

**FINANCE & ADMINISTRATION  
COMMITTEE MEETING AGENDA FOR  
July 20, 2020  
1:15 p.m. –**

The Spokane City Council's Finance & Administration Committee meeting will be held at **1:15 p.m. on July 20, 2020** as a Webex Meeting, 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 June 15, 2020 Meeting**

**III. Consent Items**

- |                                                               |                   |
|---------------------------------------------------------------|-------------------|
| • Infinite Innovation Contract Extension                      | Dusty Fredrickson |
| • Updated Cable Franchise with Comcast                        | Marlene Feist     |
| • SIP Loan for Dental Clinic at the NE Community Center       | Michelle Hughes   |
| • HVAC Monitoring, Service and Repair Contract for CCC        | David Stockdill   |
| • Grant Contract for Spokane County FEMA Funding Isolation Op | Sally Stopher     |

**IV. Council Requests**

- |                                  |              |
|----------------------------------|--------------|
| • Ecology River Variance (5 min) | Kara Odegard |
|----------------------------------|--------------|

**V. Staff Requests**

- |                                          |                |
|------------------------------------------|----------------|
| • COVID Cost Update (15 min)             | Stopher/Benner |
| • Sales Tax Detail Report by sector      | Tyler Benner   |
| • Public Safety SIP Proposal (10 min)    | Tonya Wallace  |
| • Cost Containment Presentation (30 min) | Tonya Wallace  |

**VI. Standing Topic Discussions:**

- |                                                                                   |                   |
|-----------------------------------------------------------------------------------|-------------------|
| 1. 21 <sup>st</sup> Century Workforce (Frequency: May, July, September, November) | Human Resources   |
| 2. Quarterly Overtime Updates for Uniform (Frequency: Jan, July, Oct)             | Fire/Police Admin |
| 3. Quarterly Investment Update(Frequency: Jan, May, July, Oct) 10 min             | Jake Hensley      |
| 4. Intrafund Budget Transfer Report and General Fund Update (5 min)               | Paul Ingiosi      |
| 5. Monthly General Fund Report (5 min)                                            | Paul Ingiosi      |

6. Financial Update (10 min)
7. Budget Update - Process (5 min)

Paul Ingiosi  
Paul Ingiosi/Wallace

**VII. Executive Session:**

**VIII. Adjournment:**

**Next Finance & Administration meeting will be on Monday, August 17, 2020 at 1:15 p.m.**

***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.***

***“A good financial plan is a road map that shows us exactly how the choices we make today will affect our future” – Alexa Von Tobel***

## Briefing Paper

### Finance Committee

<b>Division &amp; Department:</b>	Office of Performance Management/Project Management Office
<b>Subject:</b>	Infinite Innovations – 2020 Contract Extension (SC 2020-0028)
<b>Date:</b>	7/20/2020
<b>Author (email &amp; phone):</b>	Dusty Fredrickson, PMO - Sr. Project Manager, x-6482
<b>City Council Sponsor:</b>	
<b>Executive Sponsor:</b>	Eric Finch, Chief Innovation & Technology Officer
<b>Committee(s) Impacted:</b>	Finance 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)	This agenda item supports the completion of the eSuite Legal Case Management solution.
<b>Strategic Initiative:</b>	Safe and Healthy
<b>Deadline:</b>	7/31/2020
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Committee approval of the following: <ol style="list-style-type: none"> <li>1) Extension of SC 2020-0028 through the end of 2020</li> <li>2) Allocation of PMO (5750) Contractual Services budget to fund the extension</li> </ol>
<b>Background/History:</b>	
<p>Infinite Innovations has been providing JustWare operational support and maintenance capacity since the beginning of 2020 while the ITSD Legal Case Management team supports the eSeries project.</p> <p>Extending this contract with funding will continue to provide the ITSD team with the backfill capacity required to continue moving the eSeries project to completion.</p> <p>Without this additional capacity, the ITSD team will be unable to support eSeries to the level required putting the project's completion at risk.</p>	
<b>Executive Summary:</b>	
Requesting approval to: <ol style="list-style-type: none"> <li>1) Extend SC 2020-0028 from August 31<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020</li> <li>2) Use \$41,000 of PMO Contractual Services budget to fund SC 2020-0028 to the end of the year</li> </ol> **This is a budget neutral request.	
<b>Budget Impact:</b>	
Approved in current year budget? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Annual/Reoccurring expenditure? <input type="checkbox"/> Yes <input checked="" 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 checked="" 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

### Public Infrastructure, Environment & Sustainability (PIES)

<b>Division &amp; Department:</b>	Communications Department
<b>Subject:</b>	Updated Cable Franchise with Comcast
<b>Date:</b>	7/27/2020
<b>Contact (email &amp; phone):</b>	Marlene Feist; <a href="mailto:mfeist@spokanecity.org">mfeist@spokanecity.org</a> ; (509) 625-6505
<b>City Council Sponsor:</b>	??
<b>Executive Sponsor:</b>	Marlene Feist, PW Director of Strategic Development
<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)	This franchise meets goals around technology availability and economic development.
<b>Strategic Initiative:</b>	Sustainable Resources
<b>Deadline:</b>	Summer 2020
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Approval of an updated cable franchise with provider Comcast.
<b>Background/History:</b>	
<p>Comcast has operated in the City of Spokane for some time. The last franchise with the company was entered into in 2005 and continued through November 2017. The franchise has been extended while negotiations for a new franchise proceeded. Comcast has been our only cable provider for some time, but this is a non-exclusive franchise for such services. Comcast has non-exclusive franchises for such services, even though it traditionally has been the only cable provider in the City. TDS Metrocom received a cable franchise earlier this year, which will provide citizens with additional choice.</p>	
<b>Executive Summary:</b>	
<p>The City's Legal and Communications departments have been meeting with representatives of Comcast to negotiate an updated cable franchise. Comcast's previous franchise with the City was approved in November 2005 and expired in November 2017; terms of the franchise were extended while negotiations for a new franchise have continued. The terms are consistent with those in the franchise of the City's new cable entrant, TDS Metrocom.</p> <p>With this, and other cable television franchises, the City is working to ensure that our City has modern systems capable of serving the future needs and interests of our citizens and businesses. The City wants to ensure the availability of community programming, maintain our public right of way, and provide broad access to services.</p> <p>Here are the highlights:</p> <ul style="list-style-type: none"> <li>• Franchise Term Length: 10 years</li> <li>• Franchise Fee: 5 percent</li> <li>• Utility Tax: 6 percent</li> <li>• PEG Channels: 6 channels (2 High-Definition and 4 Standard Definition Channels); CityCable 5 maintains the same location: Channel 5 in standard definition and Channel 325 in HD.</li> <li>• PEG Financial Support: 0.7% of gross revenues for PEG Capital costs. These fees support capital expenses associated with the City's government-access channels as well as Community Minded TV and Education Access channels.</li> <li>• Technology: As a legacy system that already serves the entire City, Comcast will maintain a hybrid fiber coaxial, fiber-to-the-node system architecture, capable of delivering high-quality</li> </ul>	

digital signals that meet or exceed FCC requirements.

- Service area: Comcast’s service area already includes the entire City, and annexed areas shall be provided service within 12 months of notification of the annexation.
- Other: Comcast will comply with the City’s pavement cut policy and similar policies and will comply with the customer service and related standards found in SMC 10.27.

**Budget Impact:**

Approved in current year budget?  Yes  No  N/A

Annual/Reoccurring expenditure?  Yes  No  N/A

If new, specify funding source:

Other budget impacts:

**Operations Impact:**

Consistent with current operations/policy?  Yes  No  N/A

Requires change in current operations/policy?  Yes  No  N/A

Specify changes required:

Known challenges/barriers:

## Briefing Paper

### Finance and Administration Committee

<b>Division &amp; Department:</b>	Accounting
<b>Subject:</b>	SIP Chas Dental Clinic Construction @ East Central Community Center
<b>Date:</b>	7/15/19
<b>Contact (email &amp; phone):</b>	Michelle Hughes <a href="mailto:mhughes@spokanecity.org">mhughes@spokanecity.org</a>
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Carly Cortwright
<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)	Strategic Plan, Budget
<b>Strategic Initiative:</b>	Public Safety and Community Health; Urban Experience
<b>Deadline:</b>	July 15, 2020
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Resolution to approve a SIP Loan for construction of the Chas Dental Clinic
<b>Background/History:</b>	
<p><i>Resolution for a \$912,000 SIP Loan to finance the final phase of construction of the Chas Dental Clinic.</i></p> <p><i>Total Cost of the project is \$ 2,147,000 being funded by a Department of Commerce Grant and CDBG funding and SIP dollars not to exceed \$ 912,000.</i></p> <p><i>Debt service payments for this SIP will be funded with the future lease payments made by CHAS which will occupy the finished space to provide dental services in the East Central Community.</i></p>	
<b>Budget Impact:</b>	
Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A was approved in 2018 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:	

## Briefing Paper

<b>Division &amp; Department:</b>	Finance & Finance
<b>Subject:</b>	SBO – Dental Clinic
<b>Date:</b>	7/15/20
<b>Contact (email &amp; phone):</b>	Michelle Hughes <a href="mailto:mhughes@spokanecity.org">mhughes@spokanecity.org</a>
<b>City Council Sponsor:</b>	CM Wilkerson
<b>Executive Sponsor:</b>	Carly Cortwright
<b>Committee(s) Impacted:</b>	Finance and Administration
<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)	Strategic Planning
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Special Budget Ordinance for Loan proceeds to be spent on Construction of Dental Clinic
<b>Background/History:</b>	
<i>Special Budget Ordinance to add budget capacity for construction of the Chas Dental Clinic located in the East Central Community.</i>	
<b>Budget Impact:</b>	
Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A was approved in 2018	
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:	

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

An ordinance amending Ordinance No. C-35857, passed by the City Council December 16, 2019, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2020, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2020, declaring a public emergency, and providing it shall take effect immediately upon passage under Section 16(D) of the City Charter as necessary for the immediate support of the public health, safety, and welfare of the citizens of Spokane", and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2020 budget Ordinance No. C-35857, as above entitled, and which passed the City Council December 16, 2019, it is necessary to make changes in the appropriations of the Property Acquisition 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 Property Acquisition Fund, and the budget annexed thereto with reference to the Property Acquisition Fund, the following changes be made:

FROM:	5901-79217	Property Acquisition -	
	99999-38271-84118	Loan Proceeds	<u>\$ 912,000</u>
TO:	5901-79217	Property Acquisition -	
	94000-56301	Capital Expenditures	<u>\$ 912,000</u>

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 for the Property Acquisition Fund to interfund loan the General fund to finance the construction of the Chas Dental Clinic, 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, WASHINGTON

CHAS EAST CENTRAL DENTAL CLINIC PROJECT  
LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2020 (TAXABLE)

---

RESOLUTION NO. 2020-\_\_\_\_\_

A RESOLUTION of the City of Spokane, Washington, providing for the issuance and sale of a taxable Limited Tax General Obligation Bond in the aggregate principal amount of not to exceed \$912,000 to secure an interfund loan from the Spokane Investment Pool to the Asset Management Fund to finance a portion of the costs of the acquisition, construction and installation of the CHAS East Central Dental Clinic Project; fixing the date, form, maturity, interest rate, terms and covenants of the bond; establishing the provisions for repayment of the interfund loan established thereby; authorizing the sale and delivery of the bond to the City, and providing for other matters properly relating thereto.

ADOPTED \_\_\_\_\_, 2020

PREPARED BY:

MCALOON LAW, PLLC  
Spokane, Washington

CITY OF SPOKANE, WASHINGTON

CHAS EAST CENTRAL DENTAL CLINIC PROJECT  
LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2020 (TAXABLE)  
RESOLUTION NO. 2020-\_\_\_\_\_

TABLE OF CONTENTS\*

	<u>Page</u>
Section 1. Definitions.....	2
Section 2. Plan of Capital Acquisitions .....	4
Section 3. Authorization and Description of Bond .....	4
Section 4. Sale of Bond.....	5
Section 5. Application of Bond Proceeds .....	5
Section 6. Pledge of Funds and Credit.....	6
Section 7. Registration and Payments.....	6
Section 8. Execution and Authentication of Bond .....	6
Section 9. Form of Bond .....	7
Section 10. Ongoing Disclosure.....	9
Section 11. Prior Acts .....	9
Section 12. Severability .....	9
Section 13. Effective Date .....	10

---

\* This Table of Contents and the cover page are not a part of the following Resolution and are included only for the convenience of the reader.

CITY OF SPOKANE, WASHINGTON

RESOLUTION NO. 2020-\_\_\_\_\_

A RESOLUTION of the City of Spokane, Washington, providing for the issuance and sale of a taxable Limited Tax General Obligation Bond in the aggregate principal amount of not to exceed \$912,000 to secure an interfund loan from the Spokane Investment Pool to the Asset Management Fund to finance a portion of the costs of the acquisition, construction and installation of the CHAS East Central Dental Clinic Project; fixing the date, form, maturity, interest rate, terms and covenants of the bond; establishing the provisions for repayment of the interfund loan established thereby; authorizing the sale and delivery of the bond to the City, and providing for other matters properly relating thereto.

WHEREAS, the Community Health Association of Spokane has requested a loan from the Spokane Investment Pool (“SIP”) in the amount of not to exceed \$912,000 to temporarily finance a portion of the costs of the acquisition, construction and installation of the CHAS Dental Clinic at East Central; and

WHEREAS, pursuant to chapters 35.22, 39.36 and 39.46 RCW and Article XIII of the City Charter, the City is authorized to issue general obligation bonds for the purpose of financing a portion of the costs of the acquisition, construction and installation of the CHAS East Central Dental Clinic Project (as defined below); and

WHEREAS, RCW 35.39.030(4) and Sections 5.8.5 and 5.12.1 of the City's Administrative Policy and Procedure for Investments (“Investment Policy”) authorize the City Treasurer to purchase general obligation bonds or other bonds issued by the City as defined in Section 4.9 of the Investment Policy; and

WHEREAS, the City desires to secure the interfund loan obligation to the SIP with a bond issued by the City.

NOW THEREFORE, BE IT RESOLVED by the City Council as follows:

Section 1.     Definitions. As used in this resolution the following words shall have the following meanings:

***Annual Debt Service*** for any fiscal year or calendar year means the sum of the interest and principal due in such year on the Bond. If the interest rate on any such Bond is other than a fixed rate, the rate applicable at the time of the computation shall be used.

***Asset Management Fund*** means the City's existing special fund of the same name into which all revenues collected for and allocated to the payment of the principal and interest the Bond shall be deposited into a separate account for such purpose; and into which the principal proceeds received from the sale and delivery of the Bond shall be paid into a separate account within the Asset Management Fund and used to pay a portion of the costs of the CHAS East Central Dental Clinic Project.

***Bond*** means the City of Spokane CHAS East Central Dental Clinic Project Limited Tax General Obligation Bond, Series 2020 (Taxable), issued pursuant to this resolution in the aggregate principal amount of not to exceed \$912,000 to establish and secure the interfund loan facility authorized herein.

***Bond Owner or Registered Owner*** means the City of Spokane, as payee, for the benefit of the Spokane Investment Pool.

***Bond Registrar*** means the Treasurer or any successor appointed by the Treasurer.

***Bond Year*** means the twelve (12) month period beginning on the date of issuance of the Bond.

***CHAS East Central Dental Clinic Project*** means the acquisition, construction and installation of a 4,000 square foot dental clinic with seven (7) operatories, centrally and strategically located on the shared campus of the MLK Center and SE Daycare center.

***City*** means the City of Spokane, Spokane County, Washington, a charter code city duly organized and existing under the laws of the State of Washington and its City Charter.

**City Council** means the general legislative authority of the City as the same shall be duly and regularly constituted from time to time.

**Maturity Date** means a date not to exceed five years from the date of issuance of the Bond.

**Permitted Investments** means any investments of City funds permitted under the laws of the State of Washington or the City's Investment Policy as amended from time to time.

**SIP** means the Spokane Investment Pool.

**SIP Internal Lending Rate** means an interest rate formula for the interfund lending of funds from the Spokane Investment Pool, calculated on the date of issuance of the Bond as follows: a rate equivalent to the United States Treasury Rate of like maturity plus 50 basis points (.50%).

**Treasurer** means the Treasurer of the City, or any successor to the functions of the Treasurer.

**Rules of Interpretation.** In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neutral genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Plan of Capital Acquisitions. The CHAS East Central Dental Clinic Project will be undertaken in accordance with specifications, contracts and lease agreements approved by the Mayor and the City Council or their designees from time to time.

It is hereby provided that the CHAS East Central Dental Clinic Project shall be subject to such changes and additions as may be authorized by the City Council during the annual budget process. Presently, the total estimated cost of the CHAS East Central Dental Clinic Project does not exceed \$912,000 over the five year scheduled acquisition period.

Section 3. Authorization and Description of Bond. To finance a portion of the costs of the CHAS East Central Dental Clinic Project, the City shall issue a taxable limited tax general obligation bond of the City to the Spokane Investment Pool (the “SIP”) in the principal amount of not to exceed \$912,000 (the “Bond”) to establish and secure an interfund loan facility with the SIP of not to exceed \$912,000. The Bond shall be dated as of the date of delivery to the SIP, shall be in the denomination of not to exceed \$912,000, shall be fully registered as to principal and interest, shall be numbered in such manner and with any additional identification as the Bond Registrar deems necessary for identification, and shall mature on the Maturity Date. Both principal of and interest on the Bond shall be paid semiannually on each June 1 and December 1, commencing December 1, 2020. On the Maturity Date, the remaining principal of and any accrued interest on the Bond shall be paid in full.

The Bond shall bear interest at the applicable SIP Internal Lending Rate in effect on the date of issuance of the Bond and shall be calculated on the basis of a year of 30/360 days. The Bond shall be amortized to create approximately level debt service based on semiannual payments of principal and interest, with final payment of principal and all accrued interest on the Maturity Date. The SIP

shall provide an amortization schedule detailing the principal and interest payment amounts and dates, including the Maturity Date, and attach such schedule as an exhibit to the Bond.

Section 4.      Sale of Bond.

(a)      *Approval of Sale.* The City Council hereby approves the SIP's offer to purchase the Bond to establish and secure an interfund loan for the benefit of the Asset Management Fund for the capital acquisition purposes of the CHAS East Central Dental Clinic Project and on the terms set forth in this resolution. The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bond to the City of Spokane for the benefit of the SIP.

(b)      *Option for Early Call.* At its sole discretion, the SIP may call the Bond on August 1 of any year. The SIP must give notice to the City by July 1 of each year, beginning July 1, 2020, if it intends to call the Bond on the succeeding August 1 (the "Early Call Date"). The Bond may be paid in full on the Early Call Date in cash or with proceeds of a refunding bond.

(c)      *Prepayment.* The Bond may be prepaid, in whole or in part, at par plus accrued interest to the date fixed for prepayment. No notice of prepayment to the Registered Owner is required. Interest on prepaid principal shall cease to accrue on the date of prepayment.

Section 5.      Application of Bond Proceeds. The proceeds of the interfund loan secured by the Bond shall be expended solely to pay a portion of the costs of the CHAS East Central Dental Clinic Project and pay the costs of issuing the Bond, as authorized herein. There has previously been created in the office of the Treasurer a special fund known as the Asset Management Fund (the "Project Fund"). The proceeds of the interfund loan secured by the Bond shall be paid into the Project Fund to provide for the payment of a portion of the costs of the CHAS East Central Dental Clinic Project and the payment of expenses incidental thereto. The Treasurer may invest any funds in the Project Fund temporarily in Permitted Investments that will mature prior to the date on which such money shall be needed. Earnings on such investments shall accrue to the benefit of the Project Fund.

The proceeds of the interfund loan secured by the Bond shall be expended solely to pay a portion of the costs of the CHAS East Central Dental Clinic Project or pay costs of issuance of the interfund loan secured by the Bond.

Section 6. Pledge of Funds and Credit. To pay principal of and interest on the Bond as the same shall become due, the City hereby irrevocably covenants that it will deposit money in the SIP from the Asset Management Fund and other legally-available funds of the City in amounts sufficient to pay when due the principal of and interest on the Bond. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the prompt payment of such principal and interest as necessary to repay the interfund loan.

Section 7. Registration and Payments. The Treasurer shall act as authenticating agent, paying agent and registrar for the Bond (the "Bond Registrar"). Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Payments of principal of and interest on the Bond shall be paid by interfund transfer, check, wire or electronic transfer. Final payment of all principal of and interest on the Bond shall be paid upon presentation and surrender of the Bond to the Bond Registrar. The Bond is not transferable.

Section 8. Execution and Authentication of Bond. The Bond shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and the seal of the City shall be impressed thereon. In case any of the officers who shall have signed or attested the Bond shall cease to be such officer before such Bond has been actually issued and delivered, such Bond shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had signed or attested such Bond had not ceased to be such officers.

Only a Bond that bears a Registration Certificate in the form set forth in Section 9 hereof, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Registration Certificate shall be conclusive evidence that the



Project. Capitalized terms not otherwise defined in this Bond shall have the meanings given such terms in the Bond Resolution.

Interest on the interfund loan established hereunder shall be determined as of the date of issuance of the Bond, shall be set at the SIP Internal Lending Rate, and shall be calculated on the basis of a year of 30/360 days.

Both principal of and interest on this Bond are payable in lawful money of the United States of America on the dates and in the amounts set forth in the amortization schedule attached hereto as Exhibit A. Upon final payment of all installments of principal and interest thereon, this Bond shall be submitted to the Treasurer of the City (the "Bond Registrar") for cancellation and surrender. Installments of principal of and interest on this Bond shall be paid by interfund transfer or by check or draft mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register.

This Bond is not transferable.

The City reserves the right to prepay principal of this Bond in advance of the scheduled payments set forth above, in whole or in part, at any time, with no prepayment penalty in accordance with the terms of the Bond Resolution.

To pay installments of principal of and interest on this Bond as the same shall become due, the City hereby irrevocably covenants that it will deposit funds from Project Fund and other legally-available funds in the SIP in amounts sufficient to pay such principal and interest.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Registration Certificate hereon shall have been manually signed by the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this Bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Spokane, Washington, has caused this bond to be signed with the facsimile or manual signature of the Mayor, to be attested by the facsimile or manual signature of the City Clerk, and the corporate seal of the City to be reproduced hereon, as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF SPOKANE, WASHINGTON

By \_\_\_\_\_ /s/ \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
/s/  
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is the CHAS East Central Dental Clinic Project Limited Tax General Obligation Bond, Series 2020 (Taxable) of the City dated \_\_\_\_\_, 20\_\_ described in the within-mentioned Bond Resolution.

TREASURER of the City of Spokane, as  
Bond Registrar

By \_\_\_\_\_ /s/ \_\_\_\_\_

Section 10. Ongoing Disclosure. The Bond secures an interfund loan. The City has determined that the Bond is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the City makes no undertaking regarding ongoing disclosure with respect to the Bond.

