal amount of the LTGO Bonds shall not exceed \$52,000,000, and the UTGO Bonds may be issued in one or more Series, and the aggregate principal amount of the UTGO Bonds shall not exceed \$10,500,000;

(b) One or more rates of interest may be fixed for the Bonds as long as no rate of interest for any maturity of the Bonds exceeds 6.00%;

(c) The true interest cost to the City for each Series of Bonds does not exceed 5.00%;

(d) The aggregate purchase price for each Series of Bonds shall not be less than 95% and not more than 135% of the aggregate stated principal amount of the Bonds, excluding any original issue discount;

(e) The Bonds may be issued subject to optional and mandatory redemption provisions;

(f) The Bonds shall be dated as of the date of their delivery, which date and time for the issuance and delivery of the Bonds is not later than December 31, 2020;

(g) There is a minimum net present value savings of 3.00% of the Refunded Bonds; and

(h) Each Series of LTGO Bonds shall mature no later than December 31, 2040 and each Series of UTGO Bonds shall mature no later than December 1, 2029.

In order to issue the Series of Bonds used to refund the 2010B LTGO Refunding Candidates as qualified 501(c)(3) bonds, the City Council authorizes the Designated Representative to hold a Tax Equity and Fiscal Responsibility Act (“TEFRA”) hearing, if necessary.

In addition, a Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City’s legal debt capacity on the Issue Date. The Designated Representative may determine whether it is in the City’s best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

In determining the number of series, the series designations, final principal amounts, date of the Bonds, denominations, interest rates, payment dates, redemption provisions, tax status, and maturity dates for the Bonds, the Designated Representative, in consultation with other City officials and staff and advisors, shall take into account those factors that, in her or his judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the Bonds.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

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

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City’s paying agent for the Bonds and to carry out all of the Bond Registrar’s powers and duties

under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

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

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance.

Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor or acting City Manager and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or

her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate Of Authentication. This Bond is one of the fully registered City of Olympia, Washington, [Unlimited/Limited] Tax General Obligation [and] Refunding Bonds, 2019 (or such other year of issuance), described in the Bond Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) *LTGO Bond Fund.* The LTGO Bond Fund is created as a special fund of the City for the sole purpose of paying principal of and interest and any redemption premium on the LTGO Bonds. LTGO Bond proceeds in excess of the amounts needed to pay the costs of the Project, repay the Note, pay the costs of the Refunding Plan allocated to the LTGO Refunded Bonds, and the costs of issuance, if any, shall be deposited into the LTGO Bond Fund. All amounts allocated to the payment of the principal of and interest on the LTGO Bonds shall be deposited in the LTGO Bond Fund as necessary for the timely payment of amounts due with respect to the LTGO Bonds. The principal of and interest on the LTGO Bonds shall be paid out of the LTGO Bond Fund. Until needed for that purpose, the City may invest money in the LTGO Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the LTGO Bond Fund and used for the purposes of that fund.

(b) *UTGO Bond Fund.* The UTGO Bond Fund is created as a special fund of the City for the sole purpose of paying principal of and interest and any redemption premium on the UTGO Bonds. UTGO Bond proceeds in excess of the amounts needed to pay the costs of the

Refunding Plan allocated to the UTGO Refunded Bonds and the costs of issuance, if any, shall be deposited into the UTGO Bond Fund. All amounts allocated to the payment of the principal of and interest on the UTGO Bonds shall be deposited in the UTGO Bond Fund as necessary for the timely payment of amounts due with respect to the UTGO Bonds. The principal of and interest on the UTGO Bonds shall be paid out of the UTGO Bond Fund. Until needed for that purpose, the City may invest money in the UTGO Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the UTGO Bond Fund and used for the purposes of that fund.

(c) *Note Fund.* Proceeds of the LTGO Bonds used to repay the Note will be deposited into the Note Fund, or sent directly to Cashmere Valley Bank, as registered owner of the Note.

(d) *Project Fund.* The Project Fund has been previously created as a fund of the City for the purpose of paying the costs of the Project. Proceeds received from the sale and delivery of the LTGO Bonds and allocated to the Project, shall be deposited into the Project Fund and used to pay the costs of the Project and may be used to pay costs of issuance of the LTGO Bonds. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4 and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the

Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

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

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

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money as is lawfully available, including sales tax received from the Capital Area Regional Public Facilities District for the

refunding of the 2010B Bonds and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the LTGO Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the LTGO Bonds as the same become due.

For as long as any of the UTGO Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without limitation as to rate or amount, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the UTGO Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on Bonds.* The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds.

(b) *Post-Issuance Compliance.* The Administrative Services Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(c) *TEFRA Hearing.* In order to issue the Series of Bonds used to refund the 2010B LTGO Refunding Candidates as qualified 501(c)(3) bonds, the City Council authorizes the Designated Representative to advertise and hold a Tax Equity and Fiscal Responsibility Act ("TEFRA") hearing, if necessary.

(d) *Designation of a Series of Bonds as "Qualified Tax-Exempt Obligations."* A Series of the Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to

issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and

- (3) the amount of tax-exempt obligations, including the Series, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

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

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

Section 14. Refunding of the Refunded Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint a Refunding Trustee in connection with the Bonds.

(b) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* The proceeds of the sale of a Series of the Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the applicable Refunded Bonds under the respective Refunding Bond Ordinance by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully with Bond proceeds by the Refunding Trustee’s simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the City and the Refunding Trustee, but are subject to substitution as set forth below. Any Bond proceeds or

other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bonds shall be returned to the City at the time of delivery of the Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Bonds on the first interest payment date.

If payment of the costs of issuance of the respective Series of Bonds is not included in the Refunding Plan, the Bond proceeds from that Series that are not deposited with the Refunding Trustee will be deposited with the City to be used to pay the costs of issuance of the respective Series of Bonds. Any additional proceeds of the respective Series of Bonds may be deposited into the respective Bond Fund and used to pay interest on the respective Series of Bonds on the first interest payment date.

(c) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute other direct, noncallable obligations of the United States of America (“Substitute Obligations”) for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if, (a) in the opinion of the City’s bond counsel, the interest on the Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations, if any, by the Refunding Trustee, the City reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bonds and the Refunded Bonds, as applicable, and that the City obtain, at its expense: (1) a verification by a nationally recognized independent firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from a nationally recognized bond counsel to the City, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds, will not cause the interest on the Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

(d) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the

Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the respective Refunding Bond Ordinances, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the respective Series of Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the respective Series of Bonds, including bond printing, verification fees, Bond Counsel's fees, and other related expenses, shall be paid out of the proceeds of the respective Series of Bonds.

(e) *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan provided for by this ordinance, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Designated Representative of the City is authorized to make such changes therein that do not change the substance and purpose thereof or that assure that the escrow provided therein and the Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 15. Call for Redemption of the Refunded Bonds. The City will call for redemption on such date or dates as determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchaser thereof. The date(s) on which the Refunded Bonds are herein called for redemption will be the first date on which those bonds may be called.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required by the respective Refunding Bond Ordinances, in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 16. Findings with Respect to Refunding. The City Council authorizes the Designated Representative to issue the Bonds if it will achieve debt service savings to the City and is in the best interest of the City and its taxpayers and in the public interest. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the Bonds and other money of the City used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the City under the respective Refunding Bond Ordinances with respect to the respective Refunded Bonds, and the pledges, charges, trusts,

covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinance immediately upon the deposit of such money with the Refunding Trustee.

Section 17. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement or by competitive sale in accordance with a notice of sale consistent with this ordinance, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Negotiated Sale or Private Placement.* If the Designated Representative determines that a Series of the Bonds is to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for each Series of the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Final Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of each Series of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder's offer to purchase that Series of the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the terms of this ordinance, and such award shall constitute the Bond Purchase Agreement. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, that Series of the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

(d) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 18. Official Statement.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to her or him, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement.* The City approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so delivered to purchasers and potential purchasers of a Series of the Bonds.

Section 19. Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser(s) acting as a participating underwriter for the Bonds, the City makes the following written undertaking (the "Undertaking") for the benefit of holders of the Bonds:

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

(1) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) ("annual financial information");

(2) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (A) principal and interest payment delinquencies; (B) non-payment related defaults, if material; (C) unscheduled draws on debt service reserves reflecting financial difficulties; (D) unscheduled draws on credit enhancements reflecting financial difficulties; (E) substitution of credit or liquidity providers, or their failure to perform; (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (G) modifications to rights of holders of the Bonds, if material; (H) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers;

(I) defeasances; (J) release, substitution, or sale of property securing repayment of the Bonds, if material; (K) rating changes; (L) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (N) appointment of a successor or additional trustee or the change of name of a trustee, if material; (O) incurrence of a financial obligation of the City or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; and (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

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

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

(1) Shall consist of (A) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (B) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (C) assessed valuation for that fiscal year; and (D) regular property tax levy amount and rate for the fiscal year;

(2) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 2019; and

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

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice

to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

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

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

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

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

(1) Preparing and filing the annual financial information undertaken to be provided;

(2) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(3) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(4) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and

(5) Effecting any necessary amendment of this undertaking.

Section 20. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

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

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

Section 21. General Authorization and Ratification. The Mayor, City Manager, City Clerk, Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 22. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 23. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

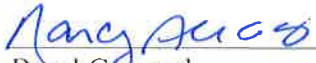
PASSED by the City Council of the City of Olympia, Washington, at an open public meeting thereof, this 19th day of November, 2019, and signed in authentication of its passage this 19th day of November, 2019.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Bond Counsel

CERTIFICATION

I, the undersigned, City Clerk of the City of Olympia, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on November 19, 2019, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be November ____, 2019.

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

Dated: November 19, 2019.

CITY OF OLYMPIA, WASHINGTON

City Clerk



City Council

Approval of an Ordinance to Provide Authority to Issue Revenue Refunding Bonds

Agenda Date: 11/19/2019
Agenda Item Number: 4.F
File Number: 19-1047

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of an Ordinance to Provide Authority to Issue Revenue Refunding Bonds

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to approve the Ordinance authorizing issuance of Revenue Refunding Bonds on second reading.

Report

Issue:

Whether to approve Ordinance authorizing issuance of Revenue Refunding Bonds

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Background and analysis has not changed from first to second reading.

This Ordinance provides fiscal authority to provide funds necessary to refund existing City Revenue Bond Debt at a substantially lower interest rate and to pay the costs of issuance and sale of these bonds.

Interest rates are historically low (2.05% - 2.138%) making it an excellent time to repay existing bonds. The overall savings to the Drinking Water and Wastewater Utilities is projected to be \$816,704 over 10 years.

This debt issue would take place after February 2020 when the 2010 bonds become eligible for refunding. The following is the breakdown of the items incorporated into this 2020 proposed debt

issue:

2007 Water and Sewer Revenue Bonds	\$4,267,509
2010 Water and Sewer Revenue Bonds	<u>\$4,272,257</u>

Total Revenue Bond	\$8,539,766
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Neighborhood/Community Interests (if known):

Lowering the debt service expense to the utilities may help stabilize customer rates.

Options:

1. Approve the ordinance on first reading and forward to second reading. This allows staff to continue with the process to refund the debt for long-term savings.
2. Direct staff to modify the ordinance and schedule for Council consideration at a future meeting.
3. Do not approve the ordinance. This would not allow for the reduction in debt service costs from refunding current debt.

Financial Impact:

Refunding the Water/Sewer Revenue Bonds, 2007 results in a projected savings to the Water Bond Redemption Fund (417) in the amount of \$346,257. Refunding the 2010 Water/Sewer Revenue Bonds results in a projected savings of \$470,447 to the Water Bond Redemption Fund (417).

Attachments:

Ordinance

CITY OF OLYMPIA, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Olympia, Washington, providing for the issuance of not to exceed \$9,000,000 principal amount of water and sewer revenue refunding bonds in one or more series to refund certain outstanding water and sewer bonds of the City; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Passed: November 19, 2019

This document prepared by:

*Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

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CITY OF OLYMPIA, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Olympia, Washington, providing for the issuance of not to exceed \$9,000,000 principal amount of water and sewer revenue refunding bonds in one or more series to refund certain outstanding water and sewer bonds of the City; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

WHEREAS, the City of Olympia, Washington (the "City") owns, operates and maintains a water supply and distribution system and a sanitary sewage disposal system, which systems were combined pursuant to RCW 35.67.320 by Ordinance No. 3298, passed on March 17, 1964 (the combined systems as heretofore and hereafter added to, improved and extended are referred to as the "Waterworks Utility"); and

WHEREAS, pursuant to Ordinance No. 6481 (the "2007 Ordinance"), the City issued \$8,000,000 principal amount of its "Water and Sewer Revenue Bonds, 2007" (the "2007 Bonds"), secured by a pledge of revenues of the Waterworks Utility, to finance certain capital improvements to the Waterworks Utility; and

WHEREAS, pursuant to the 2007 Ordinance, the City reserved the right to redeem the 2007 Bonds maturing on and after November 1, 2017, prior to their maturity on or after May 1, 2017, at a price of par plus accrued interest to the date fixed for redemption; and

WHEREAS, pursuant to Ordinance No. 6714 (the "2010 Ordinance"), the City issued \$6,485,000 principal amount of its "Water and Sewer Revenue Bonds, 2010" (the "2010 Bonds"), secured by a pledge of revenues of the Waterworks Utility, to finance certain capital improvements to the Waterworks Utility; and

WHEREAS, pursuant to the 2010 Ordinance, the City reserved the right to redeem the 2010 Bonds maturing on and after November 1, 2020, prior to their maturity on or after May 1, 2020, at a price of par plus accrued interest to the date fixed for redemption; and

WHEREAS, there are presently \$4,150,000 principal amount of 2007 Bonds outstanding (the "2007 Refunding Candidates"), and \$4,145,000 principal amount of 2010 Bonds outstanding, all of which may be refunded (the "2010 Refunding Candidates," and together with the 2007 Refunding Candidates, the "Refunding Candidates"); and

WHEREAS, after due consideration, it appears to the City Council that all or a portion of the Refunding Candidates (the "Refunded Bonds") may be refunded by the issuance and sale of the bonds authorized herein so that a savings will be effected by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the

life of the Refunded Bonds but for such refunding, which refunding will be effected by carrying out the Refunding Plan (as defined herein); and

WHEREAS, to effect that refunding in the manner that will be most advantageous to the City it may be found necessary and advisable that certain Acquired Obligations bearing interest and maturing at such time or times as necessary to accomplish the refunding as aforesaid be purchased out of a portion of the proceeds of the Bonds; and

WHEREAS, pursuant to Ordinance No. 6860 of the City, along with the Certificate of Determination as authorized by such ordinance (the “2013 Ordinance”), the City issued \$7,780,000 principal amount of its “Water and Sewer Revenue and Refunding Bonds, 2013” (the “2013 Bonds”), secured by a pledge of revenues of the Waterworks Utility, to finance certain capital improvements to the Waterworks Utility and refund certain water and sewer revenue bonds; and

WHEREAS, in order to refund the Refunded Bonds and pay the costs of issuance and sale of the Bonds, it is hereby found necessary and advisable that the City issue its water and sewer revenue refunding bonds in one or more series (the “Bonds”) with a lien on the revenues of the Waterworks Utility equal to the 2007 Bonds, the 2010 Bonds and the 2013 Bonds;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

“*2007 Bonds*” means the outstanding “Water and Sewer Revenue Bonds, 2007” issued pursuant to the 2007 Ordinance.

