

STANDING COMMITTEE MINUTES
City of Spokane
Finance & Administration Committee
11/20/2017 - FINAL

Attendance

Council Member Candace Mumm, Council President Ben Stuckart, Council Member Karen Stratton, Council Member Laurie Kinnear, Council Member Amber Waldref, Council Member Mike Fagan, Council Member Breean Beggs, Tim Dunivant, Gavin Cooley, Debra Robole, Eric Finch, Crystal Marchand, Ed Lukas, Chris Cavanaugh, Hannalee Allers, Nathen Calene, Anna Everano, Jacob Fraley, Jacqui Halvorson, Brian McClatchey, Adam McDaniel, Skyler Oberst, Skyler Brown, Tim Szambelan, Luis Garcia, Phil Tencick, Corin Morse, Melissa Owen

Approval of Minutes:

Meeting Minutes for October 2017

Agenda Items:

1. Salary Review Commission Update – Council President

Council President Stuckart briefed the Committee regarding this item. The next review will be in 2020. The City Administration would like to see other official salaries, such as City Administrator, and include comparables. Could we take elected officials out of SERS and give them a 401(1) in case they do not vest at 5 years? Council Member Beggs would like to include the City Attorney into this. Council Member Kinnear wants to keep compensation competitive to allow for many people to run for office. Council Member Fagan would like to see the Mayor remain on a two year cycle so that citizens get a report card. Council Member Mumm recommended reviewing a COLA. Council Member Mumm wants the Salary Review Commission to determine whether the Council position is full-time or part-time. Discussion ensued.

2. Campaign Finance Reform – Council President

Council President Stuckart briefed the Committee regarding this item. Council President has met with Municipal Court, 2017 Candidates, the League of Women's Voters. Council Member Beggs supports moving election cycle to November of the General Election. There was discussion on changing contribution limits from \$500 to \$1,000.

3. Compensation Review Process

Council President Stuckart and Council Member Mumm briefed the Committee regarding this item. Council Member Kinnear would support an update every couple of months to report on actuals. Council would like to see information earlier so they can make adjustments along the way. Discussion ensued.

4. The New Rule of “90” under SERS – Phillip Tencick

Phillip Tencick, Retirement Director, briefed the Committee regarding this item. This will create a 4th tier “Rule of 90”. The estimated implementation time if all bargaining units agree is 3 months. The contribution rate has been updated. Discussion ensued.

5. City Collection Activities – Corin Morse

Corin Morse, Utility Division Customer Service Program Manager, briefed the Committee regarding this item. The City currently contracts with two collection companies; Valley Empire and Automated Accounts. There will be follow up at the January Finance Committee where Corin will return to present on PAR with Howard Delany.

6. East Sprague BID 2018 Assessment Roll and Hearing – Melissa Owen

Melissa Owen, Planning Services, briefed the Committee regarding this item. Please see attached briefing paper.

7. Downtown BID 2018 Assessment Roll and Hearing – Melissa Owen

Melissa Owen, Planning Services, briefed the Committee regarding this item. Please see attached briefing paper.

8. Discuss SBO for Fire and Police Payouts – Tim Dunivant

Tim Dunivant, Director of Finance & Administration, briefed the Committee regarding this item. Three Battalion Chief’s retirements could put payouts over budget. Would there be a way we could do an annual SBO to take care of payouts in years where we have significant retirements?

9. Contract with GovQA to provide a Public Records Request Service Platform – Eric Finch

Eric Finch, Chief Information Technology Officer, briefed the Committee regarding this item. Please see attached briefing paper. Many cities use this platform (Snohomish County, Tacoma, Seattle, Vancouver, etc), which allows for tracking public records requests. It can standardize the process and will help with compliance.

10. Financial Update – Gavin Cooley/Tim Dunivant

Gavin Cooley, Chief Financial Officer and the Tim Dunivant, Director of Finance and Administration, briefed the Committee regarding this item. Please see the attached presentation.

11. IT Update – Eric Finch

Eric Finch, CITO, briefed the Committee regarding this item.

Consent Items:

- Contract w/True Point Solutions LLC – Luis Garcia, Code Enforcement
- 6 month contract extension with Comcast Franchise – Tim Szambelan
- CDW Government contract for Purchasing technology Equipment – Eric Finch
 - Council Member Mumm questioned whether this contract should be sent out for another RFP. Contract has gone from \$200,000 to \$500,000. IT is down 2/3 of project management workforce. The question was raised if we are paying potential City employees enough to recruit good project management talent? Council Member Stratton questioned whether we have promotable employees that could fill these positions?
- Add additional funds to the Cerium Value Blanket – Eric Finch
- Approval to purchase Cisco Hardware and Software from Cerium Networks – Eric Finch
- Fourth of one year renewal options with Cerium Networks Inc for Maintenance of Cisco Equipment – Eric Finch
- Approval to purchase PC, Laptop and Mobil Data Hardware Equipment from Dell Marketing – Eric Finch
- Contract with Lenovo to purchase server related equipment – Eric Finch
- Addendum to increase funds on Nuvodio LLC contract for Project Management Consulting for ITSD – Eric Finch
- Approval for the annual renewal of Support and Maintenance in regards to PM Web – Eric Finch
- Approval to purchase from SHI International for the Microsoft Enterprise Agreement License Support – Eric Finch
- Approval to purchase various Software Products from Washington State Department of Enterprise Services – Eric Finch

These items will be brought before the City Council for approval. Please see attached briefing papers.

Strategic Plan Session

Human Resources is looking into why professional development training opportunities are not being taken advantage of. Human Resources is setting up online training on skillsoft. Human Resources has also completed a wellness survey.

Executive Session:

There was no Executive Session at this meeting.

Adjournment

The meeting was adjourned at 2:58 p.m.

Prepared by:

Laura Williams

Approved by:

Chair

For further information contact: Laura Williams, 625-6585

Briefing Paper

Finance & Administration Committee

Division & Department:	Neighborhood & Business Services/Code Enforcement
Subject:	Council approval for Contract to create online code complaint form
Date:	11.09.17
Author (email & phone):	Luis Garcia, Code Enforcement Supervisor: lgarcia@spokanecity.org , 625.6850
City Council Sponsor:	
Executive Sponsor:	Jonathan Mallahan
Committee(s) Impacted:	Health & Safety
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan to create a community that all people can feel safe, empowered and welcome. Policy to create efficiencies in compliant submittals and data entry.
Strategic Initiative:	Safe and Healthy
Deadline:	11.09.17
Outcome: (deliverables, delivery duties, milestones to meet)	More efficient launch of Code Enforcement complaint processes for residents, quicker response time due to increased efficiency, results in officers increased productivity and more properties attended to across the City.
Background/History: <p>This request is to enhance the Code Enforcement process using the Accela program currently used. The effort is to create a means where a citizen can submit a complaint of land use violations to the City of Spokane that is easy to use, protects identities and create efficiencies within the Code Enforcement organization. Current process requires concerned residents to complete a form and then submit to the City either in physical form or scan and attached to an email correspondence. The creation of an online complaint form will expedite the submittal process and eliminate duplication by staff entering in the data submitted with the complaint.</p>	
Executive Summary: <ul style="list-style-type: none"> • Contract and Statement of Work <ul style="list-style-type: none"> • Project Initiation- Review Goals and Plan Project <ul style="list-style-type: none"> ○ Meetings between True Point Solutions, Code Enforcement and IT to review goals. • Analysis- Analyze and Design Solutions <ul style="list-style-type: none"> ○ True Point Solutions will work with the City to design the best approach to Code Complaints based on information required. • Build- Configure System <ul style="list-style-type: none"> ○ True Point Solutions will provide professional services to develop program platform. ○ True Point will further provide onsite training to staff in the launch of the program. 	

- Test
 - In a joint effort, True Point Solutions and city staff will test the online compliant form prior to deployment.
- Deploy
 - Launch of the system for public use.

Budget Impact:

Approved in current year budget? ☒ Yes ☐ No
 Annual/Reoccurring expenditure? ☐ Yes ☒ No
 If new, specify funding source: Code Enforcement
 Other budget impacts:

Operations Impact:

Consistent with current operations/policy? ☒ Yes ☐ No
 Requires change in current operations/policy? ☐ Yes ☒ No
 Specify changes required:
 Known challenges/barriers:

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
CDW Government
Finance Committee
November 20, 2017

Subject

Approval to purchase technology equipment and software from CDW Government (Vernon Hills, IL)

January 1, 2018 through December 31, 2018 \$100,000 plus tax and shipping.

Background

The City of Spokane currently utilizes CDW Government for hardware and software purchases for all city departments (i.e., *iPads, Plotters, Printers, Projectors, Scanners, Hard Drives, iPhones, Terminal Servers, Routers, Card Readers, Monitors, Battery Modules, UPS Batteries, Ink, etc.*). The City of Spokane has utilized CDWG for technology equipment and software purchases since 2004.

The City of Spokane Innovation and Technology Services Division (ITSD) is utilizing the King County Directors' Association (KCDA) Agreement #AEPA 014-E for its selection of CDW Government. In addition, the following contracts will also be utilized to procure reasonable pricing: Washington HP – R160203, Washington Lenovo NVP- 05815, Washington DES Cisco - #AR233 (14-19) with addendum, WA 01114, Washington Panasonic NVP Computer Equipment – MNWNC-124 WA Contract #05815-011 & CDWG GSA (Federal Contract) – GS-35F-0195J

Current Value Blanket for 2017 – \$100,000. Year-to-date purchases exceed \$55,000.

Impact

Without this annual Approval to Purchase, the ITSD will be required to seek City Council approval to exceed The City Purchase Limit (\$49,000). The intent of this Value Blanket is to reduce the delay/process in purchasing technology related items for City Departments.

Action

City ITSD requests, and recommends approval

Funding

Various City Department Accounts

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Cerium
Finance Committee
November 20, 2017

Subject

Approval to add funds to the Cerium Value Blanket. This increase in funds will be used to complete the Call Center/UCCX – Call Recording upgrade.

November 1, 2017 through December 31, 2017 \$14,500 plus tax and shipping.

Background

Cerium currently provides network equipment that is compatible with our voices and data application requirements, and security for all City Departments. The purpose has been set up to improve efficiencies, service, connectivity and future capacity. This aligns with the City's standards.

Impact

Without this yearly Approval to Purchase, the ITSD Division would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

Various Accounts

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Cerium
Finance Committee
November 20, 2017

Subject

Approval to purchase Cisco Hardware and software from Cerium Networks, Inc. (Spokane, WA) for the City of Spokane utilizing WA State Contract #01114/AR233

January 1, 2018 through December 31, 2018 \$350,000 plus tax and shipping.

Background

Cerium currently provides network equipment that is compatible with our voices and data application requirements, and security for all City Departments. The purpose has been set up to improve efficiencies, service, connectivity and future capacity. This aligns with the City's standards.

Current 2017 – \$350,000

Impact

Without this yearly approval to purchase, the ITSD Division would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

Various Accounts

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Cerium – Smartnet
Finance Committee
November 20, 2017

Subject

Fourth of four One-Year renewal options with Cerium Networks, Inc. (Spokane, WA) for maintenance of Cisco equipment located in City Hall and other locations.

January 1, 2018 through December 31, 2018 \$226,798.09 plus tax and shipping.

Background

SmartNet which is the maintenance portion for Cisco hardware and software is provided by Cerium Networks as part of the RFP #3984-13 for the City's Phone and Network System. The City of Spokane uses Cisco Switches and Routers as the primary network connection device. This contract provides maintenance of hardware and software support for these critical products.

Current 2017 – \$239,564.41

Impact

Without this contract the turnaround time to receive maintenance for any Cisco Hardware or Software Switches or Routers could cause significant down time on the City Network.

Action

City ITSD recommends approval

Funding

Various Accounts



City of Spokane

CONTRACT AMENDMENT/EXTENSION

Title: **PROJECT MANAGEMENT CONTRACTOR**

This Contract Amendment/Extension is made and entered into by and between the **City of Spokane** as ("City"), a Washington municipal corporation, and **NUVODIA, LLC**, whose address is 850 East Spokane Falls Boulevard, Spokane, Washington, 99201 as ("Consultant"). Individually hereafter referenced as a "party", and together as the "parties".

WHEREAS, the parties entered into a Contract wherein the Consultant agreed to provide a Project Management Contractor for the City; and

WHEREAS, a change or revision of the Work has been requested, thus the original Contract needs to be formally Amended and Extended by this written document; and

-- NOW, THEREFORE, in consideration of these terms, the parties mutually agree as follows:

1. CONTRACT DOCUMENTS.

The Contract, dated May 8, 2017, any previous amendments, addendums and / or extensions / renewals thereto, are incorporated by reference into this document as though written in full and shall remain in full force and effect except as provided herein.

2. EFFECTIVE TERM.

This Contract Amendment Extension shall become effective upon signature of the parties and run through April 30, 2018.

3. COMPENSATION.

The City shall pay an additional amount not to exceed **ONE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00)**, including tax, for a total compensation amount of **FIVE HUNDRED FIFTY EIGHT THOUSAND NINE HUNDRED AND SIXTY AND NO/100 DOLLARS (\$558,960.00)** for everything furnished and done under this Contract Amendment Extension. This is the maximum amount to be paid under this Amendment Extension, and shall not be exceeded without the prior written authorization of the City, memorialized with the same formality as the original Contract and this document.

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 Amendment Extension by having legally-binding representatives affix their signatures below.

NUVODIA, LLC

By _____
Signature Date

Type or Print Name

Title

Attest:

City Clerk

CITY OF SPOKANE

By _____
Signature Date

Type or Print Name

Title

Approved as to form:



Assistant City Attorney

Attachments that are part of this Agreement:

Amended Scope of Work document

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Dell
Finance Committee
November 20, 2017

Subject

Approval to purchase PC, Laptop and Mobile Data Hardware Equipment from Dell Marketing L.P. (Dell Financial, L.L.C) Austin, TX

January 1, 2018 through December 31, 2018 \$500,000 plus tax and shipping.

Background

Dell Marketing L.P. currently provides the City of Spokane with PC, Laptop, and Mobile Data Hardware for purchase for various City Departments. The purpose of the new equipment is for efficiencies, improved service, high speed connectivity, future capacity, and aligns with The City's standard for PC, Laptop and Mobile Data equipment and deployment. The City of Spokane Innovation and Technology Division has utilized WA State Contract #05815-003/MNWNC-108 for its selection of Dell Marketing L.P.

Current 2017 – \$500,000

Impact

Without this yearly Approval to Purchase, ITSD would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

Various Accounts

For further information contact:

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF SPOKANE, WASHINGTON
GRANTING COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC
A FRANCHISE EXTENSION THROUGH JUNE 30, 2018**

WHEREAS, on or about November 21, 2005, the City of Spokane, Washington granted a Cable Communications Franchise Agreement ("Franchise"), which is currently held by Comcast Cable Communications Management, LLC ("Comcast"); and

WHEREAS, Comcast has requested renewal of the Franchise; and

WHEREAS, the initial term of the Franchise is set to expire on or about December 23, 2017; and

WHEREAS, both the City and Comcast desire to reserve all of their respective rights under state and federal law regarding the franchise renewal process, specifically all rights provided by 47 U.S.C. Section 546.

NOW, THEREFORE, the City of Spokane, Washington hereby resolves as follows:

1. The Franchise is hereby amended by extending the term of the Franchise from December 24, 2017 through the date on which Comcast's Franchise is renewed or until and including June 30, 2018, whichever shall first occur.

2. Except as specifically modified hereby, the Franchise shall remain in full force and effect.

3. The City and Comcast hereby agree that neither party waives any rights either may have under the Franchise or applicable law.

4. This Resolution shall become effective upon the occurrence of both of the following conditions: (1) The Resolution being passed and approved by the City and (2) Comcast's acceptance of this Resolution.

Approved by the City Council of the City of Spokane, Washington this ____ day of _____, 2017.

CITY OF SPOKANE, WASHINGTON

_____, Mayor

ATTEST:

_____, City Clerk

ACCEPTANCE AND AGREEMENT

Comcast Cable Communications Management, LLC hereby accepts this Resolution No. _____ ("Resolution") and hereby accepts the terms, provisions and recitals of the Resolution and agrees to be bound by the Franchise.

Dated this ____ day of _____, 2017.

COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

By: _____

Its: _____

SWORN TO BEFORE ME this
____ day of _____, 2017.

NOTARY PUBLIC

Briefing Paper

Finance and Administration Committee

Division & Department:	Planning and Development
Subject:	Downtown BID 2018 Annual Assessment Roll and Hearing
Date:	November 20, 2017
Contact (email & phone):	Jonathan Mallahan, jmallahan@spokanecity.org , 6734
City Council Sponsor:	N/A
Executive Sponsor:	Jonathan Mallahan
Committee(s) Impacted:	N/A
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	SMC Section 04.31 (SMC 4.31.040 - Levy of Special Assessments); Resolution 2017-0094 setting the date and time of the 2018 Assessment Roll Hearing; Draft Ordinance Confirming and Approving 2018 Assessment Roll
Strategic Initiative:	N/A
Deadline:	On December 18, 2017 the council will hold an annual assessment roll hearing and take action on an Ordinance approving and confirming the 2018 Downtown BID Assessment Roll. Additionally, the Downtown Spokane Partnership (DSP) will present their annual BID work plan and budget for the coming year.
Outcome: (deliverables, delivery duties, milestones to meet)	2018 Assessment Roll Approved and Confirmed at December 18, 2017 Council Meeting; 2018 Annual BID Work Plan and Budget approved via aforementioned ordinance.
Background/History: <p>As per state law and 04.31 SMC, the City Council must hold an annual hearing on the assessments levied upon properties within the Downtown Business Improvement District (BID). The intent of this briefing is to provide you with an update regarding the Downtown BID 2018 Assessment Roll and outline the proposed schedule for the 2018 Assessment Roll Hearing.</p> <p>SMC 04.31.040 provides the rates at which special assessments within the BID will be imposed.</p> <p>The City Council needs to pass a resolution setting the date for the 2018 Downtown BID Assessment Roll Hearing and outlining notice requirements to all ratepayers (November, 13, 2017 Council Meeting). Following the Assessment Roll Hearing the City Council may pass an ordinance approving and confirming the 2018 Assessments and Assessment Roll. The Executive Summary below outlines the proposed schedule for the 2018 Downtown BID Assessment Roll Hearing and other BID related activities to take place during the Council Meeting on December 18th.</p>	
Executive Summary: <ul style="list-style-type: none"> • November 13 – Council Action re: Resolution setting Assessment Roll Hearing • November 20 – Finance and Administration Committee Meeting • November 20 – 1st Notice in Official Gazette • November 22 – Notice of hearing mailed to ratepayers (deadline for mailing is November 24, 2017); 2018 Assessment Roll available in the City Clerks' Office for viewing. • November 27 – 2nd Notice in Official Gazette • December 18 – Downtown 2018 Assessment Roll Hearing and Ordinance Approving and Confirming the 2018 Assessments and Assessment Roll; Presentation by the Downtown Spokane Partnership (DSP) re: their annual management work plan and budget for 2018. 	

Budget Impact:

Approved in current year budget? ☐ Yes ☐ No ☒ N/A

Annual/Reoccurring expenditure? ☐ Yes ☐ No ☒ N/A

If new, specify funding source: N/A

Other budget impacts: (revenue generating, match requirements, etc.) The 2018 assessment of property is equivalent to \$549,275.59, tenant assessments are equivalent to \$540,678.85 for a total of \$1,089,954.44 in assessments for 2018.

Operations Impact:

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

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

Specify changes required: N/A

Known challenges/barriers: N/A

RESOLUTION NO. 2017- 0094

A RESOLUTION SETTING THE ASSESSMENT ROLL HEARING FOR THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA (BUSINESS IMPROVEMENT DISTRICT – BID) AND PROVIDING NOTICE OF THE 2018 ASSESSMENTS TO BUSINESS AND PROPERTY OWNERS.

WHEREAS, pursuant to the laws of Washington State and City Ordinance C-32923, as codified and amended in Chapter 4.31 SMC, the City Council intends to hold a hearing on the assessments levied upon businesses and properties within the Downtown Parking and Business Improvement Area (PBIA); and

WHEREAS, through this Resolution, the City Council intends to provide notice that there will be a hearing upon the assessment roll prepared under the above-identified Ordinance.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE SPOKANE CITY COUNCIL:

1. Notice is hereby given that the assessment rolls for businesses and properties prepared under Ordinance C-32923, as codified and amended in Chapter 4.31 SMC, will be on file in the Office of the City Clerk on the 22nd day of November 2017, and are open for public inspection.
2. The City Council has fixed the 18th day of December of 2017 at 6:00 p.m., or as soon thereafter as practicable in the City Council Chambers of the Municipal Building, W. 808 Spokane Falls Blvd., Spokane, Washington, as the time and place for hearing upon said rolls.
3. The City Council declares its intent to impose special assessment in a manner that measures special benefits from each of the purposes set forth in Ordinance C-32923, as codified and amended in Chapter 4.31 SMC. The special assessments will finance the PBIA (BID) budgets and programs approved by the City Council.
4. All persons who may desire to object to the assessment roll shall make their objections in writing and file them with the City Clerk at or prior to the date fixed for hearing.

At the time and place fixed, and at such other times as the hearing may be continued to, the City Council will consider the assessment roll as a board of equalization for the purpose of considering objections or comments made thereto, or any part thereof, and may correct, revise, raise, lower, change or modify such roll, or any part thereof, or set aside such roll and order that such assessment be made de

novo, or take such other action as the circumstances may warrant, including confirmation of the assessment rolls.

This is the only hearing held on the assessment roll, and it will be final unless appealed according to Chapter 4.31 SMC.

5. Business & Developer Services is directed to mail, at least fifteen days before the date fixed for hearing, a notice to the business and property owners identified in the assessment rolls setting forth the date and time of public hearing, including the amount of special assessment.
6. The City clerk is directed to publish notice of the hearing on the assessment rolls in the Official Gazette for two consecutive weeks, the last publication being fifteen days before the date fixed for public hearing.

ADOPTED by the City Council this _____ day of November, 2017.

City Clerk

Approved as to form:

Assistant City Attorney

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND CONFIRMING THE 2018 ASSESSMENTS AND ASSESSMENT ROLL FOR THE DOWNTOWN SPOKANE PARKING AND BUSINESS IMPROVEMENT AREA, PREPARED UNDER ORDINANCE C-32923 AS CODIFIED AND AMENDED IN CHAPTER 4.31 SMC.

WHEREAS, the Spokane City Council on November 13, 2017 passed Resolution 2017-0094, which provided notice and set a date for hearing on the assessments to be levied under the above identified ordinance; and

WHEREAS, pursuant to Resolution No. 2017-0094, a public hearing was held on December 18, 2017 to take public testimony regarding the assessments and assessment roll for the Downtown Spokane Parking and Business Improvement Area; and

WHEREAS, the assessment roles have been on file in the Office of the City Clerk for public review and inspection; and

WHEREAS, the City Council, through this ordinance, intends to levy assessments in the Downtown Spokane Business Improvement District to provide programs and services, which will specifically benefit the businesses and properties in the District; and

THE CITY OF SPOKANE DOES ORDAIN:

Section 1. The 2018 assessments and the assessment roll of the Downtown Spokane Parking and Business Improvement Area, established under Ordinance C-32923, as codified and amended in Chapter 4.31 SMC, are hereby approved and confirmed. The assessments and assessment roll are attached hereto, available in the Office of the City Clerk, City Treasurer.

Section 2. Each of the businesses, as described in RCW 35.87A.020, lots, tracts, and parcels of land and other property, including improvements thereon, multi-family residential, mixed-use projects (as described in RCW 35.87A.020(3), hotels, motels, government, and others, shown upon said rolls are hereby declared to be specially benefited by the programs authorized in Ordinance C-32923, as amended, in at least the amount levied against the same. The method of assessment is based upon the Special Assessment Formula in Exhibit A.

Section 3. Pursuant to SMC 4.31.100, the projects, programs, activities and budget for the 2018 Downtown Parking and Business Improvement Area as presented to the City Council are hereby approved and may be revised by the City Council pursuant to a subsequent motion.

Section 4. The City Clerk is hereby directed to certify and transmit the assessment rolls to the City Treasurer for collection, pursuant to City Ordinance and state law.

Section 5. That the assessments shown in the roll on file in the Office of the City Clerk may be paid in two installments with the first half of the assessment due and payable on the 31st day of January, 2018, and the second half of the assessment due and payable on the 31st day of July, 2018. Prior to the due date, ratepayers shall be sent a bill stating the amount of the assessment due and payable. If the assessment is not paid within thirty (30) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment, not to exceed one hundred dollars (\$100) in addition to the processing fee. All assessments, or part thereof, shall also bear interest at the rate of twelve percent (12%) per annum, or part thereof, of delinquency. Within thirty (30) days of the due date(s), the City Treasurer or his/her designee shall send a late notice of the unpaid assessment including the assessment of appropriate interest, penalty and fees. Interest, penalties and other fees will be collected on any unpaid balance or portions thereof from the date the account became due.

Any ratepayer, aggrieved by the amount of an assessment or delinquency charge, shall request, within sixty (60) days of the assessment or charge, a meeting and/or hearing before the Ratepayer Board, and, if not satisfied with the decision of the Ratepayer Board, appeal within ten (10) days from the date of the decision, the matter de novo, to the City's Hearing Examiner, in the manner provided for in the City's Municipal Code. Failure to request a hearing shall result in a waiver of the right to challenge the assessment.

Section 6. This ordinance shall take effect and be in full force from and after the date of its passage.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

Briefing Paper

Finance and Administration Committee

Division & Department:	Planning and Development
Subject:	East Sprague BID 2018 Annual Assessment Roll and Hearing
Date:	November 20, 2017
Contact (email & phone):	Melissa Owen, mowen@spokanecity.org , x6063
City Council Sponsor:	N/A
Executive Sponsor:	Lisa Key
Committee(s) Impacted:	N/A
Type of Agenda item:	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	SMC Section 04.31C (SMC 4.31C.040 - Levy of Special Assessments); Resolution 2017-0095 setting the date and time of the 2018 Assessment Roll Hearing; Draft Ordinance Confirming and Approving 2018 Assessment Roll
Strategic Initiative:	N/A
Deadline:	On December 18, 2017 the council will hold an annual assessment roll hearing and take action on an Ordinance approving and confirming the 2018 East Sprague BID Assessment Roll. Additionally, the East Spokane Business Association (ESBA) will present the East Sprague BID work plan and budget for the coming year.
Outcome: (deliverables, delivery duties, milestones to meet)	2018 Assessment Roll Approved and Confirmed at December 18, 2017 Council Meeting.
Background/History: <p>As per state law and 04.31C SMC, the City Council must hold an annual hearing on the assessments levied upon properties within the East Sprague Parking and Business Improvement District Area (PBIA). The intent of this briefing is to provide you with an update regarding the East Sprague PBIA 2018 Assessment Roll and outline the proposed schedule for the 2018 Assessment Roll Hearing.</p> <p>The East Sprague PBIA provides that the change in assessment for every second and third year of the three-year assessment cycle is determined by the Consumer Price Index (CPI) Factor as set forth in SMC 4.31C.040(B). 2018 represents the 3rd assessment year and therefore all assessment will be subject to an increase of the lesser of 6% or the percentage change in CPI between June 2015 and June 2017.</p> <p>The City Council needs to pass a resolution setting the date for the 2018 East Sprague PBIA Assessment Roll Hearing and outlining notice requirements to all ratepayers (November, 13, 2017 Council Meeting). Following the Assessment Roll Hearing the City Council may pass an ordinance approving and confirming the 2018 Assessments and Assessment Roll. The Executive Summary below outlines the proposed schedule for the 2018 East Sprague PBIA Assessment Roll Hearing and other BID related activities to take place during the Council Meeting on December 18th.</p>	

Executive Summary:

- November 13 – Council Action re: Resolution setting Assessment Roll Hearing
- November 20 – Finance and Administration Committee Meeting
- November 20 – 1st Notice in Official Gazette
- November 22 – Notice of hearing mailed to ratepayers (deadline for mailing is November 24, 2017); 2018 Assessment Roll available in the City Clerks' Office for viewing.
- November 27 – 2nd Notice in Official Gazette
- December 18 – East Sprague PBIA 2018 Assessment Roll Hearing and Ordinance Approving and Confirming the 2018 Assessments and Assessment Roll; Presentation by the East Spokane Business Association re: their annual management work plan and budget for 2018.