Section 11. Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 12. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 13.    Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

CITY OF SPOKANE  
Spokane County, Washington

\_\_\_\_\_  
Breean Beggs, Council President

ATTEST:

\_\_\_\_\_  
Terri L. Pfister, Clerk

\_\_\_\_\_  
Mayor

(SEAL)

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Laura D. McAloon, Bond Counsel

## Briefing Paper (Finance and Administration)

<b>Division &amp; Department:</b>	Fire
<b>Subject:</b>	HVAC Monitoring, Service and Repair Contract for Combined Communications Building, SFD Training and SFD Maintenance/Inland Northwest Health Services (INHS)
<b>Date:</b>	July 20, 2020
<b>Author (email &amp; phone):</b>	<a href="mailto:dstockdill@spokanecity.org">dstockdill@spokanecity.org</a> 435-7080
<b>City Council Sponsor:</b>	CM Kinnear
<b>Executive Sponsor:</b>	Brian Schaeffer
<b>Committee(s) Impacted:</b>	Public Safety and Community Health; 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)	Capital Improvement Plan, FD Strategic Plan Goal #7 <i>Provide a high state of readiness of apparatus and equipment to ensure response to the needs of our customers in a safe and efficient manner – obtain timely repairs and upgrades to fire stations and other facilities.</i>
<b>Strategic Initiative:</b>	Public Safety and Community Health
<b>Deadline:</b>	July 31, 2020
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Establish a multi-year contract with Control Solutions Northwest (CSN) for the Monitoring, Service and Repair of HVAC systems at Combined Dispatch, SFD Training and SFD Maintenance/INHS
<b>Background/History:</b> Control Solutions Northwest (CSN) has provided monitoring and service for the HVAC systems at these facilities and recently completed an upgrade to the control systems. Since much of this equipment is proprietary, (CSN is the regional Sole Source Provider of Schneider branded components) it makes sense for CSN to continue providing this service. The inclusion of repairs into the monitoring/service contract yields efficiencies in billing and cost savings for the City.	
<b>Executive Summary:</b>	
<ul style="list-style-type: none"> <li>• <b>Cost Savings</b>—Combining monitoring, service and repair within one contract with a sole vendor simplifies invoicing and billing and reduces overall cost to the City.</li> <li>• <b>Annual Cost</b>— This is a five-year contract: three years initially with the option for, two, one-year extensions. A maximum annual expenditure of \$60,000 (including tax) was determined based on prior year expenditures. Approximately half of this amount is a fixed cost for monitoring and service. The other half is allocated for repair and is based on CSN hourly repair rates. A 25% increase over prior year repair expenditures was calculated as repair costs continue to increase as the equipment ages.</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 checked="" 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: None Known challenges/barriers: None	



**City of Spokane**  
**Preventative Maintenance  
AGREEMENT**  
**Title: HVAC PREVENTATIVE MAINTENANCE, MONITORING AND REPAIRS FOR SPOKANE FIRE DEPARTMENT AND DISPATCH CENTER FACILITIES**

This Contract is made and entered into by and between the **CITY OF SPOKANE**, a Washington municipal corporation, as (“City”) and **CONTROL SOLUTIONS NORTHWEST, INC.**, whose address is 7222 East Nora, Spokane, Washington, 99212, as (“Contractor”), individually hereafter referenced as a “party”, and together as the “parties”.

*WHEREAS, the City of Spokane’s Fire Department desires to provide for the care and maintenance of its HVAC system for Spokane Fire Department Facilities and Dispatch Center,*

*NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance of the Scope of Work contained herein, the City and Contractor mutually agree as follows:*

**1. SCOPE OF WORK.**

The Contractor’s General Scope of Work for this Contract is described in the Contractor’s Support Services Agreement at Exhibit B, which is attached to and made a part of this Contract. In the event of a conflict or discrepancy in the Contract documents, this City Maintenance Agreement controls. The Contractor will do all work, furnish all labor, materials, tools, construction equipment, transportation, supplies, supervision, organization and other items of work and costs necessary for the proper execution and completion of the work described in the specifications entitled **PERFORM HVAC MAINTENANCE, MONITORING & REPAIRS** at:

- |                                                     |                                   |
|-----------------------------------------------------|-----------------------------------|
| 1610 N. Rebecca INHS/SFD Maintenance Bld.<br>Center | 1620 N. Rebecca Combined Dispatch |
| 1618 N. Rebecca SFD Training Admin. Bld.            | 1614 N Rebecca Field House        |

The Work is subject to City review and approval. The Contractor shall confer with the City periodically, and prepare and present information and materials (e.g. detailed outline of completed Work) requested by the City to determine the adequacy of the Work or Contractor’s progress.

**2. TERM OF AGREEMENT**

The term of this Agreement begins on July 1, 2020, and ends on June 30, 2023, unless amended by written agreement or terminated earlier under the provisions. The contract may be renewed for two (2) additional one-year contract periods with the total contract period not to exceed five (5) years.

### 3. COMPENSATION / PAYMENT.

Total compensation for Contractor's services under this Contract shall be a maximum amount not to exceed **ONE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00)**, \$97,455.51 for Monitoring and Maintenance, and \$82,544.49 for HVAC repairs, including applicable taxes, in accordance with the billing rates stated in Contractors Quote, unless modified by a written amendment to this Contract. This is the maximum amount to be paid under this Contract for the work described in Section 3 above, and shall not be exceeded without the prior written authorization of the City in the form of an executed amendment to this Contract.

The Contractor shall submit its applications for payment to City of Spokane Fire Department., 44 West Riverside Avenue, Washington, 99201. All invoices should include the Department Contract No. "OPR XXXX-XXXX" and an approved L & I Intent to Pay Prevailing Wage number. The final invoice should include an approved Affidavit of Wages Paid number. Payment will not be made without this documentation included on the invoice. **Payment will be made via direct deposit/ACH** within thirty (30) days after receipt of the Contractor's application except as provided in RCW 39.76.

### 4. PREVENTATIVE MAINTENANCE.

The following Preventative Maintenance requirements apply to the Work under this Agreement:

- A. The Contractor shall pay state prevailing wages. The Contractor and all subcontractors will submit a "Statement of Intent to Pay Prevailing Wages," certified by the industrial statistician of the Department of Labor and Industries, prior to any payments. The "Statement of Intent to Pay Prevailing Wages" shall include: (1) the Contractor's registration number; and (2) the prevailing wages under RCW 39.12.020 and the number of workers in each classification. Each voucher claim submitted by a Contractor for payment on a project estimate shall state that the prevailing wages have been paid in accordance with the pre-filed statement or statements of intent to pay prevailing wages on file with the City. At the end of the work, the Contractor and subcontractors must submit an "Affidavit of Wages Paid," certified by the industrial statistician.
- B. **STATEMENT OF INTENT TO PAY PREVAILING WAGES TO BE POSTED.** For contracts in excess of \$10,000, the Contractor and each subcontractor required to pay the prevailing rate of wages shall post in a location readily visible at the job site: (1) a copy of a "Statement of Intent to Pay Prevailing Wages" approved by the industrial statistician of the Washington State Department of Labor and Industries (L & I); and (2) the address and telephone number of the industrial statistician of the Department of Labor and Industries where a complaint or inquiry concerning prevailing wages may be made.
- C. A payment/performance bond is NOT required.
- D. Statutory retainage is NOT required.

### 5. TAXES, FEES AND LICENSES.

- A. Contractor shall pay and maintain in current status, all necessary licenses, fees, assessments, permit charges, etc. necessary to conduct the work included under this Contract. It is the Contractor's sole responsibility to monitor and determine changes or the enactment of any subsequent requirements for said fees, assessments, or changes and to immediately comply.
- B. The cost of any permits, licenses, fees, etc. arising as a result of the projects included in this Contract shall be included in the project budgets.

**6. CITY OF SPOKANE BUSINESS LICENSE.**

Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The Contractor shall be responsible for contacting the State of Washington Business License Services at <http://bls.dor.wa.gov> or 1-800-451-7985 to obtain a business registration. If the Contractor does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

**7. SOCIAL EQUITY REQUIREMENTS / NON-DISCRIMINATION.**

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Contract because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation including gender expression or gender identity, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities. The Contractor agrees to comply with, and to require that all subcontractors comply with, federal, state and local nondiscrimination laws, including but not limited to: the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, and the American's With Disabilities Act, to the extent those laws are applicable.

**8. CERTIFICATE REGARDING DEBARMENT AND SUSPENSION.**

The Contractor has provided its certification that it is in compliance with and shall not contract with individuals or organizations which are debarred, suspended, or otherwise excluded from or ineligible from participation in Federal Assistance Programs under Executive Order 12549 and "Debarment and Suspension", codified at 29 CFR part 98.

**9. INDEMNIFICATION.**

The Contractor shall defend, indemnify, and hold the City and its officers and employees harmless from all claims, demands, or suits at law or equity asserted by third parties for bodily injury (including death) and/or property damage which arise from the Contractor's negligence or willful misconduct under this Agreement, including attorneys' fees and litigation costs; provided that nothing herein shall require a Contractor to indemnify the City against and hold harmless the City from claims, demands or suits based solely upon the negligence of the City, its agents, officers, and employees. If a claim or suit is caused by or results from the concurrent negligence of the Contractor's agents or employees and the City, its agents, officers and employees, this indemnity provision shall be valid and enforceable to the extent of the negligence of the Contractor, its agents or employees. The Contractor specifically assumes liability and agrees to defend, indemnify, and hold the City harmless for actions brought by the Contractor's own employees against the City and, solely for the purpose of this indemnification and defense, the Contractor specifically waives any immunity under the Washington State industrial insurance law, or Title 51 RCW. The Contractor recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. The indemnity and agreement to defend and hold the City harmless provided for in this section shall survive any termination or expiration of this agreement.

**10. INSURANCE.**

During the period of the Contract, the Contractor shall maintain in force at its own expense, each insurance noted below with companies or through sources approved by the State Insurance Commissioner pursuant to RCW 48:

A. **Worker's Compensation Insurance** in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers and Employer's Liability Insurance in the amount of \$1,000,000;

B. **General Liability Insurance** on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this Contract. It shall provide that the City, its officers and employees are additional insureds but only with respect to the Contractor's services to be provided under this Contract;

i. Acceptable **supplementary Umbrella insurance** coverage combined with Company's General Liability insurance policy must be a minimum of \$1,500,000, in order to meet the insurance coverage limits required in this Contract; and

C. **Automobile Liability Insurance** with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles; and

D. **Property Insurance** if materials and supplies are furnished by the Contractor. The amount of the insurance coverage shall be the value of the materials and supplies of the completed value of improvement. Hazard or XCU (explosion, collapse, underground) insurance should be provided if any hazard exists.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without thirty (30) days written notice from the Contractor or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the Contractor shall furnish acceptable Certificates of Insurance (COI) to the City at the time it returns this signed Agreement. The certificate shall specify the City of Spokane as "Additional Insured" specifically for Contractor's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

#### **11. INDEPENDENT CONTRACTOR.**

The Contractor is an independent Contractor. This Contract does not intend the Contractor to act as a City employee. The City has neither direct nor immediate control over the Contractor nor the right to control the manner or means by which the Contractor works. Neither the Contractor nor any Contractor employee shall be an employee of the City. This Contract prohibits the Contractor to act as an agent or legal representative of the City. The Contractor is not granted express or implied rights or authority to assume or create any obligation or responsibility for or in the name of the City, or to bind the City. The City is not liable for or obligated to pay sick leave, vacation pay, or any other benefit of employment, nor to pay social security or other tax that may arise from employment. The Contractor shall pay all income and other taxes as due.

#### **12. ASSIGNMENT AND SUBCONTRACTING.**

The Contractor shall not assign or subcontract its obligations under this Contract without the City's written consent, which may be granted or withheld in the City's sole discretion. Any subcontract made by the Contractor shall incorporate by reference this Contract, except as otherwise provided. The Contractor shall ensure that all subcontractors comply with the obligations and requirements of the subcontract. The City's consent to any assignment or subcontract does not release the Contractor from liability or any obligation within this Contract, whether before or after City consent, assignment or subcontract.

### **13. TERMINATION.**

Either party may terminate this Contract, with or without cause, by ten (10) days written notice to the other party. In the event of such termination, the City shall pay the Contractor for all work previously authorized and performed prior to the termination date.

### **14. STANDARD OF PERFORMANCE.**

The standard of performance applicable to Contractor's services will be the degree of skill and diligence normally employed by professional contractors in the region performing the same or similar Contracting services at the time the work under this Contract are performed.

### **15. ANTI KICK-BACK.**

No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Contract shall have or acquire any interest in the Contract, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Contract.

### **16. CONSTRUAL.**

The Contractor acknowledges receipt of a copy of the Contract documents and agrees to comply with them. The silence or omission in the Contract documents concerning any detail required for the proper execution and completion of the work means that only the best general practice is to prevail and that only material and workmanship of the best quality are to be used. This Contract shall be construed neither in favor of nor against either party.

### **17. CONTRACTOR'S ACKNOWLEDGEMENT AND WARRANTY.**

The Contractor acknowledges that it has visited the site of the work, has examined it, and is qualified to perform the work required by this Contract.

The Contractor guarantees and warranties all work, labor and materials under this Agreement for two (2) years following final acceptance. If any unsatisfactory condition or defect develops within that time, the Contractor will immediately place the work in a condition satisfactory to the City and repair all damage caused by the condition or defect. The Contractor will repair or restore to the City's satisfaction, in accordance with the contract documents and at its expense, all property damaged by his performance under this Agreement. This warranty is in addition to any manufacturers' or other warranty in the Agreement documents.

### **18. MISCELLANEOUS PROVISIONS.**

- A. **Amendments/Modifications:** The City may modify this Contract and order changes in the work whenever necessary or advisable. The Contractor will accept modifications when ordered in writing by the City, and the Contract time and compensation will be adjusted accordingly.
- B. The Contractor, at no expense to the City, shall comply with all laws of the United States and Washington, the Charter and ordinances of the City of Spokane; and rules, regulations, orders and directives of their administrative agencies and officers.
- C. This Contract shall be construed and interpreted under the laws of Washington. The venue of any action brought shall be in a court of competent jurisdiction, located in Spokane County, Washington.
- D. **Captions:** The titles of sections or subsections are for convenience only and do not define or limit the contents.
- E. **Severability:** If any term or provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Contract shall not be affected, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.

- F. **Waiver:** No covenant, term or condition or the breach shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same or any other covenant, term of condition. Neither the acceptance by the City of any performance by the Contractor after the time the same shall have become due nor payment to the Contractor for any portion of the Work shall constitute a waiver by the City of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by the City in writing.
- G. **Entire Agreement:** This document along with any exhibits and all attachments, and subsequently issued addenda, comprises the entire agreement between the City and the Contractor. If conflict occurs between Contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Contract to afford the City the maximum benefits.
- H. **No personal liability:** No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Contract, whether expressed or implied, nor for any statement or representation made or in any connection with this Contract.
- I. Under Washington State Law (reference RCW Chapter 42.56, the *Public Records Act* [PRA]) all materials received or created by the City of Spokane are **public records** and are available to the public for viewing via the City Clerk's Records (online) or a valid Public Records Request (PRR).

IN WITNESS WHEREOF, in consideration of the terms, conditions and covenants contained, or attached and incorporated and made a part, the parties have executed this Contract by having legally-binding representatives affix their signatures below.

**CONTROL SOLUTIONS NORTHWEST, INC.**

**CITY OF SPOKANE**

By \_\_\_\_\_  
Signature                      Date

By \_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest:

Approved as to form:

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

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

20-106-RR

**Attachments that are part of this Contract:**

- Exhibit A – Certificate Regarding Debarment
- Exhibit B - Consultant's Scope of Work dated April 20, 2020

**EXHIBIT A  
CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY AND VOLUNTARY EXCLUSION**

1. The undersigned (i.e., signatory for the Subrecipient / Contractor / Consultant) certifies, to the best of its knowledge and belief, that it and its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - b. Have not within a three-year period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
  - c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and,
  - d. Have not within a three-year period preceding this contract had one or more public transactions (federal, state, or local) terminated for cause or default.
2. The undersigned agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
3. The undersigned further agrees by signing this contract that it will include the following clause, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. The lower tier contractor certified, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  2. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
4. I understand that a false statement of this certification may be grounds for termination of the contract.

<hr/> Name of Subrecipient / Contractor / Consultant (Type or Print)	<hr/> Program Title (Type or Print)
<hr/> Name of Certifying Official (Type or Print)	<hr/> Signature
<hr/> Title of Certifying Official (Type or Print)	<hr/> Date (Type or Print)

**EXHIBIT B**

SOLE-SOURCE RESOLUTION

A RESOLUTION declaring Control Solutions Northwest, Inc. (Spokane, WA) a sole-source provider and authorizing the City to enter into a three (3) year contract (with two additional one-year renewals) for servicing, monitoring and repairing the HVAC control systems at Fire Dispatch, Fire Training and Fire Maintenance for \$60,000.00 plus sales tax annually, without public bidding.

WHEREAS, the HVAC System at Fire Dispatch, Training and Maintenance has been designed by Control Solutions Northwest and the system utilizes Schneider Electric branded components. Control Solutions Northwest is the sole, locally authorized vendor of these components; and

WHEREAS, Control Solutions Northwest has provided monitoring, service and repair of these HVAC systems since they were initially installed; and

WHEREAS, It is common practice in the commercial HVAC industry for service providers to provide their own proprietary equipment and as such it is most efficient and cost-effective to retain Control Solutions Northwest as the vendor to monitor, maintain and repair both the control and mechanical equipment used by these HVAC systems; and

WHEREAS, the pricing and service provided by Control Solutions Northwest is consistent with past purchases; and

-- Now, Therefore,

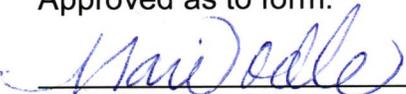
BE IT RESOLVED by the City Council for the City of Spokane that it hereby declares the contract with Control Solutions Northwest a sole-source and

BE IT FURTHER RESOLVED that the City Council authorizes a three (3) year contract (with two additional one-year renewals) in the amount of \$60,000 plus sales tax annually for servicing, monitoring and repairing the HVAC systems at Fire Dispatch, Training and Maintenance buildings, without public bidding.

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

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

Approved as to form:

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

## Briefing Paper

### Finance and Administration

<b>Division &amp; Department:</b>	Finance- Grants and Contracts Department
<b>Subject:</b>	Grant Contract for Spokane County FEMA funding – Isolation Operation
<b>Date:</b>	07/20/2019
<b>Contact (email &amp; phone):</b>	Sally Stopher <a href="mailto:sstopher@spokanecity.org">sstopher@spokanecity.org</a> 509-625-6032
<b>City Council Sponsor:</b>	Candace Mumm
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	Finance 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)	Budget- Revenue
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	To allow for reimbursement of allowable COVID 19 related expenses from the Isolation Operation conducted at the Spokane County Fairgrounds. FEMA funding passed through Spokane County.
<b>Narrative:</b> - Grant pass through revenue contract for COVID related Isolation costs	
<b>Executive Summary:</b>  Acceptance of the grant agreement will allow for reimbursement of allowable costs related to the COVID-19 Isolation operation conducted at the Spokane County Fairgrounds.	
<b>Budget Impact:</b> Approved in current year budget? <input type="checkbox"/> Yes <input checked="" 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: Transfer of budget capacity from ITSD to Purchasing Other budget impacts: (revenue generating, match requirements, etc.) None	
<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:	

**AGREEMENT BETWEEN SPOKANE COUNTY  
AND  
THE CITY OF SPOKANE  
IN CONJUNCTION WITH THE FEMA PUBLIC ASSISTANCE GRANT AGREEMENT**

<b>1. Grantee</b> City of Spokane 808 W. Spokane Falls Blvd Spokane, WA 99201	<b>2. Contract Amount</b>  <p style="text-align: center;">\$100,000.00</p>	<b>3. Tax ID#</b>  <p style="text-align: center;">91-6001280</p>
<b>4. Grantee Representative</b> Sally Stopher, Director of Grants, Contracts, and Purchasing City of Spokane 808 W. Spokane Falls Blvd Spokane, WA 99201 (509) 625-6032 sstopher@spokanecity.org	<b>5. Spokane County's Representative</b> Kari Grytdal, Grants Administrator Spokane County 1116 W. Broadway Avenue Spokane, WA 99260 (509) 477-7273 kgrytdal@spokanecounty.org	
<b>6. Federal Grant ID #</b> <p style="text-align: center;">FEMA-4481-DR-WA</p>	<b>7. Start Date</b> <p style="text-align: center;">01/01/2020</p>	<b>8. End Date</b> <p style="text-align: center;">03/22/2024</p>
<b>9. CFDA #</b> <p style="text-align: center;">97.036 - Disaster Grants - Public Assistance</p>	<b>10. Federal Agency:</b> <p style="text-align: center;">Federal Emergency Management Agency (FEMA)</p>	
<b>11. Grant Purpose &amp; Description: Presidential Disaster Declaration # FEMA-4481-DR-WA. To provide funds to the subrecipient for the emergency protective measures taken in response to the COVID-19 pandemic outbreak as approved by FEMA in project worksheets describing eligible scopes of work and associated funding. The Washington Military Department (DEPARTMENT) is the Recipient and Pass-through Entity of the Presidential Disaster Declaration No. FEMA-4481-DR-WA COVID-19, and the FEMA State Agreement which are incorporated by reference, and make a subaward of federal award funds to Spokane County pursuant to this Agreement.</b>		
<b>12. IN WITNESS WHEREOF SPOKANE COUNTY and CITY OF SPOKANE, acknowledge and accept the terms of this AGREEMENT, including all referenced Exhibits and Attachments which are hereby incorporated in and made a part hereof, and have executed this AGREEMENT as of the date below. This AGREEMENT Face Sheet; Statement of Work (Exhibit A); Budget (Exhibit B); and all other documents, exhibits and attachments expressly referenced and incorporated herein contain all the terms and conditions agreed upon by the parties and govern the rights and obligations of the parties to this AGREEMENT. No other understandings, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind any of the parties hereto.</b>		
<b>FOR THE GRANTEE:</b>  _____ Signature <span style="float: right;">Date</span>  _____ Name  _____ Title	<b>FOR SPOKANE COUNTY:</b>  _____ Signature <span style="float: right;">Date</span>  _____ Name  _____ Title	

**(FACE SHEET)**

**WHEREAS**, pursuant to the provisions of the Revised Code of Washington, the Board of County Commissioners has the care of County property and the management of County funds and business; and

**WHEREAS**, this AGREEMENT by and between SPOKANE COUNTY, a political subdivision of the State of Washington hereinafter known as the “COUNTY” having offices for the transaction of business as listed above and CITY OF SPOKANE, a political subdivision of the State of Washington, hereinafter known as “CITY”, having offices for the transaction of business as listed above, are jointly, hereinafter referred to as the Parties; and

**WHEREAS**, this AGREEMENT is non-exclusive and if it be in the COUNTY's best interest it may award work to other Contractors.

**NOW, THEREFORE**, in consideration of the mutual promises and conditions set forth herein, the parties mutually agree as follows:

### **SECTION NO. 1: ADMINISTRATIVE REQUIREMENTS**

The CITY shall comply with all applicable state and federal laws, rules, regulations, requirements and program guidance identified or referenced in this Agreement and the informational documents published by the Federal Emergency Management Agency (FEMA) applicable to the Presidential Declaration including, but not limited to, all criteria, restrictions, and requirements of the “FEMA State Agreement” published by FEMA and the federal regulations commonly applicable to FEMA grants, all of which are incorporated herein by reference. The Presidential Declaration and the FEMA State Agreement are incorporated in this Agreement by reference.

The CITY shall comply with the Washington State Public Assistance Applicant Manual dated March 22, 2020 incorporated in this Agreement as Exhibit “F”. The Department of Homeland Security (DHS) Standard Terms and Conditions are incorporated by reference in this Agreement in Appendix F of the Washington State Public Assistance Applicant Manual dated March 22, 2020.

The CITY acknowledges that since this Agreement involves federal award funding, the period of performance described herein may begin prior to the availability of appropriated federal funds. The CITY agrees that it will not hold the COUNTY, the State of Washington, or the United States liable for any damages, claim for reimbursement, or any type of payment whatsoever for services performed under this Agreement prior to distribution of appropriated federal funds, or if federal funds are not appropriated or in a particular amount.

Federal funding is provided by FEMA and is administered by the Washington State Military Department. Under the authority of Presidential Disaster Declaration number FEMA-4481-DR-WA, the COUNTY is reimbursing the CITY for those approved eligible costs and activities necessary under the Public Assistance Grant Program during the incident period beginning January 20, 2020 and continuing. Eligible costs and activities will be identified and approved by the COUNTY.

### **SECTION NO. 2: FUNDING**

The COUNTY will administer the Public Assistance (PA) Grant Program and reimburse **approved eligible** Public Assistance costs to the CITY that are identified under the auspices of Presidential

Disaster Declaration Number FEMA-4481-DR-WA and authorized by and consistent with the Stafford Act (P.L. 93-288, as amended) and applicable regulations.

**SECTION NO. 3: GRANT AGREEMENT PERIOD**

Activities payable under this Agreement and to be performed by the CITY under this Agreement shall be those activities which occurred during or subsequent to the incident period defined on the Face Sheet of this AGREEMENT, and shall terminate upon the date contained on the Face Sheet of this AGREEMENT. This period shall be referred to as the “Grant Agreement Period.”

**SECTION NO. 4: COMPENSATION/REIMBURSEMENT/INVOICING PROCEDURES**

- A. The COUNTY shall reimburse the CITY an amount up to and will not exceed One Hundred Thousand Dollars (\$100,000.00). This reimbursement amount is based upon the budget line items set forth in Exhibit “B”, attached hereto and incorporated herein by reference.
- B. The COUNTY shall make no payments in advance or in anticipation of goods or services to be provided under this AGREEMENT. The CITY shall not invoice the COUNTY in advance of delivery and invoicing of such goods or services.
- C. The CITY will submit reimbursement requests to the COUNTY by detailing the expenditures for which reimbursement is sought and payment for the expenditures will only occur if the request is submitted with the appropriate supporting documentation, including, but not limited to timesheets and time/effort certifications. Requests for reimbursement shall be directed to:

Kari Grytdal, Grants Administrator  
Spokane County  
1116 West Broadway  
Spokane WA 99260

Payment shall be considered timely if made by the COUNTY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CITY.

