

AGENDA

**REGULAR MEETING
DES MOINES CITY COUNCIL
21630 11th Avenue South, Des Moines, City Council Chambers**

September 13, 2012 - 7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

CORRESPONDENCE

COMMENTS FROM THE PUBLIC:

BOARD & COMMITTEE REPORTS/ COUNCILMEMBER COMMENTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORTS

Dr. Susan Enfield, Highline School District

CONSENT CALENDAR

Item 1: APPROVAL OF MINUTES

Motion is to approve the minutes of the meeting of August 30, 2012.

Item 2: APPROVAL OF VOUCHERS

Motion is to approve for payment vouchers and payroll transfers described as follows:

Claim checks **\$522,772.37**

Payroll fund transfers in the total amount of **\$449,964.88**

Total certified Wire Transfers, Voids, A/P & Payroll vouchers are **\$972,737.25**

Item 3: A PROCLAMATION RECOGNIZING PTA/ PTSA MEMBERSHIP MONTH

Motion is for City Council support of PTA/PTSA Membership Month by approving the proposed proclamation.

Item 4: DRAFT RESOLUTION NO. 12-143, SURPLUS OF MARINA PROPERTY

Motion 1 is to adopt Draft Resolution No. 12-143 declaring certain Marina property identified by Exhibit A as surplus and authorizing disposal of said Marina surplus property by auction, sale, or transfer to another agency

Item 5: EXTENSION OF STREET SWEEPING CONTRACT ADDENDUM 2008-2012

Motion is to approve a twenty-four (24) month extension to the 2008-2012 Street Sweeping Services Contract with Action Services Corporation, extending the end date to July 31, 2014 in an amount not to exceed the budgeted amount of \$50,000 per year consistent with the August 29, 2008 Agreement, and authorize the City Manager to sign the contract addendum substantially in the form submitted.

Item 6: MOU WITH DES MOINES POLICE GUILD REGARDING TERM LIFE INSURANCE

Motion is to approve the memorandum of understanding with the Des Moines Police Guild regarding the use of some of the savings resulting from the reduced premiums for LTD, SIB and Term Life Insurance to provide enhanced life insurance for members of the Des Moines Police Guild.

NEW BUSINESS

1. DRAFT RESOLUTION NO. 12-139, CITY COUNCIL ENDORSEMENT OF *King* County Proposition No. 1 Regular Property Tax Levy for Automated Fingerprint Identification System Services (AFIS)

Staff Presentation: Police Chief George Delgado
what is AFIS / what does it do for us?

2. PRELIMINARY OVERVIEW OF GENERAL & STREET FUNDS 2013 BUDGET
Staff Presentation: Finance Director Paula Henderson

3. E-VERIFY POLICY DISCUSSION
Staff Presentation: City Attorney Pat Bosmans
30 sec summary of federal law on legit workers

4. DRAFT ORDINANCE CARD ROOM TAX MODIFICATION
Staff Presentation: Economic Development Manager Marion Yoshino

NEXT MEETING DATE September 27, 2012, City Council Regular Meeting

ADJOURNMENT

MINUTES

**REGULAR MEETING
DES MOINES CITY COUNCIL
21630 11th Avenue South, Des Moines, City Council Chambers
August 30, 2012 - 7:00 p.m.**

CALL TO ORDER - Mayor Kaplan called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE – The flag salute was led by Councilmember Sheckler.

ROLL CALL

Present were Mayor Dave Kaplan; Councilmembers Dan Caldwell, Melissa Musser, Jeanette Burrage, Bob Sheckler and Carmen Scott.

Mayor Pro-Tem Pina was absent. Councilmember Scott moved to excuse Mayor Pro-Tem Pina; Councilmember Musser, second; all the votes were ayes.

Staff present were City Manager Tony Piasecki; Assistant City Attorney Tim George; Planning Building and Public Works Director Grant Fredricks; Police Chief George Delgado; Finance Director Paula Henderson; Finance Operations Manager Cecilia Pollock; Parks Recreation and Senior Services Director Patrice Thorell; Assistant Director of Transportation and Engineering Dan Brewer; Senior Planner Jason Sullivan; Contract Engineer Len Madson; Judge Veronica Alicia-Galvan; Economic Development Manager Marion Yoshino; City Clerk Sandy Paul

COMMENTS FROM THE PUBLIC:

Tony Hettler, 22506 Marine View Drive South, reported that Destination Des Moines President Brad Hawthorne resigned. Susan Goegebuer will continue to serve as Treasurer; Tony Obermyer will serve as Secretary; Joel Pritchard will be Vice President; and Tony Hettler, will be the new President.

JC Harris, 21834 12th Avenue, spoke about an excess of litter in Des Moines. He moved to Des Moines for the quality of life: affordable housing, good schools, and decent services. He expressed his angst that as people age and move out, a younger demographic is moving in which cares too little about tossing litter and garbage and not taking care of their property. He asked the City to step up efforts to improve tidiness.

Martin Matz, 1636 South 260th Street, is running for State Representative in District 2. He spoke about his legislative platform.

Jeff Miller, 401 5th Avenue, Seattle, from the Mental Health Chemical Abuse Services Division of King County, spoke about substance abuse and supporting national Recovery Month.

Barbara McMichael, 22810 Thunderbird Drive, spoke about the return of salmon to the city's streams (the Salmon Homecoming Project).

BOARD & COMMITTEE REPORTS/ COUNCILMEMBER COMMENTS

Councilmember Scott

- Spoke about attending the monthly Des Moines Farmer's Market meeting as Council liaison. She reported sales are double last year and people are coming from farther away than Des Moines
- Reported that the Finance and Economic Development Committee elected Mayor Pro-Tem Matt Pina as Chair

Councilmember Burrage

- Spoke about the South County Transportation Board which met on August 21, 2012, where the Strategic Plan for the Port of Tacoma was discussed.

Councilmember Musser

- Highline School District schools opened today. She urged care and safety in school zones.
- Commented on the contributions of Policy Analyst Sue Anderson's work on the HEAL grant and Highline Communities Coalition

Councilmember Caldwell

- Spoke about the city's Walking Audit
- Called attention to noise and acoustics in City Hall Council Chambers and Senior Activities Center
- He walks daily and commented on the lack of toilet facilities

PRESIDING OFFICER'S REPORT

- Reported on the PS&T meeting last week
- Spoke about the wonderful people in the community who volunteer. He expanded his comments to include the volunteers also serve in the military. He mentioned Sean Carson from Des Moines who died in a helicopter crash in Afghanistan

ADMINISTRATION REPORTS

- An acoustics engineer will do an analysis of acoustics in the Senior Activities Center and Council Chambers
- Dan Brewer spoke about extending the South 216th Street project to include the revolving art project permanent bases for art works. This would jump start the roving public art program. Placement of one permanent base would be located at 20th Street South and South 216th Street at the Activities Center. City public works staff would do the design work saving the Arts Commission some money.

CONSENT AGENDA

Item 1: APPROVAL OF MINUTES

Motion is to approve the minutes of the meeting of August 9, 2012.

Item 2: APPROVAL OF VOUCHERS

Motion is to approve for payment vouchers and payroll transfers described as follows:

Claim checks **\$1,040,409.28**

Payroll fund transfers in the total amount of **\$447,257.01**

Total certified Wire Transfers, Voids, A/P & Payroll vouchers are **\$1,487,666.29**

Item 3: DRAFT RESOLUTION 12-124 – MODIFICATIONS TO SCORE'S CITY OF ORIGIN RELEASE PROGRAM FOR CITY OF SEATAC (SeaTac City Manager to Attend)

Motion is to approve Draft Resolution No. 12-124 authorizing the addition of the Sound Transit Community Access Point at South 176th Street to SCORE's City of Origin Release Program for inmates released to the City of SeaTac.

Item 4: TRANSPORTATION GATEWAY PROJECT CONSULTANT AGREEMENT SUPPLEMENT: RIGHT-OF-WAY ACQUISITION SERVICES FOR THE SOUTH 216TH STREET PROJECT (SEGMENT 1A: 24TH AVE. S. TO 29TH AVE. S.) - PARCEL NUMBER 48

Motion 1 is to approve Supplement #7 with KPG Consulting Engineers, Inc., to complete the Right-of-Way Plans and Preliminary Funding Estimate (PFE) for the South 216th Street Project (Segment 1a: 24th Avenue South to 29th Avenue South) in the amount of \$29,958.69 bringing the total Agreement amount to \$2,270,779.63, and further authorize the City Manager to sign the contract supplement substantially in the form as submitted.

Motion 2 is to approve Supplement #8 with KPG Consulting Engineers, Inc., for work related to Right-of-Way Acquisition Services for Project Parcel 48 in the amount of \$39,125.77 bringing the total Agreement amount to \$2,309,905.40, and further authorize the City Manager to sign the contract supplement substantially in the form as submitted.

Item 5: DRAFT RESOLUTION 12-118: FUNDING CERTIFICATION FOR SOUTH 216TH STREET (18TH AVENUE SOUTH TO 24TH AVENUE SOUTH) IMPROVEMENT PROJECT

Motion is to approve Draft Resolution No. 12-118 certifying to the Washington State Transportation Improvement Board (TIB) that local funding is secured, authorize the City Manager or his designee to sign the

TIB Project Funding Status Form and Fuel Tax Grant Distribution Agreement, and further authorize Administration to advertise the South 216th Street Segment 2 (18th Avenue South to 24th Avenue South) Improvement Project for construction bids upon completion of utility agreements.

Item 6: PROCLAMATION SUPPORTING NATIONAL RECOVERY MONTH
Motion is to support National Recovery Month by passing the proposed proclamation.

Item 7: INTERLOCAL AGREEMENT BETWEEN THE CITY OF DES MOINES AND THE HIGHLINE SCHOOL DISTRICT FOR A SCHOOL RESOURCE OFFICER (SRO)
Motion is to approve the agreement between the City of Des Moines and the Highline School District continuing the School Resource Officer Program under the terms as described in the attached Interlocal Agreement, and to authorize the City Manager to sign the Agreement substantially in the form as submitted.

ACTION/DIRECTION

Councilmember Musser move to adopt the Consent Agenda; Councilmember Caldwell, second. The motion passed, 6-0.

It was mentioned that the Student Resources Officer (SRO) would be 'roving' and would serve Aviation High School, as well as Mt. Rainier High.

PUBLIC HEARING

1. DRAFT RESOLUTION 12-130 – ADDENDUM TO THE SEAMAR DEVELOPMENT AGREEMENT INCREASING NUMBER OF AFFORDABLE HOUSING UNITS

Mayor Kaplan opened the public hearing at 7:45 p.m.

Senior Planner Jason Sullivan provided a brief presentation of progress on the Sea-Mar project. The requested addendum to the existing Development Agreement was necessitated by SeaMar pursuing a 4% Low Income Housing Tax Credit rather than a 9% Low Income Housing Tax Credit.

Mayor Kaplan read the rules of the Public Hearing into the record.

Mayor Kaplan asked that those wishing to speak please do so at this time. Roger Valdez spoke about the SeaMar project. He expressed appreciation and thanks for the City's consideration of this project.

Mayor Kaplan called three times for anyone else wishing to speak. Mayor Kaplan opened up questions to the City Council.

Mayor Kaplan closed the Public Hearing at 7:51 p.m.

Mayor Kaplan asked staff if there had been any misrepresentation of the facts. There were none.

ACTION/DIRECTION

Councilmember Musser moved to approve Draft Resolution No. 12-130 directing the City Manager to sign the First Addendum to the Sea-Mar Development Agreement substantially in the form as submitted; Councilmember Caldwell, second. The motion passed 5-1. Councilmember Scott voted no.

Mayor Kaplan read the Resolution as approved into the record.

OLD BUSINESS

1. SECOND READING BUDGET AMENDMENT DRAFT ORDINANCE NO. 12-105
Finance Director Paula Henderson highlighted revenue changes since Council last discussed the budget amendment ordinance on July 26, 2012.

ACTION/DIRECTION

Councilmember Musser moved to enact Draft Ordinance No. 12-105, relating to municipal finance, amending the 2012 budget adopted in Ordinance No. 1529; Councilmember Caldwell second. The motion passed 6-0.

Mayor Kaplan read the ordinance title into the record.

2. BUDGET PROCESS

City Manager Tony Piasecki presented the City Council's goals and the supporting activities which each department/division performs to promote those goals. Councilmembers rated each item, 1-10, using half numbers, e.g., 6.5, if they wished. Once each activity linked to a goal is ranked, averages are calculated, and the priorities sorted prior to costs for those activities being assigned. Findings will be used to determine how to budget for 2013.