Budget Impact:

Approved in current year budget? ☐ Yes ☐ No ☒ N/A

Annual/Reoccurring expenditure? ☐ Yes ☐ No ☒ N/A

If new, specify funding source: N/A

Other budget impacts: (revenue generating, match requirements, etc.) The 2018 assessments could produce up to \$59,950.00 in revenue for implementing programs within the East Sprague BID boundaries.

Operations Impact:

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

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

Specify changes required: N/A

Known challenges/barriers: N/A

RESOLUTION NO. 2017- 0095

A RESOLUTION SETTING THE ASSESSMENT ROLL HEARING FOR THE EAST SPRAGUE PARKING AND BUSINESS IMPROVEMENT AREA (BUSINESS IMPROVEMENT DISTRICT – BID) AND PROVIDING NOTICE OF THE 2018 ASSESSMENTS TO BUSINESS AND PROPERTY OWNERS.

WHEREAS, pursuant to the laws of Washington State and City Ordinance C-35377, as codified and amended in Chapter 4.31C SMC, the City Council intends to hold a hearing on the assessments levied upon businesses and properties within the East Sprague Parking and Business Improvement Area (PBIA); and

WHEREAS, through this Resolution, the City Council intends to provide notice that there will be a hearing upon the assessment roll prepared under the above-identified Ordinance.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE SPOKANE CITY COUNCIL:

1. Notice is hereby given that the assessment rolls for businesses and properties prepared under Ordinance C-35377, as codified and amended in Chapter 4.31C SMC, will be on file in the Office of the City Clerk on the 22nd day of November 2017, and are open for public inspection.
2. The City Council has fixed the 18th day of December 2017 at 6:00 p.m., or as soon thereafter as practicable in the City Council Chambers of the Municipal Building, W. 808 Spokane Falls Blvd., Spokane, Washington, as the time and place for hearing upon said rolls.
3. The City Council declares its intent to impose special assessment in a manner that measures special benefits from each of the purposes set forth in Ordinance C-35377, as codified and amended in Chapter 4.31C SMC. The special assessments will finance the PBIA (BID) budgets and programs approved by the City Council.
4. All persons who may desire to object to the assessment roll shall make their objections in writing and file them with the City Clerk at or prior to the date fixed for hearing.

At the time and place fixed, and at such other times as the hearing may be continued to, the City Council will consider the assessment roll as a board of equalization for the purpose of considering objections or comments made thereto, or any part thereof, and may correct, revise, raise, lower, change or modify such roll, or any part thereof, or set aside such roll and order that such assessment be made de

novo, or take such other action as the circumstances may warrant, including confirmation of the assessment rolls.

This is the only hearing held on the assessment roll, and it will be final unless appealed according to City Ordinance C-35377, as codified and amended in Chapter 4.31C SMC.

5. Business & Developer Services is directed to mail, at least fifteen days before the date fixed for hearing, a notice to the business and property owners identified in the assessment rolls setting forth the date and time of public hearing, including the amount of special assessment.
6. The City clerk is directed to publish notice of the hearing on the assessment rolls in the Official Gazette for two consecutive weeks, the last publication being fifteen days before the date fixed for public hearing.

ADOPTED by the City Council this _____ day of November, 2017.

City Clerk

Approved as to form:

Assistant City Attorney

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND CONFIRMING THE 2018 ASSESSMENTS AND ASSESSMENT ROLL FOR THE EAST SPRAGUE PARKING AND BUSINESS IMPROVEMENT AREA, PREPARED UNDER ORDINANCE C-35377 AS CODIFIED AND AMENDED IN CHAPTER 4.31C SMC.

WHEREAS, the Spokane City Council on November 13, 2017 passed Resolution 2017-0095, which provided notice and set a date for hearing on the assessments to be levied under the above identified ordinance; and

WHEREAS, pursuant to Resolution No. 2017-0095, a public hearing was held on December 18, 2017 to take public testimony regarding the assessments and assessment roll for the East Sprague Parking and Business Improvement Area; and

WHEREAS, the assessment roles have been on file in the Office of the City Clerk for public review and inspection; and

WHEREAS, the City Council, through this ordinance, intends to levy assessments in the East Sprague Business Improvement District to provide programs and services, which will specifically benefit the businesses and properties in the District; and

THE CITY OF SPOKANE DOES ORDAIN:

Section 1. The 2018 assessments and the assessment roll of the East Sprague Parking and Business Improvement Area, established under Ordinance C-35377, as codified and amended in Chapter 4.31C SMC, are hereby approved and confirmed. The assessments and assessment roll are attached hereto, available in the Office of the City Clerk, City Treasurer.

Section 2. Each of the businesses, as described in RCW 35.87A.020, lots, tracts, and parcels of land and other property, including improvements thereon, multi-family residential, mixed-use projects (as described in RCW 35.87A.020(3), hotels, motels, government, and others, shown upon said rolls are hereby declared to be specially benefited by the programs authorized in Ordinance C-35377, as amended, in at least the amount levied against the same. The method of assessment is based upon the Special Assessment Formula in Exhibit A.

Section 3. Pursuant to SMC 4.31C.100, the projects, programs, activities and budget for the 2018 East Sprague Parking and Business Improvement Area as presented to the City Council in Exhibit B are hereby approved and may be revised by the City Council pursuant to a subsequent motion.

Section 4. The City Clerk is hereby directed to certify and transmit the assessment rolls to the City Treasurer for collection, pursuant to City Ordinance and state law.

Section 5. That the assessments shown in the roll on file in the Office of the City Clerk may be paid in two installments with the first half of the assessment due and payable on the 31st day of January, 2018, and the second half of the assessment due and payable on the 31st day of July, 2018. Prior to the due date, ratepayers shall be sent a bill stating the amount of the assessment due and payable. If the assessment is not paid within thirty (30) days after its due date, a delinquency charge shall be added in the amount of ten percent (10%) of the assessment, not to exceed one hundred dollars (\$100) in addition to the processing fee. All assessments, or part thereof, shall also bear interest at the rate of twelve percent (12%) per annum, or part thereof, of delinquency. Within thirty (30) days of the due date(s), the City Treasurer or his/her designee shall send a late notice of the unpaid assessment including the assessment of appropriate interest, penalty and fees. Interest, penalties and other fees will be collected on any unpaid balance or portions thereof from the date the account became due.

Any ratepayer, aggrieved by the amount of an assessment or delinquency charge, shall request, within sixty (60) days of the assessment or charge, a meeting and/or hearing before the Ratepayer Board, and, if not satisfied with the decision of the Ratepayer Board, appeal within ten (10) days from the date of the decision, the matter de novo, to the City's Hearing Examiner, in the manner provided for in the City's Municipal Code. Failure to request a hearing shall result in a waiver of the right to challenge the assessment.

Section 6. This ordinance shall take effect and be in full force from and after the date of its passage.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

EXHIBIT A – 2017

EAST SPRAGUE
BUSINESS IMPROVEMENT DISTRICT
Special Assessment Matrix

Estimated Annual Revenue	% Assessment based on Land Square Footage (LSF)		% Assessment based on Taxable Assessed Value (TAV)	Total Parcels
\$59,950.00	75%		25%	233
Benefit Area by Zone	Minimums	Maximums	Rate per LSF	Rate per \$1,000 TAV
Center and Corridor (Commercial)	\$200	\$1,000	2.5 cents	60 cents
General Commercial	\$100	\$500	1.3 cents	30 cents
Industrial	\$50	\$250	0.6 cents	15 cents

2018 Represents the third year in the three year assessment cycle. As per section 4.31C.040.C.1. a. of the Spokane Municipal Code for the third assessment year (2018), the assessments will equal the first year assessments multiplied by a consumer price index (CPI) Factor that is the lesser of 6% or the percentage change in CPI for All Urban Consumers (CPI-U): West Region between June 2015 and June 2017.

The CPI for All Urban Consumers (CPI-U): West Region between June 2015 and June 2017 was 4.11% and therefore assessments were increased by 4.11% for 2018 assessment year.

Insert Exhibit B.

FINANCE & ADMINISTRATION COMMITTEE MEETING
AGENDA FOR
November 20, 2017
1:15 p.m. – City Council Briefing Center

The Spokane City Council's Finance & Technology Committee meeting will be held at **1:15 p.m. on November 20, 2017** in City Council Briefing Center –Lower Level City Hall, 808 West Spokane Falls Boulevard, Spokane, Washington.

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

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

AGENDA

I. Call to Order

II. Approval of Minutes from September 18, 2017 Meeting

III. Consent Items

- Contract w/True Point Solutions LLC – Luis Garcia, Code Enforcement
- 6 month Contract extension with Comcast Franchise – Tim Szambelan
- CDW Government contract for Purchasing technology Equipment – Eric Finch
- Add additional funds to the Cerium Value Blanket – Eric Finch
- Approval to purchase Cisco Hardware and Software from Cerium Networks – Eric Finch
- Fourth of one year renewal options with Cerium Networks Inc for maintenance of Cisco Equipment – Eric Finch
- Approval to purchase PC, Laptop and Mobile Data Hardware Equipment from Dell Marketing – Eric Finch
- Contract with Lenovo Inc to purchase server related equipment – Eric Finch
- Addendum to increase funds on Nuvodio LLC contract for Project Management Consulting for ITSD – Eric Finch
- Approval for the annual renewal of Support and Maintenance in regards to PM Web – Eric Finch
- Approval to purchase from SHI International for the Microsoft Enterprise Agreement License Support – Eric Finch
- Approval to purchase various Software Products from Washington State Department of Enterprise Services – Eric Finch

IV. Discussion Items

A. Council Requests

- | | |
|---|-------------------|
| • Salary Review Commission Update | Council President |
| • Campaign Finance Reform – 10-15 minutes | Council President |
| • Compensation Review Process | Mumm/Stuckart |
| • The new rule of “90” under SERS | Phil Tencick |

- City Collection Activities TBD
 - East Sprague BID 2018 Assessment Roll and Hearing Melissa Owen
 - Downtown BID 2018 Assessment Roll and Hearing Melissa Owen
- B. Staff Requests
- Discuss SBO for Fire and Police Payouts Dunivant
 - Contract with GovQA to provide a Public Records Request Service Platform – Eric Finch
- C. Business Reports
1. Financial Update Cooley/ Mallahan
 2. IT Update Eric Finch

V. Strategic Plan Session

VI. Executive Session:

VII. Adjournment:

Next Finance & Technology Committee meeting will be on Monday, December 18, 2017.

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. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
GovQA (v3)
Finance Committee
November 20, 2017

Subject

The City's Records Management Workgroup has selected GovQA to provide a Public Records Request Service Platform. This contract will be a two (2) year contract with an option to renew for Three (3) additional years

December 1, 2017 – November 30, 2019 for \$35,200.

Background

The purpose of this project is to implement a technological solution to simplify and streamline Public Record Request (PRR) processing to improve citizen information access and municipal government transparency, increase operational efficiency, and decrease PRR law liability risk. This would be a citywide solution that benefits all departments including SPD and comes at the conclusion of one year of business analysis, other City visits and reviews, and an extensive demonstration of the system and benefits.

Impact

Implementing this Service Platform will reduce liability risks, ensure ongoing compliance with State records laws such as HB 1594, give citywide visibility to monitor and track requests, while improving citizen information access and relations using expanded online service capabilities.

The selected system:

- provides the mechanism to track the performance metrics required under HB 1594, which took effect July 23, 2017.
- allows for invoicing and collecting payments electronically.
- includes redaction and auto redaction features.
- proactively assists requestors and directs requestors to appropriate agencies that maintain the records. (Example: Individuals attempting to seek 911 records from the City will receive a pop up message indicating the request should be properly directed to Spokane County 911.)
- allows requestors to view current and previously submitted requests and provided responses to such requests and to view public records requests submitted by others, including responsive records to those requests. (Excludes requests for Fire and Police incident reports.)

Action

City Clerk's Office and ITSD recommends approval

Funding
OX 2018

For further information contact: Eric Finch, CITO, v3
Page 1

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Lenovo
Finance Committee
November 20, 2017

Subject

Approval to purchase server related equipment from Lenovo, Inc. for the Innovation and Technology Services Division Utilizing WA State Contract #05815 / MNWNC-117

January 1, 2018 through December 31, 2018 \$80,000 plus tax and shipping.

Background

Acquisition is needed to replace EOS (End of Service) servers and to purchase new servers compatible with our application requirements, server management tools, and server virtualization standards as needed during the upcoming year.

Current 2017 – \$165,224

Impact

Without this yearly Approval to Purchase, the Innovation and Technology Services Division would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

Various Accounts

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
Nuvodia LLC (v2)
Finance Committee
November 20, 2017

Subject

Addendum to increase funds on OPR 2017-0267 with Nuvodia LLC for Project Management Consulting to assist the Innovation and Technology Division (ITSD) Project Management Office with support and management of priority projects for the City.

Requesting \$180,000 including tax.

Background

The Innovation and Technology Services Division is down to one out of three (1 of 3) positions authorized. ITSD has been without the Senior PM position for over one year after recruitment failed to mature to a selected candidate (the candidate offered opted not to move to Spokane to accept the position, one other qualified candidate bowed out during the process, and no other candidates were found to have the right level of qualifications); due to this nine month process and unforeseen circumstances related to classification and testing updates ITSD has been delayed hiring a replacement which is now just been posted. Based on prior history, it will take at least 3-6+ months to interview, select, start and get a new person up to speed. Further, a second Project Manager vacancy has been open since August when we lost our PM that was also our acting Senior Project Manager. In order to keep momentum with the 83 active City projects ITSD needed immediate PM resources to keep on schedule. Additionally, departments have asked for assistance outside normal PM staffing levels to temporarily assist for up to six months on projects such as in the Development Service Center assisting a number of one time permit process improvements for the benefit of citizens and businesses in the City.

Impact

Without this approval ITSD would not be able to keep projects on schedule. Not addressing this short term resource gap would slow down or stop implementation of major projects including our Municipal Courts eSuite systems replacement, Finance projects including digital signature workflow and Financial Systems data interfaces, and Business Continuity efforts. This has zero budget impact to 2017 or 2018 as it relates to current staff vacancies and project budgets already in place. As new full time resources are hired and in place, contract spending would reduce in 2018.

Action

City ITSD and NBS recommends approval

Funding

Various Accounts

ORDINANCE NO. C - _____

An ordinance enacting the Spokane Fair Elections Code; instituting campaign contribution limits and disclosure requirements; amending chapter 01.07 and sections 01.02.950, 01.05.210, 07.06.500, and 07.08.149 of the Spokane Municipal Code.

WHEREAS, City of Spokane has seen an increase in “dark money” and “gray money” in local elections which fails to disclose or makes it hard to determine the source of the political spending; and

WHEREAS, local political campaign contributions and expenditures should be fully disclosed to the public and secrecy in the sources and application of such contributions for local elections should be avoided; and

WHEREAS, lower contribution limits require candidates to expand beyond the narrow group of large individual, corporate, and union donors thus reducing the threat of City of Spokane elected officials becoming too compliant with the wishes of large contributors; and

WHEREAS, political parties and legislative district committees have been accused of contributing “earmarked” campaign donations to nonpartisan City of Spokane candidates for elected office from donors who have already reached the contribution limit; and

WHEREAS, monetary contributions to local political campaigns are a form of participation in our political process, but the financial strength of individuals or organizations should not enable them to exercise undue influence on the judgment of City of Spokane local officials; and

WHEREAS, the people of Spokane should be assured that the private financial dealings of the Mayor, the City Council, the Municipal Court judges, and candidates for those offices present no conflict of interest between the public trust and private interest; and

WHEREAS, contractors have received more than \$116 million dollars in City of Spokane contracts after donating \$88,000 to current elected officials thereby creating the appearance of quid pro quo corruption; and

WHEREAS, City of Spokane contractors, City of Spokane Public Sector Unions, and business lobbyists with City interests have made contributions to City of Spokane Elected Officials outside the year the official appeared on the ballot thereby creating the appearance of quid pro quo corruption; and

WHEREAS, federal law prohibits foreign nationals from contributing to candidates for elected office in the United States;

WHEREAS, public faith and confidence in the governing institutions of the City of Spokane is essential and must be promoted by assuring the people of Spokane of the impartiality, decency, and honesty of the officials and the appointees that represent them in all public transactions and decisions; and

WHEREAS, the Spokane City Council believes that it is absolutely crucial to restore the public trust in our institutions and our elected officials by instituting a set of local campaign finance restrictions and regulations, which will have the effect of deterring quid pro quo corruption and reducing the appearance of quid pro quo corruption and ensuring fair play.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That chapter 01.07 of the Spokane Municipal Code is amended to read as follows:

Section 01.07.003 Title: Purpose and Intent

- A. This chapter shall be titled and referred to as the Spokane Fair Elections Code.
- B. The purpose of this chapter is to institute regulations for the fair conduct of elections for citywide office and to ensure a high degree of transparency in the conduct of local elections. The City of Spokane is authorized to legislate in this area as a valid exercise of the City's police power, pursuant to Washington Constitution Art. XI, secs. 10 and 11 and RCW 35.22.020 and RCW 35.22.195.
- C. The City intends, by enacting this chapter, to provide for transparency, fairness, accountability, and integrity in the conduct of elections for City office, to promote and increase political participation and the open discussion of issues, and to reduce the effect of financial contributions on the integrity of our elections and our government.
- D. This chapter is intended to compliment and be consistent with chapter 42.17A RCW as enforced by the Washington State Public Disclosure Commission. In the event of a conflict between this chapter and chapter 42.17A RCW, state law controls.
- E. The City of Spokane has a strong governmental interest in preventing corruption, and the appearance of corruption, in its political processes, such as the election of City officials. This chapter, by strengthening limits on political contributions, therefore serves the City's strong interests in preventing corruption and the appearance of corruption because it reduces the risk of *quid pro quo* arrangements and mitigates the appearance of corruption which is created by the real or potentially coercive influence of large financial contributions on the actions of candidates and elected officials.

Section 01.07.005 Definitions

- A. "Agency" means the City of Spokane Contract and Business Standards Compliance Office within the City's Department of Grants Management and Financial Assistance or its delegate.
- B. "Authorized committee" means the political committee authorized by a candidate for the office of Mayor, City Council Member, or municipal court judge to accept contributions or make expenditures on behalf of the candidate or public official.
- C. "Bona fide political party" means:
 - 1. An organization that has been recognized as a minor political party by the Washington Secretary of State;
 - 2. The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or
 - 3. The country central committee or legislative district committee of a major political party.
- D. "Candidate" means any individual who seeks election to the office of Mayor, member of the Spokane City Council, or Municipal Court Judge, whether or not successfully. An individual is deemed to seek election when he or she first:
 - 1. Solicits or receives contributions;
 - 2. Makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;
 - 3. Announces publicly or files for office;
 - 4. Purchases advertising space or broadcast time to promote his or her candidacy;
 - 5. Makes expenditures or solicits or receives contributions to explore the possibility of seeking election to the office of Mayor, member of the Spokane City Council, or Municipal Court Judge; or
 - 6. Gives his or her consent to another person or political committee to take on behalf of the individual any of the actions in subsections 1, 2, 4, or 5 of this section.
- E. "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the Washington State Senate or Washington State House of Representatives.
- F. "City office" means any elective office established by Section 5 of the Spokane City Charter, namely, Mayor, City Council member, and Municipal Court judge.
- G. "Collectively bargain" means the performance of the mutual obligations of the public employer, including the City of Spokane or the Mayor, and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance

procedures and collective negotiations on personnel matters, including wages, hours, and working conditions, which may be peculiar to an appropriate bargaining unit of the public employer, except that by such obligation neither party may be compelled to agree to a proposal or be required to make a concession unless otherwise allowed under Washington state law.

- H. “Continuing political committee” means a political committee that is an organization of continuing existence not established in anticipation of any particular election campaign.
- I. “Contract” has the same meaning as in SMC 07.06.040.
- J. “Contractor” means any person or entity who has received the award of a contract, submitted a bid or proposal in any form for the award of a contract, including any other person or entity who seeks the award of the contract and is contesting, appealing or protesting the award of the contract as proposed. The term shall include the proprietor for a sole proprietorship, each partner or principal having an equity interest of ten percent (10%) or more for a partnership and each corporate officer, corporate director, or shareholder of ten percent (10%) or more of the outstanding shares of stock for a corporation. The term shall also include any subcontractor authorized to provide all or a portion of goods, labor, or services in fulfillment of an award of a contract. This definition does not include the employees of such as person or, if the person is a union, the members of that union.
- K. “Contribution” means a loan, gift, deposit, subscription, forgiveness or indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, sums paid for tickets to fundraising events, the financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising or electioneering communication prepared by a candidate, a political committee, or its authorized agent, or anything of value, including personal and professional services for less than full consideration. “Contribution” also includes an expenditure made by a person in cooperation, consultation, or concert with, or at the request of suggestion of, a candidate, a political committee, the person or persons named on the candidate’s or committee’s registration form who direct expenditures on behalf of the candidate or committee, or their agents. “Contribution” does not include:
1. Interest on moneys deposited in a political committee’s account;
 2. Ordinary home hospitality;
 3. The rendering of legal or accounting services on behalf of a candidate or an authorized political committee but only to the extent that the services are for the purpose of ensuring compliance with city of state election or public

disclosure laws;

4. The rendering of personal services of the sort commonly performed by volunteer campaign workers;
 5. Incidental expenses personally incurred by campaign workers not in excess of \$25, in the aggregate, during the applicable period, personally paid for by a volunteer campaign worker; or
 6. An internal political communication primarily limited to the members of a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization.
- L. “Designated Treasurer” means the individuals appointed by an incidental committee, responsible for filing and maintaining the incidental committee’s statement of organization with the City of Spokane Clerk’s Office.
- M. “Election for city office” means any primary, general, or special election for city office as defined in this section.
- N. “Elected official” means any person elected by a general or special election to city office as defined in this section, and any person appointed to fill a vacancy in any such office.
- O. “Election cycle” means the period beginning on January 1 of the year in which an election for city office is held, until December 31 of the same year or until the election results are certified, whichever occurs last.
- P. “Entity” means any business corporation, group, agency, nonprofit corporation, limited liability partnership, limited partnership, limited liability company, and general cooperative association.
- Q. “Expenditure” includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. “Expenditure” also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefitting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. “Expenditure” does not include the partial or complete repayment by a candidate, political committee, or incidental committee of the principal of a loan, the receipt of which loan has been properly reported.
- R. “Foreign-owned entity” means any entity, regardless of type of entity, jurisdiction of incorporation, or principal place of business, which is owned 51% or more by a

foreign national or a foreign government.

- S. “General election” means the election of a person to city office of Mayor, excluding primary elections.
- T. “Incidental committee” means any nonprofit organization, regardless of purpose, not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in support of, or opposition to, any candidate for city office, whether directly or through a political committee.
- U. “Independent expenditure” means an expenditure that:
1. is made in support of or in opposition to a candidate for city office by a person who is not:
 - A. A candidate for that office;
 - B. An authorized committee of that candidate for that office;
 - C. A person who has received the candidate’s encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office; or
 - D. A person with whom the candidate has collaborated for the purposed of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office.
 2. pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies that candidate without using the candidate’s name; and
 3. whether alone or in conjunction with other expenditure(s) by the same person in support of or in opposition to that candidate, has a value of eight hundred dollars (\$800) or more. A series of expenditures, each of which is under eight hundred dollars (\$800), constitutes one independent expenditure if their cumulative value is eight hundred dollars (\$800) or more.
- V. “Person” means an individual, partnership, joint venture, public or private corporation, association, federal, state or local government entity or agency however constituted, candidate, committee, political committee, incidental committee, continuing political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

- W. “Political committee” means any person (except a candidate or an individual dealing with his own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, a candidate for Mayor, member of the Spokane City Council, municipal court judge, or any city ballot proposition.
- X. “Surplus funds” means the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate with respect to that election.

Section 01.07.010 Local Voters’ Pamphlet – Pro and Con Committee Statements

- A. Consistent with state law and the Spokane County auditor’s administrative rules regarding participation in a local voters’ pamphlet as they currently exist or as may be amended, the ~~((city council))~~ Spokane City Council shall formally appoint by ~~((council))~~ resolution a Pro Committee to prepare arguments advocating voters’ approval of a ballot measure and a Con Committee to prepare arguments advocating voters’ rejection of the measure. A Pro Committee established to prepare arguments advocating voters’ approval of a ballot measure submitted pursuant to an initiative or referendum shall include the sponsor or a representative of the sponsor of the initiative or referendum. A Con Committee established to prepare arguments advocating voters’ rejection of a ballot measure submitted pursuant to an initiative or referendum shall include a representative of any political committee opposing the measure that has filed a C-1 registration statement with the Washington Public Disclosure Commission. All committee members shall be registered voters in the city of Spokane.
- B. Once established, the committees shall prepare arguments for and against local ballot measures to be included in the voters’ pamphlet consistent with state law and the Spokane County auditor’s administrative rules.
- C. If a local voters’ pamphlet is not published and distributed, the City shall participate with the Spokane County auditor’s office in the posting of the election information on the County’s website or on the City of Spokane’s election resources page.
- D. For purposes of this section, the term “measures”~~((Measures shall include))~~includes all ballot ~~((measure))~~measures placed on a local election ballot including measures submitted to the electorate pursuant to the City’s initiative and referendum procedure.

Section 01.07.020 Voter Registration & Election Resources

- A. Beginning with the first City of Spokane utility bill of the year in which a city general election is held, ((All)) each utility ((bills))bill shall include voter registration information ((regarding how citizens may register to vote, including applicable))and links to the Spokane County Elections Office and the Washington State Secretary of State websites. ((Inclusion of such information shall not be included if the information would create an additional billing page and related costs.))
- B. The City's website shall host a page devoted to election resources and clearly titled "Voting and Elections". The ((site)) shall ((have))contain information and/or links to information including, but not limited to, voter registration, election dates, online voter pamphlets and guides, the Washington State Public Disclosure Commission, and ballot drop box locations.
- C. The City ((administration))Clerk's Office shall ((designate one department or point of contact to serve as)) be the city's election resources center((in addition to their duties. The election resources center)) and shall ((act as))be the central location for any information related to city elections including, but not limited to, sample ballots, voter pamphlets and guides, and voter registration forms.