**SECTION NO. 5: PAYMENTS**

The COUNTY shall reimburse the CITY an amount not to exceed the amount set forth in Attachment “B”, attached hereto and incorporated herein by reference for the performance of all things necessary for or incidental to the performance of Scope of Work as set forth in Attachment “A”. The CITY's reimbursement for services set forth in Attachment “A” shall be in accordance with the terms and conditions set forth in the Budget attached hereto as Attachment “B” and incorporated herein by reference. Invoices must be submitted with appropriate supporting documentation, including copies of receipts and time/effort certifications, when appropriate. Requests for reimbursement by the CITY shall be made on or before the 20<sup>th</sup> of each month for the previous month's expenditures. In conjunction with each reimbursement request,

the CITY shall certify that services to be performed under this AGREEMENT do not duplicate any services to be charged against any other grant, subgrant, or other funding source. Requests for reimbursement should not be submitted more than monthly. December's reimbursement request must be received no later than January 10<sup>th</sup> to be allowable under grant.

Requests for reimbursement shall be submitted electronically to:

Kari Grytdal  
Grants Administrator  
Office of Financial Assistance  
1116 West Broadway  
Spokane, WA 99260  
kgrytdal@spokanecounty.org

Payment shall be considered timely if made by the COUNTY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CITY.

The COUNTY, shall issue payments to the CITY in compliance with the Washington State Public Assistance Applicant Manual dated March 22, 2020 (**Exhibit "F"**) procedures as follows:

- A. Within the total grant agreement amount, travel, sub-contracts, salaries, benefits, printing, equipment, and other goods and services will be reimbursed on an actual cost basis unless otherwise provided in this Agreement.
- B. For travel costs, the CITY shall comply with 2 CFR 200.474 and should consult their internal policies, state rates set pursuant to RCW 43.03.050 and RCW 43.03.060 as now existing or amended, and federal maximum rates set forth at <http://www.gsa.gov>, and follow the most restrictive.
- C. If travel costs exceed set state or federal limits, travel costs shall not be reimbursed without written approval by COUNTY Key Personnel.
- D. Receipts and/or backup documentation for any approved items that are authorized under this Agreement must be maintained by the CITY consistent with record retention requirements of this Agreement, and be made available upon request by the COUNTY and local, state, or federal auditors.
- E. All work under this Agreement must end on or before the Grant Agreement End Date, and the final reimbursement request must be submitted to the COUNTY within forty-five (45) days after the Grant Agreement End Date, except as otherwise authorized by written amendment of this Agreement and issued by the COUNTY.
- F. No costs for purchases of equipment/supplies will be reimbursed until the related equipment/supplies have been received by the CITY, its subrecipient or contractor, or any non-federal entity to which the CITY makes a subaward, and is invoiced by the vendor.
- G. The CITY shall only use federal award funds under this Agreement to supplement existing funds, and will not use them to replace (supplant) non-federal funds that have been budgeted for the same purpose. The CITY may be required to demonstrate and document that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

## **SECTION NO. 6:    DOCUMENTATION / REPORTING REQUIREMENTS**

The CITY is required to retain all documentation which adequately identifies the source and application of Public Assistance funds for six (6) years following the closure of this disaster grant. For all funds received, source documentation includes adequate accounting of actual costs and recoveries incurred.

The CITY shall also comply with the Federal Funding Accountability and Transparency Act (FFATA) and related OMB Guidance consistent with Public Law 109-282 as amended by section 6202(a) of Public Law 110-252 (see 31 U.S.C. 6101 note) and complete the FFATA Form located at <http://mil.wa.gov/emergency-management-division/grants/requiredgrantforms> and return to the COUNTY; which is incorporated by reference and made a part of this Agreement.

## **SECTION NO. 7:    SUBRECIPIENT MONITORING**

- A. The COUNTY will monitor the activities of the CITY from award to closeout. The goal of the COUNTY's monitoring activities will be to ensure that the agency receiving federal pass-through funds is in compliance with this Agreement, federal and state audit requirements, federal grant guidance, and applicable federal and state financial regulations, as well as 2 CFR Part 200 Subpart F.
- B. To document compliance with 2 CFR Part 200 Subpart F requirements, the CITY shall complete and return to the COUNTY the 2 CFR Part 200 Subpart F Audit Certification Form" located at <http://mil.wa.gov/emergency-management-division/grants/requiredgrantforms> with the signed Agreement and each fiscal year thereafter until the Agreement is closed, which is incorporated by reference and made a part of this Agreement.
- C. Monitoring activities may include, but are not limited to:
  - 1. Review of financial and performance reports;
  - 2. Monitoring and documenting the completion of AGREEMENT deliverables;
  - 3. Documentation of phone calls, meetings, e-mails, and correspondence;
  - 4. Review of reimbursement requests and supporting documentation to ensure eligibility and consistency with AGREEMENT work plan, budget, and federal requirements;
  - 5. Observation and documentation of AGREEMENT related activities;
  - 6. On-site visits to review equipment records and inventories, to verify source documentation for reimbursement requests and performance reports, and to verify completion of deliverables.
- D. The CITY is required to meet or exceed the monitoring activities, as outlined above and in 2 CFR Part 200 Subpart F, for any non-federal entity to which the CITY makes a subaward as a pass-through entity under this AGREEMENT.
- E. Compliance will be monitored throughout the performance period to assess risk. Concerns will be addressed through a Corrective Action Plan. If the CITY fails to comply with federal or state statutes or regulations, or the terms and conditions of this AGREEMENT, the COUNTY

may impose any additional subaward conditions as described in 2 CFR 200.207. If the COUNTY determines that noncompliance cannot be remedied by imposing additional conditions, it may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the CITY;
2. Wholly or partially suspend or terminate the subaward to the CITY;
3. Initiate suspension or debarment proceedings under 2 CFR 180 or recommend such a proceeding be initiated by the federal awarding agency;
4. Withhold further federal awards for the project or program; or
5. Take any other remedies that may be legally available.

F. The COUNTY agrees to:

1. Provide technical assistance during all monitoring or evaluation activities. The COUNTY will coordinate and schedule the meetings necessary to conduct and complete all monitoring and evaluation activities.

## **SECTION NO. 8: SINGLE AUDIT ACT REQUIREMENTS**

- A. Non-federal entities, as subrecipients of a federal award, that expend \$750,000 or more in one fiscal year of federal funds from all sources, direct and indirect, are required to have a single or a program-specific audit conducted in accordance with 2 CFR Part 200 Subpart F. Non-federal entities that spend less than \$750,000 a year in federal awards are exempt from federal audit requirements for that year, except as noted in 2 CFR Part 200 Subpart F. As defined in 2 CFR Part 200, the term “non-federal entity” means a State, local government, Indian tribe, institution of higher education, or non-profit organization, that carries out a federal award as a recipient or subrecipient.
- B. If the CITY is required to have an audit, it must ensure the audit is performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) as found in the Government Auditing Standards (the Revised Yellow Book) developed by the United States Comptroller General and the OMB Compliance Supplement. The CITY has the responsibility of notifying its auditor and requesting an audit in compliance with 2 CFR Part 200 Subpart F, to include the Washington State Auditor’s Office, a federal auditor, or a public accountant performing work using GAGAS, as appropriate. Costs of the audit may be an allowable grant expenditure as authorized by 2 CFR Part 200.425.
- C. The CITY shall maintain auditable records and accounts so as to facilitate the audit requirement and shall ensure that any sub-contractors also maintain auditable records. The CITY is responsible for any audit exceptions incurred by its own organization or that of its sub-contractors. Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report.
- D. The CITY must respond to the COUNTY’s requests for information or corrective action concerning audit issues or findings within thirty (30) days of the date of request. The COUNTY reserves the right to recover from the CITY all disallowed costs resulting from the audit.

- E. Once the single audit has been completed and if it includes any audit findings, the CITY must send a full copy of the audit and its corrective action plan to the COUNTY at the following addresses no later than nine (9) months after the end of the CITY's fiscal year(s):

**Kari Grytdal  
Grants Administrator  
Spokane County  
1116 W. Broadway  
Spokane, WA 99260**

- F. If the CITY claims it is exempt from the audit requirements of 2 CFR Part 200 Subpart F, the CITY must send a completed "2 CFR Part 200 Subpart F Audit Certification Form" to the COUNTY at the address listed above identifying this AGREEMENT and explaining the criteria for exemption no later than nine (9) months after the end of the CITY's fiscal year(s).
- G. The COUNTY retains the sole discretion to determine whether a valid claim for an exemption from the audit requirements of this provision has been established.
- H. The CITY shall include the above audit requirements in any sub-contracts.
- I. Conducting a single or program-specific audit in compliance with 2 CFR Part 200 Subpart F is a material requirement of this AGREEMENT. In the absence of a valid claim of exemption from the audit requirements of 2 CFR Part 200 Subpart F, the CITY's failure to comply with said audit requirements may result in one or more of the following actions in the COUNTY's sole discretion: a percentage of federal awards being withheld until the audit is completed in accordance with 2 CFR Part 200 Subpart F; the withholding or disallowing of overhead costs; the suspension of federal awards until the audit is conducted.

**SECTION NO. 9: LIMITED ENGLISH PROFICIENCY (CIVIL RIGHTS ACT OF 1964 TITLE VI)**

All subrecipients must comply with the Title VI of the Civil Rights Act of 1964 (Title VI) prohibition against discrimination on the basis of national origin, which requires that subrecipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. Providing meaningful access for persons with LEP may entail providing language assistance services, including oral interpretation and written translation. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000), requires federal agencies to issue guidance to recipients, assisting such organizations and entities in understanding their language access obligations. DHS published the required recipient guidance in April 2011, DHS Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 76 Fed. Reg. 21755-21768, (April 18, 2011). The Guidance provides helpful information such as how a recipient can determine the extent of its obligation to provide language services; selecting language services; and elements of an effective plan on language assistance for LEP persons. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance at <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

## **SECTION NO. 10: FEMA STATE AGREEMENT TERMS AND CONDITIONS**

As a subrecipient of FEMA funding, the CITY shall comply with all applicable DHS/FEMA terms and conditions of the Presidential Declaration and the FEMA State Agreement, which are incorporated in and made a part of this AGREEMENT in Appendix F of the Washington State Public Assistance Applicant Manual dated March 22, 2020 (Exhibit “F”).

## **SECTION NO. 11: AMENDMENTS AND MODIFICATIONS**

The CITY or the COUNTY may request, in writing, an amendment or modification of this Agreement. Modifications may be requested for Grant Agreement end date, budget or scope change. However, such amendment or modification shall not be binding, take effect or be incorporated herein until made in writing and signed by the authorized representatives of the COUNTY and the CITY. No other understandings or agreements, written or oral, shall be binding on the parties.

## **SECTION NO. 12: AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, 42 U.S.C. 12101 ET SEQ. AND ITS IMPLEMENTING REGULATIONS ALSO REFERRED TO AS THE “ADA” 28 CFR Part 35**

The CITY must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunication.

## **SECTION NO. 13: ASSURANCES**

The COUNTY and the CITY agree that all activity pursuant to this AGREEMENT will be in accordance with all the applicable current federal, state and local laws, rules and regulations. In addition, as a subrecipient of FEMA funding, the CITY shall comply with all applicable DHS terms and conditions as specified in Appendix F of the Washington State Public Assistance Applicant Manual dated March 22, 2020 incorporated in this Agreement as Exhibit “F”.

## **SECTION NO. 14: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, OR INELIGIBILITY**

As federal funds are a basis for this Agreement, the CITY certifies that the CITY is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal department or agency.

The CITY shall complete, sign, and return a Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion form located at <http://mil.wa.gov/emergency-management-division/requiredgrantforms>. Any such form completed by the CITY for this Agreement shall be incorporated into this AGREEMENT by reference.

Further, the CITY agrees to comply with all applicable federal regulations concerning the federal debarment and suspension system, including 2 CFR Part 180. The CITY certifies that it will ensure that potential sub-contractors or sub-recipients or any of their principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation

in “covered transactions” by any federal department or agency. “Covered transactions” include procurement contracts for goods or services awarded under a non-procurement transaction (e.g. grant or cooperative agreement) that are expected to equal or exceed \$25,000, and sub-awards to sub-recipients for any amount. With respect to covered transactions, the CITY may comply with this provision by obtaining a certification statement from the potential sub-contractor or sub-recipient or by checking the System for Award Management (<http://www.sam.gov>) maintained by the federal government. The CITY also agrees not to enter into any arrangements or contracts with any party on the Washington State Department of Labor and Industries’ “Debarred Contractor List” (<http://www.lni.wa.gov/TradesLicensing/PrevWage/AwardingAgencies/DebarredContractors/>).

#### **SECTION NO. 15: CERTIFICATION REGARDING RESTRICTIONS ON LOBBYING**

As required by 44 CFR Part 18, the CITY hereby certifies that to the best of their knowledge and belief: (1) no federally appropriated funds have been paid or will be paid by or on behalf of the CITY to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; (2) that if any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, grant, loan, or cooperative agreement, the CITY will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; (3) and that, as applicable, the CITY will require that the language of this certification be included in the award documents for all subawards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into, and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code.

#### **SECTION NO. 16: COMPLIANCE WITH APPLICABLE STATUTES, RULES AND DEPARTMENT POLICIES**

The CITY and all its contractors shall comply with, and the COUNTY is not responsible for determining compliance with, any and all applicable federal, state, and local laws, regulations, executive orders, OMB Circulars, and/or policies. This obligation includes, but is not limited to: nondiscrimination laws and/or policies, Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, as supplemented by Department of Labor regulations (41 CFR chapter 60); Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3); Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5); Clean Air Act (42 U.S.C. 1857(h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, Environmental Protection Agency regulations (40 CFR part 15); Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5); Energy Policy and Conservation Act (PL 94-163, 89 Stat. 871, as amended), the

Americans with Disabilities Act (ADA), Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Civil rights Act of 1968, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, (PL 93-288, as amended), Title 44 of the Federal Regulations, 2 CFR Part 3002, Ethics in Public Service (RCW 42.52), Covenant Against Contingent Fees (48 CFR Section 52.203-5), Public Records Act (RCW 42.56), Prevailing Wages on Public Works (RCW 39.12), State Environmental Policy Act (RCW 43.21C), Shoreline Management Act of 1971 (RCW 90.58), State Building Code (RCW 19.27), Energy Related Building Standards (RCW 19.27A), Provisions in Buildings for Aged and Handicapped Persons (RCW 70.92), and safety and health regulations.

The COUNTY and CITY agree that all activity pursuant to this Agreement will be in accordance with all the applicable current federal, state and local laws, rules and regulations.

In the event of the CITY's or its contractor's noncompliance or refusal to comply with any applicable law, regulation, executive order, OMB Circular or policy, the COUNTY may rescind, cancel, or terminate the Agreement in whole or in part in its sole discretion.

The CITY is responsible for all costs or liability arising from its failure to comply with applicable laws, regulations, executive orders, OMB Circulars or policies.

#### **SECTION NO. 17: CONFLICT OF INTEREST**

No officer or employee of the COUNTY; no member, officer, or employee of the CITY or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such the CITY who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Agreement.

The CITY shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to this provision.

#### **SECTION NO. 18: CONTRACTING & PROCUREMENT**

- A. The CITY shall use a competitive procurement process in the procurement and award of any contracts with contractors or sub-contractors that are entered into under the original contract award. The procurement process followed shall be in accordance with 2 CFR Part 200.318 General procurement standards through 200.326 Contract Provisions.
- B. As required by Appendix II to 2 CFR Part 200, all contracts entered into by the CITY under this Agreement must include the following provisions, as applicable:
  1. Contracts for more than the simplified acquisition threshold currently set at \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate;

2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement;
3. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor”;
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency;

The procurement process followed shall be in accordance with 2 CFR Parts 200 and 3002, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, as applicable to the CITY. All subcontracting agreements entered into pursuant to this Agreement shall incorporate this Agreement by reference.

5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is

compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of forty (40) hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence;

6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency;
7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA);
8. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549;
9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award;
10. Procurement of recovered materials -- As required by 2 CFR 200.322, a non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only

items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines;

11. Notice of Federal awarding agency requirements and regulations pertaining to reporting;
  12. Federal awarding agency requirements and regulations pertaining to copyrights and rights in data;
  13. Access by the COUNTY, or its duly authorized representative(s) to any books, documents, papers, and records of the CITY which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions;
  14. Retention of all required records for six (6) years after the CITY has received the final payments and all other pending matters are closed;
  15. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871);
  16. Pursuant to Executive Order 13858 "Strengthening Buy-American Preferences for Infrastructure Projects," the COUNTY encourages the CITY to use, to the greatest extent practicable and consistent with the law, iron and aluminum as well as steel, cement and other manufactured products produced in the United States, in Public Assistance and Hazard Mitigation Grant Program eligible public infrastructure repair and construction projects affecting surface transportation, ports, water resources including sewer and drinking water and power. Such preference must be consistent with the law, including cost and contracting requirements of 2 CFR Part 200.
- C. The COUNTY reserves the right to review the CITY procurement plans and documents, and require the CITY to make changes to bring its plans and documents into compliance with the requirements of 2 CFR Part 200.318 through 2 CFR 200.326. The CITY must ensure that its procurement process requires contractors and subcontractors to provide adequate documentation with sufficient detail to support the costs of the project and to allow both the CITY and COUNTY to make a determination on eligibility of project costs.
- D. All sub-contracting agreements entered into pursuant to this AGREEMENT shall incorporate this AGREEMENT by reference.

#### **SECTION NO. 19: DISCLOSURE**

The use or disclosure by any party of any information concerning the COUNTY for any purpose not directly connected with the administration of the COUNTY's, or the CITY's responsibilities with respect to services provided under this Agreement is prohibited except by prior written consent of the COUNTY or as required to comply with the state Public Records Act, other law or court order.

**SECTION NO. 20: DISPUTES**

Except as otherwise provided in this contract, when a bona fide dispute arises between the parties and it cannot be resolved through discussion and negotiation, either party may request a dispute resolution panel to resolve the dispute. A request for a dispute resolution board shall be in writing, state the disputed issues, state the relative positions of the parties, and be sent to all parties. The panel shall consist of a representative appointed by the COUNTY, a representative appointed by the CITY and a third party mutually agreed upon by both parties. The panel shall, by majority vote, resolve the dispute. Each party shall bear the cost for its panel member and its attorney fees and costs, and share equally the cost of the third panel member.

**SECTION NO. 21: DUPLICATION OF BENEFITS**

The CITY agrees that the funds for which federal or state assistance is requested does not, or will not, duplicate benefits or funds received for the same loss from any other source. The CITY will pursue, and require sub-recipients to pursue, full payment of eligible insurance benefits for properties or any other losses covered in a project under this Agreement. The CITY will repay the COUNTY any funds provided under this grant agreement that are duplicated by other benefits, funds, or insurance proceeds. The CITY will also seek recovery against any party or parties whose negligence or other intentional or tortious conduct may have caused or contributed to the expenditures for which these grants funds are provided. The CITY will repay the COUNTY any funds recovered by settlement, judgment or other court order in an action to recover funds provided by this grant. The CITY shall notify the COUNTY as early as possible and work in conjunction with the COUNTY and FEMA to ensure appropriate apportionment of any duplicated or recovered payment.

**SECTION NO. 22: INDEMNIFICATION**

The COUNTY shall protect, defend, indemnify, and hold harmless the CITY while acting within the scope of this AGREEMENT as such, from any and all costs, claims, judgments, and/or awards of damages (both to persons and/or property). The COUNTY will not be required to indemnify, defend, or save harmless the CITY if the claim, suit, or action for injuries, death, or damages (both to persons and/or property) is caused by the sole negligence of the CITY. Where such claims, suits, or actions result from the concurrent negligence of both PARTIES, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's own negligence.

The CITY agrees to protect, defend, indemnify, and hold harmless the COUNTY, its officers, officials, employees, and agents while acting within the scope of their employment as such, from any and all costs, claims, judgments and/or awards of damages (both to persons and/or property). The CITY will not be required to indemnify, defend, or save harmless the COUNTY if the claim, suit, or action for injuries, death, or damages (both to persons and/or property) is caused by the sole negligence of the CITY. Where such claims, suits, or actions result from the concurrent negligence of both PARTIES, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's own negligence.

The COUNTY and the CITY agree that its obligations under this section extend to any claim, demand and/or cause of action brought by, or on behalf of, any the COUNTY employees or agents or the CITY while performing work authorized under this AGREEMENT. For this purpose, the COUNTY

and the CITY, by mutual negotiation, hereby waives any immunity that would otherwise be available to it against such claims under the Industrial Insurance provisions of chapter 51.12 RCW.

These indemnifications and waiver shall survive the termination of this AGREEMENT.

Neither the CITY or the COUNTY shall be personally liable for any act, or failure to act, in connection with this AGREEMENT, it is understood that in such matters they are acting solely as their own party to this AGREEMENT.

### **SECTION NO. 23: INSURANCE**

The CITY shall furnish and maintain all insurance as required herein and comply with all limits, terms and conditions stipulated therein, at their expense, for the duration of the AGREEMENT. The following is a list of the required AGREEMENT coverage requirements:

**GENERAL LIABILITY INSURANCE:** The CITY shall have Commercial General Liability with limits of \$1,000,000.00 per occurrence, which includes general aggregate, products, completed operation, personal injury and fire damage.

**ADDITIONAL INSURED ENDORSEMENT:** General Liability Insurance must provide that SPOKANE COUNTY, its officers, agents and employees, and any other entity specifically required by the provisions of this AGREEMENT will be specifically named additional insured(s) for all coverage provided by this policy of insurance and shall be fully and completely protected by this policy from all claims. Language such as the following should be used "Spokane County, Its' Officers, Agents and Employees Are Named As An Additional Insured As Respects To AGREEMENT BETWEEN SPOKANE COUNTY AND THE CITY OF SPOKANE IN CONJUNCTION WITH THE FEMA PUBLIC ASSISTANCE GRANT AGREEMENT".

**WORKERS COMPENSATION:** If the CITY has employees, it shall show proof of Worker's Compensation coverage effective in Washington State by providing its State Industrial Account Identification Number. Provision of this number will be the CITY's assurance that coverage is in effect.

**PROFESSIONAL LIABILITY INSURANCE:** The CITY shall provide errors & omissions coverage in the form of Professional liability insurance coverage in the minimum amount of \$1,000,000.00.

Any exclusion to the CITY's insurance policies that may restrict coverage required in the AGREEMENT's insurance requirements must be pre-approved by the Spokane County Risk Management Department. The CITY's insurer shall have a minimum A.M. Best's rating of A-VII and shall be authorized to do business in the State of Washington. Evidence of such insurance shall consist of a completed copy of the certificate of insurance, signed by the insurance agent for the CITY and either the additional insured policy language or a copy of any required endorsement(s) and returned to the Spokane County Risk Manager. The insurance policy or policies will not be canceled, materially changed or altered without forty-five (45) days prior notice submitted to the COUNTY. The policy shall be endorsed and the certificate shall reflect that the COUNTY is named as an additional insured on the CITY's general liability policy with respect to activities under the AGREEMENT. The policy shall provide and the certificate shall reflect that the insurance afforded applies separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability.

The policy shall be endorsed and the certificate shall reflect that the insurance afforded therein shall be primary insurance and any insurance or self-insurance carried by the COUNTY shall be excess and not contributory insurance to that provided by the CITY.

Failure of the CITY to fully comply with the insurance requirements set forth herein, during the term of the AGREEMENT, shall be considered a material breach of contract and cause for immediate termination of the AGREEMENT at the COUNTY's discretion.

Providing coverage in the above amounts shall not be construed to relieve the CITY from liability in excess of such amounts.

#### **SECTION NO. 24: LEGAL RELATIONS**

It is understood and agreed that this Agreement is solely for the benefit of the parties to the Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of this AGREEMENT.

To the extent allowed by law, the CITY, its successors or assigns, will protect, save and hold harmless the COUNTY and its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever by reason of the acts or omissions of the CITY, its sub-contractors, assigns, agents, contractors, consultants, licensees, invitees, employees or any person whomsoever arising out of or in connection with any acts or activities authorized by this Agreement.