ACTION/DIRECTION

A complete prioritized list will be ready for discussion at the September 13 City Council meeting. No other action was taken; this presentation was for information only.

NEW BUSINESS

1. FINANCIAL UPDATE – YEAR END 2011/EARLY 2012

Finance Director Paula Henderson updated the Council on year end revenues and expenditures 2011 showing a series of charts and graphs depicting revenues with a similar presentation on expenditures dating back to 2007.

Following was a 2012 year-to-date financial report. Revenues shown were 4.25% below last year at the same time at 48% of the budget year being completed. Expenditures shown were 2.1% above projections. All 3 funds are below revenue stabilization levels, but a positive cash balance is shown.

ACTION/DIRECTION

This presentation was for information and discussion only. No action was required.

2. DRAFT ORDINANCE B&O TAX ECONOMIC DEVELOPMENT INCENTIVE

B & O tax provides over \$600,000 in revenues to the City of Des Moines. Other cities have a higher threshold at which businesses are exempt from paying B & O tax. Economic Development Manager Marion Yoshino presented to the City Council a proposal to relax B&O tax requirements for new businesses in Des Moines. With some south sound cities not charging a B & O tax, the tax may factor in when a new business is making a choice of a prospective location in which to conduct its business.

The proposed exemption must be for physical businesses located in Des Moines beginning in 2012 through the end of 2015.

ACTION/DIRECTION

Councilmember Musser moved to waive Rule 26(a) to pass Draft Ordinance No. 12-063 on first reading; Councilmember Caldwell, second. The motion passed/failed 6-0 .

Councilmember Musser moved to enact Draft Ordinance No. 12-063 amending DMMC 3.84.100 establishing an exemption to the B&O tax of three years for new businesses that physically locate in the City of Des Moines before December 31, 2015; Councilmember Burrage, second. The motion passed 6-0.

Mayor Kaplan read the ordinance title as enacted.

NEXT MEETING DATE September 6, 2012, City Council Regular Meeting

ADJOURNMENT

There being no further business to come before the City Council Councilmember Burrage moved to adjourn; Councilmember Scot, second. The motion passed, 6-0.

The meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Sandy Paul CMC
City Clerk

Consent Agenda Item #2

CITY OF DES MOINES
Voucher Certification Approval
13-Sep-12
Auditing Officer Certification

Vouchers and Payroll transfers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the City Council.

As of September 13, 2012 the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers included in the attached list and further described as follows:

The vouchers below have been reviewed and certified by individual departments and the City of Des Moines Auditing Officer.

Claims Vouchers:	Numbers				Amounts
Total A/P Checks/Vouchers	133411	-	133558	148	474,333.90
Electronic Wire Transfers	4		KEYBANK MASTERCARD, BOA VISA, DEPT OF REVENUE		48,438.47
Subtotal for this Council Packet					522,772.37
Voided Claim Checks this check run:					0.00
Voided Claim Checks from previous check runs					0.00
Total Claims/Wire Transfers/Voids				152	522,772.37

Payroll Vouchers:	DISBURSED 09/05/12				Amounts
Payroll Checks	17861		17888	= 28	25,717.96
Direct Deposit	360001	-	360144	= 144	276,428.88
Payroll Taxes					62,651.26
Wage/Garnishments					744.07
Voids				0	0.00
Electronic Wire Transfers					85,876.97
ICMA 401 Forfeitures					(1,454.26)
Total Claims					449,964.88
Total certified Wire Transfers, Voids, A/P & Payroll vouchers for September 13, 2012					972,737.25

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: PTA/PTSA Membership Month
Proclamation

ATTACHMENTS:

1. Proclamation

FOR AGENDA OF: September 13, 2012

DEPT. OF ORIGIN: Legislative

DATE SUBMITTED: August 14, 2012

CLEARANCES:

- Legal NA
- Finance NA
- Marina NA
- Parks, Recreation & Senior Services NA
- Planning, Building & Public Works NA
- Police NA
- Courts NA

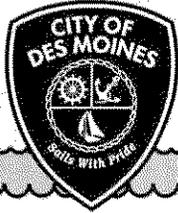
APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

Councilmember Musser requested that this proclamation recognizing the contributions of the PTA/PTSA volunteer organization, which advocates for the well-being of and quality education for all children, be approved by the City Council to proclaim September, 2012 as PTA/PTSA Membership Month in Des Moines, Washington.

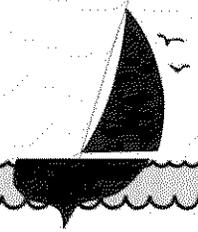
Suggested Motion

Motion: "I move that the City Council support **PTA/PTSA Membership Month** by approving the proposed proclamation."



City of Des Moines

ADMINISTRATION
21630 11TH AVENUE SOUTH, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D.: (206) 824-6024 FAX: (206) 870-6540



PROCLAMATION

WHEREAS, the Washington State PTA is one of the largest volunteer organizations in Washington whose sole purpose is to advocate, serve and safeguard children and families; and

WHEREAS, for more than 115 years the PTA's vision has been focused on behalf of the needs of the children through a network of dedicated members comprised of parents, educators and caring citizens who volunteer their time and expertise to ensure a better world for children; and

WHEREAS, the PTA/PTSA units of Des Moines schools assist parents in developing the skills they need to raise and protect their children, encourages parent and public involvement in public schools in our community, and speak on behalf of children and schools in the community, in organizations, and before public governing bodies; and

WHEREAS, the parent's vision is that every child will enjoy safety, well being and receive a quality education, while the teacher's vision is for every child to have an advocate and their individual needs met; and

WHEREAS, the strength of the Washington State PTA is in the advocacy of its 142,000 members whose vision is "Making Every Child's Potential a Reality".

NOW, THEREFORE, the City Council of Des Moines, Washington, proclaims September, 2012, as

PTA/PTSA Membership Month

SIGNED this _____ day of _____ September _____, 2012.

Dave Kaplan, Mayor

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Surplus of Marina Property

FOR AGENDA OF: September 13, 2012

ATTACHMENTS:

- 1. Draft Resolution No. 12-143

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: August 28, 2012

CLEARANCES:

- Legal TS
- Finance N/A
- Marina [Signature]
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police NA
- Courts NA

APPROVED BY CITY MANAGER
FOR SUBMITTAL [Signature]

Purpose and Recommendation

The purpose of this agenda item is to seek City Council approval of the disposal of surplus property by auction, sale, or transfer to another agency.

Suggested Motion

Motion: I move to adopt Draft Resolution No. 12-143 declaring certain Marina property identified by Exhibit "A" as surplus and authorizing disposal of said Marina surplus property by auction, sale, or transfer to another agency.

Background

Approximately 10 years ago, the Marina purchased apartment-style mail boxes for approximately \$600 to be used by the live-aboard tenants. These mailboxes have not been used for some time and therefore have been removed. They are currently in storage.

Discussion

Surplus property with an estimated value of less than \$50,000 may be auctioned, sold, or transferred to another agency without a public hearing. Adoption of Draft Resolution No. 12-143 will declare the property as surplus since it is no longer used by the Marina and authorize disposal of the personal property by the City Manager.

Alternatives Not to adopt Draft Resolution No. 12-143 and continue to store the unused property.

Financial Impact None. The cost of the auction, not to exceed 25% of the bid amount, and reasonable advertising costs will be covered by the proceeds of the sale.

Recommendation or Conclusion

It is recommended that Council declare the property as surplus and authorize the disposal by auction, sale, or transfer to another agency.

Concurrence

Administration, Legal, and Marina Departments concur.

CITY ATTORNEY'S FIRST DRAFT 8/13/2012

DRAFT RESOLUTION NO. 12-143

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, declaring certain property surplus and authorizing disposal of surplus property by auction, sale, or transfer to another agency.

WHEREAS, during regular business the City accumulates equipment, and property, and

WHEREAS, the City intends to dispose of unneeded equipment and property as allowed by law as surplus, and

WHEREAS, the City of Des Moines typically sells surplus property and equipment at public auction to the highest bidder or disposes of such property and equipment through the State Surplus Program, and

WHEREAS, the City desires to surplus the items as identified in Exhibit "A" attached to this Resolution; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The property identified by Exhibit "A" is hereby declared by this Resolution to be surplus property.

Sec. 2. The City Manager is authorized to dispose of the items identified by Exhibit "A" by auction, sale, or transfer to another agency.

Sec. 3. The City Manager is authorized to establish minimum bid/sale amounts for the property identified in Exhibit "A" as deemed to protect the City's interests. Furthermore, the City Manager is authorized to dispose of items of virtually no value by reasonable means including disposal as solid waste.

Sec. 4. The City Manager is authorized to contract for professional auction services where the cost of such services

Resolution No. ____

Page 2 of ____

does not exceed twenty-five percent (25%) of the amount bid, plus reasonable advertising fees.

Sec. 5. All net proceeds from the disposal of the surplus property identified in Exhibit "A" shall be deposited into the Miscellaneous Revenues fund.

ADOPTED BY the City Council of the City of Des Moines, Washington this ____ day of _____, 2012 and signed in authentication thereof this ____ day of _____, 2012.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

8/28/12 8:08 AM

EXHIBIT "A"
Resolution No. _____

Number	Description	Approximate Value
2	Mo. USPS-STD-4B Salsbury Industries Mail Boxes.	\$100 each

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: 2008-2012 Street Sweeping Services
Contract Addendum

FOR AGENDA OF: September 13, 2012

ATTACHMENTS:

DEPT. OF ORIGIN: Planning, Building and
Public Works

- 1. Street Sweeping Contract Addendum
- 2. 2008-2012 Street Sweeping Services
Contract

DATE SUBMITTED: August 30, 2012

CLEARANCES:

- Legal JS
- Finance pk
- Marina _____ N/A
- Parks, Recreation & Senior Services _____ N/A
- Planning, Building & Public Works JA
- Police N/A
- Courts _____ N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: [Signature]

Purpose and Recommendation

The purpose of this Agenda Item is to approve a twenty-four (24) month extension to the 2008-2012 Street Sweeping Services Contract. This extension is based upon the satisfactory performance provision of the contract, and would be at no additional bid pricing increase to the City. The Addendum is included as Attachment 1.

Suggested Motion

Motion: "I move to approve a twenty-four (24) month extension to the 2008-2012 Street Sweeping Services Contract with Action Services Corporation, extending the end date to July 31, 2014, in an amount not to exceed the budgeted amount of \$50,000 per year consistent with the August 29, 2008 Agreement, and authorize the City Manager to sign the contract addendum substantially in the form submitted."

Background

The Surface Water Management (SWM) Utility pays all the costs of this service because the street sweeping helps clean up pollution before it gets into the storm system and streams.

On July 3, 2008, the invitation for bids was placed via e-mail utilizing the MRSC roster process. Bids were opened and publicly read aloud on July 18, 2008. We received a total of 2 bids, with Action Services Corporation being the apparent lowest responsive bidder.

The contract began on August 1, 2008 and was to end on July 31, 2012; and included a 2-year extension provision based upon satisfactory performance (at no additional bid pricing increase to the City).

The purpose of the Addendum (Attachment 1) is to officially exercise that satisfactory performance extension for a period of twenty-four (24) months, ending on July 31, 2014, at no additional bid price.

Discussion

Action Services Corporation has been sweeping the City streets for 4 years now, and has been doing a good job. There have been minimal citizen complaints received and only minor staff concerns with the performance of their duties. Staff contacted Action Services Corporation about the possibility of enacting the 2-year satisfactory performance extension (at no additional bid pricing increase to the City) to see if they would be willing to entertain the provision. Action Services Corporation seemed to be excited with the opportunity, and is awaiting approval of the Addendum.

Alternatives

The City could reduce or eliminate street sweeping services. Appearance of City streets would deteriorate, as would emergency sweeping responses and special event sweeping. Increased amounts of roadway pollution would be washed into the storm system and into salmon bearing streams.

Financial Impact

The SWM Utility has sufficient funds budgeted for these important sweeping services.

Recommendation or Conclusion

Staff recommends approving the Addendum with Action Services Corporation, and extending the street sweeping contract for an additional 2 years, ending on July 31, 2014. Staff will prepare a new bid package for these services in 2014 or propose a new method of completing the street sweeping within the City.

Concurrence

Planning, Building and Public Works, Finance, and Legal Departments concur.



