

**FINANCE & ADMINISTRATION COMMITTEE MEETING  
AGENDA FOR  
May 21, 2018  
1:15 p.m. – City Council Briefing Center**

The Spokane City Council's Finance & Technology Committee meeting will be held at **1:15 p.m. on May 21, 2018** in City Council Briefing Center –Lower Level City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington.

The meeting will be conducted in a standing committee format. Because a quorum of the City Council may be present, the standing committee meeting will be conducted as a committee of the whole council.

The meeting will be open to the public, with the possibility of moving or reconvening into executive session only with the members of the City Council and the appropriate staff. No legislative action will be taken. No public testimony will be taken and discussion will be limited to appropriate officials and staff.

**AGENDA**

**I. Call to Order**

**II. Approval of Minutes from April 16, 2018 Meeting**

**III. Consent Items**

- OMA Contract Extension – Human Resources
- Central Ave Well # Construction Mgmt – Dan Buller
- KSPS Cable Educational Access Agreement – John Delay
- CME Cable Channel Agreement with Community Minded Enterprises – John Delay
- PEG SBO – John Delay
- Mitchell Humphrey – Annual Support and Upgrades – ITSD
- Accela, Inc – Annual Maintenance Support - ITSD

**IV. Council Requests**

- SERS Pension Update (10 Minutes) Phil Tencick
  - Funded Status
  - Contribution Rates for 2019
- Fund Balance Recommendations (80% min for 2018) Gavin/Tim/Candace
- Skillssoft Results (10 Minutes) Chris Cavanaugh

**V. Staff Requests**

1. WTE Lease (5 min) Ed Lukas
2. Clerk III Hire Ahead (5 min) Dan Kegley/Tim
3. Financial Update (10 min)
  - A. Economic Policy & Forecasting Update Gavin Cooley
4. IT Update (10 min) Eric Finch

VI. **Executive Session:**

VII. **Adjournment:**

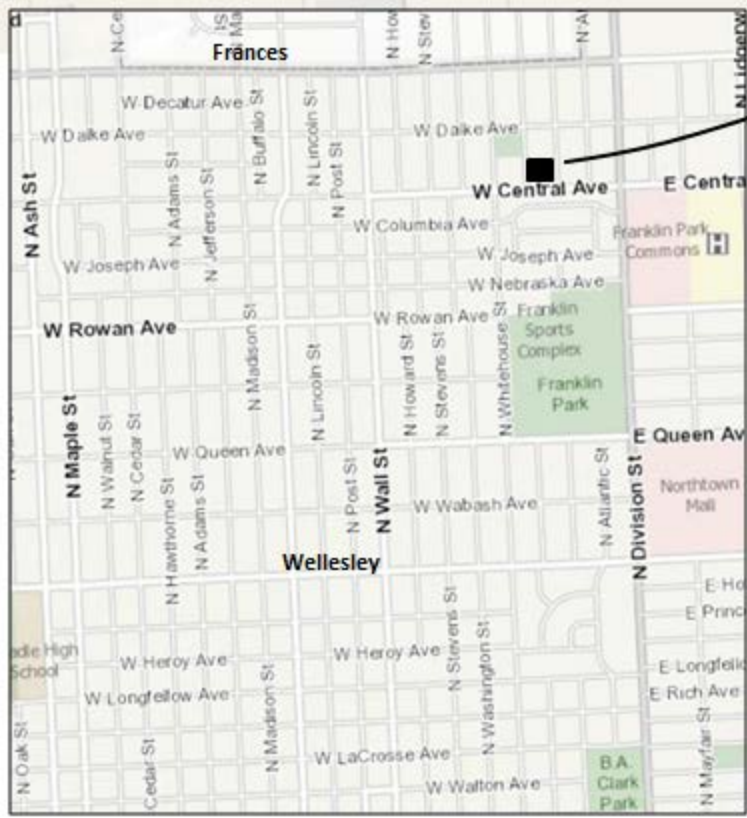
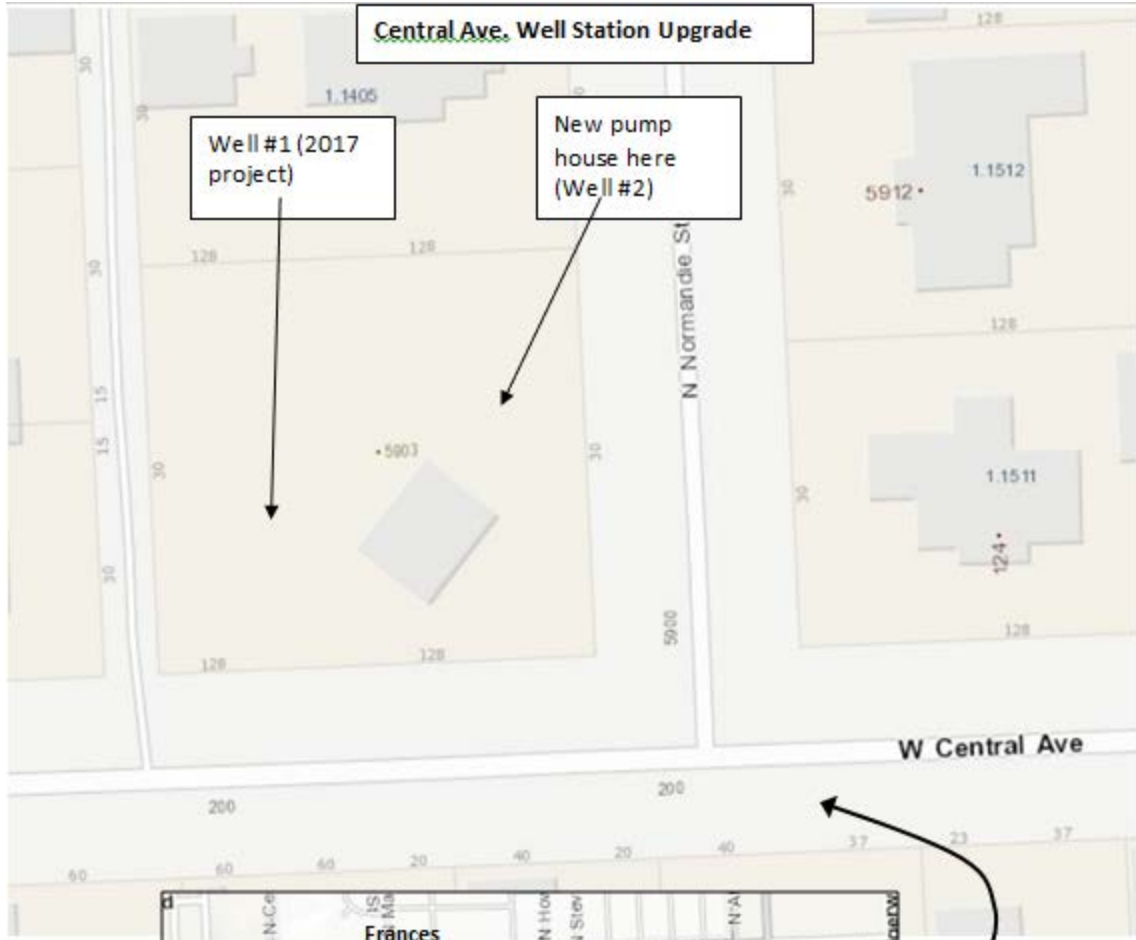
**Next Finance & Technology Committee meeting will be on Monday, June 18, 2018.**

***AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6363, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [msteinolfson@spokanecity.org](mailto:msteinolfson@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.***

## Briefing Paper

### Finance & Administration

<b>Division &amp; Department:</b>	Public Works, Engineering
<b>Subject:</b>	Project 2016133 - Central Ave. Well #2 Construction Management
<b>Date:</b>	5-21-18
<b>Contact (email &amp; phone):</b>	Dan Buller (dbuller@spokanecity.org 625-6391)
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Scott Simmons
<b>Committee(s) Impacted:</b>	PIES
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This project is in the 6 year water plan
<b>Strategic Initiative:</b>	Innovative Infrastructure
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approval of construction contract
<b>Background/History:</b>	
<ul style="list-style-type: none"> <li>• Central Ave. Well #2 was bid in late 2017 and awarded in January this year.</li> <li>• The project replaces the existing 50+ year old submersible motor, pumps and below ground vault with an above ground building and vertical turbine line shaft pumps.</li> </ul>	
<b>Executive Summary:</b>	
<ul style="list-style-type: none"> <li>• Due to the large volume of construction being overseen by Engineering Services' Construction Management office, we propose to hire the design engineer for the project, MurraySmith, to assist in construction management for the project.</li> <li>• The proposed budget for these services is \$61,500 which would be paid by water dept funds.</li> </ul>	
<b>Budget Impact:</b>	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	
If new, specify funding source:	
Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	
Specify changes required:	
Known challenges/barriers:	



Enlarged Area

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

An ordinance amending Ordinance No. C-35565, passed by the City Council December 11, 2017, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2018, making appropriations to the various funds, departments, and programs of the City of Spokane government for the fiscal year ending December 31, 2018, and providing it shall take effect immediately upon passage", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2018 budget Ordinance No. C-35565, as above entitled, and which passed the City Council December 11, 2017, it is necessary to make changes in the appropriations of the Channel Five Equipment Reserve Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the General Fund, and the budget annexed thereto with reference to the General Fund, the following changes be made:

FROM:	1940-99999-99999-	Channel Five Unappropriated Reserves	<u>\$ 40,000</u>
TO:	1940-37330-18900-54201	Contractual Services	\$ 40,000

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to add additional funds for CMTV PEG Capital and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage..

Passed the City Council \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest: \_\_\_\_\_  
City Clerk

Approved as to form: \_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date



**CITY OF SPOKANE**

**Title: AMENDMENT NO. 11 TO COMMUNITY-MINDED ENTERPRISES (CME) CABLE CHANNEL FRANCHISE AGREEMENT**

This Amendment No. 11 to Agreement is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and COMMUNITY-MINDED ENTERPRISES, whose address is 25 West Main Avenue, Suite 310, Spokane, Washington 99201, as "CME."

WHEREAS, the City has previously entered into an Agreement dated February 6, 2007, with Community Minded Enterprises (CME), a not for profit corporation organized under the laws of the State of Washington, wherein the City provided certain capital grant funds from "PEG" fees from the City's cable franchise (C-33571), together with limited operational support; and

WHEREAS, "CME" agreed to provide community programming on the cable channel designated for that purpose; and,

WHEREAS, the City has proposed and "CME" has accepted a capital grant fund reimbursement for 2018 from Comcast PEG monies, with the grant not involving funds other than PEG fees dedicated to such purposes under the Comcast franchise; and,

WHEREAS, "CME" has agreed to continue to provide community access cable programming and the continued operation of CME as Community Channel Manager is in the public interest;

-- NOW, THEREFORE, the parties agree as follows:

1. **DOCUMENTS.** The Agreement dated February 6, 2007, any previous amendments and/or extensions/renewals thereto are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

2. AMENDMENT No. 11: Section 3 of the Agreement is amended to include the following:

2018 CAPITAL FUNDING. Subject to applicable Franchise requirements as provided in the cable franchise between the City and the Comcast cable company (C-33571) for PEG Fee source expenditures, the City agrees to pay CME from the "PEG Fee" resource identified in Section 19 J of the franchise, a grant up to ONE HUNDRED TWENTY-EIGHT THOUSAND AND 00/100 DOLLARS (\$128,000.00) for capital expenditures for the calendar year 2018. Future grant funding at this value is not a guarantee, and is subject to change on a yearly basis.

- A. "CME" agrees to continue to present community programming on the cable channel designated for this purpose and represents to the City that it has adequate operational funding and other resources necessary to accomplish this function; and
- B. "CME" understands its obligation to be sure that all expenditures of PEG fee grant monies are consistent with any Comcast franchise restrictions for use of said monies. "CME" shall furnish the City with reasonable proof, upon request, that its use meets cable franchise requirements. In the event "CME" cannot do so to City's satisfaction, "CME" is responsible to reimburse the City any reduction in PEG funding obligations by Comcast under Section 19 J (4). "CME" further agrees to indemnify and hold harmless the City from any other loss or liability for failure to the City from failure to satisfy Comcast; and
- C. This is a grant from PEG fee resources only. Under no circumstances shall the City be independently liable to CME for payment of any sums under this agreement, directly or indirectly by way of reduction of other monies due and payable by Comcast.

