

City of Stanwood



City Council Packet

Stanwood City Council Regular Meeting

Thursday, May 11, 2023



AGENDA
CITY COUNCIL REGULAR MEETING
Thursday, May 11, 2023 – 7:00 p.m.

Stanwood-Camano School District, Admin. Building Board Room
26920 Pioneer Highway, Stanwood, WA 98292

Members of the public may attend Stanwood City Council meetings
in-person at the address above, or Via Zoom.
Instructions to join the meeting by telephone or online are posted on the
City Website <https://www.stanwoodwa.org>

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. PRESENTATIONS**
Lincoln Hill High School – Jason Orzel
- 5. PUBLIC COMMENTS**
Written comments must be provided to the Clerk by 9:00 a.m. the day of the meeting via this link:
<https://stanwoodwa.org/FormCenter/City-Clerk-5/City-Council-Meeting-Remote-Public-Comme-61>;
verbal comments may be provided in-person, or online via Zoom, call 360-454-5213 for assistance.
- 6. STAFF / DEPARTMENT REPORTS**
Police Compstat Report – April **6.1**
- 7. COUNCIL COMMITTEE REPORTS**
 - a. Economic Development Board Meeting Minutes – March 17, 2023 **7.1**
 - b. Parks and Trails Advisory Committee Meeting Minutes – March 22, 2023 **7.5**
 - c. Planning Commission Meeting Minutes – April 10, 2023 **7.9**
 - d. Public Safety Meeting Minutes – April 6, 2023 **7.15**
 - e. Public Works Committee Meeting Minutes – May 1, 2023 **7.17**
- 8. CONSENT AGENDA**
 - a. Approve Vouchers and Payroll Checks **8.1**
 - b. Approve City Council Regular Meeting Minutes – April 27, 2023 **8.7**
 - c. Approve Second Utility Account Adjustment **8.15**
 - d. Approve Storefront Improvement Program Grant Applications **8.17**
- 9. UNFINISHED BUSINESS**
- 10. PUBLIC HEARING**
Open Public Hearing
 - i. Approve First Reading of Ordinance 1516 Adopting New Title 6, Parks and Public Places, and Replaced Title 9 – Public Peace, Safety and Welfare **10.1**
 - ii. Approve First Reading of Ordinance 1517 Adopting Title 13, Civil Enforcement **10.37**
- 11. NEW BUSINESS**
 - a. Approve First Reading of Ordinance 1518 Amending Chapter 14.04 Uniform Codes - Building and Fire Code Updates **11.1**
 - b. Authorize the Use of a Vehicle for the Volunteer Citizen Patrol Program and Authorize the Purchase of a Replacement Vehicle **11.27**
 - c. Authorize the Mayor to Sign a Contract with Dawson Construction for the 92nd Ave Sidewalk Project **11.29**
 - d. Adopt Resolution 2023-07 Financial Management Policy Update **11.33**
- 12. PUBLIC CLOSING COMMENTS**
- 13. EXECUTIVE/LEGISLATIVE REPORTS**
 - a. Mayor's Report
 - b. City Administrator's Report
 - c. Councilmember's Reports/Questions
- 14. RECESS TO EXECUTIVE SESSION: None Scheduled at this time**
- 15. ADJOURN**

Upcoming Meetings:

May 25, 2023, Regular City Council Meeting 7:00pm

June 8, 2023, Regular City Council Meeting 7:00pm



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 6a

DATE: May 11, 2023

SUBJECT: Police Compstat Report

CONTACT PERSON: Chief Jason Toner

ATTACHMENTS: A – April 2023 Compstat Report

SUMMARY STATEMENT

Attached is the April 2023 Compstat Report for council review.

Stanwood Police Department CompStat Report



City of Stanwood Police Chief Jason Toner

Prepared by: Snohomish County Sheriff Office Crime Analysis Unit and Stanwood Police Department

APRIL 2023

Stanwood Police Department

COMPSTAT REPORT



What is CompStat?

CompStat stands for 'Computer Statistics' dealing specifically with crime. It is found to be an effective way to accurately track crime and use the information to deploy officers to address it in timely manner. It is a performance management system that is used to reduce crime and achieve other police department goals. It emphasizes information-sharing, responsibility and accountability and improving effectiveness.

What is the benefit to the community?

CompStat allows us to track crime problems and allocate resources to the areas that are being affected. By being able to focus our efforts on areas being impacted, we are able to make apprehensions and drive down crime in Stanwood.

How is data collected?

Crime Analysts access a variety of systems to collect and analyze law enforcement data. Data collection begins at the 911 call center (SNO911) and carries over into law enforcement records management systems (LERMS). Much of the information presented in this report is also reported to state and federal agencies annually.

What data will you see in this report?

What occurred within the city limits of Stanwood and calls responded to by the Stanwood Police outside the city.

This is a true representation of all police activity occurring in the City of Stanwood, you will see these calls listed as "In the STW Beat". On occasion, Stanwood Police officers will be called outside the city to assist other agencies. We also have deputies who live outside of the city so on occasion they will make a traffic stop or respond to a nearby call while commuting to work. You will see these call listed as "Answered by STW ORI"

Incident data:

This represents what police were called to and includes self-initiated activity. Multiple 911 calls for the same incident are presented as a single incident.

Case data:

An incident becomes a case when the deputy determines reporting protocol is met. A case is often generated based on a specific crime, traffic collisions, arrest or the need to document specific actions or information.

APRIL 2023

Stanwood Police Department

POLICE STAFFING



The City of Stanwood contracts for law enforcement services through the Snohomish County Sheriff's Office. The contract is identified as a "stand alone" contract, which allows the City of Stanwood to maintain its own police identity to include policies and procedures that meet unique small city needs. All uniforms and vehicles are identified as Stanwood Police and we provide services to the city population of approximately 8,405.

DIVISIONS:

CHIEF OF POLICE: Has the rank of Lieutenant with the Sheriff's Office. Oversees all aspects of the Police Department daily operations. The Chief works with city staff to ensure community needs are met.

ADMINISTRATIVE SERGEANT: Administers the day-to-day administrative functions of the Police Department and oversees the day shift deputies, School Resource Officer and Detective. Steps in as the Chief of Police when the chief is absent.

NIGHT SERGEANT: Oversees the swing shift and night shift deputies.

PATROL DIVISION: Responds to crimes in progress, traffic collisions, missing persons, and other emergency and non-emergency calls for service.

SCHOOL RESOURCE OFFICER: Utilizes the concept of educator, informal counselor, and law enforcer; working to bridge the gap and build relationships between law enforcement and youth.

DETECTIVE: Works in conjunction with patrol and the resources of the Snohomish County Sheriff's Office to investigate a broad range of felony- and misdemeanor-level crimes that occurred in the City of Stanwood.

	ASSIGNED	VACANCIES	PERCENTAGE
Chief	1	0	100%
Sergeant	2	0	100%
Deputy	5	1	85%
School Resource Officer No longer a PD employee - SCSO contract	1	0	100%
Detective	1	0	100%

APRIL 2023

Stanwood Police Department

RECORDS UNIT



Records Summary: Job duties include, but are not limited to, the following;

- Provide administrative support for all members of the Stanwood Police Department.
- Assist the Chief of Police with police budget tracking and review.
- Verify and code all incoming invoices for the Police Department.
- Ordering of supplies for the department, and special events.
- Subject matter expert for the Law Enforcement Records Management System (LERMS) used by Stanwood Police Department.
- Manage all Stanwood Police Department documents and records.
- Review all electronic case file entries and information for accuracy.
- Scan paper records into electronic case files.
- Forward criminal arrest referrals to the Prosecuting Attorney's Office.
- Enter trespass notices, gun alerts, and other safety alerts into the agency's electronic records management system.
- Route Child Protective Services & Adult Protective Service referrals.
- Maintain department case file and document archives per Washington State records retention/destruction schedules.
- Responsible for federal reporting of crime statistics to the National Incident Based Reporting System (NIBRS).
- Run monthly case audits and records validations.
- Enter court orders, missing persons, vehicle impounds, lost or stolen property, stolen vehicles, etc. into Washington Crime Information Center and National Crime Information Center (WACIC/NCIC).
- Provide second checks for all entries made into Washington Crime Information Center and National Crime Information Center (WACIC/NCIC).
- Conduct background checks for concealed pistol license and pistol transfers applications.
- Provide fingerprint services for concealed pistol license applicants and citizen fingerprints.
- Review and fulfill public records requests within the guidelines of the Public Records Act.
- Create/update/maintain all process, procedure, and training manuals for the position.
- Serve as Stanwood Police Department's Terminal Agency Coordinator for the Washington State Patrol ACCESS program.
- Assists with walk-in and telephone customers, averaging 8,000 yearly contacts.
- Route calls to 911 and non-emergency dispatch.
- Respond to requests for service and answer general questions.
- Manage key & key fob assignments for City of Stanwood employees.

	2023	2022	2021	2020	Year to Date
Public Records Requests	42	30	33	28	166
Concealed Pistol License Issued	29	70	47	35	157
Pistol Transfer Checks	29	38	40	48	130
Fingerprinting & Approximate Time	35 8.75 hrs	20 5.0 hrs	22 5.5 hrs	13 3.25hrs	123 30.75 hrs

APRIL 2023

Stanwood Police Department

Message from the Chief



What a crazy end to April. The 20th was the coldest "April 20th" in 130 years and then a week later we had clear skies and 75. As we approach warmer weather, I am reminded of one of my favorite quotes "Happiness is Cold Watermelon", not quite to watermelon weather yet, but getting close.

Nationwide crimes tend to go up in warmer weather, especially areas that have distinct seasons. Along with an increase in violent crime, property crimes such as burglary, theft, vandalism, and vehicle theft increase during the spring and summer. There are several factors that lead to increased crime in warmer weather. During the spring/summer the days are longer, we are away from our homes for longer periods, kids have more unsupervised time. Also, alcohol consumption among adults increase during warmer weather and irritability to the heat has been shown to affect crime rates.

So, what does that mean for growing community? The last couple weeks of April there was an increase in traffic collisions, mental health calls, and domestic violence related calls. Additionally, we have hundreds of teenagers hanging out at Church Creek Park and Haggen's/McDonalds after school. Most of the kids are well behaved but there are a few getting into fights, stealing from the stores, and generally being a nuisance to park goers and customers in the area. When not dealing with a call, Stanwood officers will be a visible presence in the area when school lets out for the rest of the school year.

Notable Calls in April:

A locker room theft at the YMCA resulted in three people having their wallets stolen and close to a thousand dollars in fraudulent credit card charges. There is good video footage of the suspect and Detective Martin is investigating. It is believed the suspect is not a local resident and targets locker rooms at gyms throughout the Puget Sound.

During an evening commute a driver trying to stop for traffic on westbound SR-532, stepped on the gas pedal instead of braking. The driver then steered the vehicle up an embankment, flipping the vehicle onto its roof. There were no injuries, and no other vehicles were damaged.

A male was under the influence of an unknown substance, assaulted and choked his girlfriend. The male threatened to fight with police if he was arrested but was taken into custody with only minimal force used. The male was arrested for felony assault.

In Other News:

This past month Sgt. Robertson had been working hard in preparing for, and taking, the lieutenant promotional test with Sheriff's Office. Sgt. Robertson's hard work paid off and he came out number one on the list for promotion. His last day with Stanwood PD was April 30th. Sgt. Robertson has done a fantastic job these last few years in Stanwood and will be missed. Sgt. Adam Wirth is taking over the patrol sergeant position. Sgt. Wirth worked in Stanwood many years ago as an officer and has experience in the Sheriff's Office Collision Investigation Unit, Transit Police, and the Marine and Dive Unit. Sgt. Wirth is excited to be back in Stanwood and I have every confidence he will do a great job.

Chief Toner

MAY 2022

Stanwood Police Department

Detective Report



Update-Stanwood Police Case 2017-5656 **Prescription Fraud, Forgery, Identity Theft, and Leading Organized Crime**

In 2017 Detective Martin investigated prescription fraud cases at local pharmacies. The crimes involved females presenting forged prescriptions for Oxycodone and cough syrup with Codeine.

Sgt. Sanders and Deputy Scott responded to an in-progress prescription fraud incident at the Stanwood Rite Aid. A female was arrested at the store. Two associated males who fled in a vehicle were also arrested.

After a year-long investigation, one of the males was linked to multiple prescription fraud cases in Washington and Oregon. The male used social media to recruit females to pass forged prescriptions at area pharmacies. He was eventually charged with Leading Organized Crime.



The case was set to go to trial in 2020 but was delayed due to the pandemic. While preparing for trial in 2022, several key witnesses could not be located and did not respond to subpoenas from the Prosecutor's Office.

The subject plead guilty to two counts of Identity Theft Second Degree. On 03-15-2023 the subject was sentenced to four months in jail. The sentence was converted to four months of electronic home monitoring

APRIL 2023

Stanwood Camano School District

SCHOOL RESOURCE OFFICER



FBLA State in Spokane 2023

31 students from Stanwood High School competed at FBLA during the last weekend in April. 13 students qualified and are now eligible for the FBLA National competition in Atlanta, GA in June. Sophomore Hunter Sparrow campaigned for Washington FBLA office and was chosen as our NW Regional Vice President! Senior Ella Hess took first place in Journalism, and Sophomore Hayden Pappas took first place in Intro to Business Concepts. Congratulations to our FBLA members and to Mr. Colby for leading our students into future success.

Stanwood Baseball Enters District 1 3A Tournament

Our 2023 Stanwood High Baseball team has ended the regular season 10-10 overall, with an 8-6 record in 2A/3A Wesco District. They enter the month of May with a loser-out game vs. Meadowdale at home, May 2nd at 4pm. Good luck to our Spartan Baseballers!

11	Meadowdale
#B	May. 2, 4:00pm
10	Stanwood
Loser Out	



SHS Band to Disneyland!

Mr. Brodin and several chaperones accompanied the SHS Band to Disneyland for a band competition. The band received a Silver Award with an "outstanding mention" award to the percussionists. Congrats to Mr. Brodin and his band program. This is a memory they will never forget.

APRIL 2023



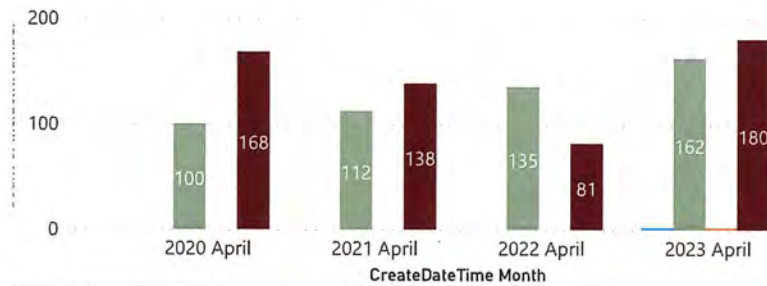
The following pages cover incidents data. This is also known as calls for service. If 30 people call because there's a wreck in front of Haggen's, it counts here once.



Previous Month Over Time

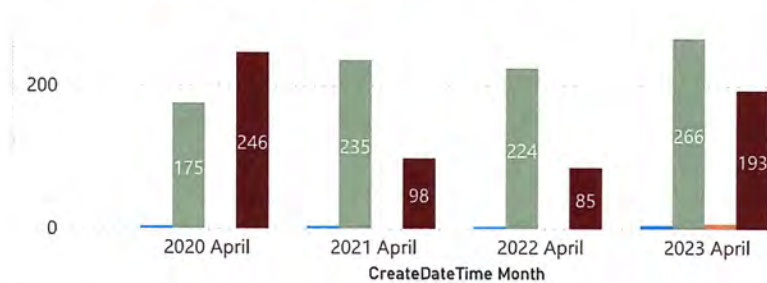
Stanwood West, Incidents by Origination

all Origination (Blank) 911 call ASAP Officer-Initiated



Stanwood East, Incidents by Origination

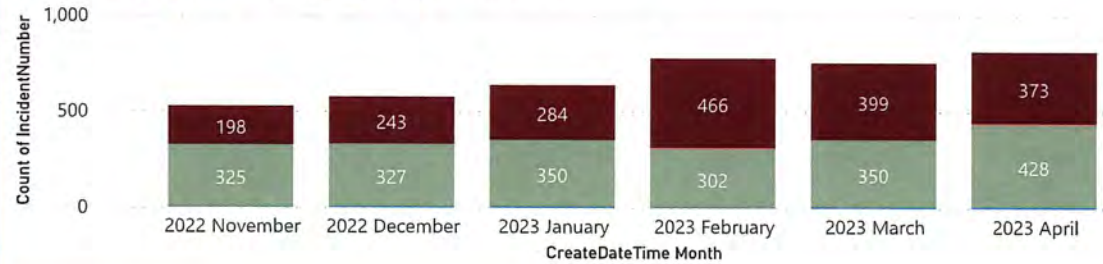
all Origination (Blank) 911 call ASAP Officer-Initiated



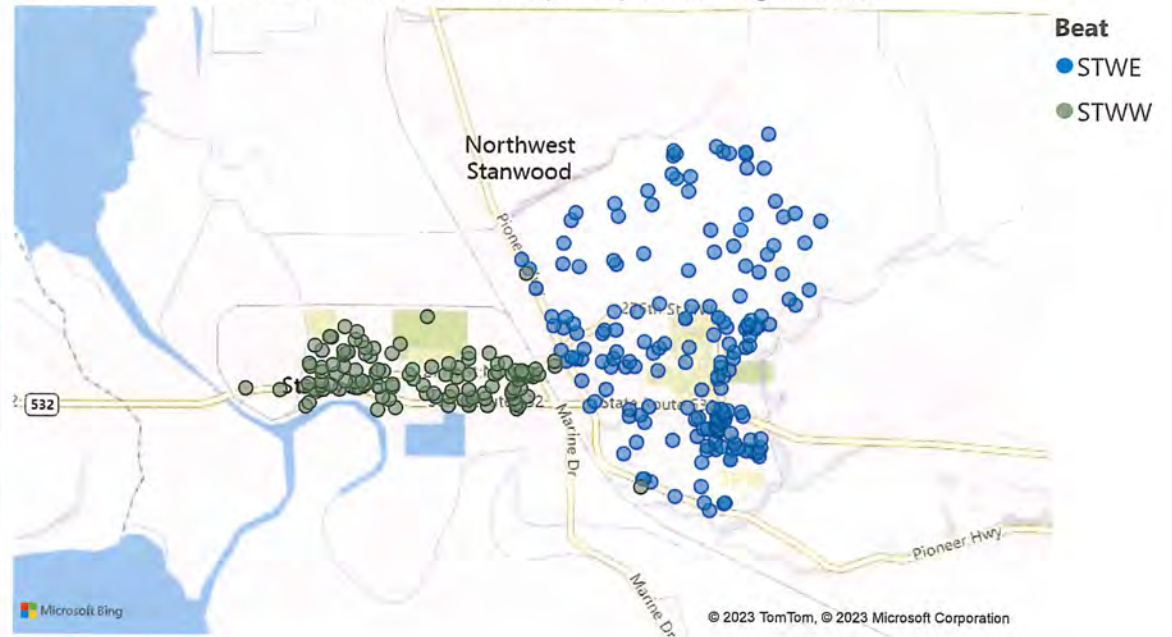
TOTAL INCIDENTS

Total Incident Counts, Past 6 Full Months by Origination Type

Call Origination (Blank) 911 call ASAP Officer-Initiated



All incidents Past 1 Month - excludes victim privacy concerning incidents

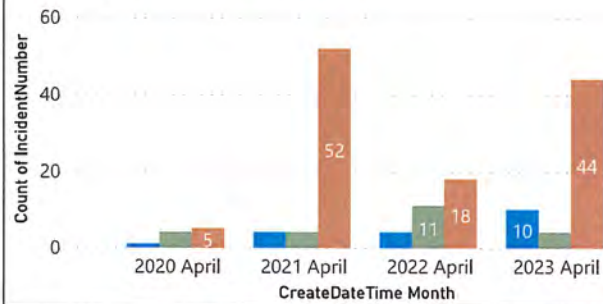




Previous Month Over Time

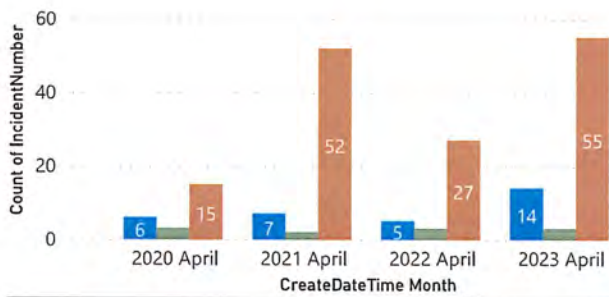
Stanwood West

IncidentType ● Collision ● DUI ● Traffic



Stanwood East

IncidentType ● Collision ● DUI ● Traffic



Collision, DUI, and Traffic INCIDENTS

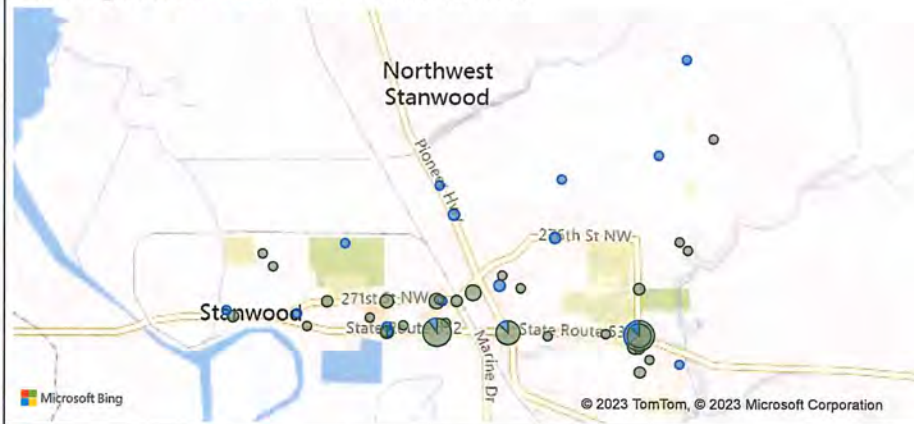
Previous Month, Current Year

IncidentType ● Collision ● DUI



Traffic - Previous Month, Current Year

Call Origination ● 911 call ● Officer-Initiated



STWW & STWE

Year	Collision	DUI
2022		
November	19	3
December	12	12
2023		
January	14	9
February	7	10
March	14	12
April	24	7

STWW & STWE

Year	Traffic
2022	
November	96
December	77
2023	
January	68
February	135
March	91
April	99



Tickets - To Current Date, Current Year

Data begins in 2021, due to lack of tickets issued in 2020 (due to covid lockdowns).

of Tickets - This CY

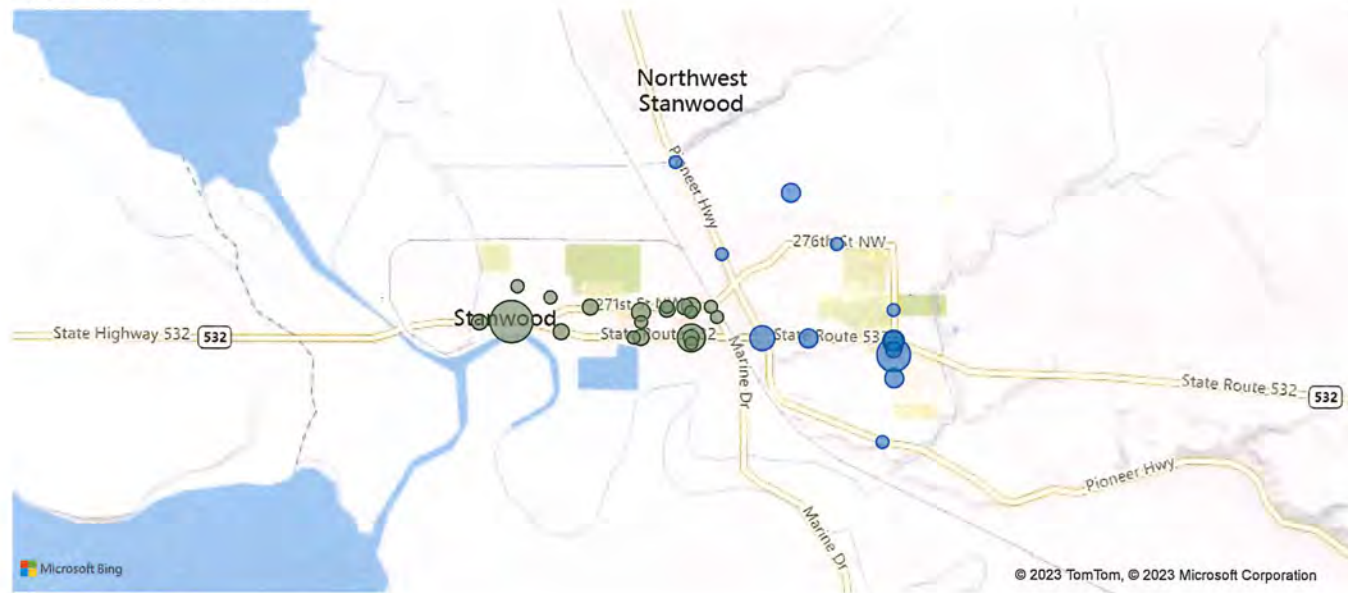
62

of Citations - This CY

82

Location of Citations this CY

Beat ● STWE ● STWW



Total Tickets

Month	2022	2023
January	6	15
February	8	36
March	8	16
April	3	15
May	9	
June	22	
July	22	
August	22	
September	22	
October	8	
November	14	
December	21	

How Many Tickets Had More than One Citation? 2022 to present

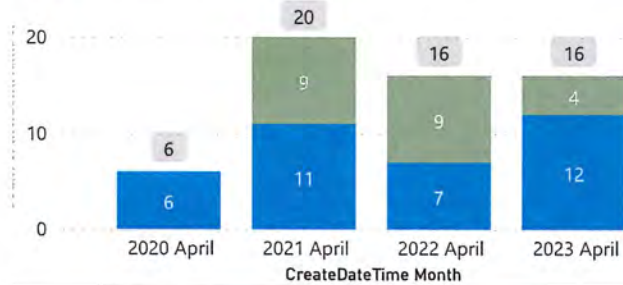
52



Alarms

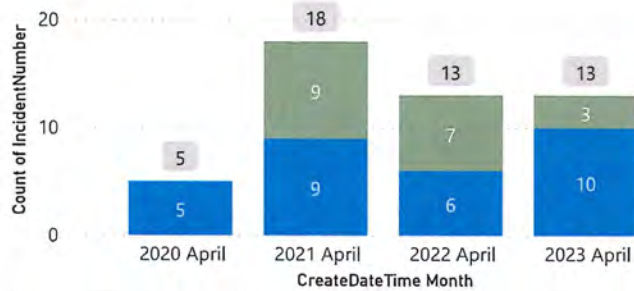
Alarms

Beat ● STWE ● STWW



Alarms that were False Alarms

Beat ● STWE ● STWW



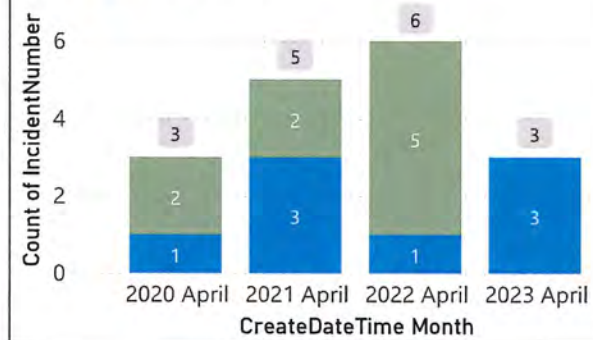
STWW & STWE

Year	Alarm
2022	November
	December
2023	January
	February
	March
	April

Abandon Vehicles

Abandon Vehicles

Beat ● STWE ● STWW



STWW & STWE

Year	Abandoned Vehicle
2022	November
	December
2023	January
	February
	March
	April

Abandon Vehicles Past Calendar Month, ThisYear

Beat ● STWE





Stanwood West

IncidentType ● BHC ● Suicide



IncidentType ● Welfare Check



Death Investigations - STWW

CreateDateTime Month

Year BHC Suicide

2022			
November	6		
December	7		
2023			
February	2		
March	3		
April	3	3	

Year Welfare Check

2022		
November		1
December		8
2023		
January		5
February		6
March		2
April		3

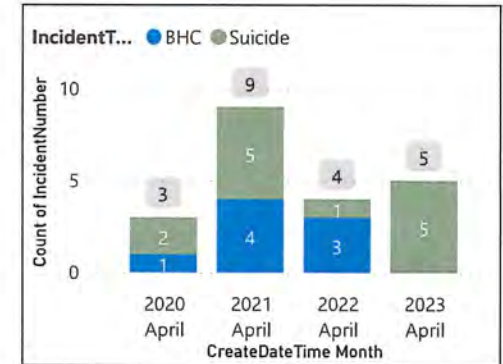
Stanwood East

Year BHC Suicide

2022			
November	4	2	
December	4	1	
2023			
January	5		
February	8	1	
March	1	1	
April		5	

Year Welfare Check

2022		
November		8
December		5
2023		
January		9
February		5
March		5
April		10



IncidentT... ● Welfare Check



IncidentT... ● Death



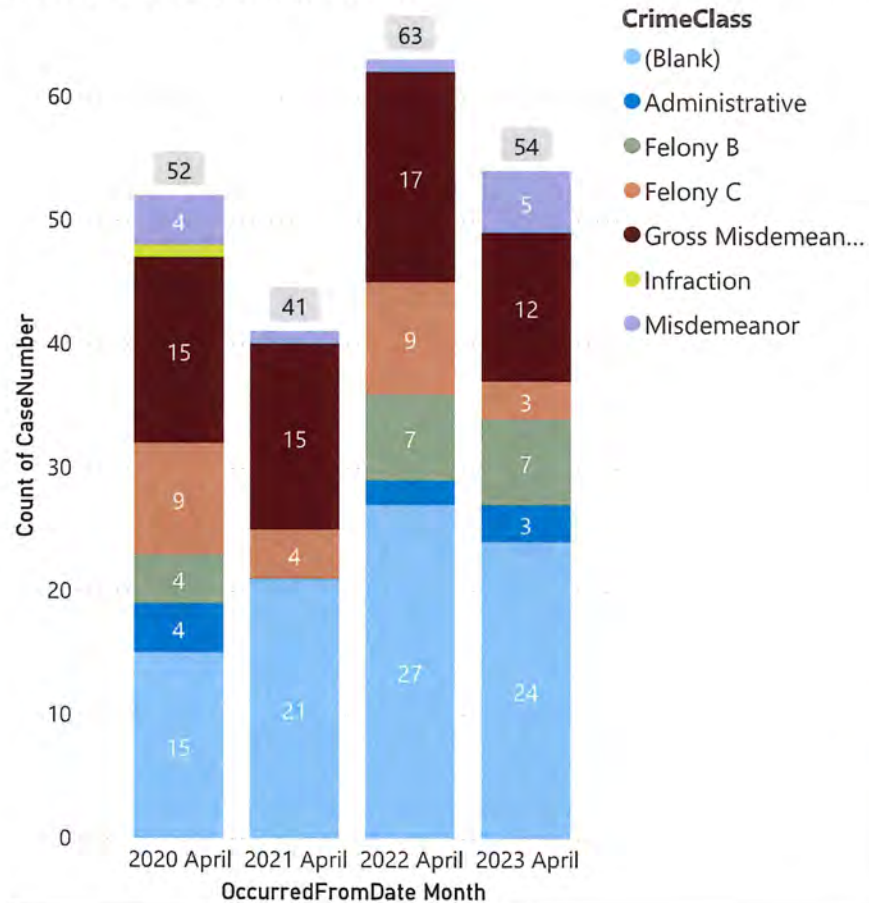


The following pages cover case data. The key difference between cases and incidents data is a Deputy has determined something did transpire that justifies writing a case report.