“*2007 Ordinance*” means Ordinance No. 6481 authorizing the issuance of the 2007 Bonds.

“*2007 Refunding Candidates*” means the outstanding 2007 Bonds of the City maturing in the years 2020 through 2027, inclusive, issued pursuant to Ordinance No. 6481, the refunding of which has been provided for by this ordinance.

“*2010 Bonds*” means the outstanding “Water and Sewer Revenue Bonds, 2010” issued pursuant to the 2010 Ordinance.

“*2010 Ordinance*” means Ordinance No. 6714 authorizing the issuance of the 2010 Bonds.

“*2010 Refunding Candidates*” means the outstanding 2010 Bonds of the City maturing in the years 2020, 2022, 2024, 2026, 2028 and 2030, issued pursuant to Ordinance No. 6714, the refunding of which has been provided for by this ordinance.

“*2013 Bonds*” means the outstanding “Water and Sewer Revenue and Refunding Bonds, 2013” issued pursuant to the 2013 Ordinance.

“*2013 Ordinance*” means Ordinance No. 6860 authorizing the issuance of the 2013 Bonds.

“*Acquired Obligations*” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

“*Annual Debt Service*” for any fiscal year or calendar year means the sum of:

- (A) the interest due in such year on all outstanding Parity Bonds excluding, however, interest to be paid from the proceeds of Parity Bonds, and any Payment Agreement Payments due in such year and less the federal credit for a portion of interest on Future Parity Bonds if permitted to be deducted as provided in Section 12(B),
- (B) the principal of all outstanding Serial Bonds due in such year, and
- (C) the Sinking Fund Requirement, if any, for such year.

If the interest rate on any such bonds is other than a fixed rate, the rate applicable at the time of the computation shall be used.

Notwithstanding the foregoing, debt service on Parity Bonds with respect to which a Payment Agreement is in force shall be calculated by the City to reflect the net economic effect on the City intended to be produced by the terms of such Parity Bonds and the terms of such Payment Agreement, in accordance with the requirements applicable to such Payment Agreement.

“*Assessments*” means assessments (including interest and penalties) levied in any utility local improvement district of the City for the acquisition or construction of additions and improvements to and extension of the System, if such assessments are pledged to be paid into the Bond Fund.

“*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity of a Series for those Series of Bonds sold through a negotiated or competitive sale, and in any denomination designated by the Designated Representative for those Series of Bonds sold by private placement.

“*Average Annual Debt Service*” means the amount determined by dividing (A) the sum of all interest and principal to be paid on all Parity Bonds from the date of determination to the last maturity date of such Parity Bonds, by (B) the number of fiscal years or calendar years from and including the fiscal year or calendar year in which the determination is made to the last fiscal year or calendar year in which any of such Parity Bonds will be outstanding.

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

“*Bond*” means each bond issued pursuant to and for the purposes provided in this ordinance.

“*Bond Counsel*” means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

“*Bond Fund*” means that special fund of the City known as the “Water and Sewer Revenue Bond Redemption Fund,” created pursuant to Section 9 of Ordinance No. 6102 for the payment of principal of and interest on the Parity Bonds.

“*Bond Purchase Agreement*” means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

“*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

“*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City for any Series of Bonds sold by negotiated or competitive sale, and means the City’s Fiscal Services Director or any successor bond registrar selected for any Series of Bonds sold by private placement.

“*City*” means the City of Olympia, Washington, a municipal corporation duly organized and existing under the laws of the State.

“*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

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

“*Debt Service Account*” means the account of that name in the Bond Fund created pursuant to Section 9 of Ordinance No. 6102.

“*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

“*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

“*Final Terms*” means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

“*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

“*Future Parity Bonds*” means all revenue bonds or other revenue obligations of the City issued after the date of the issuance of the Bonds and having a lien upon Gross Revenue for the payment of the principal thereof and interest thereon equal to the lien upon Gross Revenue for the payment of the principal of and interest on the Parity Bonds.

“*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

“*Gross Revenue*” means all earnings, revenue and money, except Assessments, received by the City from or on account of the operation of the System, including proceeds from the sale, lease or other disposition of any of the properties or facilities of the System, and the income from investments of money in the Revenue Fund and any bond fund or from any other investment thereof except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. The words “Gross Revenue” shall not include grants or bond proceeds, but shall include federal or state reimbursements of operating expenses to the extent such expenses are included as “Operation and Maintenance Expenses.”

“*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, dated April 12, 1995, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Net Revenue*” means Gross Revenue less the Operation and Maintenance Expenses.

“*Operation and Maintenance Expenses*” means all of those expenses incurred in the operation and maintenance of the System, including but not limited to general administrative expenses and payments to the LOTT Wastewater Alliance or any other governmental or private entity for the purchase of water supply and sewage treatment and disposal services, but not including depreciation and City imposed taxes and payments to be made in lieu of City taxes.

“*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

“*Parity Bonds*” means the 2007 Bonds, the 2010 Bonds, the 2013 Bonds, the Bonds and any Future Parity Bonds.

“*Payment Agreement*” means, to the extent permitted from time to time by applicable law, a written agreement entered into by the City (A) in connection with or incidental to the issuance, incurring or carrying of any Parity Bonds; (B) for the purpose of managing or reducing the City’s exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes; (C) with a Qualified

Counterparty; and (D) which provides, on either a current or forward basis, for an exchange of payments determined in accordance with a formula specified therein.

“*Payment Agreement Payments*” means the amounts periodically required to be paid by the City to the Qualified Counterparty pursuant to a Payment Agreement. The term “Payment Agreement Payments” does not include any termination payment required to be paid with respect to a Payment Agreement.

“*Payment Agreement Receipts*” means the amounts periodically required to be paid by the Qualified Counterparty to the City pursuant to a Payment Agreement.

“*Permitted Investments*” means any investments or investment agreements permitted for cities under the laws of the State of Washington as amended from time to time.

“*Professional Utility Consultant*” means the independent person(s) or firm(s) selected by the City having a favorable reputation for skill and experience with water and wastewater systems of comparable size and character to the System in such areas as are relevant to the purposes for which they are retained.

“*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the Bonds.

“*Qualified Counterparty*” means with respect to a Payment Agreement an entity (A) whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability or whose payment obligations under a Payment Agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated (at the time the Payment Agreement is entered into) at least as high as A3 by Moody’s and A- by S&P, or the equivalent thereof by any successor thereto, and (B) who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

“*Qualified Insurance*” means any unconditional municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States or by a service corporation acting on behalf of one or more such insurance companies, which insurance company or service corporation, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by Moody’s Investors Service and S&P Global Ratings, or their comparably recognized business successors, or rated in one of the three highest rating categories by either Moody’s Investors Service or S&P Global Ratings, once the 2007 Bonds, the 2010 Bonds and the 2013 Bonds are no longer outstanding.

“*Qualified Letter of Credit*” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest rating categories by Moody’s Investors Service or S&P Global Ratings, or their comparably recognized business successors, or

rated in one of the three highest rating categories by either Moody's Investors Service or S&P Global Ratings, once the 2007 Bonds, the 2010 Bonds and the 2013 Bonds are no longer outstanding.

"Rate Stabilization Account" means the account of that name authorized to be created within the Revenue Fund pursuant to Section 11 of this ordinance.

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

"Rebate Amount" means the amount, if any, determined to be payable with respect to the Bonds to the United States of America in accordance with Section 148(f) of the Code.

"Record Date" means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 8.

"Refunded Bond Ordinances" means Ordinances No. 6481 and 6714, authorizing the issuance of the Refunded Bonds.

"Refunded Bonds" means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with proceeds of a Series of Bonds and included in a Refunding Plan.

"Refunding Candidates" means the 2007 Refunding Candidates and the 2010 Refunding Candidates.

"Refunding Plan" means:

(A) the placement of sufficient proceeds of a Series of the Bonds which, with other money of the City, if necessary, will be deposited with the Refunding Trustee or may be used to acquire the Acquired Obligations to be deposited along with cash, if necessary, with the Refunding Trustee;

(B) the payment of the principal of and interest on the Refunded Bonds when due up to and including such date or dates determined by the Designated Representative, and the call, payment, and redemption on such date or dates, of all of the then-outstanding Refunded Bonds at a price of par; and

(C) may include the payment of the costs of issuing a Series of the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

"Refunding Trust Agreement" means a Refunding Trust Agreement between the City and the Refunding Trustee.

"Refunding Trustee" means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

“*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book–entry system for a Series of the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

“*Reserve Account*” means the account of that name created in the Bond Fund pursuant to Section 9 of Ordinance No. 6102 to secure the payment of principal of and interest on the Parity Bonds secured by such account. If allowed pursuant to Section 12(B), the Designated Representative shall determine whether a Series of the Bonds will be secured by the Reserve Account, or whether to create a separate reserve account to secure such Series of the Bonds.

“*Reserve Account Requirement*” means with respect to all outstanding Parity Bonds secured by the Reserve Account, the lesser of (A) 125% of Average Annual Debt Service for such bonds, or (B) maximum Annual Debt Service for such bonds; provided, however, that at the time of issuance of any series of Parity Bonds secured by such Reserve Account, the Reserve Account Requirement allocable to such series of Parity Bonds shall not exceed 10% of the initial principal amount of that series of Parity Bonds. The reserve account requirement for a separate reserve account means the amount, if any, established by (1) the Designated Representative or (2) an ordinance authorizing any Future Parity Bonds.

“*Revenue Fund*” means that special fund within the Waterworks Utility of the City created by Ordinance No. 3841 known as the “Water and Sewer Revenue Fund,” into which the City has pledged to pay all of the Gross Revenue of the System as collected.

“*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“*SEC*” means the United States Securities and Exchange Commission.

“*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City that is qualified under applicable laws and regulations to provide the services proposed to be provided by it.

“*Serial Bonds*” means Parity Bonds other than Term Bonds.

“*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

“*Sinking Fund Requirement*” means, for any fiscal year or calendar year, the principal amount of Term Bonds required to be purchased, redeemed or paid at maturity in such year as established by the ordinance of the City authorizing the issuance of such Term Bonds.

“*State*” means the State of Washington.

“*System*” or “*Waterworks Utility*” means the combined water and sewerage system of the City, excluding the LOTT joint-use facilities previously transferred by the City to the LOTT Wastewater Alliance, as the same may be added to, improved and extended for as long as any of the Parity Bonds are outstanding.

“*Term Bonds*” means the Bonds identified as such, if any, and any Future Parity Bonds identified as Term Bonds in the ordinance authorizing the issuance thereof, the payment of the principal of which is provided for by a mandatory schedule of deposits of money equal (in the aggregate) to the full principal amount of such Term Bonds, into the Bond Fund, and by a mandatory redemption schedule corresponding (as to time and amounts) to such mandatory schedule of deposits.

“*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 27 of this ordinance.

Section 2. Compliance with Parity Bonds. In accordance with the provisions of the 2007 Ordinance, the 2010 Ordinance and the 2013 Ordinance, which permits the issuance of additional Parity Bonds upon compliance with the conditions set forth therein, the City hereby finds and determines, as follows:

- (A) The Bonds are being issued to refund certain outstanding Parity Bonds.
- (B) There is not now and at the time of the delivery of a Series of the Bonds there shall not be any deficiency in the Bond Fund or in any of the accounts therein.
- (C) This ordinance provides for payments out of the Bond Fund to repay the Bonds and provides for payments into the Reserve Account (or other reserve account) of amounts and at the times required by the 2007 Ordinance, the 2010 Ordinance and the 2013 Ordinance.
- (D) At the time of issuance of a Series of Bonds, there will be on file with the City a certificate as provided by Section 14 of the 2007 Ordinance, Section 15 of the 2010 Ordinance and Section 18 of the 2013 Ordinance.

The applicable conditions of Section 14 of the 2007 Ordinance, Section 15 of the 2010 Ordinance and Section 18 of the 2013 Ordinance having been complied with in connection with the issuance of a Series of the Bonds, the pledge contained herein of Net Revenue of the System to pay and secure the payment of a Series of the Bonds shall constitute a lien and charge upon such Net Revenue equal in rank with the lien and charge upon the Net Revenue to pay and secure the payment of the 2007 Bonds, the 2010 Bonds and the 2013 Bonds.

Section 3. Authorization of the Bonds. The City shall now issue and sell one or more Series of the Bonds in the aggregate principal amount of not to exceed \$9,000,000 for the purpose of refunding the Refunded Bonds, funding the Reserve Account, if necessary or determined by the Designated Representative, and paying costs of issuance of the Bonds.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Administrative Services Director, or the Fiscal Services Director in the absence of the Administrative Services Director, is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of a Series of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the following parameters:

(A) *Principal Amount.* The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$9,000,000.

(B) *Date or Dates.* The Bonds shall be dated as of its date of delivery to the Underwriter, which date may not be later than December 31, 2020.

(C) *Denominations, Series Designation, etc.* The Bonds must be issued in Authorized Denominations, shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.

(D) *Interest Rate(s).* The Bonds shall bear interest at fixed rates per annum (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds, provided that no rate of interest for any Bond may exceed 6.00%, and the “all-in” true interest cost to the City for the Bonds may not exceed 5.00%.

(E) *Payment Dates.* Interest must be payable at fixed rates semiannually on such dates as are acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a payment date acceptable to the Designated Representative and must be payable at maturity or in mandatory redemption installments on such dates as are acceptable to the Designated Representative.

(F) *Final Maturity.* The Bonds shall mature no later than November 1, 2030.

(G) *Redemption Rights.* In his or her discretion, the Designated Representative may approve provisions for the optional and mandatory redemption of Bonds, as follows:

(i) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices established by the Designated Representative; or (B) not subject to redemption prior to its maturity date.

(ii) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts established by the Designated Representative.

(H) *Price.* The purchase price for a Series of the Bonds may not be less than 95% or more than 135% of the stated principal amount of such Series of the Bonds.

(I) *Savings.* There is a minimum net present value savings of 3.00% of the Refunded Bonds.

(J) *Reserve Account.* The Designated Representative shall determine whether (i) the Reserve Account Requirement of a Series of Bonds is funded with Bond proceeds or System Revenues to be deposited in five approximately equal payments and (ii) once sufficient

Owners of Parity Bond has consented, whether such Series of Bonds will be secured by the Reserve Account.

(K) *Other Terms and Conditions.*

(i) The Bonds may be sold in accordance with Section 24 of this ordinance.

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

Section 5. Bond Registrar; Registration and Transfer of Bonds.

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

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

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

(D) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry

only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance.

Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

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

(B) *Authentication.* Only Bonds bearing a Certificate of Authentication in substantially the form as shown in Section 19 signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bonds. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For as long as a Bond is registered in the name of the Securities Depository, payment of principal of and interest on that Bond shall be made in the manner set forth in the Letter of Representations. If a Bond ceases to be in book-entry form, interest on that Bond shall be paid by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner

at the address appearing on the Bond Register as of the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least 10 days before an interest payment date and at the sole expense of the requesting Registered Owner. Principal of a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Redemption Provisions and Purchase of Bonds.

(A) *Optional Redemption.* The Bonds shall be subject to redemption or prepayment at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4.

(B) *Mandatory Redemption.* Each Bond that is designated as a Term Bond consistent with the parameters set forth in Section 4 and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

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

(D) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each

Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

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

Section 9. Failure to Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 10. Revenue Fund. There has heretofore been created a special fund of the City known as the “Water and Sewer Revenue Fund” (the “Revenue Fund”) into which the City has pledged to pay all of the Gross Revenues of the Waterworks Utility as collected and into which the City pledges to continue to pay all of the Gross Revenue of the System.

The Gross Revenue deposited in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

FIRST, to pay the Operation and Maintenance Expenses and to maintain a balance in the Revenue Fund sufficient in amount to enable the City to continuously meet Operation and Maintenance Expenses on a current basis;

SECOND, to make all payments required to be made into the Bond Fund to pay interest on any Parity Bonds;

THIRD, to make all payments required to be made into the Bond Fund to pay the maturing principal of any Serial Bonds, to make all payments required to be made into the Bond Fund to satisfy the Sinking Fund Requirement and to make any Payment Agreement Payments with respect to any Payment Agreements;

FOURTH, to make all payments required to be made pursuant to a reimbursement agreement or agreements (or other equivalent documents) in connection with Qualified Insurance or a Qualified Letter of Credit; provided that if there is not sufficient money to make all payments under any reimbursement agreements the payments will be made on a pro rata basis;

FIFTH, to make all payments required to be made into the Reserve Account or separate reserve account to secure the payment of the principal of and interest on outstanding Parity Bonds, as applicable;

SIXTH, to make all payments required to be made into any revenue bond redemption fund, revenue warrant redemption fund, debt service account, reserve account or bond retirement account created to pay and secure the payment of the principal of and interest on any revenue bonds, or revenue warrants or other revenue obligations of the City having a lien upon Gross Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

SEVENTH, to retire by redemption or purchase in the open market any outstanding water and sewer revenue bonds, water and sewer revenue warrants or other water and sewer revenue obligations of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, to make deposits into the Rate Stabilization Account, or for any other lawful City purposes.

Section 11. Rate Stabilization Account. A special account of the City to be designated the “Water and Sewer Rate Stabilization Account” (the “Rate Stabilization Account”) is hereby authorized to be continued within the Revenue Fund, at the discretion of the Administrative Services Director or Financial Services Director, to cope with future increases in revenue requirements of the System. In accordance with the provisions of Section 10 of this ordinance, the City may from time to time appropriate or budget amounts in the Revenue Fund for deposit in the Rate Stabilization Account and may from time to time withdraw amounts therefrom to prevent or mitigate water and sewer rate increases or for other lawful purposes of the City related to the System. Amounts withdrawn from the Rate Stabilization Account shall increase Gross Revenue for the period for which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Gross Revenue for the period for which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Revenue Fund.

Section 12. Bond Fund. There has been created in the office of the Administrative Services Director a fund of the City known as the “Water and Sewer Revenue Bond Redemption Fund” (the “Bond Fund”), which fund shall be drawn upon for the sole purpose of paying the principal of, premium if any, and interest on the Bonds, the 2007 Bonds, the 2010 Bonds, the 2013 Bonds and any Future Parity Bonds. The money in the Bond Fund shall be kept separate and apart from all other funds and accounts of the City.

(A) Debt Service Account. A special account known as the Debt Service Account has been created in the Bond Fund for the purpose of paying the principal of, premium, if any, and interest on the Parity Bonds.

As long as any of the Bonds remain outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay from the Revenue Fund into the Debt Service Account, on or before the date due, those amounts necessary, together with Gross Revenue collected and deposited and such other money as is on hand and available therefor in the Debt Service Account, to pay the interest or principal and interest next coming due on the outstanding Bonds.

The City covenants and agrees that in the event it issues any Future Parity Bonds that are Term Bonds, it will provide in each ordinance authorizing the issuance of the same for annual payments to be made from the Revenue Fund into the Debt Service Account sufficient, together with Gross Revenue collected and deposited and such other money as is on hand and available therefor in such account, to satisfy the Sinking Fund Requirement with respect to such Term Bonds.

(B) *Reserve Account.* A Reserve Account has been created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the 2007 Bonds, the 2010 Bonds, the 2013 Bonds, a Series of the Bonds and any Future Parity Bonds secured by such account. The City hereby covenants and agrees that it will satisfy the Reserve Account Requirement for a Series of the Bonds with Bond proceeds, if required and determined by the Designated Representative.

The City further covenants and agrees that in the event it issues any Future Parity Bonds it will provide in each ordinance authorizing the issuance of such Future Parity Bonds for the payment into the Reserve Account (or such other reserve account) out of Gross Revenue or Assessments (or, at the option of the City, out of any other funds on hand and legally available therefor) approximately equal additional annual installments so that by five years from the date of issuance of such Future Parity Bonds there will have been paid into the Reserve Account (or such other reserve account) an amount that, together with money already on deposit therein, will be at least equal to the Reserve Account Requirement (or such other reserve account requirement). The City may substitute Qualified Insurance or a Qualified Letter of Credit for amounts required to be deposited into the Reserve Account (or such other reserve account). Such Qualified Letter of Credit or Qualified Insurance shall not be cancellable on less than five years' notice. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions of this section providing for payment in the event of a deficiency therein, as if the Parity Bonds secured by the Reserve Account that remain outstanding had been issued on the date of such notice of cancellation.

The City further covenants and agrees that when the required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to the Reserve Account Requirement, as redetermined in each calendar year with respect to the Parity Bonds secured by such Reserve Account. Whenever there is a sufficient amount in the Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay the principal of, premium, if any, and interest on the Parity Bonds secured thereby. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on the outstanding Parity Bonds secured by such Reserve Account, as long as the money remaining on deposit in such Reserve Account is at least equal to the Reserve Account Requirement determined with respect to the Parity Bonds then outstanding.

In the event a Series of the Bonds secured by the Reserve Account are ever refunded, the money set aside in the Reserve Account to secure the payment thereof may be used to retire such Series of Bonds or may be transferred to any other reserve account that may be created to secure the payment of any bonds issued to refund such Series of the Bonds.

In the event there shall be a deficiency in the Debt Service Account to meet maturing installments of either interest on or principal of and interest on the outstanding Parity Bonds payable out of such account, such deficiency shall be made up from the Reserve Account for those Parity Bonds secured by the Reserve Account, or from a separate reserve account for those Parity Bonds not secured by the Reserve Account, by the withdrawal of money therefrom and by the sale or redemption of obligations held in the Reserve Account or separate reserve account, as applicable, if necessary, in such amounts as will provide cash in the account sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. If more than one Qualified Letter of Credit or Qualified Insurance is available, draws shall be made ratably thereon to make up the deficiency. Any deficiency created in the Reserve Account or separate reserve account by reason of any such withdrawal shall then be made up from money in the Revenue Fund first available after making the payments required to be made under paragraphs "FIRST" through "FOURTH" of Section 10 of this ordinance.

This ordinance supplements the prior Parity Bond Ordinances to provide that the City may deduct the direct payment the City is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

With the consent of the appropriate percentage of Parity Bond owners, the City may create a separate reserve account and set the reserve requirement for a series of future Parity Bonds, in which case the Reserve Account previously created by the City will not secure such future Parity Bonds. The owners of the Bonds by taking and holding the same shall be deemed to have consented to the adoption by the City of such amendment.

(C) *Lien of Bond Fund.* The Bonds, together with the interest thereon, shall be payable from Assessments, if any, and Gross Revenue, and such Gross Revenue is hereby pledged and set aside out of the Revenue Fund into the Bond Fund. Said amounts so pledged are hereby declared to be a lien and charge upon Assessments, if any, and Gross Revenue equal to the lien and charge thereon to secure and pay the principal of and interest on any Future Parity Bonds and superior to all other charges of any kind or nature, except the Operation and Maintenance Expenses.

(D) *Investment of Money in Bond Fund.* All money in the Debt Service Account, Reserve Account or separate reserve account, may be kept in cash or invested in Permitted Investments maturing not later than the last maturity of the Bonds outstanding at the time of such purchase. Interest earned on or profits made from the sale of such investments shall be deposited in and become a part of the Bond Fund or the Revenue Fund.

Section 13. Adequacy of Revenue. The Council hereby declares that in fixing the amounts to be paid into the Bond Fund it has considered and has due regard for the Operation and Maintenance Expenses and has not obligated the City to set aside and pay into the Bond Fund more money from the Revenue Fund than in its judgment will be available over and above such Operation and Maintenance Expenses.

Section 14. General Covenants. The City hereby covenants with the owner of each of the Bonds for as long as any of the same remain outstanding as follows:

(A) *Rates and Charges.* The City covenants that it will establish, maintain and collect lawful rates and charges for the use of the services and facilities of the System, and shall adjust such rates and charges from time to time so that:

(i) Gross Revenue will at all times be sufficient (a) to pay all Operation and Maintenance Expenses and to pay all taxes, assessments or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any and all other amounts that the City may now be and hereafter become obligated to pay from Gross Revenue by law or contract, and, together with Assessments actually collected, (b) to pay the principal of and interest on all outstanding Parity Bonds as and when the same become due and payable, to make all payments required to be made into the Bond Fund to satisfy the Sinking Fund Requirement, and to make when due all payments required to be made into the Reserve Account; and

(ii) the Net Revenue in each calendar year will equal at least 1.25 times Annual Debt Service for such year (after deducting Assessments actually collected for such year). For the purpose of meeting the requirement of this paragraph there may be added to Net Revenue for any calendar year any amount withdrawn from the Rate Stabilization Account and credited to Gross Revenue as provided in Section 11 of this ordinance. There shall be subtracted from Net Revenue for any calendar year any amounts in such year withdrawn from the Revenue Fund and deposited into the Rate Stabilization Account in such calendar year.

This ordinance supplements the prior Parity Bond Ordinances for the purpose of providing that Annual Debt Service shall be deemed to exclude from interest the amount the City is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of annual debt service.

(B) *Maintenance of System.* The City covenants that it will at all times keep and maintain the System in good repair, working order and condition, and will at all times operate the same and the business in connection therewith in an efficient manner and at a reasonable cost.

(C) *Sale or Disposition of the System.* The City will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the System, except as follows:

(i) The City may sell, mortgage, lease or otherwise dispose of all or substantially all of the System if, simultaneously with such sale, mortgage, lease or other disposition or encumbrance, provision is made for the payment into the Bond Fund of cash or

Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on all then outstanding Parity Bonds.

(ii) Except as provided in subsection (iii) below, the City will not sell, mortgage, lease or otherwise dispose of or encumber any part of the useful operating properties of the System in excess of 5% of the value of the net utility plant of the System unless prior to such sale, mortgage, lease or other disposition or encumbrance:

(a) there shall have been filed with the Administrative Services Director a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition or encumbrance will not impair the ability of the City to comply with the rate covenants set forth in Section 14(A) of this ordinance; or

(b) provision is made for the payment, redemption or other retirement of a principal amount of outstanding Parity Bonds equal to the greater of the following amounts: (X) an amount that will be in the same proportion to the net principal amount of Parity Bonds then outstanding (defined as the total principal amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Net Revenue from the portion of the System sold or disposed of for the twelve preceding months bears to the total Net Revenue for such period; or (Y) an amount that will be in the same proportion to the net principal amount of Parity Bonds then outstanding that the book value of the part of the System sold or disposed of bears to the book value of the entire System immediately prior to such sale or disposition.

(iii) The City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same with a value less than 5% of the net utility plant of the System or which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into the Bond Fund.

(D) *Collection of Assessments.* The City shall promptly collect all Assessments levied in any utility local improvement district now or hereafter created to secure the payment of the principal of and interest on any Parity Bonds and shall pay the same into the Bond Fund without allocation of such Assessments to any particular series of Parity Bonds. It is hereby provided further, however, that nothing in this ordinance or in this subsection shall be construed to prohibit the City from issuing revenue bonds having a lien on Gross Revenue junior to the lien on such revenue for the payment of the principal of and interest on Parity Bonds and pledging as security for the payments of such junior lien bonds assessments levied in any utility local improvement district that may have been created to pay part or all the cost of improvements to the System for which such junior lien revenue bonds were specifically issued.

(E) *Books and Accounts.* The City covenants that it will maintain complete books and records relating to the operation of the System and its financial affairs, and will cause such books and records to be audited annually, and cause to be prepared an annual financial and operating statement, said statement to be mailed to any owner of Parity Bonds upon request.

(F) *Insurance.* The City covenants that it will carry fire and extended coverage insurance on the System as is ordinarily carried on the property of similar public utilities by other municipal corporations engaged in the operation of the same if such insurance can be obtained at a reasonable cost, to the full insurable value thereof, and will also carry adequate public liability insurance and other kinds of insurance as under good practices are ordinarily carried on the properties of similar public utilities by private companies engaged in the operation of the same; provided, however, that the City may if deemed necessary and advisable by the Council, institute or continue a self-insurance program with respect to any or all of the aforementioned risks. The premiums paid for all such insurance shall be regarded and paid as an Operation and Maintenance Expense.

(G) *Delinquencies.* The City covenants that it will promptly collect all service charges and Assessments, determine in a timely manner all delinquencies, and take all necessary legal action to enforce collection of such delinquencies.

(H) *No Free Service.* Except as permitted by law, the City will not furnish any service of the System to any customer free of charge.

Section 15. Tax Covenants.

(A) *Preservation of Tax Exemption for Interest on Bonds.* The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds.

(B) *Post-Issuance Compliance.* The Administrative Services Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(C) *Designation of a Series of Bonds as "Qualified Tax-Exempt Obligations."* A Series of the Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

(i) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and

(iii) the amount of tax-exempt obligations, including the Series, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

Section 16. Payment Agreements.

(A) *General.* To the extent, and for the purposes permitted from time to time by Chapter 39.96 RCW and other applicable provisions of State law, the City may enter into Payment Agreements with respect to any Parity Bonds, subject to the conditions set forth in this section and in other provisions of this ordinance.

(B) *Manner and Schedule of Payments.* Each Payment Agreement shall set forth the manner in which the Payment Agreement Payments and the Payment Agreement Receipts shall be calculated and a schedule of payment dates.

(C) *Authorizing Ordinance.* Prior to entering into a Payment Agreement, the Council shall pass an ordinance authorizing such agreement and setting forth such provisions as the Council deems necessary or desirable and are not inconsistent with the provisions of this ordinance.