3. FUNDING APPROVAL. PEG funds and expenses will be approved upon submission of expense receipts to the City.

Dated: \_\_\_\_\_

**CITY OF SPOKANE**

By: \_\_\_\_\_  
David A. Condon, Mayor

Dated: \_\_\_\_\_

**COMMUNITY-MINDED ENTERPRISES**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Email Address:

\_\_\_\_\_

Attest:

Approved as to form:



\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney





**City of Spokane**

**Title: AMENDMENT NO. 8 TO CABLE ACCESS  
AGREEMENT BETWEEN FRIENDS OF  
KSPS AND CITY OF SPOKANE**

THIS AGREEMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and Friends of KSPS, whose address is 3911 South Regal Street, Spokane, Washington 99223, as "KSPS."

WHEREAS, the City entered into an Agreement dated February 6, 2007, with Spokane School District 81 that provided PEG monies to KSPS for public educational programming, and the above mentioned agreement has been assigned from Spokane School District 81 to KSPS in 2013; and

WHEREAS, KSPS has agreed to continue to provide public educational television on the cable channel designated for that purpose; and

WHEREAS, City staff has proposed and KSPS has accepted capital grant fund reimbursement for 2018 needs from Comcast PEG monies with the grant not involving funds other than PEG fees dedicated to such purposes under the Comcast franchise; and

WHEREAS, KSPS has agreed to continue to public educational television programming and the continued operation of the channel is in the public interest;  
-- Now, Therefore,

The parties agree as follows:

1. **DOCUMENTS**. The Agreement dated February 6, 2007, any previous amendments and/or extensions/renewals thereto are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.
2. **2018 CAPITAL FUNDING**. Subject to applicable Franchise requirements as provided in the cable franchise between the City and the Comcast cable company (C-33571) for PEG Fee source expenditures, the City agrees to pay KSPS from the "PEG Fee" resource identified in Section 19 J of the franchise, a grant up to SIXTY THREE THOUSAND FOUR HUNDRED FIFTEEN DOLLARS

(\$63,415.00) for capital expenditures for the calendar year 2018. Future grant funding at this value is not a guarantee, and is subject to change on a yearly basis.

- A. KSPS agrees to continue to present community public programming on the cable channel designated for this purpose and represents to the City that it has adequate operational funding and other resources necessary to accomplish this function; and
- B. KSPS understands its obligation to be sure that all expenditures of PEG fee grant monies are consistent with any Comcast franchise restrictions for use of said monies. KSPS shall furnish the City with reasonable proof, upon request, that its use meets cable franchise requirements. In the event KSPS cannot do so to City's satisfaction, KSPS is responsible to reimburse the City any reduction in PEG funding obligations by Comcast under Section 19 J (4). KSPS further agrees to indemnify and hold harmless the City from any other loss or liability for failure to the City from failure to satisfy Comcast; and
- C. This is a grant from PEG fee resources only. Under no circumstances shall the City be independently liable to KSPS for payment of any sums under this agreement, directly or indirectly by way of reduction of other monies due and payable by Comcast.

3. FUNDING APPROVAL. PEG funds and expenses will be approved upon submission of expense receipts to the City.

Dated: \_\_\_\_\_

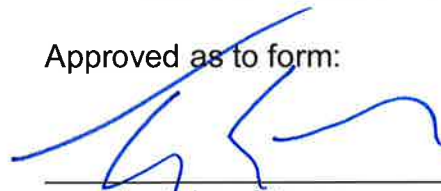
CITY OF SPOKANE

By: \_\_\_\_\_  
David A. Condon, Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Assistant City Attorney

Dated: \_\_\_\_\_

Friends of KSPS

Email Address: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

2018-1100

# Briefing Paper

## Finance & Administration Committee

<b>Division &amp; Department:</b>	Innovation and Technology Services Division
<b>Subject:</b>	Accela, Inc. Annual Maintenance Support
<b>Date:</b>	May 21, 2018
<b>Author (email &amp; phone):</b>	Michael Sloon, <a href="mailto:msloon@spokanecity.org">msloon@spokanecity.org</a> , 625-6468
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Eric Finch and Michael Sloon
<b>Committee(s) Impacted:</b>	Finance & Administration Committee
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	ITSD – Annual Maintenance Contract for Permitting, Licensing, and Software Program.
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	June 30, 2019
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Ongoing support
<b>Background/History:</b>	
<p><i>First of three one-year renewal options for annual maintenance support of the City's permitting and licensing software. This contract will allow the City to obtain software upgrades and receive Help Desk support. The Accela system is utilized by several City departments and processes one-time and renewable permits and licenses.</i></p>	
<b>Executive Summary:</b>	
<ul style="list-style-type: none"> <li>• Requesting an estimated amount of \$182,056.45 including tax for this contract based on a 2.99% annual increase.</li> <li>• 2017 contract amount was \$176,771.00.</li> <li>• Utilizing budget account # 5300-73300-18850-54820.</li> </ul>	
<b>Budget Impact:</b>	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

# Briefing Paper

## Finance & Administration Committee

<b>Division &amp; Department:</b>	Innovation and Technology Services Division
<b>Subject:</b>	Mitchell Humphrey & Co. Annual Support and Upgrades
<b>Date:</b>	May 21, 2018
<b>Author (email &amp; phone):</b>	Michael Sloon, <a href="mailto:msloon@spokanecity.org">msloon@spokanecity.org</a> , 625-6468
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Eric Finch and Michael Sloon
<b>Committee(s) Impacted:</b>	Finance and Administration Committee
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	ITSD – Annual Maintenance Contract for the Financial Management System (FMS).
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	June 30, 2019
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Ongoing support and upgrades
<b>Background/History:</b>	
<p><i>This contract provides the annual maintenance and support for the City's Financial Management System (FMS). This contract is necessary in order to obtain software upgrades for all modules and receive Help Desk support. Mitchell Humphrey is the only authorized firm to provide maintenance services on this software system. Included in this support are: General Ledger and related modules, Budget Ledger, Accounts Payable, Accounts Receivable-Invoicing, Purchasing and related modules, FMS-EXEC, Test Account, FMS Productivity Suite, AP, ACH Wire Transfer, and Credit Card Processing.</i></p>	
<b>Executive Summary:</b>	
<ul style="list-style-type: none"> <li>• Requesting \$93,856.32 including tax for this contract.</li> <li>• 2017 contract amount was \$91,217.92</li> <li>• Utilizing budget account # 5300-73300-18850-54820.</li> </ul>	
<b>Budget Impact:</b>	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify changes required: Known challenges/barriers:	