Section 01.07.030 Mandatory Limitations on Campaign Contributions

- A. No candidate for city office, or any political committee acting on behalf of such candidate, shall solicit or accept campaign contributions of more than five hundred dollars (\$500) from any person in any election for city office as reflected on candidate filings with the Washington State Public Disclosure Commission.
- B. A candidate for city office, and any political committee acting on behalf of such candidate, shall only accept or receive a campaign contribution during the election cycle in which the candidate will appear on the ballot.
- C. The limitations imposed by SMC 01.07.030(A) shall not apply to a candidate's contributions of his or her own resources to his or her own campaign, or contributions to the candidate's campaign by the candidate or the candidate's spouse or assets of their marital community. If a candidate makes personal contributions in aggregate of \$11,500 or more of his or her own funds, including surplus funds from a previous campaign, to their campaign, all candidates for election to that office may surpass the contribution limits set forth in SMC 01.07.030(A) and may solicit and accept contributions up to the limits allowed by the Washington Public Disclosure Commission. The remainder of this chapter shall apply to all candidates.
- D. Candidate filings with the Washington State Public Disclosure Commission shall constitute the evidence of contributions received during an election cycle for the purposes of enforcement of the penalty for violation.

- E. The provisions of SMC 01.07.030(C) regarding contributions of personal resources shall not apply to loans made to the candidate's campaign.
- F. Surplus funds, as defined by SMC 01.07.005, from a candidate's prior campaign and contributions received by a candidate in connection with a campaign for another office may be used by that candidate for the candidate's current campaign only to the extent that such funds are derived from contributions that were within the limitations imposed by this chapter. If such funds are from a campaign not governed by this chapter, a candidate may use only so much of each contribution previously received as would have been allowable as a contribution under this chapter if it had applied to that campaign. The source of a candidate's surplus campaign funds shall be determined to be derived from the most recent contributions received by such candidate or that candidate's political committee which in total equal the amount of the surplus campaign funds.
- G. Beginning in 2019, campaign contribution limits may be adjusted by the Spokane City Council in the December of any odd-numbered year. In no event shall campaign contribution limits per election established by this chapter shall in no event be greater than 1.5% of the city of Spokane's median household income as calculated by the U.S. Census Bureau's American Community Survey for the prior year.

Section 01.07.040 Prohibition on Campaign Contributions by Contractors

- A. No City of Spokane elected official or any candidate for city office, or any political committee acting on behalf of such elected official or candidate, shall knowingly solicit or accept any contribution directly or indirectly from any entity or person who, in the two years prior to the election cycle has earned or received more than fifty thousand dollars (\$50,000) under a contractual relationship with the City. No City of Spokane elected official, candidate for city office, or any political committee acting on behalf of an elected official or candidate for such office, shall knowingly solicit a contribution for himself or herself or for any political party, political committee, incidental committee, or campaign committee, directly or indirectly from any entity or person who in the prior two years has earned or received more than fifty thousand dollars (\$50,000) under a contractual relationship with the City.
- B. No City of Spokane elected official, candidate for city office, or any political committee acting on behalf of an elected official or candidate of such office, shall knowingly solicit or accept any contribution from a contractor during a contract award period. If a City of Spokane elected official or candidate for city office or a political committee acting on their behalf unknowingly accepts a contribution from a contractor during a contract award period, it shall be the duty of the elected official or candidate for such position or political committee acting on their behalf to return the contribution within ten (10) days after he or she becomes aware of

the violation.

- C. It is a violation of this chapter for an entity or its subsidiary(ies), parent company or affiliate(s), to reimburse an employee, officer, director, or partner of such entity for political contributions in support of a candidate for city office or for or against any city initiative or referendum.
- D. Contributions made or solicited prior to the effective date of this ordinance is not a violation of this ordinance.
- E. The receipt of legal campaign contributions by the Mayor, member of the Spokane City Council, a Municipal Court Judge, or a candidate for city office shall not be considered a conflict of interest as defined by Spokane Municipal Code 01.4A.030 when approving and executing contracts on behalf of the City of Spokane.

Section 01.07.050 Disclosure of Campaign Contributions by City Bargaining Units

- A. All entities who collectively bargain with the City of Spokane on behalf of its membership shall submit information on all bargaining unit contracts prior to signatures and approval by the City Council listing the dollar value of campaign contributions donated to any City of Spokane elected official, the dollar value of campaign contributions donated to a political committee acting on behalf of an elected official or has donated to any City of Spokane elected official or has made independent expenditures in support or against any City of Spokane elected official, or the dollar amount of the campaign contributions given to an incidental committee that has given campaign contributions to any City of Spokane elected official or has made independent expenditures in support or opposition to any City of Spokane elected official.
- B. The receipt of legal campaign contributions by the Mayor, a member of the Spokane City Council, or a Municipal Court Judge shall not be considered a conflict of interest as defined by SMC 01.4A.030 when approving and executing bargaining agreement contracts on behalf of the City of Spokane.

Section 01.07.060 Identification of Contributors Required

Any entity that makes campaign contributions to a candidate for city office, independent expenditures for or against a candidate for city office, or for or against a City ballot measure shall have an active registration with the Washington Secretary of State or equivalent state agency of the donors' headquarters or primary location.

Section 01.07.070 Disclosure by Political Committees

- A. In addition to the requirements of RCW 42.17A.320, a political committee making independent expenditures in support or opposition to a candidate for city office or in support or against a City of Spokane initiative or referendum shall identify the three persons or entities making the largest contributions in excess of five hundred dollars (\$500) during the twelve-month period preceding the date on which the advertisement is initially to be published or otherwise presented to the public.
- B. For any political committee or incidental committee that qualifies as one of the top three contributors identified under (a) of this section, the top three contributors to that political committee or incidental committee during the same period shall be identified, and so on, until the individuals or entities other than political committees or incidental committees that have contributed the most to all political committees or incidental committees involved with the advertisement have been identified.
- C. The political committee's advertisement must then list the top three individuals or entities other than political committees or incidental committees contributing in excess of five hundred dollars and making the largest aggregative contributions among all those identified under this section.
- D. The top three individuals or entities shall be listed "Top Individual Contributors" immediately under the disclosure requirements of RCW 42.17A.320.

Section 01.07.080 Contributions by Incidental Committees

- A. An incidental committee must file a statement of organization with the City of Spokane's City Clerk's Office within two weeks after the date the committee has the expectation of making payments, contributions, including in-kind contributions of staff time and office-related equipment, resources, and rent to an affiliated committee, or expenditures of at least five thousand dollars (\$5,000) in any election cycle, or to a political committee or an incidental committee.
- B. An incidental committee's statement of organization shall include the following:
 - 1. The name and address of the committee, its officers, its designated treasurer, and any affiliated persons or committees;
 - 2. The names of any candidates supported or opposed by the committee and the office the candidate is seeking;
 - 3. Any City of Spokane initiative or referendum supported or opposed by the committee;

4. Names of the ten largest aggregate contributions received in the current calendar year from a single person of five hundred dollars (\$500) or greater, including any persons tied as the tenth largest source of contributions received.
- C. If an incidental committee first meets the criteria of SMC 1.07.090(A) in the last three weeks before an election, then it must file the statement of organization with the City of Spokane's City Clerk Office within three business days.
- D. An incidental committee shall update their statement of organization when the committee has received a contribution that would change the information required under SMC 1.07.080(B)(4) or made any expenditures or commitment of expenditures directly or indirectly in support of or in opposition to any election campaign or to a political or incidental committee in which the total exceeds two hundred dollars (\$200) since the last report.
- E. The City of Spokane shall publish the incidental committee's statement of organization on the City's election resources website within five business days of receipt and shall be made publicly available for viewing in-person within two business days of receipt.

Section 01.07.090 Contributions by Foreign-Owned Corporations

All entities making contributions to candidates and political committees participating in elections for city office, or in support of or in opposition to a City of Spokane initiative or referendum shall provide certification to the receipt of the donation at the time of the donation that the entity is not a foreign-owned entity as defined by SMC 01.07.005(R)

Section 01.07.100 Complaints and Investigations – Curing of Violations; Process

- A. Any person who has reason to believe that another person is in violation of the requirements of this chapter may file a complaint with the Agency. The Agency may also, on its own initiative, investigate or audit the records or documents of any person the Agency believes may be in violation of this chapter.
- B. Upon receiving a complaint under SMC 01.07.100(A), the Agency shall, within five (5) days, send a written Notice of Violation ("NOV") to the person accused of the violation, stating the asserted factual basis for the allegation. The person receiving a NOV shall respond within five (5) days, with either documentation that there was no violation or that the violation has been cured.
- C. A violation of SMC 01.07.070 may be cured by publishing on the city's website and in newspaper of general circulation in the Spokane area the names of the top three persons or entities making the largest contributions in excess of seven hundred dollars (\$700) during the twelve-month period preceding the date on which the advertisement is initially published or otherwise presented to the

public.

- D. Upon reviewing the complaint and the response, if any, the Agency shall determine whether (i) there is reasonable cause to believe that a violation of this chapter has occurred or is occurring, or (ii) that the violation has been cured, and shall notify the complaining person and the accused person in writing of that determination. The Agency shall strive to reach a determination as to whether a violation has occurred within 30 days of its receipt of a complaint.
- E. It is a violation of this chapter to fail or refuse to provide documents or access to documents requested by the Agency in the process of investigating a possible violation of this chapter.

Section 01.07.110 Enforcement

- A. Unless otherwise specified herein, violation of the requirements of this chapter is a class 1 civil infraction.
 - 1. Each day in which a person remains in violation of SMC 01.07.030, 01.070.040, 01.07.060, or 01.07.080, constitutes a separate class 1 civil infraction.
 - 2. Each communication made in violation of SMC 01.07.070 constitutes a separate class 1 civil infraction. For purposes of this section, "communication" means the sending of a single piece of direct mail or the actual airing of a single radio or television advertisement.
- B. If the Agency determines, pursuant to SMC 01.07.100(C), that a violation of this chapter has occurred or is occurring, the Agency shall refer the matter to the City Attorney's or City Prosecutor's office for the filing of a civil infraction(s) pursuant to chapter 01.05, SMC. In any action brought to enforce this chapter, the court may order the return of any contributions received in violation of this chapter and the city may recover all costs of investigation, in addition to any other remedies allowed by law.
- C. A candidate, political committee, or incidental committee may not use contributions to pay any fine imposed by the Agency under this chapter.
- D. When referring an enforcement action to the City Attorneys' office or City Prosecutor's office, the Agency shall also notify the person subject to the NOV that they are ineligible to receive contributions until such person comes into compliance with this chapter or until the matter is determined by the Municipal Court, whichever occurs first.

Section 01.07.120 Limitations Period

A person filing a complaint under SMC 01.07.100 may do so only until May 31 of the

year following the election cycle to which the complaint pertains. It is an affirmative defense to any enforcement action taken under this chapter that the complaint was filed beyond the limitation period stated in this section. By way of illustration only, a complaint alleging a violation of this chapter which occurred in 2019 must, in order to be timely, be filed on or before May 31, 2020.

Section 01.07.130 Publicity

The Agency shall, in conjunction with the City Clerk's office, publish on the City's website in a location in common with all other election resources:

1. Each NOV issued by the Agency, including the date of issuance, identity of both the complaining person and the person alleged to have violated this chapter, and the final disposition of the NOV;
2. Notices of ineligibility for contributions required under SMC 01.07.110(B)(4), including the beginning and end dates of the ineligibility; and
3. The additional disclosures permitted under SMC 01.07.100(C) to cure a violation of this chapter.

Section 01.07.140 Severability

If a court of law determines that any provision of this chapter is void or of no legal effect, the offending provision(s) shall be deemed struck from this chapter and the remainder of the chapter shall continue unaffected.

Section 01.07.150 Annual Reporting

Beginning in 2019 and on an annual basis thereafter, the Agency shall make a report to the City Council and shall cause a copy of that report to be posted on the City's election resources web page, concerning the number and type of complaints made, investigations undertaken, and actions taken to enforce the provisions of this chapter.

Section 2. That section 07.06.500 of the Spokane Municipal Code is amended to read as follows:

Section 07.06.500 Bidder/Contractor Responsibility Criteria (Mandatory)

Before contract award, the bidder shall meet the following bidder responsibility criteria to be considered a responsible bidder. The bidder may be required by the City of Spokane to submit documentation demonstrating compliance with the criteria. The bidder and all subcontractors included in the bid must:

- A. Have a current certificate of registration as a contractor in compliance with chapter 18.27 RCW, which must have been in effect at the time of bid submittal;
- B. Have a current Washington Unified Business Identifier (UBI) number;
- C. If applicable, show proof of:
 - 1. Industrial insurance (workers' compensation) coverage for the bidder's employees working in Washington, as required in Title 51 RCW;
 - 2. A Washington employment security department number, as required in Title 50 RCW; and,
 - 3. A Washington department of revenue state excise tax registration number, as required in Title 82 RCW; and,
- D. Demonstrate that they are not disqualified from bidding on any public works contract under RCW 39.06.010 or RCW 39.12.065(3).
- E. Shall affirm and certify that they will not violate any local, state, or federal labor laws or standards during the course of performing work under the City contract.
- F. Shall affirm and certify that the bidder will comply with and notify its principals and subcontractors of the provisions of the Spokane Fair Elections Code, chapter 01.07, SMC.

Section 3. That there is enacted a new section 07.08.149 of the Spokane Municipal Code to read as follows:

Section 07.08.149 Transparent Democracy Fund

There is established a special revenue fund to be known as the "Transparent Democracy Fund" into which shall be deposited funds from Spokane Fair Elections Code infractions. The fund will be used to offset any costs associated with the administration of the Spokane Fair Elections Code.

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

ORDINANCE C-_____

An ordinance relating to the Salary Review Commission; amending sections 02.05.010, 02.05.020, 02.05.030, 02.05.040, 02.05.050, 02.05.060, and 02.05.070 of the Spokane Municipal Code.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That section 02.05.010 of the Spokane Municipal Code is amended to read as follows:

02.05.010 Salary Review Commission Creation

There is created a ~~((salary review commission (“commission”)))~~ Salary Review Commission which shall be charged with reviewing and establishing the salaries of the ~~((mayor, council president and city council members))~~ Mayor, Council President, and City Council Members.

Section 2. That section 02.05.020 of the Spokane Municipal Code is amended to read as follows:

02.05.020 Membership – Term – Removal

A. Membership.

The ~~((commission))~~ Salary Review Commission shall consist of five members who are residents and registered voters of the City. Appointment shall be as follows:

1. Two members shall be at-large appointments, ~~((appointed))~~ nominated by the ~~((mayor))~~ Mayor ~~((with the city council’s))~~ and appointed by the City Council ~~((approval))~~.
2. Three members shall be ~~((appointed))~~ nominated by the ~~((mayor))~~ Mayor and appointed by the ~~((with city council))~~ City Council, ~~((approval))~~ with one member from each of the three ~~((city council))~~ City Council districts respectively. ~~((The individuals submitted for appointment from the council districts shall be recommended by the city council to the mayor for appointment.))~~
3. Upon receiving ~~((Applications))~~ applications for positions to the ~~((salary review commission))~~ Salary Review Commission, the Mayor’s office shall forward all such applications to ~~((be reviewed by))~~ the City’s ~~((ethics committee))~~ Ethics Commission -pursuant to SMC 1.04A.170 ~~((as))~~ with a request for an advisory opinion from the Ethics Commission for potential conflicts of interest or other conflicts with the ethics code.
4. The ~~((ethics committee’s))~~ Ethics Commission’s advisory opinion shall be filed with the ~~((mayor’s))~~ Mayor’s office and with the ~~((city council))~~ City Council. No appointments to the Salary Review Commission shall be

made unless the Ethics Commission has issued an advisory opinion regarding such applicant.

B. Term.

Each member of the ~~((commission))~~ Salary Review Commission shall serve a four-year term, and no member shall be appointed to more than two terms regardless of whether the terms are held consecutively.

1. More than two years of a four-year term shall count as a whole term.

~~((2. Initial appointments shall be as follows:~~

a. ~~Three members shall be appointed for a period of four years; and~~

b. ~~Two members shall be appointed for two years.~~

~~3. All subsequent appointments or reappointments shall be for a four-year term.))~~

~~((4.))~~ 2. Appointments may be made to complete an unexpired term in the event of a vacancy.

3. Appointments shall be staggered to the greatest extent possible to ensure that at least two members of the Salary Review Commission have served on the Commission during the prior review. One returning member should be the Chair or Vice-Chair of the previous Commission, serving a second term as the new Chair.

4. The election of the Chair and Vice-Chair positions shall occur every four years by the end of current Commission review session.

C. Removal.

~~((Commission))~~ Salary Review Commission members may only be removed during their terms of office by the ~~((city council))~~ City Council ~~((with a))~~ and upon the recommendation from the ~~((mayor))~~ Mayor ~~for cause((-of)).~~ For purposes of this section, "for cause" shall be defined as:

1. incapacity,
2. incompetence,
3. neglect of duty,
4. malfeasance in office, or
5. for a disqualifying change in:
 - a. residence, or
 - b. voter status.

D. Compensation.

~~((Commission))~~ Salary Review Commission members shall serve without compensation.

E. Qualifications.

1. ~~((Commission))~~ Salary Review Commission members shall ~~((have experience in finance, business management, or personnel management, or other related fields that))~~ demonstrate experience beneficial to the review and establishment of salaries for elected officials.
2. Officers, officials, and employees of the City and their immediate family members shall not be eligible to serve on the ~~((commission))~~ Salary Review Commission.
 - a. For ~~((the))~~ purposes of this section, “immediate family member” ~~((shall mean a))~~ means:
 - i. parent,
 - ii. stepparent,
 - iii. in-law,
 - iv. spouse,
 - v. sibling,
 - vi. stepsibling,
 - vii. child,
 - viii. stepchild, or
 - ix. dependent relative

of the officer, official or employee, whether or not living in the household of the officer, official or employee.

Section 3. That section 02.05.030 of the Spokane Municipal Code is amended to read as follows:

02.05.030 Definitions

- A. “Elected officials” means the positions of ~~((mayor, council president and all council members))~~ Mayor, Council President, and Council Member.
- B. “Salary” or “salaries”, as used in this chapter, means any fixed compensation paid periodically for work or services.
 1. This definition expressly excludes the total cost of any medical or other benefits provided to any elected official, as well as any expenses paid or reimbursed on behalf of an elected official in compliance with the City policies and procedures for expense reimbursements.

Section 4. That section 02.05.040 of the Spokane Municipal Code is amended to read as follows:

02.05.040 Duties

- A. It is the goal of the ~~((commission))~~ Salary Review Commission to base salaries of the ~~((mayor, council president and council members))~~ Mayor, Council President, and Council Member on realistic standards so that the elected officials may be paid according to the duties of their offices and so that citizens of the highest quality may be attracted to public service. The ~~((commission))~~ Salary Review Commission shall have the duty to review and establish the salary of the ~~((mayor, council president and council members))~~ Mayor, Council President, and Council Member based on the duties of each office. ~~((The commission shall study the relationship of salaries to the duties of the mayor, council president and council members.))~~
- B. A decision by the ~~((commission))~~ Salary Review Commission to ~~((change))~~ adjust the salary of the ~~((mayor, council president or city council members))~~ Mayor, Council President, or City Council Member shall be filed by ~~((the commission))~~ with the ~~((city clerk))~~ City Clerk by May 31st, shall be final and shall become effective and incorporated into the following year's ~~((city))~~ City budget proposal without further action of the ~~((city council))~~ City Council or ~~((salary commission))~~ Salary Review Commission.
1. Any ~~((change))~~ adjustment of salary made by the ~~((commission))~~ Salary Review Commission shall supersede any ordinance or resolution in effect at the time the salaries are changed but only to the extent of such conflict.
- C. Salary increases established by the ~~((commission))~~ Salary Review Commission shall be effective on the first pay period of the year following the decision ~~((of the commission))~~ and shall apply to the ~~((mayor, council president and all city council members))~~ Mayor, Council President, and all City Council Members regardless of their terms of office.
- D. Salary decreases established by the ~~((commission))~~ Salary Review Commission shall become effective as to an incumbent ~~((mayor, council president or council member))~~ Mayor, Council President, or Council Member at the commencement of their next subsequent terms of office.

Section 5. That section 02.05.050 of the Spokane Municipal Code is amended to read as follows:

02.05.050 Operations of Commission

- A. The ~~((commission))~~ Salary Review Commission may establish its own rules of procedures consistent with the Spokane Municipal Code and state law, which shall include a meeting schedule.
- B. The ~~((commission))~~ Salary Review Commission shall ~~((annually))~~ elect a chair and vice-chair from its members prior to the conclusion of its review period ~~(())~~

pursuant to this section.

- C. All meetings of the ~~((commission))~~ Salary Review Commission shall be open to the public.
 - 1. At least one of the meetings shall include a public hearing held prior to ~~((the commission))~~ issuing a decision regarding the ~~((establishment))~~ adjustment, if any, of salaries in order to provide an opportunity for the public and the affected elected officials to address the ~~((commission))~~ Salary Review Commission.
- D. The ~~((commission))~~ Salary Review Commission shall meet to review the salary schedules of the ~~((mayor, council president and council members))~~ Mayor, Council President, and Council Member ~~((during))~~ every four years, on the even ~~((numbered))~~ ~~((years))~~ year following the election of the Mayor and Council President and may meet more frequently on their own initiative or by a motion of the ~~((city council))~~ City Council.
 - 1. Decisions of the ~~((commission))~~ Salary Review Commission regarding an ~~((increase or decrease))~~ adjustment in the salary schedule shall be filed ~~((by the commission))~~ with the ~~((city clerk))~~ City Clerk's Office by May 31st.
- E. In determining the salaries for the ~~((mayor, council president and council members))~~ Mayor, Council President, and Council Member, the ~~((commission))~~ Salary Review Commission shall solicit information regarding the elected officials duties and responsibilities. Prior to ~~((the commission))~~ issuing a salary schedule, the ~~((commission))~~ Salary Review Commission may request additional financial information and other relevant data from the appropriate ~~((city))~~ City department.
- F. Three members of the ~~((commission))~~ Salary Review Commission shall constitute a quorum and the affirmative vote of three members shall be required to approve a salary schedule for ~~((the mayor, council president and council members))~~ Mayor, Council President, and Council Member as well as all other matters of the ~~((commission))~~ Salary Review Commission.
- G. The ~~((commission))~~ Salary Review Commission shall keep a written record of its proceedings, which shall be a public record in accordance with Washington state law.
 - 1. The ~~((commission))~~ Salary Review Commission shall provide written documentation forming the basis for the salary schedule.
- H. The ~~((commission))~~ Salary Review Commission shall be assisted in performing its duties by staff assigned by the city administration and the City Council.

Section 6. That section 02.05.060 of the Spokane Municipal Code is amended to read as follows:

02.05.060 Referendum

- A. Salary ~~((increases or decreases))~~ adjustments shall be subject to a referendum petition by the citizens in the same manner as a ~~((city))~~ City ordinance upon filing of such petition with the ~~((city clerk))~~ City Clerk within thirty days after filing of the salary schedule by the ~~((commission))~~ Salary Review Commission.
1. In the event of the filing of a valid referendum petition pursuant to Section 83 of the City Charter, the salary ~~((increase or decrease))~~ adjustment shall not go into effect until approved by the voters.
- B. Referendum measures under this section shall be submitted to the voters of the City at the next following general or municipal election occurring thirty days or more after the petition is filed, and shall be otherwise governed by the provisions of the state constitution, city charter and laws generally applicable to referendum measures.

Section 7. That section 02.05.070 of the Spokane Municipal Code is amended to read as follows:

02.05.070 Implementation of Proposition No. 1 Regarding Mayor's Salary

In order to implement the amendment to Section 7 of the Spokane City Charter regarding the establishment of the ~~((mayor's))~~ Mayor's salary by the ~~((commission))~~ Salary Review Commission pursuant to Proposition 1, as approved by the voters on the August 4, 2015 ballot, the ~~((commission))~~ Salary Review Commission shall review and establish the salary for the ~~((mayor))~~ Mayor by September 30, 2015. The decision of the ~~((commission))~~ Salary Review Commission shall be filed with the ~~((city clerk))~~ City Clerk and shall be subject to referendum as set forth in SMC 2.05.060. The ~~((mayor's))~~ Mayor's salary established by the ~~((commission))~~ Salary Review Commission shall take effect on the first pay period of 2016. Future review and ~~((increase or decrease))~~ adjustment, if any, to the ~~((mayor's))~~ Mayor's salary shall be performed by the ~~((commission))~~ Salary Review Commission in ~~((2018))~~ 2020 consistent with the review of ~~((the))~~ ((council president and council members')) Council President and Council Member salaries as set forth in chapter 2.05 SMC. ~~((The commission will meet in 2016 pursuant to the schedule provision of chapter 2.05 SMC to review the salaries of the council president and council members.))~~

PASSED by the City Council on _____.

Council President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

Mayor

Date

Effective Date

DRAFT

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
PMWeb
Finance Committee
November 20, 2017

Subject

Approval for the annual renewal of Support and Maintenance in regards to PMWeb

February 1, 2018 through January 31, 2019 \$75,200 plus tax and shipping.

Background

The City has selected PMWeb to provide Capital Project Management Software and implementation services for the Public Works Division for department –wide management of capital improvement projects. PMWeb is a SaaS (Software as a Service) solution that will be hosted and maintained by PMWeb.

Impact

Without this annual Support and Maintenance the implementation of the selected Capital Project Management tool/solution would not be able to be utilized. .

Action

City ITSD recommends approval

Funding

Various Accounts

For further information contact:

Page 1

BRIEFING PAPER
City of Spokane
Finance and Technology Committee
November 20, 2017

Subject

A new benefit tier is being added to the Spokane Employees' Retirement System (SERS) with retirement eligibility based on an employee's age plus years of service totaling ninety ("Rule of 90").

Background

The Collective Bargaining Agreement between the City of Spokane and Local 270, AFSCME, as approved on September 28, 2017 and covering January 1, 2016 to December 31, 2020, includes the creation of a fourth retirement tier for employees hired on or after January 1, 2018. The creation of the fourth tier is contingent on agreement from all other impacted bargaining units. With a tentative agreement now in place with Managerial and Professional Association (M&P) – B, the implementation process for the Rule of 90 tier can begin.

Impact

SERS provides pension benefits more than 2,900 active and retired employees of the City of Spokane. The addition of a fourth tier and increased contribution rates will improve the financial footing of SERS for current and future participants.

Action

Implementation of the Rule of 90 tier requires a coordinated effort of numerous City departments and legislative approval. Broadly, there are seven major items that must be accomplished:

1. Plan Design Clarification
2. Bargaining Unit Agreement Finalized
3. SERS Plan Governing Documents Updates
4. PeopleSoft Updates
5. Actuarial Factor Updates
6. Contribution Rate Increase
7. Employee Communication

Full implementation remains contingent on the approval of all impacted bargaining units before year end. Proceeding with implementation in advance of final agreements creates a variety of risks that must be managed or mitigated.

Funding

Benefit payments are funded from the SERS retirement trust which is a separate fiduciary fund within the City of Spokane. The retirement trust is funded through contributions from the employee and employer that are intended to approximate the current cost of the future benefits. The contributions are invested so that they may appreciate at a rate that will meet the future cost of the benefit and reduce the current costs for active employees.

Employee and employer contributions are currently 8.25% of payroll. Increasing the contribution rate to 9.00% will increase the cost to the City and to the employees by approximately \$767,000 each. This increased cost will be funded by the employees' departmental employee benefit (retirement) budgets. Employees will see a reduction in their take-home pay as a result of the increased contribution rate.