To the extent allowed by law, the CITY further agrees to defend the COUNTY and its authorized agents and employees in any litigation; including payment of any costs or attorneys' fees for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Agreement.

This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the COUNTY; provided, that if the claims or damages are caused by or result from the concurrent negligence of (1) the COUNTY, and (2) the CITY, its agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the CITY, or CITY's agents or employees.

#### **SECTION NO. 25: LIMITATION OF AUTHORITY – AUTHORIZED SIGNATURE**

The signatories to this AGREEMENT represent that they have the authority to bind their respective organizations to this AGREEMENT. Only the COUNTY's Authorized Signature and the Authorized Signature of the assigned CITY Agent or Alternate for the CITY Agent, formally designated in writing, shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this AGREEMENT. Any alteration, amendment, modification, or waiver of any clause or condition of this AGREEMENT is not effective or binding unless made in writing and signed by both parties Authorized Signature representatives. Further, only the Authorized Signature representative or Alternate for the CITY shall have authority to sign reimbursement requests, certification of project completion, time extension requests, amendment and modification requests, requests for changes to project status, and other requests, certifications and documents authorized by or required under this Agreement.

**SECTION NO. 26: LOSS OR REDUCTION OF FUNDING**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to normal completion or end date, the COUNTY may unilaterally reduce the scope of work and budget or unilaterally terminate or suspend all or part of the Agreement as a “Termination for Cause” without providing the CITY an opportunity to cure. Alternatively, the parties may renegotiate the terms of this AGREEMENT under “Amendments and Modifications” to comply with new funding limitations and conditions, although the COUNTY has no obligation to do so.

**SECTION NO. 27: NONASSIGNABILITY**

Neither this AGREEMENT, nor any claim arising under this AGREEMENT, shall be transferred or assigned by the CITY.

**SECTION NO. 34: NONDISCRIMINATION**

The CITY shall comply with all applicable federal and state non-discrimination laws, regulations, and policies. No person shall, on the grounds of age, race, creed, color, sex, sexual orientation, religion, national origin, marital status, honorably discharged veteran or military status, or disability (physical, mental, or sensory) be denied the benefits of, or otherwise be subjected to discrimination under any project, program, or activity, funded, in whole or in part, under this Agreement.

**SECTION NO. 28: NOTICES**

The CITY shall comply with all public notices or notices to individuals required by applicable local, state and federal laws and shall maintain a record of this compliance.

**SECTION NO. 29: OCCUPATIONAL SAFETY/HEALTH ACT AND WASHINGTON INDUSTRIAL SAFETY/ HEALTH ACT (OSHA/WISHA)**

The CITY represents and warrants that its work place does now or will meet all applicable federal and state safety and health regulations that are in effect during the CITY's performance under this AGREEMENT. To the extent allowed by law, the CITY further agrees to indemnify and hold harmless the COUNTY and its employees and agents from all liability, damages and costs of any nature, including but not limited to, costs of suits and attorneys' fees assessed against the COUNTY, as a result of the failure of the CITY to so comply.

**SECTION NO. 30: OWNERSHIP OF PROJECT/CAPITAL FACILITIES**

The COUNTY makes no claim to any capital facilities or real property improved or constructed with funds under this AGREEMENT, and by this grant of funds does not and will not acquire any ownership interest or title to such property of the CITY.

The CITY shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the COUNTY harmless from any and all causes of action arising from the ownership and operation of the project.

**SECTION NO. 31: POLITICAL ACTIVITY**

No portion of the funds provided herein shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**SECTION NO. 32: PRIVACY**

Personal information collected, used or acquired in connection with this agreement shall be used solely for the purposes of this AGREEMENT. CITY and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the COUNTY or as provided by law or court order. CITY agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

The COUNTY reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the CITY through this contract. The monitoring, auditing or investigating may include but is not limited to “salting” by the COUNTY. Salting is the act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The CITY agrees to indemnify and hold harmless the COUNTY for any damages related to the COUNTY’s unauthorized use, loss or disclosure of personal information.

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person’s health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

**SECTION NO. 33: PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION**

The assistance provided under this AGREEMENT shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such assistance or any other approval or concurrence under this AGREEMENT provided; however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**SECTION NO. 34: PUBLICITY**

The CITY agrees to submit to the COUNTY prior to issuance all advertising and publicity matters relating to this Agreement wherein the COUNTY’s name is mentioned or language used from which the connection of the COUNTY’s name may, in the COUNTY’s judgment, be inferred or implied. The CITY agrees not to publish or use such advertising and publicity matters without the prior written consent of the COUNTY. The CITY may copyright original work it develops in the course of or under this Agreement; however, pursuant to 2 CFR Part 200.315,

FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use the work for government purposes.

The CITY shall include language which acknowledges the funding contribution of the COUNTY and FEMA to this project in any release or other publication developed or modified for, or referring to, the project.

Publication resulting from work performed under this Agreement shall include an acknowledgement of the COUNTY and FEMA's financial support, by CFDA number, and a statement that the publication does not constitute an endorsement by FEMA or reflect FEMA's views.

### **SECTION NO. 35: RECAPTURE PROVISION**

In the event the CITY fails to expend funds under this AGREEMENT in accordance with applicable federal, state, and local laws, regulations, and/or the provisions of the AGREEMENT, the COUNTY reserves the right to recapture funds in an amount equivalent to the extent of noncompliance. Such right of recapture shall exist for the life of the project following AGREEMENT termination. Repayment by the CITY of funds under this recapture provision shall occur within thirty (30) days of demand. In the event the COUNTY is required to institute legal proceedings to enforce the recapture provision, the COUNTY shall be entitled to its costs and expenses thereof, including attorney fees.

### **SECTION NO. 36: RECORDS AND REPORTS**

- A. The CITY agrees to maintain all books, records, documents, receipts, invoices and all other electronic or written records necessary to sufficiently and properly reflect the CITY's contracts, subawards, grant administration, and payments, including all direct and indirect charges, and expenditures in the performance of this AGREEMENT (the "records").
- B. The CITY's records related to this AGREEMENT and the projects funded may be inspected and audited by the COUNTY or its designee, by the Office of the State Auditor, DHS, FEMA or their designees, by the Comptroller General of the United States or its designees, or by other state or federal officials authorized by law, for the purposes of determining compliance by the CITY with the terms of this Agreement and to determine the appropriate level of funding to be paid under the Agreement.
- C. The records shall be made available by the CITY for such inspection and audit, together with suitable space for such purpose, at any and all times during the CITY's normal working day.
- D. The CITY shall retain and allow access to all records related to this AGREEMENT and the funded project(s) for a period of at least six (6) years following final payment and closure of the grant under this AGREEMENT. Despite the minimum federal retention requirement of three (3) years, the more stringent State requirement of six (6) year must be followed.

### **SECTION NO. 37: RECOVERY OF FUNDS**

Any person who intentionally causes a condition for which funds are provided under this AGREEMENT shall be liable for the costs incurred by the state and federal governments in responding to such disaster. In addition to its own duty to recover duplicated funds or funds

expended due to the intentional or negligent actions of others. The CITY will cooperate in a reasonable manner with the COUNTY in efforts to recover expenditures under this AGREEMENT.

**SECTION NO. 38: RESPONSIBILITY FOR STATEMENT OF WORK**

While the COUNTY undertakes to assist the CITY with the statement of work by providing grant funds pursuant to this AGREEMENT, the project itself remains the sole responsibility of the CITY. The COUNTY undertakes no responsibility to the CITY, or to any third party, other than as is expressly set out in this AGREEMENT.

The responsibility for the design, development, construction, implementation, operation and maintenance of the project, as these phrases are applicable to this project, is solely that of the CITY, as is responsibility for any claim or suit of any nature by any third party related in any way to the project.

The CITY shall defend, at its own cost, any and all claims or suits at law or in equity, which may be brought against the CITY in connection with the project. The CITY shall not look to the COUNTY, or to any state or federal agency, or to any of their employees or agents, for any performance, assistance, or any payment or indemnity, including but not limited to cost of defense and/or attorneys' fees, in connection with any claim or lawsuit brought by any third party related to any design, development, construction, implementation, operation and/or maintenance of a project.

**SECTION NO. 39: SEVERABILITY**

If any court of rightful jurisdiction holds any provision or condition under this AGREEMENT or its application to any person or circumstances invalid, this invalidity does not affect other provisions, terms or conditions of the AGREEMENT, which can be given effect without the invalid provision. To this end, the terms and conditions of this AGREEMENT are declared severable.

**SECTION NO. 40: SUBRECIPIENT NOT EMPLOYEE**

The parties intend that an independent contractor relationship will be created by this AGREEMENT. The CITY, and/or employees or agents performing under this AGREEMENT are not employees or agents of the COUNTY in any manner whatsoever. The CITY will not be presented as nor claim to be an officer or employee of the COUNTY by reason of this AGREEMENT, nor will the CITY make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the COUNTY by reason of this AGREEMENT, including, but not limited to, Workmen's Compensation coverage, unemployment insurance benefits, social security benefits, retirement membership or credit, or privilege or benefit which would accrue to a civil service employee under Chapter 41.06 RCW.

It is understood that if the CITY is another state department, state agency, state university, state college, state community college, state board, or state commission, that the officers and employees are employed by the State of Washington in their own right and not by reason of this AGREEMENT.

**SECTION NO. 41: TAXES, FEES AND LICENSES**

Unless otherwise provided in this AGREEMENT, the CITY shall be responsible for, pay and maintain in current status all taxes, unemployment contributions, fees, licenses, assessments, permit charges and expenses of any other kind for the CITY or its staff required by statute or regulation that are applicable to Agreement performance.

**SECTION NO. 42: TERMINATION FOR CONVENIENCE**

Notwithstanding any provisions of this AGREEMENT, the CITY may terminate this AGREEMENT by providing written notice of such termination to the COUNTY's Key Personnel identified in the AGREEMENT, specifying the effective date thereof, at least thirty (30) days prior to such date.

Except as otherwise provided in this AGREEMENT, the COUNTY, in its sole discretion and in the best interests of the COUNTY, may terminate this AGREEMENT in whole or in part by providing thirty (30) calendar days' written notice, beginning on the second day after mailing to the CITY. Upon notice of termination for convenience, the COUNTY reserves the right to suspend all or part of the AGREEMENT, withhold further payments pending calculation of any amounts owed the CITY pursuant to Section No. 44 below, or prohibit the CITY from incurring additional obligations of funds. In the event of termination, the CITY shall be liable for all damages as authorized by law. The rights and remedies of the COUNTY provided for in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

**SECTION NO. 43: TERMINATION OR SUSPENSION FOR CAUSE**

In the event the COUNTY, in its sole discretion, determines the CITY has failed to fulfill in a timely and proper manner its obligations under this AGREEMENT, is in an unsound financial condition so as to endanger performance hereunder, is in violation of any laws or regulations that renders the CITY unable to perform any aspect of the AGREEMENT, or has violated any of the covenants, agreements or stipulations of this AGREEMENT, the COUNTY has the right to immediately suspend or terminate this AGREEMENT in whole or in part.

The COUNTY shall, except as otherwise provided herein, notify the CITY in writing of the need to take corrective action and provide a period of time in which to cure. The COUNTY is not required to allow the CITY an opportunity to cure if it is not feasible as determined solely within the COUNTY'S discretion. Any time allowed for cure shall not diminish or eliminate the CITY's liability for damages or otherwise affect any other remedies available to the COUNTY. If the COUNTY allows the CITY an opportunity to cure, the COUNTY shall notify the CITY in writing of the need to take corrective action. If the corrective action is not taken within ten (10) calendar days or as otherwise specified by the COUNTY, or if such corrective action is deemed by the COUNTY to be insufficient, the AGREEMENT may be terminated in whole or in part.

The COUNTY reserves the right to suspend all or part of the AGREEMENT, withhold further payments, pending calculation of any amounts owed the CITY pursuant to Section No. 44 below, or prohibit the CITY from incurring additional obligations of funds during investigation of the alleged compliance breach, pending corrective action by the CITY, if allowed, or pending a decision by the COUNTY to terminate the AGREEMENT in whole or in part. In the event of termination for cause, the CITY shall be liable for all damages as authorized by law, including but

not limited to, any cost difference between the original AGREEMENT and the replacement or cover AGREEMENT and all administrative costs directly related to the replacement AGREEMENT, e.g., cost of administering the competitive solicitation process, mailing, advertising and other associated staff time. The rights and remedies of the COUNTY provided for in this section shall not be exclusive and are in addition to any other rights and remedies provided by law. If it is determined that the CITY: (1) was not in default or material breach, or (2) failure to perform was outside of the CITY's control, fault or negligence, the termination shall be deemed to be a "Termination for Convenience."

#### **SECTION NO. 44: TERMINATION PROCEDURES**

In addition to the procedures set forth below, if the COUNTY terminates this AGREEMENT, the CITY shall follow any procedures specified in the termination notice. Upon termination of this AGREEMENT and in addition to any other rights provided in this AGREEMENT, the COUNTY may require the CITY to deliver to the COUNTY any property specifically produced or acquired for the performance of such part of this AGREEMENT as has been terminated.

If the termination is for convenience, the COUNTY shall pay to the CITY an agreed upon price, if separately stated, for properly authorized and completed work and services rendered or goods delivered to and accepted by the COUNTY prior to the effective date of AGREEMENT termination, the amount agreed upon by the CITY and the COUNTY for (i) completed work and services and/or equipment or supplies provided for which no separate price is stated, (ii) partially completed work and services and/or equipment or supplies provided which are accepted by the COUNTY, (iii) other work, services and/or equipment or supplies and services which are accepted by the COUNTY, and (iv) the protection and preservation of property.

Failure to agree with such amounts shall be a dispute within the meaning of the "Disputes" clause of this AGREEMENT. If the termination is for cause, the COUNTY shall determine the extent of the liability of the COUNTY. The COUNTY shall have no other obligation to the CITY for termination. The COUNTY may withhold from any amounts due to the CITY such sum as the COUNTY determines to be necessary to protect the COUNTY against potential loss or liability. The rights and remedies of the COUNTY provided in this AGREEMENT shall not be exclusive and are in addition to any other rights and remedies provided by law.

After receipt of a notice of termination, and except as otherwise directed by the COUNTY in writing, the CITY shall:

- A. Stop work under the AGREEMENT on the date, and to the extent specified, in the notice;
- B. Place no further orders or sub-contracts for materials, services, supplies, equipment and/or facilities in relation to this AGREEMENT except as may be necessary for completion of such portion of the work under the AGREEMENT as is not terminated;
- C. Assign to the COUNTY, in the manner, at the times, and to the extent directed by the COUNTY, all of the rights, title, and interest of the CITY under the orders and sub-contracts so terminated, in which case the COUNTY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and sub-contracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and sub-contracts, with the approval or ratification of the COUNTY to the extent the COUNTY may require, which approval or ratification shall be final for all the purposes of this clause;

- E. Complete performance of such part of the work as shall not have been terminated by the COUNTY in compliance with all contractual requirements; and
- F. Take such action as may be necessary, or as the COUNTY may require, for the protection and preservation of the property related to this AGREEMENT which is in the possession of the CITY and in which the COUNTY has or may acquire an interest.

**SECTION NO. 45: UTILIZATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES (MWBE)**

The CITY shall comply with 2 CFR §200.321 and will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will take all necessary affirmative steps to utilize business firms that are certified as minority-owned and/or women-owned in carrying out the purposes of this AGREEMENT. The following steps are required by the subrecipient if any contracts with contractors or sub-contractors are entered into under the original contract award:

- A. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- B. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- E. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

The CITY may also set utilization standards, based upon local conditions or may utilize the State of Washington MWBE goals, as identified in. WAC 326-30-041.

**SECTION NO. 46: VENUE STIPULATION**

This AGREEMENT shall be construed and enforced in accordance with, and the validity and performance shall be governed by the laws of the state of Washington. Venue of any suit between the PARTIES arising out of this AGREEMENT shall be the Superior Court of Spokane County, Washington. The CITY, by execution of this AGREEMENT acknowledges the jurisdiction of the courts of the State of Washington.

**SECTION NO. 47: WAIVER**

No conditions or provisions to this AGREEMENT can be waived unless approved in advance in writing. Either PARTY's failure to insist upon strict performance of any provision of the AGREEMENT or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this AGREEMENT.

**EXHIBIT “A”**

**STATEMENT OF WORK**

A temporary emergency isolation facility at the Spokane County Fairgrounds was established to response to the COVID-19 pandemic. Spokane County received pre-approval from FEMA for the facility. The facility was created under the direction and guidance of the Spokane County Regional Emergency Operations Center and the Spokane Regional Health District (SRHD).

This Agreement allows Spokane County to contract with the City of Spokane to operate the isolation facility locate at the Spokane County Fairgrounds. The isolation facility will serve Spokane County residents who are experiencing COVID-19 symptoms and/or who had tested positive for COVID-19.

The City of Spokane will operate this isolation facility 24/7 and will provide services either directly or through subcontract to residents occupying up to 100 beds. The City of Spokane shall be responsible for providing transportation for Spokane County residents who are experiencing homelessness from shelters to the isolation facility as identified by medical professionals from the SRHD.

The City of Spokane’s responsibilities for facility operation shall include, but not be limited to: creation and implementation of individual check-in procedures; storage and monitoring of occupants’ belongings; facility janitorial services both inside and outside, including trash pick-up; facility securing services; laundry services including changing of bedding, and meal service.

**EXHIBIT "B"**

**BUDGET DETAIL**

<b>Budget Detail</b>	
Contractual Services	\$90,000.00
Operational Supplies	\$10,000.00
Total	\$100,000.00

Spokane County will reimburse the CITY for all approved eligible FEMA Public Assistance Grant costs, at a rate of 100%. The eligible costs are determined according to Public Assistance Grant FEMA-4481-DR-WA, consistent with 44 CFR Part 204, and the Washington State Public Assistance Applicant Manual, Exhibit "F".

**EXHIBIT "C"**  
**FFATA FORM**

Subrecipient Agency: <input type="text"/>				
Grant and Year: <input type="text"/>		Agreement Number: <input type="text"/>		
Completed by: <input type="text"/> <input type="text"/> <input type="text"/>				
		<i>Name</i>	<i>Title</i>	<i>Telephone</i>
Date Completed: <input type="text"/>				
<b>STEP 1</b>				
Is your grant agreement less than \$25,000?	YES <input type="checkbox"/>	STOP, no further analysis needed, GO to Step 6	NO <input type="checkbox"/>	GO to Step 2
<b>STEP 2</b>				
In your preceding fiscal year, did your organization receive 80% or more of its annual gross revenues from federal funding?	YES <input type="checkbox"/>	GO to STEP 3	NO <input type="checkbox"/>	STOP, no further analysis needed, GO to Step 6
<b>STEP 3</b>				
In your preceding fiscal year, did your organization receive \$25,000,000 or more in federal funding?	YES <input type="checkbox"/>	GO to STEP 4	NO <input type="checkbox"/>	STOP, no further analysis needed, GO to Step 6
<b>STEP 4</b>				
Does the public have access to information about the total compensation* of senior executives in your organization?	YES <input type="checkbox"/>	STOP, no further analysis needed, GO to step 6	NO <input type="checkbox"/>	GO to STEP 5
<b>STEP 5</b>				
Executive #1	Name: <input type="text"/>			
	Total Compensation amount: \$ <input type="text"/>			
Executive #2	Name: <input type="text"/>			
	Total Compensation amount: \$ <input type="text"/>			
Executive #3	Name: <input type="text"/>			
	Total Compensation amount: \$ <input type="text"/>			
Executive #4	Name: <input type="text"/>			
	Total Compensation amount: \$ <input type="text"/>			
Executive #5	Name: <input type="text"/>			
	Total Compensation amount: \$ <input type="text"/>			
<b>STEP 6</b>				
If your organization does not meet these criteria, specifically identify below <b>each</b> criteria that is not met for your organization: <u>For Example: "Our organization received less than \$25,000."</u>				

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\* Total compensation refers to:

- Salary and bonuses
- Awards of stock, stock options, and stock appreciation rights
- Other compensation including, but not limited to, severance and termination payments
- Life insurance value paid on behalf of the employee

Additional Resources:

<http://www.whitehouse.gov/omb/open>

<http://www.hrsa.gov/grants/ffata.html>

<http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf>

<http://www.grants.gov/>

**EXHIBIT "D"**

**2 CFR Part 200 Subpart F Audit Certification Form**

Audits of States, Local Governments, Indian Tribes and Non-Profit Organizations

*Contact Information*

Subrecipient Name: \_\_\_\_\_

Authorized Chief Financial Officer: \_\_\_\_\_

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

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

Phone #: \_\_\_\_\_

**Purpose:** As a pass-through entity of federal grant funds, SPOKANE COUNTY is required by 2 CFR Part 200 Subpart F to monitor activities of subrecipients to ensure federal awards are used for authorized purposes and verify that subrecipients expending \$750,000 or more in federal awards during their fiscal year have met the 2 CFR Part 200 Subpart F Audit Requirements. Your entity is a subrecipient subject to such monitoring by SPOKANE COUNTY because it is a non-federal entity that expends federal grant funds received from SPOKANE COUNTY as a pass-through entity to carry out a federal program. 2 CFR Part 200 Subpart F should be consulted when completing this form.

**Directions:** As required by 2 CFR Part 200 Subpart F, non-federal entities that expend \$750,000 in federal awards in a fiscal year shall have a single or program-specific audit conducted for that year. If your entity **is not** subject to these requirements, you must complete Section A of this form. If your entity **is** subject to these requirements, you must complete Section B of this form. When completed, you must sign, date and return this form with your grant agreement and every fiscal year thereafter until the grant agreement is closed. Failure to return this completed Audit Certification Form may result in delay of grant agreement processing, withholding of federal awards or disallowance of costs and suspension or termination of federal awards.

**SECTION A: Entities NOT subject to the audit requirements of 2 CFR Part 200 Subpart F**

Our entity is not subject to the requirements of 2 CFR Part 200 Subpart F because (check all that apply):

- We did not expend \$750,000 or more of *total* federal awards during the fiscal year.
- We are a for-profit agency.
- We are exempt for other reasons (describe):

However, by signing below, I agree that we are still subject to the audit requirements, laws and regulations governing the program(s) in which we participate, that we are required to maintain records of federal funding and to provide access to such records by federal and state agencies and their designees, and that SPOKANE COUNTY may request and be provided access to additional information and/or documentation to ensure proper stewardship of federal funds.

**SECTION B: Entities that ARE subject to the requirements of 2 CFR Part 200 Subpart F**

(Complete the information below and check the appropriate box)

- We completed our last 2 CFR Part 200 Subpart F Audit on [enter date] \_\_\_\_\_ for Fiscal Year ending [enter date \_\_\_\_\_]. There were no findings related to federal awards from SPOKANE COUNTY. No follow-up action is required by SPOKANE COUNTY as the pass-through entity. **A complete copy of the audit report, which includes exceptions, corrective action plan and management response, is either provided electronically to the SPOKANE COUNTY Office of Financial Assistance, is enclosed or is available online at:**  
http://www:\_\_\_\_\_.
- We completed our last 2 CFR Part 200 Subpart F Audit on [enter date] \_\_\_\_\_ for Fiscal Year ending [enter date] \_\_\_\_\_. There were findings related to federal awards.  
**A complete copy of the audit report, which includes exceptions, corrective action plan and management response, is either provided electronically to the SPOKANE COUNTY Office of Financial Assistance, is enclosed or is available online at:**  
http://www:\_\_\_\_\_.
- Our completed 2 CFR Part 200 Subpart F Audit will be available on [enter date] \_\_\_\_\_ for Fiscal Year ending [enter date] \_\_\_\_\_. We will forward a copy of the audit report to SPOKANE COUNTY Office of Financial Assistance at that time or provide the state auditor report number:\_\_\_\_\_.