(D) *Calculation of Payment Agreement Payments and Debt Service on Junior Lien Obligations with Respect to which a Payment Agreement is in Force.* It is the intent of the City, for purposes of the rate coverage requirement set forth in Section 14(A)(ii) of this ordinance and the Future Parity Bonds test set forth in Section 17(A)(v) of this ordinance, that debt service on Parity Bonds with respect to which a Payment Agreement is in force shall be calculated to reflect the net economic effect on the City intended to be produced by the terms of the Parity Bonds and the terms of the Payment Agreement. In calculating such amounts, the City shall be guided by the following requirements:

(i) The amount of interest deemed to be payable on any Parity Bonds with respect to which a Payment Agreement is in force shall be an amount equal to the amount of interest that would be payable at the rate or rates stated in those Parity Bonds plus Payment Agreement Payments minus Payment Agreement Receipts.

(ii) For any period during which Payment Agreement Payments are not taken into account in calculating interest on any outstanding Parity Bonds because the Payment Agreement is not then related to any outstanding Parity Bonds, Payment Agreement Payments on that Parity Payment Agreement shall be calculated based upon the following assumptions:

(a) *City Obligated to Make Payments Based on Fixed Rate.* If the City is obligated to make Payment Agreement Payments based on a fixed rate and the Qualified Counterparty is obligated to make payments based on a variable rate index, payments by the City will be based on the assumed fixed payor rate, and payments by the Qualified Counterparty will be based on a rate equal to the average rate determined by the variable rate index specified by the Payment Agreement during the fiscal quarter preceding the quarter in which the calculation is made; and

(b) *City Obligated to Make Payments Based on Variable Rate Index.* If the City is obligated to make Payment Agreement Payments based on a variable rate index and the Qualified Counterparty is obligated to make payments based on a fixed rate, payments by the City will be based on a rate equal to the average rate determined by the variable rate index specified by the Payment Agreement during the fiscal quarter preceding the quarter in which the calculation is made, and the Qualified Counterparty will make payments based on the fixed rate specified by the Payment Agreement.

(E) *Prior Notice to Moody's and Standard & Poor's.* The City shall give notice to Moody's Investors Service and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, 30 days prior to the date it intends to enter into a Payment Agreement with respect to any Parity Bonds.

Section 17. Future Parity Bonds. The City hereby further covenants and agrees with the owners of the Bonds for as long as any of the same remain outstanding as follows:

(A) That it will not issue any bonds with a lien on Gross Revenue superior to the lien on such revenues of the Bonds. The City may issue Future Parity Bonds for:

FIRST, the purpose of acquiring, constructing and installing additions and improvements to and extensions of, acquiring necessary equipment for, or making necessary replacements or repairs and capital improvements to the System, or for any other lawful purpose; or

SECOND, the purpose of refunding or purchasing and retiring at or prior to their maturity any outstanding revenue bonds or other obligations payable out of Gross Revenue; and to pledge that payments be made into the Bond Fund for the payment of the principal thereof and interest thereon out of the Revenue Fund sufficient to pay the principal of and interest on such Future Parity Bonds and to maintain the reserves required therefor, which such payments may rank equally with the payments out of such Revenue Fund into the Bond Fund and the Reserve Account to pay and secure the payment of the principal of and interest on any Parity Bonds then outstanding, upon compliance with the following conditions:

(i) That at the time of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund.

(ii) If there are assessments levied in any utility local improvement district in which additions and improvements to and extensions of the System will be constructed from the proceeds of such Future Parity Bonds, the ordinance authorizing such Future Parity Bonds shall require that such assessments be paid into the Bond Fund.

(iii) If there are assessments pledged to be paid into a warrant or bond redemption fund for revenue bonds or warrants being refunded by Future Parity Bonds, the ordinance authorizing such Future Parity Bonds shall require such assessments to be used for the refunding or paid into the Bond Fund.

(iv) The principal of and interest on the Future Parity Bonds shall be payable out of the Bond Fund, and the ordinance authorizing their issuance shall further provide for payments into the Bond Fund to satisfy the Sinking Fund Requirement and payments into the

Reserve Account to satisfy the Reserve Account Requirement, all as required by Section 12 of this ordinance.

(v) Prior to the delivery of any Future Parity Bonds, the City shall have on file in the office of the Administrative Services Director either

(a) a certificate of the Administrative Services Director showing that the Net Revenue determined as hereafter provided for each calendar or fiscal year after the issuance of such Future Parity Bonds will equal at least 1.25 times the Annual Debt Service (after deducting Assessments, allocated to the years in which they would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll) for each such calendar or fiscal year for all Parity Bonds plus the Future Parity Bonds (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 11 of this ordinance) proposed to be issued. For purposes this certificate, "Net Revenue" shall be the Net Revenue for a period of any 12 consecutive months (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 11 of this ordinance) out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds.

(b) a certificate of a Professional Utility Consultant showing that the Net Revenue determined and adjusted as hereafter provided for each calendar or fiscal year after the issuance of such Future Parity Bonds (the "Adjusted Net Revenue") will equal at least 1.25 times the Annual Debt Service (after deducting Assessments, allocated to the years in which they would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll) for each such calendar or fiscal year for all Parity Bonds plus the Future Parity Bonds proposed to be issued.

The Adjusted Net Revenue shall be the Net Revenue for a period of any 12 consecutive months (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 11 of this ordinance) out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds as adjusted by such Professional Utility Consultant to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(X) the additional Net Revenue that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 12-month period, had been in force during the full 12-month period;

(Y) the additional Net Revenue that would have been received if any facility of the System that became fully operational after the beginning of such 12-month period had been so operating for the entire period; and

(Z) the additional Net Revenue estimated by such Professional Utility Consultant to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System that are (1) under construction at the time of such certificate or (2) will be constructed from the proceeds of the Future Parity Bonds to be issued.

Such Professional Utility Consultant may rely upon, and his or her certificate shall have attached thereto, financial statements of the System certified by the Administrative Services Director showing income and expenses for the period upon which the same is based.

(B) Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Future Parity Bonds over and above the amount required in such year for the principal of and interest on the bonds being refunded thereby, the condition stated in subsection (A)(v) of this section need not be met.

(C) Nothing herein contained shall prevent the City from issuing any revenue bonds, warrants or other obligations that are a charge upon the money in the Revenue Fund junior or inferior to the payments required by this ordinance to be made into the Bond Fund and the Reserve Account.

Section 18. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

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

Section 19. Form of the Bonds. The Bonds shall be in substantially the following form:

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF OLYMPIA

WATER AND SEWER REVENUE REFUNDING BOND, SERIES 20__

INTEREST RATE: _____% MATURITY DATE: _____ CUSIP NO.: _____

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Olympia, Washington (the "City"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the _____, 20__, or the most recent date to which interest has been paid or duly provided for until payment of this Bond at the Interest Rate set forth above, payable on _____, 20__, and semiannually thereafter on the [first] days of each _____ and _____. The principal of and interest on this Bond are payable solely out of the special fund of the City known as the "Water and Sewer Revenue Bond Redemption Fund" (the "Bond Fund").

Both principal of and interest on this Bond are payable in lawful money of the United States of America. [For so long as the Bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the City to DTC. In the event that the Bonds of this issue are no longer held in fully immobilized form, interest on this Bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the principal office at the principal office of the fiscal agent of the State of Washington (the "Bond Registrar"); provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.]

Principal and interest are payable solely out of the Bond Fund, into which fund the City hereby irrevocably binds itself to pay certain fixed amounts out of the Gross Revenue of the System, as the same is defined in Ordinance No. _____ of the City (the "Bond Ordinance"), without regard to any fixed proportion, namely, amounts sufficient to pay the principal of and interest on the outstanding Bonds and any additional and/or refunding water and sewer revenue bonds issued on a parity of lien with the Bonds and to accumulate a reserve, all at the times and

in the manner set forth in the Bond Ordinance. Reference is made to the Bond Ordinance for definitions of capitalized terms not otherwise defined herein.

This Bond is one of a total issue of \$_____ par value of the Bonds, all of like date and tenor, except as to maturity, redemption provisions and interest rates, all payable from the Bond Fund and all issued by the City under and pursuant to the laws of the State of Washington and the Bond Ordinance for the purpose of providing funds to pay the cost of certain capital improvements to the water and sewer system of the City and to refund certain outstanding water and sewer bonds as specified in the Bond Ordinance.

The Bonds are subject to redemption prior to their stated maturity as provided in the Bond Ordinance.

The Gross Revenue is hereby pledged to the payment of principal of and interest on the Bonds, and the Bonds constitute a charge or lien upon such revenues prior and superior to any other charges whatsoever, excluding charges for Operation and Maintenance Expenses of the System, and equal to the lien and charge thereon of the 2007 Bonds, the 2010 Bonds, the 2013 Bonds, and any Future Parity Bonds. The Bonds are not a general obligation of the City.

The City hereby covenants and agrees with the owners of the Bonds to carry out fully all covenants and meet all obligations of the City as set forth herein and in the Bond Ordinance, and reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

This Bond is interchangeable for Bonds of any authorized denomination of an equal aggregate principal amount, and of the same interest rate and maturity. This Bond is transferable only upon the registry books of the Bond Registrar by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated below. Such exchange or transfer shall be without cost to the owner or transferee. The City may deem the person in whose name this Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for any and all other purposes whatsoever. The Bond Registrar shall not be obligated to transfer or exchange this Bond during the fifteen days preceding any interest payment date or the date on which notice of redemption of such Bond is to be given nor after such notice has been given.

It is hereby certified and declared that the Bonds are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the ordinances of the City and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, have been done and have been performed as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its corporate seal to be impressed or a facsimile thereof imprinted hereon this ____ day of _____, 20__.

CITY OF OLYMPIA, WASHINGTON

By _____ /s/ _____
Mayor

ATTEST:

_____/s/_____
City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the City of Olympia, Washington, Water and Sewer Revenue Refunding Bonds, Series 20__, dated _____, 20__, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By: _____
Authorized Officer

Section 20. Lost or Stolen Bonds. In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may deliver a new bond or bonds of like amount, date, maturity, interest rate, tenor, and effect to the registered owner or nominee thereof upon the owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and or ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 21. Refunding of the Refunded Bonds.

(A) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint a Refunding Trustee in connection with the Bonds.

(B) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* The proceeds of the sale of a Series of the Bonds, after any deposit to the Reserve Account or other reserve account, shall be deposited immediately upon the receipt thereof with the Refunding

Trustee and used to discharge the obligations of the City relating to the applicable Refunded Bonds under the respective Refunding Bond Ordinance by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully with Bond proceeds by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the City and the Refunding Trustee, but are subject to substitution as set forth below. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bonds shall be returned to the City at the time of delivery of the Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Bonds on the first interest payment date.

If payment of the costs of issuance of the respective Series of Bonds is not included in the Refunding Plan, the Bond proceeds from that Series that are not deposited with the Refunding Trustee will be deposited with the City to be used to pay the costs of issuance of the respective Series of Bonds. Any additional proceeds of the respective Series of Bonds may be deposited into the respective Bond Fund and used to pay interest on the respective Series of Bonds on the first interest payment date.

(C) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if, (a) in the opinion of the City's bond counsel, the interest on the Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations, if any, by the Refunding Trustee, the City reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bonds and the Refunded Bonds, as applicable, and that the City obtain, at its expense: (1) a verification by a nationally recognized independent firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from a nationally recognized bond counsel to the City, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds, will not cause the interest on the Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in

compliance with the statutes and regulations applicable to the Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

(D) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the respective Refunding Bond Ordinances, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the respective Series of Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the respective Series of Bonds, including bond printing, verification fees, Bond Counsel's fees, and other related expenses, shall be paid out of the proceeds of the respective Series of Bonds.

(E) *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan provided for by this ordinance, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Designated Representative of the City is authorized to make such changes therein that do not change the substance and purpose thereof or that assure that the escrow provided therein and the Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 22. Call for Redemption of the Refunded Bonds. The City will call for redemption on such date or dates as determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchaser thereof. The date(s) on which the Refunded Bonds are herein called for redemption will be the first date on which those bonds may be called.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required by the respective Refunding Bond Ordinances, in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 23. Findings with Respect to Refunding. The City Council authorizes the Designated Representative to issue the Bonds if it will achieve debt service savings to the City and is in the best interest of the City and its taxpayers and in the public interest. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the

known earned income from the investment of the proceeds of the issuance and sale of the Bonds and other money of the City used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the City under the respective Refunding Bond Ordinances with respect to the respective Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinance immediately upon the deposit of such money with the Refunding Trustee.

Section 24. Sale and Delivery of the Bonds.

(A) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement or by competitive sale in accordance with a notice of sale consistent with this ordinance, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(B) *Procedure for Negotiated Sale or Private Placement.* If the Designated Representative determines that a Series of the Bonds is to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for each Series of the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(C) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Final Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of each Series of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder's offer to purchase that Series of the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the terms of this ordinance, and such award shall constitute the Bond Purchase Agreement. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's

best interest to do so. If all bids are rejected, that Series of the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

(D) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 25. Official Statement; Continuing Disclosure.

(A) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to her or him, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(B) *Approval of Final Official Statement.* The City approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so delivered to purchasers and potential purchasers of a Series of the Bonds.

Section 26. Application of Bond Proceeds. The proceeds of a Series of the Bonds shall be applied as follows:

(A) The amount necessary to satisfy the Reserve Account Requirement, if necessary, shall be deposited into the Reserve Account; and

(B) The balance of a Series of the Bond proceeds shall be deposited with the Refunding Trustee to carry out the Refunding Plan.

Section 27. Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser(s) acting as a participating underwriter for the Bonds, the City makes the following written undertaking (the "Undertaking") for the benefit of holders of the Bonds:

(A) *Undertaking to Provide Annual Financial Information and Notice of Listed Events.* The City undertakes to provide or cause to be provided, either directly or through a

designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”);

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (A) principal and interest payment delinquencies; (B) non-payment related defaults, if material; (C) unscheduled draws on debt service reserves reflecting financial difficulties; (D) unscheduled draws on credit enhancements reflecting financial difficulties; (E) substitution of credit or liquidity providers, or their failure to perform; (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (G) modifications to rights of holders of the Bonds, if material; (H) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (I) defeasances; (J) release, substitution, or sale of property securing repayment of the Bonds, if material; (K) rating changes; (L) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (N) appointment of a successor or additional trustee or the change of name of a trustee, if material; (O) incurrence of a financial obligation of the City or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; and (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

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

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

(i) Shall consist of (A) annual financial statements showing ending fund equity for the System prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements

may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (B) principal amount of Parity Bonds outstanding at the end of the applicable fiscal year; and (C) rates for the System.

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2019; and

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

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

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

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

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

(G) Designation of Official Responsible to Administer Undertaking. The Fiscal Services Director or her or his designee is the person designated to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the City is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and

(v) Effecting any necessary amendment of this undertaking.