# Briefing Paper

## Finance & Administration Committee

<b>Division &amp; Department:</b>	Public Works Division; Wastewater Collection
<b>Subject:</b>	Clerk III hire ahead
<b>Date:</b>	May 21 <sup>th</sup>
<b>Contact (email &amp; phone):</b>	Dan Kegley <a href="mailto:dkegley@spokanecity.org">dkegley@spokanecity.org</a> 625 7821
<b>City Council Sponsor:</b>	Ben Stuckart
<b>Executive Sponsor:</b>	Scott Simmons
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget , Comp Plan, Policy, Charter, Strategic Plan)	
<b>Strategic Initiative:</b>	Innovative Initiative – Succession Planning and work force development
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	
<b>Background/History:</b>	
<p>Clerical duties for Wastewater Maintenance staff including a variety of routine clerical and office support activities requiring proficiency in basic word processing, spreadsheet, and database programs. Work requires the application of some independent judgment based upon knowledge gained through experience. Any errors committed are easily detected, but may cause some loss of time and departmental embarrassment. Employee has regular contact with outside sources to obtain or supply factual information. Duties are sedentary in nature, performed under normal working conditions, and require normal attention to prevent errors.</p>	
<b>Executive Summary:</b>	
<ul style="list-style-type: none"> <li>• The employee in the existing clerk position is retiring in January of 2019.</li> <li>• The duties in the clerk’s office in Wastewater Maintenance require training and succession planning.</li> <li>• This is to request hiring a FTE to be mentored and take over the position upon the retirement of the existing clerk.</li> <li>• Funding for this Hire Ahead position is available without accessing reserves.</li> <li>• Anticipated cost with overhead is \$75,846.60</li> </ul>	
<b>Budget Impact:</b>	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If new, specify funding source: Water/Wastewater Rates Other budget impacts: (revenue generating, match requirements, etc.)	
<b>Operations Impact:</b>	
Consistent with current operations/policy? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Requires change in current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	

Specify changes required:  
Known challenges/barriers:

# Briefing Paper

## Finance & Administration Committee

<b>Division &amp; Department:</b>	Asset Management / Finance
<b>Subject:</b>	8 <sup>th</sup> Amendment to WTE Lease
<b>Date:</b>	May 21, 2018
<b>Author (email &amp; phone):</b>	Ed Lukas / <a href="mailto:elukas@spokanecity.org">elukas@spokanecity.org</a> / x6286
<b>City Council Sponsor:</b>	Candace Mumm
<b>Executive Sponsor:</b>	Tim Dunivant
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan <ul style="list-style-type: none"> <li>Long term lease supporting Waste to Energy facility</li> </ul>
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Renew lease for additional 5 years.
<p><b>Background/History:</b> The City of Spokane entered into a lease with the Spokane Airport Board in July 1988 for an initial term of 23 years ending April 2011. The lease provided for the construction and operation of a Waste to Energy facility. Seven subsequent lease amendments modified the rent, parcel size, and lease expiration dates.</p> <p>The pending 8<sup>th</sup> lease amendment will extend the current lease expiration date of May 1, 2018 for 5 years to April 30, 2023. The lease has three 5-year renewal options.</p> <p>The annual rent during the ensuing lease renewal period is \$136,755.40 (\$.085 /sf of land) which the City will pay quarterly at \$34,188.85. This rent is the same amount the City has been paying since 2011.</p>	
<p><b>Executive Summary:</b></p> <ul style="list-style-type: none"> <li>8<sup>th</sup> Lease amendment extends expiration date from 5/1/18 to 4/30/23.</li> <li>No change in annual rent to Spokane Airport Board.</li> <li>Annual rent \$136,755.40.</li> <li>Lease extension reviewed and recommended by WTE Plant Manager, Chuck Conklin.</li> <li>Lease reviewed and approved as to form by City Assistant Attorney, James Richman.</li> </ul>	
<p><b>Budget Impact:</b></p> <p>Approved in current year budget? X Yes    <input type="checkbox"/> No</p> <p>Annual/Reoccurring expenditure? X Yes    <input type="checkbox"/> No</p> <p>If new, specify funding source:</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><b>Operations Impact:</b></p> <p>Consistent with current operations/policy? X Yes    <input type="checkbox"/> No</p> <p>Requires change in current operations/policy? <input type="checkbox"/> Yes    X No</p> <p>Specify changes required:</p> <p>Known challenges/barriers:</p>	



EIGHTH AMENDMENT  
TO THE LEASE AGREEMENT DATED JULY 14, 1988

THIS EIGHTH AMENDMENT OF LEASE, made and entered into, by and between SPOKANE AIRPORT, by and through its AIRPORT BOARD, created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, as a joint operation of the City and County of Spokane, municipal corporations of the State of Washington, hereinafter referred to as "Airport," and THE CITY OF SPOKANE, hereinafter referred to as "LESSEE".

WITNESSETH THAT:

WHEREAS, the Airport is the administrator and operator of SPOKANE INTERNATIONAL AIRPORT BUSINESS PARK, hereinafter referred to as "Airport Business Park", located in the City and County of Spokane, State of Washington, and operates the same for the promotion, accommodation and development of commercial and industrial purposes, air commerce and transportation; and

WHEREAS, the parties hereto did enter into a Lease Agreement, hereinafter referred to as "Agreement," dated July 14, 1988 and amended November 7, 1988, December 18, 1996, April 18, 2001, August 16, 2006, May 18, 2011, August 17, 2011 and January 26, 2012, whereby Lessee was granted the right to lease certain premises at the Airport Business Park for the purpose of constructing and operating a Waste To Energy Facility "Facility"; and

WHEREAS, the Lessee properly provided notice to exercise its first five (5) year option and Article I –Term; Article II – Options to Renew; Article IV – Rent and Article V – Rental Adjustments, shall be amended; and

NOW, THEREFORE, in consideration of the Premises provided herein, the rights and privileges and the mutual covenants and conditions herein contained and other valuable considerations, the parties hereto agree, for themselves, their successors and assigns, that the Agreement shall be amended as follows, effective May 1, 2018:

1. ARTICLE I - TERM, shall be amended in its entirety, so that as amended, it now reads:

"The term of this Agreement shall be five (5) years commencing May 1, 2018 and expiring April 30, 2023, unless sooner cancelled or terminated as hereinafter provided."