CONTRACT AMENDMENT/ADDENDUM FORM

**CONTRACT FOR STREET SWEEPING BETWEEN
THE CITY OF DES MOINES AND ACTION SERVICES CORPORATION**

THIS AMENDMENT/ADDENDUM is entered into on this _____ day
of _____, 2012, pursuant to that certain Contract entered into on the 29th day
of August, 2008, between the **CITY OF DES MOINES, WASHINGTON** (hereinafter
"City"), and **ACTION SERVICES CORPORATION**, (hereinafter "Contractor"),.

The parties herein agree that the Contract dated
August 29, 2008, shall remain in full force and effect, except for the
amendments/addendums set forth as follows:

1) **SECTION 1.1** of Contract dated August 29, 2008, is hereby amended to
read as follows:

The contract for service (based upon satisfactory performance extension
at no additional bid pricing increase to the City) shall be in effect for a term
of twenty-four (24) months and shall commence on August 1, 2012 and
shall end on July 31, 2014.

IN WITNESS WHEREOF the parties hereto have executed this Addendum as of the date first above written.

<p>ACTION SERVICES CORPORATION:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: _____</p> <p>Its _____ <i>(Title)</i></p> <p>DATE: _____</p>	<p>CITY OF DES MOINES:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: <u>Anthony A. Piasecki</u></p> <p>Its <u>City Manager</u> <i>(Title)</i></p> <p>DATE: _____</p> <p style="text-align: right;">Approved as to form:</p> <p style="text-align: right;">_____ City Attorney</p> <p style="text-align: right;">DATE: _____</p>
<p>NOTICES TO BE SENT TO:</p> <p>ACTION SERVICES CORPORATION:</p> <p>Tony Sandefur Action Services Corporation P. O. Box 4339 Bremerton, WA 98312</p> <p>(360) 373-4265 (telephone) (360) 373-9711 (facsimile)</p>	<p>NOTICES TO BE SENT TO:</p> <p>CITY OF DES MOINES:</p> <p>Scott J. Romano City of Des Moines 21650 11th Avenue S Des Moines, WA 98198 (206) 870-6539 (telephone) (206) 870-6596 (facsimile)</p>

2008-2012 STREET SWEEPING SERVICES

THIS AGREEMENT entered into this 29th day of August, 2008, by and between the City of Des Moines, a Washington Municipal Corporation (CITY) and ACTION SERVICES CORPORATION, hereinafter called the (CONTRACTOR).

WITNESSED that in consideration of the terms and conditions contained herein and attached and made a part of this agreement, the parties covenant and agree as follows:

I. TERM AND PAYMENT.

- 1.1 **Term.** The contract for service shall be in effect for a term of forty-eight (48) months and shall commence on August 1, 2008 and shall end on July 31, 2012. The contract shall also include a satisfactory performance extension (at no additional bid pricing increase to the City) of twenty-four (24) months. The CITY will notify the CONTRACTOR in writing a minimum of thirty (30) days in advance of the contract termination date of the intent to extend the contract twenty-four (24) months based upon satisfactory performance.
- 1.2 **Termination.** In the event of CONTRACTOR'S material breach of this contract, this contract may be immediately terminated by the City of Des Moines. CONTRACTOR's failure to perform any of the duties outlined herein shall constitute a material breach of the contract.
- 1.3 **Payment for regularly-scheduled sweeping.** CONTRACTOR shall be paid monthly for regularly-scheduled sweeping in the lump sum amount of \$3,239.31 (1/15 of total annual regular sweeping bid) for the months February-October, and \$6,478.73 (2/15 of total annual regular sweeping bid) for the months of November-January. Payment is inclusive of all applicable sales tax, for services rendered in each month. This amount reflects full payment for complete regularly-scheduled sweeping of the streets shown on Work Zone Maps 1, 2, 3, 4, 5, 6 and 7, all attached hereto as Attachment A and incorporated herein by this reference, according to the schedules stated in Attachment A, and in compliance with all terms and conditions of this agreement.
- 1.4 **Payment for special sweeping.** CONTRACTOR shall be paid monthly for special sweeping at the hourly rate of \$ 40.00 per hour, inclusive of all applicable sales tax, if any special sweeping services are rendered during the month. Minimum compensation time for each special sweeping call-out shall be two (2) hours at the established special sweeping hourly rate. Invoices for payment for special sweeping must show the name of the person requesting special sweeping, date and time of request, date and time completed, and location of work. The payment amount reflects full payment for special sweeping in compliance with all terms and conditions of this agreement.
- 1.5 **Payment for change orders consistent with scope of agreement.** If the CITY executes change orders consistent with scope of this agreement increasing the total linear curb footage beyond that originally set forth in this agreement, the CITY shall pay CONTRACTOR for the additional footage at rates calculated as follows:
- (a) Establish the street sweeping frequency schedule for the added street(s);

- (b) Determine the total additional footage per sweeping schedule for the added street(s);
- (c) Determine the CONTRACTOR's contract price per foot for each affected street schedule from the costs, linear curb footage and schedules established in this contract;
- (d) Multiply the total additional footage per sweeping schedule by the contract price per foot for that schedule.

1.6 Invoice and payment schedule. Invoices shall be submitted to the CITY by the second business day of each month. Payment for services rendered during each month will be paid as soon as possible under the CITY's standard schedule for processing purchase orders. The estimated time for payment shall be thirty (30) calendar days from the date of proper receipt of CONTRACTOR's invoices. Invoices shall certify that all zones were swept and shall include dates, operators, odometer readings, and zones completed.

II. DEFINITIONS.

Whenever in the contract, the specifications and other contract documents the following words, and terms or pronouns in place of them, are used, the meaning will be construed as follows:

- 2.1 Alley.** The entire width between the boundary lines of right of way, publicly maintained.
- 2.2 Auxiliary lane.** The portion of the street adjoining the traveled way for parking, speed change, turning, storage for turning, weaving, truck climbing or for other purposes supplementary to through traffic movement.
- 2.3 City.** The City of Des Moines, a Washington Municipal Corporation, whose mailing address is 21630 11th Avenue South, Des Moines, Washington, 98198.
- 2.4 Contractor.** The individual, firm, joint venture, co-partnership or corporation, and its heirs, executors, administrators, successors, and assigns, or the lawful agent of any such individual, firm, partnership, covenantor or corporation, or its surety under the contract bond, constituting one of the principles to the contract and undertaking to perform the work herein specified. Where any pronoun is used as referring to the word "CONTRACTOR" it shall mean the Contractor as defined above.
- 2.5 Curb.** A vertical or sloping member generally along and defining the edge of street.
- 2.6 Intersection.** The area embraced within the prolongation or connection of the lateral curb lines, or if none, then the lateral boundary lines of two streets which join one another at, or approximately at, right angles, or the area within which vehicles traveling upon different streets joining at any other angle may come in conflict. The junction of an alley with a street is included.
- 2.7 Regularly – scheduled sweeping.** Sweeping on the following schedule: All public residential streets are to be swept once a month from February to October and twice a month from November through January.
- 2.8 Special sweeping.** Sweeping in addition to regularly scheduled sweeping, when CONTRACTOR is specifically directed by the CITY to perform extra work.

- 2.9 **Street.** Entire surface from curb to curb including islands, traffic curbs, intersection areas, auxiliary lanes and those paved areas between curbs that exist where alleys intersect streets.
- 2.10 **Work.** Furnishing of all labor, materials, equipment, and other incidentals necessary or convenient to the successful completion of the service and carrying out of all the duties and obligations imposed by the contract.

III. SCOPE OF SERVICES.

- 3.1 **General obligations.** The CONTRACTOR shall do all work and furnish all tools, materials, and equipment for street sweeping in accordance with and as described in this contract, including all attached exhibits and forms. The CONTRACTOR shall be responsible to obtain and pay for any permits or licenses required by the City or any other local, state or federal governmental authority that are necessary to perform the contract.
- 3.2 **Schedule to be submitted.** Within seven days of the effective date of this agreement, the CONTRACTOR shall submit for the City's approval, a monthly sweeping schedule for regularly-scheduled sweeping, together with a planned route outline on maps furnished by the CITY. CONTRACTOR shall designate which holidays it will observe and indicate all schedule modifications if the holiday falls on a regular sweeping day. Should the CONTRACTOR need to modify the schedule as submitted, the CONTRACTOR shall give not less than seven (7) calendar days written notice to the CITY of any changes.
- 3.3 **Schedule restrictions.** The CONTRACTOR shall comply with the following route schedule restrictions:
Downtown area: No sweeping activities shall take place between 7 p.m. and 7 a.m.
Residential areas: No sweeping activities shall take place between 7 p.m. and 7 a.m.
- 3.4 **Regularly – scheduled sweeping.** CONTRACTOR shall complete regularly-scheduled sweeping of the streets shown on Work Zone Maps 1, 2, 3, 4, 5, 6 and 7, all attached hereto as Attachment A and incorporated herein by this reference, according to the schedule submitted as required by this agreement, as stated in Attachment A, and in compliance with all terms and conditions of this agreement. Specifically, regularly – scheduled sweeping shall be completed on the following schedule: All public residential streets are to be swept once a month from February to October and twice a month from November through January.
- 3.5 **Schedule variance.** The CONTRACTOR assumes the risk of all conditions foreseen or unforeseen and agrees to continue to perform the work described in this contract without additional compensation under its regular weekly schedule as provided to the CITY. Specifically, additional debris on streets caused by excessive rainfall or caused by street sanding during or after snowfall shall not give rise to a claim for additional compensation or allow substantial variance from the weekly schedule.
- 3.6 **Special sweeping.** When CONTRACTOR is specifically directed by the CITY to perform special sweeping in addition to regularly-scheduled sweeping, CONTRACTOR shall respond and commence that work within two hours of receiving that direction.

Minimum compensation time for special sweeping work shall be two (2) hours at the special sweeping hourly rate established herein.

3.7 Work quality standards.

- (a) Streets shall be swept clean and no piles of debris shall be left anywhere within any street or right-of-way.
- (b) Intersections shall be swept clean and CONTRACTOR shall hand sweep areas skipped by the sweeping machines.
- (c) Water shall be used as required by the CITY to control dust.
- (d) The CONTRACTOR shall be responsible for the cleaning of all debris spilled or tracked on any street, alley or public place by any of its equipment, and if the CONTRACTOR fails to clean the same within the same day, but not to exceed a 24-hour period that notice is given by the CITY, the CITY may cause such streets to be cleaned and charge the costs to the CONTRACTOR. The CITY is authorized to deduct such cost from any payments due to the CONTRACTOR.

3.8 Water use and costs. It will be the CONTRACTOR's responsibility to obtain and pay for any water used in the sweeping operations.

3.9 Protection of utilities. The CONTRACTOR shall protect all public and private utilities from damages by its operation. If these utilities are damaged by reason of the CONTRACTOR's operations, CONTRACTOR shall, at its own expense, promptly repair or replace same to the original and/or better conditions. In the event CONTRACTOR fails to promptly make the repairs, the CITY shall make the repair or replacement, and the cost of doing so shall be billed to CONTRACTOR or alternately, the CITY may deduct that cost from any payments due the CONTRACTOR. The CONTRACTOR shall be responsible for all consequences and hold the CITY harmless caused by the damage or interruption of such Utilities services.

3.10 Handling of wastes.

- (a) CONTRACTOR recognizes that the debris or material collected by its street sweepers either is or contains dangerous or hazardous wastes. CONTRACTOR agrees to collect, handle and transport the debris or material specifically in accordance with all standards, rules and regulations now in effect or hereafter amended or enacted by the Washington Department of Ecology and the United States Environmental Protection Agency to the CITY Public Works Service Center properly designated storage bunkers at 2255 South 223rd Street. CONTRACTOR further assumes full responsibility and holds the CITY harmless for complete compliance with all other applicable local, state or federal laws, rules or regulations that apply to the services provided in this contract as they affect the collection, handling, transportation or disposal of hazardous or dangerous wastes collected by its street sweepers.
- (b) Extra care shall be taken in the loading and transportation of street sweeping spoils and other waste so that none of the material to be collected is left either on private property or on the street or alleys. All wastes shall be taken to CITY'S Public Works Service Center at 2255 South 223rd Street and delivered into the properly designated storage bunker. CITY will dispose of wastes

from the Service Center area. Any waste left on private property or on streets or alleys by the CONTRACTOR shall immediately be removed upon notice from the CITY.

3.11 Sweeping vehicle requirements. Sweeping vehicles shall be numbered and shall have the CONTRACTOR's name and vehicle number painted in letters of contrasting color at least four inches high on each side and on the back of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR. All vehicles shall be kept in a clean and sanitary condition, and all sweeping vehicles shall be cleaned at least once a week. Repainting of all vehicles shall be done as needed to maintain an acceptable appearance, or within thirty (30) days after the written notification by the CITY. Sweeping vehicles shall be maintained in good working condition, equipped with proper warning lights, and operated and equipped in accordance with chapter 46.37 RCW as it applies to slow moving and/or maintenance vehicles. The requirement to maintain sweeping vehicles in good working condition specifically requires that the odometer be maintained in an accurate working condition.