Section 28. Authorization to Officials and Agents. The proper City officials are hereby authorized and directed to approve an official statement or other disclosure document, and to do everything necessary and proper for the prompt issuance, execution and delivery of the Bonds in conformance with the provisions of this ordinance and for the proper use and application of the proceeds of the sale thereof as provided in this ordinance.

Section 29. Supplements and Amendments.

(A) The Council from time to time and at any time may adopt an ordinance or ordinances supplementing or amending this ordinance, which ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(i) To add to the covenants and agreements of the City in this ordinance other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of any Parity Bonds in any material respect, or to surrender any right or power herein reserved to or conferred upon the City.

(ii) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance in regard to such matters or questions as the Council may deem necessary or desirable and not inconsistent with this ordinance and which shall not adversely affect the interests of the owners of any Parity Bonds in any material respect.

(iii) To amend or supplement any provision contained in this ordinance for the purpose of obtaining or maintaining a rating on the Bonds so long as such amendment or supplement is not inconsistent with this ordinance and will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

Any such supplemental ordinance of the Council may be adopted without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section; provided, however, that the City shall obtain an opinion of nationally recognized bond counsel to the effect that such supplemental ordinance complies with

this subsection A and will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

(B) With the consent of the owners of not less than a majority in aggregate principal amount of the Parity Bonds at the time outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(i) Extend the fixed maturity of any Parity Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each Parity Bond so affected; or

(ii) Reduce the aforesaid percentage of owners of Parity Bonds required to approve any such supplemental ordinance, without the consent of the owners of all Parity Bonds then outstanding.

It shall not be necessary for the consent of bondowners under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(C) Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be deemed modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this ordinance and all owners of Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes.

Section 30. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 31. Ratification. Any action consistent with the authority but prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 32. Effective Date. This ordinance shall take effect five days after its passage, approval and publication as required by law.

PASSED by the City Council of the City of Olympia, Washington, at an open public meeting thereof, this 19th day of November, 2019, and signed in authentication of its passage this 19th day of November, 2019.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Nancy Jacobs

Bond Counsel

CERTIFICATION

I, the undersigned, City Clerk of the City of Olympia, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on November 19, 2019, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be November ____, 2019.

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

Dated: November 19, 2019.

CITY OF OLYMPIA, WASHINGTON

City Clerk



City Council

Approval of an Ordinance Amending Ordinance 7201 (Special Funds)

Agenda Date: 11/19/2019
Agenda Item Number: 4.G
File Number: 19-1065

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title

Approval of an Ordinance Amending Ordinance 7201 (Special Funds)

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the proposed Ordinance that amends Ordinance 7201 on first reading and forward to second reading.

Report

Issue:

Whether to amend Ordinance 7201 on first reading and forward to second reading.

Staff Contact:

Nanci Lien, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None - Consent Calendar item

Background and Analysis:

City Council may revise the City's Special Funds Budget by approving an ordinance. Generally, budget amendments are presented quarterly to Council for their review and approval, but may be made at any time during the year. The amended ordinances appropriate funds and provide authorization to expend the funds.

No separate ordinances were passed since the adoption of ordinance 7201 on October 8, 2019, relating to the Special Funds Budget.

The attached ordinance includes recommended amendments to the 2019 Special Funds Budget for the following:

1. Fire Department

- \$1,900,000 in appropriations to be used for the purchase of a replacement fire ladder truck. Funding is provided from the upcoming General Obligation Bond issue.
- \$8,503 in appropriations for a carryover appropriation omitted in an earlier quarterly amendment. Funding is from unspent 2018 budget carried over to fund balance in 2019.

Neighborhood/Community Interests (if known):

N/A

Options:

1. Approve ordinance that amends ordinance 7201. Authorizes staff to expend the funds.
2. Do not approve the proposed ordinance. The budget items not previously presented to the Council would not be authorized.

Financial Impact:

Total increase in appropriations is \$1,908,503. The sources of funding are noted above.

Attachments:

Ordinance

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, APPROPRIATING FUNDS WITHIN VARIOUS SPECIAL FUNDS AND AMENDING ORDINANCE NO. 7201

WHEREAS, the Olympia City Council passed Ordinance No. 7201 on October 8, 2019, appropriating funds within various special funds; and

WHEREAS, the following amendments need to be made to Ordinance No. **7201**;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. The following appropriations are hereby made:

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
HUD Fund	\$8,166	\$1,937,023	\$1,945,189	-
Lodging Tax Fund	1,366,150	1,000,000	893,452	1,472,698
Parking Business Improvement Area Fund	59,673	100,000	115,840	43,833
Farmers Market Repair and Replacement Fund	76,701	-	-	76,701
Hands On Children's Museum	528,637	514,000	458,188	584,449
Home Fund Operating Fund	347,916	1,100,506	1,100,506	347,916
Fire Equipment Replacement Fund	-	297,387 <u>2,197,387</u>	152,869 <u>2,061,372</u>	144,518 <u>136,015</u>
Equipment Rental Replacement Reserve Fund	11,776,033	1,885,830	3,295,730	10,366,133
Unemployment Compensation Fund	628,385	99,400	85,000	642,785
Insurance Trust Fund	105,444	2,137,035	2,142,246	100,233
Workers Compensation Fund	2,689,704	1,301,000	1,546,791	2,443,913
TOTALS	\$17,586,809	\$10,372,181 \$12,272,181	\$11,735,811 \$13,644,314	\$16,238,178 \$16,214,676

Section 2. Severability. The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances, shall be unaffected.

Section 3. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 4. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Approval of an Ordinance Amending Ordinance 7202 (Capital Budget)

Agenda Date: 11/19/2019
Agenda Item Number: 4.H
File Number: 19-1072

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title

Approval of an Ordinance Amending Ordinance 7202 (Capital Budget)

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the proposed Ordinance that amends Ordinance 7202 on first reading and forward to second reading.

Report

Issue:

Whether to amend Ordinance 7202 on first reading and forward to second reading.

Staff Contact:

Nanci Lien, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None - Consent Calendar item

Background and Analysis:

City Council may revise the City's Capital Budget by approving an ordinance. Generally, budget amendments are presented quarterly to Council for their review and approval but may be made at any time during the year. The amended ordinances appropriate funds and provide authorization to expend the funds.

No separate ordinances were passed since the adoption of ordinance 7202 on October 8, 2019, relating to the Capital Budget.

The attached ordinance includes recommended amendments to the 2019 Capital Budget as outlined below:

1. Parks Capital Projects

- a. \$750 in appropriations for Percival Railing Project. Funding to come from a donation.
- b. \$3,342,715 in appropriations to transfer Parks impacts fees to Capital Project Funds for Parks capital projects for transfers not included in previous quarterly amendment.
- c. \$768,655 in appropriations to transfers SEPA Mitigation Fees for capital projects for transfers not included in previous quarterly amendment.
- d. \$3,829,284 in appropriations to transfer Parks & Rec/Sidewalks Voted Utility Tax to support capital projects for transfers not included in previous quarterly amendment.
- e. \$5,126,043 in appropriations to transfer Real Estate Excise Taxes to support capital projects for transfers not included in previous quarterly amendment.

2. Transportation Capital Projects

- a. \$1,176,803 in appropriation for Fones Road Project. Funding to come from Department of Transportation Grant.
- b. (\$62,737) for reducing appropriations for Pedestrian Crossing Flashing Beacon Installation. Grant is complete and appropriations are not needed.
- c. \$1,911,480 in appropriations to transfer Transportation Impacts fees to Capital Project Funds for Transportation capital projects. Transfers not included in previous quarterly amendment.
- d. \$795,680 in appropriations for Legion Way Overlay Project. Funding to come from WSDOT Grant for Pedestrian & Bicycle Safety Program.
- e. \$160,000 in appropriations for expenditure for Capital Improvement Fund for Transportation project with a storm water component. Funding to come from Storm Water Capital Fund (\$160,000).

3. Drinking Water Capital Projects

- a. \$19,155,386 for capital project appropriations associated with transfer not included in previous quarterly amendments. Funding to come from transfers from accumulated rates fund balance in Operating Fund.
- b. \$2,800,000 in appropriations to reserve for capital projects. Funding to come from transfer of accumulated revenue fund balance from Operating Fund.

4. Waste Water Capital Projects

- a. \$7,628,736 for capital project appropriations transfers not included in previous quarterly amendments. Funding to come from transfers from accumulated rates fund balance in Operating Fund.

- b. \$1,700,000 in appropriations to reserve for capital projects. Funding to come from transfer of accumulated revenue fund balance from Operating Fund.

5. Storm Water Capital Projects

- a. Storm Drain Mitigation - \$485,812 in appropriations for transfer of Mitigations funds for capital projects. Funding from transfers not included in previous quarterly amendment.
- b. Storm Drain Capital Projects - \$8,018,989 for capital project appropriations associated with transfers not included in previous quarterly amendments. Funding to come from transfers from Storm Water Mitigation and Operating Fund rates fund balances.
- c. Storm Water - \$125,000 in appropriations to reserve for Sea Level Rise Implementation. Funding to come from accumulated rate revenue in Operating Fund
- d. \$800,000 in appropriations to reserve for capital projects. Funding to come from a transfer of accumulated rate revenue in Operating Fund
- e. \$160,000 in appropriations for Transportation project with a storm water component. Funding to come from Storm Water capital fund (\$160,000).

6. Home Fund - Capital Projects

- a. \$8,442 in appropriations for interest on interfund loan interest and principal. Funding to come from fund balance in the Capital Home Fund.

Neighborhood/Community Interests (if known):

None noted.

Options:

1. Approve ordinance amending ordinance 7202. This allows staff to continue capital projects, complete seismic upgrades to reservoirs, and return unused funds to be used on future projects.
2. Do not approve the amending ordinance. This would stop certain projects.

Financial Impact:

Total increase in appropriations is \$52,186,038. The sources of funding are noted above.

Attachment:

Ordinance

Ordinance No. _____

AN ORDINANCE RELATING TO THE ADOPTION OF THE CITY OF OLYMPIA'S CAPITAL FACILITIES PLAN FOR THE YEARS 2019-2024 AND AMENDING ORDINANCE NO. 7202.

WHEREAS, the Olympia City Council adopted the Capital Facilities Plan for years 2019 through 2024 by passing Ordinance No. 7174 on December 18, 2018; and

WHEREAS, the Olympia City Council amended Ordinance No. 7174 by passage of Ordinance No. 7196 on June 11, 2019; and

WHEREAS, the Olympia City Council amended Ordinance No. 7196 by passage of Ordinance No. 7202 on October 8, 2019; and

WHEREAS, the CFP meets the requirements of the Washington State Growth Management Act, including RCW 36.70A.070(3); and

WHEREAS, the following amendments need to be made to Ordinance No. 7202;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. That certain document entitled the "Capital Facilities Plan," covering the years 2019 through 2024, a copy of which will be on file with the Office of the Director of Administrative Services and available on the City's web site, is hereby adopted as the Capital Facilities Plan for the City of Olympia and is incorporated herein as though fully set forth.

Section 2. Upon appropriation by the City Council of funds therefor, the City Manager shall be authorized to prepare plans and specifications, to take bids, and to make expenditures for the projects set forth in the CFP during the year for which said projects are scheduled; provided, however, that any award of bids and execution of contracts for construction shall be approved as provided in OMC Chapter 3.16.

Section 3. It is anticipated that the funding source and the construction schedule for projects identified in the CFP may be changed over the next year. Such changes shall not constitute an amendment to the Comprehensive Plan for purposes of RCW 36.70A.130.

Section 4. The Director of Administrative Services is hereby authorized to bring forward into fiscal year 2019 all appropriations and allocations not otherwise closed, completed, or deleted from prior fiscal years' capital budgets.

Section 5. The following appropriations are hereby made:

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP.	ADDITIONS TO FUND BALANCE
Impact Fee Fund	\$10,453,696	-	\$2,451,130 \$8,455,867	\$8,002,566 \$1,997,829
SEPA Mitigation Fee Fund	1,609,899	-	211,451 980,106	1,398,448 629,793
Parks & Recreational Sidewalk, Utility Tax Fund	4,541,489	2,970,000	2,970,000 6,799,284	4,541,489 712,205

Real Estate Excise Tax Fund	6,171,866	1,500,000	1,500,000 6,626,043	6,171,866 1,045,823
Capital Improvement Fund	8,016,156	52,162,535 54,073,031	52,662,535 54,733,031	7,516,156 7,356,156
Olympia Home Fund Capital Fund	-	1,495,000	496,000 504,442	999,000 990,558
City Hall Fund	4,043	-	-	4,043
Water CIP Fund	19,154,424	6,144,28 25,262,612	6,144,288 25,299,674	19,154,424 19,117,362
Sewer CIP Fund	9,394,530	756,204 5,716,162	2,294,000 9,922,736	7,856,734 5,187,956
Waste ReSources CIP Fund	-	758,300	368,000	390,300
Storm Water CIP Fund	1,427,176	3,139,555 11,556,854	3,347,929 11,206,918	1,218,802 1,777,112
Storm Drain Mitigation Fund	1,069,576	-	0 485,812	1,069,576 583,764
TOTALS	\$61,842,855	\$68,925,882 \$103,331,959	\$72,445,333 \$125,381,913	\$58,323,404 \$39,792,901

Section 6. Severability. The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

Section 7. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 8. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED TO FORM:



DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Approval of an Ordinance Amending Ordinance 7203 (Operating Budget)

Agenda Date: 11/19/2019
Agenda Item Number: 4.1
File Number: 19-1066

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title

Approval of an Ordinance Amending Ordinance 7203 (Operating Budget)

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the proposed Ordinance that amends Ordinance 7203 on first reading and forward to second reading.

Report

Issue:

Whether to amend Ordinance 7203 on first reading and forward to second reading.

Staff Contact:

Nanci Lien, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None - Consent Calendar item

Background and Analysis:

City Council may revise the City's Operating Budget by approving an ordinance. Generally, budget amendments are presented quarterly to Council for their review and approval but may be made at any time during the year. The amended ordinances appropriate funds and provide authorization to expend the funds.

No separate ordinances were passed since the adoption of ordinance 7203 on October 8, 2019, relating to the Operating Budget.

The attached ordinance includes recommended amendments to the 2019 Operating Budget for the following:

1. Community Planning & Development

- \$10,000 in appropriations (and associated transfers) to help fund Coordinated Entry for Homeless Response. Funding from Council Goal money.

2. Fire

- \$73,423 in appropriations for an additional Fire mechanic. Funding to come from increase in revenue for work performed for other fire agencies.

3. Police

- (\$20,797) for reducing an appropriation previously made for the Washington Association of Sheriffs & Police Chiefs (WASPC) Familiar Faces grants. The grant is complete and this appropriation is no longer necessary.

4. Parks & Recreation

- \$45,000 in appropriations for extra hours of support, contracted services, facility rentals and credit card fees. Funding to come from new revenues associated with these expenditures.
- \$69,733 in appropriation related to the Oly-on-Ice project. Funding to come from excess ice rink revenue carried over from 2018.