2. ARTICLE II - OPTIONS TO RENEW, shall be amended in its entirety, so that as amended, it now reads:

Lessee shall have the option to renew this Agreement for three (3) consecutive five (5) year periods. Should Lessee desire to exercise its renewal option, written notice of such intent must be given to the Airport not less than one (1) year prior to the expiration of the current term for successive renewals. The right of Lessee to extend the lease term shall be conditioned upon its not being in default under any of the terms, covenants or conditions of this Agreement or any

amendments thereto and with the full approval by all applicable government authorities, including but not limited to the Federal Aviation Administration or its successor agency and is in full compliance with all laws, rules, and regulations applicable to the activities, operations and maintenance of the Facility by Lessee at the time of renewal. Upon exercise of its option(s) to renew, the insurance requirements set forth herein shall be subject to adjustment by the Airport.”

3. ARTICLE IV – RENT, shall be amended in its entirety so that as amended it now reads:

“In consideration of the Premises herein demised, and the rights granted herein, Lessee agrees to pay the following rent:

A. For the first five (5) year option period, commencing May 1, 2018 and expiring April 30, 2023, Lessee shall pay \$0.085 per square foot per annum for One Million Six Hundred Eight Thousand Eight Hundred Eighty Seven (1,608,887) square feet.

B. The rent shall be paid in four quarterly installments of Thirty Four Thousand One Hundred Eighty Eight and 85/100 Dollars (\$34,188.85), payable in advance on the first day of each quarter during the term of the Agreement. The first quarterly installment is due July 1, 2018.

C. This amount does not include Washington State Leasehold Tax which Lessee is exempt from paying. Lessee agrees and accepts it is leasing approximately 36.93 acres of land or One Million Six Hundred Eight Thousand Eight Hundred Eighty Seven (1,608,887) square feet.”

4. ARTICLE V – RENTAL ADJUSTMENTS shall be amended in its entirety so that, as amended, it now reads:

A. In the event the option(s) to extend the term commencing May 1, 2023, as set forth in Article II – OPTIONS TO RENEW of this Agreement are exercised, the rental rate shall be adjusted effective on May 1<sup>st</sup> upon commencement of each five (5) year option period.

B. All such rental adjustments shall be made as follows:

Not later than June 1 of each calendar year prior to the effective date of the rental adjustment(s), either party desiring to renegotiate the current rent shall notify the other of its intent. The rental adjustment shall be based on the current fair market value of the land excluding improvements. In no event shall the rent be less than that for the previous adjustment period. In the event the parties hereto cannot agree on the rent to be charged for the ensuing five (5) year period, the parties shall retain either one appraiser chosen by mutual agreement or two independent appraisers. If the parties agree to select only one appraiser, the value determined by that appraiser shall be the rent charged for the affected period. In the event two appraisers are utilized, the rent for the five (5) year period shall be the average of the figures provided by the two appraisers, unless the difference between the two is greater than ten percent (10%). In such event, a third appraiser selected mutually by the parties, shall be retained. The two closest appraisals of the three shall be averaged and that value shall be the rent for the affected period. All costs incurred for the appraisals shall be shared equally by the parties hereto.”

5. All other terms and conditions, except those specified herein, shall remain in full force and effect and the provisions of this Amendment shall become a part of said Agreement upon execution as if fully written herein.

IN TESTIMONY WHEREOF, witness the signature of the parties hereto, the day and year first written below.


CITY OF SPOKANE

ATTEST:

\_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
City Clerk  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Assistant City Attorney  
Date: 4/19/18

SPOKANE AIRPORT BOARD:

APPROVED AS TO FORM:

\_\_\_\_\_  
By: Lawrence J. Krauter  
Chief Executive Officer  
Date: \_\_\_\_\_

\_\_\_\_\_  
Brian M. Werst  
General Counsel  
Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that Lawrence J. Krauter is the person who appeared before me, and said person acknowledged that he signed this instrument and stated that he was authorized to execute the instrument and acknowledged it as the Chief Executive Officer for the Spokane Airport Board to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument and stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Print Name \_\_\_\_\_  
My commission expires \_\_\_\_\_



Consistent with current operations/policy?

Yes

No

Requires change in current operations/policy?

Yes

No

Specify changes required:

Known challenges/barriers:

DRAFT

## Briefing Paper

### Finance & Administration Committee

<b>Division &amp; Department:</b>	Communication
<b>Subject:</b>	PEG SBO
<b>Date:</b>	5/8/18
<b>Author (email &amp; phone):</b>	John Delay <a href="mailto:jdelay@spokanecity.org">jdelay@spokanecity.org</a> 6355
<b>City Council Sponsor:</b>	Ben Stuckart
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	Finance and Administration
<b>Type of Agenda item:</b>	X Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This Ordinance helps fulfill a subsection of the City's Cable Franchise with Comcast to provide for Public Access Television.
<b>Strategic Initiative:</b>	Innovative Infrastructure
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	This SBO allocates more funding for the immediate needs of CMTV for additional studio upgrades. As part of the Franchise, CME operates CMTV at no additional charge, and viewable by Comcast Subscribers without the need for additional equipment beyond that required to receive the Basic Cable Tier.
<b>Background/History:</b> The City of Spokane Contracts with Community Minded Enterprises to operate CMTV 14, the City of Spokane's Community access Television Channel as part of the City's Cable Franchise with Comcast Cable. We are increasing this contract from \$88,000 to \$128,000 and need to increase funds for additional studio development.	
<b>Executive Summary:</b> Approval of this contract allows the City to fulfill Comcast Cable Franchise Requirements	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source:	

Other budget impacts: (revenue generating, match requirements, etc.)

Operations Impact:

Consistent with current operations/policy?

Yes

No

Requires change in current operations/policy?