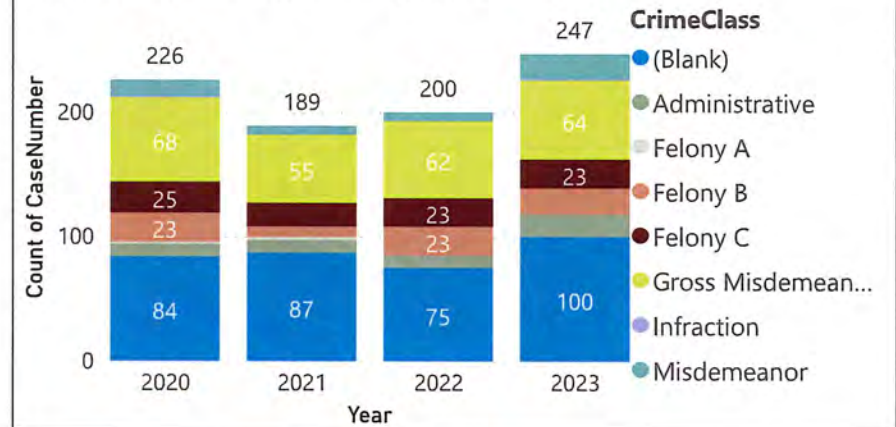
TOTAL CASES

IN THE STW BEAT

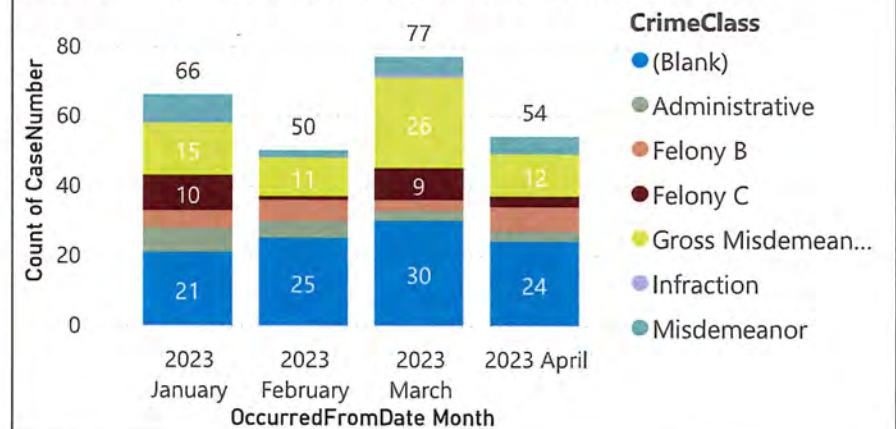
Cases, Previous Month, Yr over Yr



Case Count by Statute, Jan 1 - present, Yr over Yr



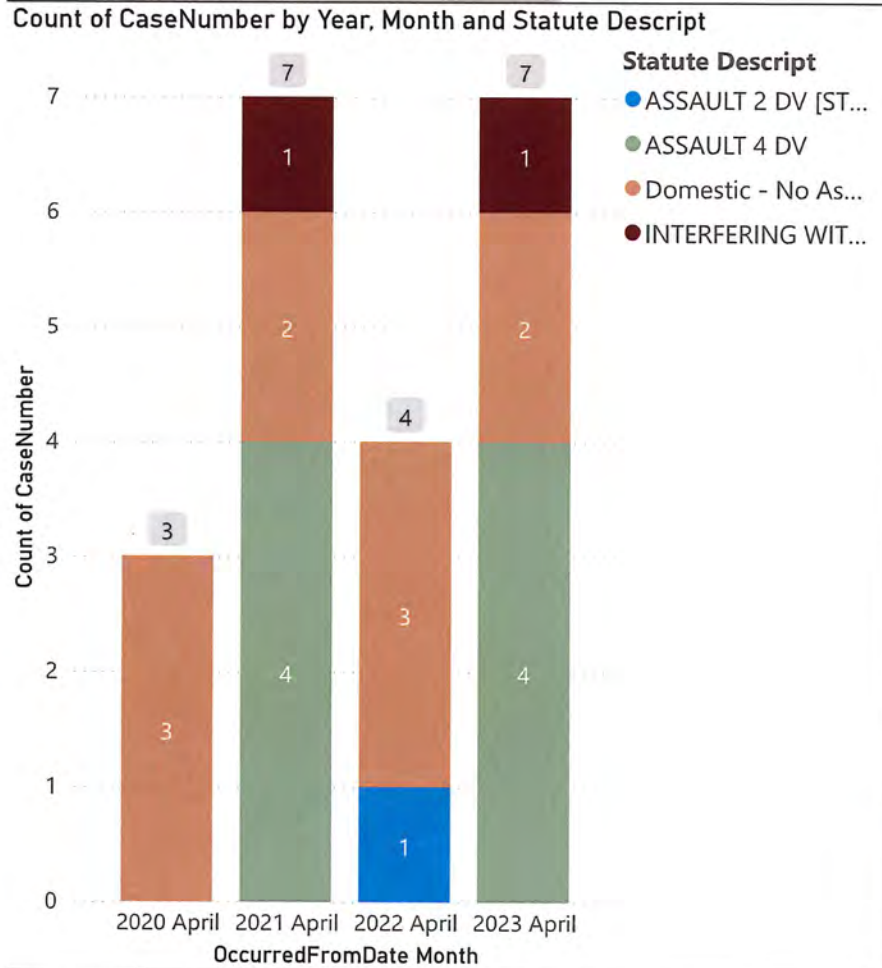
Case Count by Statute, Jan 1 - present, Current Year



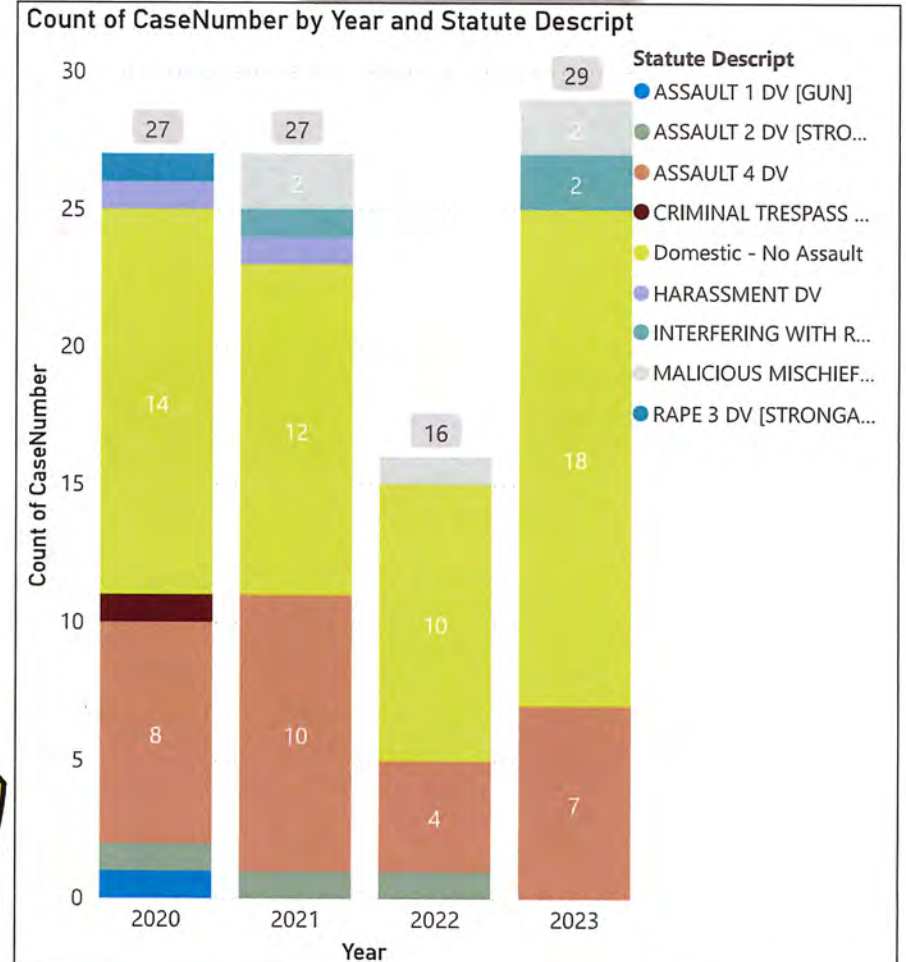
Domestic Related CASES

IN THE STW BEAT

Previous Month Over Time



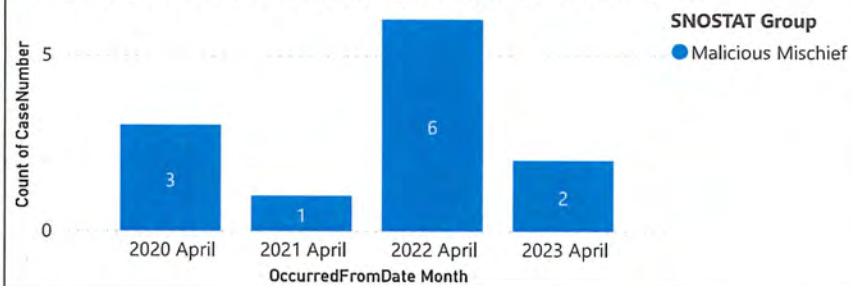
To Date By Year



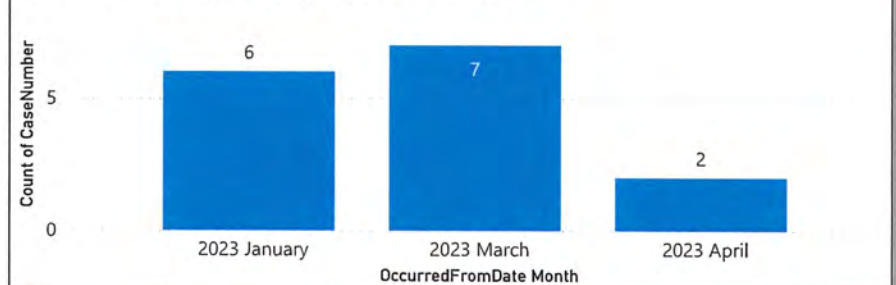


Malicious Mischief CASES

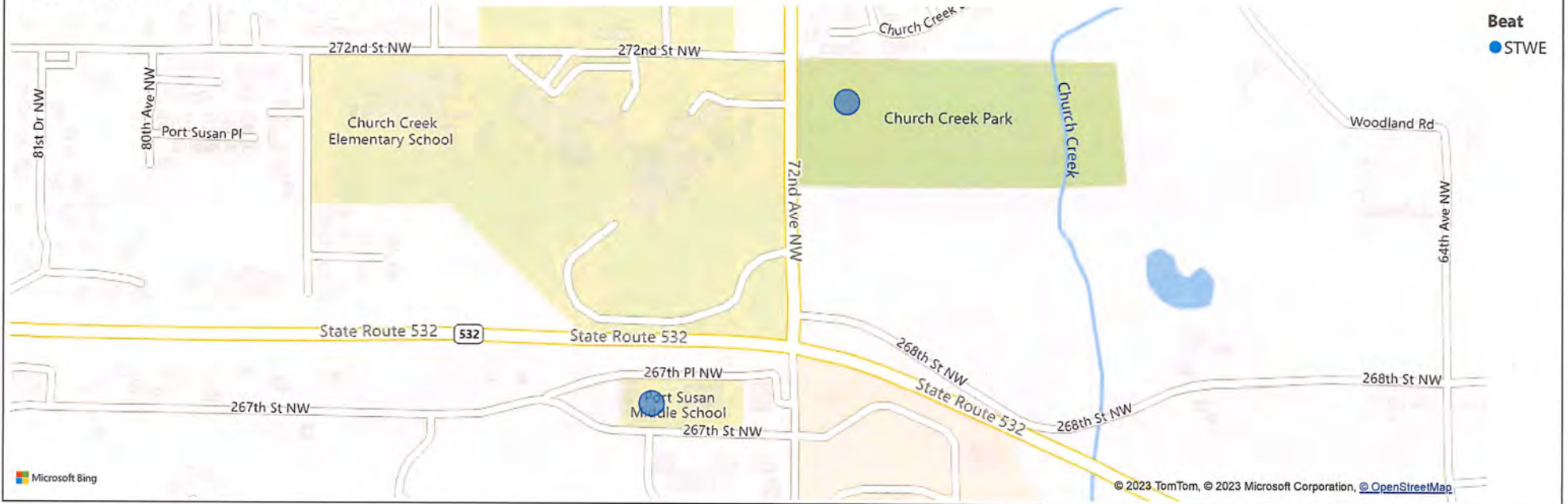
Count of CaseNumber by Year, Month and SNOSTAT Group



Count of CaseNumber by Year and Month



Cases in the past Calendar month, Current Year





Auto Theft CASES

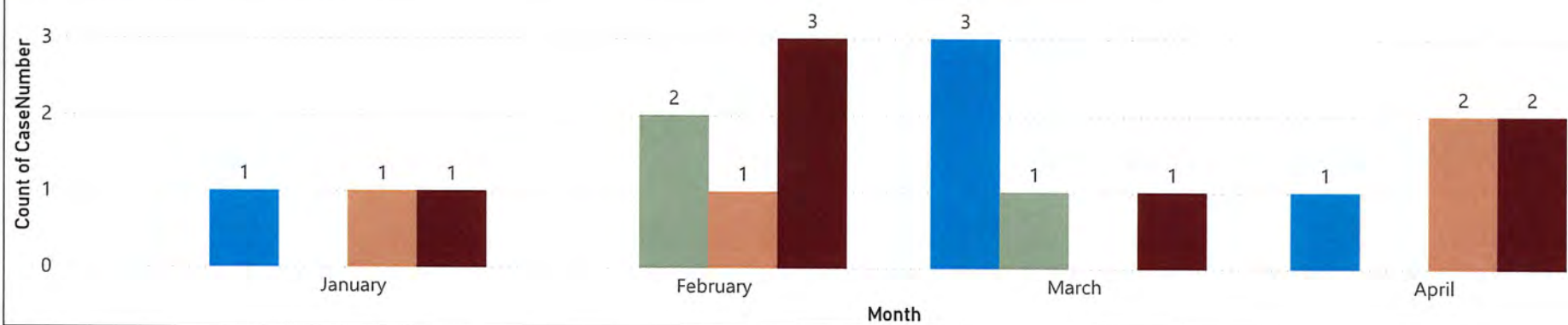
Past Six Calendar Months

Month ● January ● February ● March



Jan 1 - Present, each year

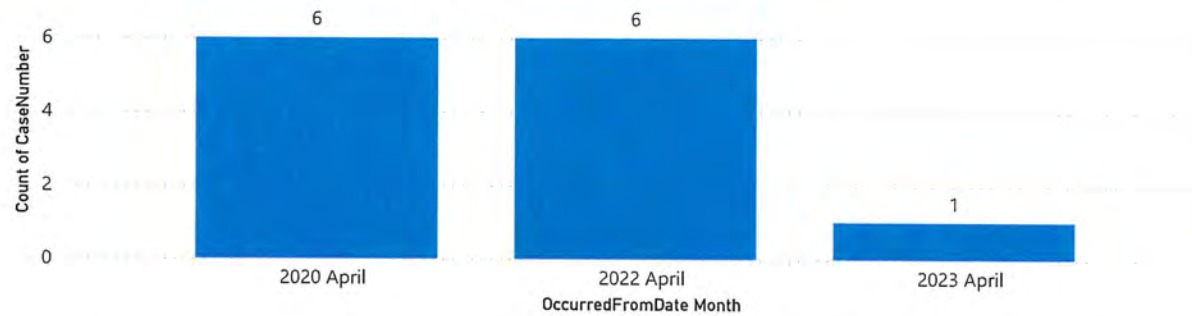
Year ● 2020 ● 2021 ● 2022 ● 2023





Vehicle Prowl CASES

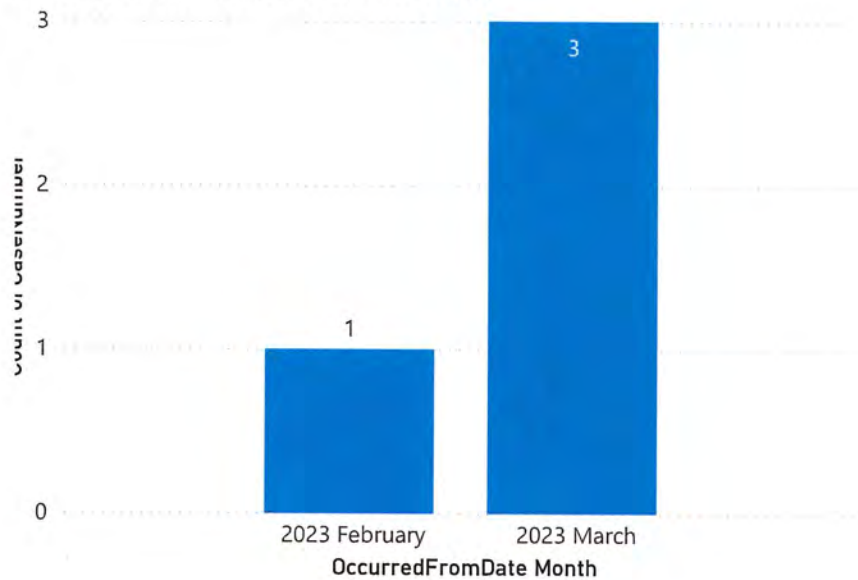
Count of CaseNumber by Year and Month



Jan 1 - Current Date, Current Year

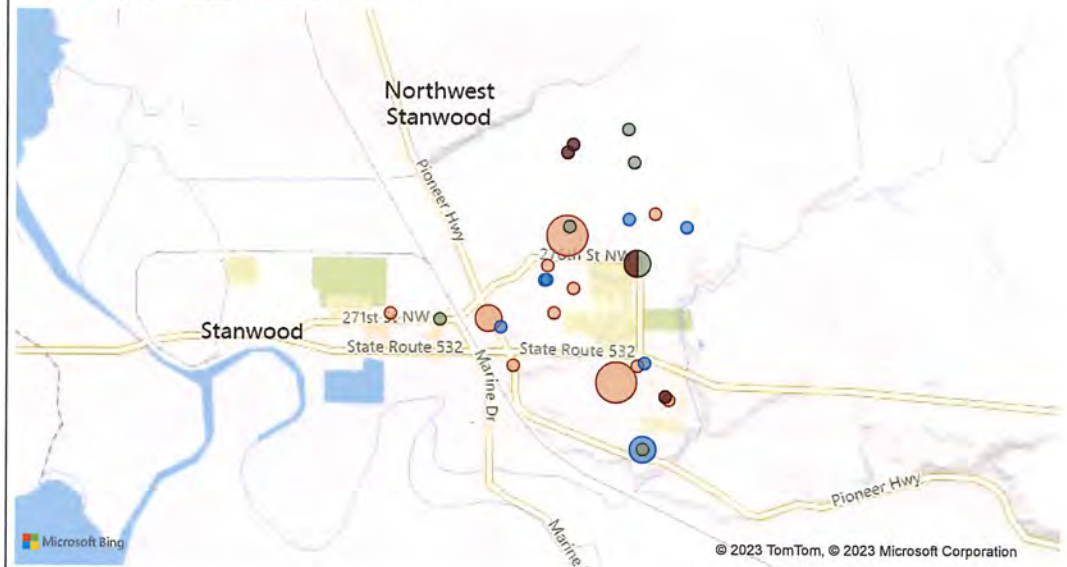
Year	Veh Prowl 1	Veh Prowl 2	Total
2020		8	8
2021		6	6
2022	2	16	17
2023		4	4

Count of CaseNumber by Year and Month



Count of CaseNumber by Year, Lat and Lon

Year ● 2020 ● 2021 ● 2022 ● 2023

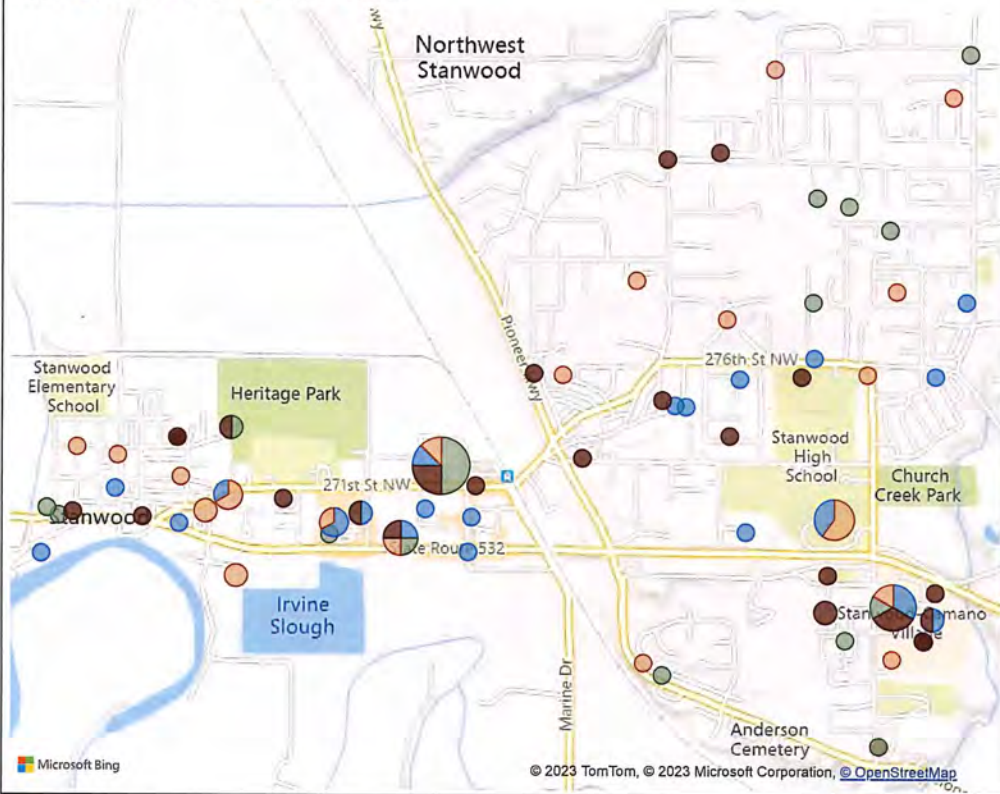




Theft CASES

Count of CaseNumber by Year, Lat and Lon

Year ● 2020 ● 2021 ● 2022 ● 2023



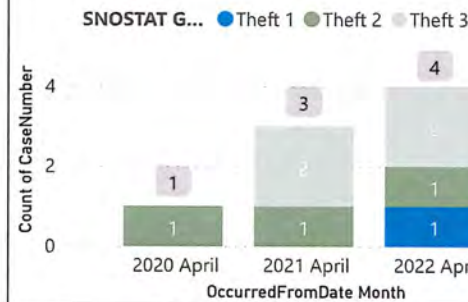
Jan 1 - Current Date

Beat	2020	2021	2022	2023
STWE	12	8	14	12
STWW	12	9	12	7
Total	24	17	26	19

Current YTD

Year	STWE	STWW
▼		
2023		
April	4	
March	3	
February	2	4
January	3	3

Stanwood West



Stanwood East



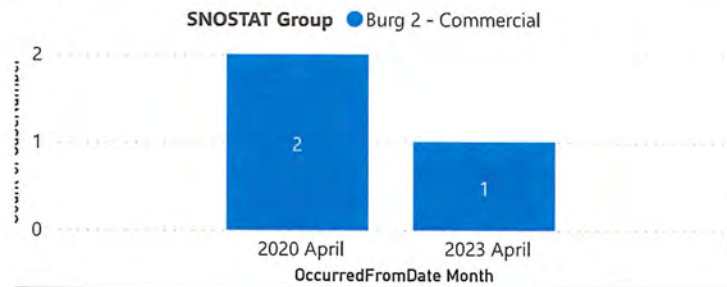


Burglary CASES

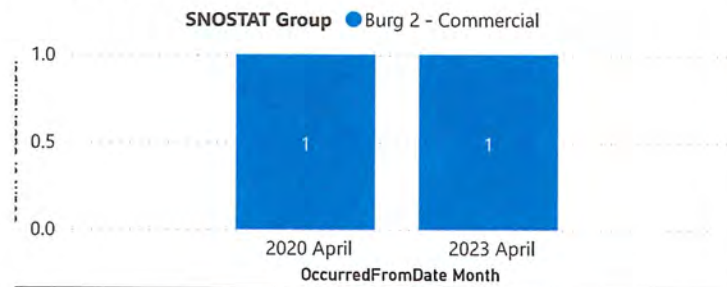
Jan 1 - Current Date

Year	STWE	STWW
2020	3	3
2021	1	1
2022	5	3
2023	5	1

Stanwood West

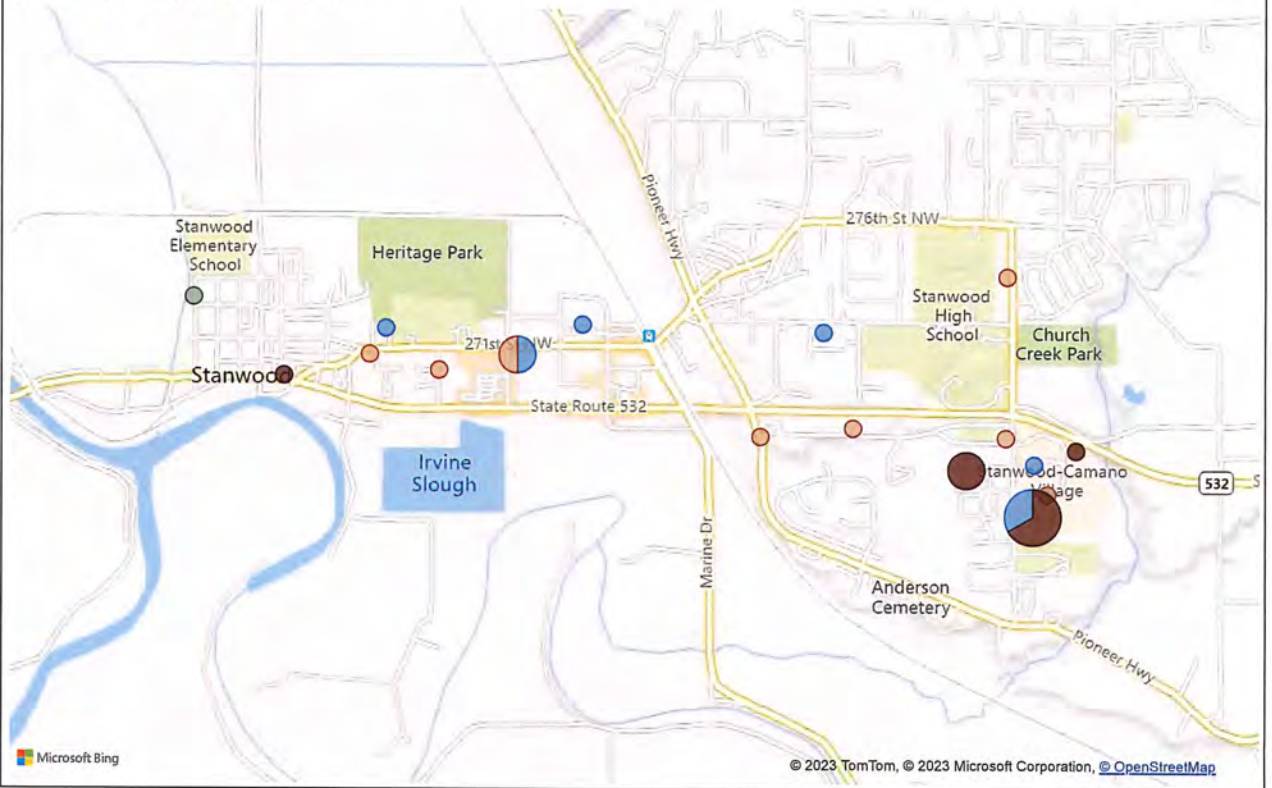


Stanwood East



Count of CaseNumber by Year, Lat and Lon

Year ● 2020 ● 2021 ● 2022 ● 2023





**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 7a

DATE: May 11, 2023

SUBJECT: Economic Development Board Meeting Minutes

CONTACT PERSON: Sarah Cho, Economic Development and Marketing Manager

ATTACHMENTS: A – March 17, 2023, Meeting Minutes

SUMMARY STATEMENT

Minutes from the March 17, 2023, Economic Development Board meeting are attached to this staff report for approval as presented. These minutes were approved at the April 21, 2023, Economic Development Board Meeting.

	Economic Development Board Minutes Meeting Minutes Friday, March 17, 2023 7:30 am
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Economic Development Board Members Present: Les Anderson, Dave Pelletier, Randy Heagle, Ashley Palmer

Staff Present: Patricia Love, Sarah Cho, Audrey Rotrock

Others Present: N/A

Les Anderson called the meeting to order at 7:34 a.m.

1. Receive the Minutes of the January 20, 2023 Meeting

The minutes of the January 20, 2023 Economic Development Board were approved unanimously.

2. City Beautification: West End Gateway Project Narrative

Patricia Love gave an overview on the West End Gateway Project. The Board approves of this project. Suggestions from Board members included: string a cable across the Gateway to hang banners from; consider solar lighting; use standard poles with art attached instead of poles being a part of the art; and incorporate other budgets to make sidewalks ADA compliant.

3. City Beautification: Downtown Park Project Narrative

Board members had the following ideas for the downtown park: bring in a rail car or caboose; add a gazebo or silo style gazebo; add benches, tables, and chairs. The Board also likes the name "Railroad Park" for the property.

4. City Beautification: Banner Project/88th Ave Arch Project

The Banner Project/88th Ave Arch design is at 100% and went out for bid. The bids came in higher than expected. The Board suggested creating a contest for people to win a chance to put their artwork on the arch, represent different Stanwood groups on the columns, and allow public and/or private opportunities for sponsorship.

5. Storefront Improvement Program Update

Sarah Cho updated the Board on new applications for the Storefront Improvement Program and how popular it has become.

6. Special Event/Tourism Promotion Grant

Sarah Cho updated the Board on upcoming special events and the tourism promotion grant. The Pickers Market is on May 13th, the Farmers Market will be from June 2 – October 6, and the Twin City Idlers will be in town on June 25th. The EDB approves this grant.

7. Business License Analytics

For the month of February 2023, 34 business licenses were processed. 20 of the licenses were non-resident business licenses, 10 were home occupation licenses, and 4 were city businesses.



Economic Development Board Minutes Meeting Minutes Friday, March 17, 2023 | 7:30 am

8. Discover Stanwood Camano Analytics

In February, the DSC website had 1,830 user visits. There was a total of 3,295 pageviews. The top five states for audience locations were Washington, Wyoming, California, Texas, and Oregon. The Facebook page reached 2,563 people with 619 page visits and the Instagram account reached over 1,630 people with 234 profile visits. The top 5 search terms were Northwest Glass Quest, Camano Island, Stanwood Senior Center, Glass Quest, and Camano Island Washington.