RULE OF 90 OVERVIEW

October 27, 2017



Rule of 90

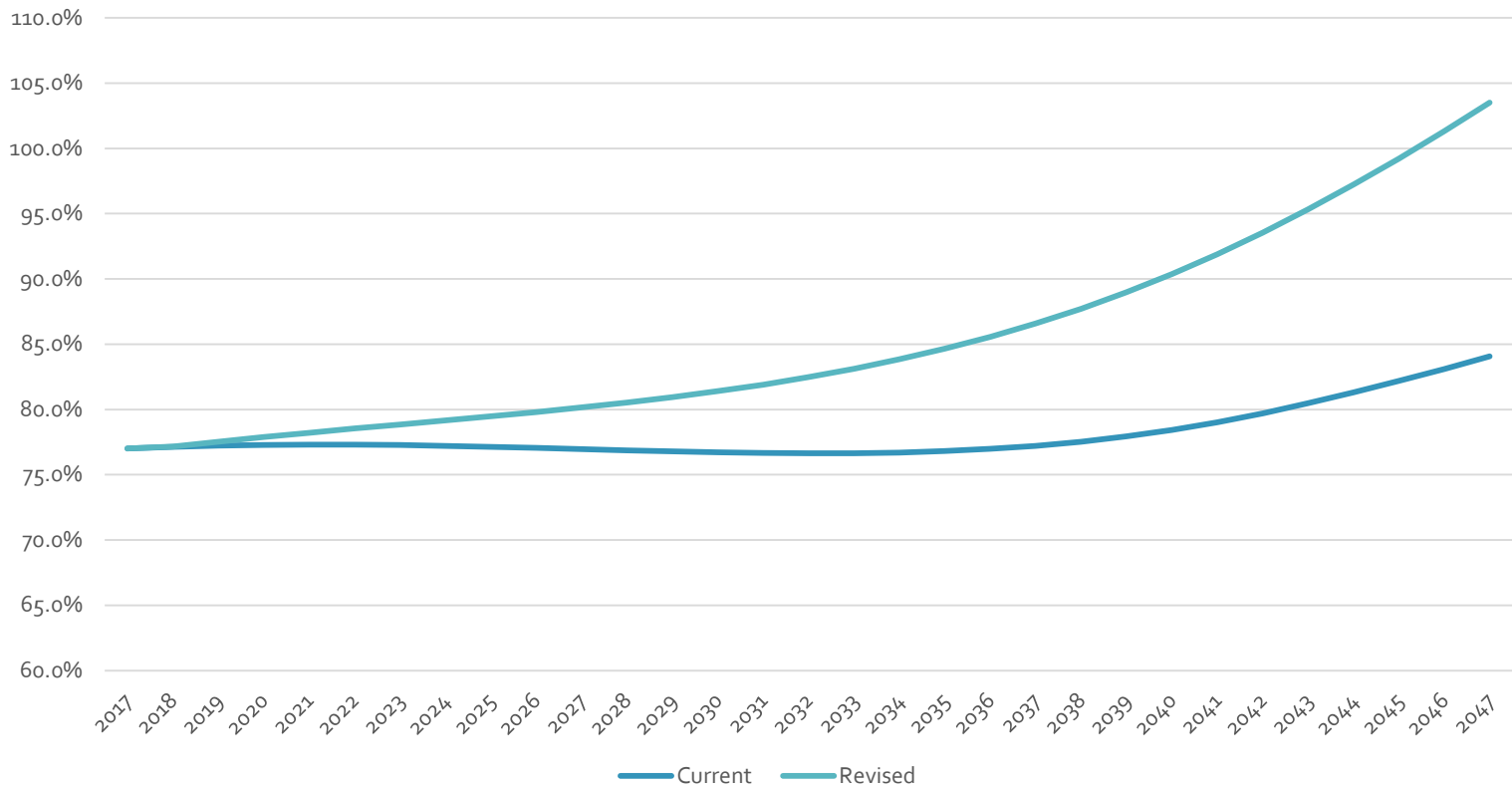
- **Rule of 90:** Employees hired on or after January 1, 2018, shall receive the Tier 4 benefit, assuming all other impacted bargaining units have agreed to adopt Tier 4 by that date. The key provisions of the Tier 4 benefit are as follows:
 1. Retirement benefit of 2% of the employee's highest consecutive three-year average compensation for each year of creditable service, up to a maximum of 80% (40 years).
 2. Employees are vested after 7 years.
 3. Employees may retire at age 50 with no penalty/actuarial reduction with 30 years of service or if the, employee's age plus years of creditable service equaling at least 90, or at age 65.
 4. If an employee retires with less than 30 years of service, an Early Retirement Factor of 2.5% will be applied for each year under age 65.
 5. For calculation of the employee's highest consecutive three-year average compensation, overtime compensation will be capped at 120% of an employee's annual base salary.

Contributions

- Contributions
 - Increase to 9.0% for both Employee and Employer
 - First pay period following agreement by all Bargaining Units and City Council
 - Up to 1.0% additional increase per year based on Actuarially Determined Contribution Rate (ADC)

Impact

Funded Ratio Projections



Note: Open plans discounted using assumed rate of return

Item	Primary	Prereq	Status	Target	Notes	Drop Date	Risk-->Mitigation
0. Plan Design Clarification							
0.1. Current Participant Eligibility	Fin/HR	1.	Done	30-Oct	Yes, best of all plans		Per current TA's --> Align with prior approvals
0.2. Overtime Cap							
0.2.1. Retroactive or Go forward	Fin/HR	1.	Done	30-Oct	Retro, must take ALL design elements		Per current TA's --> Align with prior approvals
0.2.2. Per what time period	Fin/HR	1.	Done	30-Oct	Annual cap for high 3 and 3x12-months rolling		Per current TA's --> Align with prior approvals
0.2.3. 120% of base or 120% including base	Fin/HR	1.	Done	30-Oct	Cap at 120% for base plus overtime		Per current TA's --> Align with prior approvals
0.2.4. Pensionable earnings	Fin/HR	1.	Done	30-Oct	All earnings		Per current TA's --> Align with prior approvals
0.3. Early Retirement Factors							
0.3.1. Additive or Multiplicative	Fin/HR	1.	Done	30-Oct	Multiply, e.g. 4 year ERF = 90% of straight		Per current TA's --> Align with prior approvals
0.3.2. Minimum eligibility	Fin/HR	1.	Done	30-Oct	50 years old, vested		Per current TA's --> Align with prior approvals
0.3.3. To NRA/Rule 90/50+30?	Fin/HR	1.	Done	30-Oct	Lesser of NRA or Rule 90		Per current TA's --> Align with prior approvals
0.4. Contribution language	Fin/HR	1.	Done	30-Oct	All earnings; confirm with counsel		Per current TA's --> Align with prior approvals
1. Bargaining Unit Agreements							
1.0. Local 270	Admin/BU		Done				
1.1. M&P A	Admin/BU	1.0.	Pending	5-Dec		31-Dec	Cannot implement 1/1/18 w/o full agreement
1.2. M&P B	Admin/BU	1.0.	TA	5-Dec	Vote pending	31-Dec	Cannot implement 1/1/18 w/o full agreement
1.3. Local 29	Admin/BU	1.0-2.	Pending	5-Dec	Supplemental required	31-Dec	Cannot implement 1/1/18 w/o full agreement
1.4. Local 270 Prosecutors	Admin/BU	1.0-2.	Pending	5-Dec	Supplemental required	31-Dec	Cannot implement 1/1/18 w/o full agreement
1.5. Local 270 Library	Admin/BU	1.0-2.	Pending	5-Dec	Supplemental required	31-Dec	Cannot implement 1/1/18 w/o full agreement
1.6. Final Council approval	Council	1.1-5.	Pending	18-Dec		22-Jan	Pending at year-end-->Need approval for first payment; Roll back to Rule 80 for new hires
2. Plan Docs							
2.1. City Code							
2.1.1. Draft Updates	Retirement	1.0-2.	Done	6-Nov			
2.1.2. City Attorney Review	Legal	2.1.1.	Done	9-Nov			
2.1.3. City Admin Review	Finance	2.1.1.	Pending	30-Nov	Started 11/9	10-Jan	BU agreement change/delay-->Supersedes SMC, finalize after implement, for Council
2.1.4. External Counsel Review	Lane Powel	2.1.1.	Pending	30-Nov	Started 11/7	10-Jan	BU agreement change/delay-->Supersedes SMC, finalize after implement, for Council
2.1.5. IRS Compliance Review	Lane Powel	2.1.1.	Pending	30-Nov	Started 11/7	10-Jan	BU agreement change/delay-->Supersedes SMC, finalize after implement, for Council
2.1.6. Finance Committee Approval	Committee	2.1.1.	Pending	20-Nov	On agenda for 11/20	18-Dec	BU agreement change/delay-->Supersedes SMC, finalize after implement
2.1.7. SERS Board Approval	SERS	1., 2.2-5	Wait	6-Dec	On agenda for 12/6	26-Jan	BU agreement change/delay-->Supersedes SMC, finalize post-implement; Special meeting if necessary
2.1.8. City Council Approval	Council	1., 2.2-7.	Wait	18-Dec		22-Jan	BU agreement change/delay-->Supersedes SMC, finalize after implement
2.2. Board Rules							
2.2.1. Draft Updates	Retirement	1.0-2.; 2.1-8.	Wait	21-Dec	Wait for legal comments on code to align	25-Jan	Required for January payments to meet fiduciary standard-->Special meeting notice
2.2.2. City Attorney Review	Legal	2.2.1.	Wait	28-Dec	For inclusion with Board packet	25-Jan	Required for January payments to meet fiduciary standard-->Special meeting notice
2.2.3. SERS Board Approval	SERS	2.2.1.	Wait	3-Jan	On agenda for 1/3	26-Jan	Required for January payments to meet fiduciary standard-->Special Meeting

2.3. Board Regulations							
2.3.1. Draft Updates	Retirement	1.0-2.; 2.1-8.	Wait	21-Dec	Wait for legal comments on code to align	25-Jan	Required for January payments to meet fiduciary standard-->Special meeting notice
2.3.2. City Attorney Review	Legal	2.2.1.	Wait	28-Dec	For inclusion with Board packet	25-Jan	Required for January payments to meet fiduciary standard-->Special meeting notice
2.3.3. SERS Board Approval	SERS	2.2.1.	Wait	3-Jan	On agenda for 1/3	26-Jan	Required for January payments to meet fiduciary standard-->Special Meeting
3. PeopleSoft Changes							
3.1. Eligibility							
3.1.1. Normal Retirement Age of 65	IT, Retire	1.0-2.	Done	3-Nov	IT update system; retirement tests and verifies		
3.1.2. Age plus years of service equal 90+	IT, Retire	1.0-2.	Done	3-Nov	IT update system; retirement tests and verifies		
3.1.3. 30 years service and 50+ years old	IT, Retire	1.0-2.	Done	3-Nov	IT update system; retirement tests and verifies		
3.2. Retirement Calculations							
3.2.1. Overtime Cap at 120% of Base Salary	IT, Retire	1.0-2.	Working	31-Dec	IT update system; retirement tests and verifies	N/A	System overrides for members>35 years
3.2.2. Early Retirement Factors	IT, Retire	1.0-2.	Working	31-Dec	IT update system; retirement tests and verifies	N/A	System overrides for members>35 years
3.2.3. 40 years (80%) Service Cap	IT, Retire	1.0-2.	Done	3-Nov	IT update system; retirement tests and verifies		
3.2.4. Greatest of All Plans	IT, Retire	1.0-2.	Done	3-Nov	IT update system; retirement tests and verifies		
3.2.5. Actuarial Factors	IT, Retire	4.1.	Wait	31-Dec	IT update system; retirement tests and verifies	31-Dec	
4. Actuarial Factors							
4.1. Updated Tables	SageView		Working				
4.2. SERS Board Approval	SERS	4.1.	Pending	6-Dec	Mortality table approved, review factors	31-Dec	
4.3. Finance Committee Approval	Committee	4.2.	Pending	20-Nov	Approve mortality tables	20-Nov	
4.4. City Council Approval	Council	4.2.	Pending	18-Dec	Approve mortality tables	18-Dec	
5. Contribution Rates							
5.1. Payroll Update	HR/Payroll	1.	Wait	ASAP		31-Dec	9.0% Contribution after 12/31-->Limited to 1/calendar year; push to 1/1/19
5.2. Review ADC Rate	SERS, Council	Valuation	Wait	1-Jul			9.0% Contribution after 12/31-->Limited to 1/calendar year; push to 1/1/19
6. Employee Communications							
6.1. New Hires							
6.1.1. Plan Books	Retirement	1.	Pending	1-Jan		31-Jan	Not complete for 1st hire-->provide at new hire orientation
6.1.2. New hire offer letters	HR	1.	Wait	ASAP	Current language broadly applies for vesting and contributions	1-Jan	Not done-->Rollback to Rule 80, keep option to retire as Rule 90
6.2. Current Employees							
6.2.1. Contribution Rates	HR	1.	Wait	ASAP	1st pay period after agreed		
6.2.2. Expanded Eligibility	HR/Retire	1.	Wait	ASAP	Coordinate with contribution or separate?		
6.2.3. 1st of Month Retirement	HR/Retire	1.	Wait	ASAP	Coordinate with contribution or separate?		

Note: For all tasks scheduled before agreements with ALL bargaining units completed, assumes that final agreements will mirror Local 270 contract and that ALL agreements are completed before 12/31/17

Title 03 Administration and Personnel

Chapter 03.05 Spokane Employees' Retirement System

Section 03.05.010 Purpose

The purpose of this chapter and [chapter 4.14 SMC](#) is to establish a retirement and pension system for superannuated or totally and permanently disabled employees and elected officials of the City as authorized by state law.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 1

Section 03.05.020 Definitions

- A. "Accumulated contributions" means the sum of all normal contributions deducted from the compensation of a member, and in-lieu payments of employees' contributions by the City, standing to the credit of the member's individual account, together with contribution interest as established pursuant to [SMC 4.14.070\(D\)\(1\)](#) compounded ~~quarterly~~ monthly.
- B. "Annuity" means payments derived from contributions made by a member as provided in [SMC ~~3.05.190~~ 03.05.025](#).
- C. "Beneficiary" means any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit provided in this chapter and [chapter 4.14 SMC](#).
- D. "Board" means "board of administration" as provided in [chapter 4.14 SMC](#).
- E. "City" means the City of Spokane.
- F. "City service" means service by an employee rendered to the City for compensation and, for the purpose of this chapter and [chapter 4.14 SMC](#), a member shall be considered as being in City service only while the member is receiving compensation for such service.
- G. "Compensation" means the compensation including base pay, shift differential, overtime, holiday pay, hazardous duty pay and out-of-classification pay, payable in cash, plus the monetary value, as determined by the board, of any allowance in lieu thereof. It shall not be reduced by salary reduction contributions to the City's cafeteria plan or Section 457 plan, or effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code section 132(f)(4). Compensation in excess of the limitations set forth in Internal Revenue Code section 401(a)(17) shall not be included in determining benefits, but this restriction does not apply to any individual who was a member prior to January 1, 1996.
- H. "Contribution interest," unless changed by the board as provided in [SMC 4.14.070](#), means the interest rate on member contributions, which shall be set equal to the average daily interest rate for the 5-year US Treasury Note from July 1 of the previous year to June 30 of the current year, rounded to the nearest 0.25%. The new interest rate will be effective as of July 1 of the current year, beginning in 2016.
- I. "Creditable service" means such City service as is evidenced by the record of normal contributions received from the employee plus prior City service if credit for same is still intact or not lost through withdrawal of accumulated contributions as provided in [SMC](#)

3.05.120. The maximum creditable service from all sources including military service is thirty (30) years under the formula in SMC 3.05.160 and thirty-five (35) years under the formulas in SMC 3.05.165 and SMC 3.05.166 will be based on the benefit formula eligibility in SMC 3.05.025.

- J. "Employee" means any regularly appointed employee or elected official of the City or of the Spokane public library.
- K. "Final compensation" means the annual average of the member's compensation-based on the benefit formula eligibility in SMC 3.05.025. during the highest consecutive two-year period of service for which service credit is allowed for purposes of determining retirement benefits for members described in [SMC 3.05.025\(A\) or \(B\)](#). For members described in [SMC 3.05.025\(C\)](#) "final compensation" means the annual average of the member's compensation during the highest consecutive three-year period of service for which service credit is allowed. For members described in SMC 3.05.025(D) "final compensation" means the annual average of the member's compensation during the highest consecutive three-year period of service for which service credit is allowed, with overtime plus base salary capped at one hundred and twenty percent (120%) of base salary for any year. Final compensation shall not be reduced to reflect salary reduction contributions to the City's cafeteria plan or Section 457 plan, or effective January 1, 2001, any qualified transportation fringe benefit plan under Internal Revenue Code section 132(f)(4). Compensation in excess of the limitations set forth in Internal Revenue Code section 401(a)(17) shall not be included as final compensation when determining benefits, but this restriction does not apply to any individual who was a member prior to January 1, 1996.
- L. "Fiscal year" means any year commencing with January 1st and ending with December 31st next following.
- M. "Member" means any person included in the membership of the retirement system as provided in [SMC 3.05.030](#).
- N. "Normal contributions" means the contributions at the rate provided for in [SMC 3.05.040\(A\) and \(B\)](#).
- O. "Participation date" means the date on which an employee initially joined the retirement system from which the employee had uninterrupted deposit of contributions. An employee participating in the retirement system in accordance with SMC 3.05.120(C) or SMC 3.05.260 shall use the employee's rehire date as the participation date.
- Q-P. "Pension" means payments derived from contributions made by the City as provided for in ~~SMC 3.05.025~~[SMC 3.05.199](#).
- P-Q. "Regular interest," unless changed by the board as provided in [SMC 4.14.070](#), means the actuarial assumption rate of interest which compounded annually shall place the retirement fund on a sound actuarial basis.
- Q-R. "Retirement allowance" means any payments made to a member or successor upon retirement for service or disability.
- R-S. "Retirement fund" means "employees' retirement fund" as created and established in [SMC 3.05.070](#) and [SMC 7.08.601](#).
- T. "Retirement system" means "Spokane Employees' Retirement System" (SERS), provided for in this chapter.
- U. "Tier 1" means the benefit formula in [SMC 3.05.160](#).
- V. "Tier 2" means the benefit formula in [SMC 3.05.165](#).
- W. "Tier 3" means the benefit formula in [SMC 3.05.166](#).
- X. "Tier 4" means the benefit formula in [SMC 3.05.167](#).

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 1

Section 03.05.025 Benefit Formulas Eligibility

- A. An employee of the City hired with a participation date prior to January 1, 2009, ~~The member~~ shall be entitled to elect at the time of retirement whether to receive his ~~their~~ benefit under ~~the current benefit formula in SMC 3.05.160 as available therein, or to receive his benefit under the alternate benefit formula in SMC 3.05.165 as available therein. A member of the retirement system who has terminated employment prior to January 1, 2009, who has not taken a withdrawal of his accumulated contributions will remain under the benefit formula in SMC 3.05.160 and shall not be entitled to elect the alternate formula in SMC 3.05.165.~~ Tier 1, Tier 2, Tier 3, or Tier 4.
- B. ~~The alternate benefit formula in SMC 3.05.165 shall be the exclusive benefit for employees of the City hired~~ An employee of the City with a participation date on or after January 1, 2009, but before January 1, 2015. The member shall be entitled to elect at the time of retirement whether to receive their benefit under Tier 2, Tier 3, or Tier 4.
- B. ~~The benefit formula in SMC 3.05.165 shall also apply as of January 1, 2009, to any employee who was covered by the benefit formula in SMC 3.05.160, takes a withdrawal of his accumulated contributions after termination pursuant to SMC 3.05.120(A) or (B), and is rehired on or after the applicable date in the preceding sentence, regardless of whether the employee restores his prior service under the prior benefit formula pursuant to SMC 3.05.120(C) or SMC 3.05.260. The alternate benefit formula in SMC 3.05.165 will also apply to a member who retired under the benefit formula in SMC 3.05.160, was rehired, and whose benefit was suspended pursuant to SMC 3.05.260.~~
- C. An employee of the City with a participation date on or after January 1, 2015, but before January 1, 2018. The member shall be entitled to elect at the time of retirement whether to receive their benefit under Tier 3 or Tier 4.
- C. ~~The alternate benefit formula in 6 shall be the exclusive benefit for employees of the City hired on or after January 1, 2015. The benefit formula in shall also apply as of January 1, 2015, to any employee who was covered by the benefit formula in or , takes a withdrawal of his accumulated contributions after termination pursuant to , and is rehired on or after the applicable date in the preceding sentence, regardless of whether the employee restores his prior service under the prior benefit formula pursuant to or . The alternate benefit formula in SMC 3.05.166 will also apply to a member who retired under the benefit formula in or , was rehired, and whose benefit was suspended pursuant to .~~
- D. An employee of the City with a participation date on or after January 1, 2018. The member shall be entitled to receive their benefit under Tier 4.
- E.

The basic provisions of the benefit formula ~~in SMC 3.05.160 and alternate benefit formulas in SMC 3.05.165 and SMC 3.05.166~~ for Tier 1, Tier 2, Tier 3, and Tier 4 are summarized in SMC 3.05.168.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 3

[Section 03.05.030](#) Membership

- A. Any new employee must become a member of the retirement system and make contributions required by [SMC 3.05.040](#) on the date of hire, except:
1. temporary, seasonal, or new hire provisionals, as defined by the [City Charter](#) and the City civil service commission;
 2. members of the police and fire departments who are entitled to benefits under state-enacted retirement programs;
 3. participating employees hired under the Comprehensive Employment and Training Act (CETA) and United States Department of Labor (DOL). This proscription does not apply to permanent nonparticipant staff members of the City and Spokane City-County employment and training consortium or its successor. Furthermore, CETA participants whose membership was previously terminated and who received a refund of contributions may at such time as they become regular City employees redeposit refunded contributions in accordance with [SMC 3.05.120](#);
 4. other non-City-funded employees in temporary employment programs as determined by the board.
- B. Any other employee who is an elected official may, at any time prior to the completion of five (5) years of continuous service, elect to deposit with the retirement system an amount equal to what would be or would have been the elected official's normal contributions if a member of the retirement system during this period of service, with regular interest as determined by the board. The City matches said funds and deposits the same in the retirement fund in a manner similar to that provided for the matching of the normal contributions under the provisions of this chapter, provided that no such elected official shall obtain any benefits of the provisions of the retirement system except contribution interest accruing at the rate provided for interest on employees' normal contributions. The return of any such funds so deposited shall be governed by the provisions as to the return of normal contributions. If and when any such elected official becomes a member the sums so deposited by this member shall be transferred to the credit of such member. Any elected official entering the retirement system under this provision shall ~~have a participation date become a member~~ as of the date of such election to join the system and shall not be considered a member until the date of such election.

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 2

[Section 03.05.035](#) ~~REPEALED~~ (One-time Buy-back/Re-entry Provision)

- A. ~~Any current member of the system who had previously terminated City employment, withdrew their retirement accumulations and was subsequently rehired but did not opt to buy back previous service time when they were first rehired, will have a one-time window from October 1, 2009, through March 31, 2010, to repurchase all or part of that time. Such redeposit will use the current regular interest rate as determined by the board.~~
- B. ~~Any current permanent employee who was once a member of the system, withdrew their retirement accumulations, but never rejoined the system, will have a one-time window from October 1, 2009, through March 31, 2010, to make an irrevocable election to re-enter SERS. They will also be allowed to repurchase all or part of their previous service time in SERS during this window. This group will have their pension calculated according to SMC 3.05.160. Such redeposit will use the current regular interest rate as determined by the board.~~
- C.A. ~~Any current permanent employee, who meets the SERS eligibility requirements, who was never a member of the system will have a one-time window from October 1, 2009, through March 31, 2010, to make an irrevocable election to join SERS. This group will have their pension calculated according to SMC 3.05.160.~~

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 3

Section 03.05.040 Contributions

- A. The normal rates of contributions of members are those adopted by the board, subject to the approval of the city council. The rates so adopted remain in full force and effect until revised or changed by the board in the manner provided in [chapter 4.14 SMC](#).
1. Contributions by Members.
~~Prior to January 1, 2009, each member shall contribute six and seventy-two one-hundredths percent (6.72%) of the member's compensation. Effective January 1, 2009, the rate of contribution was prospectively increased to seven and seventy-five hundredths percent (7.75%). Effective September 1, 2014, the rate of contribution is prospectively increased to eight and twenty-five hundredths percent (8.25%). It is contemplated that said contribution by members will, when added to the City's contribution, be enough to properly fund the retirement benefits. Effective December XX, 2018, the rate of contribution is prospectively increased to nine percent (9.00%).~~ Although designated as employee contributions that reduce the member's salary, the City government, as the employer, shall pay such contributions to the retirement fund pursuant to Internal Revenue Code section 414(h). The member will not have an option of choosing to receive the contributed amounts directly instead of having them paid by the City government to the retirement fund. The picked-up contributions will be included as Social Security wages up to the Social Security wage base, and will also be included in calculating the member's final compensation.
 2. Contribution by the City Government.
The City government will match the ~~in-lieu~~ payment of the employees' contribution, plus any in-lieu payments on behalf of the employee.
 3. Contribution Rate Review

It is contemplated that said contribution by members will, when added to the City's contribution, be enough to properly fund the retirement benefits. In the event that an official actuarial report, prepared at the direction of the board, indicates that the Actuarially Determined Employer Contribution Rate is greater than the City's contributions, the City may, subject to approval by the board and City Council, increase the employee contributions and City contributions by up to 1.00% of the member's compensation without further bargaining unit negotiation. Increases are limited to once per calendar year.

In the event that an official actuarial report, prepared at the direction of the board, indicates that the retirement system is 100% funded, the City may, subject to approval by the board and City Council, decrease the employee contributions and City contributions by up to 1.00% of the member's compensation without further bargaining unit negotiation. Decreases are limited to once per calendar year.

- B. Subject to the provisions of this chapter and [chapter 4.14 SMC](#), the board certifies to the head of each office or department the normal rate of contribution for each member provided for in subsection (A) of this section. The head of the department applies such rate of contribution to the compensation of each and every payroll; and each of said in-lieu amounts are paid by the director of accounting into the retirement fund, hereinafter provided for, and are credited by the board, together with contribution interest, to an individual account of the member for whom the contribution was made. Contribution interest is credited to each individual account at such periods as the board may determine. ~~The Any~~ City government's in-lieu payments vests for the benefit of the employee immediately upon payment into the retirement fund.
- C. The director of accounting transfers to the retirement fund an amount equal to the aggregate normal contributions as soon as administratively practicable following each payroll period.

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 4

[Section 03.05.050](#) Allowance for Service

- A. Determination.
1. Subject to the following and all other provisions of this chapter, including such rules and regulations as the board may adopt in pursuance thereof, the board, subject to the approval of the city council, determines and may modify allowance for service.
 2. Time during which a member is absent on leave without pay may not be allowed in computing service.
 3. Each member must file with the retirement system such information affecting ~~his~~ their status as a member as the board may require.

B. Military Service.

Any member is given credit for any period served by him in the military service of the United States, in time of war or upon the call of the President, if at the time of such service such member was a regular employee under leave of absence. Certificate of honorable discharge from and/or documentary evidence of such service must be submitted to the board in order to obtain credit for such service.

C. Preservation of Credits Under Contract.

The board is authorized from time to time to enter into agreements with other public retirement systems in the state relative to the mutual acceptance of members and preservation of service credits under such rules and regulations as may be necessary to carry into effect the provisions of this chapter or for its proper operation.

D. Notwithstanding anything in this chapter to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Internal Revenue Code section 414(u). The board may promulgate regulations implementing this section.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 6

[Section 03.05.060](#) Administration

The administration of the retirement system is vested in the board as provided for in [chapter 4.14 SMC](#).