3.12 Employee requirements. CONTRACTOR shall comply with the following employee requirements:

- (a) All workers shall be COMPETENT and SKILLED in the performance of the work to which they may be assigned. Failure or delay in the performance of this contract due to the CONTRACTOR's inability to obtain workers of the NUMBER and SKILL required shall constitute a material breach of this contract. **PAYMENT OF PREVAILING WAGES IS REQUIRED FOR THIS PUBLIC WORKS CONTRACT.**
- (b) CONTRACTOR shall require that all operators of its street sweeping equipment maintain current, valid, appropriate Washington State Driver's Licenses, and any other pertinent requirements thereof.
- (c) The CONTRACTOR shall require all employees to be courteous at all times, to abstain from the use of loud or profane language, and to perform their work as quietly as possible. All employees shall be neat in appearance. The CITY reserves its absolute right to determine whether CONTRACTOR is in compliance with this subsection.
- (d) If the CONTRACTOR's officers are not available, pick-up orders may be given by the CITY to the CONTRACTOR or his/her designee, who shall have immediate charge of operations and who shall provide the required performance.

3.13 CONTRACTOR communication with CITY.

- (a) CONTRACTOR'S responsible management or supervisory persons shall be accessible at or through the office during regular business hours to assure the required contractual performance. CONTRACTOR shall maintain a telephone message system to receive messages when the office is closed.
- (b) The parties agree that they will establish acceptable procedures for communication of necessary information. Each party agrees to designate a key employee who will be the responsible contact person for that party with

respect to implementation of the contract and communication of information necessary for the performance of the contract. Each party agrees to follow the procedures established between the parties for regular, effective communication of information between the parties.

3.14 CONTRACTOR claims program.

(a) CONTRACTOR is responsible for maintaining a claims program for alleged personal injury or property damage which has occurred as the result of CONTRACTOR's operations or activities covered under this agreement. Under no circumstances is the CONTRACTOR to direct that claims be filed with the CITY.

(b) The CONTRACTOR shall **promptly** notify the CITY in writing of any claims, their resolution process, investigation, and payment to claimants. Upon any determination by the CITY that the claimed injury or damages resulted from the operation of the CONTRACTOR, regardless of fault or negligence, the CONTRACTOR shall promptly pay such amounts to the claimant. This provision shall apply only in claims of Five Hundred Dollars (\$500.00) or less.

3.15 CONTRACTOR recordkeeping and invoicing. CONTRACTOR agrees and covenants to keep at all times accurate and complete records and accounts in writing, including route books indicating which streets were swept, as dictated by acceptable business and accounting practices. The CONTRACTOR shall allow the CITY's duly authorized representative or agent reasonable and adequate access to all records, data, copies or duplicates without charge. The CONTRACTOR shall deliver to the CITY a written invoice by the second business day of each month. The City will not process an invoice for payment if CONTRACTOR does not timely and accurately provide these invoices. In the event no such written invoice is received by the CITY, the CITY's record shall control in any dispute between CONTRACTOR and the CITY and the CONTRACTOR waives and releases its right to prove or allege any facts or other data differing from the CITY's record.

IV. GENERAL PROVISIONS.

4.1 CONTRACTOR decision. CONTRACTOR acknowledges that it has made its own examination, investigation, and research regarding the proper method of doing the work, all conditions affecting the work to be done, the labor, equipment and materials needed and the quantity of the work to be performed. CONTRACTOR is satisfied with its own investigation and research regarding all of these conditions and the Contractor's decision to enter into the proposed contract is based upon such investigation and research. The CONTRACTOR further assumes full responsibility for any estimates, statements or interpretations made by any officer or agent of the CITY whether or not all or part of any of those estimates, statements or interpretations may prove to be in any respect erroneous.

4.2 CONTRACTOR is independent contractor. CONTRACTOR is and shall be at all times acting as an independent contractor and not as an employee of the CITY. The CONTRACTOR shall secure at its expense, and shall be responsible for all payments of

income tax, social security, state disability insurance compensation, unemployment compensation, and all other payroll deductions for the CONTRACTOR, officers, agents, employees and sub-contractors. The CONTRACTOR shall also secure all applicable business licenses, if required, in connection with the contract services, including all required licenses for CONTRACTOR's officers, agents, employees and sub-contractors.

4.3 Prohibition of use of CITY identification. The CONTRACTOR shall not use a firm name containing the words "Des Moines", "City", or any words implying municipal ownership.

4.4 Prevailing wages required. This contract is subject to the minimum wage requirements of RCW 39.12 and to RCW 49.28 (as amended or supplemented). CONTRACTOR, any subcontractor, and all individuals or firms required by RCW 39.12 or WAC 296-127 to pay minimum prevailing wages, shall not pay any worker less than the minimum hourly wage rates and fringe benefits required by RCW 39.12. By including the requirement to pay hourly minimum rates for wages and fringe benefits in the contract provisions, the CITY does not imply that CONTRACTOR will find labor available at those rates. CONTRACTOR shall be responsible for any amounts above the minimums that will actually have to be paid. CONTRACTOR shall bear the cost of paying wages above those required by the contract provisions. CONTRACTOR shall request a determination of the correct wage rate for job class and locality from the Industrial Statistician, Washington State Department of Labor and Industries (State L&I). CONTRACTOR shall provide a copy of these determinations to the CITY. CONTRACTOR shall be responsible for compliance with the requirements of RCW 39.12 by all firms engaged in any part of the work necessary to complete this contract. Therefore, should a violation of this subsection occur by CONTRACTOR or any firm that is providing work or materials for completion of this contract whether directly or indirectly responsible to CONTRACTOR, the CITY will take action against CONTRACTOR, as provided by the provisions of the contract, to achieve compliance, including but not limited to, withholding payment on the contract until compliance is achieved. CONTRACTOR shall defend, indemnify, and hold the CITY harmless from any violation of RCW 39.12.

4.5 Change orders. During the term or terms of this contract, the CITY shall have the right to make additions to, deductions from, or other changes in the nature of the work by executing change orders consistent with scope of this agreement. CONTRACTOR shall not make any changes in the nature of the work without the prior written approval of the CITY establishing the nature of the change and compensation therefore.

V. INDEMNIFICATION AND INSURANCE.

5.1 Insurance is material to contract. Approval of required insurance is a condition precedent to the execution of this agreement. A failure to provide the required insurance coverage shall be deemed to constitute non-acceptance of the contract by the CONTRACTOR. The CITY reserves the right to then award the contract to the next lowest bidder. In order to protect the public interest and notwithstanding any provisions herein to the contrary, CONTRACTOR's failure to comply with any provision in this section shall subject this Contract to immediate termination without notice and without recourse by any person.

5.2 Insurance costs and deductibles are responsibility of CONTRACTOR. Any cost associated with insurance coverage is included in the CONTRACTOR's basic fee is not chargeable to the CITY. Any payment of deductible or self insured retention shall be the sole responsibility of the CONTRACTOR.

5.3 Indemnification / Hold Harmless

(a) The CONTRACTOR shall defend, indemnify and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the CITY.

(b) Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the CONTRACTOR and the CITY, its officers, officials, employees, and volunteers, the CONTRACTOR'S liability hereunder shall be only to the extent of the CONTRACTOR'S negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the CONTRACTOR'S waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

5.4 Insurance. The CONTRACTOR shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, their agents, representatives, employees or subcontractors.

5.5 Minimum Scope of Insurance. CONTRACTOR shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

Pollution Liability coverage at least as broad as that provided under ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48 shall be provided, and the Motor Carrier Act Endorsement (MCS 90) shall be attached..

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to

provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The CITY shall be named as an insured under the CONTRACTOR'S Commercial General Liability insurance policy with respect to the work performed for the CITY using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

3. Pollution Legal Liability insurance covering losses caused by pollution conditions that arise from the operations of the CONTRACTOR. The Pollution Legal Liability insurance shall be written in an amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$1,000,000. Coverage may be written on a claims-made basis.

Pollution coverage policies required under Paragraphs 1 and 3 above shall specifically insure CONTRACTOR'S collection, handling, storage, transportation and placement of wastes (specifically including every claim, action, suit, liability, loss, cost, expense or damage of every kind arising from CONTRACTOR'S collection, handling, transportation, storage or disposal of hazardous or dangerous wastes) to and at CITY'S designated Public Works Service Center at 2255 S. 223rd Street of any hazardous or dangerous wastes contained in the street sweeping debris or materials.

4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

5.6 Minimum Amounts of Insurance. CONTRACTOR shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.
3. Pollution Legal Liability shall be written in an amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$1,000,000. Coverage may be written on a claims-made basis.

5.7 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The CONTRACTOR'S insurance coverage shall be primary insurance as respect to the CITY. Any Insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
2. The CONTRACTOR'S insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.
3. The CITY and its officers, elected officials, employees, agents, engineers, consultants, and volunteers, shall be additional insured(s) for the full available limits of liability maintained by the CONTRACTOR.

5.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

5.9 Verification of Coverage. CONTRACTOR shall furnish the CITY with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the CONTRACTOR before commencement of the work.

5.10 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the same insurance requirements as stated herein for the CONTRACTOR.

VI. MEDIATION/ARBITRATION.

(a) If a dispute arises from or relates to this contract or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under the American Arbitration Association's Rules before resorting to arbitration. The mediator may be selected by agreement of the parties or through the American Arbitration Association. Following mediation, any unresolved controversy or claim arising from or relating to this Agreement or breach thereof shall be settled through arbitration which shall be conducted under the American Arbitration Association's Arbitration Rules. The arbitrator may be selected by agreement of the parties or through the American Arbitration Association. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

(b) In addition to any other remedy provided herein, the CITY reserves the right to pursue any remedy to compel or force CONTRACTOR and/or its successors and assigns to comply with the contract terms, and the pursuit of any right or remedy by the CITY shall not prevent the CITY from thereafter declaring a forfeiture or revocation for breach of the conditions herein.

(c) CONTRACTOR warrants to the CITY that it shall enter into a dispute resolution agreement with every subcontractor, supplier or other laborer, materialman or vendor that shall be identical, except for the names of the parties so bound, to the first paragraph of this section.

VII. VENUE, APPLICABLE LAW and PERSONAL JURISDICTION. All questions related to this contract shall be resolved under the laws of the State of Washington. In the event that either party deems it necessary to institute legal action arising from this Agreement, such action shall be instituted in the King County Superior Court. The parties each consent to the personal jurisdiction of such court. Except as otherwise provided by law, it is expressly understood that neither party can institute any legal action against the other based on this Agreement until the parties have exhausted the mediation and arbitration procedures required by the previous paragraph.

VIII. MISCELLANEOUS.

- 8.1 Nondiscrimination.** CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, age, sex, marital status, parental status, sexual orientation, political ideology, the presence of any sensory, mental or physical handicap or the use of a trained guide or service dog by a disabled person, unless based upon bona fide occupational qualification. CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, ancestry, national origin, age, sex, marital status, parental status, sexual orientation, political ideology, the presence of any sensory, mental or physical handicap or the use of a trained guide or service dog by a disabled person. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause. Failure to comply with any of the terms of this section shall constitute a breach of this contract.
- 8.2 Complete agreement.** The written provisions and terms of this contract, its exhibits and attachments, shall supersede all prior verbal statements of any officer or other representative of the CITY, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this contract or the contract documents.
- 8.3 Written waiver required.** No waiver of any of the provisions of this contract shall be binding unless in writing and signed by a duly authorized representative of the CITY.
- 8.4 Severability.** If any section, sentence, clause or phrase of this contract should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this contract. In the event that any of the provisions of this contract are held to be invalid by a court of competent jurisdiction, the CITY reserves the

right to reconsider the award of this contract and may amend, repeal, add, replace or modify any other provision of this contract, or may terminate this contract.

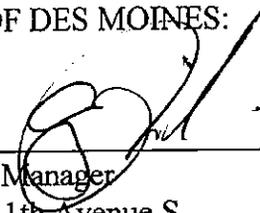
8.5 Address for formal communications. All formal communications regarding this contract shall be sent to the parties at the addresses below. Any written notice shall become effective as of the date of mailing by registered or certified mail and shall be deemed sufficiently given if sent to the addressee at the address stated in this contract or such other address as may hereafter be specified in writing.