9. EDB Next Meeting on April 21, 2023



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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7b

DATE: May 11, 2023

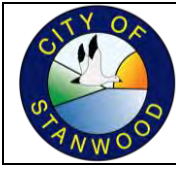
SUBJECT: Parks and Trails Advisory Committee Meeting Minutes –
March 20, 2023

CONTACT PERSON: Carly Ruacho, Senior Planner

ATTACHMENTS: A – Meeting Minutes March 20, 2023

SUMMARY STATEMENT

Minutes from the March 20, 2023, Parks and Trails Advisory Committee Meeting are attached to this staff report for approval as presented. These minutes were approved at the April 17th, 2023, Parks and Trails Advisory Committee Meeting.



Parks and Trails Advisory Committee Meeting Minutes March 20, 2023

Call to Order: 3:02 call to order

Roll call:

Cathy Wooten
Matt Withers
Lisa Bruce
Dave Hall
Gordy Holmes
Judy Williams
Meagen Watne

Staff Present:

Carly Ruacho, Parks Planning Manager
Kevin Pellham, Engineering Technician
Patricia Love, Community Development Director
Kevin Hushagen, Public Works Director

Absent: none

Citizens Present: Peter Kamb

Citizen Comments: none

Approval of January 2023 PTAC Minutes: Minutes approved as written

Matt Withers moved to approve the February 21, 2023, meeting minutes as written, Second by Cathy Wooten. Motion carried unanimously.

Item 4: New Member Introduction

Carly introduced Meagen Watne as the new PTAC member, appointed by the Mayor and approved by City Council at their February 23, 2023 meeting. Carly summarized Meagan's background and interest in Stanwood parks and trails from her letter of interest and the other members welcomed Meagen to the group.

Item 5: Downtown Park Narrative/Naming Update

Community Development Director, Patricia Love presented some concept level design options for the new downtown park. Previous comments by other committees included a gazebo, seating, and space for the holiday tree. PTAC members also voiced the need for seating and also expressed the desire to have at least one small play element for children. The committee expressed the desire to keep the design consistent with a railroad theme and suggested looking at Jennings Park in Marysville for a similar train themed play element.

Patricia reported that the PTAC recommendation for the downtown park naming as "Railroad Park" will be submitted to the City Council for their approval at the April 13, 2023, meeting.

Item 6: Public Farm Project Update

Project proponent Andrew Davis presented an updated concept summary for his public farm proposal at the Ovenell Farm property. He discussed his plans for a greenhouse and potting shed as well as farm plot and raised garden beds. The pilot project would include up to 10 participants in once per week classes with larger groups on occasion for tours/education. Andrew reported that the Stanwood/Camano Food Bank will be the Farm's fiscal sponsor and will handle the administration of



Parks and Trails Advisory Committee Meeting Minutes March 20, 2023

any funds and also provide insurance for the Farm participants. Andrew presented his planting plan and crop estimates, as well as the project values and goals and outreach plans. He also presented his proposed timeline which starts classes in April. Andrew asked for PTAC support to allow a one-year lease for the farm project.

Judy Williams moved to support the Stanwood Public Farm project at Ovenell Park based on the summary plan of action documents provided at the March 20, 2023, PTAC meeting and recommend city council approve a one-year lease provided there is an approved contract with the Stanwood Camano Food Bank that includes liability insurance coverage. Second by Gordy Holmes. Motion carried unanimously.

Item 7: Skate Park Design and Contract

Carly presented the design for the improvements to the skate park at Heritage Park. The Committee reviewed the proposal to complete phase 2 of the skate park as originally designed in 2013 with 23 new modular components to be located on the existing pad and some rearranging of the existing facility as well as maintenance of the existing component including repainting. Carly reported the cost of the project as below the budgeted amount of \$175,000 due to a discount received through a cooperative purchase agreement and informed the Committee that the work is scheduled to be completed in late June/early July. The Committee was in support of moving forward with the skate park upgrades as proposed.

Item 8: Park/Trail Updates

The committee discussed parks and trail updates including pickleball court construction at Church Creek and Heritage Parks with concrete/asphalt scheduled to go in next week. Baseball field improvements at Church Creek Park have wrapped up. No play will be allowed through at least April first and longer if necessary to allow the grass to establish. Staff and consultant are working to finalize the Hamilton Park design and bid documents. Construction is still expected to occur this year, but current funding may not cover all planned components of the project. Utilities, restrooms and labyrinth pavers may need to be funded separately or removed from the scope of the project. Staff is still hopeful to move forward with covered dugouts at Heritage Park and is looking for ways to cover the budget gap.

Item 9: Committee Comments

Meagen – excitement for public farm proposal.

Judy – is excited that the City is moving forward with so many projects after so many years of planning and thanked staff for all the hard work.

Cathy – commented regarding concern over the skate park/pickleball proximity and potential conflicts. Proposed that a timeframe could be instituted where no pickleball would be allowed, possibly during after school hours.

Lisa added that a sign could be posted at the pickleball courts to remind folks that the skate park was there first. She also commented that we need to be mindful of providing space for teens to be teens.

Dave – commented that he believes skatepark users should be held to acceptable public park behavior. He also commended the group for the action supporting the public farm proposal as it is something tangible that the community can see is happening at Ovenell. It's temporary, but it benefits the food bank and the community as a whole.

Adjourn: 5:03PM

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7c

DATE: May 11, 2023

SUBJECT: Planning Commission Meeting Minutes

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – April 11, 2023, Meeting Minutes

SUMMARY STATEMENT

Minutes from the April 11, 2023, Planning Commission Meeting are attached to this staff report for approval as presented. These minutes were approved at the April 24, 2023, Planning Commission Meeting.



Planning Commission
Meeting Minutes
April 10, 2023 – 6:30 pm

Call to Order: 6:32 pm

Roll Call

Commissioners Present:

Eric Warnat, Commissioner
Robert Hicks, Commissioner
Melissa Toner, Commissioner
Cody Davis, Commission Vice-Chair
Justin Burns, Commissioner
Jeff Wheatley, Commissioner

Staff Present:

Patricia Love, Community Development Director
Tansy Schroeder, City Planner
Audrey Rotrock, Associate Planner

Absent: Patrick Hosterman, Commission Chair

Also known to be present: Andrew McKinley (West Edge Development-Three LLC), Dan Nelson (PNW Architects), Carl Pirscher (CDA + Pirscher Architects, Inc.), Sid Roberts, Andreena Bergman, Carly Sarver, Jay Sarver, Darren Robb, Charvet Drucker (online), Kathleen Shepro (online), Matt (online), Tom Surridge (online), Christy Ward (online), Ellen Paige (online), Sam Drucker (online), William Lippens (online)

Public Requests and Comments:

None

Approval of Minutes:

The minutes from the March 13, 2023 Planning Commission meeting were unanimously approved.

New Business:

Public Meeting: Cedarside Commons Mixed-Use Development

A public hearing was held for the Cedarside Commons Mixed-Use Development. The proposed development is located at 26903 72nd Avenue NW, 6817 268th Street NW, and 6824 268th Street NW, Stanwood, WA 98292 on three properties totaling 21.82 acres in the Traditional Neighborhood zoning district. The applicant is proposing two access points into the development. They are proposing to relocate the existing intersection of 268th Street and 72nd Avenue northwards to line up with the entrance to the high school. The east end of 268th Street NW will remain in its current configuration with frontage improvements. The residential portion of the development is proposed to consist of 86% multi-family apartments and 14% townhomes with approximately 26,000 square feet of commercial space.

The property is zoned Traditional Neighborhood (TN) and the proposal consists of 444 apartment units of varying sizes, and 72 townhome units for a total of 516 residential units in addition to 26,000 square feet (SF) of retail and office space, 7,130 SF of recreational amenities for the residential occupants, and 126,198 SF of Native Growth Protection Area to preserve the on-site wetlands and stream. The applicant is proposing a street vacation of 268th Street NW in its existing location and reconstructing the road northward. The applicant is also requesting a Development Agreement to facilitate development of the site due to the large encumbrance of critical areas including proposed density, height, parking, mix of uses, and critical area buffers for the project. Recreational amenities and open space, storm water management, water and sewer infrastructure, and street and landscaping improvements are all included



Planning Commission Meeting Minutes April 10, 2023 – 6:30 pm

in the project. Below is an overview of the Cedarside Commons presentation the developer and architects gave to the Planning Commission.

The Cedarside Commons project is envisioned as an all-inclusive development of residential housing, boutique commercial, personal services, and small retail shops. There is an emphasis on shared opportunities for formal and informal interactions and experiences as a community. Two of the retail buildings will face each other across a pedestrian only street leading to an open plaza with shopping and dining. Both structures have extended roofs to create dry walkways along the store fronts. The plaza is intended as a space for farmers' markets, Saturday markets, or the annual Camano Art tour. Future possibilities for the plaza could be an outdoor restaurant space, music venue, or public playground.

The centrally located residential Commons building is a 7,130 SF single-story building and will provide a fitness center, meeting rooms, barbeque space, a library, game room and administrative spaces. The Commons building shares an architectural style with the mixed-use structure as well as other planned structures. These two structures stand as the "gateway" and the integration of public to more private residential spaces. The proposed development is seeking a Development Agreement to facilitate the following requested deviations from Stanwood Municipal Code.

Increase of Residential Density

The allowable residential density in the Traditional Neighborhood (TN) zone is identified in Section 17.60.030 of the City of Stanwood Zoning Code as 20 Dwelling Units (DU) per acre. The base calculation for this 21.8-acre site area is therefore 436 dwelling units. The developer is proposing a total DU count of 516 units with 444 apartment units and 72 townhome units. This comes to a unit density of approximately 23.67 units per acre.

Reduction of Commercial Density

The developer is proposing two distinct types of residential units for this project, townhouse style units and apartment style units. Per section 17.47.040.4 of the Stanwood Zoning code, at least 10% of the gross site area must be developed as commercial space to have fewer than 3 types of residential units. The developer is requesting the City to approve a reduction in unit types to just 2 unit types based on the significant areas on site that will be reserved as undeveloped critical areas. Approximately one third of the total property acreage will be reserved as riparian habitat to protect and preserve the Church Creek stream corridor and adjoining buffers. The reserved undeveloped areas coupled with onsite parking requirements, shared activity spaces for the residents, and the enlarged ROW development has limited the opportunities for prime commercial spaces to be developed at grade.

Reduction of Minimum Parking Requirements

The relocation of the 268th St. NW ROW from its current location to the proposed central public pathway through the development will help mitigate problematic traffic conditions in the area and will provide a connection to integrate this project into the larger Stanwood community. Parking spaces will be provided for more than 900 vehicles within parking structures and street parking areas. Public parking is proposed on both sides of the realigned ROW which will enhance the viability of the proposed commercial spaces and serve as additional guest parking for the residential densities proposed.



Planning Commission Meeting Minutes April 10, 2023 – 6:30 pm

The development meets ITE *Parking Generation Manual* requirements. Per Stanwood Municipal Code 17.105.050 *Permitted reductions in off-street parking requirements*, a reduction in the required number of parking spaces to the proposed number of spaces would be allowed. In keeping with the vision of a nature-oriented development, reducing the amount of parking would allow inclusion of more natural space and will limit large areas of concrete that can cause hot spots and other undesirable effects.

Tandem Parking

The number of parking stalls proposed is a total of 902. On-site parking stalls will include 35 ADA (Americans with Disabilities Act) compliant stalls, 35 compact stalls, and 56 tandem stalls. The number of compact stalls may increase as parking needs are more fully evaluated. The below-building parking structure stalls will be assigned to the individual units. The approximate 85 stalls proposed with the ROW improvements are anticipated to be for public parking to serve both patrons of the proposed commercial spaces as well as guest parking for the residential units. In the developer's experience, tandem stalls are frequently provided for larger 2- and 3-bedroom units in mixed use projects of this scope. They ask if the City of Stanwood will consider approving a limited number of proposed tandem stalls for use exclusively with the 2- and 3-bedroom units.

Building Height Exemption

Of the twenty-four structures proposed for the project, three buildings A1, A2, and Building C, will slightly exceed the height limit of 55 feet taken from the average frontage grades of the buildings. The average grade at the frontage for Building C is 106.5 feet. The finished elevation at the low sloped roof is 161.7 feet. The roof elements are highly articulated with variable height parapets that exceed the allowable height limits by in some cases as little as 6 inches to as much as 24-inch parapet extension. The developer is also proposing a series of shed roofs on Building C and others to further articulate the roof lines of Building C. In all cases the shed roofs are above the proposed parapet heights but do not exceed the extra allowable ten feet in building height allowed under the City of Stanwood Zoning Code for sloping roof forms. The added parapet height being requested will provide interesting and articulated roof elements and shield the roof top mechanical units planned for these structures from view.

Reduction of Wetland Buffers

The development is proposing to reduce the wetland buffer of the Cedarside project to 80' with further allowance for buffer averaging.

Commissioner Questions & Comments

- Will there be a direct connection between the open space/wetland area to Church Creek Park?
 - The wetland area will be preserved and protected through a Native Growth Protection Area (NGPA). Adjacent to the NGPA, the development is proposing a public trail system that can connect to the Church Creek Park trail system. The developer will also provide sidewalk connectivity to Church Creek Park along 72nd Avenue NW.
- What is a community garden?
 - A community garden is an area with garden beds that can be assigned to residents giving them space to plant flowers, vegetables, and other plants for themselves.
- Will the existing tree buffer along SR 532 be removed?



Planning Commission Meeting Minutes April 10, 2023 – 6:30 pm

- The existing landscape buffer located between 268th Street NW and SR 532 is not proposed for removal. The applicant is also proposing additional plantings that will help buffer the development.
- What percentage of the wetlands will be used as landscaped areas?
 - None of the wetlands are considered landscaped areas. The developer will enhance the critical areas by planting native plants in the buffer areas.
- The trail system around the perimeter looks great.
- Will there be a play structure?
 - The development is proposing a centrally located playground area located behind the commons building. Additional community garden and other gathering spaces are also proposed.
- Will the color scheme of this development follow the same palette that is being used on for the Twin City Mile Project (TCM)?
 - This project is being designed with a “contemporary PNW” theme in mind. Staff will discuss incorporation of similar colors of the TCM project.
- Will this development provide any Section 8 housing?
 - The property will accept Section 8 vouchers for housing, but the units will be market value.
- Will there be any signs for the development facing SR 532 and 72nd Avenue NW?
 - All signs will be interior facing and door mounted. There will be no signs on SR 532.
- Stormwater will be retained in four large underground vaults.
- How is parking calculated?
 - Parking was calculated using the ITE 11th edition Trip Generation manual. Commercial use is based on square footage, residential parking is based on a blend of unit types and square footage. All townhomes will have 2 car garages, there will also be street parking and underground parking garages.
- There is a concern that people may use Church Creek Park for overflow parking from the development.
- The Commission feels that a 23% reduction in parking is risky, what is the hardship for justifying the reduction?
 - Enough space is the main hardship. Another underground story of parking in the parking garage would be cost prohibitive and the clay soils are not compatible for this type of structure.
- This developer also developed Pilchuck Village in Arlington with a similar parking variance.
 - The developer stated that the Pilchuck Village property provided parking at the minimum ITE rates, and the result has been constrained parking. As such, the developer is proposing to exceed the ITE standards for the Cedarside Commons project to avoid the issues that Pilchuck Village is now experiencing.
- There are concerns about how the re-alignment of 268th Street NW will impact traffic.
 - How will the road revision impact the 64th/SR 532 intersection, the 64th/268th intersection, the 72nd/268th intersection, and the 72nd/SR 532 intersection?
- Speeding on 268th Street NW is a concern. Will the speed limit be reduced?



Planning Commission Meeting Minutes April 10, 2023 – 6:30 pm

- The speed limit on this road has not yet been discussed but the developer will ask that it be reduced to 20 miles per hour. They are also proposing raised pedestrian crosswalks as a further deterrent to speeding in the area.
- There is a concern about pedestrians safely crossing SR 532 to get to the Haggen's Plaza.
- Community Transit will be the authority on adding a bus stop to the development.
- Traffic impact fees collected from this project will contribute to future road development and improvements.
- What is the height of the tallest building of the development?
 - The tallest buildings will be 65 - 75 feet. The tallest buildings appear to be visually in line with the tallest buildings of the high school across the street. According to the high school staff report, the tallest building on the school property is 58'6".
- The developer will not be selling the finished project but will be the owner/operator of the finished development.
- The Commissioners support the majority of deviations being requested by the developer including a reduction in commercial density since Stanwood currently has many vacant businesses. However, they have significant concerns about the requested parking deviation.

Public Comments & Questions

- Due to technical issues on Zoom, the City was unable to take comments from those who attended online.
- There were no comments or questions from the public who attended in person.

Old Business:

None

Miscellaneous Business:

None

Recent Council Action on Commission Items:

- Final adoption of Stanwood Municipal Code Titles 1, 2 & 4 at City Council on March 23, 2023.

Upcoming Items:

Joint Planning Commission and Community Development Committee meeting on April 24, 2023.

Adjourn: 8:40 pm



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7d
DATE: May 11, 2023
SUBJECT: Public Safety Committee Report
CONTACT PERSON: Jason Toner, Police Chief
ATTACHMENTS: A – Safety Committee Meeting Minutes 04/13/2023

SUMMARY STATEMENT

The minutes of the April 13, 2023, Public Safety Committee Meeting are attached to this staff report for approval as presented.



STANWOOD

PUBLIC SAFETY COMMITTEE

Meeting Minutes

April 13th, 2023

LOCATION: School Admin Bldg., 26920 Pioneer Hwy Stanwood WA

ATTENDANCE:

- City Council Members – Dani Gaumond, Andreena Bergman, Tim Schmitt
- Stanwood Police – Chief Jason Toner
- North County Regional Fire –Chief John Cermak

CALLED TO ORDER: Meeting Called to Order at 6:00 pm

DISCUSSION:

- Chief Toner discussed law enforcement related bills that are in process at the state legislature, related to pursuits and drug possession. The pursuit bill seems likely to pass with bi-partisan support, while the “Blake Bill” is still being negotiated.
- The committee discussed ORV vehicles in public roadways, parking issues near Stanwood Elementary School, and overall police activity in Stanwood.
- Chief Cermak discussed an upcoming Fire/EMS levy that would fully staff Station 96, which would serve NE Stanwood.
- Chief Cermak explained that as North County Fire and EMS grows, they are having to move away from part-time personnel to full time staff. Other departments are hiring our part-time employees for full time positions. Chief Cermak also explained that he has been able to hire several full-time personnel who have years of experience.
- Council Member Schmitt asked about a potential fireworks ban in Stanwood and how would the ban be enforced. Chief Cermak and I related our experience with firework bans in other jurisdictions, the current laws/limitations of enforcing a ban, and being more educational than enforcement.



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 7e

DATE: May 11, 2023

SUBJECT: Public Works Committee Meeting Minutes

CONTACT PERSON: Kevin Hushagen, Public Works Director

ATTACHMENTS: A – May 1, 2023, Public Works Committee Minutes
B – Comments from citizens

SUMMARY STATEMENT

Minutes from the May 1, 2023, Public Works Committee Meeting are attached to this staff report for approval as presented.



Public Works Committee
Meeting Minutes
May 1, 2023

Attendance:

Councilmembers: Darren Robb, Tim Pearce, Dani Gaumond

City Staff: Kevin Hushagen Public Works Director, Shawn Smith City Administrator

Meeting was conducted in person. The full meeting agenda packet with detailed information can be found on the City's website at [Agenda Center](#).

Call to order at 5:30 pm

Agenda-**1. Discussion on concerns with Church Creek Park restroom use.**

Committee Member Gaumond had expressed concerns on how the restrooms at CCP were being locked by users for long periods of time and unavailable to the rest of the public. Committee Member Gaumond also distributed a list of comments she had gathered from citizens regarding park use, general appearance of the park and concerns. During the discussion Committee Member Gaumond asked if staff could look into the possibility of creating stalls in the restrooms and eliminating the option of locking the doors from the inside. Committee Member Robb asked about providing signage with a number to call for users who see vandalism or other issues without the need to call 911. Committee Member Pearce brought up the use of a citizen patrol and it was well received by all members. The committee is fully in support of any methods taken to try to bring a more user family friendly environment to the park and staff is looking into all three suggestions.

2. Director Hushagen provided an update on the projects PW is currently working on.

Adjourn: 7:10 pm

"I'm on a play date with 3 five year olds. And these kids have locked themselves in the restroom so my child had to poop and pee in the woods."

"We all have concerns about the kids locked in the bathroom for over an hour so nobody could use a public restroom at a park."

"Why go to that park in the first place it's known for drugs and teens. Not a good place for little kids."

"That park will never change."

"It's one of the shittiest parks in Stanwood...been that way for years and I doubt it's gonna change."

"This has been an ongoing issue from many different kids. Definitely not isolated...Could make the bathroom have a stall and make it so the main door can only be locked by the parks."

"Church creek is awful"

"It's a location issue. It's just too close to high school. Until you have someone of authority manning the facility the problem will continue."

"The park has always been an issue for years and years."

"Been like that 35+ years."

"Lock the doors and bring in porta potties. No One is going to do drugs in those. Or how about some cameras and signs around it."

"Well it will evolve into bad goings on. Needs to put a stop to it."

"Yes and they use them to do drugs and leave paraphernalia behind."

"As a parent of a teenager that goes to that high school it's a real issue."

"We don't go there anymore bc of it."

"What are the schools "off campus" policies? I was just at the high school earlier to drop off some papers and was shocked at the amount of kids just casually walking out the door and leaving campus. And no, not to go to the portable or stadium or any other place where it might be a legit classroom scenario."

"I went to the park and the middle school boys have taken it over. There were a couple moms with little ones when we first got there but they left shortly after we got there. not a fun park anymore."

"We use to live in the house right at the backstop of the field and we homeschool so we are always home. It's always been a problem. The high school kids are always going to the park."

"I don't live in town but I've seen it a couple of the rare times I've been there...a teen couple came out still buttoning things up."

"Same here. During glass quest we saw this. The kids looked so young."(this one in response to the above remark of kids coming out buttoning things up.)

"My 5 year old and others who needed a restroom and couldn't use it due to them skipping school."

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**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 8a

DATE: May 11, 2023

SUBJECT: Approval of Voucher and Payroll Checks

CONTACT PERSON: Amy Bergemeier, Accounting Specialist

ATTACHMENTS: A - Voucher Check Detail

SUMMARY STATEMENT

Approve issuance of Washington Federal Bank voucher checks 36851 through 36942 and electronic fund transfers in the amount of \$560,296.98. Approve issuance of Washington Federal payroll electronic fund transfers in the amount of \$49,650.00.

RECOMMENDED MOTION

MOTION TO APPROVE ISSUANCE OF WASHINGTON FEDERAL BANK VOUCHER CHECKS 36851 THROUGH 36942 AND ELECTRONIC FUNDS TRANSFERS IN THE AMOUNT OF \$560,296.98. APPROVE ISSUANCE OF WASHINGTON FEDERAL PAYROLL ELECTRONIC FUND TRANSFERS IN THE AMOUNT OF \$49,650.00.

CHECK REGISTER

City Of Stanwood

Time: 11:57:59 Date: 05/03/2023

04/08/2023 To: 05/03/2023

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1773	04/18/2023	Claims	3	EFT	WA St Dept of Revenue **	15,693.43	City of Stanwood
1828	04/17/2023	Claims	3	EFT	Washington Federal Bank	80.01	April service fees
1832	04/21/2023	Payroll	3	EFT		3,000.00	April 2023 Draw
1833	04/21/2023	Payroll	3	EFT		1,800.00	April 2023 Draw
1834	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1835	04/21/2023	Payroll	3	EFT		2,500.00	April 2023 Draw
1836	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1837	04/21/2023	Payroll	3	EFT		1,000.00	April 2023 Draw
1838	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1839	04/21/2023	Payroll	3	EFT		2,700.00	April 2023 Draw
1840	04/21/2023	Payroll	3	EFT		2,700.00	April 2023 Draw
1841	04/21/2023	Payroll	3	EFT		4,000.00	April 2023 Draw
1842	04/21/2023	Payroll	3	EFT		1,600.00	April 2023 Draw
1843	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1844	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1845	04/21/2023	Payroll	3	EFT		1,600.00	April 2023 Draw
1846	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1847	04/21/2023	Payroll	3	EFT		500.00	April 2023 Draw
1848	04/21/2023	Payroll	3	EFT		1,500.00	April 2023 Draw
1849	04/21/2023	Payroll	3	EFT		1,800.00	April 2023 Draw
1850	04/21/2023	Payroll	3	EFT		1,000.00	April 2023 Draw
1851	04/21/2023	Payroll	3	EFT		2,500.00	April 2023 Draw
1852	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1853	04/21/2023	Payroll	3	EFT		500.00	April 2023 Draw
1854	04/21/2023	Payroll	3	EFT		3,450.00	April 2023 Draw
1855	04/21/2023	Payroll	3	EFT		1,500.00	April 2023 Draw
1856	04/21/2023	Payroll	3	EFT		2,000.00	April 2023 Draw
1861	04/19/2023	Claims	3	EFT	WA St Department Of Retirement Systems	25.00	OASI 2022 acct #000000930; inv#1556654
1946	04/26/2023	Claims	3	EFT	HSA Bank	5.00	H.S.A. Service Fee April
1774	04/18/2023	Claims	3	36851	APP- Associated Petroleum Products	4,826.62	AP0100494
1775	04/18/2023	Claims	3	36852	All Phase Electric Supply Co	200.46	City of stanwood
1776	04/18/2023	Claims	3	36853	American Ramp Company	82,272.49	city of stanwood
1777	04/18/2023	Claims	3	36854	Aramark Uniform Services Inc	54.68	937963000
1778	04/18/2023	Claims	3	36855	BHC Consultants, LLC	1,528.62	City of Stanwood
1779	04/18/2023	Claims	3	36856	The Blueline Group, LLC	11,602.50	City of Stanwood; City of
1780	04/18/2023	Claims	3	36857	Gaylynn Brien	180.00	City of stanwood
1781	04/18/2023	Claims	3	36858	Patrick J Burt	659.60	City of Stanwood
1782	04/18/2023	Claims	3	36859	Code Publishing Company Inc	205.49	ST4659
1783	04/18/2023	Claims	3	36860	Confluence Environmental Company, Inc	41,575.62	City of stanwood
1784	04/18/2023	Claims	3	36861	Daily Journal Of Commerce Inc	814.00	3941; 3941
1785	04/18/2023	Claims	3	36862	Databar Inc.	878.62	8952
1786	04/18/2023	Claims	3	36863	Edge Analytical Inc	864.50	STA01; STA01; STA01
1787	04/18/2023	Claims	3	36864	Faber Construction Corp	45,463.12	City of Stanwood
1788	04/18/2023	Claims	3	36865	General Pacific Inc	716.46	101681
1789	04/18/2023	Claims	3	36866	ICONIX Waterworks (US) Inc.	380.19	CITSTA
1790	04/18/2023	Claims	3	36867	Iworq Systems Inc	10,500.00	428
1791	04/18/2023	Claims	3	36868	Jones & Knudson Holdings LLC	3,300.00	City of stanwood
1792	04/18/2023	Claims	3	36869	Keller Supply Company	437.04	22832
1793	04/18/2023	Claims	3	36870	Lakeside Industries, Inc.	1,069.76	City of Stanwood 108469
1794	04/18/2023	Claims	3	36871	Lenz Enterprises Inc	683.00	City of Stanwood; City of Stanwood
1795	04/18/2023	Claims	3	36872	Les Schwab Tire Centers	30.58	S34-00006
1796	04/18/2023	Claims	3	36873	Maul Foster Alongi, Inc.	16,518.75	City of Stanwood; City of Stanwood; City of Stanwood

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City Of Stanwood

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1797	04/18/2023	Claims	3	36874	NC Machinery		duplicate invoice-void and reissue
1798	04/18/2023	Claims	3	36875	O'Reilly Auto Parts	32.78	1872464
1799	04/18/2023	Claims	3	36876	ODP Business Solutions, LLC	536.05	36274097; 36274097; 36274097; 36274097; 36274097; 36274097; 36274097; 36274097; 36274097; 36274097
1800	04/18/2023	Claims	3	36877	Orchard's Nursery	637.39	City of Stanwood
1801	04/18/2023	Claims	3	36878	PUD Of Snohomish County *	4,768.27	200142180; 200738672
1802	04/18/2023	Claims	3	36879	Alison Lee & Michael Torresan	16.43	07 1007 10 - 8303 282ND ST NW
1803	04/18/2023	Claims	3	36880	Puget Tech LLC	1,788.00	City of stanwood; City of Stanwood
1804	04/18/2023	Claims	3	36881	RH2 Engineering Inc	699.82	City of stanwood
1805	04/18/2023	Claims	3	36882	SAAL Brewing Company	95.00	City of Stanwood
1806	04/18/2023	Claims	3	36883	Safeway	32.32	191483
1807	04/18/2023	Claims	3	36884	Skagit Farmers Supply	158.11	135052; 135052; 135052
1808	04/18/2023	Claims	3	36885	Skagit Valley Publishing	265.98	48893; 48893; 48893
1809	04/18/2023	Claims	3	36886	Sno Co Information Services *	12,484.40	DIS1107
1810	04/18/2023	Claims	3	36887	Everett Daily Herald/ Sound Publishing, Inc.	278.88	14104597
1811	04/18/2023	Claims	3	36888	Stanwood Ace	521.87	20013; 20013; 20013; 20013; 20013; 20013
1812	04/18/2023	Claims	3	36889	Stanwood Auto Parts	251.43	56100; 56100
1813	04/18/2023	Claims	3	36890	Stanwood City Utility	4,842.72	2732; 1075; 2688; 2741; 2749; 2886; 2964; 2965; 3184; 3439; 4962
1814	04/18/2023	Claims	3	36891	Stanwood Lacrosse	100.00	city of stanwood
1815	04/18/2023	Claims	3	36892	Stilly Auto Parts Napa	19.32	27197
1816	04/18/2023	Claims	3	36893	Strategies 360 Inc	2,000.00	City of stanwood
1817	04/18/2023	Claims	3	36894	Thompson Guildner & Associates Inc. P.S.	13,865.09	City of Stanwood
1818	04/18/2023	Claims	3	36895	Transpogroup Inc	14,596.25	City of Stanwood; City of
1819	04/18/2023	Claims	3	36896	US Bank Na Custody/ Treas Div- Money Ctr	60.00	City of stanwood XX717
1820	04/18/2023	Claims	3	36897	Utilities Underground Loc	141.90	134200
1821	04/18/2023	Claims	3	36898	Verizon Wireless	1,177.25	372541731-00001
1822	04/18/2023	Claims	3	36899	WA St Auditor's Office	128.10	City of Stanwood
1823	04/18/2023	Claims	3	36900	WM Corporate Services, Inc.	2,065.84	8-58270-85007
1824	04/18/2023	Claims	3	36901	Wave Broadband	132.02	3201-0316547-01
1825	04/18/2023	Claims	3	36902	West Coast Code Consultants,	1,768.34	City of Stanwood
1826	04/18/2023	Claims	3	36903	Western Exterminator Company	426.33	683591; 683591; 683591
1827	04/18/2023	Claims	3	36904	Ziply Fiber	1,367.55	206-188-0411-053105-5
1950	04/26/2023	Claims	3	36905	Aramark Uniform Services Inc	54.68	937963000
1951	04/26/2023	Claims	3	36906	The BlueLine Group, LLC	10,205.00	City of Stanwood
1952	04/26/2023	Claims	3	36907	Bonner Electrical Contracting LLC	10,810.44	City of Stanwood; City of
1953	04/26/2023	Claims	3	36908	Builders Exchange of Washington Inc	90.00	City of Stanwood
1954	04/26/2023	Claims	3	36909	Community Resources Foundation	4,739.00	City of Stanwood
1955	04/26/2023	Claims	3	36910	Confluence Environmental Company, Inc	3,126.09	city of stanwood
1956	04/26/2023	Claims	3	36911	Daily Journal Of Commerce Inc	396.00	3941
1957	04/26/2023	Claims	3	36912	Databar Inc.	2,113.75	8952; 8952
1958	04/26/2023	Claims	3	36913	Edge Analytical Inc	90.00	STA01; STA01
1959	04/26/2023	Claims	3	36914	Grainger Inc	5.90	848089215; 848089215; City of Stanwood 848089215
1960	04/26/2023	Claims	3	36915	Hamilton Lumber LLC	275.44	City of Stanwood 66; Hamilton Lumber 66; City of Stawood 66
1961	04/26/2023	Claims	3	36916	David Hammond	223.28	City of Stanwood