Yes

No

Specify changes required:

Known challenges/barriers:

DRAFT



## Briefing Paper

### Finance & Administration Committee

<b>Division &amp; Department:</b>	Communication
<b>Subject:</b>	Cable Educational Access Agreement with the Friends of KSPS
<b>Date:</b>	5/2/18
<b>Author (email &amp; phone):</b>	John Delay <a href="mailto:jdelay@spokanecity.org">jdelay@spokanecity.org</a> 6355
<b>City Council Sponsor:</b>	Ben Stukart
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	X Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	This contract fulfills a subsection of the City's Cable Franchise with Comcast to provide for Public Access Television.
<b>Strategic Initiative:</b>	Innovative Infrastructure
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	As part of the Franchise, KSPS ensures that the (E) Educational Channels of the PEG Channels are provided to any subscriber, at no additional charge, and viewable by Comcast Subscribers without the need for additional equipment beyond that required to receive the Basic Cable Tier.
<b>Background/History:</b> The City of Spokane designates KSPS as the administrator of C.A.B.L.E. PEG funds under Section 19 subsection (b) of the City's Cable Franchise. KSPS prioritizes the Capital Equipment needs of the C.A.B.L.E then relays those requests on to the City for funding.	
<b>Executive Summary:</b> approval of this contract allows the City to fulfill Comcast Cable Franchise Requirements	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: Other budget impacts: (revenue generating, match requirements, etc.)	

Operations Impact:

Consistent with current operations/policy?

 Yes No

Requires change in current operations/policy?

 Yes No

Specify changes required:

Known challenges/barriers:

DRAFT

## Briefing Paper

### Finance & Administration Committee

<b>Division &amp; Department:</b>	Human Resources Department
<b>Subject:</b>	Contract extension with OMA through 12/31/2018
<b>Date:</b>	4/25/18
<b>Author (email &amp; phone):</b>	Chris Cavanaugh x6383
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b> (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Sustainable Resources
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	
<p><b>Background/History:</b> Our contract with Occupational Medical Associates (OMA) expired on April 26, 2018. Human Resources did receive approval from City Legal to extend the contract with OMA while a comprehensive and competitive Request for Proposals for the services provided by OMA is completed. That work will be done on or before December 31, 2018.</p>	
<p><b>Executive Summary:</b></p> <ul style="list-style-type: none"> <li>• <i>Requesting approval of contract extension with OMA.</i></li> </ul>	
<p><b>Budget Impact:</b></p> <p>Approved in current year budget?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Annual/Reoccurring expenditure?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>If new, specify funding source:</p> <p>Other budget impacts: (revenue generating, match requirements, etc.)</p>	
<p><b>Operations Impact:</b></p> <p>Consistent with current operations/policy?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Requires change in current operations/policy?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>Specify changes required:</p>	

Known challenges/barriers:

DRAFT

RESOLUTION

A RESOLUTION declaring Accela, Inc., provider of government enterprise software solutions for permitting and licensing, as a sole source for the maintenance of the City's permitting and licensing Software and authorizing a maintenance contract at an annual cost of \$182,056.45 including tax.

WHEREAS the City acquired a permitting and licensing system from Accela, Inc. in 2006 after a detailed vendor selection process consisting of user evaluation, technical compatibility, vendor references and costs comparison; and

WHEREAS it is necessary to have a software maintenance contract in order to obtain software upgrades and receive Help Desk support which is of benefit to staff; and

WHEREAS Accela, Inc. is the only authorized firm to provide maintenance services on its software system; -- Now, Therefore,

BE IT RESOLVED by the City Council for the City of Spokane that it hereby declares Accela, Inc. a sole source for providing software maintenance services on the City's permitting and licensing software; and

BE IT Further RESOLVED that staff is hereby authorized to enter into a maintenance contract with Accela, Inc. without public bidding at a cost of \$182,056.45 including sales tax.

ADOPTED BY THE CITY COUNCIL ON \_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

RESOLUTION

A RESOLUTION declaring the Mitchell Humphrey & Co. a sole source for the maintenance of the City's Financial Management System (FMS) and authorizing a maintenance contract at an annual cost of \$93,856.32 including tax.

WHEREAS the City acquired a financial management system from Mitchell Humphrey & Co, in 1983, which is used for General Ledger, Accounts Payable, Accounts Receivable and Purchasing; and

WHEREAS it is necessary to have a software maintenance contract in order to obtain software upgrades for all modules and receive Help Desk support which is of benefit to staff; and

WHEREAS Mitchell Humphrey & Co. is the only authorized firm to provide maintenance services on its software system; -- Now, Therefore,

BE IT RESOLVED by the City Council for the City of Spokane that it hereby declares Mitchell Humphrey & Co. a sole source for providing software maintenance services on the City's Financial Management System; and

BE IT Further RESOLVED that staff is hereby authorized to enter into a maintenance contract with Mitchell Humphrey & Co without public bidding at a cost of \$93,856.32 including sales tax.

ADOPTED BY THE CITY COUNCIL ON \_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

# RETIREMENT VALUATION UPDATES

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City Council Finance Committee