5. Public Works

- **Transportation:** \$5,000 in appropriations for expenditures related to working two events Arts Walk. Funding from Parks.
- **Storm Water:**
 - \$216,623 in appropriations for personnel budget omitted in final 2019 budget. Funding to come from increase in revenue.
 - \$125,000 in appropriations for transfer to Storm Water capital fund to support Sea Level Rise Project. Funding to come from accumulated rates' fund balance.
 - \$800,000 in appropriations for transfer to Storm Water capital fund to support capital projects. Funding to come from accumulated rates' fund balance.
- **Drinking Water:** \$2,800,000 in appropriations for transfer to Drinking Water capital fund to support capital projects. Funding to come from accumulated rates' fund balance.
- **Wastewater:** \$1,700,000 in appropriations for transfer to Waste Water capital fund to

support capital projects. Funding to come from accumulated rates' fund balance.

- **Waste Resources:** \$40,000 in appropriations for expenditures associated with the "Lid Lift." Funding to come from Department of Ecology Grant.

Neighborhood/Community Interests (if known):

None noted.

Options:

1. Approve ordinance amending ordinance 7203. This provides staff with budget capacity to proceed with initiatives approved by Council.
2. Do not approve the amending ordinance; staff will not have authorization to expend the funds.

Financial Impact:

Total increase in appropriations of \$5,863,982. The sources of funding are noted above.

Attachments:

Ordinance

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO BUDGETS, FINANCE, AND SALARIES, AND AMENDING ORDINANCE NO. 7203

WHEREAS, the Olympia City Council passed Ordinance No. 7173 on December 18, 2018; and

WHEREAS, throughout the year, updates are required to recognize changes relating to budget, finance, and salaries; and

WHEREAS, the Olympia City Council amended Ordinance No. 7173 by passage of Ordinance No. 7195 on June 11, 2019; and

WHEREAS, the Olympia City Council amended Ordinance 7195 by passage of Ordinance No. 7203 on October 8, 2019; and

WHEREAS, the following changes need to be made to Ordinance No. 7203;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. 2019 Budget. The budget for the calendar year 2019 is hereby adopted in the amounts and for the purposes as shown below; and the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the City Treasury hereinafter named.

FUND	APPROP. FUND BALANCE	ESTIMATED REVENUE	APPROP	ADDITIONS TO FUND BALANCE
General, Regular Operations	\$18,277,806	\$82,827,225 \$82,929,851	\$84,067,144 \$84,239,503	\$17,037,887 \$16,968,154
General, Special Sub-Funds				
Special Accounts	2,541,995	1,151,943 1,161,943	3,486,201 3,496,201	207,737
Development Fee Revenue	846,963	3,953,252	4,023,836	776,379
Parking	1,159,858	1,493,340	1,775,051	878,147
Post Employment Benefits	2,620,447	995,300	3,615,747	-
Washington Center Endowment	754,983	3,000	248,853	509,130
Washington Center Operating	85,179	503,000	508,000	80,179
Municipal Arts	472,663	59,000	524,070	7,593
Equipment & Facilities Reserve	3,480,663	1,276,465	4,475,024	282,104

Total General Fund	30,240,557	<u>92,262,525</u> <u>92,375,151</u>	<u>102,723,926</u> <u>102,906,285</u>	<u>19,779,156</u> <u>19,709,423</u>
LID Control	6	-	-	6
LID Guarantee	80,435	-	-	80,435
4 th /5 th Avenue Corridor Bridge Loan	86	546,084	546,084	86
UTGO Bond Fund - 2009 Fire	68,664	1,187,039	1,191,557	64,146
City Hall Debt Fund - 2009	7,326	2,418,038	2,421,918	3,446
2010 LTGO Bond — Street Projects	-	434,813	434,813	-
L.O.C.A.L. Debt Fund - 2010	-	178,282	178,282	-
2010B LTGO Bonds – HOCM	-	444,188	444,188	-
2013 LTGO Bond Fund	-	671,065	671,065	-
2016 LTGO Parks BAN	-	10,067,500	10,067,500	-
Water Utility O&M	37,469,007	14,186,171	14,861,872 <u>17,661,872</u>	36,793,306 <u>33,993,306</u>
Sewer Utility O&M	42,517,479	20,724,055	20,856,629 <u>22,556,629</u>	42,384,905 <u>40,684,905</u>
Solid Waste Utility	1,597,772	12,717,152 <u>12,757,152</u>	13,392,084 <u>13,432,084</u>	922,840
Stormwater Utility	23,884,025	5,716,809 <u>5,933,432</u>	5,612,888 <u>6,754,511</u>	23,987,946 <u>23,062,946</u>
Water/Sewer Bonds	13,652,732	2,044,782	2,033,548	13,663,966
Stormwater Debt Fund	1,379,797	123,650	123,650	1,379,797
Water/Sewer Bond Reserve	1,260,900	-	-	1,260,900
Equipment Rental	324,903	2,357,141	2,361,959	320,085
TOTALS	\$152,483,689	\$166,079,294 <u>\$166,448,543</u>	\$177,921,963 <u>\$183,785,945</u>	\$140,641,020 <u>\$135,146,287</u>

Section 2. Administration. The City Manager shall administer the budget, and in doing so may authorize adjustments within the funds set forth in Section 1 above, to the extent that such adjustments are consistent with the budget approved in Section 1.

Section 3. Salaries and Compensation. The salaries and compensation for the City of Olympia employees for the calendar year 2019 shall be as set forth in the "Supplementary Information" section of the 2019 Adopted Operating Budget document, or as the same may be amended by the City Manager as part of his administration of the budget pursuant to Section 2 above.

Section 4. Benefit Cost Sharing. The City Manager is authorized to modify and establish benefit cost sharing for City employees; and such programs may be based, in part, on an employee's start date with the City.

Section 5. Severability. The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 7. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Approval of an Ordinance Setting the 2020 Ad Valorem Tax

Agenda Date: 11/19/2019
Agenda Item Number: 4.J
File Number: 19-1048

Type: ordinance **Version:** 2 **Status:** 2d Reading-Consent

Title

Approval of an Ordinance Setting the 2020 Ad Valorem Tax

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Approve the ordinance on second reading.

Report

Issue:

Whether to hold a public hearing on the ordinance setting the 2020 Ad Valorem Tax in the amount \$19,060,457.61 for the City's Regular Levy (including refunds) and \$1,196,967.77 for the Excess Levy on the Fire bonds (including refunds).

Staff Contact:

Nanci Lien, Fiscal Services Director, Administrative Services, 360.753.8465

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services

Background and Analysis:

The City is required to adopt a property tax levy ordinance and file a levy certification with Thurston County by November 27, 2019. If no certification is filed, the County will levy the same amount as 2019.

A public hearing on General Fund revenue sources, including property tax, is required prior to adopting the property tax levy (RCW 84.55.120). The schedule of proposed 2020 General Fund revenues is attached. Notice of the hearing was published on November 5.

The 2020 general levy is based on a 1 percent increase over the previous year's levy, plus allowable add-on items and a refund levy to be collected in 2020. This year the levy includes an additional \$499,474.15 of banked capacity.

Should the County adjust the assessed valuation or refund levies between first and second reading of the ordinance, an amended ordinance will be presented at second reading.

Once a levy is set there may be adjustments which lower the amount of taxes to be collected (lower assessed valuations). The amount not collected due to adjustments can be added to the next year's levy as a refund levy.

Estimated Regular Levy for 2020 Collections

The maximum regular levy rate is \$3.325 assuming the Timberland Regional District levies its full levy capacity of \$0.50 per \$1,000 of assessed value. The current levy rate of the District is \$0.362124.

The estimated regular levy for the City's 2020 collections is \$18,986,343.25 plus a refund levy of \$74,114.36. The estimated rate per \$1,000 of assessed valuation is \$2.447975. The current rate is \$2.457531. Assessed value for 2020 tax collections is estimated at \$7,755,935,904 -- an increase of \$607,973,831. The preliminary estimated increase in assessed valuation from new construction (included in above) is \$107,055,428. This will generate about \$272,840.34 in property tax revenue from new construction.

Additionally, the City will collect property tax to pay debt service on bonds issued with voter approval to fund fire facilities and equipment. In 2008, voters approved an excess levy to pay for a fire station, fire training facility, and equipment. Bonds were issued in 2009. This levy for 2020 will be \$1,196,967.77, which includes a refund levy of \$6,213.51. The estimated levy rate is \$0.157766. The tax levy to pay the debt service on the fire bonds is not part of the public hearing.

The most current assessment was received on September 18, 2019. The County has communicated there may be another slight adjustment and would notify the City by mid-November. Any changes to the General Levy and rate will be modest and reflected in the final ordinance prior to second reading.

Neighborhood/Community Interests (if known):

None

Options:

1. Approve the ordinance on second reading.
2. Do approve the ordinance on second reading and request changes. If the ordinance is not delivered to the County by November 27, 2019, then the amount of taxes to be levied for 2020 may be limited.
3. Do not pass the ordinance. The County will levy property taxes at the same level as 2019.

Financial Impact:

General Expense Levy

\$18,713,502.91	1% increase over highest legal levy*
\$ 272,840.34	New construction
\$ 74,114.36	Refund Levy - General Expense
\$19,060,457.61	Total General Expense Levy

*Includes the Public Safety Levy LID Lift and \$499,474.15 of banked capacity

Fire Bond Levy

\$1,190,756.26	Base Levy
<u>\$ 6,213.51</u>	Refund Levy
\$1,196,967.77	Total Fire Bond Levy

Attachments:

Ordinance
Estimated 2020 General Fund Revenue by Type

AN ORDINANCE SETTING THE AD VALOREM TAX AMOUNT AND THE AMOUNT OF INCREASE FOR THE BUDGET YEAR 2020

WHEREAS, the Olympia City Council held a public hearing on November 12, 2019, to consider the City of Olympia ad valorem tax levy for 2020 collections; and

WHEREAS, the City Council, after the hearing and after duly considering all relevant evidence and testimony presented, has determined that the City of Olympia requires an increase in property tax revenue from the previous year, in addition to the increase resulting from additions of new construction and improvements to property, areas added by annexation, and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City in its best interest; and

WHEREAS, the City issued bonds to pay for a Fire Station, Fire Training Facility, and Equipment, such bonds approved by voters in 2008; and

WHEREAS, the City has a need for an additional \$499,270.02 for public safety, law enforcement, policy training and recruitment, code enforcements, mental health, Community Court service and other general governmental purposes; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$74,114.36 related to the general levy; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$6,213.51 related to the Fire Station bond levy; and

WHEREAS, although the City may wish to levy taxes for the year in an amount less than the maximum allowed under its legal levy limit, future levy capacity shall be protected as provided for in RCW 84.55.092, calculated in future years as though the maximum lawful levy amount allowed by the levy limit had been levied, as set forth in WAC 458-19-065; and

WHEREAS, the City is required to certify the amount to be raised by taxation on assessed valuation with the clerk of the county legislative authority by November 30;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL, ORDAINS AS FOLLOWS:

Section 1. A \$529,558.11 increase in the regular property tax levy is hereby authorized for levy amounts to be collected in 2019, which is an increase of 2.9122289% from the previous year.

This is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and any annexations that have occurred and refunds made.

Section 2. There is hereby fixed as the amount of property tax collections necessary to raise an amount equal to the estimated expenditures less the total estimated revenue from all sources other than ad valorem taxation, the following sum:

OLYMPIA	AMOUNT
General Expense Levy (Regular Property Tax Levy)	\$18,986,343.25 \$18,953,794.15
Administrative Refund Levy, General Expense Levy	74,114.36
Subtotal General Expenses Levy	<u>\$19,060,457.61 \$19,027,908.51</u>
Excess Levy (Fire Station Bonds)	\$ 1,190,756.26
Administrative Refund Levy, Excess Levy	6,213.51
Subtotal Excess Levy	<u>\$ 1,196,969.77</u>
Grand Total	<u>\$20,257,427.38 \$20,224,878.28</u>

Section 3. On or before November 27, 2019, the City Clerk shall file with the Clerk of the Thurston County Board of Commissioners a certified estimate of the total amount to be raised by the ad valorem tax levied herein on property within the City of Olympia.

Section 4. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 5. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 6. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:

AN ORDINANCE SETTING THE AD VALOREM TAX AMOUNT AND THE AMOUNT OF INCREASE FOR THE BUDGET YEAR 2020

WHEREAS, the Olympia City Council held a public hearing on November 12, 2019, to consider the City of Olympia ad valorem tax levy for 2020 collections; and

WHEREAS, the City Council, after the hearing and after duly considering all relevant evidence and testimony presented, has determined that the City of Olympia requires an increase in property tax revenue from the previous year, in addition to the increase resulting from additions of new construction and improvements to property, areas added by annexation, and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City in its best interest; and

WHEREAS, the City issued bonds to pay for a Fire Station, Fire Training Facility, and Equipment, such bonds approved by voters in 2008; and

WHEREAS, the City has a need for an additional \$499,270.02 for public safety, law enforcement, policy training and recruitment, code enforcements, mental health, Community Court service and other general governmental purposes; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$74,114.36 related to the general levy; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$6,213.51 related to the Fire Station bond levy; and

WHEREAS, although the City may wish to levy taxes for the year in an amount less than the maximum allowed under its legal levy limit, future levy capacity shall be protected as provided for in RCW 84.55.092, calculated in future years as though the maximum lawful levy amount allowed by the levy limit had been levied, as set forth in WAC 458-19-065; and

WHEREAS, the City is required to certify the amount to be raised by taxation on assessed valuation with the clerk of the county legislative authority by November 30;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL, ORDAINS AS FOLLOWS:

Section 1. A \$529,558.11 increase in the regular property tax levy is hereby authorized for levy amounts to be collected in 2019, which is an increase of 2.9122289% from the previous year.

This is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and any annexations that have occurred and refunds made.

Section 2. There is hereby fixed as the amount of property tax collections necessary to raise an amount equal to the estimated expenditures less the total estimated revenue from all sources other than ad valorem taxation, the following sum:

OLYMPIA	AMOUNT
General Expense Levy (Regular Property Tax Levy)	\$18,986,343.25
Administrative Refund Levy, General Expense Levy	74,114.36
Subtotal General Expenses Levy	<u>\$19,060,457.61</u>
Excess Levy (Fire Station Bonds)	\$ 1,190,756.26
Administrative Refund Levy, Excess Levy	6,213.51
Subtotal Excess Levy	<u>\$ 1,196,969.77</u>
Grand Total	\$20,257,427.38

Section 3. On or before November 27, 2019, the City Clerk shall file with the Clerk of the Thurston County Board of Commissioners a certified estimate of the total amount to be raised by the ad valorem tax levied herein on property within the City of Olympia.