8.6 Ratification and Confirmation. Any acts consistent with the authority and prior to the effective date of this contract are hereby ratified and confirmed.

8.7 Concurrent Originals. This contract must be signed in four (4) concurrent originals.

THE PARTIES agree to all terms and conditions of this contract.

CITY OF DES MOINES:

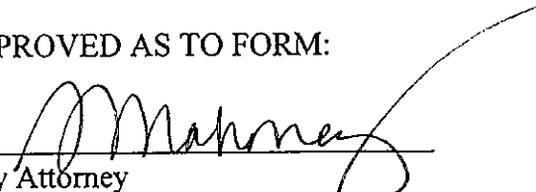
By: 
Its City Manager
21630 11th Avenue S.
Des Moines, WA 98198

Dated: 8/29/08
By direction of the Des Moines
City Council in open public
meeting on July 24, 2008

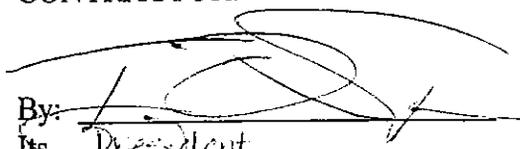
ATTEST:

By: 
Vicki Sherk
Acting City Clerk

APPROVED AS TO FORM:


City Attorney

CONTRACTOR:

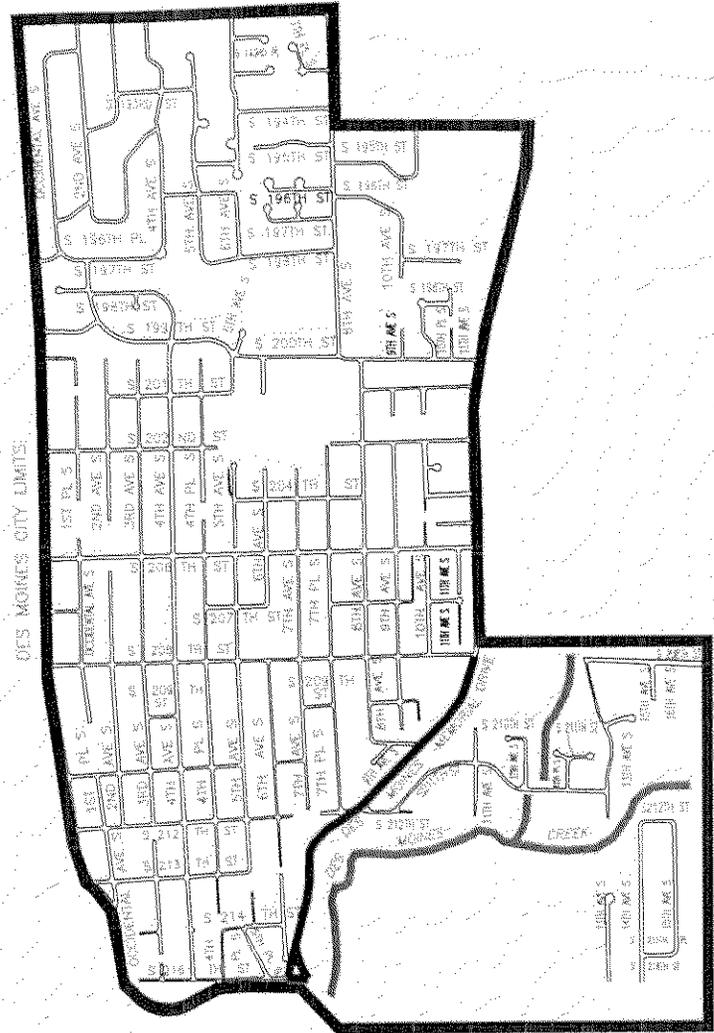
By: 
Its President
P.O. Box 4337
Bremerton, WA 98312
(Address)

Dated: July 31, 08

ATTEST (If Corporation):

By: 
Title: President

[Corporate Seal]



NOTES:
 1. THE RED HIGHLIGHTED AREA EQUALS 0.73 CENTERLINE MILES, AND WILL BE MAINTAINED TWICE MONTHLY.
 2. THE TOTAL CENTERLINE MILES TO BE MAINTAINED IN THIS WORK ZONE EQUALS 21.15



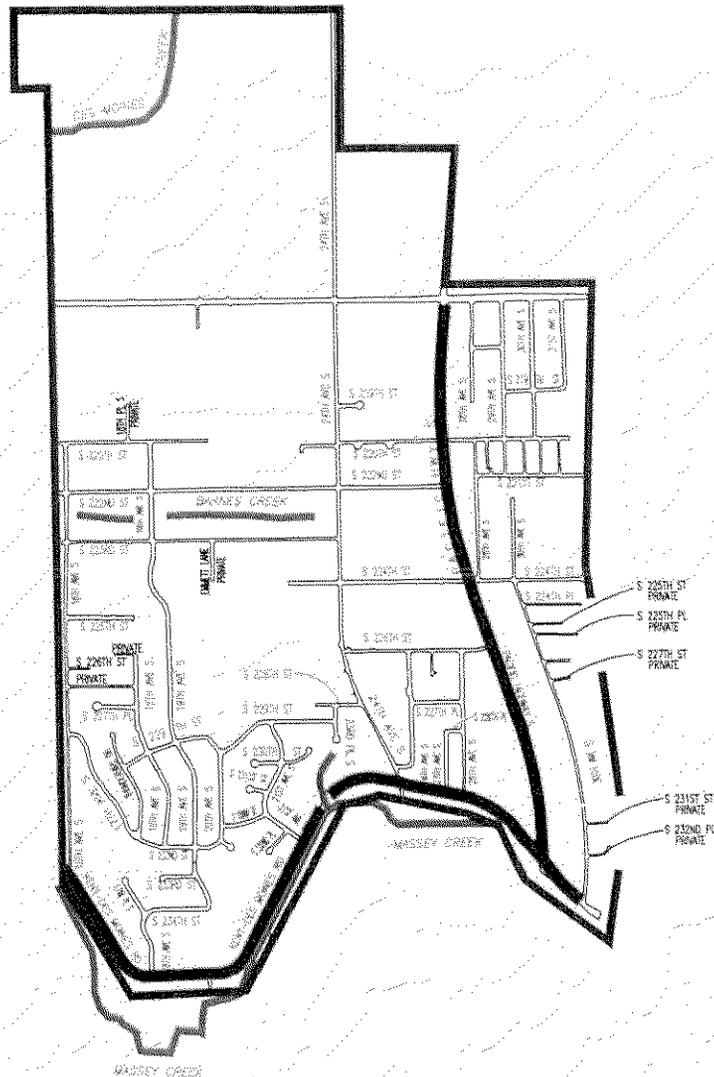
CITY OF DES MOINES
 PUBLIC WORKS DEPARTMENT

WORK ZONE 1

DRAWN BY: KEN THOMAS
 CHECKED BY: SCOTT ROMANO

SCALE: NTS
 DATE: 06-18-08





NOTES:
 1. THE RED HIGHLIGHTED AREA EQUALS 2.41 CENTERLINE MILES, AND WILL BE MAINTAINED TWICE MONTHLY.
 2. THE TOTAL CENTERLINE MILES TO BE MAINTAINED IN THIS WORK ZONE EQUALS 14.45.



CITY OF DES MOINES
 PUBLIC WORKS DEPARTMENT

WORK ZONE 3

DRAWN BY: KEN THOMAS
 CHECKED BY: SCOTT ROMANO

SCALE: NTS
 DATE: 06-18-06



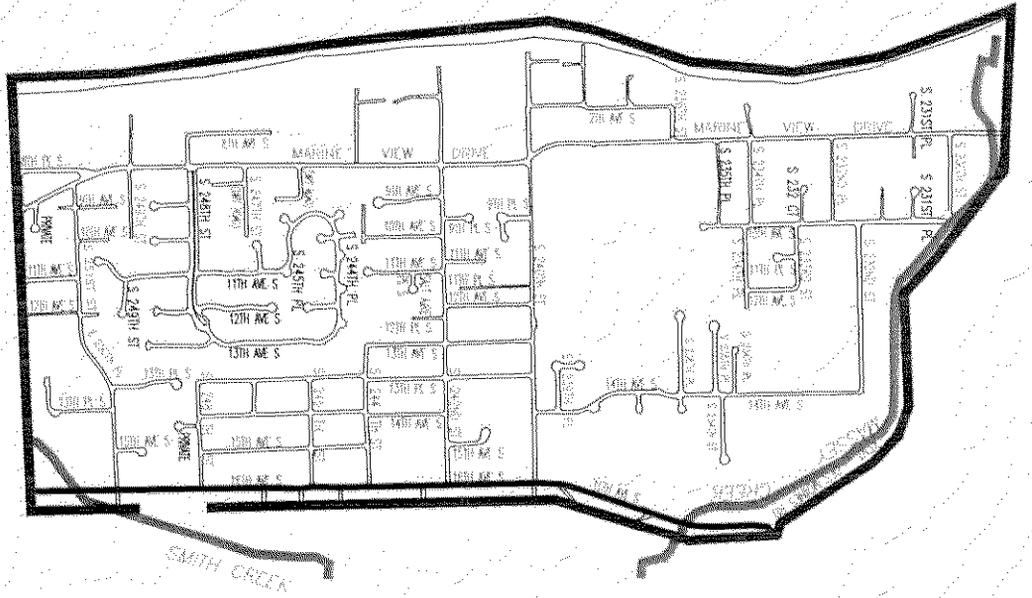


CITY OF DES MOINES
PUBLIC WORKS DEPARTMENT

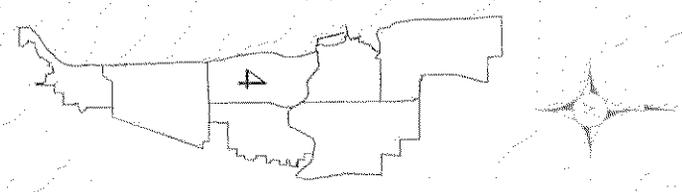
WORK ZONE 4

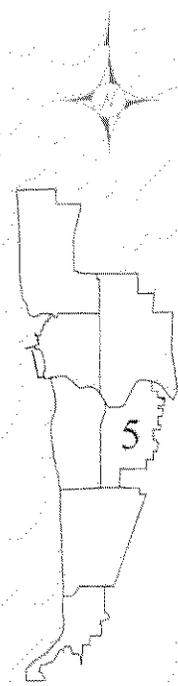
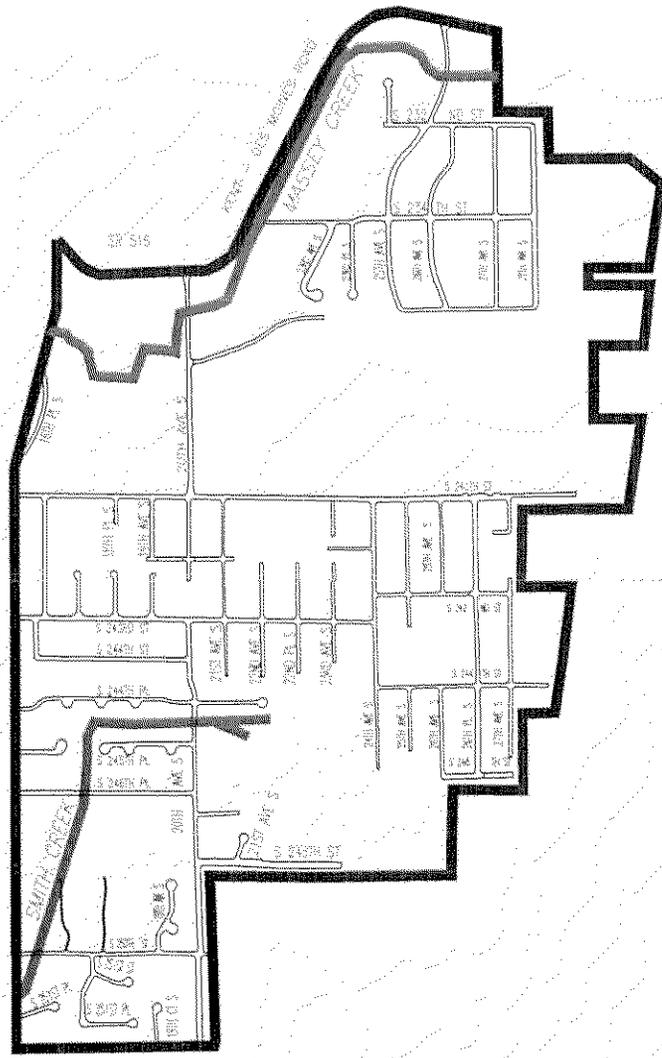
DRAWN BY: KEN THOMAS
CHECKED BY: SCOTT ROMANO

SCALE: NTS
DATE: 06-16-05



- NOTES:
1. THE RED HIGHLIGHTED AREA EQUALS 1.15 CENTERLINE MILES, AND WILL BE MAINTAINED TWICE MONTHLY.
 2. THE TOTAL CENTERLINE MILES TO BE MAINTAINED IN THIS WORK ZONE EQUALS 4.97.