May 21, 2018

**SERS**

Spokane Employees'  
Retirement System

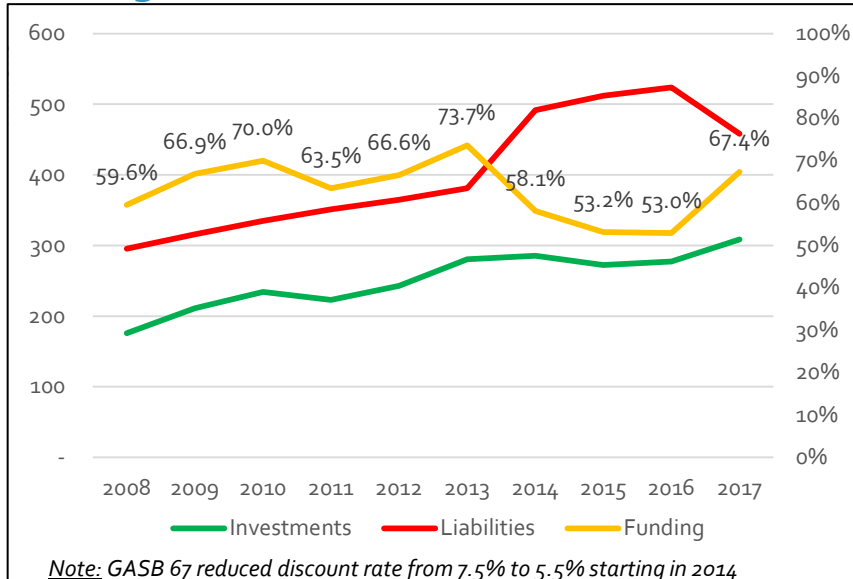
# Retirement Plans

	SERS	LEOFF I – Fire	LEOFF I - Police
<b>Description</b>	Defined benefit retirement plan for permanent non-uniform city employees	Defined benefit plan providing full medical and partial retirement benefits for firefighters hired before October 1, 1977	Defined benefit plan providing full medical and partial retirement benefits police officers hired before October 1, 1977
<b>Participants</b>	2,933 (1,444 active)	251 (1 active)	203 (1 active)
<b>Liabilities</b>	\$458.1M	\$67.6M	\$58.2M
<b>Assets</b>	\$308.7M	\$31.6M	\$0.9M
<b>Funding Ratio</b>	67.4%	46.7%	1.5%
<b>Annual Cost</b>	\$28.0M	\$4.4M	\$3.0M
<b>Funding Source</b>	EE & ER Contributions	General Fund	General Fund



# Key Plan Metrics - SERS

## Funding Status



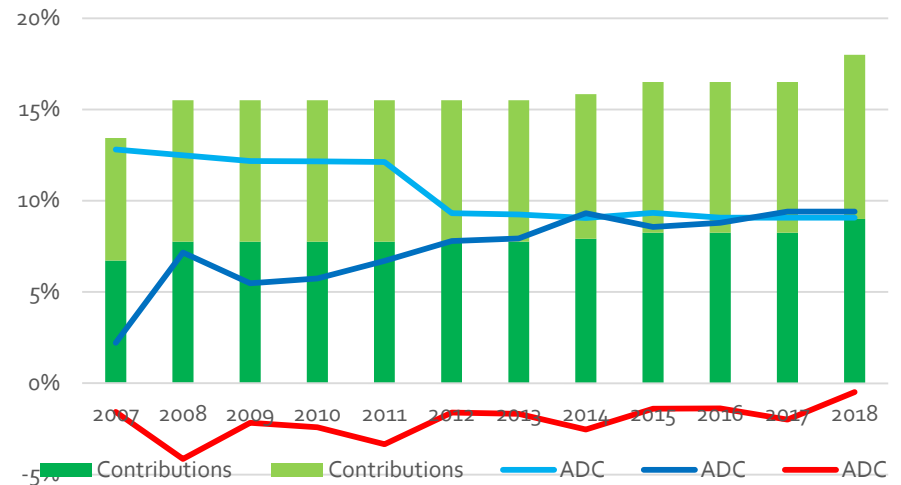
## Plan Demographics

	Number			Dollars ('000s)		
	2017	2016	Change	2017	2016	Change
Active	1,444	1,460	-1.1%	16,227	15,173	6.9%
Retired	1,376	1,342	2.5%	(26,891)	(25,738)	4.5%
Vested	113	109	3.7%	0	0	N/A
<b>Total</b>	<b>2,933</b>	<b>2,911</b>	<b>0.8%</b>	<b>(10,664)</b>	<b>(10,565)</b>	<b>0.9%</b>
Active Ratio	0.49	0.50		0.60	0.59	
Hurdle Rate				-3.8%	-3.9%	

## Funding Status by Tier

	Members	Liability (\$Ms)	Liability/Member	Assets (\$Ms)	Funding
Retired/Vested	1,467	271,938	185,370	279,999	63.7%
Active 5/50	800	167,951	209,939		
Active Rule 75	325	15,301	47,080	23,779	155.4%
Active Rule 80	319	2,929	9,183	4,858	165.8%
<b>Total</b>	<b>2,911</b>	<b>458,119</b>	<b>157,375</b>	<b>308,637</b>	<b>67.4%</b>