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Section 6. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:

ATTACHMENT:
ESTIMATED 2020 GENERAL FUND REVENUE BY TYPE

REVENUE TYPE	2020 BUDGET PROJECTIONS
GENERAL FUND - REGULAR OPERATIONS	REGULAR OPERATIONS
Property Tax	\$15,489,557
Sales Tax	23,492,629
Business Tax	7,105,756
Utility Tax, Private	4,450,713
Utility Tax, Municipal	6,092,592
Gambling Tax	134,056
Leasehold Tax	177,735
Licenses and Permits	902,401
Intergovernmental	2,276,365
Charges for Services	16,785,151
Fines and Penalties	376,683
Rents and Leases	1,630,167
Other Revenue	6,759,692
TOTAL	\$85,673,497



City Council

Public Hearing on the 2021-2026 Six-Year Transportation Improvement Program (TIP)

Agenda Date: 11/19/2019
Agenda Item Number: 5.A
File Number: 19-1035

Type: public hearing **Version:** 1 **Status:** Public Hearing

Title

Public Hearing on the 2021-2026 Six-Year Transportation Improvement Program (TIP)

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Hold a Public Hearing regarding the 2021-2026 six-year Transportation Improvement Program.

Report

Issue:

Whether to hold a Public Hearing regarding the 2021-2026 six-year Transportation Improvement Program.

Staff Contact:

David Smith, P.E., Transportation Project Engineer, Public Works Department, 360.753.8496

Presenter(s):

David Smith, P.E., Transportation Project Engineer

Background and Analysis:

Washington State Department of Transportation (WSDOT) requires local governments to outline their specific transportation needs in a six-year Transportation Improvement Program (TIP). Cities must identify projects in the TIP before they can receive state and federal funding. City staff updates the TIP each year so that all projects identified in the *Capital Facilities Plan* (CFP) are in the TIP. The City submits the TIP to WSDOT annually in July.

It is important to note that City staff works closely with state and federal agencies to understand funding criteria. Every year, staff reviews projects and makes revisions to the TIP so the City is in the best position to successfully secure funding.

The cost estimates and project schedules in the TIP are preliminary and will be updated when

funding is requested. The TIP is organized as follows:

1. Fully Funded Projects. These projects have received grant funding and are in the process of being implemented.
2. Capacity Projects. These projects do not meet current levels of service (capacity) as defined by the Olympia Comprehensive Plan. They often have multiple funding sources including impact fees, grants, and City general fund dollars.
3. Annual Programs. These programs fund multiple projects within specific categories and they are listed in alphabetical order in the TIP:
 - Access and Safety Improvements
 - Bike Improvements
 - Sidewalks and Pathways
 - Street Repair and Reconstruction
4. Parks, Arts and Recreation Projects. These projects are listed in priority order to qualify them for state and federal funding.

A table summarizing the 2021-2026 TIP is attached. The required WSDOT format of the TIP is also attached. Adoption of the TIP by City Council is scheduled for December 10, 2019.

Neighborhood/Community Interests (if known):

City Staff distributed the draft 2021-2026 TIP and gave notice of the Public Hearing to the following organizations: City-recognized neighborhood associations, the West Olympia Business Association, Intercity Transit, WSDOT, Thurston Regional Planning Council (TRPC), the cities of Lacey and Tumwater, Thurston County, Bicycle Pedestrian Advisory Committee (BPAC), Olympia Safe Streets Campaign, and other interested parties.

Options:

1. Hold a Public Hearing regarding the 2021-2026 six-year Transportation Improvement Program (TIP).

Council is scheduled to adopt a resolution approving the 2021-2026 TIP on December 10, 2019. Prior to adoption, any changes to the 2020-2025 CFP will be incorporated into the TIP. The City will meet state law for updating the TIP annually and be eligible for grant funding on the listed projects.

2. Do not hold a Public Hearing regarding the 2021-2026 six-year Transportation Improvement Program (TIP).

Financial Impact:

The 2021-2026 TIP identifies 15 projects totaling approximately \$130.2 million. The City is seeking approximately \$54.3 million in federal funding and \$11.2 million in state funding. The CFP establishes specific funding sources and commitment for funding of the projects in the TIP.

Attachments:

TIP Project Summary 2021-2026

TIP Project Maps 2021-2026

TIP WSDOT Technical Report 2021-2026



Six Year Transportation Improvement Program Summary 2021 - 2026

The City is required by State law to prepare a six-year Transportation Improvement Program (TIP) and submit it to the Washington State Department of Transportation (WSDOT). City staff updates the TIP annually to reflect the City's most recent Capital Facilities Plan (CFP). Projects need to be identified in the TIP before cities can receive state and federal funding. The following includes a list of the current TIP projects. For more detailed information, please refer to the complete 2020-2025 Capital Facilities Plan.

Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds
1	Mottman Road Bike Lanes and Half Street Frontage Improvement	<i>Project Limits:</i> Mottman Road from Mottman Court to SPSCC <ul style="list-style-type: none"> Construct sidewalk, planter strip, and streetlights on one side; widen for Class II bike lanes and pave street. 	Street Repair and Reconstruction Program	\$5,860,000	\$0	\$5,860,000
2	Fones Road - Transportation	<i>Project Limits:</i> Fones Road from 18 th Avenue to Pacific Avenue <ul style="list-style-type: none"> Improvements will address vehicle capacity, truck access, access management, and safe and inviting bicycle and pedestrian facilities. 	Capacity Need	\$4,991,988	\$8,240,338	\$13,232,326
3	Cain Road and North Street Intersection Improvements	<i>Project Limits:</i> Intersection of Cain Road and North Street; 300 feet south of North Street to 300 feet north of North Street <ul style="list-style-type: none"> Intersection capacity improvements include installation of a compact roundabout and sidewalk modifications. 	Capacity Need	\$180,513	\$264,100	\$444,613
4	Wiggins Road and 37 th Avenue Intersection Improvements	<i>Project Limits:</i> Intersection of Wiggins Road and 37 th Avenue <ul style="list-style-type: none"> Intersection capacity improvements include a traffic signal within the existing intersection configuration. 	Capacity Need	\$207,135	\$303,048	\$510,183
5	US 101/West Olympia Access Project	<i>Project Limits:</i> Black Lake Boulevard to Kaiser Road <ul style="list-style-type: none"> Construct westbound and eastbound off/on-ramps from US 101 to Kaiser Road. Also construct a westbound off-ramp from US 101 to Yauger Way via an at-grade intersection at Black Lake Boulevard and Kaiser Road. 	Capacity Need	\$2,822,644	\$4,129,664	\$6,952,308

Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds
Various Locations Citywide	Access and Safety Improvements	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> The purpose of this program is to improve access and safety for all users of the transportation system: Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements. Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons. Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals. 	Access and Safety Improvements	\$0	\$1,200,000	\$1,200,000
Various Locations Citywide	Bike Improvements	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> The purpose of this program is to complete elements of the bicycle network: Bike Corridors: Low-volume, low-stress streets improved for bicycle travel. Other improvements: Gaps and spot improvements in the bike lane network. 	Bicycle Improvements	\$0	\$1,200,000	\$1,200,000
Various Locations Citywide	Sidewalks and Pathways	<p><i>Project Limits:</i> Various Locations</p> <ul style="list-style-type: none"> The purpose of this program is to: Maintain and repair sidewalks and pathways. Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Pathways for improvement will be identified by neighborhoods. Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors. 	Sidewalks and Pathways	\$0	\$6,750,000	\$6,750,000
Various Locations Citywide	Street Repair and Reconstruction	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> This program addresses: Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed. Maintenance projects that are beyond the capacity of City maintenance crews. These projects include, for example, repairing and replacing striping, guardrails, railing, signals, and lighting. Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps and bulb-outs for pedestrians at intersections. Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. This may include, for example, chip sealing streets and sealing cracks. 	Street Repair and Reconstruction Program	\$0	\$16,950,000	\$16,950,000

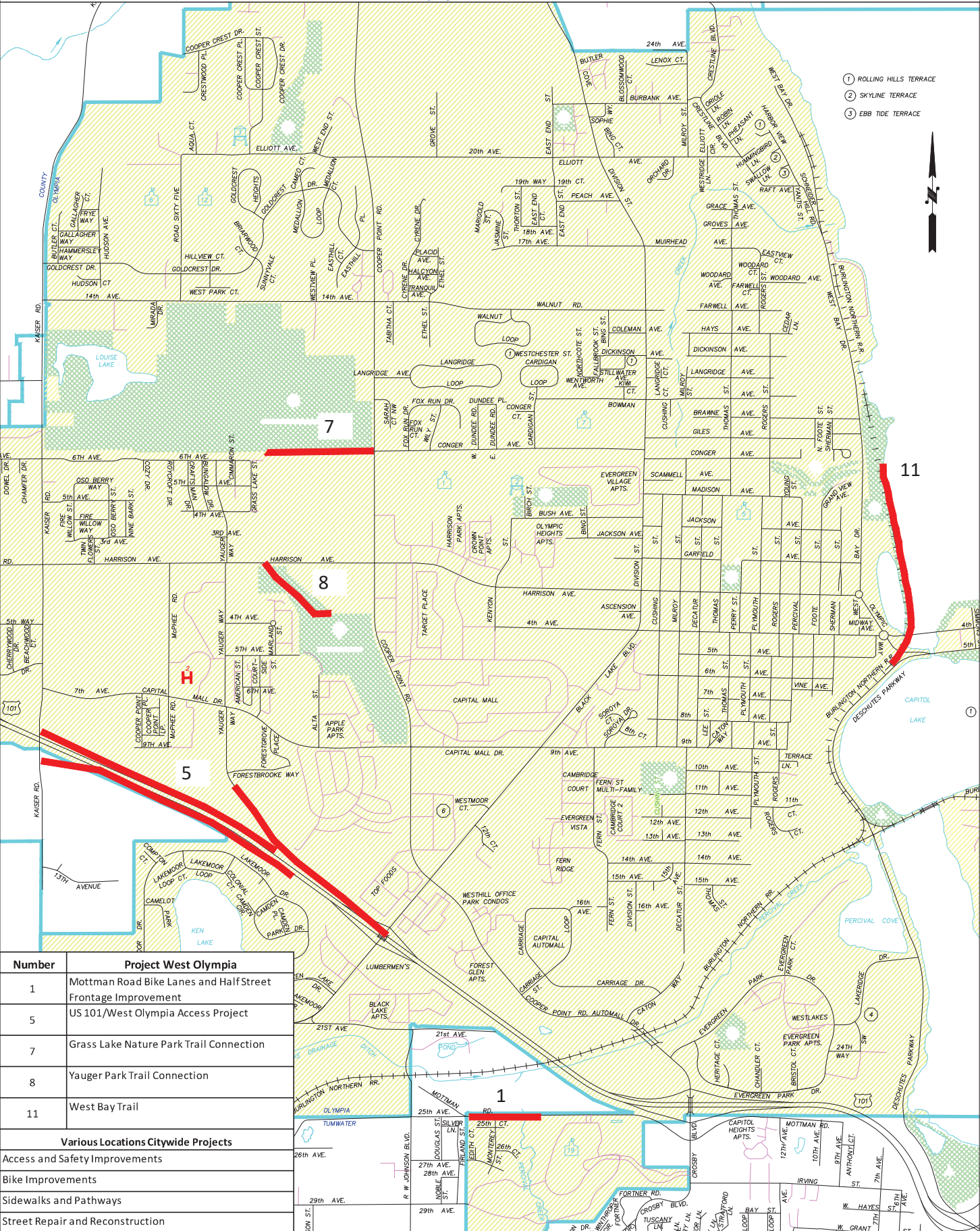
Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds
6	Percival Landing, Section A, Phase 2	<i>Project Limits:</i> Percival Landing <ul style="list-style-type: none"> Boardwalk and float replacement. 	Identified Maintenance Needs	\$6,830,000	\$3,370,000	\$10,200,000
7	Grass Lake Nature Park Trail Connection	<i>Project Limits:</i> Cooper Point Road to Regional Trail <ul style="list-style-type: none"> Design and construct trail. 	2016 Parks, Arts & Recreation Plan	\$536,000	\$264,000	\$800,000
8	Yauger Park Trail Connection	<i>Project Limits:</i> Yauger Park to Harrison Avenue <ul style="list-style-type: none"> Design and construct trail. 	Regional Trails Plan	\$323,610	\$159,390	\$483,000
9	Olympia Woodland Trail, Phase 3	<i>Project Limits:</i> From Henderson Boulevard to Eastside Street <ul style="list-style-type: none"> Design and construct trail. 	2016 Parks, Arts & Recreation Plan	\$3,330,333	\$1,665,167	\$4,995,500
10	Olympia Woodland Trail, Phase 4	<i>Project Limits:</i> From Tumwater Historical Park to Henderson Boulevard <ul style="list-style-type: none"> Design and construct trail. 	Regional Trails Plan	\$13,733,333	\$6,866,667	\$20,600,000
11	West Bay Trail	<i>Project Limits:</i> From 5 th Avenue to West Bay Park <ul style="list-style-type: none"> Design and construct a multi-modal trail. 	Regional Trails Plan	\$26,666,667	\$13,333,333	\$40,000,000

2021 - 2026 Projects

Six-Year Transportation Improvement Program



Olympia and Vicinity



Number	Project West Olympia
1	Mottman Road Bike Lanes and Half Street Frontage Improvement
5	US 101/West Olympia Access Project
7	Grass Lake Nature Park Trail Connection
8	Yauger Park Trail Connection
11	West Bay Trail
Various Locations Citywide Projects	
Access and Safety Improvements	
Bike Improvements	
Sidewalks and Pathways	
Street Repair and Reconstruction	