NOTES:
 1. THE TOTAL CENTERLINE MILES TO BE MAINTAINED IN THIS WORK ZONE EQUALS 9.31.



CITY OF DES MOINES
 PUBLIC WORKS DEPARTMENT

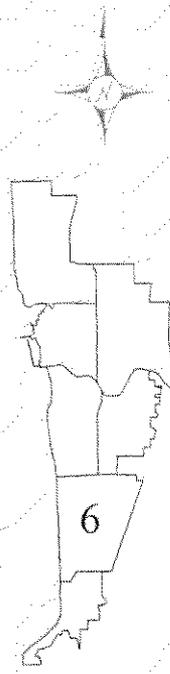
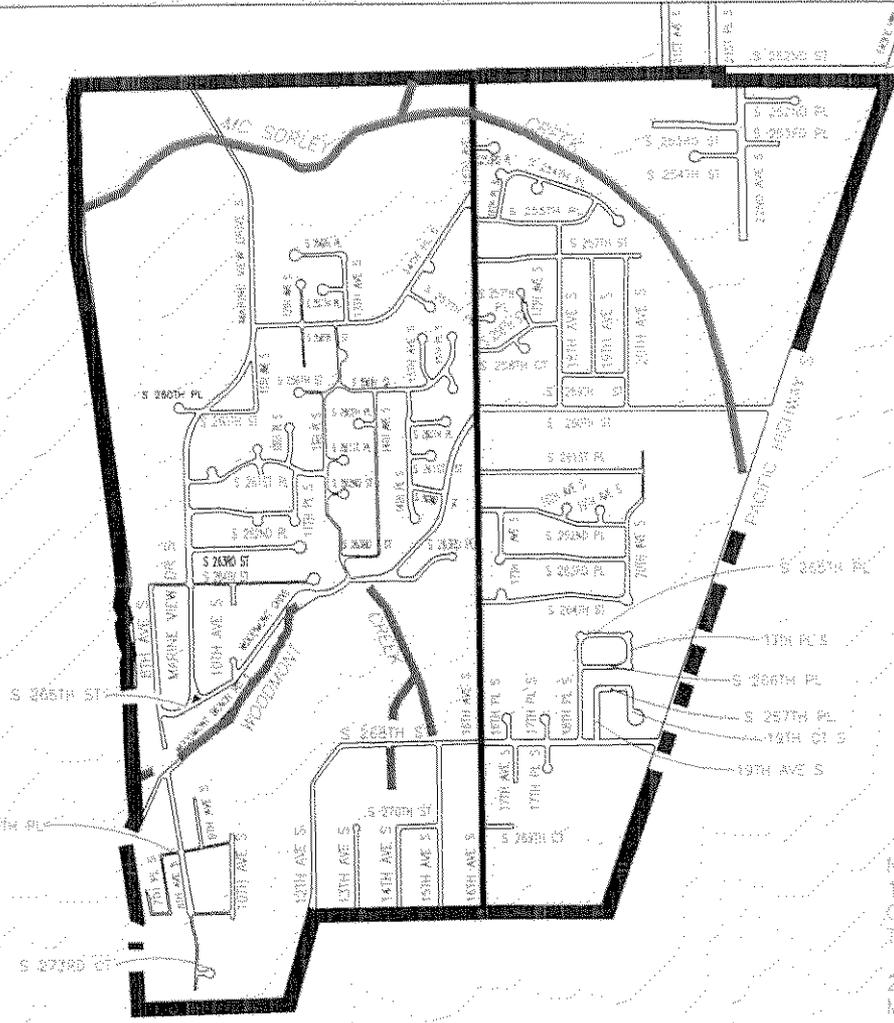
WORK ZONE 5

DRAWN BY: KEN THOMAS
 CHECKED BY: SCOTT ROMANO

SCALE: NTS
 DATE: 06-18-08



ONLY MAINTAIN THE SOUTH HALF OF S 262ND ST FROM 21ST PL S TO PACIFIC HWY S



- NOTES:
1. THE RED HIGHLIGHTED AREA EQUALS 1.25 CENTERLINE MILES, AND WILL BE MAINTAINED TWICE MONTHLY.
 2. THE TOTAL CENTERLINE MILES TO BE MAINTAINED IN THIS WORK ZONE EQUALS 12.66



CITY OF DES MOINES
PUBLIC WORKS DEPARTMENT

WORK ZONE 6

DRAWN BY: KEN THOMAS
CHECKED BY: SCOTT ROMANO

SCALE: NTS
DATE: 06-18-08



A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Memorandum of Understanding with the Des Moines Police Guild regarding Term Life Insurance

ATTACHMENTS:

1. Memoreandum of Understanding

FOR AGENDA OF: September 13, 2012

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: September 7, 2012

CLEARANCES:

- Legal N/A
- Finance N/A
- Marina N/A
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police N/A
- Courts N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: _____

Purpose and Recommendation

The purpose of this agenda item is to request the City Council to approve a memorandum of understanding between the City of Des Moines and the Des Moines Police Guild regarding using some of the reduction in premium payments the City has experienced as a result of changing the insurance company the City uses to provide long-term disability (LTD), survivors income benefit, and term life insurance to provide enhanced term life insurance to members of the Des Moines Police Guild.

Suggested Motion

“I move to approve the memorandum of understanding with the Des Moines Police Guild regarding the use of some of the savings resulting from the reduced premiums for LTD, SIB and Term Life Insurance to provide enhanced life insurance for members of the Des Moines Police Guild.”

Background

In the early 1980's, the City of Des Moines withdrew from the Social Security System at the request of city employees. The City replaced the elements of Social Security (i.e. pension, long-term disability

(LTD), survivors' income benefit (SIB) and small life insurance payout) by using the funds that would have gone to Social Security. These funds equal 6.2% of salary. The City deposits an amount equal to 5.0% of each employee's salary into a 401(a) account to replicate the pension element of Social Security and purchases LTD, SIB and a small term life insurance policy (\$5,000 with an accidental death and dismemberment payout of \$10,000) for each employee. For many years, the City purchased these benefits from a company called Fortis (acquired by Assurant in 2006) at a cost equal to approximately 1.2% of salary.

Discussion

In 2011, the City started using a company call The Standard to provide the LTD, SIB, and small term life insurance policy. The premiums the City pays to The Standard are between 0.4% and 0.6% of salary for the various employee groups. For members of the Police Guild, the cost savings are equal to 0.8% of salary. Administration discussed with the Guild various ways to use this savings and has arrived at the following,

1. In addition to the LTD and SIB coverage the City provides, the City will purchase for each Guild employee Term Life Insurance in an amount equal to one and one-half times (1½ x) each member's annual salary, excluding overtime but including any Educational Pay. The current annual cost to provide this coverage is 0.396% of salary or \$0.22 per \$1,000 of benefit per month. The current \$5,000 AD&D term life insurance coverage will no longer be provided.
2. The City will modify the terms of the 401(a) Social Security Replacement and 457 Deferred Compensation Plans it purchases from ICMARC to allow retired Guild members to annually withdraw, tax free, the maximum amount allowed by law to pay for health insurance premiums.
3. Guild members who are recalled from layoff per Article 16 of the Collective Bargaining Agreement between the City of Des Moines and the Des Moines Police Guild shall have their sick leave balances restored to the number of hours that were in their sick leave banks at the time of layoff, minus any hours that were cashed out, retroactive to the 2009 layoff.
4. Sergeants who are bumped from their positions as a result of a non-disciplinary action shall move to the highest MPO pay step available.

In exchange for the above, the City will keep the remaining 0.4% of salary savings, resulting in the City's cost to replicate the benefits of Social Security for Guild members being 5.8% of salary.

Alternatives

Council may elect not to approve the attached MOU and direct the City Manager to continue discussions with the Police Guild.

Financial Impact

The total value of the reduction in costs of obtaining these benefits from The Standard is \$26,343. The cost to provide the new term life insurance is \$12,151 and the resulting net savings to the City is \$13,303. In addition, the current small term life coverage will no longer be provided resulting in an annual savings of \$500. If the cost of the new life insurance goes up in future years, however, the City will pay the increased amount. The Standard is one of the largest providers in the U.S. of this type of group term life insurance coverage to employers (both public and private), with rates that have stayed relatively stable at \$0.22 per \$1,000 of covered salary per month for many years. It is anticipated that the rates will remain stable in the future.

Recommendation or Conclusion

None.

Concurrence

None.

MEMORANDUM OF UNDERSTANDING
by and between
CITY OF DESMOINES, WASHINGTON
and
DES MOINES POLICE GUILD

THIS MEMORANDUM OF UNDERSTANDING is supplemental to the AGREEMENT by and between the CITY OF DES MOINES, WASHINGTON, hereinafter referred to as the City, and the DES MOINES POLICE GUILD, herein after referred to as the Guild.

WHEREAS, the City changed the provider of Long-Term Disability (LTD), Survivors Income Benefit (SIB), Term Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance from Assurant (Fortis) to the Standard in 2011; and

WHEREAS, the City realized a savings in costs to provide this coverage to Guild members from the Standard equal to approximately 0.80% of salary; and

WHEREAS, this results in the City's costs to replicate the benefits of Social Security going down from a cost totaling 6.25% of salary to 5.45% of salary, and

WHEREAS, this results in a savings of 0.75% of salary compared to the 6.2% of salary the City would pay if it were still in Social Security; and

NOW THEREFORE, the parties agree as follows:

1. In addition to the LTD and SIB coverage the City provides, the City will purchase for each Guild employee Term Life Insurance, with AD&D coverage, in an amount equal to one and one-half times (1½ x) each member's annual salary, excluding overtime but including any Educational Pay. The current annual cost to provide this coverage is 0.396% of salary or \$0.22 per \$1,000 of benefit per month. The current AD&D coverage of \$5,000 (\$10,000 in event of accidental death) will no longer be provided.
2. The City will modify the terms of the 401(a) Social Security Replacement and 457 Deferred Compensation Plans it purchases from ICMARC to allow retired Guild members to annually withdraw, tax free, the maximum amount allowed by law to pay for health insurance premiums.
3. Guild members who are recalled from layoff per Article 16 of the Collective Bargaining Agreement between the City of Des Moines and the Des Moines Police Guild shall have their sick leave balances restored to the number of hours that were in their sick leave banks at the time of layoff, minus any hours that were cashed out, retroactive to the 2009 layoff.
4. Sergeants who are bumped from their positions as a result of a non-disciplinary action shall move to the highest MPO pay step available.

DES MOINES POLICE GUILD

CITY OF DES MOINES, WASHINGTON

By

Barry Sellers
President

By

Anthony A. Piasecki
City Manager

Date

Date

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Automated Fingerprint Identification System (AFIS) Levy

FOR AGENDA OF: September 13, 2012

ATTACHMENTS:

- 1. Draft Resolution No. 12-139

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: August 8, 2012

CLEARANCES:

- Legal PB
- Finance N/A
- Marina N/A
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police OW
- Courts JO

APPROVED BY CITY MANAGER
FOR SUBMITTAL [Signature]

Purpose and Recommendation

The purpose of this agenda item is to seek City Council support of King County Proposition No. 1 Regular Tax Levy for Automated Fingerprint Identification System Services (AFIS).

Suggested Motion

Motion: I move to adopt Draft Resolution No. 12-139 supporting King County Proposition No. 1 Regular Tax Levy for Automated Fingerprint Identification System Services (AFIS) on the November 6, 2012 ballot.

Background

AFIS is a regional program that provides enhanced fingerprint technology and services to all law enforcement agencies in King County and has done so for the past 24 years. AFIS is levy-funded, and requires periodic voter approval to continue funding.

Discussion

Without sustained funding for AFIS, the responsibility for funding criminal identification would revert to each local city's police department, placing an additional fiscal burden on cities. The current levy expires at the end of 2012. A levy rate of \$0.0592 per \$1,000/assessed valuation (AV) would continue program funding for the next six years, 2013-2018. This is a replacement tax for funding of the AFIS program, not a new tax, and would also create a reserve fund for replacement of an AFIS lab and for mobile fingerprinting.