In addition to other records and accounts, the board keeps such detailed reports and accounts as are necessary to show the financial condition of the retirement fund at all times.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 7

[Section 03.05.070](#) Employees' Retirement Fund

- A. The City treasurer shall be the custodian of the retirement fund as provided in [SMC 7.08.601](#). The retirement fund created hereby shall be a trust fund held for the exclusive benefit of the members of the retirement system and their beneficiaries. Except as provided under [3.05.240\(B\)](#), no part of the corpus or income of the retirement fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the members or their beneficiaries and the payment of fees and expenses of maintaining and administering the retirement system. All benefit formulas under [SMC 3.05.160](#), [SMC 3.05.165](#) ~~and~~ [SMC 3.05.166](#) ~~and~~ [SMC 03.05.167](#) are encompassed within the

retirement fund without separate accounting.

B. This section shall be interpreted to allow the following:

1. A return of the contribution to the City or its application as a credit on future contributions after the board determines that the City has paid or overpaid the contribution under a mistake of fact.
2. The making of refunds required by law; and
3. Termination of the retirement system and distribution of its assets to the City after all liabilities with respect to the members and their beneficiaries have been satisfied.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 8

Section 03.05.080 City's Contribution

There shall be paid into the retirement fund by contributions of the City the amounts necessary to pay all pensions and other benefits allowable under this chapter to members on account of prior service and minimum allowances provided for in [SMC 3.05.160](#) , [SMC 3.05.165](#), ~~and~~ [SMC 3.05.166](#), ~~and~~ [SMC 3.05.167](#). There shall also be paid into the retirement fund by contributions of the City the amounts necessary to pay its share of disability pensions allowable under this chapter. Until the amount accumulated in the retirement fund becomes at least as large as the present value of all amounts thereafter payable from said fund, the amount annually due to the said fund under this section shall be no less than the amount payable from said fund in the ensuing fiscal year on account of prior service, disability, and minimum allowances above referred to.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 9

Section 03.05.090 Released Matching Funds

Contributions by the City shall match contributions made by the employee or in-lieu payments. The City is not entitled to a repayment of the matching contributions made when an employee ceases to be employed by the City.

All such contributions are identified as released matching funds to provide for future retirements. The City's liability for prior service credits, disability pensions, minimum pensions, and military service is offset by the released matching funds.

Date Passed: Monday, February 26, 2007

Commented [TP1]: This would be equal to the annual benefit payments...currently the contributions are less than benefit payments. Should we strike this since the intent seems to be that the City is the ultimate obligor for the plan? Or, with released funds below, do we need to reconcile and report annually?

Effective Date: Wednesday, April 4, 2007

Recodification ORD C33984 Section 1

[Section 03.05.110](#) Administration of Social Security Act

- A. The director of accounting is designated as the officer to administer such accounting, reporting and other functions as are required for the effective operation for extending the Federal Old Age and Survivors Insurance program to members of the retirement system approved by said employees on June 5, 1956. The director shall make such reports in such form and containing such information as the governor from time to time may require, and shall comply with such provisions as the governor or the secretary of health, education and welfare of the United States may from time to time find necessary to assure the correctness and verification of such reports. The governor is authorized to terminate said plan if it is found that there has been failure to comply substantially with its provisions, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the governor consistent with the provisions of the Social Security Act.
- B. The director of accounting deducts from the salary of each employee and elected official the amount of tax imposed by the Federal Insurance Contributions Act, and the amount so deducted from such salaries shall be paid into the contributions fund as provided in chapter 4, Laws of Washington, extraordinary session, 1955, section 4(1). Failure to make such deductions does not relieve the employees or elected officials from liability for such deductions.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 10

[Section 03.05.120](#) Refund of Contributions

- A. Accumulated Contributions in Excess of One Thousand Dollars.
Should the service of a member be discontinued, except by death or retirement, and the member has accumulated contributions in excess of one thousand dollars (\$1,000), the member may elect to withdraw the member's accumulated contributions. Such payment shall be made as soon as administratively practical after the board approves the member's election, which election shall be made not later than six (6) months after the day of discontinuance. The City shall receive credit for the full amount deposited by the City in the retirement fund for such member's benefit plus contribution interest. If a member's service is discontinued and the member ~~leaves does not elect to withdraw~~ accumulated contributions ~~in from~~ the retirement system, the board may, in its discretion, charge each such member reasonable administrative expenses for maintenance of the accumulated contributions. Upon reaching the age for required distributions under IRC ???, a lump sum distribution of all contributions plus contribution interest will be made as soon as administratively possible.

B. Accumulated Contributions of One Thousand Dollars or Less.

Should the service of a member be discontinued, except by reason of death, and the member has accumulated contributions of one thousand dollars (\$1,000) or less, the member shall be paid, not later than six (6) months after the day of discontinuance, the member's entire accumulated contributions.

C. Redeposit.

Any member may redeposit in the retirement fund, within one (1) year of being rehired, an amount equal to that which the member previously withdrew therefrom, or a portion thereof, at the last termination of membership, such redeposit using the current regular interest rate as determined by the board to be paid into the retirement fund in accordance with rules established by the board. In the event such redeposit is made by a member, an amount equal to the accumulated contributions so redeposited shall again be held for the benefit of said member, and shall no longer be included in the amounts available to meet the obligations of the City on account of benefits that have been granted or liabilities that have been assumed on account of prior service of members, and the retirement system shall reinstate the prior service credit, or the portion thereof, for such member, who will rejoin the retirement system pursuant to [SMC 3.05.025\(B\)](#). Effective January 1, 2009, redeposit may also be made by a direct trustee-to-trustee transfer to the retirement fund from a plan qualified under Internal Revenue Code sections 457(b) or 403(b) or by a direct rollover to the retirement fund from an individual retirement account or annuity qualified under Internal Revenue Code section 408. The board may establish rules and procedures for acceptance of such deposits, transfers, or rollovers, including procedures to account for pre-tax transfers and rollovers and after-tax payments.

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 5

[Section 03.05.130](#) Service Retirement

Retirement of members for service is made by the board as follows:

- A. Any member in the City service may voluntarily retire by filing with the retirement system a written application, stating a desire to be retired and the effective date of retirement, which date shall ~~not be earlier than the date on which such application is filed with the retirement system~~ be the later of the first day of the calendar month coinciding with or next following the date of application and the member's Normal Retirement Date as described in the following:
- B. Normal Retirement Date, for members ~~retiring under Tier 1 or Tier 2~~ described in 3.05.25(A) and 3.05.25(B):
A member's normal retirement date is the first day of the calendar month coinciding with or next following the latest of the day on which the member has:
 1. attained the age of sixty-two (62), or
 2. completed five (5) years of creditable service.
- C. Normal Retirement Date, for members ~~described in 3.05.25(C)~~ retiring under Tier 3 or Tier 4:

A member's normal retirement date is the first day of the calendar month coinciding with or next following the latest of the day on which the member has:

1. attained the age of sixty-five (65), or
2. completed seven (7) years of creditable service.

A member is fully vested upon attaining the member's normal retirement date, provided the member remains actively employed with the City through such normal retirement date.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 12

[Section 03.05.140](#) Local 270 – AFSCME Employees' Retirement

Employees of the City who are represented by Local 270, AFSCME, AFL-CIO, are subject to the following additional provision with respect to their retirement benefits: The administrative procedures of the City employees' retirement plan are nonnegotiable and will be in accordance with Ordinance C7540, enacted September 22, 1941, as amended or hereafter amended.

Date Passed: Monday, December 15, 2008

Effective Date: Thursday, January 1, 2009

ORD C34366 Section 9

[Section 03.05.150](#) REPEALED (Other Employees' Retirement)

Repealed by ORD C34352.

Date Passed: Monday, December 15, 2008

Effective Date: Thursday, January 1, 2009

ORD C34366 Section 10

[Section 03.05.160](#) Allowance on Service Retirement, [Tier 1](#)

The provisions of this section govern the retirement benefits of members ~~described in with eligibility under SMC 3.05.025(A), including the members who were retirees prior to January 1, 2009, and those active employees as of January 1, 2009, and who affirmatively elect to receive benefits under it pursuant to SMC 3.05.025 and electing to retire under Tier 1.~~

A. Normal Retirement Benefit.

1. Subject to the minimum and maximum retirement benefits described in this section, a member's annual normal retirement benefit is determined by multiplying two and fifteen one-hundredths percent (2.15%) of the member's final compensation by the member's years of creditable service exclusive of qualified military service, and a benefit purchased by the contributions of the City equal to one and two-thirds percent (1-2/3%) of the final compensation multiplied by the number of years of qualified military service, not to exceed five (5) years as this type of service is otherwise defined and provided for in this chapter. In no case can the normal retirement benefit exceed sixty-four and five-tenths percent (64.5%) of final compensation.
 2. A member shall be eligible to receive annual normal retirement benefits on or after the member's normal retirement date pursuant to [3.05.130\(B\)](#), provided the member has made application with the retirement system pursuant to [3.05.130\(A\)](#) and has terminated active employment with the City.
- B. **Accrued Retirement Benefit.**
A member's annual accrued retirement benefit is determined for any date by multiplying two and fifteen one-hundredths percent (2.15%) of the member's final compensation by the member's years of credited service. In no case can the annual accrued retirement benefit exceed sixty-four and five-tenths percent (64.5%) of final compensation.
- C. **Vested Benefit.**
 1. Any member who terminates active employment with the City will be eligible to receive a service retirement allowance at the age of fifty (50), provided at time of member's termination, the member both:
 - a. has at least five (5) years of creditable service; and
 - b. elects to leave member's accumulated contributions in the retirement system.
 2. Every member desiring to take advantage of this vesting provision must file a request with the retirement system when terminating active employment.
- D. **Early Retirement.**
A member may retire before the member's normal retirement date under [3.05.130\(B\)](#) if the member has met all the following requirements:
 1. attained the age of fifty (50);
 2. applied for early retirement;
 3. terminated active employment with the City; and
 4. completed five (5) years of creditable service.
- E. **Early Retirement Benefit.**
Early retirement benefits are calculated in the same manner as normal retirement benefits.
- F. **Payment of Benefits.**
After retirement, normal or early retirement benefits will be payable throughout the remainder of the member's lifetime. However, if a member dies before the total of the retirement benefits paid to the member equals the member's accumulated contributions at the time of retirement, and if the member has not elected an optional form of retirement benefit in accordance with [SMC 3.05.210](#), an amount equal to the difference between the retirement benefits paid and the member's accumulated contributions at the time of retirement will be paid to the member's beneficiary.

G. Ad Hoc Performance Adjustment.

The board is authorized to grant discretionary annual ad hoc performance adjustments effective July 1st of each fiscal year. The rate of the performance adjustment is determined by the board based upon financial, actuarial, and other data and is limited to a maximum of a three percent (3%) adjustment in any given fiscal year. The adjustment is noncompounding and based upon a retiree's original pension amount. The board has adopted a board rule which contains further information on the necessary criteria for ad hoc performance adjustments.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 13

Section 03.05.165 Allowance on Service Retirement, ~~Tier 2—Alternate Formula (Rule of 75)~~

The provisions of this section govern ~~(a) the retirement benefits of members with eligibility under described in SMC 3.05.025(A) whose benefits are not governed by or SMC 3.05.160 and (b) the retirement benefits of members described in 3.05.025(B) who elect to retire under Tier 2.~~

A. Normal Retirement Benefit.

1. A member's annual normal retirement benefit is determined by multiplying two percent (2%) of the member's final compensation by the member's years of creditable service exclusive of qualified military service, and a benefit purchased by the contributions of the City equal to one and two-thirds percent (1-2/3%) of the final compensation multiplied by the number of years of qualified military service, not to exceed five (5) years as this type of service is otherwise defined and provided for in this chapter. In no case can the normal retirement benefit exceed seventy percent (70%) of final compensation.
2. A member shall be eligible to receive annual normal retirement benefits on or after the member's normal retirement date under 3.05.130(B), provided the member has made application with the retirement system pursuant to 3.05.130(A) and has terminated active employment with the City.

B. Accrued Retirement Benefit.

A member's annual accrued retirement benefit is determined for any date by multiplying two percent (2%) of the member's final compensation by the member's years of credited service. In no case can the annual accrued retirement benefit exceed seventy percent (70%) of the member's final compensation.

C. Vested Benefit.

1. Any member who terminates active employment with the City will be eligible to receive a service retirement allowance at the member's normal retirement date under SMC 3.05.130(B), provided that at time of termination, the member both:
 - a. has at least five (5) years of creditable service; and
 - b. elects to leave member's accumulated contributions in the retirement system.

2. Every member desiring to take advantage of this vesting provision must file a request with the retirement system when terminating active employment.

D. Retirement Benefit.

A member may retire before the member's normal retirement date under [SMC 3.05.130\(B\)](#) if the member has, as of the desired retirement date, met all the following requirements:

1. ~~as of the desired retirement date~~ the member has attained a minimum age of fifty (50);
2. ~~has~~ has at least five (5) years of creditable service;
3. ~~and~~ the sum of the member's age and years of creditable service total at least seventy-five (75);
4. applied for retirement; and
5. terminated active employment with the City at the time of retirement.

Solely for purposes of the "Rule of 75" in the preceding sentence, creditable service for part-time employees will be determined pursuant to regulations established by the board. An active member may also retire on or after having attained the member's normal retirement date under [SMC 3.05.130\(B\)](#) In either case the member must apply for retirement benefits under [SMC 3.05.130\(A\)](#) and terminate active employment with the City in order to retire.

D-E. Payment of Benefits.

After retirement, benefits will be payable throughout the remainder of the member's lifetime. However, if a member dies before the total of the retirement benefits paid to the member equals the member's accumulated contributions at the time of retirement, and if the member has not elected an optional form of retirement benefit in accordance with [SMC 3.05.210](#), an amount equal to the difference between the retirement benefits paid and the member's accumulated contributions at the time of retirement will be paid to the member's beneficiary.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 14

[Section 03.05.166](#) Allowance on Service Retirement — ~~Alternate Formula (Rule of 80), Tier 3~~

The provisions of this section govern the retirement benefits of members with eligibility described in ~~SMC 3.05.025(C)~~ [SMC 3.05.025](#) and who elect to retire under Tier 3.

A. Normal Retirement Benefit.

1. A member's annual normal retirement benefit is determined by multiplying two percent (2%) of the member's final compensation by the member's years of creditable service exclusive of qualified military service, and a benefit purchased by the contributions of the City equal to one and two-thirds percent (1-2/3%) of the final compensation multiplied by the number of years of qualified military service, not to exceed five (5) years as this type of service is otherwise defined

and provided for in this chapter. In no case can the normal retirement benefit exceed seventy percent (70%) of final compensation.

2. A member shall be eligible to receive annual normal retirement benefits on or after the member's normal retirement date under [SMC 3.05.130\(C\)](#), provided the member has made application with the retirement system pursuant to [3.05.130\(A\)](#) and has terminated active employment with the City.

B. Accrued Retirement Benefit.

A member's annual accrued retirement benefit is determined for any date by multiplying two percent (2%) of the member's final compensation by the member's years of credited service. In no case can the annual accrued retirement benefit exceed seventy percent (70%) of the member's final compensation.

C. Vested Benefit.

Any member who terminates active employment with the City will be eligible to receive a service retirement allowance at the member's normal retirement date under [SMC 3.05.130\(C\)](#), provided that at time of termination, the member both:

- a. has at least seven (7) years of creditable service; and
- b. elects to leave member's accumulated contributions in the retirement system.

2. Every member desiring to take advantage of this vesting provision must file a request with the retirement system when terminating active employment.

B. Retirement Benefit.

A member may retire before the member's normal retirement date under [SMC 3.05.130\(C\)](#) if as of the desired retirement date the member

1. has attained a minimum age of fifty (50);
2. has at least seven (7) years of creditable service;
3. ~~and the sum of the member's age and years of creditable service total at least eighty (80);~~
4. applied for retirement; and
5. terminated active employment with the City at the time of retirement.

Solely for purposes of the "Rule of 80" in the preceding sentence, creditable service for part-time employees will be determined pursuant to regulations established by the board. An active member may also retire on or after having attained the member's normal retirement date under [SMC 3.05.130\(C\)](#). In either case the member must apply for retirement benefits under [SMC 3.05.130\(A\)](#) and terminate active employment with the City.

B-C. Payment of Benefits.

After retirement, benefits will be payable throughout the remainder of the member's lifetime. However, if a member dies before the total of the retirement benefits paid to the member equals the member's accumulated contributions at the time of retirement, and if the member has not elected an optional form of retirement benefit in accordance with [SMC 3.05.210](#), an amount equal to the difference between the retirement benefits paid and the member's accumulated contributions at the time of retirement will be paid to the member's beneficiary.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 15

Section 03.05.166 Allowance on Service Retirement, Tier 43

The provisions of this section govern the retirement benefits of members with eligibility described in SMC 3.05.025 and who elect to retire under Tier 4.

A. Normal Retirement Benefit.

1. A member's annual normal retirement benefit is determined by multiplying two percent (2%) of the member's final compensation by the member's years of creditable service exclusive of qualified military service, and a benefit purchased by the contributions of the City equal to one and two-thirds percent (1-2/3%) of the final compensation multiplied by the number of years of qualified military service, not to exceed five (5) years as this type of service is otherwise defined and provided for in this chapter. In no case can the normal retirement benefit exceed eighty percent (80%) of final compensation.
2. A member shall be eligible to receive annual normal retirement benefits on or after the member's normal retirement date under SMC 3.05.130(C), provided the member has made application with the retirement system pursuant to 3.05.130(A) and has terminated active employment with the City.

B. Accrued Retirement Benefit.

A member's annual accrued retirement benefit is determined for any date by multiplying two percent (2%) of the member's final compensation by the member's years of credited service. In no case can the annual accrued retirement benefit exceed eighty percent (80%) of the member's final compensation.

C. Vested Benefit.

Any member who terminates active employment with the City will be eligible to receive a service retirement allowance at the member's normal retirement date under SMC 3.05.130(C), provided that at time of termination, the member both:

- a. has at least seven (7) years of creditable service; and
- b. elects to leave member's accumulated contributions in the retirement system.

Every member desiring to take advantage of this vesting provision must file a request with the retirement system when terminating active employment.

-

D. Normal Retirement Benefit.

A member may retire before the member's normal retirement date under SMC 3.05.130(C) if as of the desired retirement date the member:

1. Meets all of the following criteria:
 - a. has attained a minimum age of fifty (50);

- b. has at least seven (7) years of creditable service;
 - c. the sum of the member's age and years of creditable service total at least ninety (90);
 - d. applied for retirement; and
 - e. terminated active employment with the City at the time of retirement.
- 2. Or, alternately meets all of the following criteria:
 - a. has attained a minimum age of fifty (50);
 - b. has at least thirty (30) years of creditable service;
 - c. applied for retirement; and
 - d. terminated active employment with the City immediately preceding the date of retirement.

Solely for purposes of the "Rule of 90" in the preceding criteria, creditable service for part-time employees will be determined pursuant to regulations established by the board. An active member may also retire on or after having attained the member's normal retirement date under SMC 3.05.130(C). In either case the member must apply for retirement benefits under SMC 3.05.130(A) and terminate active employment with the City.

E. Early Retirement.

- 1. A member may retire before the member's normal retirement date under 3.05.130(B) if the member has met all the following requirements:
 - a. attained the age of fifty (50);
 - b. applied for early retirement;
 - c. terminated active employment with the City; and
 - d. completed five (5) years of creditable service.
- 2. Early retirement benefits are calculated in the same manner as normal retirement benefits and then an early retirement factor reduces the normal retirement benefit by two and five-tenths (2.5%) per year for the lesser of the following at the time the retirement benefit will begin:
 - a. The difference between (a) ninety (90) and (b) the member's age plus years of service, each rounded down to the nearest whole number
 - b. The (a) sixty-five (65) and (b) the member's age

In either case the member must apply for retirement benefits under SMC 3.05.130(A) and terminate active employment with the City.

F. Payment of Benefits.

After retirement, benefits will be payable throughout the remainder of the member's lifetime. However, if a member dies before the total of the retirement benefits paid to the member equals the member's accumulated contributions at the time of retirement, and if the member has not elected an optional form of retirement benefit in accordance with SMC 3.05.210, an amount equal to the difference between the retirement benefits paid and the member's accumulated contributions at the time of retirement will be paid to the member's beneficiary.

A. Plan defaults for those retiring under [SMC 3.05.160, Tier 1:](#)

1. Calculation factor equals two and fifteen hundredths percent (2.15%) per year of creditable service.
2. Calculation is capped at thirty (30) years of creditable service or sixty-four and one-half percent (64.5%) of final compensation.
3. Final compensation based on highest two (2) consecutive years.
4. At time of retirement, employee can switch to retirement structure in subsection (B) of this section – all criteria must be met.
5. Five (5) years vesting.
6. Minimum early retirement age is fifty (50) with five (5) years creditable service.
7. Normal retirement age is sixty-two (62) years.
8. Disability factor is one and twenty-five hundredths percent (1.25%).
9. Military leave factor is one and two-thirds percent (1-2/3%).
10. Portability and vested groups in place prior to January 1, 2009, are part of these defaults.

B. Plan defaults for those retiring under [SMC 3.05.165, Tier 2—Alternate Formula \(Rule of 75\):](#)

1. Calculation factor equals two percent (2%) per year of creditable service.
2. Calculation is capped at thirty-five (35) years of creditable service or seventy percent (70%) of final compensation.
3. Final compensation based on highest two(2) consecutive years.
4. "Rule of 75" (age plus years of creditable service must equal at least seventy-five (75) points).
5. Five (5) years vesting.
6. Minimum retirement age is fifty (50) years.
7. Normal retirement age is sixty-two (62) years.
8. Employee with at least five (5) years creditable service will be able to retire at sixty-two (62).
9. No change to disability calculation.
10. Military leave factor is one and two-thirds percent (1-2/3%) and these defaults.
11. Portability and vested groups in place after January 1, 2009 but prior to January 1, 2015, are part of these defaults.

C. Plan defaults for those retiring under [SMC 3.05.166—Alternate Formula \(Rule of 80\), Tier 3:](#)

1. Calculation factor equals two percent (2%) per year of creditable service.
2. Calculation is capped at thirty-five (35) years of creditable service or seventy percent (70%) of final compensation.
3. Final compensation based on highest three (3) consecutive years.
4. "Rule of 80" (age plus years of creditable service must equal at least eighty points(80).
5. Seven (7) years vesting.
6. Minimum early retirement age is fifty (50) years.
7. Normal retirement age is sixty-five (65) years.
8. Employee with at least seven (7) years creditable service will be able to retire at sixty-five (65).
9. No change to disability calculation.
10. Military leave factor is one and two-thirds percent (1-2/3%) and these defaults.

D. Plan defaults for those retiring under [SMC 3.05.167, Tier 4:](#)

1. Calculation factor equals two percent (2%) per year of creditable service.

2. Calculation is capped at forty (40) years of creditable service or eighty percent (80%) of final compensation.
3. Final compensation based on highest three (3) consecutive years, with overtime and base salary capped at one hundred and twenty percent (120% of base salary).
4. "Rule of 90" (age plus years of creditable service must equal at least ninety points (90)).
5. Seven (7) years vesting.
6. Minimum early retirement age is fifty (50) years.
7. Normal retirement age is sixty-five (65) years.
8. Employee with at least seven (7) years creditable service will be able to retire at sixty-five (65).
9. Early retirements reduced by two and five-tenths percent (2.5%) for each year that the member is under normal retirement age or for each year that the member's age and years of creditable service are less than ninety (90).
10. No change to disability calculation.
11. Military leave factor is one and two-thirds percent (1-2/3%) and these defaults.

D-E. General Plan Defaults.

1. Portability members hired or repurchasing time on or after January 1, 2009, will be part of the defaults for the "Alternate Formula" under either ~~SMC 3.05.165 or 3.05.166, plan tier whichever that~~ coincides with their ~~date of repurchase~~ participation date, and must meet the criteria in relating subsection (B or C) of this section between both systems to be eligible to retire in SERS.
2. Pensioners who are rehired by the City on or after January 1, 2009, and suspend their pensions, will be part of the defaults for the "Alternate Formula" under either ~~SMC 3.05.165 or 3.05.166, whichever the plan tier that~~ coincides with their ~~date of rehire~~ participation date, as they earn time toward a second pension.
3. Employees who had previously withdrawn their retirement contributions and are rehired on or after January 1, 2009, will be part of the defaults for the "Alternate Formula" under either ~~SMC 3.05.165 or 3.05.166, whichever plan tier that~~ coincides with their ~~date of rehire~~ participation date, regardless if they buy back previous service time.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 16

Section 03.05.170 Payment Upon Death of Member

A. Eligible to Retire.

If a member who had not retired but had named the member's spouse as the sole primary beneficiary and who was eligible to retire pursuant to SMC 3.05.160, SMC 3.05.165, or SMC 3.05.166, or SMC 3.05.167 whichever applies, or who had at least thirty (30) years of creditable service dies, then the member's surviving spouse may elect to receive:

1. death benefits provided for in this section, or

2. a retirement allowance payable only for the remainder of the surviving spouse's life and equal to that which would have been received had the deceased member retired on the date of death under the provisions of Option E as provided in [SMC 3.05.210](#), or
3. in lieu of either of the above, a lump sum cash payment not to exceed one-half of the deceased member's accumulated contributions and a retirement allowance in accordance with Option E as provided in [SMC 3.05.210](#), but reduced proportionately by the amount of cash withdrawn from this selection.

B. Not Eligible to Retire.

1. Repayment of Contributions.

Upon the death of any member not eligible to retire, there shall be paid to the member's estate, or to such persons as the member shall have nominated by written designation duly executed and filed with the retirement system, the member's accumulated contribution with contribution interest, less payments made therefrom to the member, if any. Effective January 1, 2009, a non-spouse designated beneficiary shall be permitted to elect a direct trustee to trustee transfer of such distribution to an individual retirement account established for the purposes of receiving the distribution on behalf of an individual who is a designated beneficiary and who is not the surviving spouse of the participant, which shall be treated as an inherited individual retirement account within the meaning of Internal Revenue Code section 408(d)(3)(C).

2. Death of Active Married Member.

Alternatively, upon the death of any active member who is eligible to vest in the retirement system, who is married at the time of death, and whose surviving spouse has been properly nominated as sole primary beneficiary, the surviving spouse may elect to leave the accumulated contributions in the retirement system and, on such date as the member would have been eligible, apply for and receive such retirement allowance as is allowed under retirement Option E as provided in [SMC 3.05.210](#) as established in this chapter. Such retirement will be calculated as if the member had been eligible to retire at the time of death, and will be based upon the age of the surviving spouse at the time when the member would have been eligible to retire. Any retirement allowance calculated under this section will be based on the accumulations and earnings of the member as of the date of retirement.

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 6

[Section 03.05.180](#) Disability Retirement

- A. Any member while in City service may be retired by the board for permanent and total disability, either ordinary or accidental, upon examination, if the member has not attained normal retirement age but has at least five (5) years of creditable service if the member is described in [SMC 3.05.025\(A\)](#) or (B), or has at least seven (7) years of creditable service if the member is described in [SMC 3.05.025\(C\)](#) ~~or (D)~~, provided that the required number of years of creditable service must have been credited to the member over a

period of not to exceed ten (10) years immediately preceding member's disability retirement. The member's disability retirement shall be under the tier corresponding to their participation date and the member does not have the option to receive a disability retirement under subsequent tiers.