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1962	04/26/2023	Claims	3	36917	ICONIX Waterworks (US) Inc.	501.64	CITSTA; CITSTA
1963	04/26/2023	Claims	3	36918	Lakeside Industries, Inc.	579.92	108469
1964	04/26/2023	Claims	3	36919	Lenz Enterprises Inc	608.13	City of Stanwood
1965	04/26/2023	Claims	3	36920	NC Machinery	12,732.53	0271520; 0271520; 0271520; 0271520; 0271520; 0271520; 0271520
1966	04/26/2023	Claims	3	36921	National Safety, Inc.	187.88	20-STACIT
1967	04/26/2023	Claims	3	36922	O'Reilly Auto Parts	16.37	1872464
1968	04/26/2023	Claims	3	36923	ODP Business Solutions, LLC	311.15	36274097; 36274097; 36274097; 36274097
1969	04/26/2023	Claims	3	36924	PUD Of Snohomish County *	10,972.94	200794063; 223656299; 202423729; 200103539; 201942398; 200208858
1970	04/26/2023	Claims	3	36925	PacWest Machinery	165.30	29765570
1971	04/26/2023	Claims	3	36926	Perteet Inc.	2,877.88	City of stanwood
1972	04/26/2023	Claims	3	36927	Pollardwater	1,609.75	37807
1973	04/26/2023	Claims	3	36928	Ricoh USA, Inc.	318.23	1316669-3800326; 1316669-3816549
1974	04/26/2023	Claims	3	36929	Skagit Farmers Supply	79.27	135052; 135052
1975	04/26/2023	Claims	3	36930	Skagit Valley Publishing	145.86	48893
1976	04/26/2023	Claims	3	36931	Sno Co Sheriffs Office *	175,952.50	SSH00001
1977	04/26/2023	Claims	3	36932	Snohomish County 911	9,153.42	City of Stanwood
1978	04/26/2023	Claims	3	36933	Snohomish County Public Def Association	2,385.00	City of Stanwood
1979	04/26/2023	Claims	3	36934	Everett Daily Herald/ Sound Publishing, Inc.	344.48	14104597; 14104597
1980	04/26/2023	Claims	3	36935	Stanwood Ace	734.26	20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013; 20013
1981	04/26/2023	Claims	3	36936	Summit Law Group	613.00	20150-1 JXL
1982	04/26/2023	Claims	3	36937	USA Bluebook	508.16	478228
1983	04/26/2023	Claims	3	36938	WA St Dept of Licensing *	837.00	City of Stanwood
1984	04/26/2023	Claims	3	36939	Washington State Patrol *	172.25	AR #0000015959
1985	04/26/2023	Claims	3	36940	Wave Broadband	152.42	3201-0316545-01
1986	04/26/2023	Claims	3	36941	Ziply Fiber	85.93	360-939-0579-080320-5
1987	04/26/2023	Claims	3	36942	Zumar Industries Inc	178.51	000683
1860	04/14/2023	Claims	8	EFT	US Bank St Paul	120.64	April Analysis service charge

001 General Fund	311,578.12
101 Street Fund	8,198.88
103 Street Construction Fund	16,778.88
104 Park And Trail Improvement Fund	151,531.28
110 Building Improvement Fund	1,127.80
115 Tourism And Promotion	1,788.00
401 Sewer Fund	26,680.49
403 Sewer Construction Fund	46,234.44
410 Drainage Fund	9,595.94
411 Drainage Construction Fund	3,126.09
421 Water Fund	30,499.60
422 Water Construction Fund	1,436.20
630 Agency Fund	1,371.26
	Claims: 560,296.98
* Transaction Has Mixed Revenue And Expense Accounts	609,946.98 Payroll: 49,650.00

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City Of Stanwood

Time: 11:57:59 Date: 05/03/2023

04/08/2023 To: 05/03/2023

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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CERTIFICATION: I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Stanwood, and that I am authorized to authenticate and certify to said claim.

☐ Finance Director ☐ Auditing Officer Wendy Donhomer Date: 5-3-23
☒ Deputy Finance Director

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**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 8b
DATE: May 11, 2023
SUBJECT: City Council Regular Meeting Minutes – April 27, 2023
CONTACT PERSON: Lisa Sokolik, City Clerk
ATTACHMENTS: A – Council Regular Meeting Minutes

SUMMARY STATEMENT

April 27, 2023, Regular City Council Meeting minutes are attached.

RECOMMENDED MOTION

MOTION TO APPROVE THE APRIL 27, 2023, CITY COUNCIL REGULAR MEETING MINUTES AS PRESENTED.

CITY OF STANWOOD
Regular Meeting of the City Council
Thursday, April 27, 2023 – 7:00 p.m.
In-Person & Zoom Online Meeting
MINUTES

1. Call to Order and Pledge of Allegiance

Mayor Sid Roberts called the meeting to order at 7:00 p.m. Councilmember Pearce led the Pledge of Allegiance.

2. Roll Call

City Clerk Lisa Sokolik called the roll with the following Councilmembers present: Dani Gaumond, Marcus Metz, Darren Robb, Steve Shepro, Tim Pearce and Tim Schmitt. The meeting was quorate.

*Motion by Councilmember Robb, second by Councilmember Pearce, to excuse Councilmember Andreena Bergman. **Motion carried unanimously.***

Also present: City Administrator Shawn Smith, Community Development Director Patricia Love, Finance Director David Hammond, City Attorney Emily Guildner, Fire Chief John Cermak, Police Chief Jason Toner, and City Clerk Lisa Sokolik.

3. Approval of the Agenda

*Motion by Councilmember Shepro, second by Councilmember Pearce to approve the agenda as published. **Motion carried unanimously.***

4. Presentation - None

5. Public Comments

Written Comment:

Jennifer Sutton, Stanwood

Nate Nehring

SnoCo Councilmember

Melissa Spear

Exec. Director Tilth Alliance

Dennis Moraski

A Simple Gesture Co-founder

Kabrina Orchard

Owner Orchard Nursery

Topic:

Concerns with growing crime in Stanwood.

Support letter for the community farm at Ovenell Park.

Support letter for the community farm at Ovenell Park.

Support letter for the community farm at Ovenell Park.

Support letter for the community farm at Ovenell Park.

Verbal Comment:

Brian Kemp, Stanwood

Topic:

Concerns of vaping happening at the schools and the serious health issues of vaping to children.

Peggy Wendel, Stanwood

Has lots of questions about the community farm.

6. Staff / Department Reports

Police Compstat Report - March

7. Council Committee Reports

- a. Parks and Trails Advisory Committee Meeting Minutes – March 20, 2023
- b. Planning Commission Meeting Minutes – March 13, 2023
- c. Public Works Committee Meeting Minutes – April 10, 2023

8. Consent Agenda

- a. Approve Vouchers and Payroll Checks
- b. Approve City Council Regular Meeting Minutes – April 13, 2023
- c. Adopt Resolution 2023-06 City iPad Usage Policy

*Motion by Councilmember Metz, second by Councilmember Robb to approve the consent agenda items A and B. **Motion carried unanimously.***

9. Unfinished Business

Authorize the Mayor to Sign Ordinance 1507A Extending the Interim Mini-Storage Development Regulations

Councilmember Metz asked if the city's employment forecast assumed the occupancy at the Twin City Foods building. Director Love answered that Twin City Foods was included in the forecast, but it wasn't included at the highest and best use of the building. The forecast will still be shy of the goal but the No Meat Factory using the building will help the numbers.

Motion by Councilmember Robb, second by Councilmember Metz to authorize the Mayor to sign Ordinance 1507A Continuation of Mini-Warehouse/Storage Facility Emergency Ordinance and forward the issue to the Planning Commission for review as part of the Community Development Department's Comprehensive Plan and Municipal Code Update Work Plan.

*Roll call of votes was taken. **Motion carried unanimously.***

10. Public Hearing - None

11. New Business

- a. Authorize the Mayor to Sign a Lease Agreement with Andrew Davis/Stanwood Camano Food Bank to Allow a Public Farm at Ovenell Park

City Administrator Smith said the proposal has been to the Public Works Committee, the Parks and Trails Advisory Committee and was emailed to council on March 23rd. This is not

a community garden, but a public farm where Mr. Davis will take the lead, he will get volunteers to work the farm and teach them how to grow a garden. The bounty will go to the Stanwood Food Bank.

The design for Ovenell Park needs to change due to the additional wetlands and BNSF not granting the city permission to cross the tracks to access the water. Council moved the Ovenell Park project to a lower priority on the Capital Improvement Plan, so a community farm will give Ovenell a use now; it will provide a benefit without a cost to the city.

Council Questions and Comments:

- Councilmember Robb said it was very helpful to have Mr. Davis attend the Public Works Committee meeting and to get questions answered and to get an understanding on how the farm will work and the parties at play. Robb stressed the importance of the partnership with the foodbank, Mr. Davis will be able to use their non-profit status to apply for grants and external funding. Robb gave kudos to Mr. Davis for bringing this proposal forward and evolving the project as he received feedback.
- Councilmember Robb asked if there will be some sort of lease fee? City Attorney Guildner answered that if there is a community benefit the fee can be as low as \$1.00.
- Councilmember Robb asked how will the optional requested items that are listed in attachment A be addressed? Smith answered that at this point, there are no permanent structures proposed. The proposed greenhouse is being donated, he will need a permit and staff will work with him on the location of where he can construct the greenhouse.
- Smith said Snohomish County Conservation District has agreed to work with Mr. Davis on potentially doing some wetland mitigation work, maybe adjust the buffers or shrink the wetland by doing some mitigation and enhancements. Councilmember Robb added that one of the optional requests on the proposal is to develop a plan to restore the wetland to the south of Saratoga Drive. Robb said as far as a lease goes, he would be happy to see any property lease be offset for wetland mitigation work, it would have a big benefit to the city for future capital projects.
- Councilmember Robb said that signage was mentioned in the plan, there has been discussion about replacing the current signage on the north barn that is visible from SR532, can those signs be replaced or just taken down?
- Councilmember Robb asked how will the farm pay for water? Smith said a water meter could be installed at the site; the rate would be the irrigation rate.
- Councilmember Schmitt commented that it's very heartwarming to know that a community farm at the Ovenell property will be benefitting the food bank.
- Councilmember Schmitt asked if there were still concerns of accessing the park from SR532. Smith answered that farm volunteers will access the park from Saratoga Drive; the SR532 access will not be opened.
- Councilmember Gaumond asked about restrooms. Smith answered that the proposal lists ADA-compliant portable restroom will be brought in.
- Councilmember Schmitt asked if any master gardeners will be involved with this project. Andrew Davis answered that he has reached out to several organizations including the Master Gardeners, they are interested in participating, but he does not have a formal agreement with them.

- Councilmember Robb asked Davis to speak on volunteer selection process. Davis said that he wants to be open and accessible to as many people as possible, however, with the egress and ingress issue, he will be limiting the volunteers to ten (10). It will be on a first come first serve basis. Volunteers will fill out a demographic survey to determine that the outreach of the program is including members of our community who are otherwise marginalized. Davis said this is a pilot project, he is hoping for a one-year lease agreement to determine the level of interest in this project in our community and to be able to determine the level of funding from grants and donations. Robb said if the lease is approved, council would be interested in getting a quarterly or six-month update on how the project is going, the demographic results and the general interest in the project. Davis said he would like to produce a report for the city and for the food bank.
- Councilmember Gaumond asked about the wording in the proposal, 'The Stanwood and Camano Food Bank will be the recipient of the excess produce harvested at the farm'. It sounds like the food is going somewhere else. Davis said that the wording is not clear, he said his intention is that the food bank will be the primary recipient of the food, but he would like to offer volunteers donations of food.
- Councilmember Metz said he likes the idea of having a farm there, his only concern was the traffic on SR532, but after hearing this discussion, he thinks the proposal is very well thought out.

Motion by Councilmember Robb, second by Councilmember Gaumond to authorize the Mayor to execute a lease agreement with Andrew Davis/Stanwood Camano Food Bank to allow the establishment of a public farm at Ovenell Park.

*Councilmember Shepro amended the motion to add the words 'one year' in front of lease agreement. **Amended motion carried unanimously.***

*Motion to authorize the Mayor to execute a one year lease agreement with Andrew Davis/Stanwood Camano Food Bank to allow the establishment of a public farm at Ovenell Park. **Main Motion carried unanimously.***

b. Discussion on Proclamations/Resolutions Policy

City Administrator Shawn Smith asked Council to discuss the current policy and direct staff to either make changes to the policy or keep it as is. Council discussed the proclamations and resolutions policy; consensus of council was to leave policy as is.

12. Public Closing Comments

Verbal Comment:

Meagan Watkins, Snohomish County

Andrew Davis, Stanwood

Topic:

Ethics committee question

Thanked Council for approving the Ovenell lease for the community farm.

13. Executive/Legislative Reports

a. Mayor's Report

- After Meagan Watkins' public comment, the Mayor spoke to her, she was still viewing the meeting via Zoom, he wanted her to know that there is not a two-way dialogue during Public Comments. He said that the legislation that she mentioned did pass and it is now part of the Stanwood Code and for her to reach out to staff if she would like a copy of the code or to ask staff questions.
- We have succeeded in obtaining preliminary funding from Snohomish County for rebuilding the Dike. The funding is still contingent on a few things, but we are very encouraged by the support of the County, State and Federal Governments.
- The Governor will likely call a special session to deal with the failed attempt to address the Blake Decision. The State House did not come to an agreement on a change in the law. Without an agreement, there will be legalized drugs come July. A special thanks to mayors and business leaders for all their work for public safety and for pushing this issue to try to get it resolved.
- May 15th is the deadline to register if you want to run for city council, we have four seats that will be on the ballot. More information can be found on Snohomish County website.
- Chief Toner will be looking into a citizen volunteer patrol program to augment our police department.

b. City Administrator Report

- The Wastewater Department was notified that they will be receiving the Outstanding Treatment Plant award, this will be eight years in a row, and a total of 14 years out of 15 that they have received this award.
- There are two open seats on the Economic Development Board, the requirement is that you must own a business within the Stanwood-Camano School District boundary.
- The mayor and Smith had a good meeting with a representative from the governor's office, he is hoping to get the Governor to come down and was asking what the city's priorities are and what we might need help on in the future.
- The city received eight bids for the 92nd Ave Sidewalk project. The low bid was \$103,000 under the engineer's estimate.

c. Councilmember Reports/Questions

- The columns of the Archway on 88th are standing. The concrete will need to cure for 28 days before it can be set.
- Thank you to Mayor Roberts, City Administrator Smith and all city staff who were involved in pulling together all the different funding for the Dike project.
- Kudos to the Mayor for all the work and involvement with the mayor and business coalition on the public safety issue. Although the Blake discussion was very disappointing, looking forward to seeing some language changes in code update that might address this issue at the local level.
- During Public Comments, a few citizens had questions. Unfortunately, council is stuck in their ability to answer questions during this time. The interpretation of the state law is the state frowns on council making any kind of comment to a member of the public when they make a comment. The state law says it would indicate favoritism even if council acknowledged that they spoke.
- The definition of a proclamation, per ChatGPT says 'proclamations made by the council should be intended to represent the collective views and values of the Stanwood community.'
- Reminder that Clean Sweep is this Saturday, May 28th.

14. Recess to Executive Session - None

15. Adjourn

There being no further business before the Council, and hearing no objection to adjournment, Mayor Roberts adjourned the meeting at 7:58 p.m.

CITY OF STANWOOD

ATTEST:

Sid Roberts, Mayor

Lisa Sokolik, City Clerk

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8c
DATE: May 11, 2023
SUBJECT: Second Utility Account Adjustment - Acct 2284
CONTACT PERSON: David A. Hammond, Finance Director

PURPOSE

The purpose of this agenda item is for Council consideration of a second adjustment to utility account 2284, totaling \$79.63.

BACKGROUND

Stanwood Municipal Code (SMC) Section 12.20.060; provides authorization for the Finance Department to adjust a utility account when a leak occurs, however, no more than once each two-year period. The code allows, after evidence the leak was repaired, for a rate adjustment up to 50 percent of the volume consumed in any one billing period in excess of the bi-monthly average of water consumed over the previous twelve months.

Additionally, the SMC authorizes City Council approval of a second adjustment, within a two-year period, if one or more of the following circumstances exist:

- i) The leak could not have been readily detectable with reasonable diligence;
- (ii) The customer does not occupy or use the subject property on a continuous basis;
- (iii) Any prior leak for which an adjustment was made by the city was repaired within 30 days of discovery;
- (iv) The customer account has been kept current and there have been no delinquencies within the previous 24 months.

ANALYSIS

Staff recommends approval of second leak adjustment, which qualifies according to SMC 12.06.020. Acct 2284— incurred the leak over two billing periods.

Fiscal Impact			
The 2023 budget for utility operations is adequate to make the requested adjustment.			
Fund(s):	Utility Operating		
Amount:	\$79.63	Project Estimate: N/A	\$ -
Budget Authorized	☒ Yes ☐ No	Amendment Required	☐ Yes ☒ No

RECOMMENDATIONS

Staff Recommendation: Staff recommends Council authorize the Finance Director to approve the utility bill adjustment in the amount totaling \$79.63

Committee/Board Recommendation: N/A

CITY COUNCIL OPTIONS

1. The City Council may authorize the approval of a second utility bill adjustment for the account.
2. The City Council may choose not to authorize the approval of a second utility bill adjustment for the account.
3. The City Council may direct staff to provide additional information.

PROPOSED MOTION

MOTION TO AUTHORIZE THE FINANCE DIRECTOR TO APPROVE SECOND UTILITY BILL ADJUSTMENT FOR ACCOUNT 2284, IN THE AMOUNT OF \$79.63.



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8d
DATE: May 11, 2023
SUBJECT: Storefront Improvement Program
CONTACT PERSON: Patricia Love, Community Development Director
Sarah Cho, Economic Development and Marketing Manager

PURPOSE

The purpose of this agenda item is for final Council consideration for five Storefront Improvement Program applications.

BACKGROUND

The City of Stanwood has a rich history, with many historic and unique buildings, housing many of our locally owned businesses in the downtown commercial retail area. The Storefront Improvement Program seeks to preserve and enhance the charm of the downtown commercial retail area, while also encouraging investment in downtown through visual and physical improvements to storefront buildings. The City of Stanwood developed the Storefront Improvement Program, which launched in March 2023, to assist with our economic development efforts, city beautification efforts, and to follow our comprehensive plan goals.

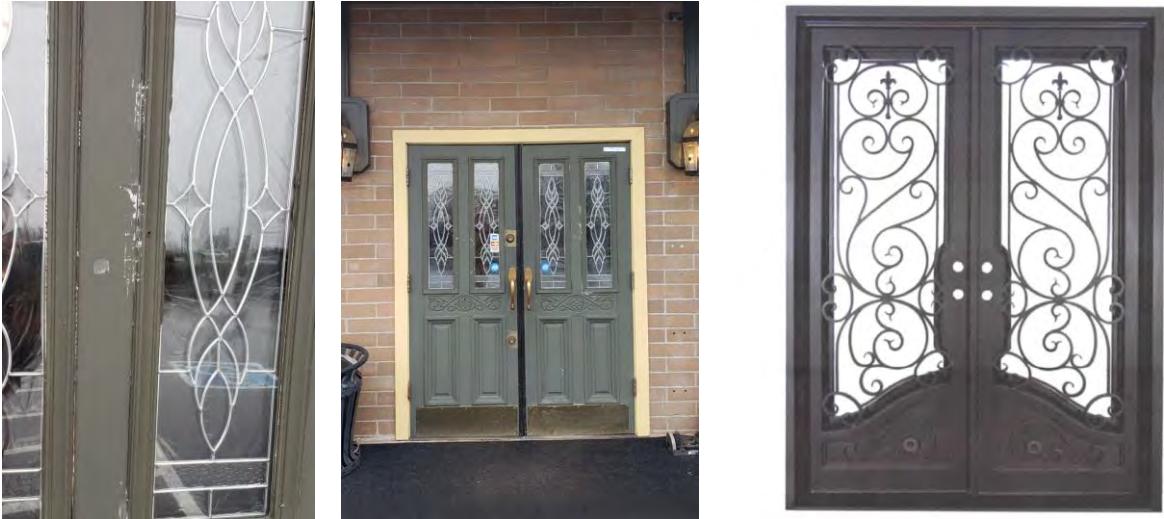
ANALYSIS

City Council adopted resolution 2023-03 on February 9, 2023, and the Storefront Improvement Program was launched in March 2023. Staff have coordinated with interested business owners and property owners and held pre-application meetings prior to all final submittals. Five applications have been submitted and the Economic Development Board reviewed all applications on April 21, 2023. The board unanimously approved all five applications as presented and were eager to see the projects start.

Link to view all application files: [Storefront Improvement Program Applications](#)

Applicant Information			
Applicant:	Mark Siegel and Teresa La Fleur/On The Brick Road LLC		
Business or Property Owner:	Business owner and property owner		
Business Address:	10003 270 th St NW Stanwood, WA 98292		
Improvement Types:	Signage, paint, streetscapes, and creative and imaginative exterior elements		
Project Description:	• Replacing/updating the large exterior building sign to read "Brick Road" • Adding historical styled exterior lighting, 6 wall lights and 2 lampposts • Adding 4 large pots with trees • 2 cement outdoor tables with umbrellas along the east side walkway • Adding 3 window planters on the south side of the building (front) • Adding large planters in the front area, hanging baskets with plantings • Painting of the building's existing caps/trims		
Estimated Total Project Cost:	\$24,828	Requested Grant Amount:	\$12,414

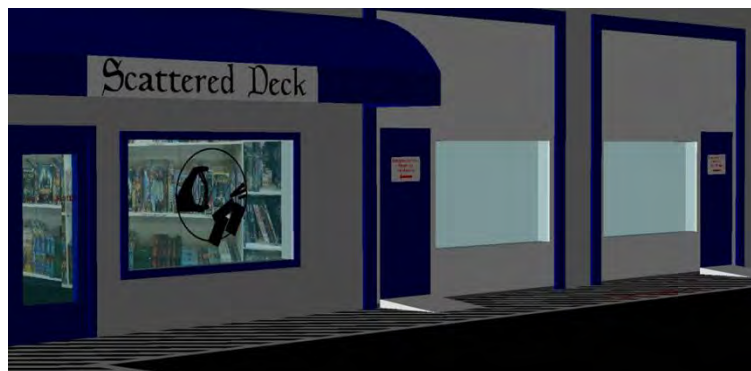
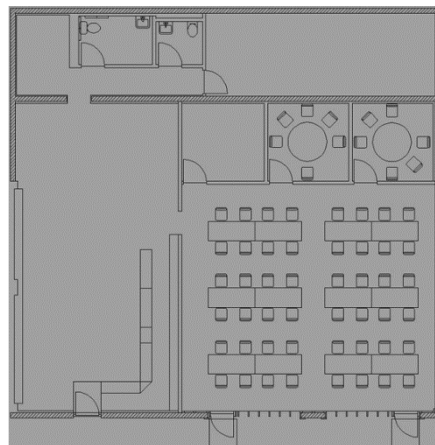


Applicant Information			
Applicant:	John Markezinis/Jimmy's Pizza and Pasta		
Business or Property Owner:	Business owner and property owner		
Business Address:	9819 State Hwy 532 Stanwood, WA 98292		
Improvement Types:	Doors and windows		
Project Description:	• New weather resistant doors, current doors are heavily used and need updating and repair • New front door header and side trim		
Estimated Total Project Cost:	\$13,000-15,000	Requested Grant Amount:	\$7,500
			

Applicant Information			
Applicant:	Chantel Keller/Mammoth Burger Company/Jasmin Thai Cuisine & Sushi/Still Water Lounge		
Business or Property Owner:	Business owner and property owner		
Business Address:	8715 271 st St NW Stanwood, WA 98292		
Improvement Types:	Signage, paint, streetscapes, doors and windows, creative and imaginative exterior elements		
Project Description:	• New “Granary Building” signage • 3 new signs for restaurants on exterior • 6 new gooseneck lights, 2 over each restaurant sign • Custom paint on concrete entryway to match the building sign • New black metal front door with windows to replace rotten old one • Replace 2 old failing windows on the second story with new matching black vinyl windows • Paint mismatched green and black trim all the same black color • 3 metal bistro sets, table and 2 chairs • 3 large Corten steel planters with plants		
Estimated Total Project Cost:	\$23,200	Requested Grant Amount:	\$11,600



Applicant Information			
Applicant:	Jeffrey Kroft/Scattered Deck Games		
Business or Property Owner:	Business owner		
Business Address:	8919 271 st St NW Stanwood, WA 98292		
Improvement Types:	Paint, doors and windows, creative and imaginative exterior elements		
Project Description:	• Replace existing garage doors, wall off with egresses and windows • Currently there is only one entrance and egress for the building. I can currently only use 1/3 of the floor space. These upgrades would allow me to use the full space (tripling my retail floor space and doubling the floor space for guests to gather and play)		
Estimated Total Project Cost:	\$12,000	Requested Grant Amount:	\$6,000



Applicant Information			
Applicant:	Mike Kmet/Mike Kmet LLC (Patini's, Trend Salon, Sahara)		
Business or Property Owner:	Property owner		
Business Address:	2708-20 102 nd Ave NW Stanwood, WA 98292		
Improvement Types:	Paint, door and windows		
Project Description:	• Remove 13 single pane windows, replace with insulated tempered glass • Remove old deteriorating trim, install new trim • Replace 4 old doors with new commercial storefront wood doors • Paint upper portion of second story, base color will be same as new paint, trim will be the same		
Estimated Total Project Cost:	\$30,914	Requested Grant Amount:	\$15,457



South Wall with upper area painted. Trim painted on the bay window.

South Wall currently.



Current Doors 27018-20

Proposed Replacement Doors 27018-20

Fiscal Impact			
Funding for the Storefront Improvement Program is included in the 2023 / 2024 Biennial economic development budget. \$100,000 per year has been allocated for the program. \$10,000 is reserved for technical assistance support and the remaining \$90,000 will be given out through grant contracts. Grant amounts can range from small \$1,000 request up to \$20,000 for larger projects. All grants will require an equal amount in matching funds and will be given out on a reimbursement basis. The total grant ask for all five applications is \$52,971.00, leaving \$37,029.00 left for 2023.			
Fund(s):	588.60.41.03		
Amount:	\$100,000	Project Estimate:	\$52,971.00
Budget Authorized	☒ Yes ☐ No	Amendment Required	☐ Yes ☒ No ☐ Monitor

RECOMMENDATIONS

Staff Recommendation:

City staff scheduled a pre-application meeting with all five applicants prior to final submittal. The purpose of the pre-application meetings were to make sure all applicants were proposing eligible projects and to give applicants an opportunity to ask questions. During these meetings, staff were able to answer questions that applicants had about their proposed projects, such as permitting requirements, building requirements, and allowed uses. After staff reviewed all application documents, applicants had the opportunity to make any changes to the application prior to final submittal to the Economic Development Board. Staff recommends moving all five applications forward to City Council for final review.

During the pre-application meetings, staff compiled a list of potential changes to the program based on inquiries from business and property owners, which includes:

- Should the school district be allowed to apply?
- What should the labor match be capped at?
- Can security cameras be an allowed use for the program?

Based on the Community Development Committee's recommendations, staff will research the three inquiries and make amendments to the Storefront Improvement Program and its allowed uses, program requirements, and match contributions.

Committee/Board Recommendations:

Economic Development Board:

The board met on April 21, 2023 and all five applicants attended the board meeting to present their projects. The board had the opportunity to ask detailed questions to each applicant, and more general questions including:

- Without this program, would these upgrades have been done?
- Can security cameras be considered an allowed use for this program?
- Are the proposed paint colors within the program color palette?

The board unanimously voted to approve all five applications and recommended moving them forward to Council for final review.

CITY COUNCIL OPTIONS

1. Approve the five applications for the Storefront Improvement Program.
2. Approve select applications for the Storefront Improvement Program.
3. Do not approve the five applications for the Storefront Improvement Program and direct staff to continue review with applicants.

PROPOSED MOTION

I MOVE TO APPROVE MARK SIEGEL AND TERESA LA FLEUR/ON THE BRICK ROAD LLC'S APPLICATION FOR THE STOREFRONT IMPROVEMENT PROGRAM AND AWARD \$12,414.00 FOR A REIMBURSEABLE GRANT AWARD.

I MOVE TO APPROVE JOHN MARKEZINIS/JIMMY'S PIZZA AND PASTA'S APPLICATION FOR THE STOREFRONT IMPROVEMENT PROGRAM AND AWARD \$7,500.00 FOR A REIMBURSEABLE GRANT AWARD.

I MOVE TO APPROVE CHANTEL KELLER/MAMMOTH BURGER COMPANY/JASMIN THAI CUISINE AND SUSHI/STILL WATER LOUNGE'S APPLICATION FOR THE STOREFRONT IMPROVEMENT PROGRAM AND AWARD \$11,600.00 FOR A REIMBURSEABLE GRANT AWARD.

I MOVE TO APPROVE JEFFREY KROFT/SCATTERED DECK GAME'S APPLICATION FOR THE STOREFRONT IMPROVEMENT PROGRAM AND AWARD \$6,000.00 FOR A REIMBURSEABLE GRANT AWARD.

I MOVE TO APPROVE MIKE KMET/MIKE KMET LLC'S APPLICATION FOR THE STOREFRONT IMPROVEMENT PROGRAM AND AWARD \$15,457.00 FOR A REIMBURSEABLE GRANT AWARD.



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 10 (1)

DATE: May 11, 2023

SUBJECT: Stanwood Municipal Code:
Title 6 – Parks and Public Places
Title 9 – Public Peace, Safety, and Welfare

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – Ordinance 1516 Adoption of Title 6 and 9 Amendments
B – Edit Tracking Form

PURPOSE

The purpose of this agenda item is for Council review and acceptance of the first reading of Ordinance 1516, adoption of New Title 6 – Parks and Public Places and Title – 9 Public Peace, Safety and Welfare of the Stanwood Municipal Code.

SUMMARY

The next batch of Municipal Code Amendments is Title 9 – Public Peace, Morals, and Safety and Title 13 – Code Enforcement. These Titles have been grouped together for review as they both address enforcement issues and have direct code correlations. Using the approved style guide, the draft amendments delete outdated code citations and modernize the text by applying current best practices. It notes where new sections have been added or where moved. In general, these titles and chapters have been reorganized for better flow and readability with similar topics being grouped together.