**I hereby certify that I am an individual authorized by the above identified entity to complete this form. Further, I certify that the above information is true and correct and all relevant material findings contained in audit report/statement have been disclosed. Additionally, I understand this Form is to be submitted every fiscal year for which this entity is a subrecipient of federal grant funds from SPOKANE COUNTY until the grant agreement contract is closed.**

Signature of Authorized Financial Official: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name & Title: \_\_\_\_\_

**EXHIBIT "E"**

**CERTIFICATION FORM -Compliance with the Equal Employment Opportunity Plan (EEOP) Requirements**

*Please read carefully the Instructions (see below) and then complete Section A or Section B or Section C, not all three. If recipient completes Section A or C and sub-grants a single award over \$500,000, in addition, please complete Section D.*

Recipient's Name:	
Address:	
Is agency a; <input type="checkbox"/> Direct or <input type="checkbox"/> Sub recipient of OJP funding?	Law Enforcement Agency? <input type="checkbox"/> Yes <input type="checkbox"/> No
DUNS Number:	Vendor Number (only if direct recipient)
Name and Title of Contact Person:	
Telephone Number:	E-Mail Address:

**Section A—Declaration Claiming Complete Exemption from the EEOP Requirement**

*Please check all the following boxes that apply.*

- |                                                     |                                                  |                                                                          |
|-----------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> Less than fifty employees. | <input type="checkbox"/> Indian Tribe            | <input type="checkbox"/> Medical Institution.                            |
| <input type="checkbox"/> Nonprofit Organization     | <input type="checkbox"/> Educational Institution | <input type="checkbox"/> Receiving a single award(s) less than \$25,000. |

I, \_\_\_\_\_ [responsible official], certify that \_\_\_\_\_ [recipient] is not required to prepare an EEOP for the reason(s) checked above, pursuant to 28 C.F.R § 42.302. I further certify that \_\_\_\_\_ [recipient] will comply with applicable federal civil rights laws that prohibit discrimination in employment and in the delivery of services.

*If recipient sub-grants a single award over \$500,000, in addition, please complete Section D*

\_\_\_\_\_  
*Print or Type Name and Title* *Signature* *Date*

**Section B—Declaration Claiming Exemption from the EEOP Submission Requirement and Certifying That an EEOP Is on File for Review**

*If a recipient agency has fifty or more employees and is receiving a single award or, subaward, of \$25,000 or more, but less than \$500,000, then the recipient agency does not have to submit an EEOP to the OCR for review as long as it certifies the following (42 C.F.R § 42.305):*

I, \_\_\_\_\_ [responsible official], certify that \_\_\_\_\_ [recipient], which has fifty or more employees and is receiving a single award of \$25,000 or more, but less than \$500,000, has formulated an EEOP in accordance with 28 CFR pt. 42, subpt. E. I further certify that within the last twenty-four months, the proper authority has formulated and signed into effect the EEOP and, as required by applicable federal law, it is available for review by the public, employees, the appropriate state planning agency, and the Office for Civil Rights, Office of Justice Programs, U.S. Department of Justice. The EEOP is on file at the following office:

\_\_\_\_\_  
*[organization],*

\_\_\_\_\_  
*[address].*

\_\_\_\_\_  
*Print or Type Name and Title* *Signature* *Date*

**Section C—Declaration Stating that an EEOP Short Form Has Been Submitted to the Office for Civil Rights for Review**

*If a recipient agency has fifty or more employees and is receiving a single award, or subaward, of \$500,000 or more, then the recipient agency must send an EEOP Short Form to the OCR for review.*

I, \_\_\_\_\_ [responsible official], certify that \_\_\_\_\_ [recipient], which has fifty or more employees and is receiving a single award of \$500,000 or more, has formulated an EEOP in accordance with 28 CFR pt. 42, subpt. E, and sent it for review on \_\_\_\_\_ [date] to the Office for Civil Rights, Office of Justice Programs, U.S. Department of Justice.

*If recipient sub-grants a single award over \$500,000, in addition, please complete Section D*

\_\_\_\_\_  
*Print or Type Name and Title* *Signature* *Date*

**EXHIBIT “F”**

**WASHINGTON STATE PUBLIC ASSISTANCE APPLICANT MANUAL DATED  
MARCH 22, 2020**

The CITY shall comply with the Washington State Public Assistance Applicant Manual Dated March 22, 2020 which is incorporated in this agreement.

## Briefing Paper Finance Committee

<b>Division &amp; Department:</b>	City Council
<b>Subject:</b>	Ecology's Draft Rulemaking for Spokane River Variance
<b>Date:</b>	7/13/2020
<b>Contact (email &amp; phone):</b>	Breean Beggs, <a href="mailto:bbeggs@spokanecity.org">bbeggs@spokanecity.org</a>
<b>City Council Sponsor:</b>	Breean Beggs
<b>Executive Sponsor:</b>	
<b>Committee(s) Impacted:</b>	
<b>Type of Agenda item:</b>	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
<b>Alignment:</b>	
<b>Strategic Initiative:</b>	
<b>Deadline:</b>	7/25/2020
<b>Outcome:</b> (deliverables, delivery duties, milestones to meet)	Council recommendations/feedback to Ecology on draft rulemaking

Background/History:

Ecology is asking City Council for comments on their draft rulemaking for the PCB variance process, including the granting of specific variances as set out below.

Executive Summary:

Draft Rulemaking

All five Spokane River dischargers submitted applications for discharger-specific PCB variances which prompted Ecology to kick off the rulemaking process. Ecology has posted their draft rulemaking [online](#). This document includes the Highest Achievable Condition (HAC) that Ecology is proposing for all five dischargers. Each HAC includes a percent removal efficiency threshold and a Pollutant Minimization Plan (PMP). None of the variances or plans appear to come close to the Washington proposed standard of 7ppq. For now, the current applicable standard based on EPA guidance is 170ppq.

Discharger	% removal efficiency	Duration of Variance
City of Spokane	95%	20 years
Spokane County	97.6%	20 years
Kaiser	85%	10 years
Inland Empire Paper	85.7%	20 years
Liberty Lake Water & Sewer	97%	20 years

Considerations & Concerns

- The City of Spokane Public Works Department supports the 20 year variance in order to provide certainty and save costs for ratepayers, and due to the fact that current technology does not allow the City to meet the proposed standard of 7ppq
- The Spokane Tribe and some local environmental NGOs support a TMDL approach rather than the variance approach to managing PCB levels in the River. Generally, those agencies in support of a TMDL, or load limits, believe that if you abandon the load limit standards set forth in the Clean Water Act during the pendency of the variance, then you are removing accountability and sufficient pressure to manage toward sufficiently clean water for beneficial use.
- On page 5 of Ecology's draft rule language for the variance it states: *(5) Period during which the variance is in effect. A variance is a time-limited designated use and criterion.*
  - (a) Each variance will be granted for the minimum time estimated to meet the underlying standard(s) or, if during the period of the variance it is determined that a designated use cannot be attained, then a use attainability analysis (WAC 173-201A-440) will be initiated.*

Depending on how close the Department monitors the progress of the discharger in implementing new technology during the Variance, there is a risk that the water quality standards will essentially be lowered for the next twenty years to the detriment of people who subsist on fish, many of whom are Indigenous, Eastern European, Asian, Pacific Islander, or low-income.

- The minimum time estimated for four out of the five dischargers to reach compliance is 20 years.
- The Spokane Tribe is currently not formally part of the State or local response to the PCB problem within the Spokane River, however they would likely be most impacted by the proposed variances due to their historical subsistence on fish and the central cultural place that fish holds in their society.
- Eyes from across the nation are on Spokane – No other jurisdictions across the U.S. are known to have implemented variances for bio accumulative toxins that are being discharged from point sources.

#### Equity & Environmental Justice Concerns

Spokane has populations, including Tribal members, members of the Eastern European Community, and Asian and Pacific Islander communities that eat significant amount of fish for cultural and subsistence reasons. This includes fish from the Spokane River. Additionally, the Spokane Human Rights Commission points out that Asian and Pacific Islander communities in the State consume fish at a rate of 236 grams per day.<sup>1</sup>

The Spokane Tribe has set its fish consumption rate to 865 grams per day to reflect its members' true fish consumption rate. The State uses 175 grams per day to calculate its Human Health Criteria which results in the 7ppq pollution standard. Because Tribal fish consumption rates are considerably higher than the state average, the Spokane Tribe's pollution standard for PCBs is 1.3ppq rather than the state's 7ppq. The current rule does not appear to resolve the discrepancy between federal, tribal and state water quality standards, which creates confusion and potential health inequities in our region.

This discrepancy between pollution standards creates an environmental justice issue when our state standard for human health criteria is less restrictive than those of our tribal communities. The Spokane City Council should take these cultural and environmental justice concerns under consideration when providing feedback to Ecology and in advocating for environmental policy at the local, State, and Federal levels

Spokane ratepayers for wastewater treatment are some of the lowest income households in the State of Washington. Forcing the City of Spokane to implement unproven technologies or doing so in an inefficient manner could place a disproportionate burden on these households who have the least ability to pay for cleaner water unless the state or federal governments provide additional funding.

#### Suggested Feedback to Ecology Regarding Preliminary Rulemaking

1. The variance time period of 20 years and efficiency removal rates may be too lenient, especially considering promising new technology being developed. A shorter but renewable variance period might strike a better balance. Regardless, the mandatory interim reviews contemplated in the proposed rule must be robustly implemented.
2. Address section 5 of the draft rule so that it does not allow for the State to functionally lower pollution standards for PCBs into the River.
3. The Department of Ecology should insist that the Spokane Tribe's concerns and federally granted regulatory authority are fully addressed by their robust participation in any further regulation of PCB pollutants in the Spokane River.

#### Additional Actions for Council Regarding PCB Pollution

1. Advocate to ensure the Spokane Tribe, whose lands lie downstream of the City, is actively involved in the decisions made by the Department of Ecology. Request Ecology adopts a PCB reduction process to include all stakeholders.

---

<sup>1</sup> See attached resolution from the Spokane Human Rights Commission

2. If the community determines that the variance process is the best route forward, Council requests more time from Ecology to review the detailed Highest Achievable Condition (HAC) for each of the variances and the relevant timelines for monitoring and updating them.
3. Request that Public Works shares their evaluation of treatment or alternative actions as well as any outreach they have conducted publically regarding the City's request for the variance?
4. Advocate at the Federal level to amend the Toxic Substances Control Act to lower the acceptable amount of PCBs in manufactured products.
5. Petition the EPA to adopt more sensitive compliance tests to measure lower amounts of PCBs
6. Petition the EPA to ensure the state of Idaho also fulfills their obligation to protect downstream waters under the CWA (Current Idaho standards allow for more polluted water in the Spokane River east of the state line, creating an immediate violation by the water simply crossing the border and putting more pressure on the City of Spokane to invest in even more expensive removal technology).

Related Documents

1. Department of Ecology [Preliminary Draft Language](#) for Variance
2. City of Spokane Human Rights Commission [Resolution](#) on Water Quality Standards
3. [PCBs in Municipal Products](#), City of Spokane revised 2015

Budget Impact:

TOTAL COST:

Approved in current year budget?  Yes  No  N/A

Annual/Reoccurring expenditure?  Yes  No  N/A

If new, specify funding source:

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

Operations Impact:

Consistent with current operations/policy?  Yes  No  N/A

Requires change in current operations/policy?  Yes  No  N/A

Specify changes required:

Known challenges/barriers:

# Public Safety SIP Program

---

JULY 20, 2020

A solid green horizontal bar spanning the width of the slide, located at the bottom.

# Public Safety SIP History

---

- Started in 2014.
- New SIP Borrowing on Annual Basis
  - *Based on 2019-2023 Plan, borrowing would continue beyond 2033.*
- Total amount borrowed through 2019 = \$30.5 million
- 2020 Annual Debt Service = **\$5.3 million**
- Final maturity of existing debt = 2025
- Annual General Fund Funding Level = **\$5.8 million**

Year	Amount	Term
2014	\$5.7 million	7 years
2015	\$5.5 million	6 years
2016	\$5.1 million	7 years
2017	\$4.8 million	7 years
2018	\$4.9 million	7 years
2019	\$4.5 million	5 years

# Public Safety SIP 2014-2019

<b>Public Safety Capital - Historical Actuals</b>							2014 - 2019	
	2014	2015	2016	2017	2018	2019	Capital	
<i>Funding Sources:</i>								
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SIP Proceeds	\$ 5,694,196	\$ 5,529,705	\$ 5,085,553	\$ 4,785,062	\$ 4,905,485	\$ 4,527,938	\$ 30,527,939	
GF Transfer	\$ 750,000	\$ 1,520,000	\$ 2,310,000	\$ 3,110,000	\$ 3,930,000	\$ 4,830,000	\$ 16,450,000	
<b>Total Available Funding</b>	<b>\$ 6,444,196</b>	<b>\$ 7,049,705</b>	<b>\$ 7,395,553</b>	<b>\$ 7,895,062</b>	<b>\$ 8,835,485</b>	<b>\$ 9,357,938</b>	<b>\$ 46,977,939</b>	
<i>Funding Uses:</i>								
Police Capital	\$ 1,810,000	\$ 1,653,000	\$ 1,631,000	\$ 1,650,000	\$ 1,492,000	\$ 3,383,718	\$ 11,619,718	26.2%
Fire Capital	\$ 4,634,196	\$ 3,077,724	\$ 3,454,553	\$ 3,135,062	\$ 2,663,485	\$ 1,144,220	\$ 18,109,239	40.8%
Annual Debt Service		\$ 897,197	\$ 1,893,950	\$ 2,675,447	\$ 3,434,486	\$ 4,237,814	\$ 13,138,894	29.6%
Adj to borrowing	\$ -	\$ 798,981	\$ -	\$ -	\$ 750,000	\$ -	\$ 1,548,981	3.5%
<b>Total Expenses</b>	<b>\$ 6,444,196</b>	<b>\$ 6,426,902</b>	<b>\$ 6,979,503</b>	<b>\$ 7,460,509</b>	<b>\$ 8,339,972</b>	<b>\$ 8,765,752</b>	<b>\$ 44,416,832</b>	
<b>Cummulative excess funds</b>	<b>\$ 0</b>	<b>\$ 622,803</b>	<b>\$ 1,038,854</b>	<b>\$ 1,473,407</b>	<b>\$ 1,968,920</b>	<b>\$ 2,561,106</b>	<b>\$ 2,561,107</b>	

# Public Safety SIP 2020-2025 - Current

<b>Public Safety Capital - CURRENT</b>	2020	2021	2022	2023	2024	2025	2020 - 2025 Capital	
<i>Funding Sources:</i>								
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
SIP Proceeds	\$ 13,661,655	\$ -	\$ -	\$ -	\$ 4,779,758	\$ 4,923,151	\$ 23,364,564	
GF Transfer	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 34,920,000	
<b>Total Available Funding</b>	<b>\$ 19,481,655</b>	<b>\$ 5,820,000</b>	<b>\$ 5,820,000</b>	<b>\$ 5,820,000</b>	<b>\$ 10,599,758</b>	<b>\$ 10,743,151</b>	<b>\$ 58,284,564</b>	
<i>Prior Approved Plan</i>								
Police Capital	\$ 2,375,356	\$ 2,278,601	\$ 2,005,612	\$ 1,912,118	\$ 2,178,022	\$ 2,869,760	\$ 13,619,469	58.3%
Fire Capital	\$ 1,298,023	\$ 1,686,769	\$ 1,570,257	\$ 534,919	\$ 2,601,736	\$ 2,053,390	\$ 9,745,094	17.6%
Annual Debt Service	\$ 5,309,413	\$ 6,077,477	\$ 5,012,643	\$ 5,760,319	\$ 5,490,477	\$ 4,293,645	\$ 31,943,975	57.8%
<b>Total Expenses</b>	<b>\$ 8,982,792</b>	<b>\$ 10,042,847</b>	<b>\$ 8,588,512</b>	<b>\$ 8,207,356</b>	<b>\$ 10,270,235</b>	<b>\$ 9,216,796</b>	<b>\$ 55,308,539</b>	
<b>Net Surplus/(Use)</b>	<b>\$ 13,059,970</b>	<b>\$ 8,837,123</b>	<b>\$ 6,068,610</b>	<b>\$ 3,681,254</b>	<b>\$ 4,010,777</b>	<b>\$ 5,537,132</b>	<b>\$ 5,497,126</b>	

# Proposal

---

- Refinance outstanding \$19.0 million at low interest rate amortized over 15 years, but payable in 5 years
    - Transfer \$1.5 million instead of \$5.8 million in 2020 to address impact of COVID-19 on the General Fund
    - Discontinue SIP borrowing except in unusual circumstances
      - *This will preserve investment capacity for other purposes.*
  
  - Incentivize Police and Fire to achieve annual operating savings by allowing them roll forward those amounts into respective equipment plans as one-time contributions to either:
    - Provide for additional, unplanned equipment needs
    - Pay down debt obligations
  
  - Increase annual General Fund Funding Level based on the Construction Costs Index or Municipal Cost Index beginning in 2021
- 



# Public Safety SIP 2020-2025 - Proposed

<b>Summary Comparison</b>	<b>2020 - 2025</b>	<b>2020 - 2025</b>	<b>2020 - 2025</b>
	<b>Current</b>	<b>Proposed</b>	<b>Difference</b>
<i>Funding Sources:</i>			
One-time Contributions	\$ -	\$ -	\$ -
SIP Proceeds	\$ 23,364,564	\$ -	\$ (23,364,564)
GF Transfer	\$ 34,920,000	\$ 30,600,000	\$ (4,320,000)
<b>Total Available Funding</b>	<b>\$ 58,284,564</b>	<b>\$ 30,600,000</b>	<b>\$ (27,684,564)</b>
<i>Uses:</i>			
Police Capital	\$ 13,619,469	\$ 14,663,381	\$ 1,043,912
Fire Capital	\$ 9,745,094	\$ 11,507,089	\$ 1,761,994
Annual Debt Service	\$ 31,943,975	\$ 6,909,649	\$ (25,034,326)
<b>Total Expenses</b>	<b>\$ 55,308,539</b>	<b>\$ 33,080,120</b>	<b>\$ (22,228,419)</b>
<b>Net Surplus/(Use)</b>	<b>\$ 5,497,126</b>	<b>\$ 40,981</b>	<b>\$ (5,456,144)</b>

- No SIP borrowings, unless special circumstance – preserves investment capacity for other needs
- General Fund retains \$4.3 million in 2020 to address revenue loss due to COVID-19
- Police & Fire authorized more funding for capital needs based on updated equipment plans
- Existing debt restructured to affordable level to eliminate the need for future borrowings
- Overall, City will save interest & issuance costs
- Significantly less administrative burden
- Sustainable

# Public Safety SIP 2020-2036 - Proposed

	Prior Capital	Updated Capital	Difference
<i>Funding Sources:</i>			
One-time Contributions	\$ -	\$ -	\$ -
SIP Proceeds	\$ 73,379,375	\$ -	\$ (73,379,375)
GF Transfer	\$ 98,940,000	\$ 94,620,000	\$ (4,320,000)
<b>Total Available Funding</b>	<b>\$ 172,319,375</b>	<b>\$ 94,620,000</b>	<b>\$ (77,699,375)</b>
<i>Uses:</i>			
Police Capital	\$ 44,658,478	\$ 42,107,241	\$ (2,551,237)
Fire Capital	\$ 40,672,117	\$ 32,753,951	\$ (7,918,166)
Annual Debt Service	\$ 88,466,853	\$ 20,528,948	\$ (67,937,905)
<b>Total Expenses</b>	<b>\$ 173,797,448</b>	<b>\$ 95,390,140</b>	<b>\$ (78,407,308)</b>
<b>Net Surplus/(Use)</b>	<b>\$ 1,043,028</b>	<b>\$ 1,750,961</b>	<b>\$ 707,933</b>

# Police Equipment – Key Changes

---

## Additional officers

- Average cost to equip new officer = \$15,800, plus ½ patrol car at \$24,350 \*

## Fleet Size and Age

- New vehicles needed as new officers arrive
- Replacement of aged vehicles
  - Currently there are 335 vehicles – 145 aged more than 45 years

## Commissioning of vehicles

- Vehicles - \$16,000 (patrol)
- Motorcycles - \$9,000

## Laptops/Technology

- These typically need to be replaced in one setting for software compatibility and officer usage training.

\* Based on 2018 data.

# Fire Equipment

---

## Personal Protection Equipment (PPE) for special units

- Wildland/Structural Units not previously included
- Expiration dates, must be replaced

Last plan include more than \$3.7 million of unfunded equipment through 2024.

Proposed plan brings that down to less than \$2.5 million of unfunded through same timeframe, but with an incentive option.

# Summary

---

- ✓ Bundle and restructure Public Safety SIP Program.
    - Consolidate the outstanding 6 loans and amortize over 15 year period.
  
  - ✓ Increase annual GF Transfer amount by Construction Cost Index.
  
  - ✓ Upon review and validation, approve annual transfer of operating savings by Police and Fire into respective programs as one-time contributions.
  
  - ✓ Approve updated equipment plans.
- 

# Memo

**To:** Spokane City Council Members  
**From:** Tonya Wallace, CFO  
**Cc:** Mayor Woodward and Wes Crago, City Administrator  
**Date:** July 20, 2020  
**Re:** Public Safety SIP Loan Program

---

**Request:** Refinance the \$19.0 million outstanding SIP loans at a lower interest rate, amortized over a 15-year period, but payable in full within 5 years, with the first payment due in 2021. As such, the 2020 transfer amount from the General Fund would decrease from \$5.8 million to \$1.5 million, resulting in General Fund savings of \$4.3 million. Additionally, discontinue the SIP program, except for unusual circumstances, in order to result in a sustainable cash-funded Public Safety equipment replacement program as originally intended.

**Background:** In April, 2020, Finance staff recommended refinancing and restructuring six (6) outstanding Public Safety SIP Loans to address the financial impact of COVID-19 on the City's General Fund and take advantage of lower interest rates, by deferring the annual debt service payment on each of the SIP loans by one year. This would result in an approximate cash savings of \$5.1 million in the General Fund for 2020.

Based on the latest conversation with the previous CFO, Gavin Cooley, the City's intent back in 2013 was to create a steady funding source for Police and Fire equipment replacement. The initial annual funding amount in 2014 from the General Fund was calculated based on the 1% property tax increase plus an equal matched amount. Thereafter, the annual funding increased by an amount based on the same calculation of the then current 1% property tax increase plus an equal matched amount for seven (7) years or until 2020. The final annual funding amount is \$5.82 million.

It was further understood that the initial funding in 2014 would not be sufficient to meet the equipment needs and would require internal borrowing. The last resolution adopted (Resolution 2019-0034) authorized a SIP Loan of \$4,527,938 for the year 2019, with an additional \$13,661,655 planned for future SIP Loan authorizations through 2023. The internal worksheets used to determine the borrowing amounts for 2019-2024 reflect the need to borrow at least through 2033, which is different than when the SIP plan began in 2014. The difference in the number of anticipated borrowings between the 2014 version and the 2019 version of the SIP Program is the reason for the different perspectives regarding the proposed refinancing strategy.

**Issues:**

1. General Fund expenditures must be reduced in 2020 due to the substantial revenue losses projected due to COVID-19, estimated to be approximately \$13 million. The City currently budgets \$5.8 million as a transfer from the General Fund to the Asset Acquisition Fund to support the annual debt service associated with the Public Safety SIP Program.
2. The latest Public Safety SIP Program for 2019-2023 reflects continued SIP borrowing through 2033. This is a change from the original plan in 2014, which suspended borrowing after 2023. This is not a sustainable model.
3. The General Fund transfer to support the Public Safety SIP Program does not appear to account for increasing equipment costs or cost changes due to operational changes, such as additional police officers or the cost to setup a patrol vehicle.
4. The annual \$5.82 million transferred from the General Fund is not sufficient to meet the updated annual equipment needs of Fire or Police nor does it appear to have been based on the annual equipment needs, i.e. there is no nexus between the calculated amount and the equipment plans. However, it does appear to fund a substantial amount of equipment needs.

**Recommendations:**

1. Bundle and restructure the existing outstanding debt to a term that can more reasonably accommodate the equipment needs of the departments, eliminates the need for future borrowing except for unusual circumstances, and results in cash savings during 2020 to help relieve the City's financial stress.
2. Establish an annual funding level that increases based on the Construction Cost Index, which most closely correlates to equipment inflation, commencing in 2022. Only during times of financial stress, such as during a recession, would the City Council consider a temporary decreased funding level, similar to other funding reductions that may be considered. During more prosperous times, general one-time contributions can occur if approved by the City Council.
3. As an incentive for operational efficiencies, City Council could approve that unspent actual net savings, both operational and equipment purchases, from the Police and Fire departments at the end of each fiscal year be directed into the equipment replacement program as one-time contributions to supplement their respective programs.
4. Approve the updated equipment plans submitted by Fire and Police for 2020-2025. Establish a process in which the equipment plans are updated and vetted at least every 2 years.