- B. Such member, within three (3) months after the discontinuance of City service, or while physically or mentally incapacitated for the performance of duty, if such incapacity has been continuous from discontinuance of City service, but not later than one (1) year after discontinuance of City service, shall be examined by a physician or surgeon appointed by the board upon the application of the head of the office or department in which said member is employed, or upon application of said member or a person acting in the member's behalf, stating that the member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired. If such medical examination shows, to the satisfaction of the board, that the member is permanently and totally incapacitated either physically or mentally for the performance of duty and ought to be retired, the board shall retire the member for disability forthwith. Alternatively, the Board may elect to confirm a disability determination made by the Social Security Administration for the purposes of determining disability status in the system.
- C. Any member who shall suffer accidental permanent and total disability while engaged in the City service shall be retired forthwith and shall not be required to have the minimum number of years of creditable service as required for ordinary disability under [SMC 3.05.180\(A\)](#).
- D. The board shall secure such medical services and advice as it may deem necessary to carry out the purpose of this section and of [SMC 3.05.200](#), and shall pay for such medical services and advice such compensation as the board shall deem reasonable.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 18

[Section 03.05.190](#) Allowance on Disability Retirement

- A. Upon retirement for disability (disability retirement) as hereinabove provided, so long as the disability is not due to substance abuse, willful misconduct, or violation of law (of which the board shall be the judge), a member shall receive a disability retirement allowance consisting of:
1. an annuity which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement; and
 2. a pension purchased by the contributions of the City which, together with the annuity provided by the member's accumulated contributions, shall make the disability retirement allowance, equal to one and one-fourth percent (1.25%) of the member's final compensation (defined as appropriate based on ~~whether~~ the member's eligibility is described in ~~SMC 3.05.025(A)~~ [SMC 3.05.025](#), (B) or (C)), multiplied by the number of years of service which would be creditable to the

member were the member's services to continue until the member had attained normal retirement age (i.e. age 62 for members described in [SMC 3.05.025\(A\)](#) and (B), and age 65 for members described in [SMC 3.05.025\(C\)](#) and [\(D\)](#)); provided, however, the minimum disability retirement allowance shall be two thousand four hundred dollars (\$2,400) per year for duty-related causes, and one thousand two hundred dollars (\$1,200) per year for non-duty-related causes.

- B. If disability is due to substance abuse, willful misconduct or violation of law on the part of the member, the board in its discretion may pay to said member in one lump sum the member's accumulated contributions in lieu of a retirement allowance, and such payment shall constitute full satisfaction of all obligations of the City to such member and, upon receipt of such payment, membership in the retirement system shall cease.
- C. Upon the death of a member while in receipt of a disability retirement allowance, the member's accumulated contributions, as they were at the date of retirement, less any annuity payments, shall be paid to the member's estate, or to such persons as the member shall have nominated by written designation duly executed and filed with the retirement system.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 19

[Section 03.05.200](#) Safeguards of Disability Retirement

- A. The board may, at its pleasure, require any member receiving a disability retirement who has not yet attained normal retirement age to undergo medical examination to be made by a physician or surgeon appointed by the board at a place to be designated by the board. Upon the basis of such examination, the board determines whether such member is still totally and permanently incapacitated either mentally or physically for service in the office or department of the City where previously employed or in any other City service for which the member receiving a disability retirement is qualified. If the board determines that said member is not so incapacitated, the disability retirement allowance is canceled and the member is reinstated forthwith in the City service.
- B. Should a member receiving a disability retirement re-enter the City service and be eligible for membership in the retirement system in accordance with [SMC 3.05.030](#), any disability retirement allowance is canceled and the member immediately becomes a member of the retirement system. The member's individual account is credited with the member's accumulated contributions less the annuity payments paid as a disability retirement. An amount equal to the accumulated contributions so credited is again held for the benefit of said member and is no longer included in the amounts available to meet the obligations of the City on account of benefits that have been granted and on account of prior service of members. Such member receives credit for prior service in the same manner as if the member had never been retired for disability.

- C. Should any member receiving a disability retirement who has not yet attained normal retirement age refuse to submit to medical examination, any disability retirement allowance may be discontinued until such member withdraws such refusal, and should such refusal continue for one (1) year, any disability retirement allowance otherwise payable to such member may be prospectively canceled. Should such member receiving a disability retirement allowance, prior to attaining normal retirement age, engage in a gainful occupation not in City service, or should such member re-enter the City service and be ineligible for membership in the retirement system in accordance with [SMC 3.05.030](#), the board shall reduce the amount of the member's disability retirement allowance to an amount which, when added to the compensation earned by the member shall not exceed the amount of the final compensation adjusted for cost of living as determined by the board. Should the earning capacity of such member be further altered, the board may further alter any disability retirement allowance as hereinbefore provided. When said member receiving a disability retirement allowance reaches member's normal retirement age, the disability retirement allowance shall be made equal to the amount upon which the member was originally retired on account of disability, and shall not again be modified for any cause except as provided in [SMC 3.05.260](#).
- D. Should the disability retirement allowance of any member receiving a disability retirement be canceled for any cause other than re-entrance into the City service, the member shall be paid ~~his~~ their accumulated contributions, less annuity payments made.

Date Passed: Sunday, August 31, 2014

Effective Date: Monday, July 28, 2014

ORD C35128 Section 20

[Section 03.05.210](#) Optional Allowance on Retirement

A member may elect to receive, in lieu of the retirement allowance, as provided for in [SMC 3.05.160](#), [SMC 3.05.165](#) ~~or~~, [SMC 3.05.166](#), or [SMC 3.05.167](#), its actuarial equivalent in the form of a lesser retirement allowance, payable in accordance with the terms and conditions of one of the options set forth below. Election of any option must be made by written application filed with the retirement system and does not become effective unless approved by the board.

- A. Option A.
The lesser retirement allowance will be payable to the member throughout the member's life, provided that if the member dies before the member receives in annuity payments referred to in [SMC 3.05.160\(A\)\(1\)](#), [SMC 3.05.165\(A\)\(1\)](#) ~~or~~, [SMC 3.05.166\(A\)\(1\)](#), or [SMC 3.05.167\(A\)\(1\)](#) a total amount equal to the amount of accumulated contributions as it was at the date of retirement, the balance of such accumulated contributions will be paid in one sum to the member's estate or to such person as the member shall nominate by written designation duly executed and filed with the retirement system.
- B. Option B.
The lesser retirement allowance will be payable to the member throughout the member's life, provided that if the member dies before the member receives in annuity payments referred to in [SMC 3.05.160\(A\)\(1\)](#), [SMC 3.05.165\(A\)\(1\)](#) ~~or~~, [SMC 3.05.166\(A\)\(1\)](#), [SMC](#)

[3.05.167\(A\)\(1\)](#) a total amount equal to the amount of accumulated contributions as it was at the date of retirement, the said annuity payments resulting from accumulated contributions will be continued and paid to the member's estate or such person as the member shall nominate by written designation duly executed and filed with the retirement system, until the total amount of annuity payments shall equal the amount of accumulated contributions as it was at the date of retirement.

C. Option C.

The member elects a "guaranteed period" of any number of years. If the member dies before the lesser retirement allowance has been paid for the number of years elected as the "guaranteed period," the lesser retirement allowance will be continued to the end of the "guaranteed period," and during such continuation be paid to the member's estate or to such person as the member shall nominate by written designation duly executed and filed with the retirement system.

D. Option D.

The lesser retirement allowance will be payable to the member throughout life and, after the death of the member, one-half of the lesser retirement allowance shall be continued throughout the life of, and paid to, the spouse of the member, named at time of retirement, if surviving.

E. Option E.

The lesser retirement allowance will be payable to the member throughout life, and after death of the member, it shall be continued throughout the life of, and paid to, the spouse of the member named at time of retirement, if surviving.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 21

[Section 03.05.230](#) Monthly Installment Payments

A pension annuity or a retirement allowance granted under the provisions of this chapter, unless otherwise specified herein, is payable in monthly installments, and each installment shall cover for the current calendar month.

Date Passed: Monday, February 26, 2007

Effective Date: Wednesday, April 4, 2007

Recodification ORD C33984 Section 1

[Section 03.05.240](#) Pension Not Subject to Execution

- A. The right of a person to a pension, as annuity or a retirement allowance, the return of contributions, the pension annuity or retirement allowance itself, any optional benefit,

any other right accrued or accruing to any person under the provisions of this chapter or any prior ordinance, and the moneys in the retirement fund, shall not be subject to execution, garnishment, attachment, or any other process whatsoever and shall be unassignable except as specifically provided in this chapter.

- B. Notwithstanding the foregoing, benefits due a member hereunder pursuant to the provisions of this chapter shall be paid to an alternate payee in accordance with the applicable requirements of any qualified domestic relations order, or as directed in an order to withhold and deliver under RCW 74.20A.080. A qualified domestic relations order means a domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to the alternate payee the right to, receive all or a portion of the benefits payable with respect to a member under this chapter. A domestic relations order means any judgment, decree, or order (including approval of a property settlement agreement) which relates to the provisions of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a member and is made pursuant to a state domestic relations law. A domestic relations order will be qualified only if it:
1. unambiguously specifies the amount or percentage of the member's benefits to be paid by the retirement system to each alternate payee or the manner in which such amount or percentage is to be determined;
 2. does not require the retirement system to provide any type of form or benefits or any option not otherwise provided under this chapter;
 3. does not require the retirement system to provide increased benefits (determined on the basis of actuarial value);
 4. does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee or to a person pursuant to an order to withhold and deliver;
 5. does not require the retirement system to pay a benefit to the alternate payee before the earliest date on which a benefit could be elected by a member who had the same years of creditable service as a member had at the date of the entry of the order;
 6. provides that the division of benefits will end upon the death of either the member or the alternate payee; and
 7. complies in all respects with the requirements of the board's rules with respect to qualified domestic relations orders as they are in effect from time to time.

Date Passed: Monday, December 15, 2008

Effective Date: Thursday, January 1, 2009

ORD C34366 Section 19

[Section 03.05.250](#) Estimate Permitted

If it be impracticable for the board to determine from the records the length of service, the compensation or the age of any member, the board may estimate, for the purpose of this chapter, such length of service, compensation or age.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 22

Section 03.05.260 Suspension of Allowance During Employment

The payment of any retirement allowance to a member who has been retired will be suspended during the time the member is for any reason an employee of the City and until qualifying for a benefit pursuant to ~~SMC 3.05.165, or SMC 3.05.166, or SMC 3.05.167~~ provided that payment for vacation or sick leave earned in the City service prior to retirement may be made without suspension of allowance, and, provided further, that this provision does not apply to retirees who:

- A. become elected officials of the City ~~and do not elect to join the system~~; or
- B. enter into personal services contracts with the City; or
- C. employees who, subsequent to retirement, are rehired pursuant to the following criteria:
 - 1. The position filled is of a temporary/seasonal nature; and
 - 2. The position is filled only with the approval of the director of human resources or the mayor's office ~~and their bargaining unit~~; and
 - 3. Employment is limited to nine hundred sixty (960) hours per twelve-month period; and
 - ~~4. The human resources office prepares an annual report to the board on the usage of retirees.~~
 - ~~5.4.~~ There is a minimum of one pay period between the time an employee retires and is rehired as a temporary/seasonal employee.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 23

Section 03.05.270 Preliminary Cost

The city council appropriates annually from the retirement fund the amount it deems necessary for the purpose of paying the expenses of administering the retirement system and the purchase of fiduciary responsibility insurance. The board annually submits to the city council its estimate of the amount necessary to pay such expenses.

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

Section 03.05.275 Portability of Benefits

- A. The board is authorized to contract with the board of administration of the Tacoma employees' retirement system and/or board of administration of the Seattle employees' retirement system (each called a "participating system") for the portability of retirement benefits of employees who are also members of the retirement systems of the cities of Tacoma and Seattle, respectively. The following terms and conditions shall apply in addition to such other requirements as may be established by rule of the board or the agreement with participating systems:
1. The member must be in the active service of a participating system on or after the effective date of the board's agreement for portability; a member retired from any of the three systems on the effective date of the ordinance codified in this chapter is not eligible.
 2. Creditable service may accrue in only one participating system at a time. A member who leaves City employment to enter military service may only receive creditable service for ~~his~~ their military service in one of the participating systems according to its rules.
 3. A member may combine service credit in two or more participating systems for the sole purpose of determining the member's eligibility to receive a service retirement allowance, but the member may not aggregate service credit in two or more retirement systems for the purpose of determining the percentage factor to be used in calculating a service retirement allowance.
 4. A member of two or more participating systems who is eligible to retire under any system may elect to retire from all the member's systems and to receive a service retirement allowance. Each participating system shall calculate the allowance using its own criteria except that the member shall be allowed to use the member's base salary from any participating system as the compensation used in calculating the allowance. "Base salary" means the salary or wages used by the participating system during a payroll period for making contributions to the system by its members generally. It includes salary or wages paid for personal services and wages and salary deferred under the provisions of the Internal Revenue Code. It excludes overtime payments (except as to service for the City of Spokane), non-money maintenance compensation and lump-sum payments for deferred annual leave, unused accumulated vacation, unused accumulated annual leave, any form of severance pay, any bonus for voluntary retirement, any other form of leave, or any similar lump-sum payment.
 5. The retirement allowances shall be paid separately by each participating system. Post-retirement adjustments, if any, shall be based upon the payments made by each participating system to the member.
 6. The total retirement allowances provided through portability of benefits shall not be less than the benefits payable by each participating system were there no portability.
 7. A participating system may pay a member of two or more systems a lump sum in lieu of a monthly benefit if the initial monthly benefit would be less than fifty dollars.
 8. If a member of two or more participating systems dies in service in any system, the surviving spouse shall receive the same benefit from each system that would

have been received if the member were active in the system at the time of ~~his~~ their death based upon service actually established in that system.

9. The terms and conditions of the board's agreement with the board of a participating system both establishes and limits the portability of benefits provided. The board's agreements may be amended from time to time or supplemented by an agreement with the State of Washington for portability with state retirement systems. If the board amends its agreement with the board of a participating system or makes modifications to provide portability with state systems, the rights, terms and conditions for portability are subject to amendment or abolition at any time before a member retires.

10. A member who:

- a. earned retirement credit for service in a participating system,
- b. withdrew ~~his~~ their contributions from that system,
- c. lost service credit by making the withdrawal, and
- d. is now an active member of another participating system may restore their ~~his or her~~ prior service credit in the participating system of their ~~his or her~~ former municipal employer by redepositing an amount determined by the system board within one year after January 1, 1991. Any individual hired after January 1, 1992, shall be provided with a one-year period under portability to repay contributions. This does not extend the time period for those individuals in the system who have not taken advantage of the one-year "windowed" period from January 1, 1991, to December 31, 1991. The amount shall be measured by the accumulated contributions withdrawn, plus compound regular interest which would have accumulated on the withdrawn contributions from the date of withdrawal until the date of ~~his~~ redeposit.

- B. As authorized by RCW 41.54.061 the City irrevocably elects to participate in the portability of public retirement systems as contemplated by chapter 41.54 RCW, and to pay for the additional cost it may incur as a result of the benefits provided. The eligibility of members for the portability of public retirement systems, the benefits available thereunder, the limitations (including RCW 41.54.080), and the procedures shall be as set out in chapter 41.54 RCW.

- ~~C. The benefit formula in shall also apply prospectively to for~~ any member who was covered by an earlier the benefit formula ~~in, and~~ takes a withdrawal of their ~~his~~ accumulated contributions after termination pursuant to SMC 3.05.120(A) or (B), and who is subsequently rehired, will have benefits determined based on their participation date, on or after January 1, 2009, regardless of whether the member restores their ~~his~~ prior service under the prior benefit formula pursuant to portability rights under this SMC 3.05.275. Additionally, the benefit formula in SMC 3.05.166 shall also apply prospectively to any member who was covered by the benefit formula in SMC 3.05.160 or SMC 3.05.165, takes a withdrawal of his accumulated contributions after termination pursuant to SMC 3.05.120(A) or (B), and is rehired on or after January 1, 2015, regardless of whether the member restores his prior service under the prior benefit formula pursuant to portability rights under this SMC 3.05.275.

Date Passed: Monday, June 27, 2016

Effective Date: Sunday, August 7, 2016

ORD C35387 Section 7

Section 03.05.280 Severability

If any one or more sections, subsections, subdivision, sentences, clauses or phrases of this chapter are for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this chapter, but the same shall remain in full force and effect.

Date Passed: Monday, February 26, 2007

Effective Date: Wednesday, April 4, 2007

Recodification ORD C33984 Section 1

Section 03.05.290 Compliance with Internal Revenue Code

This chapter shall be administered in a manner to comply with Internal Revenue Code of 1986, as amended ("Internal Revenue Code") requirements for government qualified plans, including but not limited to Internal Revenue Code sections 401(a)(2), (a)(7), (a)(8), (a)(9), (a)(16), (a)(17), (a)(25), and (a)(31), 414(u) and 415. The board shall promulgate regulations designed to assure compliance with such requirements which will become party of the retirement system subject to change by amendment of said regulations by the board. Upon the termination of or complete discontinuance of contributions to the retirement system, the accrued retirement benefit of each member, to the extent then funded, shall be non-forfeitable.

Commented [TP2]: Confirm

Date Passed: Monday, July 28, 2014

Effective Date: Sunday, August 31, 2014

ORD C35128 Section 26

Briefing Paper

Finance & Administration

Division & Department:	City Council
Subject:	Salary Review Commission
Date:	November 20, 2017
Author (email & phone):	Ben Stuckart/bstuckart@spokanecity.org/6256269
City Council Sponsor:	Ben Stuckart
Executive Sponsor:	None
Committee(s) Impacted:	None
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Charter/Spokane Municipal Code
Strategic Initiative:	Sustainable Resources
Deadline:	December 31, 2017
Outcome: (deliverables, delivery duties, milestones to meet)	Adjustment of Salary Review Commission Report Period

Background/History:

The Salary Review Commission is currently mandated by the Spokane Municipal Code to convene for City elected-leadership salary reviews on each even-numbered year; more frequently, if needed. In the last review cycle, the Salary Review Commission made significant changes to the salaries of the Mayor, City Council President, and City Council Member positions. Meeting on the current cycle frequency means time donated by five Commissioners and upwards of three City staff liaisons representing Council, Administration, and City Legal (for data gathering, meeting organization, documents drafting, Q&A, etc.) for weekly meetings for a period of four to five months. Historical data show that there have been many consecutive cycles when no salary adjustments were recommended.

Executive Summary:

- Updates code to the appropriate Ethics Code section.
- Removes the requirement that Salary Review Commission members have a professional background in finance or business.
- Removes the requirement that the Salary Review Commission elect officers annually.
- Sets the Salary Review Commission review and reporting cycle to every four years on the even year, following the election of Mayor and Council President. (Next scheduled review will be 2020).

Budget Impact:

Approved in current year budget? ☐ Yes ☐ No

Annual/Reoccurring expenditure? ☐ Yes ☐ No

If new, specify funding source:

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

Operations Impact:

Consistent with current operations/policy? ☐ Yes ☐ No

Requires change in current operations/policy? ☐ Yes ☐ No

Specify changes required:

Known challenges/barriers:

September 2017 GRANT REPORT

Traffic Safety Grant 20.608 from WTSC passed through from USDOT

- Dept.: Police
- Stage: Awarded
- Pending: \$140,024.00
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu
- Briefed to Council or Committee: Yes, Public Safety Committee August 21, 2017 – Onbase September
- Match Required: Yes – 2nd officer position
- Sustainability No
- Federal Award: Yes, Department of Transportation NHTSA, CFDA 20.608
- Grant Period: 10/1/2017 – 09/30/2018
- Info: The goal of the grant is to reduce instances of DUI serious injury and fatality collisions in the City of Spokane. Besides the funding for the FTE position through the Department of Transportation, SPD will provide an additional full time officer that will also be dedicated to DUI enforcement.

Washington Traffic Safety Commission (WTSC) – High Visibility Enforcement (HVE)

- Dept.: Police
- Stage: Awarded
- Pending: \$22,000
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu
- Briefed to Council or Committee: Yes, Public Safety Committee October 2, 2017
- Match Required: Unknown
- Sustainability Requirement: No
- Federal Award: Yes, 20.600
- Grant Period: 10/1/2017 – 9/30/2018
- Info: The goal is to reduce traffic related deaths and serious injuries through multi-jurisdictional HVE patrols that focus on impaired driving, compliance with seatbelt use, speeding and distracted driving.

The impaired driving DUI-focused patrols will be deployed at locations where an analysis of the data indicates that the most traffic safety benefit can be realized through enforcement and emphasis patrols. (\$8,000.00)

The seatbelt-focused patrols will be conducted as part of the National Click-it or Ticket campaign. Whenever possible these patrols shall occur in the areas with the lowest seat belt use. (\$4,000.00)

The distracted driving-focused patrols will be conducted as part of the National U Drive. U Text. U Pay campaign. Wherever possible these patrols shall occur in areas with the highest number of distracted driving violations. (\$5,000.00)

The flex-focused patrols provide the local agencies flexibility to conduct HVE patrols on any of the following: impaired driving, seatbelt, distracted driving, or speeding patrols during the contract period with dates that may not coincide with statewide patrol periods. (\$5,000.00)

Washington Traffic Safety Commission (WTSC) – Law Enforcement Liaison Program (LEL)

- Dept.: Police
- Stage: Awarded
- Pending: \$2,000.00
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu
- Briefed to Council or Committee: Yes, Public Safety Committee October 2, 2017

- Match Required: Unknown
- Sustainability Requirement: No
- Federal Award: Yes, 20,600
- Grant Period: 10/10/2017 – 9/30/2018
- Info: Scope of work to include soliciting law enforcement agencies to participate in High Visibility mobilizations, assist WTSC in developing new programs, and provide WTSC with statistics and quarterly reports related to the mobilizations as it relates to grant reimbursement. Costs for the work to be provided include employee salaries and benefits - \$1,000.00, and travel - \$1,000.00. Total funding of \$2,000.00.

Registered Sex Offender Grant 2017-2018 from Washington Assoc. of Sheriffs and Police Chiefs

- Dept.: Police
- Stage: Awarded
- Pending: \$60,000.00
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu
- Briefed to Council or Committee: Yes, Public Safety Committee October 2, 2017
- Match Required: No – but only partial FTE
- Sustainability Requirement: No
- Federal Award: No, State award through Spokane County through WASPC
- Grant Period: Grant Period end 6/30/2018
- Info: The Spokane County Sheriff's Office in collaboration with the City of Spokane Police Department submitted a request for funding for a joint proposal under the sex and kidnapping offender address and residency verification program. The requirement of this program is for face-to-face verification of a registered sex offender's address at the place of residency.

Operations- Maintain statistics and provide ongoing reporting to SCSO in accordance with the established format of the RSO program.

Fiscal- Grant supports Salaries and benefits in the amount of \$57,000.00 until June 30, 2018. The grant's budget also includes \$3,000.00 for travel and training. Total grant award is \$60,000.00.

October 2017 GRANT REPORT

Federal Grant to Spokane Public Library passed through University of Washington

- Dept.: Library
- Stage: Awarded in 2018
- Pending: Unknown
- Project Lead: Rae-Lynn Barden
- Briefed to Council or Committee: Library Procedures
- Match Required: Unknown
- Sustainability Unknown
- Federal Award: Yes
- Grant Period: Begins in 2018
- Info: Details to come.

Department of Archaeology and Historic Preservation Grant – Training Workshop

- Dept.: Historic Preservation
- Stage: Awarded
- Pending: \$2,991.60 (allowed to go a little over budget)
- Project Lead: Meagan Duvall
- Briefed to Council or Committee: Unknown

- Match Required: No
- Sustainability No
- Federal Award: Yes, CFDA 15-904
- Grant Period: 8/1/2017 – 8/31/2018
- Info: The City shall host a full-day training workshop in conjunction with DAHP. The date of the workshop was September 26, 2017. Grant is on a reimbursement basis, and is passed through from the Washington State Department of Archaeology and Historic Preservation.

Commerce Office of Homeless Youth (OHY) Young Adult Housing Program (YAHP) Grant 2018

- Dept.: Community Housing and Human Services
- Stage: Apply
- Pending: \$366,844
- Project Lead: Dawn Kinder
- Briefed to Council or Committee: Yes, 11/6/ 2017 Public Safety Meeting
- Match Required: Unknown
- Sustainability No
- Federal Award: No
- Grant Period: Unknown
- Info: The City of Spokane worked with community partners to reapply for this grant in a very short period of time to meet an emergent gap in services for youth. These funds served as the foundation of a more robust continuum of services for youth experiencing homeless in our community and have contributed substantially to City of Spokane youth initiatives such as the 100 Day Challenge to End youth Homelessness.

CHHS will contract with SNAP and VOA to provide services such as: bridge housing, rental assistance, housing search assistance, and case management to 18-24 year olds. Both agencies bring different strengths to the table and work together to ensure that youth obtain and maintain stable housing and are connected to needed services.

WSPC Traffic Safety Equipment Grant, State and Community Safety 2018

- Dept.: Police
- Stage: Applying
- Pending: Unknown
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu
- Briefed to Council or Committee: Yes, 11/6/2017 Public Safety Meeting
- Match Required: Unknown
- Sustainability No
- Federal Award: No
- Grant Period: Annual reoccurring grant award
- Info: SPD has been awarded grant funds the past five years under this grant and was able to purchase sector scanner, printer equipment, sector paper, and radar/lidar. The goal of the grant is to continue to make traffic safety enforcement a high priority in the City of Spokane. SPD, Traffic Unit and patrol Division utilize radar/lidar on a daily basis in school zones, hot spot zones, traffic hotline requests, speeding emphasis locations and more. This additional equipment is necessary to continue to support our mission of continuing to keep traffic safety enforcement a high priority in the City of Spokane.

WTSC – Pedestrian Safety Zone (PSZ) Patrols 2017-2018

- Dept.: Police
- Stage: Awarded
- Pending: \$13,000.00
- Project Lead: Justin Lundgren, Erika Wade / Angie Chirowamangu

- Briefed to Council or Committee: Yes, 11/6/2017 Public Safety Meeting
- Match Required: No
- Sustainability No
- Federal Award: Yes, CFDA 15-904
- Grant Period: 8/1/2017 – 8/31/2018
- Info: SPD has received WTSC Pedestrian Safety Zone (PSZ) Patrol funds in past years from WTSC. The interagency agreement between the WTSC scope of work supports traffic patrols in the City of Spokane. The precise locations of the PSZs will be identified through data analyses of pedestrian fatal and serious injury crashes, selecting locations with the highest number of incidents in recent years. Traffic patrols will additionally enforce pedestrian laws regarding both drivers and pedestrians, using mutually agreed upon pedestrian enforcement protocols. The \$13,000 for 2017-2018 will be used for overtime and benefits.

Washington State Office of Public Defense

- Dept.: Public Defenders
- Stage: Awarded
- Pending: \$175,000.00
- Project Lead: Kathy Knox
- Briefed to Council or Committee: Yes, taken to Council in October
- Match Required: No
- Sustainability No
- Federal Award: No
- Grant Period: 1/1/2018 – 12/31/2019
- Info: The Chapter 10.101 RCW city grants are competitive grants for the purpose of improving the quality of public defense services in Washington municipalities. One-half of the award amount shall be disbursed to Grantee in January, 2018 for use during calendar year 2018. The remaining one-half shall be disbursed to Grantee in January, 2019 for use during calendar year 2019.