In the existing Municipal Code, park rules are included in Title 9. For better flow and organization of the overall Municipal Code, the park rules have been relocated to new Title 6 which will be used for all issues related to parks and public places. This ordinance includes:

- Title 6 - Parks and Public Spaces which contains the park rules.
- Title 9 - Public Peace, Morals, and Safety contains the laws and regulations enforced by the City's Police Department.

BACKGROUND

The City initiated the Municipal Code Update project in 2022 to modernize the code

reflecting best practices with respect to content and administration of the code. The update is intended to be user friendly for staff, property owners and developers by 1) removing legalese and jargon unfamiliar to the lay person, 2) improving clarity and overall functionality, and 3) reflect regulatory best practices. The amendments will also be consistent with current case, state and federal laws.

To help guide the review of the amendments, two types of informational banners are included in the descriptive versions of each amendment. These blue- and yellow-colored bars highlight changes, recommendations and questions; it notes where new sections have been added or where moved.

 Blue banner describes actions taken or issue descriptions.

 Yellow banners highlight important policy issues.

Due to the sheer size of amending an entire municipal code, work has been broken into manageable pieces with similar titles, or titles that interact with each other, being processed together. To date, the Council has approved the following Title groupings:

Stanwood Municipal Code Titles	Council Action
Title 1 – General Provisions Title 2 – Personnel Title 3 – Administration	Approved April 23, 2023 Three Readings
Title 6 – Parks and Public Spaces Title 9 – Public Peace, Morals, and Safety Title 13 – Civil Enforcement	Pending Council Action

As Titles and Chapters are approved, there may be times when chapters or sections within chapters of approved Titles will need to be amended to ensure consistency throughout the Municipal Code as it is amended.

ANALYSIS

Title 6: Parks and Public Spaces:

The park rules contained in existing Title 9 was moved to its own new Title 6, Parks and Public Places, as the “rules” address more than just enforcement issues by the Police Department. This new Title also provides the option to add new chapters as needed in the future. New Chapter 6.40, Park Usage, includes the following sections:

- Applicability
- Definitions
- Use of Parks
- General Rules
- Speed Limits
- Closed Areas
- Smoking and Vaping
- Damage to Parks and Park Facilities

Title 9: Public Peace, Morals, and Safety:

Title 9 is reorganized so that the chapters are more consistent with state law terminology, adopts current state law citations, and brings city code up to date with recent changes in state law and state supreme court case decisions.

Existing Title 9 Organization	Proposed Title 9 Organization
Assault Civil Emergency Crimes Against Property Disorderly Conduct Drug Paraphernalia Restrictions Intoxicating Liquor Emergency Response Code Recovery Houses of Prostitution Vagrancy Interference with or Impersonation of Police Officers Park Regulations Narcotic Drugs Public Indecency and Obscenity Public Nuisance and Disturbance Noises Jail Facilities	General Provisions Anticipatory Offenses Offenses against Persons Offenses against Property Offenses against Public Morals Offenses against Public Order Offenses against Juveniles Domestic Violence Violations and Orders Substance Abuse Fireworks Conduct and Trespass (New)

Other notable changes to this Title include:

- Moving *Public Nuisances and Disturbance Noises* to Title 7 to be combined with other nuisances contained in SMC 7.16. This keeps all “nuisance” sections together in one chapter.
- Adds a new chapter on *Trespass from City Facilities* that adopts a code of conduct so that people may be removed from city owned or leased property if they behave dangerously, illegally or threatening.
- Adds a new section that prohibits intentionally using a controlled substance in public. This section is similar to those most recently adopted by Anacortes and Bellingham, and previously Marysville, Richland, and others. Note the definition of “controlled substance” in RCW 69.50.101 excludes hemp/cannabis. The State Legislature just recently failed to enact any new legislation on this issue which resulted in leaving enforcement rules up to local governments. This issue will be monitored by staff and the City’s consultant as state law evolves on this issue.

No changes to the fireworks purchase, sales, or use have been proposed as this issue is proposed to be included as an advisory vote on the November 2023 ballot. Changes to the code, if needed, will be implemented after Council acts on the issue, if needed, based on the outcome of the advisory vote.

Council Policy Decision Issues:

There several significant policy issues in these Titles that will need to be discussed before the final reading:

Title 6 – Parks and Public Spaces:

1. Applies the recently adopted civil infraction penalties in Title 1 (SMC 1.12.010). If the Council would like to adopt a different class of infractions for violations, then a new section would need to be adopted in Chapter 6.40, Parks and Usage. Staff recommends applying the standard infraction rate adopted in Title 1.
2. Set park hour usage by the public. The current park rules for parks to be open to public use from dawn to dusk. The Police Chief prefers that the code allow seasonal flexibility. Three options are provided:

Option:	Risk
Fixed Hours	Potential that games and / or tournaments cannot be completed within set hours; need seasonal flexibility.
“Dawn to Dusk”	Been subject to legal challenge as the terms are undefined.
An hour before sunrise and an hour after sunrise	Defined astrological times and enforceable by the police. Recommended by consultant.

3. Consider if speeding in parks should be based on vehicle type. The draft code sets a penalty fine of \$50.00 (Class 3) for speeding in parks regardless of the vehicle type. The Council has the option to set different penalties for bikes versus motorized vehicles. Staff recommends keeping a set fine amount; in most cases people will be given a warning by Police to slow down. Siting bikers for speeding would be rare.

Title 9 – public Peace, Safety, and Welfare:

1. Move all nuisance regulations out of Title 9 and move to Title 7 – Health and Sanitation. Moving nuisances to Title 7 was a request by both staff and the City Attorney.
2. Police Chief is identified as the person hearing any appeals of Title 9. As an alternative, the City Administrator could take on this responsibility. Staff recommends keeping this with the Police Chief.
3. Include new regulations regarding use, possession, and depositing of controlled substances. See section 9.22.030-.050. Staff recommends adopting these new regulations and monitor the evolution of state law on this issue.

Fiscal Impact			
No direct financial impact. Code work was already budgeted and approved through the Municipal Code Update Project contract and scope of work.			
Fund(s):	Staff Time		
Amount:	\$	Project Estimate:	\$ -
Budget Authorized	☐ Yes ☐ No	Amendment Required	☐ Yes ☐ No ☐ Monitor

RECOMMENDATIONS

Staff Recommendation:

Staff recommends that the Council accept the first reading of the proposed amendments and proceed to the second reading.

Committee/Board Recommendation:

The Advisory Group, Planning Commission and City Council Community Development Committee have all reviewed the proposed amendments; their comments have been incorporated into the drafts as shown on Exhibit B, Tracking Sheet. All groups have recommended to adopt the amendments.

CITY COUNCIL OPTIONS

1. Accept the first reading of Ordinance 1516 adopting new Title 6, Parks and Public Places, and replaced Title 9 – Public Peace, Safety and Welfare, and to proceed with the second reading on May 25, 2023.
2. Request changes to Ordinance 1516 and direct staff to address specific Council issues or concerns prior to Council reconsideration the ordinance.

PROPOSED MOTION

I MOVE TO ACCEPT THE FIRST READING OF ORDINANCE 1516 AS SET FORTH IN ATTACHMENT “A” AND TO PROCEED WITH THE SECOND READING OF THE ORDINANCE ON MAY 25, 2023.

**CITY OF STANWOOD
WASHINGTON**

ORDINANCE NO. 1516

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, REPEALING AND REPLACEMENT OF STANWOOD MUNICIPAL CODE (SMC) TITLE 9, PUBLIC PEACE, SAFETY AND WELFARE, AND SMC TITLE 5, BUSINESS LICENSES AND REGULATIONS, AND CREATING A NEW SMC TITLE 6, PARKS AND PUBLIC PLACES, AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City of Stanwood has begun a process to comprehensively update its municipal code to conform to current law and practice; and

WHEREAS, the purpose of this code amendment is to eliminate conflicts, improve clarity and overall function of the municipal code, and reflect current city and best practices; and

WHEREAS, amendments to Title 9, Public Peace, Safety and Welfare include deleting existing Title 9 in its entirety and adopting new provisions that contain the laws and regulations enforced by the Stanwood Police Department, including but not limited to: Anticipatory Offenses, Offenses against Persons, Property, Public Morals, Public Order, Juveniles, Domestic Violence Violations, and Substance Abuse, Trespass, Fireworks and Park Rules; and

WHEREAS, the amendment updates the code to be more consistent with contemporary language and terms; and

WHEREAS RCW 35A.11.020 authorizes the City of Stanwood to create misdemeanors and gross misdemeanors, but requires the punishment for any criminal ordinance to be the same as the punishment provided in state law for the same crime; and

WHEREAS adoption of state misdemeanors and gross misdemeanors by reference harmonizes local offenses with statewide laws and avoids potential state preemption; and

WHEREAS persons using controlled substances can become addicted to such substances resulting in negative physical and mental health consequences and damage to family and personal relationships; and

WHEREAS the use of controlled substances without a prescription and the supervision of a medical professional can result in physical injury or death and exacerbates mental health conditions, is more likely to result in addiction, and is correlated with criminal behavior; and

WHEREAS state law now requires that persons subject to arrest for possession of a controlled substance be referred to assessment and services in lieu of arrest at least twice before he or she may be arrested; and

WHEREAS prior to 2021, former RCW 69.50.4013 made possession of a controlled substance in violation of the Uniform Controlled Substances Act a felony; and

WHEREAS in *State v. Blake*, 197 W.2d 170 (2021), the Washington State Supreme Court found former RCW 69.50.4013 unconstitutional because the felony statute did not include a *mens rea* element, i.e., a requirement that the defendant knowingly possessed the controlled substance; and

WHEREAS in response to Blake, the State Legislature adopted RCW 69.50.4013 during its 2021 legislative session, which temporarily amended the law to add a knowledge requirement, make possession a misdemeanor rather than a felony, and via RCW 10.31.115, require law enforcement to twice refer offenders to voluntary drug treatment before from arresting or charging someone for unlawful possession of a controlled substance; and

WHEREAS the state referral requirement has resulted in increased use of controlled substances in public; and

WHEREAS no state law addresses the use of controlled substances in public; and

WHEREAS RCW 69.50.4013, making drug possession a misdemeanor, is set to expire July 1;

WHEREAS the State Legislature has adjourned its 2023 session without taking action to extend the drug possession statute, RCW 69.50.4013;

WHEREAS RCW 69.50.608 declares that the State of Washington fully occupies and preempts the entire field of setting penalties for violations of the Uniform Controlled Substances Act, and allows cities to enact laws only if consistent with RCW chapter 69.50 and requires the same penalties as provided by state law; and

WHEREAS the use of controlled substances in public increases public disorder, negatively affects children and youth, and normalizes the use of controlled substances without a prescription; and

WHEREAS prohibiting the possession of controlled substances, and the use of controlled substances in public, will enhance public health and safety; and

WHEREAS the City also desires to minimize the public health and safety risks posed by discarded needles and other drug paraphernalia; and

WHEREAS some edits to the fireworks chapter of Title 5 are required to migrate relevant offenses to Title 9; and

WHEREAS Parks regulations are generally punished only by civil infractions and should properly be organized in a new title for Parks and Public Places; and

WHEREAS, the City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code, determined that the amendments are categorically exempt from SEPA, and memorialized those conclusions under file number 230040; and

WHEREAS, the Stanwood Advisory Group reviewed the ordinance scoping memo and draft ordinance at their January 18, 2023 and March 15, 2023 meetings respectively, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Planning Commission reviewed the ordinance scoping memo and draft ordinance at their February 13, 2023 and March 13, 2023 meetings respectively and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Council Community Development Committee reviewed the ordinance scoping memo and draft ordinance at their February 2, 2023 and March 2, 2023 meetings respectively, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the City Council held a public meeting and first reading of the draft code amendment on May 11, 2023, a second reading on May 25, 2023, and accepted public comment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Stanwood Municipal Code Title 6, Parks and Public Places, is created to read as shown in Exhibit A.

Section 2. Stanwood Municipal Code Title 9, Public Peace, Morals and Safety, is repealed in its entirety and replaced with the new Title 9, Public Peace, Safety, and Welfare shown in Exhibit B attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 3. Stanwood Municipal Code Sections 5.04.050, License Required and 5.04.060, Sale Purchase, Use and Discharge Dates and House, is repealed.

Section 4. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is

adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 5. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 6. Effective Date. This Ordinance shall take effect five days after publication as required by law.

PASSED and APPROVED this ____ day of _____, 2023.

CITY OF STANWOOD:

Sid Roberts, Mayor

Attest:

Lisa Sokolik, City Clerk

Approved as to Form:

Nikki Thompson, City Attorney

Date of Publication: _____

Effective Date: _____

EXHIBIT A

Title 6 Parks and Public Places5

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Title 6 Parks and Public Places

Chapter 6.40 Park Usage

i Based on existing SMC 9.40 regarding park regulations.

6.40.010 Applicability

This chapter applies to all parks owned and operated by the City of Stanwood.

6.40.020 Definitions

"Director" means the director of Public Works or the director's designee.

"Park" means any park owned or operated by the City of Stanwood.

6.40.030 Use of Parks

Consistent with SMC Chapter 9.50, use of city parks is conditioned upon compliance with the rules in this chapter and SMC 9.50.040.

6.40.040 General Rules

 This chapter organizes types of rules by subject and class of civil infraction. Each section has a single class of infraction for violations. If you want to prescribe a different class of infraction for a violation, let's move that rule to its own section.

 For reference, each class of infraction is set by statute and also includes substantial statutory assessments:
class 1: \$250
class 2: \$125
class 3: \$50
class 4: \$25

 The rules that follow are based on existing SMC 9.40.010.

(1) Within the boundaries of any park owned or operated by the City of Stanwood, it is unlawful to:

 Options include fixed hours, dusk till dawn, or the text below (sunset + 1 hour and sunrise - 1 hour). Police Chief prefers a construction that allows seasonal flexibility. Deleted "camp or remain overnight," as it is included in the hourly prohibition.

- (a) be present in any park, or park any vehicle in any park, between one hour after sunset and one hour before sunrise except with written permission of the Director;
- (b) possess or consume any alcoholic beverage except within a permitted beer garden;
- (c) permit any dog to be off-leash except in designated off-leash areas;
- (d) knowingly causes a horse to be upon park premises;
- (e) operate, stop, park, or leave a motor vehicle, including any motorcycle or motor-driven cycle, any place in the park, except on a driveway or parking area;
- (f) engages in the sale of any merchandise or services, or operate any concession, without authorization from a special event permit issued under Chapter 5.06 SMC or a temporary use permit issued under SMC Title 17;

 Deleted "engage in any disorderly conduct proscribed by a city ordinance" because that is now covered by SMC 9.50.

- (g) use park facilities without paying any applicable user fee adopted by city council resolution.

 Existing SMC 9.40.040 Violations uses the Class B infraction system defined in existing SMC Title 13 that we propose to eliminate. Converting the Class B infraction to a Class 3 civil infraction would carry the same \$50 penalty, plus statutory assessments.

(2) A violation of this section is a class 3 civil infraction.

6.40.050 Speed Limits

- (1) The Director may set speed limits for roads, paths, and parking lots in City parks applicable to all vehicles.
- (2) It is unlawful to operate any vehicle, including any bicycle, in excess of the posted speed limits.

(3) A violation of this section is a class 3 civil infraction.

6.40.060 Closed Areas

(1) The Director may close any section of a park at any time by posting notice in the closed section.

(2) It is unlawful for a person to enter or remain in a closed section of a park without written permission from the Director.

(3) A violation of this section is a class 3 civil infraction.

6.40.070 Smoking and Vaping.

(1) It is unlawful to smoke within any city park.

(2) It is unlawful to vape or carry any active vaping device within any city park.

(3) A violation of this section is a class 4 civil infraction.

6.40.080 Damage to Parks and Park Facilities

(1) It is unlawful to:

(a) build any fire within the park except in a designated area;

(b) cut, remove, or damage any flower, tree, shrub, or other landscaping;

(c) mutilate, deface, injure, damage, or molest any building installation, personal property, or equipment;
or

(d) scatters any litter, including broken glass, waste or discarded paper or waste of any kind, in the park, except in receptacles provided for that purpose.

(2) A violation of this section is a class 1 civil infraction.

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Title 9 Public Peace, Safety, and Welfare

- i** This title is based on the existing SMC Title 9, Public Peace, Morals, and Safety.
- i** We have slightly renamed this title to be more consistent with contemporary language and other jurisdictions’ codes. Other jurisdictions frequently name this title their “Criminal Code” or “Penal Code” however we disfavor that because other code chapters will likely also include criminal provisions.
- i** This title is intended for general criminal provisions. Other provisions through the SMC may also include criminal penalties (e.g., traffic regulations in Title 10, health/sanitation in Title 7, animals in Title 8).
- i** Many existing chapters of SMC Title 9 have been reorganized into the new chapter structure. See the December 2022 scoping memo for details.
- i** Generally, this title seeks to incorporate by reference criminal state law provisions and avoid re-inventing the wheel in description of offenses.
- i** Why is it important to locally adopt these laws? Because RCW 3.50.100 provides that fees imposed by municipal court for the violation of any municipal ordinances are deposited in the city’s general fund.

- !** The City attorney has recommended that existing chapter 9.50 Public Nuisance and Disturbance Noises be moved to Title 7, Health and Sanitation. Noise is frequently characterized as a health issue, so it may make sense to place it in Title 7, but noise also certainly disturbs the peace, and could be left in Title 9, which is also a common practice. We need a decision on organization of this chapter soon because the readoption of Title 9 as constructed below will replace chapter 9.50.

Chapter 9.02 General Provisions

- i** This is a new chapter for some important universal provisions.

9.02.010 Applicability

This chapter applies to the entirety of SMC Title 9.

9.02.020 Definitions

The provisions of RCW 9A.04.110 Definitions as presently constituted or hereinafter amended are adopted by reference.

9.02.030 General Provisions

- (1) The provision of a criminal penalty for any unlawful act does not preclude the City's use of civil remedies.
- (2) Where not otherwise specified, a violation of the Stanwood Municipal Code that is categorized as a crime is to be considered a misdemeanor.

i The following subsection replaces existing SMC Chapter 9.25 Emergency Response Cost Recovery and increases the recovery amount from \$1000 to \$2500.

- (3) It is the policy of the City of Stanwood to exercise the provisions of RCW 38.52.430 to recover the expenses of emergency response where that response is related to a person's intoxication by drugs or alcohol.

9.02.040 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

- RCW 9.01.110 Omission, when not punishable.
- RCW 9A.04.060 Common law to supplement statutes.
- RCW 9A.04.070 Who amenable to criminal statutes.
- RCW 9A.04.090 Application of general provisions of code.

9.02.050 Restitution

The municipal court may require any defendant convicted under this code, or any person subject to a civil infraction per RCW 7.80.120, to make restitution.

9.02.060 Severability

If any section, sentence, clause, or phrase of this title is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality may not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this title.

Chapter 9.08 Anticipatory Offenses

i The following adopted sections make any attempt, solicitation, and conspiracy for all Class C felonies prosecutable by the City as gross misdemeanors.

9.08.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

- RCW 9A.28.020 Criminal attempt.
- RCW 9A.28.030 Criminal solicitation.
- RCW 9A.28.040 Criminal conspiracy.

Chapter 9.10 Offenses against Persons

i This chapter replaces existing SMC 9.04 Assault and most of existing SMC 9.20 Disorderly Conduct.

9.10.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9.61.230 Telephone harassment.

RCW 9.61.240 Telephone harassment - Permitting telephone to be used.

RCW 9.61.250 Telephone harassment - Offense, where committed.

RCW 9A.36.041 Assault in the fourth degree.

RCW 9A.36.050 Reckless endangerment.

RCW 9A.36.070 Coercion.

RCW 9A.36.160 Failing to summon assistance.

RCW 9A.36.161 Failing to summon assistance—Penalty.

RCW 9A.44.010 Definitions.

RCW 9A.44.115 Voyeurism.

RCW 9A.44.170 Custodial sexual misconduct in the second degree.

RCW 9A.46.020 Definition—Penalties.

RCW 9A.46.030 Place where committed.

RCW 9A.46.040 Court ordered requirements upon person charged with crime – Violation.

RCW 9A.46.080 Order restricting contact – Violation.

RCW 9A.46.110 Stalking.

RCW 9A.49.030 Unlawful discharge of a laser in the second degree.

RCW 9A.86.010 Disclosing intimate images.

RCW 9A.90.120 Cyber harassment.

RCW 9A.90.130 Cyberstalking.

Chapter 9.12 Offenses against Property

i This chapter replaces existing SMC 9.12 Crimes Against Property.

9.12.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9A.48.010 Definitions.

RCW 9A.48.050 Reckless burning in the second degree.

RCW 9A.48.060 Reckless burning – Defense.

RCW 9A.48.090 Malicious mischief in the third degree.

RCW 9A.48.100 Malicious mischief - "Physical damage" defined.

RCW 9A.48.105 Criminal street gang tagging and graffiti.

RCW 9A.52.010 Definitions.

RCW 9A.52.060 Making or having burglar tools.

RCW 9A.52.070 Criminal trespass in the first degree.

RCW 9A.52.080 Criminal trespass in the second degree.

RCW 9A.52.090 Criminal trespass – Defenses.

RCW 9A.52.100 Vehicle prowling in the second degree.

RCW 9A.52.105 Removal of unauthorized persons - Declaration - Liability - Rights.

RCW 9A.52.115 Removal of unauthorized persons - Declaration form - Penalty for false swearing.

RCW 9A.56.010 Definitions.

RCW 9A.56.020 Theft - Definition, defense.

RCW 9A.56.050 Theft in the third degree.

RCW 9A.56.060 Unlawful issuance of checks or drafts.

RCW 9A.56.063 Making or possessing motor vehicle theft tools.

RCW 9A.56.096 Theft of rental, leased, lease-purchase, or loaned property.

RCW 9A.56.140 Possessing stolen property - Definition - Presumption.

RCW 9A.56.170 Possessing stolen property in the third degree.

RCW 9A.56.180 Obscuring the identity of a machine.

RCW 9A.56.220 Theft of subscription services.

RCW 9A.56.240 Forfeiture and disposal of device used to commit violation.

RCW 9A.56.270 Shopping cart theft.

RCW 9A.56.330 Possession of another's identification.

RCW 9A.56.410 Metal property deception.

RCW 9A.61.010 Definitions.

RCW 9A.61.020 Defrauding a public utility.

RCW 9A.61.050 Defrauding a public utility in the third degree.

RCW 9A.61.060 Restitution and costs.

RCW 9A.90.030 Definitions.

RCW 9A.90.50 Computer trespass in the second degree.

RCW 9A.90.070 Spoofing.

RCW 9A.90.090 Electronic data tampering in the second degree.

i The following section addresses catalytic converter theft.

RCW 19.290.010 Definitions.

RCW 19.290.100 Scrap metal license—Penalties.

Chapter 9.14 Offenses against Public Morals

i This chapter replaces existing AMC 9.28 Houses of Prostitution.

9.14.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9A.42.010 Definitions.

RCW 9A.42.035 Criminal mistreatment third degree.

RCW 9A.42.037 Criminal mistreatment fourth degree.

RCW 9A.42.039 Arresting officer, notification by.

RCW 9A.42.050 Defense of financial inability.

RCW 9A.42.080 Abandonment of a dependent person in the third degree - Exception.

RCW 9A.42.090 Abandonment of a dependent person - Defense.

RCW 9A.42.110 Leaving a child in the care of a sex offender.

RCW 9A.44.130 Registration of sex offender.

RCW 9A.44.132 Failure to register as a sex offender or kidnapping offender – Refusal to provide DNA.

RCW 9A.88.010 Indecent exposure.

RCW 9A.88.030 Prostitution.

RCW 9A.88.040 Prosecution for prostitution under RCW 9A.88.030 - Affirmative defense.

RCW 9A.88.050 Prostitution - Sex of parties immaterial - No defense.

RCW 9A.88.090 Permitting prostitution.

RCW 9A.88.110 Patronizing a prostitute.

RCW 66.44.090 Acting without a license.

RCW 66.44.100 Opening or consuming liquor in public place—Penalty.

RCW 66.44.130 Sales of liquor by drink or bottle.

RCW 66.44.150 Buying liquor illegally.

RCW 66.44.180 General penalties—Jurisdiction for violations.

RCW 66.44.270 Furnishing liquor to minors.

RCW 66.44.290 Minor purchasing or attempting to purchase liquor - Penalty.

RCW 66.44.325 Unlawful transfer to minor of age identification.

RCW 66.44.328 Preparation or acquisition and supply to persons under age twenty-one of facsimile of official identification card - Penalty.

RCW 66.44.380 Powdered alcohol.

Chapter 9.16 Offenses against Public Order

9.16.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9.41.010 Definitions.

RCW 9.41.050 Carrying firearms.

RCW 9.41.060 Exceptions to restrictions on carrying firearms.

RCW 9.41.250 Dangerous weapons - Penalty.



Note the following RCW requires the City to post signs providing notice of the restriction on possession of firearms.

RCW 9.41.305 Open carry of weapons prohibited on state capitol grounds and municipal buildings.

RCW 9.40.100 Tampering with fire alarm or firefighting equipment.

RCW 9A.50.020 Interfering with access to health care.

RCW 9A.60.045 Criminal impersonation in the second degree.

RCW 9A.60.050 False certification.

RCW 9A.72.040 False Swearing.

RCW 9A.72.060 Perjury and False Swearing - Retraction.

RCW 9A.72.150 Tampering with physical evidence.

RCW 9A.76.020 Obstructing a law enforcement officer.

RCW 9A.76.030 Refusing to summon aid for a peace officer.

RCW 9A.76.040 Resisting arrest.

RCW 9A.76.050 Rendering criminal assistance - Definition of term.

RCW 9A.76.060 Relative defined.

RCW 9A.76.080 Rendering criminal assistance in the second degree.

RCW 9A.76.090 Rendering criminal assistance in the third degree.

RCW 9A.76.100 Compounding.

RCW 9A.76.130 Escape.

RCW 9A.76.160 Introducing contraband in the third degree.

RCW 9A.76.170 Bail jumping.

RCW 9A.76.175 Making a false or misleading statement to a public servant.

RCW 9A.76.190 Failure to appear or surrender - Affirmative defense - Penalty.

RCW 9A.84.010 Criminal mischief.

RCW 9A.84.020 Failure to disperse.

RCW 9A.84.030 Disorderly conduct.

RCW 9A.84.040 False reporting.

9.16.020 Aiming or discharging weapons.

i This section replaces SMC 9.20.110, Discharge of Firearms, and is expanded to include additional weapons and aiming such weapons, and removes regulation of fireworks (which is handled elsewhere).

(1) It is unlawful for any person to:

- (a) aim any firearm, whether loaded or not, at or toward any human being;
- (b) willfully discharge any firearm;
- (c) willfully discharge an air gun, bow and arrow, sling shot, or like weapon in any place where persons or property might be unreasonably endangered thereby, whether or not injury or damage results.

(2) This section does not apply to:

- (a) police officers while in the discharge of their lawful duties;
- (b) persons exercising the right specified in RCW 9A.16.020;
- (c) persons continuing with best farm management practices currently in existence, including, but not limited to, the slaughtering or humane destruction of livestock or wildlife, or the hazing of wildlife or wildfowl in conformance with the requirements of the Washington State Fish and Wildlife Department, the U.S. Department of Agriculture, and the United States Fish and Wildlife Service;
- (d) persons discharging firearms loaded with blank cartridges for signal or ceremonial purposes in any athletic or sports event, recognized public event, any public ceremonial functions such as military funeral salutes, or by any memorial or military organizations or service groups for ceremonial purposes.

(3) A violation of this section is a misdemeanor.

9.16.040 Pedestrian Interference.

(1) It is unlawful to, in a public place:

- (a) obstruct pedestrian traffic; or
- (b) aggressively beg.

(2) Definitions. The following definitions apply to this section:

- (a) "Aggressively begs" means to beg with intent to intimidate another person into giving money or goods.
- (b) "Beg" means to ask for money or goods as a charity, whether by words, or other means.
- (c) "Intimidate" means to coerce or frighten into submission or obedience.
- (d) "Obstruct pedestrian traffic" means to intentionally walk, stand, sit, lie, or place an object in such a manner as to block passage by another person, or to require another person to take evasive action to avoid physical contact. Acts authorized as an exercise of one's constitutional right to picket or to legally protest, and acts authorized pursuant to permits issued by the city do not constitute obstruction of pedestrian traffic.
- (e) "Public place" means the area generally visible to public view and includes alleys, bridges, buildings, driveways, parking lots, parks, plazas, sidewalks, streets, and trails open to the general public, including those that serve food or drink or provide entertainment, and the doorways and entrances to buildings or dwellings and the grounds enclosing them.

(3) A violation of this section is a class 2 civil infraction.

Chapter 9.18 Offenses against Juveniles

9.18.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9.68A.011 Definitions.

RCW 9.68A.090 Communicating with a minor for immoral purpose.

RCW 9.68A.103 Permitting commercial sexual abuse of a minor - Penalty - Consent of minor does not constitute defense.

RCW 9.68A.150 Allowing minor on the premises of a live erotic performance.

RCW 9.69.100 Duty of witness of offense against minor or any violent offense.

RCW 9A.44.096 Sexual misconduct with a minor in the second degree.

RCW 13.32A.080 Harboring a minor.

i RCW 26.28.080 regarding sales of tobacco to a minor includes vapor products.

RCW 26.28.080 Selling or giving tobacco to a minor.

RCW 70.345.010 Definitions.

RCW 70.345.030 License required [for sale of vapor products].

RCW 70.345.100 Product tastings—Requirements—Penalty.

RCW 70.345.140 Purchase or possession [of vapor products] by persons under eighteen.

9.18.020 Leaving children unattended in parked automobile

i RCW 9.91.060 governs leaving children unattended in parked automobile, but only while the adult enters a tavern. This section mirrors that provision without the restrictive clause. Note that RCW 46.61.685, in the traffic code that is adopted by Title 10, governs leaving children unattended in standing vehicle with motor running.

- (1) It is unlawful for a person having the care and custody, whether temporary or permanent, of minor children under the age of twelve years, to leave such children in a parked automobile unattended by an adult.
- (2) A violation of this section is a misdemeanor.

Chapter 9.20 Domestic Violence Violations and Orders

9.20.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 7.105.010 Definitions.

RCW 7.105.450 Enforcement and penalties – Other than antiharassment protection orders and extreme risk protection orders.

RCW 7.105.455 Enforcement and penalties – Antiharassment protection orders.

RCW 7.105.460 Enforcement and penalties – Extreme risk protection orders – False petitions.

RCW 7.105.465 Enforcement and penalties – Knowledge of order.

RCW 7.105.470 Enforcement - Prosecutor assistance.

RCW 9.41.040 Unlawful possession of firearms – Ownership, possession by certain persons.

RCW 9.41.800 Surrender of weapons or licenses – Prohibition on future possession or licensing.

RCW 9.41.810 Violation – Penalty.

RCW 9A.36.150 Interfering with the reporting of domestic violence.

RCW 9A.40.010 Definitions.

RCW 9A.40.070 Custodial interference in the second degree.

RCW 9A.40.080 Custodial interference – Assessment of costs – Defense – Consent defense, restricted.

RCW 10.99.020 Definitions.

RCW 10.99.040 Duties of court – No contact order.