**Public Safety Capital - Historical Actuals**

	2014	2015	2016	2017	2018	2019	2014 - 2019 Capital	
<i>Funding Sources:</i>								
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SIP Proceeds	\$ 5,694,196	\$ 5,529,705	\$ 5,085,553	\$ 4,785,062	\$ 4,905,485	\$ 4,527,938	\$ 30,527,939	
GF Transfer	\$ 750,000	\$ 1,520,000	\$ 2,310,000	\$ 3,110,000	\$ 3,930,000	\$ 4,830,000	\$ 16,450,000	
<b>Total Available Funding</b>	<b>\$ 6,444,196</b>	<b>\$ 7,049,705</b>	<b>\$ 7,395,553</b>	<b>\$ 7,895,062</b>	<b>\$ 8,835,485</b>	<b>\$ 9,357,938</b>	<b>\$ 46,977,939</b>	
<i>Funding Uses:</i>								
Police Capital	\$ 1,810,000	\$ 1,653,000	\$ 1,631,000	\$ 1,650,000	\$ 1,492,000	\$ 3,383,718	\$ 11,619,718	26.2%
Fire Capital	\$ 4,634,196	\$ 3,077,724	\$ 3,454,553	\$ 3,135,062	\$ 2,663,485	\$ 1,144,220	\$ 18,109,239	40.8%
Annual Debt Service		\$ 897,197	\$ 1,893,950	\$ 2,675,447	\$ 3,434,486	\$ 4,237,814	\$ 13,138,894	29.6%
Adj to borrowing	\$ -	\$ 798,981	\$ -	\$ -	\$ 750,000	\$ -	\$ 1,548,981	3.5%
<b>Total Expenses</b>	<b>\$ 6,444,196</b>	<b>\$ 6,426,902</b>	<b>\$ 6,979,503</b>	<b>\$ 7,460,509</b>	<b>\$ 8,339,972</b>	<b>\$ 8,765,752</b>	<b>\$ 44,416,832</b>	
<b>Cummulative excess funds</b>	<b>\$ 0</b>	<b>\$ 622,803</b>	<b>\$ 1,038,854</b>	<b>\$ 1,473,407</b>	<b>\$ 1,968,920</b>	<b>\$ 2,561,106</b>	<b>\$ 2,561,107</b>	

<b>Public Safety Capital - CURRENT</b>							2020 - 2025	
	2020	2021	2022	2023	2024	2025	Capital	
<i>Funding Sources:</i>								
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
SIP Proceeds	\$ 13,661,655	\$ -	\$ -	\$ -	\$ 4,779,758	\$ 4,923,151	\$ 23,364,564	
GF Transfer	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 34,920,000	
<b>Total Available Funding</b>	<b>\$ 19,481,655</b>	<b>\$ 5,820,000</b>	<b>\$ 5,820,000</b>	<b>\$ 5,820,000</b>	<b>\$ 10,599,758</b>	<b>\$ 10,743,151</b>	<b>\$ 58,284,564</b>	
<i>Prior Approved Plan</i>								
Police Capital	\$ 2,375,356	\$ 2,278,601	\$ 2,005,612	\$ 1,912,118	\$ 2,178,022	\$ 2,869,760	\$ 13,619,469	58.3%
Fire Capital	\$ 1,298,023	\$ 1,686,769	\$ 1,570,257	\$ 534,919	\$ 2,601,736	\$ 2,053,390	\$ 9,745,094	17.6%
Annual Debt Service	\$ 5,309,413	\$ 6,077,477	\$ 5,012,643	\$ 5,760,319	\$ 5,490,477	\$ 4,293,645	\$ 31,943,975	57.8%
<b>Total Expenses</b>	<b>\$ 8,982,792</b>	<b>\$ 10,042,847</b>	<b>\$ 8,588,512</b>	<b>\$ 8,207,356</b>	<b>\$ 10,270,235</b>	<b>\$ 9,216,796</b>	<b>\$ 55,308,539</b>	
<b>Net Surplus/(Use)</b>	<b>\$ 13,059,970</b>	<b>\$ 8,837,123</b>	<b>\$ 6,068,610</b>	<b>\$ 3,681,254</b>	<b>\$ 4,010,777</b>	<b>\$ 5,537,132</b>	<b>\$ 5,497,126</b>	

<b>Public Safety Capital - PROPOSED</b>							2020 - 2025	
	2020	2021	2022	2023	2024	2025	Capital	
<i>Proposed Funding Sources:</i>								
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
SIP Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GF Transfer	\$ 1,500,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 30,600,000	
<b>Total Available Funding</b>	<b>\$ 1,500,000</b>	<b>\$ 5,820,000</b>	<b>\$ 30,600,000</b>					
<i>Updated Proposed Plan</i>								
Police Capital	\$ 2,582,149	\$ 2,277,921	\$ 2,115,676	\$ 2,052,196	\$ 2,789,952	\$ 2,845,486	\$ 14,663,381	56.0%
Fire Capital	\$ 1,298,023	\$ 2,180,096	\$ 2,342,394	\$ 2,405,874	\$ 1,668,118	\$ 1,612,584	\$ 11,507,089	34.8%
Annual Debt Service	\$ 100,000	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 6,909,649	20.9%
	\$ 3,980,172	\$ 5,819,947	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 33,080,120	
<b>Net Surplus/(Use)</b>	<b>\$ 40,928</b>	<b>\$ 40,981</b>						

<b>Summary Comparison</b>	<b>2020 - 2025 Current</b>	<b>2020 - 2025 Proposed</b>	<b>2020 - 2025 Difference</b>
<i>Funding Sources:</i>			
One-time Contributions	\$ -	\$ -	\$ -
SIP Proceeds	\$ 23,364,564	\$ -	\$ (23,364,564)
GF Transfer	\$ 34,920,000	\$ 30,600,000	\$ (4,320,000)
<b>Total Available Funding</b>	<b>\$ 58,284,564</b>	<b>\$ 30,600,000</b>	<b>\$ (27,684,564)</b>
<i>Uses:</i>			
Police Capital	\$ 13,619,469	\$ 14,663,381	\$ 1,043,912
Fire Capital	\$ 9,745,094	\$ 11,507,089	\$ 1,761,994
Annual Debt Service	\$ 31,943,975	\$ 6,909,649	\$ (25,034,326)
<b>Total Expenses</b>	<b>\$ 55,308,539</b>	<b>\$ 33,080,120</b>	<b>\$ (22,228,419)</b>
<b>Net Surplus/(Use)</b>	<b>\$ 5,497,126</b>	<b>\$ 40,981</b>	<b>\$ (5,456,144)</b>

**Public Safety Capital - CURRENT**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Totals
<i>Funding Sources:</i>																		
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SIP Proceeds	\$ 3,673,379	\$ 3,965,370	\$ 3,575,869	\$ 2,447,037	\$ 4,779,758	\$ 4,923,151	\$ 4,923,151	\$ 5,070,845	\$ 5,222,971	\$ 5,379,660	\$ 5,541,050	\$ 5,707,281	\$ 5,878,499	\$ 6,054,854	\$ 6,236,500	\$ -	\$ -	\$ 73,379,375
GF Transfer	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 98,940,000
<b>Total Available Funding</b>	<b>\$ 9,493,379</b>	<b>\$ 9,785,370</b>	<b>\$ 9,395,869</b>	<b>\$ 8,267,037</b>	<b>\$ 10,599,758</b>	<b>\$ 10,743,151</b>	<b>\$ 10,743,151</b>	<b>\$ 10,890,845</b>	<b>\$ 11,042,971</b>	<b>\$ 11,199,660</b>	<b>\$ 11,361,050</b>	<b>\$ 11,527,281</b>	<b>\$ 11,698,499</b>	<b>\$ 11,874,854</b>	<b>\$ 12,056,500</b>	<b>\$ 5,820,000</b>	<b>\$ 5,820,000</b>	<b>\$ 172,319,375</b>
<i>Funding Uses:</i>																		
Police Capital	\$ 2,375,356	\$ 2,278,601	\$ 2,005,612	\$ 1,912,118	\$ 2,178,022	\$ 2,869,760	\$ 2,535,423	\$ 2,611,485	\$ 2,689,830	\$ 2,770,525	\$ 2,853,641	\$ 2,939,250	\$ 3,027,427	\$ 3,118,250	\$ 2,823,955	\$ 2,818,865	\$ 2,850,359	\$ 44,658,478
Fire Capital	\$ 1,298,023	\$ 1,686,769	\$ 1,570,257	\$ 534,919	\$ 2,601,736	\$ 2,053,390	\$ 2,535,423	\$ 2,611,485	\$ 2,689,830	\$ 2,770,525	\$ 2,853,641	\$ 2,939,250	\$ 3,027,427	\$ 3,118,250	\$ 2,733,247	\$ 2,808,786	\$ 2,839,160	\$ 40,672,117
Annual Debt Service	\$ 5,309,413	\$ 6,077,477	\$ 5,012,643	\$ 5,760,319	\$ 5,490,477	\$ 4,293,645	\$ 4,117,216	\$ 4,348,360	\$ 4,692,751	\$ 5,305,936	\$ 5,465,109	\$ 5,881,095	\$ 5,797,934	\$ 5,971,872	\$ 6,151,028	\$ 4,992,454	\$ 3,799,122	\$ 88,466,853
<b>Total Expenses</b>	<b>\$ 8,982,792</b>	<b>\$ 10,042,847</b>	<b>\$ 8,588,512</b>	<b>\$ 8,207,356</b>	<b>\$ 10,270,235</b>	<b>\$ 9,216,796</b>	<b>\$ 9,188,062</b>	<b>\$ 9,571,330</b>	<b>\$ 10,072,411</b>	<b>\$ 10,846,986</b>	<b>\$ 11,172,390</b>	<b>\$ 11,759,594</b>	<b>\$ 11,852,789</b>	<b>\$ 12,208,372</b>	<b>\$ 11,708,229</b>	<b>\$ 10,620,105</b>	<b>\$ 9,488,641</b>	<b>\$ 173,797,448</b>
<b>Surplus/(Deficit)</b>	<b>\$ 3,031,688</b>	<b>\$ 2,774,211</b>	<b>\$ 3,581,567</b>	<b>\$ 3,641,248</b>	<b>\$ 3,970,771</b>	<b>\$ 5,497,126</b>	<b>\$ 7,052,215</b>	<b>\$ 8,371,730</b>	<b>\$ 9,342,290</b>	<b>\$ 9,694,964</b>	<b>\$ 9,883,623</b>	<b>\$ 9,651,310</b>	<b>\$ 9,497,021</b>	<b>\$ 9,163,503</b>	<b>\$ 9,511,774</b>	<b>\$ 4,711,669</b>	<b>\$ 1,043,028</b>	<b>\$ 1,043,028</b>

**Public Safety Capital - Proposed**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Totals
<i>Funding Sources:</i>																		
One-time Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SIP Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GF Transfer	\$ 1,500,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 5,820,000	\$ 94,620,000
<b>Total Available Funding</b>	<b>\$ 1,500,000</b>	<b>\$ 5,820,000</b>	<b>\$ 94,620,000</b>															
<i>Funding Uses:</i>																		
Police Capital	\$ 2,582,149	\$ 2,277,921	\$ 2,115,676	\$ 2,052,196	\$ 2,789,952	\$ 2,845,486	\$ 2,443,897	\$ 2,420,855	\$ 2,444,677	\$ 2,499,511	\$ 2,574,063	\$ 2,538,081	\$ 2,486,847	\$ 2,494,006	\$ 2,506,197	\$ 2,516,451	\$ 2,519,274	\$ 42,107,241
Fire Capital	\$ 1,298,023	\$ 2,180,096	\$ 2,342,394	\$ 2,405,874	\$ 1,668,118	\$ 1,612,584	\$ 1,917,848	\$ 2,021,152	\$ 1,994,662	\$ 1,936,706	\$ 1,858,512	\$ 1,890,244	\$ 1,936,521	\$ 1,939,633	\$ 1,926,046	\$ 1,914,610	\$ 1,910,928	\$ 32,753,951
Annual Debt Service	\$ 100,000	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 1,361,930	\$ 20,528,948
<b>Total Expenses</b>	<b>\$ 3,980,172</b>	<b>\$ 4,805,947</b>	<b>\$ 5,628,540</b>	<b>\$ 5,412,522</b>	<b>\$ 6,544,406</b>	<b>\$ 6,544,406</b>	<b>\$ 6,186,652</b>	<b>\$ 5,636,695</b>	<b>\$ 5,702,460</b>	<b>\$ 5,851,879</b>	<b>\$ 5,889,102</b>	<b>\$ 5,968,532</b>	<b>\$ 5,872,553</b>	<b>\$ 5,820,204</b>	<b>\$ 5,850,789</b>	<b>\$ 5,875,510</b>	<b>\$ 5,879,448</b>	<b>\$ 97,449,818</b>
<b>Surplus/(Deficit)</b>	<b>\$ 40,928</b>	<b>\$ 40,981</b>	<b>\$ 137,306</b>	<b>\$ 153,369</b>	<b>\$ 172,101</b>	<b>\$ 193,954</b>	<b>\$ 219,449</b>	<b>\$ 249,194</b>	<b>\$ 283,896</b>	<b>\$ 308,328</b>	<b>\$ 334,154</b>	<b>\$ 361,163</b>	<b>\$ 1,750,961</b>	<b>\$ 1,750,961</b>				

<b>Summary Comparison</b>	<b>2020 - 2036 Prior Capital</b>	<b>2020 - 2036 Updated Capital</b>	<b>2020 - 2036 Difference</b>
<i>Funding Sources:</i>			
One-time Contributions	\$ -	\$ -	\$ -
SIP Proceeds	\$ 73,379,375	\$ -	\$ (73,379,375)
GF Transfer	\$ 98,940,000	\$ 94,620,000	\$ (4,320,000)
<b>Total Available Funding</b>	<b>\$ 172,319,375</b>	<b>\$ 94,620,000</b>	<b>\$ (77,699,375)</b>
<i>Uses:</i>			
Police Capital	\$ 44,658,478	\$ 42,107,241	\$ (2,551,237)
Fire Capital	\$ 40,672,117	\$ 32,753,951	\$ (7,918,167)
Annual Debt Service	\$ 88,466,853	\$ 20,528,948	\$ (67,937,905)
<b>Total Expenses</b>	<b>\$ 173,797,448</b>	<b>\$ 95,390,140</b>	<b>\$ (78,407,308)</b>
<b>Net Surplus/(Use)</b>	<b>\$ 1,043,028</b>	<b>\$ 1,750,961</b>	<b>\$ 707,934</b>

Police Equipment	2020	2021	2022	2023	2024	2025	2026
<b>Technology Equipment</b>							
Additional Server Storage for Records		25,000			0	0	0
Desktops and Monitors	67,400	67,400	72,302	47,793	49,018	49,018	49,018
Tablets	5,564	0	0	0	0	0	0
Laptops	14,904	35,396	13,041	14,904	0	0	37,259
Body Camera Licenses	391,500	0	0	0	0	0	0
Rugged Laptops - Patrol	615,000	100,100	68,250	91,000	650,650	614,250	91,000
Rugged Tablet - Traffic		0	0	38,726	0	0	0
VIRTRA Software acquisition (net cost)	32,000	0	0	0	0	0	0
Diagnostic Imaging Equipment X-ray Imaging systems - XR150 X-Ray Generator - II	0	0	5,000	0	5,000	0	0
Diagnostic Imaging Equipment X-ray Imaging systems Nexray MMX - IED Diagnost	0	0	66,000	0	66,000	0	0
New World Hardware Refresh (by contract 30% cost share)	0	160,000	0	0	0	0	0
Cellebrite Station w/ replacement dollars		25,000	25,000	5,000	5,000	5,000	5,000
Graykey w/ replacement dollars		25,000	25,000	5,000	5,000	5,000	5,000
<b>Tactical &amp; Officer Equipment</b>							
Bunker shields	10,000	10,000	0	0	0	0	0
Ballistic/tactical Shields	4,000	4,000	4,000	4,000	0	4,000	4,000
Shields	6,000	0	0	0	0	0	0
Aim point Scopes	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Axon Taser 7/Officer Safety Plan package		578,684	578,684	578,684	578,684	607,618	607,618
Ballistic helmets - 5 year expiration on armor	0	0	33,000	33,000	0	0	0
Helmets	0	0	18,000	0	0	0	0
Blunt impact munition/gas launchers	0	3,600	0	0	0	0	0
Body armor/plates/carriers/pouches	11,250	0	0	0	0	0	0
Green Plate Carriers for woodland tactical movement		0	16,800	0	0	0	0
Hard armor plate replacement - 5 year expiration on armor	20,000	0	20,000	0	0	0	20,000
Replace expired body armor - Tactical vest replacement. 5 year expiration date	0	25,872	0	0	0	100,000	0
Hearing/radio communication headsets	0	5,769	0	30,000	0	0	0
Colt AR-15 for issue to officers	3,600	0	0	0	0	0	0
FRED machine (will own 2)	0	20,000	0	0	0	0	0
Glocks	21,600	21,600	17,100	17,100	17,100	17,100	17,100
Rifle optics, sling, lights, etc	13,050	0	0	0	0	0	0
Rifles (trading in 20 old rifles)	21,990			21,990			21,990
Tac Rifles	36,000	0	0	0	0	0	0
Sights for Patrol(Handguns)	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Tasers and Batteries	62,040	0	0	0	0	0	0
Trijicon Red Dot Sights for issued handguns	22,400	4,000	4,000	4,000	4,000	4,000	4,000
<b>Vehicles</b>							
Motorcycles	27,000	147,222	147,222	98,148	98,148	98,148	54,000
Patrol and other Vehicles - Not EDU,SWAT, Motorcycles	3,224,200	3,092,600	3,092,600	3,026,800	2,895,200	2,895,200	2,632,000
New larger equipment truck - Current equip. vehicle is running out of room. Will	0	0	75,000	0	0	0	0
Passenger Van	45,000	0	0	0	0	0	0
Polaris RZR ATV - 4 seats / bed area	0	0	0	0	0	30,000	0
Replacement Negotiations Operations Center (Motorhome)	100,000	0	0	0	0	0	0
<b>Other</b>							
K-9 Replacement w/ travel	17,000	0	18,000	18,000	18,000	18,000	18,000
Kennel Pad & Refurbishment	5,000	5,000	0	5,000	0	5,000	0
Portable Mass Spectrometer	0	0	0	0	0	40,000	0
Replace aging gas masks	0	0	0	101,500	0	0	0
Replace aging Pole Cameras		20,000	20,000	0	0	0	0
Replace suppressors	26,000	0	0	0	0	0	0
<b>Annual Total</b>	<b>4,837,997</b>	<b>4,417,743</b>	<b>4,360,498</b>	<b>4,100,644</b>	<b>4,453,300</b>	<b>4,513,834</b>	<b>3,627,485</b>
<b>Available SIP Program Funding</b>	<b>2,553,797</b>	<b>2,257,921</b>	<b>2,095,676</b>	<b>1,950,696</b>	<b>2,789,952</b>	<b>2,805,486</b>	<b>2,226,485</b>
Unfunded Amount	2,284,200	2,159,822	2,264,822	2,149,948	1,663,348	1,708,348	1,401,000
% Unfunded	47%	49%	52%	52%	37%	38%	39%

Notes: All costs are in current dollars.

Average cost for vehicles is \$49,800, plus \$16,000 for commissioning. Average cost per motorcycle is \$40,000, plus \$9,000 for commissioning.

Funding from SIP Program is based on replacing 14-19 vehicles per year, which is the minimum needed to be replace vehicles 10 years and older.

Fire Equipment	2021	2022	2023	2024	2025
<b>Heavy Apparatus</b>					
Quint (Balance due in 2021)	633,096				
Engines (2 per year)		1,681,534	1,681,534	1,681,534	1,681,534
<b>Staff/Response</b>					
Light Response Unit/Command				57,000	
Light Response Unit/Command		57,000			
Light Response Unit/Command	75,000				
Light Response Unit/Command				75,000	
Light Response Unit/Command				75,000	
Battalion Chief 1			75,000		
Battalion Chief 2		75,000			
Moderate Response Unit/Support	75,000				
Moderate Response Unit/Support	75,000				
Moderate Response Unit/Investigation				88,000	
Moderate Response Unit/Investigation	88,000				
Moderate Response Unit/Investigation				88,000	
Light Response Unit/EMS	85,000				
Light Response Unit/EMS	85,000				
Light Response Unit/EMS		85,000			
Moderate Response Unit/ARU		110,000			
Moderate Response Unit/ARU			110,000		
Moderate Response Unit/ARU				110,000	
Light Response Unit/Behav Health		110,000			
<b>Staff No Code</b>					
Staff/CRRM	25,000				
Staff/CARES		25,000			
Staff/IMS			25,000		
Staff/PREV 1	25,000				
Staff/PREV 2			25,000		
Staff/PREV 3				25,000	
Staff/PREV 4					25,000
Staff/PREV 5					25,000
Staff/PREV 6					25,000
<b>Other Equipment</b>					
Equipment for Facilities	100,000	100,000	100,000	100,000	100,000
Equipment for Response	464,000	464,000	464,000	464,000	464,000
PPE - replace expired	450,000	315,800	315,800	315,800	315,800
<b>ANNUAL TOTAL</b>	<b>2,180,096</b>	<b>3,023,334</b>	<b>2,796,334</b>	<b>3,079,334</b>	<b>2,636,334</b>
<b>Available Funding</b>	<b>2,180,149</b>	<b>2,342,394</b>	<b>2,405,874</b>	<b>1,668,118</b>	<b>1,612,584</b>
Unfunded	-53	680,940	390,460	1,411,216	1,023,750
Percent Unfunded	0%	23%	14%	46%	39%

Notes: All costs are in current dollars.

# Cost Containment for 2020

---

JULY 20, 2020

A solid green horizontal bar spanning the width of the slide, located at the bottom.