The AFIS program promotes efficiency and effectiveness in law enforcement through regional sharing of services. It has proven itself to be an invaluable tool for information sharing and criminal identification. Suburban Cities Association (SCA) supports continued regional funding of the AFIS program.

Alternatives

The alternative to Draft Resolution No. 12-139 would be to reject adoption.

Financial Impact

The burden of criminal identification would be placed on the City if AFIS does not continue.

Recommendation or Conclusion

It is highly recommended that the Council approve Draft Resolution No. 12-139, supporting King County Proposition No. 1 Regular Property Tax Levy for Automated Fingerprint Identification system Services (AFIS).

Concurrence

The Departments of Administration, Legal, and Police concur, as well as Suburban Cities Association.

CITY ATTORNEY'S FIRST DRAFT, 08/07/2012

DRAFT RESOLUTION NO. 12-139

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, supporting King County Proposition No. 1 Regular Property Tax Levy for Automated Fingerprint Identification System Services (AFIS).

WHEREAS, AFIS is a regional program that for the past 24 years has provided enhanced fingerprint technology and services to local law enforcement agencies in King County, and

WHEREAS, the AFIS Program promotes efficiency and effectiveness in law enforcement through regional sharing of services and has proven itself to be an invaluable tool for information sharing and criminal identification, and

WHEREAS, without sustained funding, the responsibility for funding criminal identification would revert to each local city's police department, placing an additional fiscal burden on cities, and

WHEREAS, the current levy that funds the AFIS Program expires at the end of 2012 and therefore needs to be renewed, and

WHEREAS, this levy is not a new tax but a replacement tax, and will allow for the continued funding of the AFIS Program for a six-year period and create a reserve fund for an AFIS lab replacement and for mobile fingerprinting, and

WHEREAS, supporting King County's levy for funding AFIS is of paramount importance to the health and well-being of our community, and

WHEREAS, the City Council and members of the public have been afforded equal opportunity for expression of opposing views, and

WHEREAS, the City of Des Moines strongly supports King County's Levy for the funding of AFIS; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Resolution No. _____
Page 2 of 2

The Des Moines City Council urgently calls upon the citizens of the Des Moines community to support the passage of King County Proposition No. 1 Regular Property Tax Levy for Automated Fingerprint Identification System Services (AFIS) on the November 6, 2012 general election ballot.

ADOPTED BY the City Council of the City of Des Moines, Washington this _____ day of _____, 2012 and signed in authentication thereof this _____ day of _____, 2012.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT:
2013 Preliminary Budget Overview – General &
Street Funds

FOR AGENDA OF: September 13, 2012

DEPT. OF ORIGIN: Finance

ATTACHMENTS:
Attachment1 - PowerPoint Presentation

DATE SUBMITTED: September 7, 2012

CLEARANCES:

- Finance pk
- Legal N/A
- Marina N/A
- Parks, Recreation & Senior Services N/A
- Planning, Building & Public Works N/A
- Police N/A
- Court N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: [Signature]

Purpose and Recommendation

This agenda item provides an overview of the preliminary 2013 base budget for the General and Street Funds.

Background

The General and Street Funds 2013 preliminary base budget has a combined \$2.6 million budget shortfall. The estimated 2013 base revenues total \$17,157,896. The 2013 proposed base expenditures total \$19,754,717. The base budget restores positions previously frozen in 2012, as well as, restoring equipment rental, computer equipment, and insurance assessments. The 2013 preliminary base budget exceeds the 2012 adopted budget by \$1,672,659. Changes are identified below:

2013 Budget Changes	Amount
COLA	\$231,079
Salary Adjustments	70,451
Restore Frozen Positions	190,190
COPs Grant	(63,420)
Personnel Benefits	327,918
Supplies/Fuel	19,665
Public Defender Fees	15,000
Benefit Healthcare Administration Fees	53,625
Police Dispatch	83,774
Automated Speed Enforcement Program	136,737
Other Miscellaneous Charges & Services	(27,456)
Computer Operations Assessments	3,587

Computer Replacement Assessments	84,619
Equipment Operations Assessments	91,646
Equipment Replacement Assessments	495,558
Insurance Assessments	1,758
Intergovernmental Services	140,155
Capital Outlay	(8,700)
Transfers	(173,527)
Total	\$1,672,659

The following is a list of budget balancing strategies used in prior years that could be utilized to close the budget gap.

<i>Budget Balancing Strategies</i>	<i>Amount</i>	<i>Budget Gap</i>
Budget Gap		\$2,596,821
Defer 100% Equipment Replacement Assessments	\$495,558	
Defer 20% Equipment Maintenance Assessments	58,544	
Defer 50% Computer Eqp Replacement Assessments	60,160	
One-Time Bldg Permits/Dev Fees (to fund staff)	546,899	
Freeze Vacant Administrative Assistance I Position	77,365	
Freeze Vacant Commander Position	169,218	
Freeze Vacant Record Specialist Position	63,742	
Freeze 2 Vacant Patrol Officer I Positions	184,560	
Freeze 2 Vacant Patrol Officer II Positions	208,890	
Freeze Vacant Transportation Tech Position	85,776	
Freeze Vacant Building Inspector Position	91,881	
Freeze Vacant Recreation Specialist Position	36,964	
Total	\$2,079,557	

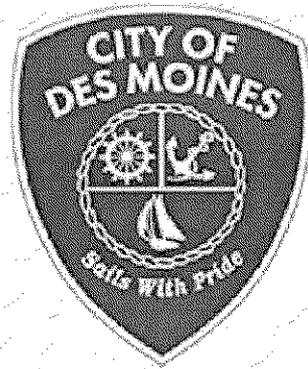
The City Council may utilize all of these items to balance the budget, or selectively consider those items that result in less impact to service levels.

Alternatives

The City Council may provide alternative budget recommendations not considered by the City Manager.

Recommendation

The outcome of these budget discussions by the City Council is to provide direction on finalizing the 2013 budget for the General and Street Funds.



**City of Des Moines
2013 Preliminary Base Budgets
General and Street Funds
September 13, 2012**

Presented by:
Paula Henderson
Finance Director

Economic Trends - National

- Fed Beige Book shows gradual economic growth thru early August
- Manufacturing has since contracted
- Continued weak job growth
- Retail sales rose 0.8% in July
- Modest uptick in sales of existing homes
- Continued low interest rates through 2014

Economic Trends – State & Local

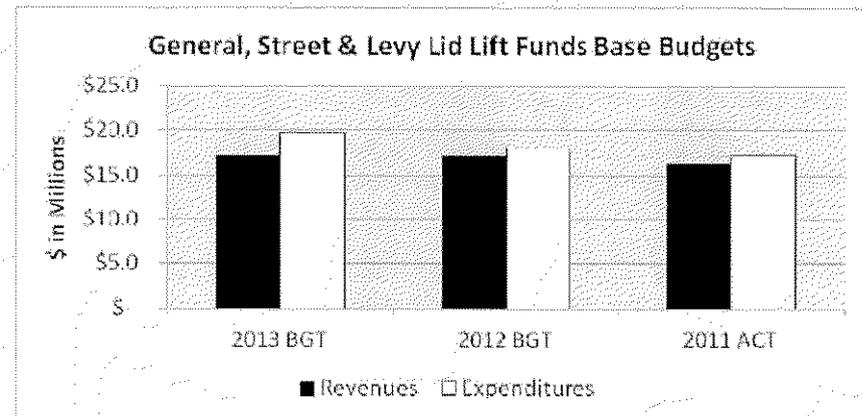
- Preliminary September economic forecast is depressing
- State revenue collections have soured
- Consumer confidence is in the tank
- Construction employment only added 200 jobs in the last two months
- Local base retail sales declining 7.6% in May and 7.7% in June
- Outlook for single family construction is flat to negative; multi-family housing permits trend is positive

Overview

Assumptions

- COLA – 2.7%
- Health Benefits – 8.6%
- Restored staffing levels
- Restored vehicle & computer replacement assessments
- Restored Insurance assessments
- Base Revenues decrease = 0.4%
- Base Expenditures increase = 9.3%

2013 Budget Gap = \$2.6 Million



	2013 Base	General Fund	Street Fund	Total
Revenues		\$ 16,118,546	\$ 1,039,350	\$ 17,157,896
Expenditures		18,546,974	1,207,743	19,754,717
Shortfall		\$ (2,428,428)	\$ (168,393)	\$ (2,596,821)

Revenue Changes

	2013 Estimated	2012 Budget*	\$ Variance	% CHG
Taxes	\$ 9,907,577	\$ 10,116,193	\$ (208,616)	-2.1%
Licenses & Permits	1,545,530	1,381,602	163,928	11.9%
Intergovernmental	1,687,439	1,981,728	(294,289)	-14.9%
Charges for Services	751,421	722,099	29,322	4.1%
Fines & Forfeits	844,550	680,890	163,660	24.0%
Interfund Revenues	1,269,823	1,201,612	68,211	5.7%
Interest Earnings	26,350	30,350	(4,000)	-13.2%
Arts/Rec/Sr. Svc Prog	1,066,869	1,050,445	16,424	1.6%
Miscellaneous	48,337	47,400	937	2.0%
Insurance Recoveries	10,000	10,000	-	0.0%
Total	\$ 17,157,896	\$ 17,222,319	\$ (64,423)	-0.4%

*Includes Levy Lid lift Property Taxes

Expenditure Changes

<i>2013 Budget Changes</i>	<i>Amount</i>
COLA	\$231,079
Salary Adjustments	70,451
Restore Frozen Positions	190,190
COPs Grant	(63,420)
Personnel Benefits	327,918
Supplies/Fuel	19,665
Public Defender Fees	15,000
Benefit Healthcare Administration Fees	53,625
Police Dispatch	83,774
Automated Speed Enforcement Program	136,737
Other Miscellaneous Charges & Services	(27,456)
Computer Operations Assessments	3,587
Computer Replacement Assessments	84,619
Equipment Operations Assessments	91,646
Equipment Replacement Assessments	495,558
Insurance Assessments	1,758
Intergovernmental Services	140,155
Capital Outlay	(8,700)
Transfers	(173,527)
Total	\$1,672,659

Expenditure Changes by Category

	2013 Proposed	2012 Budget*	\$ Variance	% CHG
Salaries & Wages	\$ 9,696,618	\$ 9,198,983	\$ 497,635	5.4%
Personnel Benefits	3,602,494	3,342,911	259,583	7.8%
Supplies	545,101	525,439	19,662	3.7%
Other Services & Charges	3,021,975	2,751,292	270,683	9.8%
Intergovernmental	772,207	642,052	130,155	20.3%
Capital Outlay	-	8,700	(8,700)	N/A
Interfund Payments	1,853,389	1,176,221	677,168	57.6%
Operating Tsfs-Out	262,933	436,460	(173,527)	-39.8%
Total	\$ 19,754,717	\$ 18,082,058	\$ 1,672,659	9.3%

*Includes Levy Lid Lift Expenditures

Expenditure Changes by Department

	2013 Proposed	2012 Budget*	\$ Variance	% CHG
LEGISLATIVE	\$ 176,728	\$ 176,086	\$ 642	0.4%
JUDICIAL	1,375,626	1,254,208	121,418	9.7%
EXECUTIVE	1,138,361	1,020,979	117,382	11.5%
FINANCE	977,427	954,310	23,117	2.4%
LEGAL	547,562	519,944	27,618	5.3%
POLICE	8,713,659	7,641,204	1,072,455	14.0%
PBPW	4,866,400	4,389,549	476,851	10.9%
PARKS, REC, SR SVCS	1,696,021	1,689,318	6,703	0.4%
TRANSFERS	262,933	436,460	(173,527)	-39.8%
Total	\$ 19,754,717	\$ 18,082,058	\$ 1,672,659	9.3%

*Includes Levy Lid Lift Expenditures

Budget Balancing Strategies

<i>Budget Balancing Strategies</i>	<i>Amount</i>	<i>Budget Gap</i>
Budget Gap		\$2,596,821
Defer 100% Equipment Replacement Assessments	\$495,558	
Defer 20% Equipment Maintenance Assessments	58,544	
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Freeze 2 Vacant Patrol Officer II Positions	208,890	
Freeze Vacant Transportation Tech Position	85,776	
Freeze Vacant Building Inspector Position	91,881	
Freeze Vacant Recreation Specialist Position	36,964	
Total	\$2,079,557	

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: E-VERIFY PROGRAM

FOR AGENDA OF: September 13, 2012

ATTACHMENTS:

DEPT. OF ORIGIN: Legal

- 1. None

DATE SUBMITTED: September 6, 2012

CLEARANCES:

- Legal 
- Finance NA
- Marina NA
- Parks, Recreation & Senior Services NA
- Planning, Building & Public Works NA
- Police NA
- Courts NA

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is to facilitate a policy discussion regarding adding a new chapter to Title 3 DMMC to allow for use of the E-Verify System.