RCW 10.99.045 Appearances by defendant – Defendant's history – No-contact order.

RCW 10.99.050 Victim contact – Restriction, prohibition – Violation, penalties – Written order – Procedures.

RCW 10.99.055 Enforcement of orders.

RCW 10.99.070 Liability of peace officers.

RCW 26.09.300 Restraining orders – Notice – Refusal to comply – Arrest – Penalty – Defense.

Chapter 9.22 Substance Abuse

9.22.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

RCW 9.47A.010 Definition.

RCW 9.47A.020 Unlawful inhalation - Exception.

RCW 9.47A.030 Possession of certain substances prohibited, when.

RCW 9.47A.040 Sale of certain substances prohibited, when.

RCW 9.47A.050 Penalty.

RCW 69.38.010 "Poison" defined.

RCW 69.38.040 Inspection of poison register - Penalty for failure to maintain register.

RCW 69.38.050 False representation—Penalty.

RCW 69.38.060 Manufacturers and sellers of poisons—License required—Penalty.

RCW 69.41.010 Definitions.

RCW 69.41.030 Legend drug without prescription or order prohibited—Exceptions—Penalty.

RCW 69.41.350 Steroid—Penalties.

RCW 69.50.101 Definitions.

RCW 69.50.412 Prohibited acts: E—Penalties.

RCW 69.50.445 Cannabis in view of general public or public place—Penalty.

RCW 69.50.4011 Counterfeit substances—Penalties.

RCW 69.50.4013 Possession of controlled substance—Penalty.

RCW 69.50.4014 Possession of forty grams or less of cannabis—Penalty.

9.22.020 Possession of Drug Paraphernalia

i This section replaces existing SMC Chapter 9.22 Drug Paraphernalia Restrictions.

i Note that the *use* of drug paraphernalia is prohibited by RCW 69.50.412, incorporated by reference above.

- (1) It is unlawful to possess “drug paraphernalia,” as defined in RCW 69.50.102, for any purpose related to any controlled substance other than cannabis.
- (2) A violation of this section is a misdemeanor.

9.22.030 Use of a Controlled Substance in a Public Place

i This is a new section that addresses a gap in the state statutory drug framework. This section is similar to those most recently adopted by Anacortes and Bellingham, and previously Marysville, Richland, and others. Note the definition of “controlled substance” in RCW 69.50.101 (incorporated by reference above) excludes hemp/cannabis.

i Note that a bill in the Legislature in this session may contain a state law adoption of this same crime, which would pre-empt this section and necessitate its repeal.

- (1) It is unlawful to intentionally use a controlled substance in a public place, except as now or hereafter authorized or expressly permitted by the laws of the state or except upon written or oral order or prescription of a physician, surgeon, dentist, or other medical professional licensed to practice in the state and legally authorized to prescribe controlled substances.
- (2) Definitions. For the purpose of this section:
 - (a) "Public place" means an area generally visible to public view, including without limitation any place where the public has a right of access, including establishments or conveyances to which the public is invited and their associated parking lots, parking structures, walkways, doorways, entrances, and restrooms.
 - (b) "Use" means any effort taken in furtherance of an attempt to inject, ingest, inhale, or otherwise introduce a dangerous drug into the human body.
- (3) A violation of this section is a gross misdemeanor.

9.22.040 Unlawful Deposit of Controlled Substances and Drug Paraphernalia

i This is a new section that also may provide some utility for drug enforcement, and is similar to Richland's ordinance.

- (1) It is unlawful for any person to knowingly dump, throw, deposit, or discharge onto the ground or into any body of water, any controlled substance or drug paraphernalia.
- (2) A violation of this section is a misdemeanor.

9.22.050 Possession of Controlled Substances [effective July 1, 2023]

i This section is proposed to adopt the provisions of RCW 69.50.4013 to provide a criminal penalty for drug possession starting July 1, 2023, when RCW 69.50.4013 is scheduled to expire. This section makes possession a gross misdemeanor, consistent with the latest version of SB 5536, which the Legislature declined to adopt before it adjourned this session.

i It's possible that the Legislature may meet in special session to amend RCW 69.50.4013 before July 1; if so, the City should remove this from the ordinance or, if already adopted by then, amend the code to remove it.

i Note that the City's adoption does not include the treatment referral requirement in RCW 10.31.115, which doesn't expire but would become ineffective after expiration of RCW 69.50.4013.

- (1) It is unlawful for any person to knowingly possess a controlled substance unless the substance was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of his or her professional practice, or except as otherwise authorized by Chapter 69.50 RCW.
- (2) Exceptions.
 - (a) The possession, by a person 21 years of age or older, of useable cannabis, cannabis concentrates, or cannabis-infused products in amounts that do not exceed those set forth in RCW 69.50.360(3) is not a violation of this section.
 - (b) The delivery by a person 21 years of age or older to one or more persons 21 years of age or older, during a single 24-hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, of any of the following cannabis products, is not a violation of this section:
 - (i) One-half ounce of useable cannabis;
 - (ii) Eight ounces of cannabis-infused product in solid form;
 - (iii) 36 ounces of cannabis-infused product in liquid form; or
 - (iv) Three and one-half grams of cannabis concentrates.
 - (v) The act of delivering cannabis or a cannabis product as authorized under this subsection must meet one of the following requirements:
 - (vi) The delivery must be done in a location outside of the view of general public and in a nonpublic place; or
 - (vii) The cannabis or cannabis product must be in the original packaging as purchased from the cannabis retailer.
 - (c) No person under 21 years of age may possess, manufacture, sell, or distribute cannabis, cannabis-infused products, or cannabis concentrates, regardless of THC concentration. This does not include qualifying patients with a valid authorization.

- (d) The possession by a qualifying patient or designated provider of cannabis concentrates, useable cannabis, cannabis-infused products, or plants in accordance with chapter 69.51A RCW is not a violation of this section.
- (3) A violation of this section is a gross misdemeanor.
- (4) This section is effective July 1, 2023.

Chapter 9.42 Fireworks

i This chapter will supplant some portions of SMC Chapter 5.04 which governs permits for display fireworks so that police enforcement of fireworks violations are contained in Title 9, while the regulations and procedures regarding fireworks permits are contained in Title 5.

9.42.010 Adoption by reference

The following provisions of the Revised Code of Washington as presently constituted or hereinafter amended are adopted by reference:

- RCW 70.77.485 Unlawful possession of fireworks—Penalties.
- RCW 70.77.488 Unlawful [reckless] discharge or use of fireworks—Penalty.
- RCW 70.77.510 Unlawful sales or transfers of display fireworks—Penalty.
- RCW 70.77.515 Unlawful sales or transfers of consumer fireworks—Penalty.
- RCW 70.77.520 Unlawful to permit fire nuisance where fireworks kept—Penalty.
- RCW 70.77.540 Penalty.
- RCW 70.77.545 Violation a separate, continuing offense.

9.42.020 Purchase and Sales.

- (1) It is unlawful to sell or purchase consumer fireworks within the City of Stanwood except during the following times:
 - (a) from 12:00 noon to 11:00 p.m. on June 28;
 - (b) from 9:00 a.m. to 11:00 p.m. on each day from June 29 through July 4;
 - (c) from 9:00 a.m. to 9:00 p.m. on July 5; and
 - (d) from 12:00 noon to 11:00 p.m. on each day from December 27 through December 31.
- (2) It is unlawful to sell fireworks without a valid license issued per SMC Chapter 5.04.
- (3) A violation of this section is a class 1 civil infraction.

9.42.030 Use and Discharge.

- (1) It is unlawful to use or discharge consumer fireworks within the City of Stanwood except during the following times:
 - (a) from 12:00 noon to 11:00 p.m. on June 28
 - (b) from 9:00 a.m. to 11:00 p.m. on each day from June 29 to July 3
 - (c) from 9:00 a.m. to 12:00 midnight on July 4;

- (d) from 9:00 a.m. to 11:00 p.m. on July 5;
 - (e) from 6:00 p.m. on December 31 until 1:00 a.m. on January 1 of the subsequent year.
- (2) This section does not apply to a public display of fireworks licensed per SMC Chapter 5.04.
- (3) A violation of this section is a class 2 civil infraction.

Chapter 9.50 Conduct and Trespass from City Property

i People that behave dangerously, illegally, or threateningly may need to be trespassed from city property. To protect the due process rights of those people, it's important to adopt a code of conduct, procedures, graduated exclusion periods, and appeal provisions. This chapter is based on similar code chapters from Port Townsend and Anacortes.

9.50.010 Purpose and policy.

- (1) The purpose of this chapter is to:
- (a) Adopt a legally sound process for being able to exclude from city property persons whose behavior is dangerous, unsafe, illegal, or unreasonably disruptive to other users;
 - (b) Define the process for issuance of trespass warnings and their content; and
 - (c) Provide procedures for a recipient of a trespass warning to promptly appeal the warning to protect their right to engage in legitimate activities protected by the state and federal constitutions.
- (2) This chapter is enacted as an exercise of the city's authority to protect and preserve the public health, safety, and welfare under Article XI, Section 11 of the Washington State Constitution.
- (3) This chapter is intended to be enforced to emphasize voluntary compliance with laws and city rules and so that inadvertent minor violations of this section can be corrected without resorting to a trespass warning.

9.50.020 Applicability.

- (1) This chapter applies to behavior on all real property in the City of Stanwood owned or leased by the City of Stanwood, including real property that the city owns or operates in common with another jurisdiction, including but not limited to:
- (a) Municipal buildings, including City Hall;
 - (b) Parks, trails, and other open spaces;
 - (c) Public Works water and wastewater treatment facility;
 - (d) Reservoirs, water tanks, pump stations, lift stations;
 - (e) Police station and annex building;
 - (f) North County Regional Fire Authority fire stations when used by city staff or elected officials;
 - (g) Stanwood Camano School District Building when used for official Council or City meetings;
 - (h) Stanwood library;
 - (i) Public restrooms;
 - (j) City owned public parking lots; and
 - (k) City owned detention ponds and vaults.

(2) This chapter does not apply to public streets and sidewalks.

9.50.030 Definitions.

 See note about the person designated to hear appeals below.

“Police Chief” means the Chief of the City of Stanwood Police Department or other person designated by the Chief to perform the duties described in this chapter.

“Trespass warning” means a document informing the recipient that they are prohibited from entering a specified place for a specified period of time, consistent with the requirements of this chapter.

9.50.040 Prohibited conduct.

(1) The following behavior is prohibited by this chapter in the places to which this chapter applies:

- (a) Dangerous Behavior. Any behavior that creates an imminent and unreasonable risk of injury or harm to either persons or property of another or the actor.
- (b) Illegal Behavior. Any behavior that is prohibited by the laws of the United States, Washington State, Snohomish County, or the city including, but not limited to, any of the following types of behavior:
 - (i) Threatening another person by communicating either directly or indirectly to another person the intent to cause bodily injury in the future to the person threatened or to any other person;
 - (ii) Selling or using alcohol or drugs;
 - (iii) Threatening or harassing behavior (e.g., fighting or threatening to fight, brandishing a weapon, stalking, verbally threatening to harm others or their property);
 - (iv) Assaulting staff or other patrons;
 - (v) Urination or defecation other than in facilities intended for that function;
 - (vi) Sexual misconduct or harassment (e.g., indecent exposure, offensive touching, sexual acts);
 - (vii) Vandalism or placing graffiti;
 - (viii) Starting a fire in an undesignated area.
- (c) Unreasonably Disruptive Behavior. Any behavior that, in consideration of the nature, scope, use and purpose of the city property in question, unreasonably interferes with others’ use and enjoyment of city property, including but not limited to:
 - (i) Use of unreasonably hostile or aggressive language or gestures; or
 - (ii) Unreasonably loud vocal expression or unreasonably boisterous physical behavior; or
 - (iii) Using electronic or other communication devices in a manner that is unreasonably disruptive to others; or
 - (iv) Unreasonably interfering with the free passage of staff or patrons in or on public property; or
 - (v) Behavior that is unreasonably inconsistent with the normal use for which the publicly owned property was designed and intended to be used (e.g., engaging in loud conversation in a library setting);
 - (vi) Violation of the posted rules of the city property in question.

(2) Exception. Any constitutionally protected action or speech is excluded from the prohibited conduct described in this section.

9.50.050 Authority to issue trespass warnings – Service.

- (1) Officers of the city Police Department are authorized to issue a trespass warning to any person who the officer has probable cause to believe has violated SMC 9.50.040.
- (2) The warning may be based upon observation by a police officer or a city employee or may be based upon a civilian report that would ordinarily be relied upon by police officers in the determination of probable cause.
- (3) The person need not be charged, tried, or convicted of any crime or infraction for the trespass warning to be issued or be effective.
- (4) Trespass warnings may be served upon the person subject to the warning using one of the following methods:
 - (a) First-class mail to the person at the person's last known address;
 - (b) Personally; or
 - (c) If the person cannot be located by one of the first two methods after a diligent search, by publication in a newspaper of general circulation.
- (5) Service is effective:
 - (a) On the date the notice is personally received;
 - (b) In the case of service by mail, three days after the notice is mailed; or
 - (c) In the case of service by publication, 15 days after publication.
- (6) The trespass warning becomes effective, and the duration starts to run, upon the effective date of service.

9.50.060 Content of trespass warning.

- (1) The trespass warning must be in writing and contain:
 - (a) The date of issuance;
 - (b) A description of the behavior that is the basis for the trespass warning;
 - (c) The place(s) of exclusion consistent with subsection (2) of this section;
 - (d) The length of exclusion consistent with SMC 9.50.070;
 - (e) The signature of the issuing police officer;
 - (f) A description of the consequences for failure to comply consistent with SMC 9.50.100.
- (2) A trespass warning for a place or places may not prohibit access to another place or places that are unrelated to or not a part of the place where the conduct that is the subject of the trespass warning occurred.

9.50.070 Duration of exclusion.

- (1) An officer who issues a trespass warning under this Chapter must determine a duration of exclusion consistent with this section.
- (2) If the person subject to the trespass warning:
 - (a) Has not been excluded from City property by a trespass warning issued within one year prior to the violation, then the warning may exclude the person for a period not exceeding 7 days.
 - (b) Has been the subject of only one prior trespass warning issued within one year prior to the current violation, then the warning may exclude the person up to 90 days.

- (c) Has been the subject of two or more prior trespass warnings issued within one year prior to the current violation, then the warning may exclude the person up to one year.

9.50.080 Review procedure.

 **Note this review could alternatively be performed by the City Administrator, as it is in Port Townsend's code.**

- (1) For good cause, the Police Chief may rescind, shorten, or modify a trespass warning consistent with this section.
 - (a) A written request for review of a trespass warning must be delivered to the Police Chief no later than seven business days after it is issued.
 - (b) The Police Chief must hold a review hearing on the decision within one week of receipt of a request for review of a trespass warning.
 - (c) The Police Chief must notify the person subject to the warning of the date, time, and place, telephone number or electronic means at or by which the review will be conducted.
 - (d) The review decision must be communicated no later than five business days following the review.
 - (e) The review decision must inform the person subject to the warning of the right to seek judicial review of the decision and that the time frame for seeking judicial review runs from the date of service of the written decision.
- (2) For purposes of this section, "good cause" to rescind, shorten, or modify a trespass warning must be found where any of the following are true:
 - (a) The person subject to the warning demonstrates by a preponderance of the evidence that his or her conduct was intended to be expressive conduct protected by the First Amendment;
 - (b) The person subject to the warning was not given warning that the conduct in question was subject to a trespass warning;
 - (c) The trespass warning was based solely upon the statement of a third party, was not observed personally by the issuing officer or a city employee, would not ordinarily be relied upon by police officers in the determination of probable cause, and the person subject to the warning claims that he or she did not commit the action for which he or she was warned; or
 - (d) Reasonable minds could differ on the question of whether the conduct in question was unreasonably disruptive to others on the same property at the same time.
- (3) At the review hearing, the violation must be proved by a preponderance of the evidence to uphold the trespass warning. The Police Chief may consider a sworn report or declaration from the officer who issued the trespass warning or upon whose observation the trespass warning was based, without further evidentiary foundation, as prima facie evidence that the person committed the violation as described. The Police Chief may consider information that would not be admissible under the evidence rules in a court of law but that the Police Chief considers relevant and trustworthy. If the warning was issued because of the alleged violation of any criminal law, the person need not be charged, tried, or convicted for the warning to be upheld.
- (4) The decision of the Police Chief constitutes the city's final decision. A person seeking judicial review of the city's final decision must file an application for a writ of review in Superior Court within 15 days of receipt of the city's final decision.
- (5) The trespass warning remains in effect during the pendency of any administrative or judicial proceeding.

- (6) No determination of facts made by the Police Chief may have any collateral estoppel effect on a subsequent criminal prosecution or civil proceeding and may not preclude litigation of those same facts in a subsequent criminal prosecution or civil proceeding.

9.50.090 Permitted entry notwithstanding warning.

- (1) The Police Chief may, upon request, authorize a person who has received a trespass warning in accordance with this chapter to enter city property to exercise his or her First Amendment rights or to conduct government business if there is no other reasonable alternative location to exercise such rights or conduct such business. Authorization must be in writing and specify the duration of the authorization and any conditions thereof, which may include a requirement that the person be escorted by a police officer.
- (2) The Police Chief must issue a decision on a request for entry onto public property by the recipient of a trespass warning during a period of exclusion no later than 48 hours after receipt of the request.

9.50.100 Violation – Penalty.

- (1) Any person who is found on city or other publicly owned property in violation of a trespass warning issued in accordance with this chapter may be arrested for criminal trespass as defined in Chapter 9A.52 RCW and incorporated by reference into this title, except as otherwise provided in this section.
- (2) This chapter does not supplant the city's ability to enforce any other section of the Stanwood Municipal Code regulating behavior on public property or the city's ability to pursue other civil or criminal remedies and penalties.
- (3) A city employee who becomes aware of a violation of a trespass warning issued in accordance with this chapter is expected to notify the Police Department.

ATTACHMENT B



Stanwood Municipal Code Project Change Request Tracking Form

Applicable Amendments: Title 9 – Public Peace, Safety, and Welfare

Requestor	Section	Change / Comment	Action Taken
City Attorney	Title 9 Edits	See attached City Attorney edits based on prosecutor's review	All City Attorney comments were incorporated into the draft ordinance.
Jason Toner, Police Chief	Page 3 Yellow Highlight Note Regarding Existing Chapter 9.50.	No issues with moving 9.50 Public Nuisance and Disturbance Noises to Title 7. It doesn't affect the Police's ability to charge on it.	Comment Noted
Jason Toner, Police Chief	Substance Abuse - Chapter 9.22	Drug Paraphernalia: until this week it looked like the legislature was going to ban municipalities from having their own drug paraphernalia laws, this week it was removed from the bill, but nothing is final. Something to monitor.	Monitoring Required
Jason Toner, Police Chief	Park Rules - Section 9.40.040(1)(a)	I like "dusk to dawn" due to the big swings in light during summer and winter. Sometimes there are still baseball/softball games going in the summer after 9pm, but I wouldn't want CC Park open till 9 in the winter, "hours of Darkness" maybe a term that is workable.	Noted; "dusk to dawn" retaining in the ordinance.
Community Development Committee	Existing Chapter 9.50 and Title 7	Combine all nuisance regulations together into one chapter.	All nuisance regs are going to Title 7. No other conflicts with "nuisances" found.

Requestor	Section	Change / Comment	Action Taken
		If there are needed nuisance sections in Title 9, can a different term be used? Want to eliminate potential conflicts with Title 9 and other sections.	
Community Development Committee	General Provisions - Section 9.02.030(3)	This section allows the city to recover expenses of emergency response where the response is related to a person's intoxication. Does intoxication only apply to alcohol, or can it apply to all other forms of impairment? Could the definitions section (9.02.020) include a definition of intoxication?	The state law authorizing this section intends drugs as well as alcohol. Amended this section to clarify. Revised Language: It is the policy of the City of Stanwood to exercise the provisions of RCW 38.52.430 to recover the expenses of emergency response where that response is related to a person's intoxication <u>by drugs or alcohol</u>.
Community Development Committee	Offenses Against Persons – Section 9.02.030(3)	What is failing to summon assistance? How is it enforced? Can the general public / citizen be penalized for not offering assistance during an event? RCW 9A.36.160 Failing to summon assistance. A person is guilty of the crime of failing to summon assistance if: (1) He or she was present when a crime was committed against another person; and (2) He or she knows that the other person has suffered substantial bodily harm as a result of the	This is a standard provision in Municipal Codes and generally reserved by law enforcement for egregious cases. One could “summon assistance” by calling 911 No change to the language is proposed.

Requestor	Section	Change / Comment	Action Taken
		crime committed against the other person and that the other person is in need of assistance; and (3) He or she could reasonably summon assistance for the person in need without danger to himself or herself and without interference with an important duty owed to a third party; and (4) He or she fails to summon assistance for the person in need; and (5) Another person is not summoning or has not summoned assistance for the person in need of such assistance RCW 9A.36.161 Failing to summon assistance—Penalty. A violation of RCW 9A.36.160 is a misdemeanor.	
Community Development Committee	Park Rules – Section 6.40.050 Speeding Limits	Should / could the civil infraction for speeding in park parking lots be greater than \$25 due to the potential danger to children? Is there flexibility in setting the fine for this offence verses other park offences?	Changed speeding in parks from a class 4 infraction (\$25) to a class 3 infraction (\$50).
Community Development Committee	Park Rules – Section 6.40.040(1)(d) General Rules	Knowingly causes a horse to be upon park premises. Should this include roads? How else would the horse get on park property?	Streets will be covered in a Title 10; reserve note for Title 10 update.
Planning Commission	Park Rules – Section 6.40.040(1)(f) General Rules	Should this section include the term “fund raisers” or is the wording all inclusive? “.... sales of any merchandise or services, or operates any concession,...”	The existing wording includes fundraisers that involve sales of merchandise or services (but not just donations).

Requestor	Section	Change / Comment	Action Taken
Planning Commission	Park Rules – Section 6.40.040 General Rules	Could loitering be added to the list of unlawful activities?	We would need to know more specificity about what the City wants to prohibit. We cannot prohibit “loitering” generally.
Advisory Group		No additional Comments	

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 10 (2)
DATE: May 11, 2023
SUBJECT: Stanwood Municipal Code Title 13 – Civil Enforcement
CONTACT PERSON: Patricia Love, Community Development Director
ATTACHMENTS: A – Ordinance 1517 Adoption of Title 13 – Civil Enforcement
B – Edit Tracking Form

PURPOSE

The purpose of this agenda item is for Council review and acceptance of the first reading of Ordinance 1517, adoption of Title – 13, Civil Enforcement, of the Stanwood Municipal Code.

SUMMARY

The next batch of Municipal Code Amendments is Title 9 – Public Peace, Morals, and Safety and Title 13 – Code Enforcement. These Titles have been grouped together for review as they both address enforcement issues and have direct code correlations. Using the approved style guide, the draft amendments delete outdated code citations and modernize the text by applying current best practices. It notes where new sections have been added or where moved. In general, these titles and chapters have been reorganized for better flow and readability with similar topics being grouped together. This ordinance includes:

- Title 13 – Civic Enforcement which contains the code enforcement procedures generally applied to the municipal code titles not enforced by the Police Department, including zoning and development standards. The Building Official is the City's Code Enforcement Officer.

BACKGROUND

The City initiated the Municipal Code Update project in 2022 to modernize the code reflecting best practices with respect to content and administration of the code. The update is intended to be user friendly for staff, property owners and developers by 1) removing legalese and jargon unfamiliar to the lay person, 2) improving clarity and overall functionality, and 3) reflect regulatory best practices. The amendments will also be consistent with current case, state and federal laws.

To help guide the review of the amendments, two types of informational banners are included in the descriptive versions of each amendment. These blue- and yellow-colored bars highlight changes, recommendations and questions; it notes where new sections have been added or where moved.

 Blue banner describes actions taken or issue descriptions.

 Yellow banners highlight important policy issues.

Due to the sheer size of amending an entire municipal code, work has been broken into manageable pieces with similar titles, or titles that interact with each other, being processed together. To date, the Council has approved the following Title groupings:

Stanwood Municipal Code Titles	Council Action
Title 1 – General Provisions Title 2 – Personnel Title 3 – Administration	Approved April 23, 2023 Three Readings
Title 6 – Parks and Public Spaces Title 9 – Public Peace, Morals, and Safety Title 13 – Civil Enforcement	Pending Council Action

As Titles and Chapters are approved, there may be times when chapters or sections within chapters of approved Titles will need to be amended to ensure consistency throughout the Municipal Code as it is amended.

ANALYSIS

Title 13 contains the general enforcement provisions for the entire Municipal Code for non-criminal proceedings. However, it is difficult to apply to situations outside of zoning enforcement. As such, the entire Title was rewritten while keeping the focus on the mechanisms of civil enforcement without introducing substantive rule changes to the Title. For ease of use and readability, this Title will be broken into multiple chapters as follows:

General Provisions	Procedures	Administrative Orders	Penalties and Remedies
▪ Policy ▪ Applicability ▪ Definitions ▪ Duty to enforce ▪ Joint and several liability	▪ Investigation—Right of entry ▪ Appeals	▪ General provisions ▪ Stop work / emergency orders ▪ Contents ▪ Service	▪ Voluntary compliance agreement ▪ Certificate of non-compliance ▪ Civil infraction ▪ Civil penalty ▪ Abatement by the City (including liens) ▪ Alternative remedies

Notable Changes to this Title include:

- Rename title to civil enforcement as it applies to the entire municipal code, not just zoning.
- Reorganize into multiple chapters as noted above.
- Adds a civil infraction procedure to allow the City Code Enforcement Officer and Police Department to issue municipal civil infraction citations (tickets) for minor / reoccurring code enforcement cases.
- Maintains notice of violation process for major land use violations.
- Ensure appeal section is consistent with Hearing Examiner authority and process.
- Repeated or uncorrected violations could be raised to the level of a misdemeanor and addressed under Title 9, Public Peace, Safety and Welfare.
- New Voluntary Compliance Agreement section has been added based on the City Attorney's recommendation.
- New Certification of Non-Compliance section has been added based on the consultant's recommendation.

Council Policy Decision Issues:

The following policy issues need to be discussed before the final reading:

Title 13 – Civil Enforcement:

The main points of discussion regarding the Civil Enforcement Title concerned penalties and the appeals section: how much penalties should cost and who could appeal and the standard of review for such appeals.

1. Cost of Civil Penalties: Flat rate or a graduated scale

(1) Amount of Civil Penalty.

- (a) The amount of civil penalty is \$100 per day per violation unless otherwise provided.

i Because most of these civil enforcement matters will be land use violations, we recommend using the \$100/day standard above. However, we provide below alternative text for paragraph (a) that would create a more limited, but progressive penalty. This is based on City of Seattle's approach. The City could also add "per day" to each penalty.

- (b) Unless otherwise provided, the amount of civil penalty is:

- (i) For the first citation for the same matter: \$100;
- (ii) For the second citation for the same matter: \$250;
- (iii) For the third citation for the same matter: \$500;

2. As originally written, the code only allowed the person subject to the violation order to appeal. The Community Development Committee was concerned that there is no process for other people affected by a code enforcement decision to

appeal that decision. To address this concern, the following two options have been provided:

Option 1: Only the “violator” can appeal

(2) Filing.

- (a) Who May File. Any person subject to an administrative order issued pursuant to this Chapter may appeal it in writing to the Hearing Examiner.

Option 2: Others affected by the decision can appeal

 The following section is alternative text for (a) above based on advisory committee comments. It is not recommended.

- (a) Who May File. The following persons have standing to appeal an administrative order issued pursuant to this chapter:
 - (i) a person who is subject to the administrative order;
 - (ii) any person who has submitted a complaint about the matter subject to the order;
 - (iii) any person who [resides | owns property | resides or owns property] within [300 ft | 1000 ft] of the property, if any, subject to the administrative order.

Staff and the consultant are recommending option 1. Option 2 can get extremely complicated and has the potential to affect land use rights of one or either party. It also has the potential to get the City involved in private civil disputes that could be costly to the City.

- 3. The Community Development Committee was concerned that the standard of review, “clearly erroneous”, is so high that it’s difficult for appellants to appeal city decisions and win. In addition, the costs of hiring experts to prove errors can be substantial. The Committee asked if there varying levels of burden of proof, that still fall within best practices.

Original text and standard language contained in most municipal codes:

(3) Standard of Review.

- (a) The appellant bears the burden of proving that the administrative order was clearly erroneous.
- (b) The Hearing Examiner may not overturn or modify the Director’s order unless he or she finds it was clearly erroneous.

Revised text noting that the appellant bears the burden of proof and identifying when the Hearing Examiner may deviate from staff's decision.

3 Standard of Review.

a. The appellant bears the burden of proof.

i The original draft proposal was simply to make the standard of review "clearly erroneous" but the additional text below was added based on the advisory committee concern that the "clearly erroneous" standard alone would be too difficult for an appellant to meet. These standards are based on RCW 36.70C.130, the standards of review for a LUPA action in Superior Court.

b. The Hearing Examiner may grant relief from the administrative order only if the appellant establishes that one or more of the following standards has been met:

- (i) The Director or Department engaged in unlawful procedure or failed to follow a prescribed process, unless the error was harmless;
- (ii) The administrative order is an erroneous interpretation of the law, after allowing for such deference as is due the construction of a law by a professional with expertise;
- (iii) The administrative order is not supported by evidence that is substantial when viewed in light of the whole record before the Hearing Examiner;
- (iv) The administrative order is a clearly erroneous application of the law to the facts;
- (v) The administrative order is outside the Director's authority or jurisdiction; or
- (vi) The administrative order violates the constitutional rights of the appellant.

While "clearly erroneous" is the typical standard of review for appeals, staff can work with either standard.

Fiscal Impact			
No direct financial impact. Code work was already budgeted and approved through the Municipal Code Update Project contract and scope of work.			
Fund(s):	Staff Time		
Amount:	\$	Project Estimate:	\$ -
Budget Authorized	[] Yes [] No	Amendment Required	[] Yes [] No [] Monitor

RECOMMENDATIONS

Staff Recommendation:

Staff recommends that the Council accept the first reading of the proposed amendments and proceed to the second reading.

Committee/Board Recommendation:

The Advisory Group, Planning Commission and City Council Community Development Committee have all reviewed the proposed amendments; their comments have been incorporated into the drafts as shown on Exhibit B, Tracking Sheet. All groups have recommended to adopt the amendments.

CITY COUNCIL OPTIONS

1. Accept the first reading of Ordinance 1517 adopting Title 13, Civil Enforcement, and to proceed with the second reading on May 25, 2023.
2. Request changes to Ordinance 1517 and direct staff to address specific Council issues or concerns prior to Council reconsideration the ordinance.

PROPOSED MOTION

I MOVE TO ACCEPT THE FIRST READING OF ORDINANCE 1517 AS SET FORTH IN ATTACHMENT “A” AND TO PROCEED WITH THE SECOND READING OF THE ORDINANCE ON MAY 25, 2023.