# Presentation Objectives

---

1. Understand the process
  2. Review proposals
  3. Decide budget reductions
- 

# Cost Containment Process

---

## **April**

- Hiring freeze
- Review of nearly all expenditures

## **May**

- Departments asked to propose cuts up to 6% and up to 12% (L1 and L2)
- Finance Division reviewed all proposals (Finance Division Review)
- Executive Leadership team reviewed (Leadership Review)

## **June**

- Report provided to Finance Committee for consideration

## **July**

- Recommendations from Finance Committee activity

## **August**

- City Council approval of 2020 budget actions
- 

# Departmental Cost Containment Efforts

---

- ❑ **Two Cost Reduction Levels**

  - ❑ Level 1 = 6% Reductions or a target of **\$13,474,622**

  - ❑ Level 2 = 12% Reductions or a target of **\$24,876,226**

- ❑ **Minimal impact to employees**

- ❑ **Focus on whole programs**

Reserves as of 12/31/19 = \$44,563,894\* (\$19,612,969 Unappropriated)

*Projected 2020 General Fund Deficit = \$18,619,000*

*Projected 2021 General Fund Deficit = \$14,044,738*

*Projected 2022-2025 General Fund Deficit = \$22,179,386*

} \$55,443,124

\* Includes Revenue Stabilization, Contingency, and Unappropriated Fund Balances

Source Note: Projected 2020 GF Deficit from June Monthly Report, Projected 2021-2025 GF Deficit from 5-Year Forecast Report

# 2020 General Fund Deficit

---

Projected Deficient (June 2020 Monthly Report)		(\$18,619,000)
Departmental Cost Containment Efforts:		
◦ Salary Savings from Vacancies	\$ 4,780,000	
◦ Supplies & Services	1,623,000	
◦ Travel	180,000	
◦ Temp/Project Staffing	173,000	
◦ Other Cost Reductions	<u>1,200,000</u>	
Total Departmental Cost Containment Efforts		\$7,956,000
<i>Proposed Public Safety SIP Refinancing</i>		<u><i>\$4,300,000</i></u>
<b>Use of Reserves</b>		<b>\$6,363,000</b>

# Governance & Administrative Services

Category	Dept. Submitted	Finance Review	Leadership Review
Personnel Costs	\$1,350,651	\$1,104,328	\$1,104,328
Travel Related Costs	\$32,448	\$33,948	\$33,948
Supplies & Services	\$1,518,705	\$1,019,951	\$1,019,951
<b>TOTAL</b>	<b>\$2,901,804</b>	<b>\$2,158,226</b>	<b>\$2,158,226</b>

- Accounting
- City Clerk
- City Council
- Civil Service
- Finance
- Grant Management
- Human Resources
- Internal Service Charges
- IT-Capital Replacement
- Mayor
- Non-departmental
- Treasury Services
- Transfer to Asset Management
- Office of Performance Management

- ✓ No FTE/position eliminations – only budgetary reductions for managed vacancies
- ✓ No furloughs or budget reductions for filled positions
- ✓ No reductions to contractual services that could impact front-line services
- ✓ No special election costs

# Public Safety Services

Category	Dept. Submitted	Finance Review	Leadership Review
Personnel Costs	\$15,631,864	\$3,757,950	\$3,107,950
Travel Related Costs	\$147,553	\$147,553	\$147,553
Supplies & Services	\$560,215	\$268,565	\$268,565
<b>TOTAL</b>	<b>\$16,339,632</b>	<b>\$4,174,068</b>	<b>\$3,524,068</b>

- Legal
- Municipal Court
- Police
- Police Ombudsman
- Probation Services
- Public Defender
- Transfer to Fire/EMS

- ✓ No furloughs or budget reductions for filled positions
- ✓ No layoffs
- ✓ Leadership lowered amount of personnel savings due to protest activity
- ✓ No MOU arrangements (other agencies will not be able to pay)

# Community & Development Services

Category	Dept. Submitted	Finance Review	Leadership Review
Personnel Costs	\$1,201,038	\$827,349	\$827,349
Travel Related Costs	\$2,334	\$0	\$0
Supplies & Services	\$1,147,130	\$916,190	\$916,190
<b>TOTAL</b>	<b>\$2,350,502</b>	<b>\$1,743,539</b>	<b>\$1,743,539</b>

- Community & Neighborhood Services
- Economic Development
- Engineering Services
- Historic Preservation
- My Spokane
- Neighborhood Services
- Office of Hearing Examiner
- Planning Services
- Streets
- Transfer to Code Enforcement

- ✓ No reduction in services that caused more reduction in revenue
- ✓ Use of in-house staff for grant projects and replace contractual services

# Cultural & Recreational Services

Category	Dept. Submitted	Finance Review	Leadership Review
Personnel Costs	\$2,040,460	\$10,500	\$10,500
Travel Related Costs	\$0	\$0	\$0
Supplies & Services	\$514,537	\$519,537	\$519,537
<b>TOTAL</b>	<b>\$2,901,804</b>	<b>\$530,037</b>	<b>\$530,037</b>

- Community Centers
- Library
- Public Affairs/Communication
- Transfer to Parks & Recreation

- ✓ No FTE/position eliminations – only budgetary reductions for managed vacancies
- ✓ No furloughs or budget reductions for filled positions
- ✓ Proposed reductions reflective of closed operations

# Summary

---

- ✓ Department cost containment proposals amount to nearly \$8 million.
    - ✓ No layoffs
    - ✓ No furloughs
    - ✓ Managed vacancies
  
  - ✓ 2020 General Fund will require use of reserves
  
  - ✓ One-time investments will need to target:
    - ✓ Increasing capacity to serve citizens with less staff
    - ✓ Improving operational efficiency
    - ✓ Promoting economic recovery
- 

# Next Steps

---

1. Identify proposals that are acceptable
  2. Create SBO to reflect desired action
  3. Research other proposals accordingly
- 

**Cost Containment Proposals for Governance and Administrative Services**

LINE	DEPT NAME	LEVEL	ITEM	DESCRIPTION	DEPARTMENT SUBMITTED	FINANCE DIVISION REVIEW	LEADERSHIP	REVIEW	COMMENTS
1	ACCOUNTING								
2		L1	Personnel	charged to GF	100,952	100,952		100,952	
3		L2	Personnel	charged to GF	85,421	85,421		85,421	
4	CITY CLERK								
5				Miscellaneous O&M			1,500	1,500	
6		L1	Personnel	Reduce budget for 1 FTE (not identified)	49,449				All positions are currently filled
7		L2	Personnel	identified)	91,291				
8	CITY COUNCIL								
9		L1	Personnel	Vacancy savings from delayed hiring of new positions	200,000	200,000		200,000	
10		L2	Supplies/Services	Projected savings in supply and services	100,000	100,000		100,000	
11	CIVIL SERVICE								
12		L1	Professional Services	Temporary hiring freeze reduced need for services	90,000	90,000		90,000	
13		L1	IF Repro		5,436	5,436		5,436	
14		L1	Airfare		6,000	6,000		6,000	
15		L1	Lodging		6,000	6,000		6,000	
16		L1	Per Diem		4,000	4,000		4,000	
17		L1	Other Travel		2,000	2,000		2,000	
18		L1	Advertising		2,000	2,000		2,000	
19		L2	Terminated Sick		3,107	3,107		3,107	
20		L2	Terminated Vacation		5,000	5,000		5,000	
21		L2	Local Milage		500	500		500	
22		L2	Advertising		2,975	2,975		2,975	
23		L2	Print Repro		1,000	1,000		1,000	
26		L2	Other Misc Charges	(\$400), and other misc. charges (\$1,886)	3,286				
27		L2	Salary Reduction	(Option 1)	41,250				
39	FINANCE								
40		L1	Personnel	Reduce budget for vacant position (Finance Director)	104,687	104,687		104,687	
41		L2	Personnel	Reduce budget for vacant position for part year (Analyst)	62,350	62,350		62,350	
42	GRANTS MANAGEMENT								
43		L1	Supplies & Services	Miscellaneous O&M	34,667	34,667		34,667	
44		L2	Personnel	Offer Furlough days	29,333				
59	HUMAN RESOURCES								
60		L1	Personnel	Reduce budget from vacant position (HRA II)	82,848	82,848		82,848	
61		L1	Personnel	Reduce budget for vacant position (Clerk III)	44,941	44,941		44,941	
62		L2	Travel	Reduce travel/training budget through 2020	4,948	4,948		4,948	
63	INTERNAL SERVICE CHARGES								
64		L1	Services	interfund-type expenses (Reprographics, Fuel, etc.)	181,120	181,120		181,120	
65		L2	Services	type expenses (Reprographics, Fuel, etc.)	334,375	100,000		100,000	
66	IT								
67		L1	Personnel	Reduce budget for vacant positions	248,613	248,613		248,613	
68		L1	Contractual Services	City)	216,000				Could negatively impact application support contracts
69		L2	Applications		46,841				
70		L2	Various	servers, operations, help desk)	204,377	50,000		50,000	
71		L2	Critical Projects	telecommute licensing	(191,000)				Could have negative impacts Needs more detailed review
72	IT-CAPITAL REPLACEMENT								
73		L1	IF IT Replacement	Reduction in GF allocation to IT-Capital Replacement	40,564	40,564		40,564	
74		L2	IF IT Replacement	Reduction in GF allocation to IT-Capital Replacement	74,887	74,887		74,887	
86	MAYOR								
87		L1	Reserve	Reduce reserve for budget adjustment	48,813	25,000		25,000	
88		L2	Reserve	Reduce reserve for budget adjustment	11,062				
89		L2	Personnel	Advisor)	36,000	36,000		36,000	
90		L2	NT Meals	Reduce NT meals	1,500	1,500		1,500	
91		L2	Travel	Reduce travel	7,500	7,500		7,500	
106	NONDEPARTMENTAL								
107		L1	Election Services	elections anticipated for 2020. The City pays a prorated	150,000	150,000		150,000	
108		L1	Voter Registration	share of voter registration efforts billed by the County.	150,000	150,000		150,000	
126	TREASURY SERVICES								
147	PURCHASING								
148		L1	Misc. Other Charges	dues/memberships.	12,302	12,302		12,302	
149		L2	Personnel	Reduce overhead rate charged to GF	10,409	10,409		10,409	
155	TRANSFER TO ASSET MANAGEMENT-OPERATIONS								
156		L1	Personnel	Asset Management)	85,000	85,000		85,000	
157		L2	Personnel	Manager)	70,000	35,000		35,000	
162	OFFICE OF PERFORMANCE MGMT								

**Total for Governance & Administrative Services**

**2,901,804**

**2,158,226**

**2,158,226**

**Cost Containment Proposals for Public Safety Services**

LINE	DEPT NAME	LEVEL	ITEM	DESCRIPTION	DEPARTMENT SUBMITTED	FINANCE DIVISION REVIEW	LEADERSHIP REVIEW	COMMENTS
75	LEGAL							
76		L1	Personnel	Reduce budget for vacant position (1/2 retiring Chief ACA)	96,163	96,163	96,163	
77		L1	Temp/Seasonal		15,000	15,000	15,000	
78		L1	Project Employee		25,000	25,000	25,000	
79		L1	Other Misc Charges	Travel and Judgement Damages	4,000	4,000	4,000	
80		L2	Personnel	Furlough Asst. Prosecutor FTE	106,000			
81		L2	Temp/Seasonal		62,748			
82		L2	Personnel	Furlough Attorney Asst.	90,519			
83		L2	Project Employee		25,000			
84		L2	Other Misc Charges	Includes contractual services, cell phone, and travel	15,000	5,000	5,000	
92	MUNICIPAL COURT							
93				Reduce budget from vacant positions		86,787	86,787	
94		L1	Non-Personnel	Miscellaneous O&M	72,920	72,920	72,920	
95		L1	Personnel	Layoff 6 employees	274,367			
96		L2	Personnel	Layoff additional 5 employees	266,153			
122	POLICE							
123		L1	Personnel	vacant positions they are unable to fill due to the pandemic-related	3,700,000	1,500,000	1,000,000	Leadership Review reflects changed savings projection due to recent events.
124		L1	Travel	Due to travel restrictions	129,918	129,918	129,918	
125		L1	Supplies/Services		300,000	150,000	150,000	
127		L1	Overtime	Overtime trended downward during first 5 months	503,657	250,000	100,000	
128		L2	Personnel	Reduce staffing by 10% or 41 FTEs (avg. FTE cost of \$105,506)	4,329,026			
129	POLICE OMBUDSMAN							
130		L1	Travel	of which have been canceled)	17,635	17,635	17,635	
131		L1	Supplies	Combination of OPOC office supplies and travel budget	14,156	14,156	14,156	
132		L1	Legal Services	Funding for OPO Commission independent legal counsel	7,500			
133		L2	Legal Services	of budgeted dollars)	7,500			
134		L2	Professional Services	Mediation	2,300			
135		L2	Background Checks	Background checks for interns	350			
136	PROBATION SERVICES							
137		L1	Non-Personnel	Miscellaneous O&M	17,489	17,489	17,489	
138		L1	Personnel	Reduce budget for two Probation Officer I - filled	90,441			
139		L2	Personnel	Reduce budget for additional Probation Officer I - filled	91,326			
144	PUBLIC DEFENDER							
145				Miscellaneous O&M		5,000	5,000	
146		L1	Revenue - MOU with Cc	temp/seasonal costs	119,000			This would result in additional cost
161	TRANSFER TO FIRE/EMS							
163			Personnel	\$85K each		1,785,000	1,785,000	
164		L1	Personnel	Reduce 30 Firefighters	3,226,418			
165		L2	Personnel	Reduce 31 additional Firefighters (61 total)	2,730,046			
<b>Total for Public Safety Services</b>					<b>16,339,632</b>	<b>4,174,068</b>	<b>3,524,068</b>	

**Cost Containment Proposals for Community & Development Services**

LINE	DEPT NAME	LEVEL	ITEM	DESCRIPTION	DEPARTMENT SUBMITTED	FINANCE DIVISION REVIEW	LEADERSHIP REVIEW	COMMENTS
24		L1	Contractual Services	Support budget for the Community and Neighborhood Services Division, total budget is \$50,647	25,684	25,684	25,684	
25		L2	Contractual Services	Support budget for the Community and Neighborhood Services Division, total budget is \$50,647	21,732	21,732	21,732	
28	COMMUNITY & NEIGHBORHOOD SERVICES DIVISION							
32	ECONOMIC DEVELOPMENT							
33		L1	Misc. Other Charges	Includes travel/equipment and miscellaneous services	45,000	45,000	45,000	
34		L1	Contractual Services		6,443	6,443	6,443	
35		L2	Contractual Services		43,528	25,000	25,000	
36	ENGINEERING SERVICES							
37		L1	Personnel	vehicle	156,736	156,736	156,736	
38		L2	Personnel	Reduce budget for vacant position (Engineering Tech 3)	73,924	73,924	73,924	
45	HISTORIC PRESERVATION							
46				Miscellaneous O&M		1,500	1,500	
47		L1	Miscellaneous Revenue		(1,000)			Reductions would result in loss of revenue
48		L1	Contra Salaries		(4,000)			
49		L1	Contra Benefits		(1,000)			
50		L1	Airfare		18			
51		L1	Lodging		344			
52		L1	Per Diem		484			
53		L1	Other Transpo. Expenses		638			
54		L1	Advertising		600			
55		L1	Registration/Schooling		850			
56		L1	Other Dues/Subscriptions		203			
57		L1	Project Employee	(salary and benefits, est.)	6,294			
58		L2	Project Employee	(salary and benefits, est.)	13,057			
97	MY SPOKANE							
98		L1	Misc. Other Charges	Reduced travel, clothing, promotional supplies, and refreshments	5,000	5,000	5,000	
99		L1	Personnel	Reduce budget for part-year vacant position (Customer Service Supervisor)	12,096	12,096	12,096	
100		L2	Personnel	Reduce budget for part-year vacant position (Customer Service Supervisor)	12,096	12,096	12,096	
101	NEIGHBORHOOD SERVICES							
102		L1	Contractual Services	Reduce budget for training	25,000	25,000	25,000	
103		L1	Contractual Services		6,000	6,000	6,000	
104		L1	Other Miscellaneous	Reduce budget for contractual services, travel, and education budget	4,831	4,831	4,831	
105		L2	Personnel	Reduce budget for vacant position (NBS Director)	30,319	30,319	30,319	
109	OFFICE OF HEARING EXAMINER							
110				Miscellaneous O&M		5,000	5,000	
111		L1	Revenue - Court Services		12,500			Based on analysis this did not seem viable for 2020.
112		L1	Contractual Services		845			
113		L2	Temp/Seasonal		2,500			
114		L2	Supplies		2,051			
115		L2	Services		3,713			
116	PLANNING SERVICES							
117		L1	Revenue - WA State Grants	City awarded 2 state grants. Work can be performed in house.	130,000	130,000	130,000	
118		L1	Temp/Seasonal		25,000	25,000	25,000	
119		L1	Misc. Other Charges	50% reduction in travel, lodging, and registration/schooling	8,000	8,000	8,000	
120		L2	Contractual Services	Postpone projects or perform work in house	173,500	173,500	173,500	
121		L2	Personnel	Planner)	130,755	130,755	130,755	
150	STREET							
151		L1	Personnel	Reduce budget for vacant positions through 2020	386,423	386,423	386,423	
152		L1	Supplies	Defer purchase of materials until 2021	119,500	119,500	119,500	
153		L2	Personnel	Potential vacancies due to retirements	356,838			
154		L2	Supplies	Additional deferral of purchases and other O&M	314,000	114,000	114,000	
158	TRANSFER TO CODE ENFORCEMENT							
159		L1	Services	Savings to GF allocation based on expenditure projections and program moving to Development Services Center	100,000	100,000	100,000	
160		L2	Services	Savings to GF allocation based on expenditure projections and program moving to Development Services Center	100,000	100,000	100,000	
<b>Total for Community &amp; Development Services</b>					<b>2,350,502</b>	<b>1,743,539</b>	<b>1,743,539</b>	

**Cost Containment Proposals for Cultural & Recreational Services**

LINE	DEPT NAME	LEVEL	ITEM	DESCRIPTION	DEPARTMENT SUBMITTED	FINANCE DIVISION REVIEW	LEADERSHIP REVIEW	COMMENTS
29	COMMUNITY CENTERS							
30		L1	Contractual Services	Support budget for the four community centers of \$122,596 (note, COVID related child care costs have been	62,041	62,041	62,041	Community Centers closed during COVID. COVID costs reimbursable from other sources.
31		L2	Contractual Services	Support budget for the four community centers of \$122,596 (note, COVID related child care costs have been paid from this line, to meet targets funding would need to be replenished first)	52,496	52,496	52,496	Community Centers closed during COVID. COVID costs reimbursable from other sources.
85	LIBRARY		Misc	Voluntary reduction in GF allocation	400,000	400,000	400,000	
140	PUBLIC AFFAIRS/COMMUNICATIONS							
141			Personnel	Temp/Seasonal		3,000	3,000	
142			Misc	Miscellaneous O&M		5,000	5,000	
143			Personnel	Reduce budget from part-year vacant positon (Director)		7,500	7,500	
166	TRANSFER TO PARKS AND RECREATION							
167		L1	Personnel	Furlough 22 full-time FTEs -- Parks own Tier 1 reduced all revenue generating programs (no aquatics, park restrooms, attractions, most recreation programs, event support, and capital improvement programs)	1,105,249			Parks operations has already adjusted to reflect significant decrease in program revenue.
168		L2	Personnel	Additional furlough of additional 15 staff (37 total) -- 40% of fulltime workforce or 75% of overall workforce	935,211			
<b>Total for Cultural &amp; Recreational Services</b>					<b>2,554,997</b>	<b>530,037</b>	<b>530,037</b>	



# **CITY OF SPOKANE**

## **Quarterly Investment Report**

### **As of June 30, 2020**

---

July 20, 2020

This report presents the City's investment portfolio for the quarter ending June 30, 2020. It has been prepared to comply with regulations contained in Washington State RCW 35.39 and Spokane Municipal Code Chapter 7.15. The report includes all investments managed by the City. As required, the report provides information on the investment type, issuer, maturity date, cost, and current market value for each security.

The investment objectives of the City of Spokane are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating and capital spending requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds under its direct control. Interest earned on pooled cash and investments is allocated monthly to the various funds based on the respective fund's average monthly investment balance. It is common for governments to pool the cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

The City retains direct control of its investments. Primarily, investments are held by the City in a safekeeping account with Bank of New York Mellon. Exceptions to this rule, would include investments held by trustees related to bond financings, which are held by either US Bank, and Spokane Investment Pool Loans.

#### ***Investment Portfolio Benefits all Funds***

The City's cash and investment portfolio represents money from all City funds, with the exception of Employees Retirement, Police Pension, and Fire Pension funds. City funds include the General Fund, enterprise funds, internal service funds, capital projects funds, and other funds which are restricted to specific purposes.

In general, monies held by the City are either allocated by the City Council for spending or are purposefully retained in reserve. For example, the money in the Capital Outlay Funds have been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, approximately \$20.9 million is purposely held in reserve to meet the City's contingency reserve policy of 10% of operating expenditures. In addition, approximately \$7.3 million is purposely held to meet the City's Revenue Stabilization policy of 3.5% of operating revenues.

## Quarterly Investment Report

---

### *Current Cash and Investment Summary*

The following is a summary of the City's cash and investments based on market value as of June 30, 2020, compared with the prior quarter:

	March 31, 2020	June 30, 2020	Percent of Total
Cash	\$105,187,256	\$129,768,865	28.48%
Fixed Income	278,737,763	284,579,722	62.46%
SIP Loans	41,238,935	41,238,935	9.05%
<b>TOTAL</b>	<b>\$425,163,954</b>	<b>\$455,587,523</b>	<b>100.00%</b>

There are a number of factors which result in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. For example, the majority of City Property Taxes are received in May and November of each year. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced according to market values provided by Bank of New York Mellon at the end of each month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At June 30, 2020, the market value of the portfolio was \$11,516,936 more than the cost basis. The difference is an unrealized gain due to the inverse relationship between interest rates and market values as it relates to the fixed income portion of the City's investment portfolio.

The portfolio's average yield to maturity as of June 30, 2020 was 1.34%. The effective rate of return for the 2<sup>nd</sup> quarter was 1.57%.

As of June 30, 2020, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's investment management plan.

### *Summary of Activity for the Quarter and Future Liquidity*

Cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet at least the next three months of expected expenditures by the City.

#### Highlights:

- In May and June, the City received its regularly scheduled property tax deposits, which were reduced due to the effects of Spokane County's COVID-19 related property tax deferral. The 45 day deferral has effectively slowed down the collection of property taxes to date by approximately 4.4%, as of mid-June, compared to the same time last year. It is expected that remaining amounts due, although delayed, will be realized in full and disbursed to the City when collected.
- Three Federal Agency securities were called in the 1<sup>st</sup> quarter, totaling \$10.415 million. These investments, when called, increase the liquid portion of the portfolio.
- In June, the City purchased \$15 million in Federal Agency securities for a combined purchase price of \$15.08 million. These investments are relatively short-term in nature, intended to mitigate the effects of the lowering short-term interest rate environment while meeting the liquidity needs of year 2021.
- The City also refinanced thirteen of its outstanding SIP loans on June 30<sup>th</sup>. Typically, a principal payment would have been made in the 2<sup>nd</sup> quarter, however, the refinancing terms stipulate that 2020 principle payments will now be made in December. The loans when refinanced will yield .81% to the portfolio, compared to their previous weighted average yield of 2.51%.

***Report Contents and Distribution.*** This report includes the following three schedules on the City's portfolio as of June 30, 2020; Summary of Investment Portfolio; Investment Detail; and Summary of Investment Portfolio Liquidity.

If you have any questions concerning this report, or require additional information, contact Tonya Wallace, Chief Financial Officer at (509) 625-6585 or Jake Hensley, Treasury Manager at (509) 625-6074.

## **DISTRIBUTION LIST**

### **Administration**

Nadine Woodward – Mayor

Wes Crago – City Administrator

### **City Council**

Breean Beggs – Council President

Kate Burke – Council Member

Michael Cathcart – Council Member

Lori Kinnear – Council Member

Candace Mumm – Council Member

Karen Stratton – Council Member

Betsy Wilkerson – Council Member

### **Investment Oversight Committee**

Tonya Wallace – Chief Financial Officer

TBD – Retirement Director

Jake Hensley – Treasury Manager

TBD – Council Member

TBD – Community Member

TBD – Community Member

# CITY OF SPOKANE

As of June 30, 2020

## SUMMARY OF INVESTMENTS

CITY OF SPOKANE INVESTMENT PORTFOLIO			
	Percent of Portfolio	Current Yield	Market Value
<b>Checking Account</b>	NA	NA	\$7,976,396
<b>Investments</b>			
Local Government Investment Pool	18.3%	0.37%	\$81,792,469
US Bank- Treasurer's Cash	8.9%	0.00%	40,000,000
Federal Agency Coupon Securities	46.9%	1.61%	210,023,149
Federal Agency Strip Bonds	9.8%	2.65%	43,997,074
Treasury Coupon Securities	6.8%	1.62%	30,559,500
Property Acquisition Fund	9.0%	1.75%	40,317,403
Consolidated Local Improvement Districts	0.2%	2.30%	921,532
<b>Total Investments</b>	<b>100.0%</b>	<b>1.34%</b>	<b>\$447,611,127</b>
<b>Total Checking Account + Investments</b>			<b>\$455,587,523</b>

## SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY

INVESTMENT AGING		
	Percent of Portfolio	Market Value
Overnight	27.2%	121,792,469
Within Three Months	4.5%	20,046,400
Three to Six Months	2.3%	10,132,400
Six Months to One Year	3.0%	13,576,145
One to Five Years	39.6%	177,241,227
Over Five Years	14.2%	63,583,550
SIP Loans	9.2%	41,238,935
<b>TOTAL</b>	<b>100.0%</b>	<b>\$447,611,127</b>

# CITY OF SPOKANE

As of June 30, 2020

---

## INVESTMENT PERFORMANCE

### BENCHMARK COMPARISON

The City of Spokane maintains certain performance objectives for its investments. The overall performance objective for the portfolio is to earn a total rate of return over the market cycle that equals or exceeds the market index. In order to achieve this objective the portfolio invests in high-quality money market instruments, rolling repurchase agreements, US Treasury securities, Agency securities, to maintain an average maturity of no longer than 3 years. The City generally invests in securities maturing in 5 years or less, except in such circumstances where the maturity of such investments coincide with an identifiable cash flow. To monitor the achievement of this objective, the City uses a "Benchmark" to compare to. Currently, the benchmark used by the City is the Treasury Yield relevant to the Weighted Average Maturity of the Portfolio. Below is a summary of the quarterly results as compared to the benchmark. While the City strives to achieve this performance objective every month, the goal is assumed to be met on an annual basis. The City of Spokane is currently outperforming its benchmark.