Suggested Motions

Motion: I move staff to prepare a Draft Ordinance relating to E-verify consistent with Council's position.

Background

U.S. law requires companies to employ only individuals who may legally work in the United States – either U.S. citizens, or foreign citizens who have the necessary authorization. E-Verify is an Internet-based system that allows businesses to determine the eligibility of their employees to work in the United States.

Discussion

E-Verify compares information from an employee's Form I-9, Employment Eligibility Verification, to data from U.S. Department of Homeland Security and Social Security Administration records to confirm employment eligibility.

The program was authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA). In short, employers submit information taken from a new hire's Form I-9 (Employment Eligibility Verification Form) through E-Verify to the Social Security Administration and U.S. Citizenship and Immigration Services (USCIS) to determine whether the information matches government records and whether the new hire is authorized to work in the United States.

E-Verify is administered by the U.S. Department of Homeland Security, USCIS, Verification Division, and the Social Security Administration.

Currently, the City does not use E-Verify. Potential city employees must fill out an I-9 Employment Eligibility Verification form, which requires the individual to show proof of a document that establishes authorization to work in the United States, such as a U.S. Passport, Social Security Card, Employment Authorization Card, etc. No additional checks are made on the validity of the documents if they appear valid on their face. In the case of private contractors hired the City, the City relies solely on the contractor to be in compliance with federal law and does not independently verify their employee's status.

Alternatives

The alternative would be to not use E-Verify for contractors and new employees, and assume compliance on contractor's part with the Illegal Immigration Reform and Immigration Responsibility Act.

Financial Impact

The brunt of the financial impact would be imposed on contractors and their subcontractors in showing compliance. The City would have the additional responsibility of ensuring compliance with the E-Verify Program at the time of bid opening and awarding of contracts. All City contracts would need to amended to include E-verify language.

Conclusion

This matter is before the Council for discussion.

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Cardroom Tax Exemption Ordinance

FOR AGENDA OF: September 13, 2012

ATTACHMENTS:

DEPT. OF ORIGIN: Economic Development

- 1. Draft Ordinance No. 12-160

DATE SUBMITTED: September 5, 2012

CLEARANCES:

- Legal 16
- Finance _____
- Marina _____
- Parks, Recreation & Senior Services _____
- Planning, Building & Public Works _____
- Police _____
- Economic Development MS

APPROVED BY CITY MANAGER
FOR SUBMITTAL: AS

Purpose and Recommendation

The purpose of this agenda item is to present for Council approval an ordinance that changes the gambling tax for public cardrooms to allow a three-year phase in period as an economic development incentive.

Currently the City of Des Moines taxes cardrooms at 10% of gross receipts. This ordinance changes the tax to just 1% for the first year the business license is issued, then 4% for the second year, 7% for the third year, and 10% thereafter. The proposed ordinance also makes this tax incentive available only to businesses which receive business licenses between the effective date of the ordinance and December 31, 2015.

Suggested Motion

First Motion: I move to suspend Rule 26(a) to enact Draft Ordinance No. 12-060 on the first reading.

Second Motion: I move to enact Draft Ordinance No. 12-060 amending DMMC 5.40.010 to provide a graduated tax structure for newly established cardrooms.

Background

Public cardrooms are allowed in Washington State with a maximum of 15 tables. The City of Des Moines categorizes them as 'a commercial stimulant' ("an activity operated in connection with an established business, with the purpose of increasing the volume of sales of food or drink for consumption on that business premises"). Popular games are poker, black jack and baccarat.

Cardrooms accounted for \$225 million in gross gambling receipts in 2011, roughly 10% of total gambling receipts for the state and about equal to the gross sale of lottery tickets.

Local municipalities in Washington were able to collect a corresponding \$22.9 million in gambling taxes in 2011 from cardrooms.

The Washington State Gambling Commission provides the following data on receipts for nearby municipalities:

<u>Name</u>	<u>Location</u>	<u>2011 Receipts</u>	<u>Reported Local Tax</u>
Roman Casino*	Skyway	\$10.281 million	\$1.114 million
Riverside	Tukwila	\$10.430 million	\$.829 million
Great American	Tukwila	\$6.672 million	\$.667 million
Silver Dollar	SeaTac	\$5.459 million	\$.411 million
Wizards	Burien	\$4.433 million	\$.564 million

*Roman Casino is the largest grossing cardroom in the State.

Discussion

'Gross receipts' taxes (for example B&O taxes and gambling taxes) can make survival difficult in the first few years of a new business' operation when revenues are generated but there are little to no profits or even a loss. A tax reduction for new businesses enables them to survive the fragile first few years when statistically most businesses fail, and provides the City with another economic development incentive to encourage new businesses to locate in Des Moines.

At the August 31, 2012 meeting, the City Council adopted an ordinance that waives the B&O tax for new businesses in their first three years of operation. The attached ordinance changes the gambling tax on cardrooms from 10% on day one of operation to a graduated tax structure that allows new card rooms the opportunity to use revenues to build and promote a new location. As an addition to the City of Des Moines, an upscale card room is an attractive entertainment venue that can draw guests from nearby SeaTac Airport and create a significant source of revenue for the City

Alternatives

Alternatives to the ordinance presented are as follows:

- No gambling tax reduction may be offered.
- The tax reduction could be graduated by other amounts.
- The tax reduction period could be revised to a shorter or longer time frame (one, two or five years for example).
- The sunset date of 2015 could be adjusted.

Financial Impact

Encouraging a card room to establish in Des Moines, where none currently exist, could be expected to result in over half a million dollars in gambling tax revenues per year to the City once the business is established.

However, reducing the tax from 10% in the initial years could be estimated to cost the City a half million dollars in tax revenue over a three-year period, calculated as follows:

	<u>Gross Receipts</u>	<u>Tax Revenue</u>	<u>Uncollected Revenue</u>
Year One:	\$2 million	\$20,000 (1%)	\$180,000 (9%)
Year Two:	\$3 million	\$120,000 (4%)	\$180,000 (6%)
Year Three	\$4 million	\$280,000 (7%)	\$120,000 (3%)
Year Four	\$5 million	\$500,000 (10%)	\$0

Estimated Uncollected Revenue Total: \$480,000

Recommendation/Conclusion

Offering incentives for newly established businesses communicates that the City welcomes new ventures that produce jobs and improve the developed environment and property values for Des Moines residents. Simply stating that the City is business friendly does not have as much impact and substance as a gesture that offers financial support to prospective businesses.

Economic Development staff recommends adopting the ordinance as written.

ECONOMIC DEVELOPMENT'S FIRST DRAFT 8/29/2012

DRAFT ORDINANCE NO. 12-160

AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON, relating to the City's imposition of gambling taxes, and amending DMMC 5.40.010 to provide a graduated tax structure for public cardrooms as a commercial stimulant.

WHEREAS, the state legislature authorizes cities to impose gambling taxes upon public cardrooms up to twenty percent (20%) of gross revenues conducted in accordance with chapter 9.46 RCW, and

WHEREAS, Ordinance No. 1305 was adopted by the City Council on September 27, 2002, amending Ordinance No. 361 and establishing a new tax rate of ten percent (10%) of gross receipts, less the amount awarded as cash or merchandise, for public cardrooms operated as a commercial stimulant, and

WHEREAS, encouraging business is of economic benefit to the City and provides increased tax revenues to support municipal services, and

WHEREAS, the City Council finds that it is in the best interest of the City to amend DMMC 5.40.010 to reduce the tax rates applicable to public cardrooms, and

WHEREAS, the Council Finance and Economic Development Committee recommends that a graduated tax rate be established as an incentive for public cardroom operations licensed before December 31, 2015 within the City of Des Moines; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. DMMC 5.40.010 and section 1 of Ordinance No. 361 as amended by section 4 of Ordinance No. 1305 are amended to read as follows:

Taxes imposed. In accordance with chapter 9.46 RCW as presently constituted or as may be subsequently amended, there is levied upon all persons who have been duly licensed by the Washington State Gambling Commission to conduct or operate:

- (1) Public cardrooms operated as a commercial stimulant, a tax of 10 percent of the gross receipts shall be imposed except those cardrooms that receive an initial business license prior to December 31, 2015, a tax of one percent (1%) of the gross receipts in the first twelve months of an initial business license issuance shall be imposed; a tax of four percent (4%) of the gross receipts in the second twelve months from the date of initial business license issuance shall be imposed; a tax of seven percent (7%) of the gross receipts in the third twelve months from the date of initial business license issuance shall be imposed; a tax of ten percent (10%) shall be imposed thereafter. Transfers of ownership or change of business name or location will not affect the date of initial business license issuance used to calculate the tax percentage.

NEW SECTION. Sec. 2. Severability - Construction.

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

Ordinance No.
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(2) If the provisions of this Ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this Ordinance is deemed to control.

NEW SECTION. Sec. 3. Effective date. This Ordinance shall take effect and be in full force five (5) days after its passage, approval, and publication in accordance with law.

PASSED BY the City Council of the City of Des Moines this _____ day of _____, 2012 and signed in authentication thereof this _____ day of _____, 2012.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

Published: _____

for September 13 agenda

RCW 42.17A.555

Use of public office or agency facilities in campaigns -- Prohibition -- Exceptions. (Effective January 1, 2012.)

No elective official nor any employee of his or her office nor any person appointed to or employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. Facilities of a public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency. However, this does not apply to the following activities:

- (1) Action taken at an open public meeting by members of an elected legislative body or by an elected board, council, or commission of a special purpose district including, but not limited to, fire districts, public hospital districts, library districts, park districts, port districts, public utility districts, school districts, sewer districts, and water districts, to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body, members of the board, council, or commission of the special purpose district, or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;
- (2) A statement by an elected official in support of or in opposition to any ballot proposition at an open press conference or in response to a specific inquiry;
- (3) Activities which are part of the normal and regular conduct of the office or agency.
- (4) This section does not apply to any person who is a state officer or state employee as defined in RCW 42.52.010.

[2010 c 204 § 701; 2006

Des Moines, WA
 Department Adopted Operating Budgets
 General, Street, & Levy Lid Lift Funds

	2013 Prelim		2012		2011		2010		2009		2008		2007	
	\$	% Total												
LEGISLATIVE	\$ 176,728	0.89%	\$ 176,086	0.97%	\$ 144,732	0.78%	\$ 167,453	0.90%	\$ 246,364	1.25%	\$ 224,048	1.14%	\$ 224,393	1.17%
JUDICIAL	1,375,626	6.96%	1,254,208	6.94%	1,539,308	8.34%	1,485,861	8.01%	1,540,024	7.78%	1,340,900	6.80%	1,400,635	7.31%
EXECUTIVE	1,138,361	5.76%	1,020,979	5.65%	852,257	4.62%	804,868	4.34%	901,845	4.56%	805,171	4.08%	611,266	3.19%
FINANCE	977,427	4.95%	954,310	5.28%	918,315	4.98%	889,567	4.79%	977,492	4.94%	899,363	4.56%	862,615	4.50%
LEGAL	547,562	2.77%	519,944	2.88%	474,460	2.57%	526,977	2.84%	560,545	2.83%	512,175	2.60%	489,968	2.56%
POLICE	8,713,659	44.11%	7,641,204	42.26%	7,948,088	43.07%	8,281,673	44.64%	9,000,634	45.49%	9,413,183	47.75%	8,258,745	43.09%
PBPW	4,866,400	24.63%	4,389,549	24.28%	4,929,932	26.72%	4,468,960	24.09%	4,738,966	23.95%	4,599,203	23.33%	4,834,327	25.22%
PARKS, REC, SR SVCS	1,696,021	8.59%	1,689,318	9.34%	1,604,886	8.70%	1,561,141	8.41%	1,640,424	8.29%	1,651,352	8.38%	1,444,052	7.53%
NON-DEPT	-	0.00%	-	0.00%	-	0.00%	-	0.00%	96,221	0.49%	-	0.00%	-	0.00%
TRANSFERS	262,933	1.33%	436,460	2.41%	40,000	0.22%	367,197	1.98%	84,945	0.43%	268,002	1.36%	1,041,418	5.43%
Total	\$ 19,754,717	100.00%	\$ 18,082,058	100.00%	\$ 18,451,978	100.00%	\$ 18,553,697	100.00%	\$ 19,787,460	100.00%	\$ 19,713,397	100.00%	\$ 19,167,419	100.00%