**CITY OF STANWOOD
WASHINGTON**

ORDINANCE NO. 1517

**AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING
STANWOOD MUNICIPAL CODE (SMC) TITLE 13, CODE ENFORCEMENT, AND
ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.**

WHEREAS, the City of Stanwood has begun a process to comprehensively update its municipal code to conform to current law and practice; and

WHEREAS, the purpose of this code amendment is to eliminate conflicts, improve clarity and overall function of the municipal code, and reflect current city and best practices; and

WHEREAS, the name of Title 13, Code Enforcement, is being changed to Civil Enforcement to more accurately reflect that Title 13 applies to more than just zoning enforcement issues; and

WHEREAS, the amendment updates the code to be more consistent with contemporary language and terms; and

WHEREAS, amendments to Title 13, Civil Enforcement, include deleting existing Title 13 in its entirety and adopting new provisions that contain the laws and regulations for enforcement of the Stanwood Municipal Code; and

WHEREAS, amendments include reorganizing the title into logical chapters including general provisions, procedures, administrative orders, and penalties and remedies; and

WHEREAS, the City of Stanwood SEPA Responsible Official has reviewed the proposed amendments to the Stanwood Municipal Code, determined that the amendments are categorically exempt from SEPA, and memorialized those conclusions under file number 230041; and

WHEREAS, the Stanwood Advisory Group reviewed the ordinance scoping memo and draft ordinance at their January 18, 2023 and March 15, 2023 meetings respectively, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Planning Commission reviewed the ordinance scoping memo and draft ordinance at their February 13, 2023 and March 13, 2023 meetings respectively and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the Stanwood Council Community Development Committee reviewed the ordinance scoping memo and draft ordinance at their February 2, 2023

and March 2, 2023 meetings respectively, and has recommended that the City Council adopt the ordinance as presented; and

WHEREAS, the City Council held a public meeting and first reading of the draft code amendment on May 11, 2023, a second reading on May 25, 2023, and accepted public comment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Stanwood Municipal Code Title 13, Code Enforcement, is repealed in its entirety and replaced with the new Title 13, Civil Enforcement, as provided in Exhibit “A” attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 2. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 3. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 4. Effective Date. This Ordinance shall take effect five days after publication as required by law.

PASSED and APPROVED this ____ day of _____, 2023.

CITY OF STANWOOD:

Sid Roberts, Mayor

Attest:

Lisa Sokolik, City Clerk

Approved as to Form:

Nikki Thompson, City Attorney

Date of Publication: _____

Effective Date: _____

EXHIBIT A

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Title 13 Civil Enforcement

- i** This title is a complete rewrite of existing SMC Title 13, currently titled "Code Enforcement." We propose renaming the title "Civil Enforcement" to clarify that it concerns only the civil aspects of enforcement and lays out the process for enforcement of the code through non-criminal processes.
- i** Existing SMC 13.01.100, Criminal Penalties, has been deleted. The City has already made the policy choice to make the default penalty for a code violation a civil matter, not a criminal one.
- i** Existing Title 13 consists of only a single chapter with 12 sections. This proposed revision divides the title into logical chapters.

Chapter 13.10 General Provisions

13.10.010 Policy

- (1) The policy of the City of Stanwood is to:
 - (a) Fairly, actively, and uniformly enforce the municipal code to preserve the health, safety, and welfare of the public and the environment and not for the benefit of any particular class of persons;
 - (b) Conduct all investigations into alleged violations consistent with statutory and constitutional protections of the right of privacy;
 - (c) Use education as a first step toward achieving compliance with those codes and offer property owners the opportunity to correct violations before imposing fines;
 - (d) Consider the economic circumstances of responsible parties and their ability to comply with code requirements;
 - (e) Use administrative orders and other measures when necessary to ensure violations are corrected.
- (2) To achieve this policy, this Chapter provides authority and procedures for:
 - (a) Efficient and effective notice and opportunities to correct violations;
 - (b) Progressive monetary penalties proportionate to the violations;
 - (c) Appeal of administrative orders regarding violations;
 - (d) Collection of civil penalties; and
 - (e) Abatement and remediation of violations.

13.10.020 Applicability

This title applies to civil enforcement of all violations of the Stanwood Municipal Code.

13.10.030 Definitions

The following definitions apply to the entirety of this title:

"Civil violation" means a failure to comply with any mandatory provision of the Stanwood Municipal Code, including failure to comply with a permit condition or an administrative order issued pursuant to this title.

"Director" means the director of the Department of Community Development or the director's designee.

"Responsible party" means a person who violates any mandatory provision of the Stanwood Municipal Code, including failure to comply with a permit or an administrative order issued pursuant to this title.

13.10.040 Duty to Enforce

i Based on existing SMC 13.01.020 Duty to Enforce.

- (1) The Director has the duty to enforce this chapter and may exercise discretion in whether and how to pursue code enforcement actions and which remedies to pursue.
- (2) In lieu of the enforcement procedures set forth in this chapter, the Director may implement the enforcement procedures set forth in any of the uniform codes adopted by reference in SMC Title 14.
- (3) Although generally the City will not pursue civil enforcement when a criminal penalty for a violation is prescribed, civil enforcement is not precluded under those circumstances.
- (4) This title is to be enforced for the benefit of health, safety, and welfare of the general public, and not for the benefit of any particular person or class of persons.
- (5) Nothing in this chapter is intended to impose any duty upon the city or any of its officers or employees that would subject them to damages in a civil action.

13.10.050 Violations are Public Nuisances

Any uncorrected violation is detrimental to the public health, safety, and welfare and is a public nuisance. A public nuisance is a continuing offense against the order and economy of the City of Stanwood and is subject to enforcement under RCW Chapter 7.48 and RCW Chapter 9.66. Per RCW 9.66.030, maintenance of a public nuisance is a misdemeanor.

13.10.060 Joint and Several Liability

In addition to any other person who may be liable for a civil violation, the property owner is jointly and severally liable for the civil violation, payment of any civil penalties, and restoration of the site.

13.10.070 Required Report to City Council

i This is a new section intended to ensure policymakers receive feedback on how well this code title is operating.

By February 1 of each year, the Director must report in writing to the City Council the number of civil enforcement complaints received during the previous calendar year, the number investigated, the number found to be without basis, the number resolved, and the manner in which each was resolved.

13.10.080 Severability

i This section is based on existing SMC 13.01.120 Severability.

If any section, sentence, clause, or phrase of this title is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality may not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this title.

Chapter 13.20 Procedures

13.20.010 Initiation of Civil Enforcement

- (1) Any person who believes a violation has occurred may notify the Director.
- (2) If the Director becomes aware of a violation, the Director may initiate the civil enforcement process without a third-party complaint.

13.20.020 Investigation—Right of entry

i This section is based on existing 13.01.030(1).

- (1) The Director must investigate an alleged violation and confirm it has occurred before proceeding with civil enforcement.
- (2) Whenever necessary to make an inspection of an alleged or suspected civil violation, the Director may, upon presentation of proper credentials and consent of the property owner or other person having charge or control of the building, structure or property, enter such building, structure, property or portion thereof at all reasonable times to inspect the same.
- (3) If the building, structure, property, or portion thereof is unoccupied, the Director must make a reasonable effort to locate the owner or other persons having charge or control of the building, structure, property, or portion thereof and request entry.
- (4) If entry is refused or a responsible party cannot be located, the Director may ask the City Attorney to assist in obtaining a warrant.

13.20.030 Issuance of Administrative Orders or Exercise of Other Remedies

- (1) After confirmation of a violation, the Director may choose from any combination of the remedies available in SMC Chapter 13.40 to resolve the violation.
- (2) Discretion.
 - (a) Generally, the Director should use a graduated enforcement process that uses notification and education as a first step and should offer responsible parties the opportunity to correct violations before imposing fines.
 - (b) The Director may determine that a violation is so egregious that graduated enforcement is inappropriate or would require more time than is appropriate compared to the gravity of the violation.
 - (c) The Director may decide not to take action to correct a violation, especially for de minimis violations or violations that require interpretations or discretionary judgments of the applicability of the land use code.

Chapter 13.30 Administrative Orders

i Existing SMC 13.01.030(2) describes a “notice of violation” that is also characterized as an order. Since it’s more than a “notice,” we should title it consistent with its contents. Here, we drop the term notice and only refer to administrative orders as the global term for each of these types of orders.

13.30.010 Administrative Orders including Emergency/Stop Work Orders

- (1) Generally. The Director may issue an administrative order to compel correction of a violation, abatement of a nuisance, payment of civil penalties, or any combination thereof.
- (2) Emergency/Stop Work orders. Whenever any use or activity in violation of the Stanwood Municipal Code threatens the health and safety of the occupants of the premises or any member of the public, the Director may issue an administrative order to immediately cease any work or activity that is causing a violation or a public nuisance.
- (3) Supplemental orders. The Director may at any time add to, rescind in part, or otherwise modify an administrative order by issuing a supplemental order.
- (4) Final orders. An administrative order becomes final if it is not timely appealed, or if it is timely appealed and not stayed or reversed.

13.30.020 Contents of Orders

- (1) An administrative order must contain the following:
 - (a) The name and address of the property owner, the person in possession of the property, and any other person responsible for the violation or condition.
 - (b) The street address or description of the property sufficient for identification of the location where the violation occurred or condition is located.
 - (c) A statement that the Director has identified a public nuisance or found a violation of specific code sections, permit condition, stop work order, or other administrative order.
- (2) A stop work order must also contain:
 - (a) A directive to immediately cease the work or activity until the Director rescinds the order.
 - (b) A statement of the penalties for failure to comply.
- (3) An administrative order other than a stop work order must also contain:
 - (a) A statement of the corrective action required to be taken. If the Director has determined that corrective work is required, the order must require that all necessary permits be secured and the corrective work physically commence within a reasonable time, as determined by the Director, and a reasonable date by which the work must be completed.
 - (b) A statement that if the corrective action is not commenced or completed within the time specified, the City may proceed to abate the violation, cause the corrective work to be done, and charge the costs thereof as a lien against the property and as a joint and separate personal obligation of any person in violation.
 - (c) A statement of the procedural steps the City may take to ensure compliance if the violation is not corrected consistent with the order.
 - (d) A statement that the order is effective upon service or, for stop work orders, when the Director posts it on the subject property or serves it on the persons engaged in the work.

- (e) A statement of the right to appeal an order and the method and deadline for doing so, and that failure to file a timely and complete appeal may constitute a waiver of all rights to appeal the order.

i The next subsection is based on existing SMC 13.01.040 Time to comply.

- (4) When calculating a reasonable time for compliance, the Director must consider the following criteria:
 - (a) The type and degree of violation cited in the order;
 - (b) The stated intent, if any, of a responsible party to take steps to comply;
 - (c) The procedural requirements for obtaining a permit to carry out corrective action;
 - (d) The complexity of the corrective action, including seasonal considerations, construction requirements and the legal prerogatives of landlords and tenants; and
 - (e) Any other circumstances beyond the control of the responsible party.

13.30.030 Civil Penalties

- (1) An administrative order may include an order to pay civil penalties assessed as a result of the violation and, if applicable, the conditions on which assessment of such civil penalty are contingent.
- (2) Amount of Civil Penalty.
 - (a) The amount of civil penalty is \$100 per day per violation unless otherwise provided.

i Because most of these civil enforcement matters will be land use violations, we recommend using the \$100/day standard above. However, we provide below alternative text for paragraph (a) that would create a more limited, but progressive penalty. This is based on City of Seattle's approach. The City could also add "per day" to each penalty.

- (b) Unless otherwise provided, the amount of civil penalty is:
 - (i) For the first citation for the same matter: \$100;
 - (ii) For the second citation for the same matter: \$250;
 - (iii) For the third citation for the same matter: \$500;
- (c) For a civil violation related to critical areas, as defined in the Stanwood Municipal Code, the Director may impose an additional civil penalty up to:
 - (i) An amount, not to exceed \$25,000, that is reasonable based upon the nature and extent of the violation and the costs to the City of enforcing this Chapter against the responsible party; or
 - (ii) An amount equal to twice the economic benefit that the responsible party derived from the violation as measured by the greater of:
 - (A) The resulting increase in the market value of the property or the value received by the responsible party; or
 - (B) The savings of construction costs realized by the responsible party derived from the act that constituted the violation.
- (d) A person found in violation of a new and separate violation within one year of the resolution of a prior related violation may be subject to double the civil penalties normally imposed for such a violation.
- (e) The Director may reduce the civil penalty based on one or more of the following mitigating factors:

- (i) The responsible party showed good faith or substantial progress, or both, in correcting the violation;
or
- (ii) The responsible party was not the primary cause of the violation.

(3) Collection of Civil Penalties.

- (a) An order to pay civil penalties is valid for the penalties accrued as of the date of the order, and for future penalties that accrue until a specified event.
 - (b) The Director may issue a supplemental order for additional civil penalties. That order is appealable only for the additional civil penalties imposed by the supplemental order.
 - (c) Per RCW 19.16.500, the Director may refer orders to pay civil penalties to collection agencies thirty days after service, and may add a reasonable fee to cover the costs of collection.
- (4) Payment of a civil penalty pursuant to this Chapter does not relieve the responsible party of the duty to correct the violation.

13.30.040 Service of Orders—Posting

- (1) All persons identified in the order must be served either personally or by mail.
- (2) If the address of a person cannot reasonably be ascertained, then a copy of the order must be mailed by certified mail, return receipt requested, to such person at the address of the location of the violation and a copy must be posted in a conspicuous location on the premises. The failure of any such person to receive such notice does not affect the validity of any proceedings taken under this Chapter. Service by certified mail is effective on the date of mailing.
- (3) Posting. A copy of the order must also be posted at a conspicuous place on the relevant property that is the subject of a violation, unless posting the notice is not physically possible or poses a risk of harm to the city official.

13.30.050 Appeals

i This section replaces existing SMC 13.01.070, Review by Hearing Examiner.

- (1) An administrative order issued per this Chapter may be appealed consistent with this section.
- (2) Filing.
 - (a) Who May File. Any person subject to an administrative order issued pursuant to this Chapter may appeal it in writing to the Hearing Examiner.

! The following section is alternative text for (a) above based on advisory committee comments. It is not recommended.

- (b) Who May File. The following persons have standing to appeal an administrative order issued pursuant to this chapter:
 - (i) a person who is subject to the administrative order;
 - (ii) any person who has submitted a complaint about the matter subject to the order;
 - (iii) any person who [resides | owns property | resides or owns property] within [300 ft | 1000 ft] of the property, if any, subject to the administrative order.
- (c) When to File. An appeal must be filed within 14 calendar days of service of the administrative order being appealed.

- (d) How to File. An appeal must be filed by submitting a Notice of Appeal to the Director on forms provided by the City, with the appeal fee set by City Council resolution.
- (e) Fees.
 - (i) The City Council will establish a fee schedule for appeals of administrative orders.
 - (ii) If an appellant prevails on their appeal, the City will reimburse the appeal fee paid by appellant.
- (3) Contents. The Notice of Appeal must contain the following:
 - (a) Identification of the order being appealed;
 - (b) The name and address of the appellant and the appellant's interest(s) in the matter;
 - (c) The specific reasons why the appellant believes the order is in error;
 - (d) The requested relief;
 - (e) Identification of any applicable Stanwood Municipal Code sections.
- (4) Automatic Stay. An administrative order other than a stop work order is stayed during an appeal to the Hearing Examiner except when the Director determines that the violation will cause immediate and irreparable harm and so states in the order.
- (5) Standard of Review.
 - (a) The appellant bears the burden of proof.

i The original draft proposal was simply to make the standard of review "clearly erroneous" but the additional text below was added based on the advisory committee concern that the "clearly erroneous" standard alone would be too difficult for an appellant to meet. These standards are based on RCW 36.70C.130, the standards of review for a LUPA action in Superior Court.

- (b) The Hearing Examiner may grant relief from the administrative order only if the appellant establishes that one or more of the following standards has been met:
 - (i) The Director or Department engaged in unlawful procedure or failed to follow a prescribed process, unless the error was harmless;
 - (ii) The administrative order is an erroneous interpretation of the law, after allowing for such deference as is due the construction of a law by a professional with expertise;
 - (iii) The administrative order is not supported by evidence that is substantial when viewed in light of the whole record before the Hearing Examiner;
 - (iv) The administrative order is a clearly erroneous application of the law to the facts;
 - (v) The administrative order is outside the Director's authority or jurisdiction; or
 - (vi) The administrative order violates the constitutional rights of the appellant.
- (6) Hearing.
 - (a) The Hearing Examiner must hold a hearing, during regular business hours, to provide opportunities for the parties to be heard on the appeal.
 - (b) Before testifying, any witness, including city staff, must be required to declare that he or she will testify truthfully, by oath or affirmation.
- (7) Decision.
 - (a) The Hearing Examiner may affirm, reverse, or modify the appealed order.

- (b) The Hearing Examiner's written decision must include findings of fact, conclusions of law, and a decision on the appeal.
 - (c) The Hearing Examiner must hold the hearing and provide the written decision on the appeal within 90 days of filing of the Notice of Appeal.
- (8) Reconsideration.
- (a) A party to an appeal may seek reconsideration of the Hearing Examiner's decision by filing a written request for reconsideration, describing the specific errors alleged, within ten days of the date of decision.
 - (b) The Hearing Examiner must consider the request, without public comment or argument by the party filing the request. Reconsideration may be granted only when a material legal error has occurred or a material factual issue has been overlooked that would change the previous decision.
 - (c) A request for reconsideration is not required to exhaust the appellant's administrative remedies.
- (9) Exhaustion of Administrative Remedies.
- (a) The Hearing Examiner's decision is the final decision of the City on the order.
 - (b) The date of final decision is the date the Hearing Examiner issued its decision, unless any party timely requests reconsideration, in which case the date of final decision is the date the Hearing Examiner makes its decision on reconsideration.

13.30.060 Violations of administrative orders.

- (1) If a person to whom an order is directed does not obey the order or does not pay the civil penalty assessed by the order, the Director may pursue any combination of the remedies in SMC Chapter 13.40.
- (2) Any person who removes a posted emergency or stop work order without authorization is guilty of a misdemeanor.
- (3) If a person to whom an order is directed fails to comply with an emergency or stop work order, that person is guilty of a gross misdemeanor. Each day or part thereof of noncompliance with a stop work order is a separate offense.

Chapter 13.40 Additional Remedies

13.40.010 Discretion

The Director may pursue one or more of the remedies described in this chapter to resolve a violation of the Stanwood Municipal Code.

13.40.020 Civil infraction

- (1) The Director is authorized to issue civil infractions to a responsible party for a civil violation, in accordance with RCW Chapter 7.80.
- (2) Where no other class of civil infraction is specified, the Director may issue a class 1 civil infraction.
- (3) The Director may issue a civil infraction for each day the violation continues.
- (4) The Director may issue a civil infraction in addition to, or as an alternative to, any other judicial or administrative remedy.

13.40.030 Voluntary compliance agreement

i This is a new provision with which we have had success in other jurisdictions.

- (1) The City and the responsible party may enter into a voluntary compliance agreement at any time.
- (2) The Director is authorized on behalf of the City to enter into a voluntary compliance agreement, as provided for in this Section, at any time before the City becomes involved in any lawsuit related to the enforcement action.
- (3) Contents. A voluntary compliance agreement must contain the following:
 - (a) The name and address of the property owner, the person in possession of the property, and any other person responsible for the violation or condition.
 - (b) The street address or description of the property sufficient for identification of the location where the violation occurred or is located.
 - (c) A description of the civil violation and a reference to the specific code provisions that were allegedly violated.
 - (d) A detailed description of the agreed corrective action and the date by which it must be completed.
 - (e) The amount of the civil penalty that will be imposed, if any, pursuant to SMC 13.40.050 if the terms of the voluntary compliance agreement are not met and that the City has a consensual lien against the property for the amount of the civil penalty plus any recording fees and costs.
 - (f) A statement that the City retains the right to enforce the agreement as a matter of contract and retains all other rights and remedies available at law.
 - (g) A statement that if the Director determines that the terms of the voluntary compliance agreement are not met, the Director may proceed with enforcement consistent with this Title.
 - (h) A statement that by entering into the voluntary compliance agreement the responsible party admits that the conditions described in the voluntary compliance agreement exist and constitute a civil violation.
 - (i) A statement that the responsible party knowingly, voluntarily, and intelligently waives the right to appeal any current or future administrative order arising from the same conditions or violations, including current or future civil penalties associated with the same conditions or violations.
- (4) The Director may grant an extension of the time limit for compliance or a modification of the required corrective action if the responsible party has shown due diligence or substantial progress in correcting the violation and the circumstances support such an extension.

13.40.040 Certificate of non-compliance

i This is a new provision with which we have had success in other jurisdictions.

- (1) After an administrative order becomes final, the Director may record with the County Auditor a certificate of non-compliance against any real property subject to the order.
- (2) The certificate of non-compliance must describe:
 - (a) the date of the order;
 - (b) the property subject to the order;
 - (c) the violation;

- (d) the amount of unpaid civil penalties;
 - (e) the method of releasing the certificate of non-compliance.
- (3) Upon request of the property owner or responsible party, the Director must record a release of the certificate of non-compliance if:
- (a) The administrative order is satisfied;
 - (b) All civil penalties are paid; and
 - (c) All costs associated with recording the certificate of non-compliance and the release of the certificate of non-compliance are paid.

13.40.050 Abatement

- (1) After an administrative order becomes final, if the required corrective work is not commenced or completed within the time specified in the order, the City may obtain a warrant of abatement per RCW 7.48.260 and abate a violation itself.
- (2) If a violation poses an imminent threat to health or safety or to the environment, the City may abate the violation itself without prior notice to the property owner.
- (3) When the city abates the violation itself it may charge the costs of abating the violation as a public nuisance lien against the property per RCW 35.21.955.
- (4) When the City abates unfit dwellings, buildings, structures, or property following the procedures in this Title and RCW 35.80.030, the Director may ask the County Treasurer to charge the costs of abatement as an assessment upon the tax rolls against the real property.
 - (a) The Director is the municipal officer designated and authorized to exercise the powers necessary to carry out the purposes authorized by RCW 35.80.030.
 - (b) The Hearing Examiner is the appeals commission designated to hear and decide appeals within 60 days of date of filing, as required by RCW 35.80.030(1)(g).

13.40.060 Settlement

The Director may, with the advice and consent of the City Attorney, enter into negotiations with parties in an enforcement action or named in a lawsuit under this Title or their legal representatives, for the purposes of negotiating a settlement to such action or lawsuit. The settlement may include a compromise regarding the collection of civil penalties but must consider the interests of the public and be in the best interests of the City.

13.40.070 Alternative Remedies

i This section replaces existing SMC 13.01.110.

In addition to any other penalty or method of enforcement, the City Attorney may bring actions for legal, equitable, injunctive, or other relief to enforce the Stanwood Municipal Code.

ATTACHMENT B



Stanwood Municipal Code Project Change Request Tracking Form

Applicable Amendments: Title 13 – Civil Enforcement

Requestor	Section	Change/ Comments	Action Taken
City Attorney	Title 13	See City Attorney comment / edits	Comments incorporated into draft ordinance.
Community Development Committee	Civil Penalty Section 13.40.030(2)	Penalties are established at \$100.00 per day; if repeated within one year of resolution, then the penalty is doubled. Is there a time when / if there are continued repeated violations that the penalty can rise to a criminal penalty?	Optional language provided for Council consideration.
Community Development Committee	Appeals – Section 13.30.050(2)(a)	This code only allows the person subject to the violation order to appeal. Is there a process for someone that may be affected by the violation order to appeal? Example: a neighbor that is affected by the violation, but not happy with the underlying decision / action?	Don't recommend adding the ability of others to appeal the Director's decision. However optional language has been provided identifying criterion for standing and who should have the right to appeal.
Community Development Committee	Appeals – Section 13.30.050(5)	The appellant bears the burden of proving that the administrative order was clearly erroneous. The Committee is concerned that this standard is so high that it's difficult for appellants to appeal city decisions and win. In addition, the costs of hiring	"Clearly erroneous" is the typical "standard of review" for civil appeals and generally means "is 'clearly erroneous' when although there is evidence to support it, the

Requestor	Section	Change/ Comments	Action Taken
		experts to prove errors can be substantial. Are there varying levels of burden of proof, that still fall within best practices, that the Council can consider?	reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.” Typically, the error alleged will be an error in application of the law or facts not requiring expert testimony. A higher standard of review, such as de novo review, would mean the hearing examiner would be substituting his/her judgment for the Director. The draft have been changed however, to articulate with specificity a set of metrics that could trigger the HE’s ability to grant relief from the Director’s decision. See, e.g., the list in RCW 36.70C.130(1).
Staff	Duty to Enforce – Section 13.10.040	Needs language that the City has no duty to enforce violations / codes. There are many times the City may choose not to enforce a code: cost to benefit ratio; neighborhood disputes with no overall public benefit; violation is minor.	Added text to address this concern. The Director has the duty to enforce this chapter <u>and may exercise discretion in whether and how to pursue code</u>

Requestor	Section	Change/ Comments	Action Taken
			<u>enforcement actions and which remedies to pursue.</u>
Planning Commission and Advisory Group		No additional comments	



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 11a

DATE: May 11, 2023

SUBJECT: Building and Fire Code Updates

CONTACT PERSON: Patricia Love, Community Development Director
Scott Black, Building Official

ATTACHMENTS: A – Ordinance 1518 Adoption of International Building and Fire Codes
B – 2021 Building Code Summary of Mandatory Changes

PURPOSE

The purpose of this agenda item is for Council's first reading of Ordinance 1518 - Adoption of the International Building and Fire Codes as mandated by the State of Washington.

BACKGROUND

Every three years the International Code Council (ICC) updates the International Building (IBC) and Fire Codes (IFC) which is the standard by which all building permits are reviewed against in the United States. The State of Washington mandates that all counties, cities and towns adopt the updates by July 1 of the code cycle year.

ANALYSIS

Stanwood Municipal Code, Chapter 14.04 lists the adopted versions of the IBC building and fire codes. These codes establish the public safety standards for building construction and occupancy of structures throughout the nation.

- Incorporate emerging technology and materials into construction to increase building safety and
- The general purpose and regular IBC code updates is to:
- Decrease differences in construction standards between communities.

The proposed code amendment replaces the 2018 edition of the IBC with the 2021 edition. International Code Amendments include updates to:

- Building Code
- Residential Code
- Mechanical Code
- Plumbing Code
- Fire Code
- Energy Code
- Fuel Gas Code
- Swimming and Spa Code
- Wildland Urban Interface Code (New)

General amendments:

The following changes are included in the 2021 amendments:

- The square footage exemption for accessory structures of 200 square feet consistent between the IBC and IRC.
- Deleting the annual permit section, we do not use.
- Section 109.4 creates a double permit fee for stop work orders.
- All appeals sections are amended to appoint the hearing examiner as the review body versus an appeals board
- IRC table 301.2(1) now contains the minimum design criteria for all residential structures.
- Amending the fire code to be more consistent with neighboring jurisdictions and increasing the life safety of structures

International Wildland-Urban Interface Code

- Adopts a new stand alone code the International Wildland-Urban Interface Code
- Building Official to work independently with each homeowner to best identify products to meet the requirements of this code
- This code deals with the separation of structures and brush/timber for fire impacts. This will require some additional construction to mitigate for the potential fire impacts:
 - o Exterior of residences to be non-combustible
 - o Changing from soffit venting attics to putting ventilation on the lower portion of the roof

International Property Maintenance Code

Staff is recommending adoption the International Property Maintenance Code (IPMC) which emphasizes protection of health, safety and welfare while providing code requirements that are enforceable in the diverse types of buildings that exist. Adoption of the Property Maintenance Code is optional, not mandated by the State, and is enforced by the City's Code Enforcement Officer. The IPMC applies to all existing structures, including residential and nonresidential property and addresses the following:

1. Administration, enforcement, and penalties associated with the code.

2. Determination and assignment of responsibility for code compliance among the owner, operator, and occupant of a property.
3. Minimum property maintenance conditions for existing structures and premises in regard to structural safety, sanitation, health, and comfort.
4. Regulating the use of existing dwelling through the establishment of occupancy limitations.
5. Maintenance of egress and fire safety, with appropriate references to the International Fire Code.

General similarities / differences between the International Property Maintenance Code and the City's Nuisances codes are shown below. The IPMC deals mostly with buildings whereas the Municipal Code deals with property. However, there is some overlap when it comes to grounds maintenance, junk vehicles and pest control. Where there is overlap, the IPMC will provide additional enforcement authority.

International Property Maintenance Code	Stanwood Municipal Code: Nuisances
Fire Safety / Smoke Alarms	Noise
Basic Equipment	Dangerous Trees and Vegetation
Adequate Light	Blockage of Public Utilities / Obstruction of Streets and Sidewalks
Building Ventilation	Rotting / Rat-Harboring / Disease Causing Debris or Conditions
Permanent Heating Sources	Burning
Lack of Power and Water	Fences in Disrepair
Adequate Bathroom / Kitchen Facilities	Junk / Junk Vehicles / Junk Trailers
Wiring and Plumbing	Discarded Appliances
Property Working Windows and Doors	Weeds / Infested Trees
Rodent and Pest Control	Toxic Substances / Hazards / Noxious Fumes
Grounds / Property Maintenance	Dumping of Debris / Animal Carcasses
Inoperable / Unregistered Vehicles	

The City manages code enforcement on a complaint basis. The Code Enforcement Officer / Building Official receives the complaint, investigates and determines if a violation exists, and then follows through with enforcement as needed. This process is not expected to change with adoption of the IPMC. It does, however, have the potential to increase the number of code enforcement cases the city receives. Based on the activity of other cities, we are not expecting that it will require an increase in staffing, but monitoring will be required over the next few years to truly understand the full effect on staffing levels.

International Property Maintenance Code establishes:

- Administration, enforcement, and penalties associated with the code
- Determination and assignment of responsibility for code compliance among the owner, operator, and occupant of a property

- Minimum property maintenance conditions for existing structures and premises in regard to structural safety, sanitation, health and comfort
- Regulating the use of existing dwelling through the establishment of occupancy limitations
- Maintenance of egress and fire safety, with appropriate references to the International Fire Code

Fiscal Impact			
None; Mandated State Update			
Fund(s):			
Amount:	\$	Project Estimate:	\$ -
Budget Authorized	☐ Yes ☐ No ☒ N/A	Amendment Required	☐ Yes ☐ No ☐ Monitor

RECOMMENDATIONS

Staff Recommendation:

Building Official and the Fire Marshall worked together to review the Building and Fire Codes for the amendments proposed.

Allow for the first reading of Ordinance 1518 adopting the 2021 version of the International Building and Fire Codes. Review and discuss proposed amendments and forward for adoption on May 25, 2023.

Committee/Board Recommendation:

The Community Development Committee's February 2023 meeting included a briefing on the proposed update to the IBC building and fire codes. At that meeting the Committee understood that the amendments are mandated by the state and recommended forwarding the code amendment to the full Council for adoption.

The Planning Commission reviewed the Property Maintenance Code amendment on February 13, 2023, and March 13, 2023, and recommended the adoption of this code.

CITY COUNCIL OPTIONS

1. Accept the first reading of Ordinance 1518 adopting the 2021 version of the International Building and Fire Codes and proceed with the second reading and adoption on May 25, 2023.
2. Accept the first reading of Ordinance 1518 without the International Property Maintenance Code and proceed with the second reading and adoption on May 25, 2023.
3. Request changes to Ordinance 1518 and direct staff to address specific issues or concerns prior to Council reconsideration of the ordinance.

PROPOSED MOTION

“I MOVE TO APPROVE THE FIRST READING OF ORDINANCE 1518 AS SET FORTH IN ATTACHMENT “A” AMENDING CHAPTER 14.04 OF THE STANWOOD MUNICIPAL CODE, UNIFORM CODES, AND PROCEED WITH THE SECOND READING AND ADOPTION OF ORDINANCE 1518 ON MAY 25, 2023.”