## Contribution History



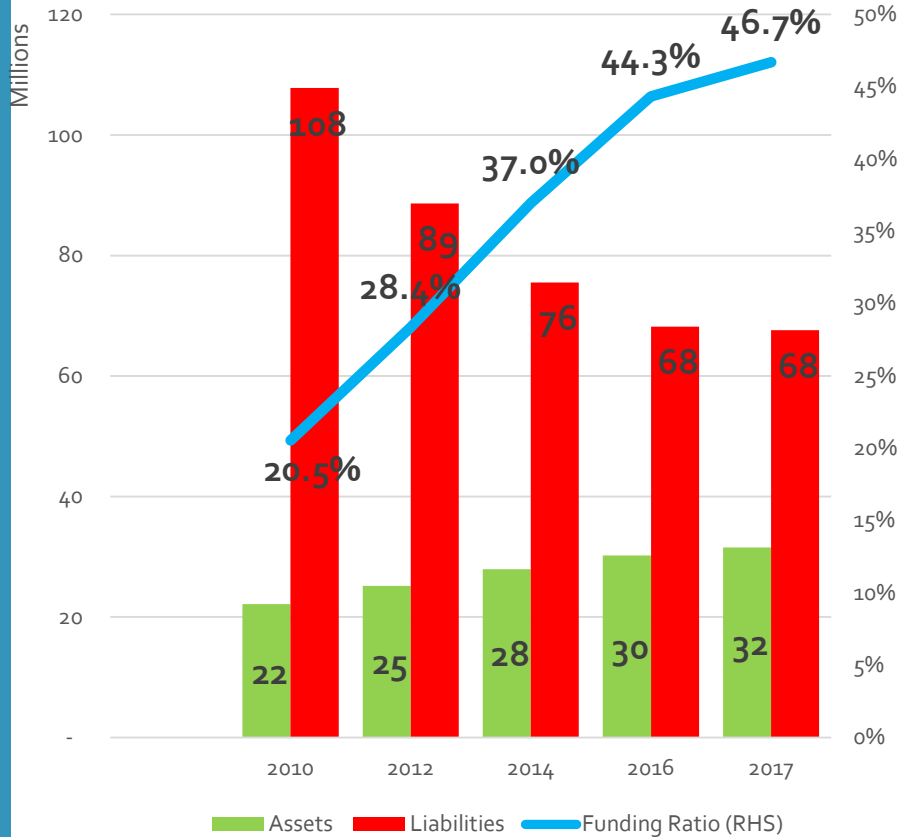
# SERS Net Liability Impacts



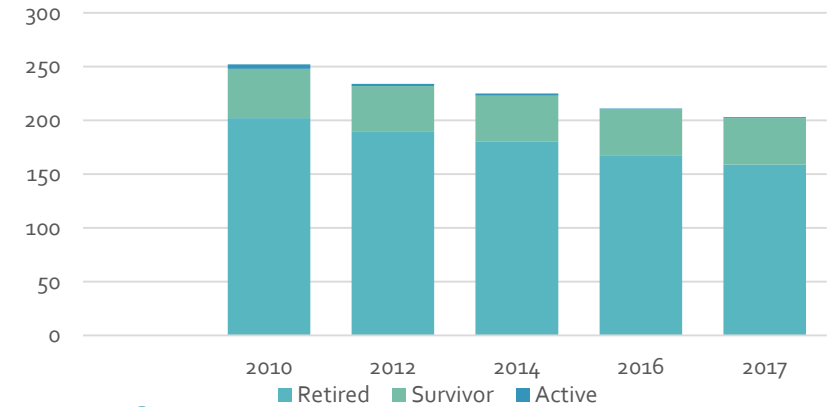
**Spokane Employees'  
Retirement System**

# Key Plan Metrics – LEOFF I Fire

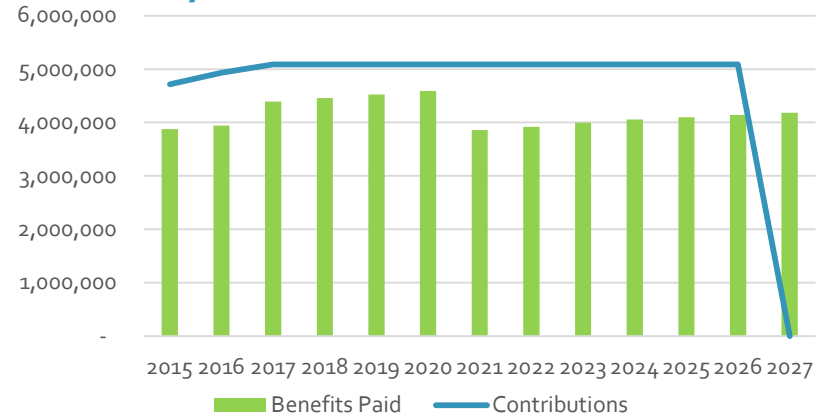
## Funding Status



## Plan Demographics

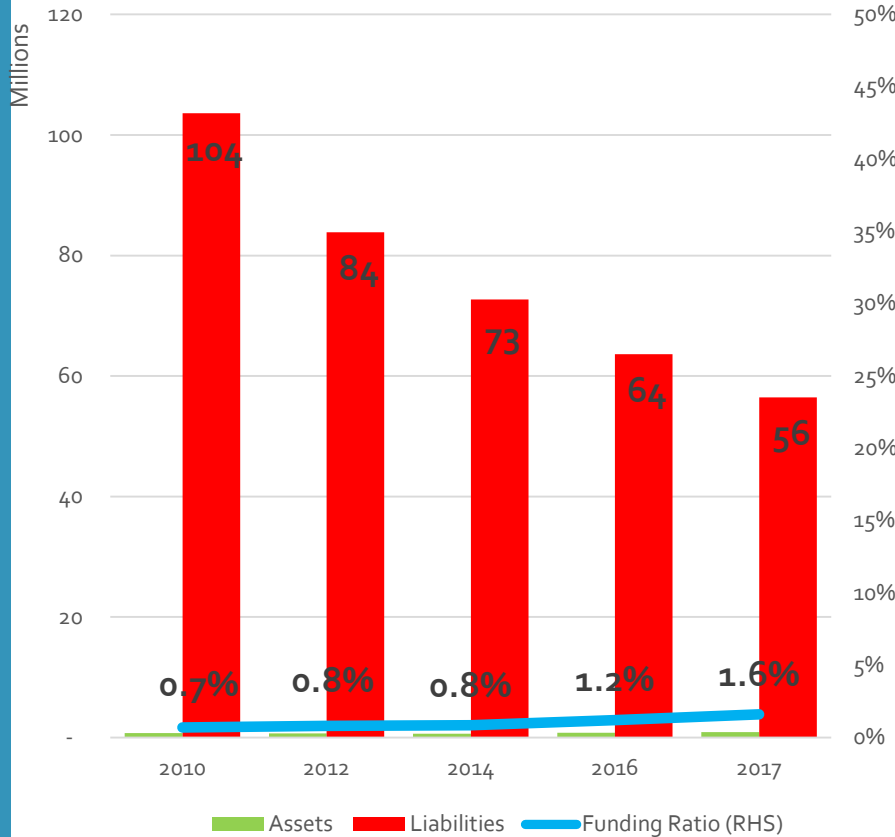


## Benefit Payments

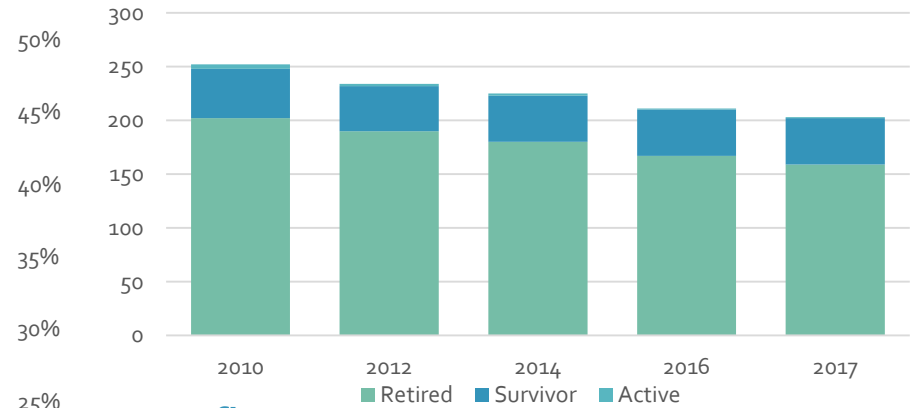


# Key Plan Metrics – LEOFF I Police

## Funding Status



## Plan Demographics



## Benefit Payments