The award is \$175,000 for use in calendar years 2018 and 2019 for the following purposes:

- Adding investigator services
- Providing public defense services at preliminary appearance calendars

FIRST – Firefighter Injury Research and Safety Trends – Training Grant

- Dept.: Fire
- Stage: Awarded
- Pending: Unknown – Training Cost
- Project Lead: Kim Orlob
- Briefed to Council or Committee: No – Discussed with and received Sally approval.
- Match Required: No
- Sustainability No
- Federal Award: Yes – FEMA pass-through funding
- Grant Period: Travel is for October 26th through October 28th 2017
- Info: Safety culture is a strong predictor of future injuries and line of duty deaths. The Firefighter Organizational Culture of Safety (FOCUS) survey can be used to assess firefighter safety culture and test its association with injuries. This training will educate safety officers on the relevance and meaning of safety culture and the utility of the FOCUS survey. In addition, this training will provide a deeper understanding of safety culture and features an interactive session working with real fire department data through our automated reporting system to better understand FOCUS and the next steps that can be taken in your fire department.

Training is through the Dornsife School of Public Health at Drexel University. Through partnerships with the Fire Department Safety Officers Association (FDSOA) and FEMA FP&S grant, this training will be able to be provided to 100 safety officers across the nation.

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
SHI International
Finance Committee
November 20, 2017

Subject

Approval to purchase from SHI International for the Microsoft Enterprise Agreement License Support to include Right to Use Microsoft and Software Assurance for the City of Spokane using Naspo Valuepoint pricing contract #06016

January 1, 2018 through December 31, 2018 \$585,000 plus tax and shipping.

Background

This agreement is the Microsoft Enterprise Agreement for State and Local Government for Right to Use Licensing and Software Assurance Costs for Desktop systems (i.e., Office 365, MS Sql Databases, Exchange CAL's) and Servers (i.e., Windows Operating Systems, Exchange). It is important to the City that the functionality of the Microsoft products and software is stable and consistent.

Current 2017 \$487,893.81

Impact

Without this yearly Approval to Purchase, ITSD would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

5300-73450-18850-54820

5300-73600-18850-54820

GOVQA MASTER SERVICE(S) AGREEMENT
For GovQA PUBLIC RECORDS Applications

THIS MASTER SERVICE(S) AGREEMENT (the "Agreement") between WebQA, Inc.,d/b/a/ GovQA (hereafter "GovQA") with its principal place of business at 900 S. Frontage Road, Suite 110 Woodridge, IL, 60517 and the City of Spokane, a city with its principal place of business at 808 W. Spokane Falls Blvd., Spokane WA 99201 ("Customer") is made effective as of December 1, 2017 ("Effective Date").

1. GOVQA DELIVERY OF SERVICE(S):

GOVQA grants Customer a non-exclusive, non-transferable, limited license to access and use the GOVQA Service(s) on the Authorized Website(s) identified in the attached Schedule A in consideration of the fees and terms described in Schedule A. This Agreement will also govern all additional Schedules for Service(s).

2. CUSTOMER RESPONSIBILITIES:

Customer acknowledges it is receiving only a limited license to use the Service(s) and related documentation, if any, and shall obtain no title, ownership nor any other rights in or to the Service(s) and related documentation, all of which title and rights shall remain with GOVQA. However, Customer will retain ownership of all its data in the system.

Customer agrees that (1) this license is limited to applications for its own use and may not lease or rent the Service(s) nor offer its use for others; (2) GOVQA is not responsible for content placed into the Service(s); (3) that the Service(s) will not be used to capture confidential information of any kind such as social security numbers or individual financial data or other sensitive data; and, (4) that it will maintain the Authorized Website(s) identified in Schedule A, provide GOVQA with all information reasonably necessary to setup or establish the Service(s) on Customer's behalf, and allow a "Powered by GovQA" logo with a hyperlink to GOVQA's website home page on the Authorized Website.

3. SERVICE(S) LEVELS:

GOVQA will use commercially reasonable efforts to backup and keep the Service(s) and Authorized Website(s) in operation consistent with applicable industry standards and will respond to customers' requests for support during normal business hours.

THE SERVICE(S) ARE PROVIDED ON AN "AS IS" BASIS, AND CUSTOMER'S USE OF THE SERVICE(S) IS AT ITS OWN RISK. GOVQA DOES NOT WARRANT THAT THE SERVICE(S) WILL BE UNINTERRUPTED OR ERROR-FREE OR UNAFFECTED BY FORCE MAJEURE EVENTS.

4. WARRANTY AND LIABILITY:

GOVQA MAKES NO REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXCEPT AS OTHERWISE STATED HEREIN OF THE SERVICE(S) AND SHALL HAVE NO LIABILITY FOR ANY CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING, BUT NOT LIMITED TO, DATA LOSS AND BUSINESS INTERRUPTION, AND THE PARTIES AGREE THAT THE ONLY REMEDIES THAT SHALL BE AVAILABLE TO CUSTOMER UNDER THIS AGREEMENT SHALL BE THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. GOVQA'S LIABILITY UNDER ALL CIRCUMSTANCES INVOLVED HEREIN IS EXPRESSLY LIMITED TO THE AMOUNT RECEIVED BY GOVQA UNDER THIS AGREEMENT.

5. TERMINATION:

Either party may terminate this agreement without cause if the terminating party gives the other party sixty (60) days written notice prior to termination. Should Customer terminate without cause after the first date of the then current term as defined in the attached schedule,

Customer must pay the balance of the current contracted term and this payment obligation will immediately become due.

GOVQA may terminate service(s) if payments are not received by GOVQA as specified in Schedule A. All monies associated to the current term will be due immediately.

Upon any termination, GOVQA will discontinue Service(s) under this agreement; GOVQA will provide Customer with an electronic copy of all of Customer's data, if requested and for a cost of no more than \$2,500; and, provisions of this Agreement regarding Ownership, Liability, Confidentiality and Miscellaneous will continue to survive.

6. INDEMNIFICATION

To the extent allowed by law, each Party agrees to fully indemnify and hold harmless the other for any and all costs, liabilities, losses, and expenses resulting from any claim, suit, action, or proceeding brought by any third party.

7. ACCEPTABLE USE:

Customer represents and warrants that the Service(s) will only be used for lawful purposes, in a manner allowed by law, and in accordance with reasonable operating rules, policies, terms and procedures. GOVQA may, upon misuse of the Service(s), request Customer to terminate access to any individual and Customer agrees to promptly comply with such request unless such misuse is corrected.

8. CONFIDENTIALITY:

Each party hereby agrees to maintain the confidentiality of the other party's confidential and proprietary materials and information, including but not limited to, all information, knowledge or data not generally available to the public which is acquired in connection with this Agreement, unless disclosure is required by law. Each party hereby agrees not to copy, duplicate, or transcribe any confidential documents of the other party except as required in connection with their performance under this Agreement. Customer acknowledges that the Service(s) contain valuable trade secrets, which are the sole property of GOVQA, and Customer agrees to use reasonable care to prevent other parties from learning of these trade secrets or have unauthorized access to the Service(s). GOVQA will use reasonable efforts to insure that any GOVQA contractors maintain the confidentiality of proprietary materials and information.

9. MISCELLANEOUS PROVISIONS:

This Agreement will be governed by and construed in accordance with the laws of the State of Washington.

GOVQA may not assign its rights and obligations under this Agreement, in whole or part, without prior written consent of Customer, which consent will not be unreasonably withheld.

10. ACCEPTANCE:

Authorized representatives of Customer and GOVQA have read the foregoing and all documents incorporated therein and agree and accept such terms effective as of the date first written above.

Customer: **Spokane, WA**

Signature: _____

Print Name: _____

Title: _____ Date: _____

GOVQA Inc.

Signature: _____

Print Name: John Dilenschneider

GOVQA MASTER SERVICE(S) AGREEMENT
For GovQA PUBLIC RECORDS Applications

Title: CEO

Date: _____

SCHEDULE A

A. Service(s) Descriptions:

Subscribed Services	
GovQA Public Records Service	Public Records Request Service platform that captures all requests received via letter, website, email, fax, or walk-in. Includes the ability to post completed PUBLIC RECORDS requests to the web for searching via the Public Records Archive portal.
GovQA Public Records Portal	Web Portal to capture Public Records requests and provide requestors with updates and history of previous requests.
GovQA Public Records Archive	Provides the ability to post completed Public Records requests to the web for searching via the Public Records Archive portal.
GovQA Fortress Deployment	Hosted in the Microsoft Azure Government for CJIS and HIPAA compliance. This environment combines maximum security and privacy with the highest levels of control, performance, scalability, and accessibility.
GovQA Redaction License	The GovQA Redaction Module allows for redaction to occur on documents within the GovQA system.
GovQA ADFS Connector	Provides a Single Sign On (SSO) for Customer Staff Access users accessing the GovQA administration tool.
GovQA Advanced Search	Allows the staff member to directly search fully indexed and tagged documents to be reused in new open requests.
GovQA Invoicing	The Invoicing Module allows staff to create Cost Estimates and/or Invoices within the system. This module can be connected to a payment module to allow the requester to make payments online.
GovQA Cost Recovery (Online Payments)	The Payments Module supports the collection of online payments. This module can be connected to your existing payment gateway or connected to the GovQA payment gateway (Authorized.Net).

B. GOVQA Agrees To The Following:

B1. Public Records Request Service Platform Assumptions/Requirements:

- (a) One-time setup of Landing Page with Icons and Links to Customer Help areas
- (b) Branded labeling of Landing Page to the look and feel of Customer website (or iframe)
- (c) One-time setup and load of 25 Answers into knowledgebase
- (d) One-time setup of Citizen Portal with branded labeling to the look and feel of Customer website (or iframe)
- (e) License and One-time setup of **(two) request types City & PD related to Public Records Requests**
- (f) Forms and Letter templates: Up to 10 custom letter templates
- (g) Future Branding to Customer Website is included once per billable term. Otherwise branding is billed at \$95/hr.
- (h) Special Implementation Action (Integrations, etc.): None at this time

B2. ADFS Connector Assumptions/Requirements:

- (a) GovQA ADFS Connector only supports ADFS. Requires ADFS to be installed on top of Microsoft Active Directory
- (b) Support for SAML 2.0 is required. Customer's server will need to be at minimum Windows 2008 or higher. ADFS version 2.0 and up supports SAML 2.0.
- (c) Customer to provide GovQA with their Federation Metadata XML file. This will contain:
 - Public Certificate
 - Login URI endpoint
 - Logout URI endpoint
 - IdP Name
 - General Service URL
- (d) GovQA will provide client with a Federation Metadata XML file. This will contain:
 - Public Certificate
 - Login URI endpoint
 - Logout URI endpoint
- (e) GovQA to provide claims information (attributes) that GovQA needs for SSO. There are a standard set of four items that GovQA requires for SSO:
 - "NameID" = A unique identifier used by GovQA as the equivalent of the Staff Login ID
 - "FirstName"
 - "LastName"
 - "Email"
- (f) GovQA will configure the ADFS Connector to understand the trust relationship and be able to create a valid signature while validating the signature that is passed. GovQA will routinely update certificates and trust information as that information can change on both sides.
- (g) If this is the first time a user is logging into the GovQA system, the user will be created with a default security profile. This default security profile is specified in the back end configuration of the system. Each time the user logs in, the attributes will be updated based on the data that is passed into the system.

B3. Advanced Search Module Assumptions/Requirements:

- (a) One-time setup of advance search capabilities.
- (b) One online administrator training session.
- (c) One online training session for end users.
- (d) Ongoing support through system videos and knowledgebase.

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- (e) Periodic webinars to train and update customers on new features.
- (f) Customer will log ALL ISSUES, including high-priority at www.supportqa.com to receive service.

B4. Invoicing Module Requirements/Assumptions:

- (a) One-time setup of invoicing capabilities.
- (b) One online administrator training session.
- (c) One online training session for end users.
- (d) Ongoing support through system videos and knowledgebase.
- (e) Periodic webinars to train and update customers on new features.
- (f) Customer will log ALL ISSUES, including high-priority at www.supportqa.com to receive service.

B5. Cost Recovery - Payment Service Assumptions/Requirements:

- (a) Customer has online payment provider of : Authorized.Net
- (b) Customer online payment provider can supply hosted payment page branded for Customer
- (c) Customer online payment provider hosted payment page accepts parameters passed via URL such as amount due, reference #, etc
- (d) Customer online payment provider hosted payment page can accept post back URL and perform a post back with confirmation information to the provided URL.
- (e) Customer online payment provider hosted payment page can return user to GovQA Portal page that launched the payment process.

C. Customer Agrees To:

- (a) Hold an implementation joint kickoff meeting with GOVQA within 15 days from contract signing.
- (b) Build and execute Project Plan to be fully implemented within 120 days of contract signing

D. Training and Ongoing Support Included in Implementation and Subscription Fees:

- (a) One Online Administrator training
- (b) Two Online training session for all users
- (c) Ongoing support through system videos and knowledgebase
- (d) Periodic webinars to train and update customers on new features
- (e) Additional hours of online end-user training, may be purchased at a future date at \$125/hr
- (f) Customer will log ALL ISSUES into GOVQA SUPPORT PORTAL at www.supportqa.com to receive technical support.

E. Fees:

Software Subscription Fees			
Software License(s)		Monthly Cost	Annual Cost
GovQA Public Records Services as Described in Section A – (2) Request types for City & PD - unlimited users		\$1,250	\$15,000
GovQA ADFS Connector as Described in Section A		\$200	\$2,400
GovQA Fortress Deployment as Described in Section A		\$333.33	\$4,000
GovQA Advanced Search Module as Described in Section A		\$0	\$0
GovQA Invoicing Module as Described in Section A		\$200	\$2400
GovQA Cost Recovery Module as Described in Section A		\$200	\$2400
Total (Includes all Service(s) upgrades)		\$2,183.33	\$26,200
Redaction License Fees			
Software License(s)		Quantity	Annual Cost
GovQA Redaction Licenses as Described in Section A		3	\$1,500
One Time Implementation Costs			
GovQA PUBLIC RECORDS Implementation Services as Described in Section B1			\$4,500
GovQA ADFS Implementation as Described in Section B2			\$1,000
GovQA Advanced Search Implementation as Described in B3			\$0
GovQA Invoicing Implementation as Described in B4			\$1,000
GovQA Cost Recovery (Authorized.Net) Implementation as Described in B5			\$1,000
Total			\$7,500

Data: Customer data is owned by the customer. The storage will be fully deployed in a single tenant database within the Microsoft Azure Government Cloud. 1TB of storage is included in the fees set forth above, with every additional 1TB of storage being assessed a fee of \$100/month. Additionally, 500GB

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*per month of **document attachment retrieval** is included. Every **200GB** over the allotted 500GB of document retrievals per month will be assessed **\$100/month**. Storage is reviewed yearly and adjusted at the next annual invoice.*

F. Terms: **Billable Term Starting: December 1, 2017 Ending: November 30, 2019.** Upon the expiration of this initial Billable Term, the term will continue to auto-renew to subsequent annual Renewal Terms unless Customer notifies GOVQA in writing of its intention not to extend the term at least sixty (60) days prior to expiration of the then current term end date. Annual increases within original Billable Term will not exceed more than 2.9 percent. Renewal Terms will not increase by more than 2.9 percent.

G. Billing: All fees are exclusive of taxes, billed on an annual basis at time of contract signing, and due upon receipt of invoice. This secures site, servers and resources necessary to begin project. If payment is not received by start of the **Billable Term**, GOVQA has the right to suspend all services. Furthermore, invoices accrue 1% per month past due and customer is responsible for all costs, including attorney fees, for the collections of invoices.

H. Remittance: All payments should be made directly to GOVQA. GOVQA mailing address for all payments is:
GOVQA Accounts Receivable Department, 900 S. Frontage Road Suite 110, Woodridge, IL 60517

I. Contacts:

Organization Name: _____
Main Contact Name: _____ **Title:** _____
Address: _____ **City:** _____ **State:** ____ **Zip:** ____
Work Phone: _____ **Cell:** _____ **Email:** _____ **Fax:** _____

Billing Contact Name: _____ **Title:** _____
Address: _____ **City:** _____ **State:** ____ **Zip:** ____
Work Phone: _____ **Cell:** _____ **Email:** _____ **Fax:** _____

LEGISLATIVE FINDINGS
Spokane Fair Elections Ordinance
Spokane City Council
Adam McDaniel

Subject:

This proposed ordinance establishes a Spokane Fair Elections program which sets regulations around campaign contribution limits, including contributions from City of Spokane contractors, public sector unions, and political committees.

*This briefing paper includes findings based on recognized governmental purposes of campaign finance regulation as well as ancillary information to supplement discussion of the City of Spokane's overall electoral system and historical campaign trends.

Background:

Spokane voters overwhelmingly supported campaign contribution limits and contribution disclosure. As evidenced by their opposition to the *Citizens United* Supreme Court ruling, voters increasingly perceive corruption in our electoral process.

Spokane voters supported Initiative-276 which established the Public Disclosure Commission by more than 66% and Initiative-134 (which set campaign contribution limits) by 70%¹. Spokane voters also supported Initiative-735 which requested that Washington's Congressional Delegation propose a constitutional amendment that reserves constitutional rights for people over corporate rights. Spokane voters supported that Initiative with 62% of the vote and significant majorities² in all Council Districts. Spokane voters joined the Spokane City Council³, a majority of the electorate in Washington, and 80% of Americans⁴ who supported overturning the *Citizens United* decision (DeSilver & van Kessel, 2015).

Each of these initiatives reflected poignant questions for Spokane voters:

1. Does the status-quo campaign finance system prevent the opportunity for every candidate, potential candidate, voter, and issue to participate in the political process?
2. Does the inability to identify wealthy donors who potentially influence our elections crowd out meaningful political debate and degrade the political speech of all willing participants, and thereby creating opportunities for potential corruption?

Spokane voters overwhelmingly answered 'yes' to these questions.

¹ Source: Washington State Archives – Eastern Region Branch

² District 1 – 62.9%; District 2 – 64.4%; District 3 – 59.6%

³ Spokane City Council Resolution 2016-0083

⁴ Washington Post-ABC News Poll, February 2010; Bloomberg Poll, September 2015

Campaign contribution limits in the City of Spokane as a “percentage of median household income” are higher than every large city in the state of Washington except Yakima.

The Washington State Public Disclosure Commission (PDC) sets the campaign contribution limits in the state of Washington for all state, legislative, judicial and local races unless a jurisdiction adopts limits lower than the state limits. The PDC sets limits biennially that reflect “changes in economic conditions”⁵ via the inflationary index recommended by the Washington State Office of Financial Management. The current contribution limits for candidates running for the offices of Mayor and City Council Member in Spokane, which were set in 2016, are \$1,000 per election. The limit is set at \$2,000 for Spokane Municipal Court judicial candidates. Contribution limits fixed by the PDC for local office have traditionally grown by \$50 or \$100 and \$100-\$200 for judicial elections every biennium.

“This isn’t Shark Tank. This is your democracy. But as the bidding grows higher, your voice gets lower. You’re simply priced out of the marketplace of ideas. That is, unless you are one of the ultra-wealthy.” – Former Congressman Steve Israel

Many municipal governments across the United States, including Seattle⁶ and Issaquah⁷ in Washington, have developed campaign finance regulations with differing contribution limits. The new contribution limits in these jurisdictions have not had a detrimental impact on the amount of money candidates have been able to raise for their campaigns⁸. Brennan Center research has shown that low contribution limits lead to more competitive races, increase the likelihood of challengers defeating incumbents, and reduce the fundraising advantages inherent for incumbents (Torres-Spelliscy, Williams, & Stratmann, 2009). Since 2009, City of Spokane incumbents have held an average fundraising advantage of more than 3 to 1 against their challengers.

Spokane has a higher contribution limit as a percent of median household income than every other large city in Washington state; except Yakima. Phrased another way, a “max out” contribution in one election (\$1,000) is 2.3% of the median household income in Spokane. A \$500 contribution limit per election, as proposed by the Spokane Fair Elections Code, would place the city of Spokane in the middle of top 10 most populated Washington cities and between

⁵ WAC 390-05-400

⁶ Seattle Municipal Code 2.04

⁷ Issaquah Municipal Code 1.30

⁸ 2017 Seattle Mayor Candidate Jenny Durkan has raised \$928,046 as of November 2017, with a \$500 total contribution limit. For comparison in 2013 with a contribution limit of \$700, former Mayor Ed Murray raised \$891,189.01 while his challenger, former Seattle Mayor Mike McGinn, raised \$475,634.77. Durkan has also outraised the 2009 campaign totals from Mike McGinn and former Mayor Greg Nickels who also had a contribution limit of \$700.

regional competitors Boise and Salt Lake City for contribution limits as a percentage of household income.

<u>City</u>	<u>City Council Individual Contribution Limit per Election</u>	<u>% of 2015 Median Household Income²</u>
Spokane Washington	\$1000	2.3%
<i>Spokane (Proposed by Spokane Fair Elections Code)</i>	\$500	1.17%
Seattle Washington	\$500 (total)	0.7%
Tacoma Washington	\$1000	1.92%
Vancouver Washington	\$1000	1.90%
Bellevue Washington	\$1000	1.05%
Kent Washington	\$1000	1.66%
Everett Washington	\$1000	2.01%
Renton Washington	\$500	0.77%
Federal Way Washington	\$1000	1.79%
Yakima Washington	\$1000	2.45%
San Francisco California	\$500	0.48%
Anchorage Alaska	\$500	0.63%
Fort Collins Colorado	\$75	0.11%
Boise Idaho	\$1000	1.92%
Salt Lake City Utah	\$750	1.13%
Missoula Montana	\$330	0.77%

Contribution limit as a percentage of median household income increased in 2011, 2013, and 2015¹⁰. There were no local limits prior to the 2011 campaign cycle.

Only 29%¹¹ of donors who contributed over \$500 to candidates in elections between 2001 and 2015 came from Spokane. The Spokane donors who contributed over \$500 were a male majority (60%); overwhelmingly lived in Council District 2, the South Hill in particular (75%); and were predominantly white.¹² The most recurring contributions over \$500 in elections between 2001 and 2015 came from political action committees, city contractors, and City of Spokane public sector unions.¹³

⁹ American Community Survey Data

¹⁰ 2011 – 2.00%; 2013 – 2.28%; 2015 – 2.3%

¹¹ 125 of 422 donors

¹² Demographic voter information is notoriously hard to find. I utilized local political party resources to review this data.

¹³ Avista (19 donations), Washington State Council of County & City Employees (12 donations), Spokane Firefighters Local 29 (16 donations), Community Builders Trust PAC – Spokane Homebuilders Association (11 donations) Builds East PAC – Association of General Contractors (12 donations), Spokane Tribe (7 donations), & Washington Association of Realtors (13 donations).

For questions on these findings, contact Adam McDaniel (amcdaniel@spokanecity.org)

The dominance of white, affluent donors disadvantage candidates of color and may prohibit people of color, who lack access to the network of these wealthy donors, from running for office. The lack of this rich network makes it nearly impossible for an individual to compete in the “wealth primary”¹⁴ necessary to run a competitive campaign (Lioz, Stacked Deck, 2015). Additionally, people of color who lack this wealthy network seem less viable to the candidate recruiters of the political class and political parties.

LESS THAN 0.05% OF SPOKANE'S POPULATION GAVE MORE THAN \$500 TO CITY OF SPOKANE POLITICAL CANDIDATES IN AN ELECTION BETWEEN 2001 AND 2015.

*2015 CITY OF SPOKANE POPULATION (US CENSUS BUREAU)

Campaign expenditures by Spokane Mayor and Spokane City Council candidates are growing, but voter turnout is falling.

Campaign expenditures by general election candidates for Mayor, City Council President, and all Council Districts in Spokane have increased significantly since 2007 although total general election votes for each office have remained flat, while total votes cast have declined.¹⁵ The city of Spokane increased in total population by 7.43% from 2007 to 2015¹⁶ and gained 20,000 more registered voters¹⁷. Despite the rise in population and a 50% increase in campaign expenditures, the number of citizens choosing to vote in City of Spokane elections dropped by 4,000.

The rising cost for political office candidates to be competitive limits the pool of candidates. Campaign expenditures are rising, but the number of voters continues to fall. Thusly, we must ask: What exactly is the money solicited and contributed actually buying?

<u>Year</u>	<u>Ballots Issued – General Election</u>	<u>Ballots Returned - General</u>	<u>Ballot Return % - General</u>	<u>Total Campaign Expenditures – General Election Candidates</u>
2007	100,011	56,968	56.96%	\$536,238.12
2009	109,447	55,939	51.11%	\$234,651.99
2011	111,945	63,194	56.45%	\$749,701.83
2013	118,817	50,073	42.14%	\$291,868.80
2015	120,278	52,128	43.34%	\$808,892.73

¹⁴ For information on the “wealth primary”, see Jamin Raskin & John Bonifaz, *Equal Protection and the Wealth Primary* (1993)

¹⁵ The City of Spokane Municipal Court was established in 2007-2008 with the first slate of appointed judges up for election in 2009. In 2009, candidates for Spokane Municipal Court Judge raised a combined total of \$12,811. The judges elected in 2009 (Mary Logan, Michelle Szambelan, & Tracy Staab) all ran unopposed in 2013 and only Judge Tracy Staab has drawn an opponent in 2017.

¹⁶ Source: Spokane Community Indicators

¹⁷ Source: Spokane County Elections Office

For questions on these findings, contact Adam McDaniel (amcdaniel@spokanecity.org)

Average¹⁸ contributions to Spokane City Council President and Spokane City Council candidates are rising but the median¹⁹ and mode²⁰ of the contributions are consistent.

	<u>Average Contribution – Spokane Council President General Election Candidates</u>	<u>Median Contribution – Spokane City Council President General Election Candidates</u>	<u>Mode Contribution – Spokane City Council President General Election Candidates</u>
2007	\$152.67	\$75	\$50
2009	N/A	N/A	N/A
2011	\$164.23	\$75	\$50
2013	N/A	N/A	N/A
2015	\$231.50	\$100	\$100

The average contribution to general election candidates increased significantly in 2015 with the offices of Mayor, Council President, and Spokane City Council Member positions all crossing the \$200 average contribution threshold for the first time in the City’s electoral history; despite the median and mode hovering around the \$50 and \$100 mark. The most frequently occurring donation amount to a Spokane City Council candidate in all but one of the last seven campaign cycles was \$50. The growing divide between the average contribution and the most reoccurring contribution represents a loss of competitive impact and efficacy for citizens making small donors at the expense of the wealthy,

<u>Year</u>	<u>Average Contribution – Spokane Mayor General Election Candidates</u>	<u>Median Contribution – Spokane Mayor General Election Candidates</u>	<u>Mode Contribution – Spokane Mayor General Election Candidates</u>
2007	\$200.64	\$100	\$50
2009	N/A	N/A	N/A
2011	\$182.14	\$75	\$50
2013	N/A	N/A	N/A
2015	\$222.41	\$100	\$100

	<u>Average Contribution – Spokane City Council Member General Election Candidates</u>	<u>Median Contribution – Spokane City Council Member General Election Candidates</u>	<u>Mode Contribution – Spokane City Council Member General Election Candidates</u>
2007	\$113.61	\$50	\$50
2009	\$122.99	\$50	\$50
2011	\$120.05	\$50	\$50
2013	\$130.02	\$50	\$50
2015	\$208.18	\$100	\$50

¹⁸ The average or ‘mean’ is the sum of all the contributions for the race divided by the total number of all contributions in that race. The mean is susceptible to outliers such as high and ‘maxed out’ donations.