2021 - 2026 Projects

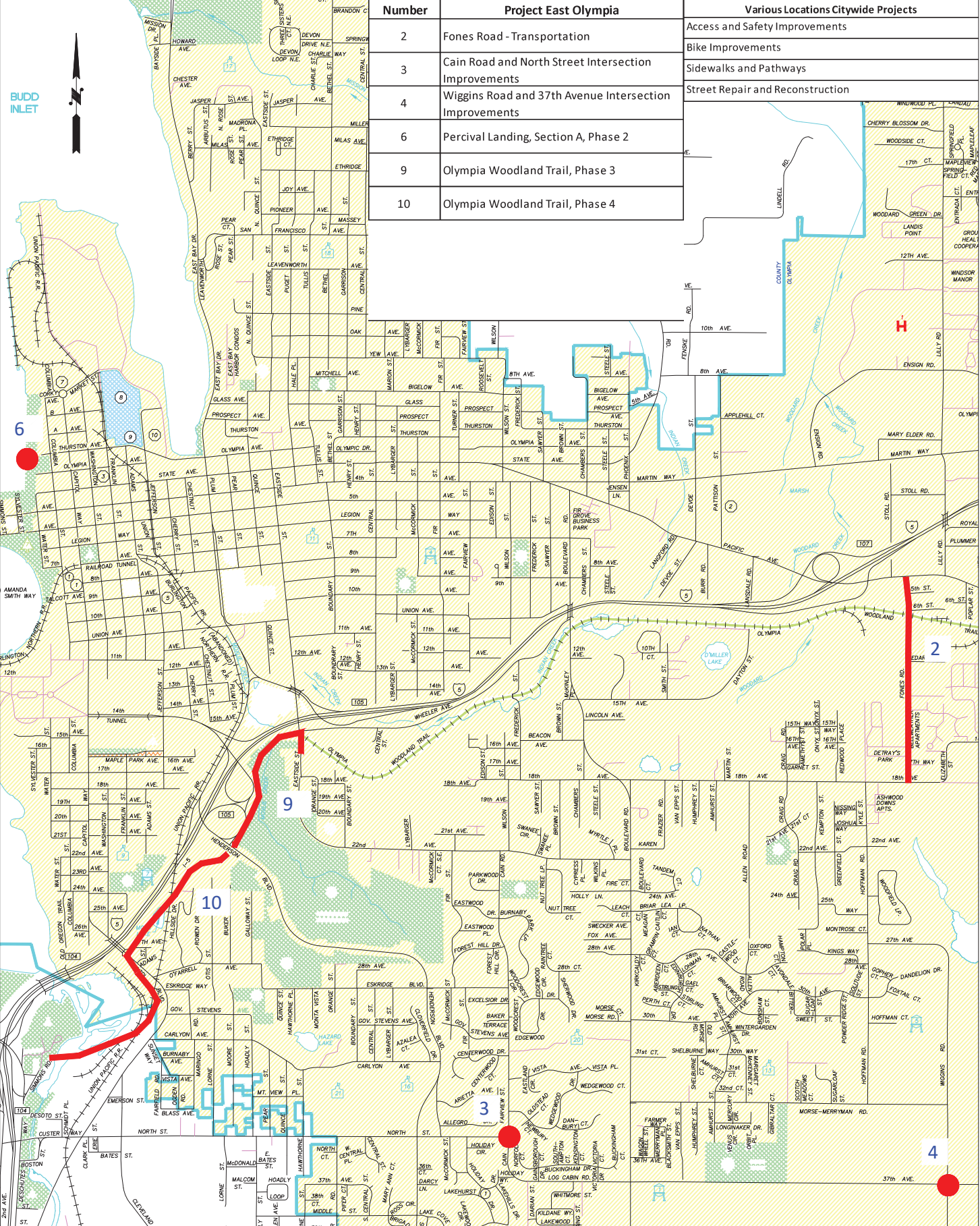
Six-Year Transportation Improvement Program



Olympia and Vicinity

Number	Project East Olympia
2	Fones Road - Transportation
3	Cain Road and North Street Intersection Improvements
4	Wiggins Road and 37th Avenue Intersection Improvements
6	Percival Landing, Section A, Phase 2
9	Olympia Woodland Trail, Phase 3
10	Olympia Woodland Trail, Phase 4

Various Locations Citywide Projects	
Access and Safety Improvements	
Bike Improvements	
Sidewalks and Pathways	
Street Repair and Reconstruction	



Agency: Olympia
 County: Thurston
 MPO: TRPC MPO

Hearing Date: 11/19/2019
 Adoption Date: Amendment Date:
 Resolution #: Amendment #:

Six Year Transportation Improvement Program
From 2021 to 2026

Functional Class	Priority Number	Project Title Regionally Significant (Y/N) Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs					Fed. Funded Projects Only			
									Federal Funding		State Funding			Total Funds	Envir. Type	R/W Reqr'd? (Date)	
									Fed.Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds				
17		Mottman Road Bike Lanes and Half Street Frontage Improvement Mottman Road from: Mottman Court to: SPSCC Structure Id Construct Sidewalk, Planter Strip, and Streetlights on one side; Widen for Class II Bike Lanes and Overlay Street.	N	28	0.18	G P S T W	PE RW CN	S S S	2021 2022 2024			OTHER OTHER OTHER	552600 599500 4707900		552,600 599,500 4,707,900	CE	Y
Totals												5,860,000		5,860,000			
16		Fones Road - Transportation Fones Road from: 18th Avenue to: Pacific Avenue Structure Id Improvements will address vehicle capacity, truck access, access management, and safe and inviting bicycle and pedestrian facilities. Will include adding lanes, sidewalks, planter strips, bike lanes, streetlighting, stormwater improvements, and undergrounding of overhead utilities.	Y	3	0.67	C G P T W	RW CN	P P	2021 2022			TIB TIB	81314 4910674	134226 8106112	215,540 13,016,786	CE	Y
Totals												4,991,988	8,240,338	13,232,326			
16		Cain Road and North Street Intersection Improvements Cain Road from: 300 feet south of North Street to: 300 feet north of North Street Structure Id Intersection capacity improvements include installation of a compact roundabout and sidewalk modifications.	N	3	0.12	C G P T	PE CN	P P	2023 2024			TIB TIB	35830 144683	52422 211678	88,252 356,361	CE	Y
Totals												180,513	264,100	444,613			
17		Wiggins Road and 37th Avenue Intersection Improvements Wiggins Road from: At 37th Avenue to: At 37th Avenue Structure Id Intersection capacity improvements include a traffic signal within the existing intersection configuration.	N	3	0.02	C G P T	CN	P	2025			TIB	207135	303048	510,183	CE	Y
Totals												207,135	303,048	510,183			

Six Year Transportation Improvement Program

From 2021 to 2026

Agency: Olympia
 County: Thurston
 MPO: TRPC MPO

Hearing Date: 11/19/2019
 Adoption Date: Amendment Date:
 Resolution #: Amendment #:

Functional Class	Priority Number	Project Title Regionally Significant (Y/N)	Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs				Envir. Type	R/W Reqrd? (Date)		
										Fund Source Information							
										Federal Funding		State Funding					
Fed.Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds	Total Funds												
12		US 101/West Olympia Access Project Y	STIP ID: Oly2321a Fed. Aid # Agency ID: 128 MPO ID:	1	1.10	P	PE	P	2021	STP(US)	1821452			2664872	4,486,324	CE	Y
		US 101 from: Black Lake Boulevard to: Kaiser Road Structure Id Construct westbound and eastbound off/on-ramps from US 101 to Kaiser Road. Also construct a westbound off-ramp from US 101 to Yauger Way via an at-grade intersection at Black Lake Boulevard. Add Auxiliary lanes east and westbound between Black Lake Boulevard and Kaiser Road.					RW	P	2022	STP(US)	1001192			1464792	2,465,984		
Totals											2,822,644			4,129,664	6,952,308		
0		Access and Safety Improvements N	STIP ID: Oly1116a Fed. Aid # Agency ID: 200 MPO ID: NRS	28		C G P T W	PE	P	2021					244800	244,800	CE	N
		Various Locations from: N/A to: N/A Structure Id The purpose of this program is to improve access and safety for all users of the transportation system: Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements. Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons. Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals.					CN	P	2021					955200	955,200		
Totals														1,200,000	1,200,000		
0		Bike Improvements N	STIP ID: Oly1108a Fed. Aid # Agency ID: 200 MPO ID: NRS	28			PE	P	2021					285600	285,600	CE	N
		Various Locations from: N/A to: N/A Structure Id The purpose of this program is to complete elements of the bicycle network: Bike Corridors: Low-volume, low-stress streets improved for bicycle travel. Other Improvements: Gaps and spot improvements in the bike lane network.					CN	P	2021					914400	914,400		
Totals														1,200,000	1,200,000		

Agency: Olympia
 County: Thurston
 MPO: TRPC MPO

Hearing Date: 11/19/2019
 Adoption Date: Amendment Date:
 Resolution #: Amendment #:

Six Year Transportation Improvement Program
From 2021 to 2026

Functional Class	Priority Number	Project Title Regionally Significant (Y/N)	Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs				Fed. Funded Projects Only			
										Fund Source Information				Envir. Type	R/W Reqr'd? (Date)		
										Federal Funding		State Funding					
Fed.Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds	Total Funds												
0		<i>Sidewalks and Pathways</i> N	STIP ID: Oly1112a Fed. Aid # Agency ID: 300 MPO ID: NRS	28			PE	P	2021				918000	918,000	CE	N	
		Various Locations from: N/A to: N/A Structure Id This purpose of this program is to: Maintain and repair sidewalks and pathways. Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors.					CN	P	2021				5832000	5,832,000			
Totals													6,750,000	6,750,000			
0		<i>Street Repair and Reconstruction</i> N	STIP ID: Oly1117a Fed. Aid # Agency ID: 400 MPO ID: NRS	4			PE	P	2021				3762000	3,762,000	CE	N	
		Various Locations from: N/A to: N/A Structure Id This program addresses: Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed. Maintenance projects that are beyond the capacity of City maintenance crews. These projects include, for example, repairing and replacing striping, guardrails, railing, signals, and lighting. Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps and bulb-outs for pedestrians at intersections. Street Preservation is an ongoing effort to preserve the condition of our streets and delay major reconstruction. This may include, for example, chip sealing streets and sealing cracks.					CN	P	2021				13188000	13,188,000			
Totals													16,950,000	16,950,000			
0		<i>Percival Landing, Section A, Phase 2</i> N	STIP ID: Oly1151a Fed. Aid # Agency ID: 500 MPO ID: NRS	28			CN	P	2022	STP(E)	6437423		3141002	9,578,425	CE	N	
		Percival Landing from: N/A to: N/A Structure Id Boardwalk and float replacement from south end of phase 1 to north end of 'D' dock.					PE	P	2021	STP(E)	392577		228998	621,575			
Totals													6,830,000	3,370,000	10,200,000		
0		<i>Grass Lake Nature Park Trail Connection</i> N	STIP ID: Oly1152a Fed. Aid # Agency ID: 501 MPO ID: NRS	28	1.00		PE	P	2022	STP(E)	94222		47111	141,333	CE	N	
		from: Cooper Point Road to: Regional Trail Structure Id Design and construct multi-modal trail.					CN	P	2023	STP(E)	471111		235556	706,667			
Totals													565,333	282,667	848,000		



City Council

Public Hearing on the 2020 Preliminary Operating Budget and Preliminary Capital Facilities Plan (CFP) and 2020-2025 Financial Plan

Agenda Date: 11/19/2019
Agenda Item Number: 5.B
File Number: 19-1058

Type: public hearing **Version:** 1 **Status:** Public Hearing

Title

Public Hearing on the 2020 Preliminary Operating Budget and Preliminary Capital Facilities Plan (CFP) and 2020-2025 Financial Plan

Recommended Action

Committee Recommendation:

Planning Commission, Bicycle Pedestrian Advisory Committee, Parks and Recreation Advisory Committee forwarded written comments to the City Council. The Finance Committee has reviewed the budget and will meet on November 20 to finalize their recommendations.

City Manager Recommendation:

Hold the public hearing and receive testimony on the 2020 Preliminary Operating Budget and Preliminary CFP and 2020-2025 Financial Plan

Report

Issue:

Whether to hold a public hearing and receive testimony on the 2020 Preliminary Operating Budget and Preliminary CFP and 2020-2025 Financial Plan.

Staff Contact:

Debbie Sullivan, Director, Administrative Services, 360.753.8499

Presenter(s):

Jay Burney, Interim City Manager, 360.753.8740

Debbie Sullivan, Director, Administrative Services, 360.753.8499

Background and Analysis:

2020 Preliminary Operating Budget

The 2020 Preliminary Operating Budget was presented to Council on October 29, 2019. This hearing provides additional opportunity for the Council to hear from the public. The operating budget

maintains service levels and programs with some enhancements in priority areas. It also includes utility rates increases, recommendations for allocating lodging tax to various organizations, and changes in development fees.

The 2020 preliminary operating budget appropriates \$186.9 million for expenditures. The General Fund, which covers basic core municipal services (i.e. Fire, Police and Parks) is \$85.9 million, a 4% increase over the 2019 budget. The 2020 budget also includes expenditures to cover the following:

- 1) refinancing outstanding debt to take advantage of lower interest rates; as part of the refinance process, bond proceeds will be received to cover the debt; and
- 2) revenues collected through utility rates that will be transferred to the capital budget to support projects.

Utility rate increases reflect the increase of 1% to the Municipal Utility Tax included in the 2020 Preliminary Operating Budget.

Drinking Water	6.3%
Wastewater Collections	0.2%
LOTT	3.0% (Board Approved)
Storm & Surface Water	3.6%
Waste ReSources	
Drop Box	7.67%
Residential	3.33%
Commercial	3.33%
Organics	3.33%

2020 Preliminary CFP and 2020-2025 Financial Plan

The Preliminary CFP and 2020-2025 Financial Plan was presented to Council on August 13th. On October 29 the Council held a public hearing. Council also received a briefing on proposed 2020 impact fees for Transportation, Parks, and Olympia School District on November 12. The impact fees provide revenue to fund projects identified in the CFP.

The Preliminary CFP is \$156.6 million. The 2020 budget is \$26,519,374. This hearing provides an additional opportunity for the Council to hear from the public.

Both the 2020 Preliminary Operating Budget and CFP are on the City website for public review.

Neighborhood/Community Interests (if known):

None

Options:

1. Hold the public hearing and accept written comments until 5:00 PM on Wednesday, November 20, 2019.
2. Move the public hearing to a future City Council meeting.

Financial Impact:

Type: public hearing **Version:** 1 **Status:** Public Hearing

The 2020 Preliminary Operating Expenditure Budget is \$186.9 million.

Attachments:

None



City Council

Transportation Master Plan Update

Agenda Date: 11/19/2019
Agenda Item Number: 6.A
File Number: 19-1001

Type: report **Version:** 1 **Status:** Other Business

Title

Transportation Master Plan Update

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Receive the information on the Transportation Master Plan. Briefing only. No action required.

Report

Issue:

Whether to receive a briefing on the Transportation Master Plan.

Staff Contact:

Sophie Stimson, Transportation Planning Supervisor, Public Works Transportation, 360.753.8497

Presenter(s):

Sophie Stimson, Transportation Planning Supervisor
Michelle Swanson, AICP, Associate Planner

Background and Analysis:

Work is underway on the Transportation Master Plan. This is the first plan of this type for the City of Olympia. The master plan will define the projects we need to build in the next 20 years for all modes of transportation: walking, biking, transit, and auto/freight. It will make it easier for people to understand what projects we are planning to build, how we will pay for them, and if we are on track implementing the vision of the City's Comprehensive Plan.

Staff will provide a briefing on the status of the project and next steps. The attached graphic shows the master plan development process. Staff will highlight an online engagement tool, a story map that is being used this November and December to seek public input.

The story map is a tool that presents proposals and asks for people's input. This is the second story map we've developed for the Transportation Master Plan. The first story map asked for input on the

types of projects that should be included in the plan and how to prioritize them. This second story map shares draft prioritized projects that can be built in the next 20 years at current funding levels. Find the story map and more information about the master plan at olympiawa.gov/TMP.

Neighborhood/Community Interests (if known):

Public input was sought in the fall of 2018 using an in-person open house and an online story map. Input from the fall outreach indicated support for the proposed approach to project identification and prioritization. A second story map is being used to seek public input on prioritized projects for the next 20 years.

Options:

None, briefing only.

Financial Impact:

The total cost of the plan is \$300,000, funded through a variety of transportation sources.

Attachments:

Transportation Master Plan Development Graphic



Transportation Master Plan