#### Benchmark Comparison for the Quarter Ended 06/30/2020

	<u>Benchmark</u>	<u>06/30/2020</u>	<u>03/31/2020</u>
Average Maturity (yrs)	3	1.94	2.27
Average Market Yield	.19%	1.34%	1.81%
Average Quality		AA/Aa1	AA/Aa1
Total Market Value		\$447,611,127	\$407,354,703

The following pages provide a summary of the portfolio, as well as a detailed holding report, for the previous month.



**SIP Investment Portfolio**  
**Portfolio Management**  
**Portfolio Summary**  
**June 30, 2020**

City of Spokane  
 808 W. Spokane Falls Blvd  
 Treasury Department  
 Spokane, Spokane, WA 99201

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
LGIP-Treasurers Cash	81,792,469.12	81,792,469.12	81,792,469.12	18.76	1	1	0.367	0.372
Federal Agency Coupon Securities	200,887,000.00	210,023,148.94	203,256,022.25	46.61	2,127	944	1.589	1.611
Treasury Coupon Securities	30,000,000.00	30,559,500.00	29,960,319.11	6.87	715	507	1.595	1.617
Strip Bonds	47,750,000.00	43,997,073.51	39,846,445.51	9.14	4,121	2,545	2.612	2.648
Property Acquisition Fund	40,317,403.39	40,317,403.39	40,317,403.39	9.25	1	1	1.728	1.752
CLIDS	921,531.90	921,531.90	921,531.90	0.21	1	1	2.266	2.297
US Bank- Treasurers Cash	40,000,000.00	40,000,000.00	40,000,000.00	9.17	1	1	0.002	0.002
<b>Investments</b>	<b>441,668,404.41</b>	<b>447,611,126.86</b>	<b>436,094,191.28</b>	<b>100.00%</b>	<b>1,418</b>	<b>708</b>	<b>1.322</b>	<b>1.341</b>

<b>Cash and Accrued Interest</b>								
Accrued Interest at Purchase		2,035.00	2,035.00					
Subtotal		2,035.00	2,035.00					
<b>Total Cash and Investments</b>	<b>441,668,404.41</b>	<b>447,613,161.86</b>	<b>436,096,226.28</b>		<b>1,418</b>	<b>708</b>	<b>1.322</b>	<b>1.341</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	525,505.87	5,912,484.97
<b>Average Daily Balance</b>	<b>432,199,504.98</b>	<b>401,231,150.13</b>
<b>Effective Rate of Return</b>	<b>1.48%</b>	<b>2.96%</b>

Jacob Hensley, Treasury Manager

**SIP Investment Portfolio**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>LGIP-Treasurers Cash</b>												
SYSLGIP	LGIP	WA Local Government Investment			81,792,469.12	81,792,469.12	81,792,469.12	0.372	0.367	0.372	1	
<b>Subtotal and Average</b>			<b>129,142,469.12</b>		<b>81,792,469.12</b>	<b>81,792,469.12</b>	<b>81,792,469.12</b>		<b>0.367</b>	<b>0.372</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>												
3132X0GC9	20160048	Federal Agricultural Mtg Corp		05/19/2016	1,500,000.00	1,567,050.00	1,499,804.66	1.920	1.899	1.925	1,031	04/28/2023
3133ECKQ6	20160043	Federal Farm Credit Bank		04/21/2016	2,000,000.00	2,062,220.00	2,012,724.98	2.000	1.597	1.619	642	04/04/2022
3133EGYR0	20160074	Federal Farm Credit Bank		10/17/2016	10,000,000.00	10,597,900.00	10,000,000.00	1.820	1.795	1.820	1,569	10/17/2024
3133EGYR0	20160075	Federal Farm Credit Bank		10/17/2016	10,000,000.00	10,597,900.00	10,000,000.00	1.820	1.795	1.820	1,569	10/17/2024
3133EGZJ7	20160076	Federal Farm Credit Bank		10/25/2016	7,000,000.00	7,108,500.00	6,998,746.53	1.375	1.370	1.389	481	10/25/2021
3133ELB60	20200002	Federal Farm Credit Bank		06/26/2020	7,000,000.00	6,999,650.00	6,998,414.39	0.150	0.173	0.175	329	05/26/2021
3133ELN75	20200003	Federal Farm Credit Bank		06/26/2020	4,000,000.00	3,997,400.00	3,998,018.62	0.230	0.260	0.264	540	12/23/2021
313382AX1	20160028	Federal Home Loan Bank		03/30/2016	16,575,000.00	17,378,224.50	16,725,075.62	2.125	1.742	1.766	982	03/10/2023
313382AX1	20160031	Federal Home Loan Bank		03/30/2016	10,000,000.00	10,484,600.00	10,092,078.26	2.125	1.736	1.760	982	03/10/2023
313378CR0	20160040	Federal Home Loan Bank		04/21/2016	5,000,000.00	5,165,300.00	5,051,110.52	2.250	1.593	1.615	618	03/11/2022
3133XRWN6	20160042	Federal Home Loan Bank		04/21/2016	5,710,000.00	6,576,835.10	6,268,552.18	5.220	1.827	1.852	1,139	08/14/2023
313382AX1	20160044	Federal Home Loan Bank		04/21/2016	4,460,000.00	4,676,131.60	4,498,346.51	2.125	1.760	1.784	982	03/10/2023
3130A3DL5	20160063	Federal Home Loan Bank		08/18/2016	15,000,000.00	15,944,700.00	15,360,898.58	2.375	1.553	1.574	1,164	09/08/2023
3130AGXK6	20190003	Federal Home Loan Bank		08/27/2019	20,000,000.00	20,046,400.00	19,999,696.66	1.750	1.736	1.760	56	08/26/2020
313371U79	20190004	Federal Home Loan Bank		08/27/2019	10,000,000.00	10,132,400.00	10,063,879.31	3.125	1.642	1.665	163	12/11/2020
3130AHSR5	20200001	Federal Home Loan Bank		06/26/2020	4,000,000.00	4,081,040.00	4,082,876.67	1.625	0.209	0.212	537	12/20/2021
3137EAEC9	20160064	Federal Home Loan Mtg Corp		08/17/2016	14,945,000.00	15,104,014.80	14,915,452.61	1.125	1.291	1.309	407	08/12/2021
3137EAEC9	20160066	Federal Home Loan Mtg Corp		08/18/2016	10,000,000.00	10,106,400.00	9,978,635.69	1.125	1.306	1.324	407	08/12/2021
3136G02F7	20160020	Federal National Mtg Assn		03/08/2016	1,572,000.00	1,590,895.44	1,571,742.54	1.600	1.598	1.620	310	05/07/2021
3135G0K36	20160049	Federal National Mtg Assn		05/19/2016	10,000,000.00	10,897,800.00	9,967,214.55	2.125	2.158	2.188	2,123	04/24/2026
3135G0K36	20160055	Federal National Mtg Assn		07/12/2016	15,000,000.00	16,346,700.00	15,313,271.65	2.125	1.709	1.733	2,123	04/24/2026
742651DM1	20160047	Private Export Funding		05/19/2016	2,125,000.00	2,215,737.50	2,162,244.48	2.800	1.783	1.808	683	05/15/2022
742651DT6	20160052	Private Export Funding		05/23/2016	15,000,000.00	16,345,350.00	15,697,237.24	3.550	2.091	2.120	1,293	01/15/2024
<b>Subtotal and Average</b>			<b>190,721,953.09</b>		<b>200,887,000.00</b>	<b>210,023,148.94</b>	<b>203,256,022.25</b>		<b>1.589</b>	<b>1.611</b>	<b>944</b>	
<b>Treasury Coupon Securities</b>												
912828T67	20190010	U.S. Treasury		12/06/2019	20,000,000.00	20,286,800.00	19,902,556.21	1.250	1.600	1.623	487	10/31/2021
912828U81	20190011	U.S. Treasury		12/06/2019	10,000,000.00	10,272,700.00	10,057,762.90	2.000	1.584	1.606	548	12/31/2021
<b>Subtotal and Average</b>			<b>29,958,946.20</b>		<b>30,000,000.00</b>	<b>30,559,500.00</b>	<b>29,960,319.11</b>		<b>1.595</b>	<b>1.617</b>	<b>507</b>	

**SIP Investment Portfolio  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Strip Bonds</b>												
3134A4MW1	20150008	Federal Home Loan Mtg Corp		01/14/2015	5,000,000.00	4,985,600.00	4,952,996.44		1.840	1.866	198	01/15/2021
3134A4CA0	20160039	Federal Home Loan Mtg Corp		04/21/2016	2,735,000.00	2,672,423.20	2,504,091.27		2.210	2.241	1,537	09/15/2024
31364EAV6	20160045	Federal National Mtg Assn		05/19/2016	15,000,000.00	13,916,550.00	12,459,607.39		2.726	2.763	2,655	10/08/2027
31364EBA1	20160051	Federal National Mtg Assn		05/19/2016	9,870,000.00	9,020,686.50	8,055,747.16		2.814	2.853	2,822	03/23/2028
31358C4V5	20160032	Federal National MtgAss Strip		04/18/2016	1,252,000.00	1,173,750.00	1,072,094.33	2.146	2.498	2.532	2,411	02/06/2027
31359YQF7	20160037	Federal National MtgAss Strip		04/18/2016	7,893,000.00	6,899,823.81	6,072,735.67	2.265	2.802	2.841	3,666	07/15/2030
3134A3U53	20160036	FRE PRIN STRIP		04/18/2016	6,000,000.00	5,328,240.00	4,729,173.25		2.770	2.809	3,363	09/15/2029
<b>Subtotal and Average</b>			<b>39,803,867.95</b>		<b>47,750,000.00</b>	<b>43,997,073.51</b>	<b>39,846,445.51</b>		<b>2.612</b>	<b>2.648</b>	<b>2,545</b>	
<b>Property Acquisition Fund</b>												
PAF RES20100043	20130030	Property Acquisition Fund		07/01/2013	0.00	0.00	0.00	2.170	2.140	2.170	1	
PAF RES20110036	20130032	Property Acquisition Fund		07/01/2013	0.00	0.00	0.00	2.893	2.853	2.893	1	
PAF RES20110053	20130033	Property Acquisition Fund		07/01/2013	0.00	0.00	0.00	1.510	1.489	1.510	1	
PAF RES20120110	20130034	Property Acquisition Fund		07/01/2013	0.00	0.00	0.00	2.070	2.042	2.070	1	
PAF RES20100042	20130036	Property Acquisition Fund		07/01/2013	0.00	0.00	0.00	1.950	1.923	1.950	1	
SYS20150080	20150080	Property Acquisition Fund		11/12/2015	0.00	0.00	0.00	2.170	2.140	2.170	1	
SYS20150082	20150082	Property Acquisition Fund		11/18/2015	1,934,581.53	1,934,581.53	1,934,581.53	2.410	2.377	2.410	1	
SYS20160068	20160068	Property Acquisition Fund		10/03/2016	2,997,308.39	2,997,308.39	2,997,308.39	1.880	1.854	1.880	1	
SYS20170001	20170001	Property Acquisition Fund		06/30/2017	0.00	0.00	0.00	2.600	2.600	2.636	1	
SYS20170004	20170004	Property Acquisition Fund		10/06/2017	3,524,125.13	3,524,125.13	3,524,125.13	2.720	2.683	2.720	1	
SYS20180001	20180001	Property Acquisition Fund		08/28/2018	4,325,058.90	4,325,058.90	4,325,058.90	3.630	3.580	3.630	1	
SYS20180002	20180002	Property Acquisition Fund		08/28/2018	0.00	0.00	0.00	3.630	3.580	3.630	1	
SYS20180003	20180003	Property Acquisition Fund		08/31/2018	0.00	0.00	0.00	2.970	2.929	2.970	1	
SYS20190002	20190001	Property Acquisition Fund		05/31/2019	4,527,938.00	4,527,938.00	4,527,938.00	3.060	3.018	3.060	1	
SYS20190006	20190006	Property Acquisition Fund		08/30/2019	0.00	0.00	0.00	2.430	2.397	2.430	1	
SYS20190007	20190007	Property Acquisition Fund		11/07/2019	0.00	0.00	0.00	2.260	2.229	2.260	1	
SYS20190008	20190008	Property Acquisition Fund		11/25/2019	0.00	0.00	0.00	2.300	2.268	2.300	1	
SYS20190009	20190009	Property Acquisition Fund		11/25/2019	1,721,027.96	1,721,027.96	1,721,027.96	2.300	2.268	2.300	1	
RES20-0034 A1	20200004	Property Acquisition Fund		06/30/2020	2,389,011.63	2,389,011.63	2,389,011.63	0.810	0.799	0.810	1	
RES20-0034 A2	20200005	Property Acquisition Fund		06/30/2020	2,500,000.00	2,500,000.00	2,500,000.00	0.810	0.799	0.810	1	
RES20-0034 B	20200006	Property Acquisition Fund		06/30/2020	536,750.86	536,750.86	536,750.86	0.810	0.799	0.810	1	
RES20-0034 C	20200007	Property Acquisition Fund		06/30/2020	262,629.51	262,629.51	262,629.51	0.810	0.799	0.810	1	
RES20-0034 D	20200008	Property Acquisition Fund		06/30/2020	1,358,963.14	1,358,963.14	1,358,963.14	0.810	0.799	0.810	1	
RES20-0034 E1	20200009	Property Acquisition Fund		06/30/2020	1,129,923.79	1,129,923.79	1,129,923.79	0.810	0.799	0.810	1	
RES20-0034 E2	20200010	Property Acquisition Fund		06/30/2020	1,746,254.87	1,746,254.87	1,746,254.87	0.810	0.799	0.810	1	
RES20-0034 E3	20200011	Property Acquisition Fund		06/30/2020	604,013.56	604,013.56	604,013.56	0.810	0.799	0.810	1	

**SIP Investment Portfolio  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Property Acquisition Fund</b>												
RES20-0034 F	20200012	Property Acquisition Fund		06/30/2020	3,134,679.77	3,134,679.77	3,134,679.77	0.810	0.799	0.810	1	
RES20-0034 G	20200013	Property Acquisition Fund		06/30/2020	129,071.41	129,071.41	129,071.41	0.810	0.799	0.810	1	
RES20-0034 H	20200014	Property Acquisition Fund		06/30/2020	500,000.00	500,000.00	500,000.00	0.810	0.799	0.810	1	
RES20-0033 I	20200015	Property Acquisition Fund		06/30/2020	2,927,080.00	2,927,080.00	2,927,080.00	0.810	0.799	0.810	1	
ORD35911 J	20200016	Property Acquisition Fund		06/30/2020	3,746,925.00	3,746,925.00	3,746,925.00	0.810	0.799	0.810	1	
ORD35911 J	20200016-1	Property Acquisition Fund		06/30/2020	322,059.94	322,059.94	322,059.94	0.810	0.799	0.810	1	
SYS20160070	20160070	BOND REFINANCE		10/11/2016	0.00	0.00	0.00	2.320	2.288	2.320	1	
SYS20160070	20160070-1	BOND REFINANCE		10/11/2016	0.00	0.00	0.00	2.320	2.288	2.320	1	
<b>Subtotal and Average</b>			<b>40,317,403.39</b>		<b>40,317,403.39</b>	<b>40,317,403.39</b>	<b>40,317,403.39</b>		<b>1.728</b>	<b>1.752</b>	<b>1</b>	
<b>CLIDS</b>												
CLID 219	20130047	CLID		09/16/2013	94,056.40	94,056.40	94,056.40	3.740	3.689	3.740	1	
CLID 221	20130048	CLID		09/16/2013	70,737.03	70,737.03	70,737.03	1.790	1.765	1.790	1	
CLID 222	20140009	CLID		12/31/2013	184,966.58	184,966.58	184,966.58	3.900	3.847	3.900	1	
CLID 223	20140078	CLID		11/19/2014	376,870.96	376,870.96	376,870.96	2.400	2.400	2.433	1	
CLID 224A	20150090	CLID		12/30/2015	194,900.93	194,900.93	194,900.93		0.000	0.000	1	
<b>Subtotal and Average</b>			<b>921,531.90</b>		<b>921,531.90</b>	<b>921,531.90</b>	<b>921,531.90</b>		<b>2.266</b>	<b>2.297</b>	<b>1</b>	
<b>US Bank- Treasurers Cash</b>												
SYSUSBANK	USBANK- SIP	US Bank			40,000,000.00	40,000,000.00	40,000,000.00	0.002	0.002	0.002	1	
<b>Subtotal and Average</b>			<b>1,333,333.33</b>		<b>40,000,000.00</b>	<b>40,000,000.00</b>	<b>40,000,000.00</b>		<b>0.002</b>	<b>0.002</b>	<b>1</b>	
<b>Total and Average</b>			<b>432,199,504.98</b>		<b>441,668,404.41</b>	<b>447,611,126.86</b>	<b>436,094,191.28</b>		<b>1.322</b>	<b>1.341</b>	<b>708</b>	

**SIP Investment Portfolio  
 Portfolio Management  
 Portfolio Details - Cash  
 June 30, 2020**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
<b>Average Balance</b>			<b>0.00</b>	Accrued Interest at Purchase		2,035.00	2,035.00				<b>0</b>
				Subtotal		2,035.00	2,035.00				
<b>Total Cash and Investments</b>			<b>432,199,504.98</b>		<b>441,668,404.41</b>	<b>447,613,161.86</b>	<b>436,096,226.28</b>		<b>1.322</b>	<b>1.341</b>	<b>708</b>



**GENERAL FUND FINANCIAL SUMMARY - 2020**  
June 30, 2020

<b>BEGINNING BALANCES* (actual as of 12/31/2019, unaudited)</b>		<u>Actual %</u>
--Assigned Funds for Encumbrance Rollover	2,989,424	
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	7,248,506	3.5%
--Contingency Reserve Balance (target 10.0% of expenditures)	20,691,844	10.0%
--Unappropriated Fund Balance	<u>19,612,969</u>	
<b>Total Available Reserves (Revenue Stabilization, Contingency Reserves, Unappropriated)</b>	<b>47,553,318</b>	
<i>% of Adopted Revenues</i>		23.0%

<b>2020 Adopted General Fund Revenues</b>	207,100,161	
Add - Other COVID-19 Relief Funding	TBD	
Add - FEMA Reimbursement**	TBD	
Add - COVID-19 Relief Funding (City Distribution)	6,660,000	
Decrease - Sales Tax Revenue Loss (COVID-19)	<u>(7,300,000)</u>	
Decrease - Other Revenue Loss (COVID-19)	<u>(7,900,000)</u>	
<b>Adjusted General Fund Revenue</b>	<b>198,560,161</b>	<b>198,560,161</b>

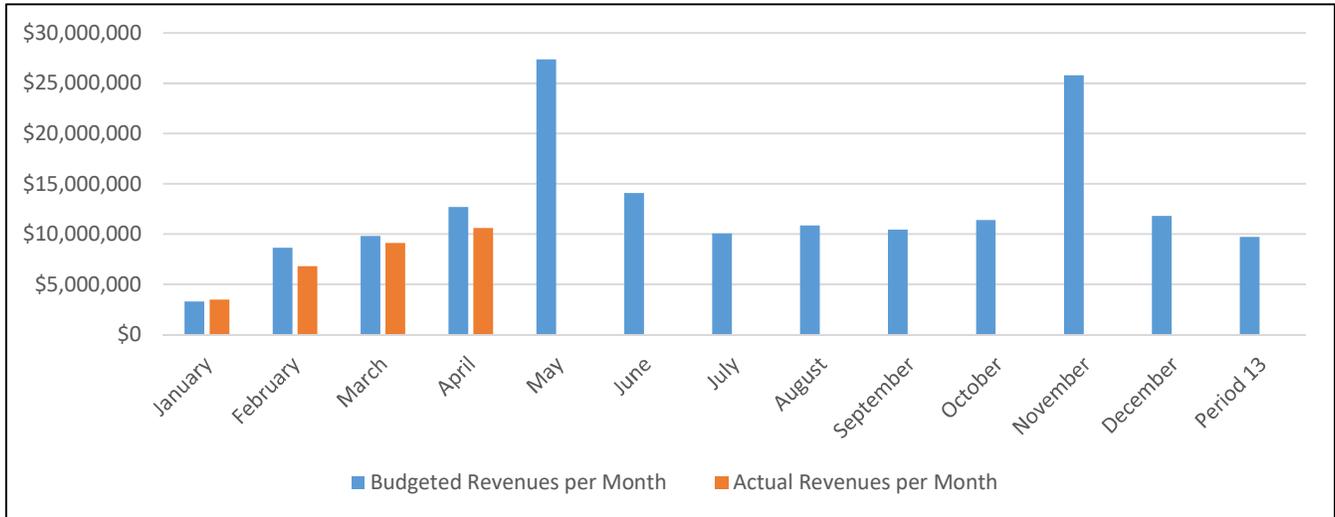
<b>2020 Adopted General Fund Expenses</b>	206,918,438	
Add - 2019 Encumbrance Rollovers	2,989,424	
Add - 2020 Approved Budget Changes QR1	591,566	
Add - 2020 Approved Budget Changes QR2	-	
Add - Potential Guild Agreement	6,219,000	
Add - COVID-19 Response Expense	3,500,000	
Add - City Re-Opening Costs	250,000	
Add - Other Community COVID-19 Response Expense	2,910,000	
Decrease - Hiring Freeze	(400,000)	
Decrease - Expense Control	(600,000)	
<b>Adjusted General Fund Expenses</b>	<b>222,378,428</b>	<b>222,378,428</b>

<b>PROJECTED ENDING BALANCES</b>		<u>Actual %</u>
--Assigned Funds for Encumbrance Rollover	-	
--Revenue Stabilization Reserve Balance (target 3.5% of revenues)	6,716,506	3.5%
--Contingency Reserve Balance (target 10.0% of expenditures)	20,651,000	10.0%
--Unappropriated Fund Balance	<u>(3,632,455)</u>	
<b>Total Available Reserves</b>	<b>23,735,051</b>	
<i>% of Adopted Revenues</i>		12.0%

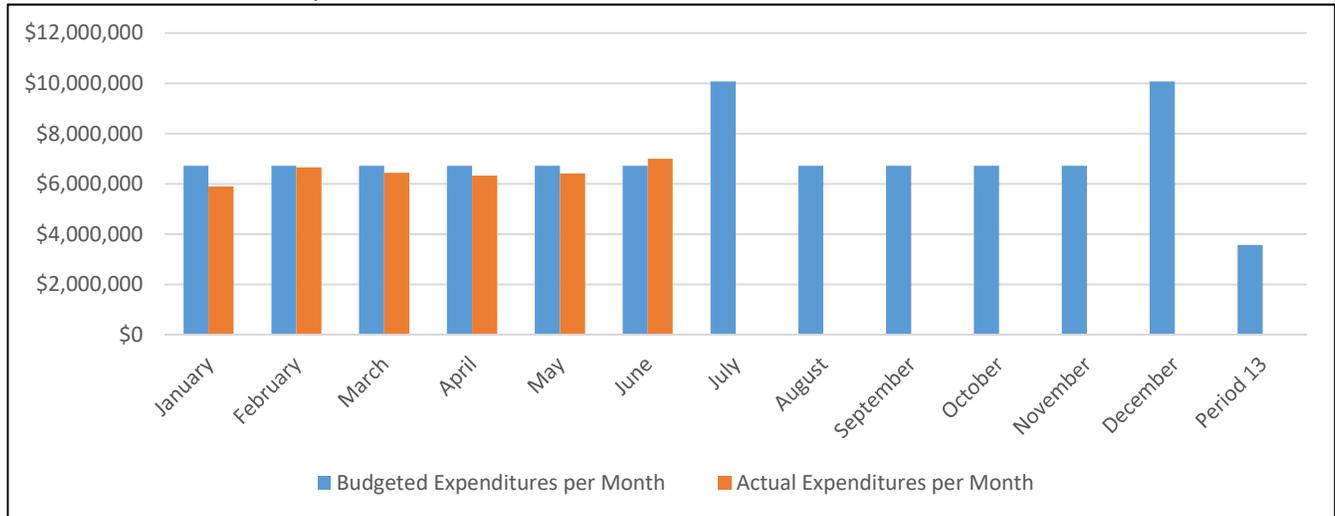
\*Per SMC 07.08.010, any General Fund revenue in excess of expenditures from 2019 will first be deposited into the Revenue Stabilization Reserve until that reserve reaches its targeted funding level

\*\*The City anticipates 75% reimbursement from FEMA for eligible costs

### REVENUE - SALES, PROPERTY, and UTILITY TAXES



### EXPENDITURES - SALARIES, WAGES & BENEFITS



### RESERVE ACCOUNTS