¹⁹ The ‘median’ is the middle contribution amount in the total sequence of all contributions of the race arranged in order of magnitude. Median is less affected by outliers such as ‘maxed out’ or high-dollar contributions.

²⁰ The ‘mode’ is the most frequent contribution made in a race.

For questions on these findings, contact Adam McDaniel (amcdaniel@spokanecity.org)

unions, corporations, and political action committees who can afford to financially contribute the (constantly growing) maximum contribution limit.

Most Spokane citizens do not provide any financial contributions to their preferred candidates. The reduction of contribution limits creates an incentive for candidates to expand their outreach to new donors for smaller contributions to meet their campaign expenditure goals; thus increasing participation (Corrado, Malbin, Mann, & Ornstein, 2010). Greater participation prevents corruption by forcing a candidate beyond a narrow group of large individual, corporate, and union donors (Overton, 2012).

Political parties and Legislative District Committees made campaign contributions above the individual and PAC/Union contribution limits to candidates for Spokane Mayor and Spokane City Council, totaling \$65,700 in 2011 and \$14,290 in 2015.

Political parties and legislative district committees donated \$65,700 in 2011 and \$14,290 in 2015 above the individual and political committee contribution limit to nonpartisan City of Spokane candidates. These two entities have been accused by political opponents of serving as a conduit for donations from contributors who have met the individual contribution limits (Brunt, 2011). This process is called "earmarking." "Earmarking" is illegal per RCW 42.17A.460, yet political parties serve as an easy target for "earmarked" funds because they are not bound by a flat contribution limit but instead by a "per voter" formula²¹.

Although the Washington State Republican Party gave more in dollar amounts beyond the current campaign limits, the Spokane County Democratic Party and 3rd Legislative District Democratic Committee gave beyond the contribution limits more often²².

Parties, legislative district committees, and associated party committees have given almost evenly to incumbents and challengers since 2009²³.

The Spokane Fair Elections Code proposed to bring political parties and legislative district committees under the contribution limits of individuals, corporations, and political committees.

²¹ 2017: \$1.00 per registered voter per cycle

²² Since 2005, the Spokane County Democratic Party and 3rd Legislative District Democrats have combined to give \$9,299 over the individual contribution limit to local candidates. The Spokane County Republican Party has not given to any candidate. The Washington State Republican Party made the greatest contributions totaling \$62,000 but only gave to one candidate.

²³ Challengers: 6; Incumbents: 8

“Out-of-cycle”²⁴ fundraising by Spokane Mayor and Spokane City Council candidates is growing, peaking at \$170,649 for general election candidates in 2015 – comprising more than 22% of their total contributions.

City of Spokane candidates up for election in the fall of 2015 began raising campaign cash in January 2012, three years and ten months before the general election date. Only Seattle candidates raised more money out of cycle (\$181,030.65) in the state of Washington in 2015, and there were six more candidates in Seattle than in Spokane. Incumbents have raised 96% of the money raised out of the election cycle since 2007. Potential candidates, witnessing the competitive advantage of long-term fundraising by incumbents, have begun filing with the Washington PDC earlier to begin building their war chests (Walters, City Council President Ben Stuckart has already filed to run for mayor — in 2019, 2016).

<u>Year</u>	<u>“Out-of-Cycle” Fundraising – Spokane General Election Candidates</u>
2007	\$11,858
2009	\$0
2011	\$17,925
2013	\$6,872.13
2015	\$170,649

The Seattle City Council reduced the campaign cycle from 4 years to 2.5 years in 2012. (City of Seattle, n.d.). The City of Issaquah only allows candidates to receive campaign contributions during an election cycle. Issaquah defines their election cycle as January 1st of the year of the election until 14 days after the election²⁵.

- What is the purpose of having multi-year fundraising cycles for the City of Spokane elected offices?
 - The record in the general election for candidates raising funds out of their campaign cycle does not reflect a clear political advantage with 3 wins and 6 losses.
- Does raising money out of cycle create an opening for quid pro quo type corruption as a person or entity seeking favor from an elected official could make a contribution to the campaign of the elected official (or against them)?
 - Since 2003, nineteen City of Spokane contractors²⁶, eight lobbyists²⁷, and one public sector union²⁸ made contributions to incumbents before the elected official’s campaign reelection cycle even began.

²⁴ Defined as campaign funds raised in the year(s) before the candidate appeared on the ballot.

²⁵ Issaquah Municipal Code 1.30.020

²⁶ Contractors: Baker Construction, Avista, Desautel Hege (DH), Frank Gurney Inc., Premera Blue Cross, CPM Development, Garco Construction, Moloney + O’Neill, Spokane Rock Products, Max J. Kuney Co, Kiemle & Hagood, Wm. Winkler, CH2M Hill, Please Printing, SPVV Landscaping, Barr-Tech, Cameron Reilly, Allied Fire & Security, Spokane Tribe of Indians.

- Immediately following elections, City contractors made five contributions²⁹ and lobbyists³⁰ made two contributions to candidates they had not donated to prior to the election. In fact, these contractors and lobbyists had donated to the ultimately unsuccessful candidates before the election, and only financially supported the successful candidates post-election.
- In total from 2003-2015, candidates who won election raised \$76,210.33 after the date of their election³¹.
- Although candidates for any office face great political pressure to raise as much money as possible as quickly as possible, do the campaign outreach requirements of Spokane Mayor, Spokane City Council Member, or Spokane Municipal require the Congressional-style constant fundraising loathed by current and former elected officials (Israel, 2016)?
 - Fewer and fewer voters participate in City of Spokane elections every cycle despite growing campaign expenditures and unprecedented voter outreach avenues through social media and the internet.³²

The Spokane Fair Elections Code proposes limiting campaign fundraising to January 1st of the year in which the candidate will be on the ballot to December 31st of the same year.

²⁷ Lobbyists: Patrick Dunn & Associates, Washington 2 Advocates, Richard Little, Final Passage Inc., Ashe Public Affairs, PEMCO Insurance (Government Affairs), Gallatin Public Affairs (Amber Lewis & Jeff Bell)

²⁸ IAFF Local 29 (Spokane Firefighters Union)

²⁹ Avista (3 times), CH2M Hill, Allied Fire & Security (Terrill Hunt),

³⁰ Gallatin Public Affairs (Jeffrey Bell), Ashe Public Affairs

³¹ Some candidates had debt that could have theoretically need to be paid off, however, the total debt by these same candidates only totaled \$33,755.07 leaving more than \$42,000 in 'non-allocated' contributions.

³² See Anthony J. Corrado; Michael J. Malbin; Thomas E. Mann; Norman J. Ornstein, *Reform in an Age of Networked Campaigns* (2010)

City contractors have contributed more than \$88,000 in campaign contributions to current City of Spokane elected officials while receiving \$116 million in city contracts.

<u>City Contractor</u>	<u>Direct Contributions</u>	<u>Indirect Contributions (PAC, Political Party, Independent Expenditures)³³</u>	<u>Estimated City Contract Value Post-Donation to Current Elected Official³⁴</u>
Garco Construction	\$1,000	\$4,000	\$52,158,300.90
CH2M Hill	\$2,000	\$2,500	\$16,067,173.00
Clearwater Construction	\$500	\$0	\$14,009,107.75
Walker Construction	\$100	\$100	\$7,336,696.00
Spokane Rock Products	\$4,340	\$600	\$5,672,084.30
Barr-Tech	\$7,360	\$8,000	\$3,487,600.00
WM Winkler	\$1,950	\$0	\$3,380,177.52
Avista	\$11,850	\$2,645	\$2,837,580.61
Cameron-Reilly	\$750	\$0	\$1,772,499.11
Max J Kuney Co	\$3,600	\$1,000	\$1,413,381.38

From 2009 to 2015, City contractors donated more than \$88,000 to the current Mayor and Spokane City Council Members³⁵ and received more than \$116 million in city contracts post-donation³⁶. The total contributions rise over \$125,000 and \$132 million plus in City of Spokane contracts when indirect contributions, such as donations given to political action committees and political party committees that in turn are given to elected officials, are included.

It is a widely held belief across America that making campaign contribution endears entities to government contracts and favorable policies (The New York Times | CBS NEWS Poll, 2015).

³³ Indirect contribution sources: Build East PAC (Inland Northwest Association of General Contractors), Jobs & Opportunities Benefitting Spokane PAC, Coalition for Economic Vitality PAC, Inland Pacific Chapter Association of Builders & Contractors, Community Builders Trust PAC (Spokane Homebuilders Association), Washington State Republican Party, Spokane County Democratic Party, Spokane County Republican Party.

³⁴ Method: I took the date of the contribution to the campaign of a current elected official. I found all City contracts for services (via the City's public records database) for the period in which the elected official was an officer of the City. It does not distinguish between Council approved contracts and minor contracts typically executed by City administration. Contract dates are based on the last City action (including amendments and final payments). Contributions include the city contracted entity, its owner, and any executive officer of the entity. It does not include contributions made by lobbyists contracted on the entity's behalf or government affairs employees of the entity.

³⁵ Mayor David Condon, Spokane City Council Members: Ben Stuckart, Mike Fagan, Amber Waldref, Lori Kinnear, Karen Stratton, Candace Mumm. It does not include contributions from Breean Beggs as Beggs is appointed and has not yet completed a full campaign cycle.

³⁶ This contract figure does not include leases, real estate purchases, easements, and franchises.

For questions on these findings, contact Adam McDaniel (amcdaniel@spokanecity.org)

The act does not typically involve outright bribery although prosecutors have investigated and juries have convicted officials for blatant quid pro quo across the United States (Holman, Pay-to-Play Restrictions on Government Contracting Under Assault, 2014). Instead, donations act as a purchase of access for consideration of a government contract (Holman & Wi, Pay-to-Play Restrictions on Campaign Contributions from Government Contractors, 2016, 2016). Spokane elected officials are subject to these same types of quid pro quo allegations. (Hill, 2017).

Federal, state, and city governments³⁷ have addressed perceived “pay to play” campaign contribution problems by placing contribution limits on public sector contractors.

The following table contains selected information compiled by the Sightline Institute (Durning, HONEST ELECTIONS SEATTLE BANS “PAY TO PLAY”, 2015).

Government	Limits
<i>SPOKANE (Proposed by the Spokane Fair Elections Code)</i>	<i>No contributions from contractors or potential contractors who have received or will receive \$50,000 worth of City contracts for a period of 2 years.</i>
Seattle	No contributions from entities with contracts worth over \$250,000 in the prior two years.
San Francisco	No contributions from entities with contracts worth over \$50,000 in a fiscal year.
Oakland	No contributions from potential contractors with a contract of \$15,000 between the commencement of negotiations and 180 days after contract completion or termination of negotiations.
Los Angeles	No contributions from contractors with contracts worth more than \$100,000.
Houston	No contributions from entities with contracts of more than \$50,000 to any candidate during the period from day first bids were accepted through 30 days after award or decision not to award.


³⁷ Title 2: §441 (c)

The Spokane Fair Elections Code proposes prohibiting campaign contributions by contractors who have received an aggregate of \$50,000 in City of Spokane contracts within the last two years.

City of Spokane public sector unions have donated \$28,650 directly to the campaigns of current City of Spokane elected officials.

City of Spokane public sector unions, Local 270 (Washington State Council of County & City Employees), Spokane Police Guild, and Local 29 (Spokane Firefighters) donated \$26,650 directly to current City of Spokane elected officials and invested \$47,000 in independent expenditures to support their candidates or oppose their opponents. Combined with indirect money given to other political action committees and political parties, City of Spokane public sector unions donated more than \$90,000 in support of current City of Spokane elected officials³⁸.

The topic of public sector unions donating to elected officials who will ultimately approve or reject the union's bargaining agreements was the subject of legislation³⁹ in the Washington State Legislature in 2017. While these bills did not become law, advocates such as the Washington Policy Center continue making "quid pro quo" arguments similar to the arguments made by opponents of public sector contractor contributions. (Shannon, Eliminate perception of quid pro quo, 2017).



The problem is that the mere perception of a quid pro quo is sufficient to cast doubt and suspicion on the whole process and inspire public distrust.

Erin Shannon – Washington Policy Center

Senator Joe Fain, R-Auburn, attempted to combine both issues (regulating contributions by public sector unions and state contractors) however the bill⁴⁰ never received a hearing.

In addition to regulating contributions by City contractors, the Spokane Fair Elections Code proposes requiring disclosure of campaign contributions by bargaining units to current elected officials prior to signatures and approval of bargaining unit contracts by the Spokane City Council.

³⁸ Indirect sources include: Inland Northwest Leadership PAC, Coalition for Economic Vitality, Spokane County Democratic Party, Citizens for Honest Government PAC, Spokane for Honest Government PAC.

³⁹ SB 5533/HB 1891 (co-sponsored by Senator Michael Baumgartner, R-Spokane)

⁴⁰ SB 5865

Independent expenditures, in the form of “dark money” and “gray money,” are playing a significant role in City of Spokane elections.

"Dark money" is defined as political spending for the purpose of influencing voters without disclosing who funded the influence (typically made by 501 (c)(4) *social welfare groups* and 501 (c)(6) trade/business associations). Social welfare organizations are only required to disclose their donors to the Internal Revenue Service, not to the general public.

“Gray money” is defined as expenditures made by political committees which are funded by other political committees to obscure the identity of the original donors. It can be just as beneficial to the candidate to avoid public association with certain donors. Dark and gray money can have a tremendous impact on local elections. Gray money has typically been a much larger force than dark money. Eighty percent of Americans oppose the non-disclosure practices used by dark money groups⁴¹, yet the prevalence of dark money continues to rise.

The Brennan Center for Justice points out three reasons we should be particularly concerned about dark and gray money in our elections (Lee, Valde, Brickner, & Keith, 2016):

1. Voters in cities such as Spokane face ballot measures where they directly decide policy questions such as education spending, taxes, and other actions with financial consequences.
2. Most city races are low-information races where small political advertising can sway a significant portion of the electorate. This is particularly evident in non-partisan elections. In Spokane, from 2003-2015, candidates who raised the most money won 82% of the time⁴².
3. The low costs of local elections mean contributors can donate modest amounts of money while making significant purchases in the small mail, television, and radio markets. New fundraising techniques allow candidates and committees to raise money quickly⁴³.

Requiring people to stand up in public for their political acts fosters civic courage, without which democracy is doomed.” – Justice Antonin Scalia

The largest amount of gray money spent against candidates for a Spokane political office in the City’s history came in 2013 from a political action committee (PAC) whose top contributors were also political action committees⁴⁴. This PAC, called Jobs and Prosperity for Spokane, ran

⁴¹ Citizen.org, Public Citizen Poll, September 2014

⁴² 23 Wins, 5 losses. Candidates who lost that raised more money than their opponent included: Richard Rush, Laverne Biel, Dennis Hession, Donna McKereghan, & Brad Stark.

⁴³ Example: Social media, direct mail, phonebank, ActBlue, crowdfund, text, house parties, merchandise/campaign ‘swag’ etc.

⁴⁴ Source: Washington Public Disclosure Commission

television and radio commercials against two candidates and successfully prevented the disclosure of their individual donors by using three⁴⁵ other political action committees as three of their top five donors.

The Spokane Fair Elections Code will require political action committees engaging in independent expenditures to drill down and disclose their top three individual/entity donors in their political advertisements instead of another political action committee.

Some organizations unexpectedly become gray money donors in support of or against candidates for office in Spokane. In 2013, Greenstone President Jason Wheaton (developer of Kendall Yards) disavowed negative campaigns targeting Councilmember Jon Snyder, and then-candidate Candace Mumm, by the Jobs and Prosperity PAC. The contribution was made by Greenstone to the Spokane Homebuilders Association PAC which in turn was donated to the Jobs and Prosperity PAC. Wheaton explained at a Spokane City Council meeting Open Forum that Greenstone intended to donate to the initiative campaign requiring a supermajority to raise taxes. Wheaton said that it was "unfortunate to be associated with that," referring to the attack ads (Prager, Greenstone disavows ad campaign attacking Mumm, Snyder, 2013).

Walt Worthy, the owner of the Davenport Hotel, made a similar claim when contributions he made to the Spokane Homebuilders PAC ended up in the same attack ads. Worthy told *The Spokesman-Review*, "We did not contribute one dollar to this endeavor." (Prager, Davenport owner Walt Worthy pressed by firefighter union over ads, 2013).

There have also been instances when public funds were transferred even if in error to a political action committee that participated directly in local elections. In 2009, the Community Builders Trust PAC (managed by the Spokane Homebuilders Association) received a contribution from the City of Spokane⁴⁶. Community Builders Trust then contributed to the campaigns of Councilmember Nancy McLaughlin, Councilmember Mike Allen, and future Councilmember Mike Fagan.

An example that does not meet the accepted definition of dark money, but could be subject to "incidental committee" requirements outlined in the City of Spokane's Fair Elections Code, involves the recent billboards targeting Councilmembers Breean Beggs and Candace Mumm from a group calling themselves the "Monroe Street Business Association." These billboards attempt to sway voters to vote against these Councilmembers because of their support of the North Monroe Street project (Walters, Councilmembers Beggs and Mumm never voted on Monroe lane

The reason we have disclosure and transparency is to reduce the opportunity of corruption and to help voters be informed. That helps us to have a healthier democracy." – Senator Andy Billig, D-Spokane

⁴⁵ Inland Pacific Chapter of the Associated Builders and Contractors, Spokane Homebuilders Association, & Eastern Washington PAC.

⁴⁶ Source: Washington Public Disclosure Commission

reduction — but billboard targets them anyway, 2017). The “Monroe Street Business Association” is not registered as a political committee with the Washington State Public Disclosure Commission making donor identification of the political hit piece impossible.

Spokane’s Fair Elections Code would require a statement of organization and disclosure of donors and political expenditures by non-profit organizations engaging in politics.

The goal of dark money reforms across America, such as State Senator Andy Billig’s DISCLOSE Act, is not to reveal donors to non-profits but to encourage organizations to engage in the political process via the appropriate mechanism – political action committees (Billig A. , 2017). Governor Jerry Brown signed a version of the DISCLOSE Act into law in California in October of 2017 (California Clean Money Campaign, 2017).

Independent expenditures, supposedly made without direct coordination with the candidate, have grown significantly as a percentage of overall expenditures since the *Citizens United* Supreme Court ruling⁴⁸, peaking at 76.9% of all combined spending in 2013. City of Spokane candidates could feel the Supreme Court’s decision immediately in the 2011 cycle (Deshais, 2011).

<u>Year</u>	<u>Expenditures – All Candidates</u>	<u>Independent Expenditures</u> ⁴⁷	<u>I.E. as percent of Total Expenditures</u>	<u>% of Candidate Expenditures Spent Outside Spokane County</u>
2003	\$749,226.12	\$0	0%	14.5%
2005	\$201,121.58	\$0	0%	5%
2007	\$601,447.34	\$2,969.92	0.5%	31.9%
2009	\$193,898.56	\$17,434.02	9.3%	8.7%
2011	\$811,210.10	\$48,270.34	6.4%	14.4%
2013	\$326,851.91	\$224,526.98	76.9%	7.5%
2015	\$828,703.59	\$17,815.68	2.2%	17.3%

The year 2013 was witness to the most expensive races in Spokane City Council history and marked the first time independent expenditures occurred in a primary election for or against a Spokane City Council candidate.

In 2017, a political action committee outspent the candidate they were supporting or opposing in an election.⁴⁹

⁴⁷ Expenditures made by political action committees and others filing in support or opposition to a candidate.

⁴⁸ January 21, 2010

⁴⁹ Better Spokane - \$12,710.57 Andy Dunau - \$9,915.57

For questions on these findings, contact Adam McDaniel (amcdaniel@spokanecity.org)

Candidates with the most independent expenditures in support (or against their opponent) have won election ten out of the thirteen times. In all three instances the losing candidate⁵⁰ was outraised by his/her opponent even when the independent expenditures in support or against their opponent are included in the candidate's total expenditures. Ninety-six percent of independent expenditures were made within 30 days of the general election.

Although a substantial majority of Americans across party and ideological lines say that Super PACs have an adverse effect on our elections (Confessore & Thee-Brenan, 2015; The Pew Research Center, 2012), the *Citizens United* decision and *McCutcheon*⁵¹ decision almost ensure that the growing influence of independent expenditures in City of Spokane elections will not dissipate anytime soon.

Impact:

The Spokane Fair Elections ordinance:

- Clarifies that all members of Pro and Con Committees for ballot measures should be registered voters in the city of Spokane.
- Designates the City Clerk's Office as the City's Election Resources Center.
- Establishes the City of Spokane's campaign contribution limit at \$500 per election for all individuals, political committees, political parties, legislative committees, and caucus committees.
- Defines election cycle as the only time when candidates for City of Spokane office may solicit and accept campaign contributions (January 1st of the year in which an election for Mayor or Spokane City Council Member is held, until December 31st or until the election results are certified, (whichever occurs last).
- Prohibits City elected officials and candidates from soliciting and/or receiving contributions from a contractor or subcontractor (including partners/principals with equity interest totaling more than 10%) who has earned more than \$50,000 in City contracts or from any contractor participating in a contract award period.
- Requires that bidders affirm and certify that they will comply and will notify their principals and subcontractors of the campaign contribution provisions of this chapter.
- Requires City of Spokane bargaining units to disclose contributions made to current elected officials on publicly available bargaining unit contracts prior to signatures and approval by the Spokane City Council.
- Requires entities making campaign contributions to City of Spokane candidates or to political committees in support or opposition to City of Spokane initiatives and

⁵⁰ Mike Allen (2009, vs. Jon Snyder), Mary Verner (2011, vs. David Condon), Joy Jones (2011, vs. Steve Salvatori)

⁵¹ McCutcheon, et al. v. FEC

referendums have an active registration with the Washington Secretary of State or equivalent state agency of the donors' primary locations.

- Defines and establishes procedures for 'incidental committees,' including the filing of a statement of organization with the City Clerk's office and the names of the ten largest aggregate contributions, with the City and published on the City's website.
- Requires political committees making independent expenditures identify and disclose the three persons or entities contributing the largest amounts (not including other political committees) in addition to the requirements of RCW 42.17A.320.
- Requires entities to certify that their ownership is not comprised of 50% or more foreign nations when making contributions to City of Spokane candidates or political committees.
- Establishes violations of this chapter as a Class 1 Civil Infraction and freezes the acceptance of contributions until the illegal contributions have been returned by the candidate.
- Creates a limitations period for complaints.
- Creates an annual report requirement to the City Council on the number of investigations undertaken and actions taken to enforce the Spokane Fair Elections code.
- Creates the "Transparent Democracy" Fund to help offset costs of enforcement of Spokane Fair Elections Code.

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Briefing Paper

Finance and Administration

Division & Department:	City Council
Subject:	Spokane Fair Elections Ordinance
Date:	November 20, 2017
Author (email & phone):	Ben Stuckart – bstuckart@spokanecity.org 625-6269
City Council Sponsor:	Ben Stuckart/Breean Beggs
Executive Sponsor:	None
Committee(s) Impacted:	Finance and Administration
Type of Agenda item:	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Strategic Initiative
Alignment: (link agenda item to guiding document – i.e., Master Plan, Budget, Comp Plan, Policy, Charter, Strategic Plan)	Strategic Plan – Sustainable Resources Comprehensive Plan – Chapter 13 (Local Governance and Citizenship)
Strategic Initiative:	Sustainable Practices; Diversity;
Deadline:	N/A
Outcome: (deliverables, delivery duties, milestones to meet)	Increased Social Capital
Executive Summary: See attached legislative findings and summary.	
Budget Impact: Approved in current year budget? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Annual/Reoccurring expenditure? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If new, specify funding source: General Fund & Transparent Democracy Fund (Funded by enforcement of violations) Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impact: Consistent with current operations/policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Requires change in current operations/policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Specify changes required: City Clerk's Office will be responsible for processing Statement of Organization forms from incidental political committees. Grants Management will be tasked with enforcement of this ordinance. Known challenges/barriers: Basic campaign finance training will be necessary for Grants Management staff.	

The Spokane Fair Elections ordinance:

- Clarifies that all members of Pro and Con Committees for ballot measures should be registered voters in the city of Spokane.
- Designates the City Clerk's Office as the City's Election Resources Center.
- Establishes the City of Spokane's campaign contribution limit at \$500 per election for all individuals, political committees, political parties, legislative committees, and caucus committees.
- Defines election cycle as the only time when candidates for City of Spokane office may solicit and accept campaign contributions (January 1st of the year in which an election for Mayor or Spokane City Council Member is held, until December 31st or until the election results are certified, (whichever occurs last).
- Prohibits City elected officials and candidates from soliciting and/or receiving contributions from a contractor or subcontractor (including partners/principals with equity interest totaling more than 10%) who has earned more than \$50,000 in City contracts or from any contractor participating in a contract award period.
- Requires that bidders affirm and certify that they will comply and will notify their principals and subcontractors of the campaign contribution provisions of this chapter.
- Requires City of Spokane bargaining units to disclose contributions made to current elected officials on publicly available bargaining unit contracts prior to signatures and approval by the Spokane City Council.
- Requires entities making campaign contributions to City of Spokane candidates and in support of or against City of Spokane initiatives and referendum have an active registration with the Washington Secretary of State or equivalent state agency of the donors' primary locations.
- Defines and establishes procedures for 'incidental committees,' including the filing of a statement of organization with the City Clerk's office and the names of the ten largest aggregate contributions, with the City and published on the City's website.
- Requires political committees making independent expenditures in support of or in opposition to City of Spokane candidates or in support of or in opposition to City of Spokane initiatives and referendum to disclose the top 3 individuals who have contributed the most if one of the Top 5 contributors (in compliance with RCW 42.17A.320) happens to be a political committee.
- Requires entities contributing to candidates or to political committees making independent expenditures in support of or in opposition to City of Spokane initiatives and referendums to certify with the candidate that their ownership does not comprise of more

than 50% foreign nationals.

- Establishes violations of the Spokane Fair Elections Code as a Class 1 Civil Infraction.
- Creates a limitations period for complaints.
- Creates an annual report requirement to the City Council on the number of investigations undertaken and actions taken to enforce the Spokane Fair Elections code.
- Creates the “Transparent Democracy” Fund to help offset costs of enforcement of Spokane Fair Elections Code.

BRIEFING PAPER
City of Spokane
Innovation and Technology Services Division
WA State DES
Finance Committee
November 20, 2017

Subject

Approval to purchase various Software Products from Washington State Department of Enterprise Services, (Olympia, WA)

January 1, 2018 through December 31, 2018 \$145,000 plus tax and shipping.

Background

Washington State DES currently provides NASPO Valuepoint Master agreements for previously negotiated pricing and established contracts that include pricing advantages for other government agencies to utilize. The City of Spokane Innovation and Technology Services Division utilizes this opportunity whenever possible.

We will be utilizing SHI International Corp. for purchases with Microsoft & Adobe utilizing Master Agreement No. ADSP016-130651, Washington State Master Contract No. 06016. We will also be utilizing DLT Solutions for AutoDesk (Contract # 08812). Software products which includes Maintenance and Support Subscription/Upgrades for purchase for various City Departments.

Breakdown 2018 – Microsoft Est. \$80,000, Adobe Est. \$15,000, Autodesk Est. \$48,054.04

Current 2017 – Microsoft Est. \$86,000, Adobe Est. \$40,000, Autodesk Est. \$43,480

Impact

Without this yearly Approval to Purchase, ITSD would be required to bring any purchase over The City Purchase Limit (\$49,000) to City Council for Approval for each piece of software purchased.

Action

City ITSD recommends approval

Funding

Various Accounts