ATTACHMENT A

CITY OF STANWOOD WASHINGTON

ORDINANCE NO. 1518

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING STANWOOD MUNICIPAL CODE CHAPTER 14.04, UNIFORM CODES, TO ADOPT THE INTERNATIONAL BUILDING AND FIRE CODES AS ADOPTED BY THE STATE OF WASHINGTON AND ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the state legislature has mandated, per RCW 19.27.031, that cities enforce the State Building Code as adopted and amended by the State Building Code Council; and

WHEREAS, the State Building Code Council, pursuant to RCW 19.27.074, reviewed and adopted the updated versions of the International Building Code, International Residential Code, International Mechanical Code and International Fire Code as published by the International Code Council, Inc. and the Uniform Plumbing Code and Uniform Plumbing Code Standards as published by the International Association of Plumbing and Mechanical Officials; and

WHEREAS, Stanwood currently is administering the 2018 International Building Codes; and

WHEREAS, the Stanwood City Council desires to update its building and fire codes consistent with state mandates; and

WHEREAS, these revised codes will take affect statewide on July 1, 2023; and

WHEREAS, the Responsible Official has determined that the adoption of building codes is exempt from the State Environmental Policy Act (SEPA) under administrative actions containing no substantive standards respecting use or modification of the environment per WAC 197-11-800(19), Procedural Actions; and

WHEREAS, the proposed code amendment is not a “development regulation” as defined as RCW 36.70A.030(7) and is therefore exempt from State of Washington Department of Commerce noticing requirements; and

WHEREAS, the City Council Community Development Committee reviewed the proposed language and amendments set forth in this Ordinance at their February 2, 2023, meeting; and

WHEREAS, the Planning Commission reviewed the proposed language and amendments set forth in this Ordinance at their February 13, 2023 and March 13, 2023, meetings; and

WHEREAS, the City Council held their first reading of the draft code amendment on May 11, 2023 and their second and final reading on May 25, 2023; and

WHEREAS, the City Council of Stanwood has authority under Title 35A, RCW to adopt plans and regulations related to development and operations within the City of Stanwood; and

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

Section 1. Code Revisions. Stanwood Municipal Code Title 14, Building and Construction, is amended as provided in Exhibit "A" attached to this ordinance and incorporated herein by reference as if set forth in full.

Section 2. Severability. The various parts, sections and clauses of this ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 4. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbers, section/subsection numbers and any references thereto.

Section 5. Effective Date. This Ordinance shall take effect on **July 1, 2023**, as required by law.

PASSED AND APPROVED by the Stanwood City Council this 25th day of May 2023.

CITY OF STANWOOD

Sid Roberts, Mayor

ATTEST:

By: _____
Lisa Sokolik, City Clerk

APPROVED AS TO FORM:

By: _____
Nikki Thompson, City Attorney

Date of Publication: _____
Effective Date: July 1, 2023

DRAFT

Exhibit A

Chapter 14.04 UNIFORM CODES

Sections:

- 14.04.010** **Short title.**
- 14.04.020** **Adoption of international codes.**
- 14.04.030** **Fees and building valuation costs.**
- 14.04.040** **Penalty for violation.**
- 14.04.050** **Conflicting provisions.**
- 14.04.060** **Documents available for public inspection.**

14.04.010 Short title.

This title shall be known as the building code of the city of Stanwood.

14.04.020 Adoption of international codes.

The following international codes, which have been adopted with amendments by the State Building Code Council pursuant to Chapter 19.27 RCW, are herewith adopted by reference as though fully set forth in this chapter:

(1) International Building Code ~~2018~~ **2021** Edition, as published by the International Code Council, together with Washington State amendments as set forth in Chapter 51-50 WAC, together with Appendix E and Appendix J, Sections 101 through 111, together with all Washington State amendments as contained in Chapter 51-50 WAC, and together with the applicable references to the National Fire Protection Association (NFPA), current edition as amended, except that:

(a) Section 105.2 shall be modified to add the following:

#1. One-story detached accessory structures used as tool and storage sheds, playhouses, and similar uses, provided that the floor area is not greater than 200 square feet.

#14. Platforms not more than 30 inches above the grade and not over any basement or story below;

#15. Replacement of nonstructural siding on IRC structures except for veneer, stucco, or exterior finish and insulation systems (EIFS);

#16. In-kind window replacement for IRC structures where no alteration of structural members is required and which the window U values meet the prescriptive requirements within the Washington State Energy Code;

#17. Job shacks that are placed at a permitted job site during construction may be allowed on a temporary basis and shall be removed upon final approval of construction;

#18. In-kind reroofing of one and two family dwellings provided roof sheathing is not removed or replaced; and

(b) delete section 105.1.1 Annual permit.

i. Instead of an individual permit for each alteration to an already approved electrical, gas, mechanical or plumbing installation, the building official is authorized to issue an annual permit upon application therefor to any person, firm or corporation regularly employing one or more qualified tradespersons in the building, structure or on the premises owned or operated by the applicant for the permit.

(c) delete section 105.1.2 Annual permit records.

i. The person to whom an annual permit is issued shall keep a detailed record of alterations made under such annual permit. The building official shall have access to such records at all times or such records shall be filed with the building official as designated.

(b) Section 105.3.2 shall be amended to add the following:

i. Applications for which no permit is issued within ~~48~~ **12** months following the date of application shall expire by limitation and plans and other data submitted for review may thereafter be returned to the applicant or destroyed in accordance with state law;

ii. Applications may be cancelled for inactivity, if an applicant fails to respond to the department's written request for revisions, corrections, actions or additional information within 90 days of the date of request. The building official may extend the response period beyond 90 days; and

(c) Section 105.5 is replaced with a new section, "Time limitation on building permits," to read as follows:

i. Every permit issued shall expire two years from the date of issuance. The building official may approve a request for an extended expiration date where a construction schedule is provided by the applicant and approved prior to permit issuance. The building official is authorized to grant, in writing, one or more extensions of time, for periods not more than 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

(d) Section 109.4 shall be amended to add the following:

i. Any person who commences any work on a building, structure, gas, mechanical or plumbing

system before obtaining the necessary permits shall be subject to a fee equal to the amount of the permit fee required by this chapter and said fee shall be in addition to the required permit fees. The payment of such investigation fee shall not exempt any person from compliance with all other provisions of this code nor from any penalty prescribed by law.

(e) Section 113 shall be amended to add the following:

i. 113.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(2) International Residential Code, published by the International Code Council, 2018 **2021** Edition, together with Washington State amendments as set forth in Chapter 51-51 WAC as hereby adopted, except that:

~~(a) Appendix Q, Dwelling Unit Sprinkler Systems, is not adopted.~~

~~(b) Sections P2501 through P3201 and E3401 through E4209 are not adopted.~~

~~(c) Section R313.1.1 shall be amended to read:~~

~~Automatic residential sprinkler systems for townhouses shall be designed and installed in accordance with Section P2904 or NFPA 13D. All spaces, including attached garages and covered balconies/patios, shall be provided with fire sprinkler coverage.~~

(a) Section 112 shall be amended to add the following:

i. 112.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(b) Table R301.2(1) shall be amended to add the following:

Table R301.2(1)
Climatic and Geographic Design Criteria

<u>Ground Snow Load</u>	<u>25 (roof snow load shall also be 25psf unless proven otherwise by the structural engineer of record)</u>
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<u>Wind Speed</u>	<u>110 mph</u>
<u>Topographic Effects</u>	<u>No</u>
<u>Seismic Design Category</u>	<u>D2</u>
<u>Weathering</u>	<u>Moderate</u>
<u>Frost line depth</u>	<u>12"</u>
<u>Termites</u>	<u>Slight to moderate</u>
<u>Winter Design Temp^e</u>	<u>27°</u>
<u>Ice Barrier Underlayment Required</u>	<u>No</u>
<u>Flood Hazards</u>	<u>See SMC 17.120</u>
<u>Air Freeze Index</u>	<u>175</u>
<u>Mean Annual Temp</u>	<u>50.5°</u>

MANUAL J DESIGN CRITERIAⁿ

<u>Elevation</u>	<u>Elevation shall be specific to site</u>
<u>Latitude</u>	<u>Latitude shall be specific to site</u>
<u>Winter heating</u>	<u>See footnote n for all other values indicated in this table</u>
<u>Summer cooling</u>	<u>See footnote n for all other values indicated in this table</u>
<u>Altitude correction factor</u>	<u>--</u>
<u>Indoor design temperature</u>	<u>--</u>
<u>Design temperature cooling</u>	<u>--</u>
<u>Heating temperature difference</u>	<u>--</u>
<u>Cooling temperature difference</u>	<u>--</u>
<u>Wind velocity heating</u>	<u>--</u>
<u>Wind velocity Cooling</u>	<u>--</u>
<u>Coincident wet bulb</u>	<u>--</u>
<u>Daily range</u>	<u>--</u>
<u>Winter humidity</u>	<u>--</u>

n. The applicable code to regulate the use and conservation of energy is the Washington State Energy Code-Residential (WSEC-R)

(3) International Existing Building Code, published by the International Code Council, 2018 **2021** Edition.

(c) Section 112 shall be amended to add the following:

i. 112.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(4) International Mechanical Code, published by the International Code Council, 2018 **2021** Edition, together with Washington State amendments as set forth in Chapter 51-52 WAC.

(d) Section 113 shall be amended to add the following:

i. 113.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(5) Uniform Plumbing Code, published by the International Association of Plumbing and Mechanical Officials, IAPMO, 2018 **2021** Edition, together with Washington State amendments as set forth in Chapter 51-56 WAC, except that Table 1-1, Chapter 12, Fuel Gas Piping, and Chapter 15, Alternate Water Sources for Nonpotable Applications, are not adopted. The Uniform Plumbing Code Standards (Appendix 1), 2018 Edition, together with all Washington State amendments contained in Chapters ~~51-56 and 51-57~~ WAC, are hereby adopted.

(e) Section 107 shall be amended to add the following:

i. 107.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(6) International Fire Code, published by the International Code Council, 2018 **2021** Edition, together with Appendices B, C, D, E, F, and G, and together with all Washington State amendments as contained in Chapter 51-54A WAC, are hereby adopted, except that:

~~(a) Section 503 shall be adopted in its entirety as published by the International Code Council.~~

~~(b) New Section 901.7.7 is added to read as follows:~~

~~Replacing systems to service. When a fire alarm control panel needs replacing or is no longer serviceable, the entire building must comply with current codes.~~

~~(c) Section 903.2.6 is hereby amended to include B occupancies.~~

~~(d) Section 903.3.1.1 shall be modified to read:~~

~~Where the provisions of this code require that a building or portion thereof be equipped throughout with an automatic sprinkler system in accordance with this section, sprinklers shall be installed throughout in accordance with NFPA 13 except as provided in Section 903.3.1.1.1.~~

~~(e) Section 903.3.1.1.2 shall be modified to read:~~

~~In Group R occupancies, sprinklers shall be required in all bathrooms located within individual dwelling units or sleeping units.~~

~~(f) Section 903.3.1.2 shall be amended to read:~~

~~Automatic sprinkler systems in Group R occupancies up to and including four stories in height in buildings not exceeding 60 feet in height above grade plane shall be permitted to be installed throughout in accordance with NFPA 13R. Sprinklers shall also be installed in all closets (whether in the living areas or attached to the patio/balcony), pantries, storage rooms, and attached garage(s).~~

~~(g) Section 905.3.1 shall be amended to read:~~

~~A standpipe system, as determined by the Fire Code Official, shall be installed throughout buildings where any of the following conditions exist:~~

~~(h) Section 907.2.9.1 shall be amended to read:~~

~~A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group R-2 occupancies where any of the following conditions apply:~~

~~1. Any dwelling unit or sleeping unit is located two or more stories above the lowest level of exit discharge.~~

~~2. Any dwelling unit or sleeping unit is located more than one story below the highest level of exit discharge of exits serving the dwelling unit or sleeping unit.~~

3. ~~The building contains more than 16 dwelling units or sleeping units.~~

Exceptions:

1. ~~Manual fire alarm boxes are not required where the building is equipped throughout with an automatic fire sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2 and the occupant notification appliances will automatically activate throughout the notification zones upon a sprinkler water flow.~~

(a) Section 111 shall be amended to add the following:

i. 111.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(b) Section 903 shall be amended to read:

i. 903.2.1.1 Group A-1.

An automatic sprinkler system shall be provided throughout stories containing Group A-1 occupancies and throughout all stories from the Group A-1 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. **The fire area exceeds 8,000 square feet**
2. **The fire area has an occupant load of 300 or more.**
3. **The fire area is located on a floor other than a level of exit discharge serving such occupancies.**
4. **The fire area contains a multiple-theater complex**

ii. 903.2.1.3 Group A-3.

An automatic sprinkler system shall be provided throughout stories containing Group A-3 occupancies and throughout all stories from the Group A-3 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. **The fire area exceeds 8,000 square feet**
2. **The fire area has an occupant load of 300 or more.**
3. **The fire area is located on a floor other than a level of exit discharge serving such occupancies.**

iii. 903.2.1.4 Group A-4.

An automatic sprinkler system shall be provided throughout stories containing Group A-4 occupancies and throughout all stories from the Group A-4 occupancy to and including the levels of exit discharge serving that occupancy where one of the following conditions exists:

1. **The fire area exceeds 8,000 square feet**
2. **The fire area has an occupant load of 300 or more.**
3. **The fire area is located on a floor other than a level of exit discharge serving such occupancies.**

iii. 903.2.4 Group F.

An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:

1. A Group F-1 fire area exceeds 8,000 square feet.
2. A Group F-1 fire area is located more than three stories above grade plane.
3. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds 8,000 square feet.
4. Where a Group F-2 fire area exceeds 8,000 square feet.

iv. 903.2.7 Group B or Group M.

An automatic sprinkler system shall be provided throughout buildings containing a Group B or Group M occupancy where one of the following conditions exists:

1. A Group B or Group M fire area exceeds 8,000 square feet (1115 m²).
2. A Group B or Group M fire area is located more than three stories above grade plane.
3. The combined area of all Group B or Group M fire areas on all floors, including any mezzanines, exceeds 8,000 square feet (2230 m²).

v. 903.2.9 Group S.

An automatic sprinkler system shall be provided throughout all buildings containing a Group S occupancy where one of the following conditions exists:

1. A Group S fire area exceeds 8,000 square feet.
2. A Group S fire area is located more than three stories above grade plane.
3. The combined area of all Group S fire areas on all floors, including any mezzanines, exceeds 8,000 square feet (2230 m²).
4. A Group S fire area used for the storage of commercial motor vehicles where the fire area exceeds 5,000 square feet (464 m²).
5. In all Group S mini-storage occupancies.

vi. 903.2.9.1 Repair garages.

An automatic sprinkler system shall be provided throughout all buildings used as repair garages in accordance with Section 406.8 of the International Building Code, as shown:

1. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding 8,000 square feet (929 m²).
2. Buildings not more than one story above grade plane, with a fire area containing a repair garage exceeding 8,000 square feet (1115 m²).
3. Buildings with repair garages servicing vehicles parked in basements.
4. Group S-1 fire area used for the repair of commercial motor vehicles where the fire area exceeds 5,000 square feet (464 m²).
5. Repair garages where the use of open flame or welding is conducted with a fire area exceeding 3,000 square feet.

vii. 903.2.9.2 Bulk storage of tires.

Buildings and structures where the area for the storage of tires exceeds 8,000 cubic feet (566 m³) shall be equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1.

(7) Washington State Energy Code, published by the Washington State Building Code Council, latest **2021** edition, together with Washington State amendments as set forth in Chapters 51-11C and 51-11R WAC.

(a) Section C110 shall be amended to add the following:

i. C109.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(b) Section R110 shall be amended to add the following:

i. R110.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(8) International Fuel Gas Code, published by the International Code Council, 2018 **2021** Edition, together with Washington State amendments as set forth in Chapter 51-52 WAC. **Is hereby adopted, except that:**

(a) Section 113 shall be amended to add the following:

i. 113.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(9) International Swimming Pool and Spa Code, published by the International Code Council, 2018 **2021** Edition, **as set forth in Chapters 51-50-3109 WAC and 51-51-0327, is hereby adopted, except that:**

~~(a) WAC 51-50-3109 Section 3109—Swimming pools, spas and other water recreation devices.~~

(a) All other “water recreation facilities” as defined in RCW 70.90.110 are regulated under Chapters 246-260 and 246-262 WAC. Public swimming pool barriers are regulated by WAC 246-260-031(4).

(b). Section 111 shall be amended to add the following:

i. 111.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(10) International Wildland Interface Code, published by the International Code Council, 2021 Edition, together with Washington State amendments as set forth in Chapter 51-55 WAC, is hereby adopted, except that:

(a) Section 106 shall be amended to add the following:

1. 106.3 Work exempt from permit.

#1. One-story detached accessory structures used as tool and storage sheds, playhouses, and similar uses, provided that the floor area is not greater than 200 square feet.

#2. Fences not over 7 feet (1829 mm) high.

(b) Section 113 shall be amended to add the following:

i. 113.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code.

(11) International Property Maintenance Code, published by the International Code Council, 2021 edition, is hereby adopted, except that:

(a) Section 108 Appeals shall be amended to add the following:

i. 108.1 Appeals. All appeals of orders, decisions, interpretations, or determinations made by the building official relative to the application and interpretation of the IBC shall be to the City of Stanwood hearing examiner in accordance with Chapter 17.87 SMC. The hearing examiner shall have no authority to waive requirements of this code. section is not adopted.

(b) Section 302.4 Weed shall be amended to add the following:

i. Premises and exterior property shall be maintained free from weeds or plant growth in excess of 12 inches. Weed shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and gardens.

(c) Section 304.14 Insect Screens shall be amended to add the following:

i. During the period from April 1 to October 31, every door, window and other outside opening required for ventilation of habitable rooms, food preparation areas, food service areas or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored shall be supplied with approved tightly fitting screens of minimum 16 mesh per inch (16 mesh per 25 mm) and every screen door used for insect control shall have a self-closing device in good working condition.

Exception: Screens shall not be required where other approved means, such as air curtains or insect repellent fans, are employed.

(d) Section 602.3 Heat Supply shall be amended to add the following:

i. Every owner and operator of any building shall supply heat year-round to maintain a minimum temperature of 68°F (20°C) in all habitable rooms, bathrooms and toilet rooms.

Exceptions:

1. When the outdoor temperature is below the winter outdoor design temperature for the locality, maintenance of the minimum room temperature shall not be required provided that the heating system is operating at its full design capacity. The winter outdoor design temperature for the locality shall be as indicated in Table R301.2(1) of the IRC as amended by the City of Stanwood.

2. In areas where the average monthly temperature is above 30°F (-1°C), a minimum temperature of 65°F (18°C) shall be maintained.

(e) Section 602.4 Occupiable workspaces shall be amended to add the following:

i. Indoor occupiable workspaces shall be supplied with heat year-round to maintain a minimum temperature of 65°F (18°C) during the period the spaces are occupied.

Exceptions:

1. Processing, storage and operation areas that require cooling or special temperature conditions.

2. Areas in which persons are primarily engaged in vigorous physical activities.

14.04.030 Fees and building valuation costs.

The fees previously established in Chapter 3.30 SMC and any other fees shall hereafter be established by resolution of the city council.

14.04.040 Penalty for violation.

Violation of this chapter shall constitute a Class B infraction as defined in SMC 13.01.045(1) and subject the violator to enforcement as set forth therein.

14.04.050 Conflicting provisions.

If any term, provision, condition or other portion of the codes set forth in SMC 14.04.020 is held to be inoperative, invalid, or unenforceable, the remainder of the code or the application of the terms or provisions to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected and shall continue in full force and effect. If there are conflicting terms, provisions, or conditions between the codes set forth in SMC 14.04.020 and any other section of the Stanwood Municipal Code, the more restrictive requirements shall prevail.

14.04.060 Documents available for public inspection.

The codes, appendices, and standards adopted in this chapter shall be filed with the city clerk and a copy thereof made available for use and examination by the public pursuant to RCW 35A.12.140.

EXHIBIT B
2021 BUILDING CODE SUMMARY
MANDATORY CHANGES
EFFECTIVE DATE JULY 1, 2023

International Building Code

- Puzzle rooms (escape rooms) are now defined and regulated as special amusement areas, requiring compliance with Section 411 and special means of egress requirements.
- For the purposes of determining the allowable number of control areas in a building, each portion separated by one or more fire walls is now considered as a separate building.
- In Group E occupancies, enhanced classroom acoustics in compliance with ICC A117.1 are to be provided in all classrooms having of volume of 20,000 cubic feet or less.
- The requirements for metal composite materials and systems (MCM) installed on the exterior walls of Types I, II, III and IV construction were simplified and sprinkler allowances were deleted
- The use of intermodal shipping containers as buildings is now specifically addressed through provisions intended to supplement existing applicable IBC requirements.
- Automatic sprinkler protection is now required in Group S-2 open parking garages where any fire area exceeds 48,000 square feet.
- The 2017 edition of ICC A117.1 was adopted.
- Parapets of a minimum height are now required for aggregate-surfaced roofs to prevent blow-off.
- Mixed occupancy buildings with assembly spaces are placed in Risk Category III when the total public assembly occupant load is greater than 2500 people.
- The 2021 IBC snow map is updated to match ASCE 7-16 snow maps by adding a reference to ASCE 7 snow tables in states with large case study areas.
- Secondary rain loads are updated to be consistent with ASCE 7.
- Special inspection requirements were added to address the anchorage and connection of mass timber structural elements.
- Installation of firestop, fire-resistant joint systems and perimeter fire barrier systems in residential-use buildings now requires special inspection in Group R fire areas having an occupant load exceeding 250 people.
- Frost protection for egress doors was added to the foundation requirements.
- ACI standards ACI 117 and ITG 7 were added by reference to provide acceptable tolerances for concrete construction.
- Three new types of construction (Types IV-A, IV-B, and IV-C) allow mass timber buildings of taller heights, more stories above grade, and greater allowable areas compared to existing provisions for heavy timber buildings.

International Residential Code

- Braced wall lines must be placed on a physical wall or placed between multiple walls.
- The rated separation for two-family dwellings is 1 hour whether or not a lot line exists between units.
- Emergency escape and rescue openings require a clear 36-inch-wide path to a public way.
- An engineered design is required for storm shelters.
- A habitable attic is limited to one-half the area of the story below and the dwelling requires sprinklers.
- Updated Wind Speed maps match IBC and ASCE 7 maps.
- Deck design now considers snow load, tributary area for footing and post height, and guard details.
- Specific requirements for deck guardrails were added.
- Component and cladding wind pressures in Table R301.2(2) are updated for new design wind speeds and hip or gable roof profiles.
- Minimum footing size tables are revised to more accurately reflect current practice.
- Cripple wall requirements apply only to exterior cripple walls.
- New appendices for cob construction and 3D printed construction are added.
- A 30 percent reduction of airflow is permitted for balanced ventilation systems.
- Commercial gas cooking appliances are prohibited.
- The head pressure for a water test of DWV systems increased to 10 feet.
- Air vacuum testing is now permitted for plastic piping DWV systems.
- Section P2904 for dwelling sprinklers is expanded to more closely align with NFPA 13D.
- An emergency service disconnect is required in a readily accessible outdoor location.
- A surge-protective device (SPD) is now required at the service panel.
- The number of receptacle outlets required for peninsular and island countertops in kitchens is determined by the area of the countertop surface.
- GFCI protection is now required for damp and wet locations not included in the other 10 areas requiring GFCI protection.
- A dedicated circuit for EV charging shall be installed.

International Fire Code

- Requirements for additive manufacturing (3D printing) operations were provided.
- Flame propagation performance of permanently installed artificial combustible vegetation on roofs or in close proximity to buildings is now required to be verified when surpassing certain heights.
- Revisions were made to provisions for emergency responder communications to reflect their expansion beyond radio systems.

- Clarifications were made to sprinkler requirements for the storage, manufacture, and sale of upholstered furniture and mattresses.
- New requirement was added for an automatic sprinkler system in open parking garages exceeding a certain fire area threshold.
- Energy storage system (ESS) requirements were refined.
- New Chapter 40, “Storage of Distilled Spirits and Wines,” was added.
- Construction fire safety provisions were reorganized and expanded with an emphasis on the owner’s responsibilities.

International Mechanical Code

- Clothes dryer exhaust terminals required to be at least 3 feet from any opening into a building.
- Polyurethane spray-applied foam on the exterior of ducts in attics and crawl spaces required to meet specific smoke and flame index limits.
- Fire and smoke dampers must be provided with approved access for inspection and maintenance.
- Refrigerant tables updated to include new refrigerants.
- Addition of condensate termination identification markings and discharge restrictions.
- Approved factory-built combination intake/exhaust terminations permitted, relaxing separation requirement.
- 30% reduction in minimum mechanical ventilation for whole-house balanced ventilation systems.
- Continuous operation requirement for manicure and pedicure station exhaust systems.
- Grease duct horizontal cleanout required within 3 feet of a horizontal discharge fan.

International Fuel Gas Code

- The termination of concealed condensate piping requires marking to indicate if it is the primary drain or the secondary drain.
- Press-connect joints are acceptable for high pressure (over 5 psig) applications indoors.
- Commercial cooking appliances are not allowed within dwelling units.

International Existing Building Code

- For storm shelters, the required occupant capacity is now limited to the total occupant load of the classrooms, vocational rooms and offices in the school while the maximum distance of travel was deleted.
- When significant portions of a building’s exterior wall coverings or exterior wall envelope are added or replaced, they must comply with the requirements of Chapters 14 and 26 of the IBC.

- Snow loads must be addressed during repair of substantial structural damage regardless of whether the damage was a result of snow.
- Additions, Level 3 alterations and Changes of occupancy in Educational occupancies are now required to meet the enhanced classroom acoustic requirements of Section 808 of ICC A117.1.
- Additional equipment may be added to a roof without a full structural analysis when the equipment weighs less than 400 pounds and is less than 10 percent of the total roof dead load.
- With a change of occupancy, a seismic analysis is required for a Group S or Group U occupancy changing to a new occupancy.
- Furniture, such as office cubicles, reception desks or smaller bookcases, are exempt from a permit and not intended to be a Level 2 alteration.
- Sprinkler requirements for Level 2 and Level 3 alterations are revised for higher hazard areas.

International Swimming Pool and Spa Code

- It was clarified that flotation tank systems for sensory deprivation therapy are not within the scope of the ISPSC.
- Hot water storage tanks are now required to be listed and labeled to a standard.
- New sections were introduced into the code to cover solar thermal water heating systems. Installation requirements refer to the IMC.

Uniform Plumbing Code

- New Appendix N – Impact of Water Temperature on the Potential for Scalding and Legionella Growth.
- New provisions for backflow prevention devices, assemblies and methods.
- New provision for temperature limiting devices.
- New guards and rails requirements for installation of equipment and appliances on roofs.
- New requirements for the discharge temperature and pressure relief valve piping
- New provision on leak detection devices
- New provisions for portable water pumps
- New standards for drain, waste and vent pipe fittings
- New provisions for drain waste and vent cleanouts
- Circuit vent provisions have been updated and expanded
- Updated fuel gas provisions
- Updated medical gas provisions, including reordering of categories for ease of use

Washington State Energy Code, both commercial and residential

- Some major changes to the residential section
- Attic insulation going from R-49 (15.5" deep) to R-60 (19" deep)
- Continuous insulation on the exterior of house

Wildland Urban Interface Code, not new, but was included into the adoption of the 2018 Fire code, will now be a stand alone code, also was not specifically enforced due to no mapping from DNR, this mapping has been completed

- This code will require non-combustible exterior finishes.
- This code will require decks to be non-combustible or heavy timber construction.
- It may also require an enclosed crawlspace, which will require mechanical ventilation.

International Property Maintenance Code

- Administration, enforcement and penalties associated with the code, pairs with the municipal code
- Determination and assignment of responsibility for code compliance among the owner, operator and occupant of a property
- Minimum property maintenance conditions for existing structures and premises in regard to structural safety, sanitation, health and comfort
- Regulating the use of existing dwelling through the establishment of occupancy limitations
- Maintenance of egress and fire safety, with appropriate references to the International Fire Code

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 11b
DATE: May 11, 2023
SUBJECT: Citizen Patrol Approval
CONTACT PERSON: Shawn Smith, City Administrator
ATTACHMENTS: None

PURPOSE

The purpose of this agenda item is for Council authorization for a citizen patrol vehicle.

SUMMARY

The Mayor proposes to establish a volunteer Citizen Patrol, which will require a vehicle. Staff proposes to purchase the Building Official's replacement vehicle one year early and not trade in the current vehicle, as previously approved by the city council.

BACKGROUND

The volunteer Citizen Patrol program will be managed by the Police Chief and will be modeled after the Snohomish County program, which offers a variety of volunteer activities, including:

- Citizen patrol, which includes disabled parking enforcement, radar speed checks, park and ride lot patrol, stolen vehicle search, and other non-hazardous patrol duties.
- Clerical or data processing work, for those who prefer an office environment.
- Crime prevention activities, including Kid Care Identification, and participation at events such as National Night Out.
- Project care track, which provides electronic transmitter bracelets to help us quickly locate and rescue those with a tendency to wander, such as people suffering from Alzheimer's, Down Syndrome, Autism, and other conditions.

This program will take time to establish, however purchase of a program vehicle is a requirement, and also has a potentially long lead time, thus staff is requesting authorization at this time.

The City Building Official uses a 2014 Ford Escape that is programmed and budgeted for replacement in 2024. The vehicle is primarily used in town and has low mileage as a result. Staff propose replacing the vehicle one year early and then using the older vehicle for the volunteer program. The city vehicle replacement program budgets replacement of this fleet item on a ten-year cycle, however the vehicle is in very good shape with low mileage and the volunteer program can expect years of good service from it.

FINANCIAL IMPACT

Fiscal Impact			
The cost of this element of the program is the foregone trade-in value of the 2014 escape, estimated to be \$10,000 for the planned 2024 trade-in time period. The city will incur additional cost for a radio in the vehicle (approx.. \$10.00/month.)			
Fund(s):	General Fund		
Amount:	\$10,000	Project Estimate:	\$0
Budget Authorized	☒ Yes ☐ No	Amendment Required	☐ Yes ☒ No ☐ Monitor

RECOMMENDATIONS

Staff Recommendation:

Staff recommends the Council authorize use of the 2014 Ford Escape for the volunteer Citizen Patrol program and purchase a replacement vehicle immediately.

Committee/Board Recommendation:

The Public Works Committee discussed the Citizen Patrol program on May 1, 2023 and strongly supported it.

CITY COUNCIL OPTIONS

1. Authorize use of the 2014 Ford escape and purchase of the replacement vehicle immediately.
2. Send the matter back to staff with policy guidance.
3. Reject the use of the 2014 Ford Escape for a volunteer Citizen Patrol Program.

PROPOSED MOTION

I MOVE TO AUTHORIZE USE OF THE 2014 FORD ESCAPE FOR THE CITIZEN PATROL PROGRAM AND PURCHASE A REPLACEMENT VEHICEL IMMEDIATELY.



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 11c

DATE: May 11, 2023

SUBJECT: Authorize the Mayor to Sign a Contract with Dawson Construction, LLC. for the 92nd AVE NW Sidewalk project.

CONTACT PERSON: Kevin Hushagen – Public Works Director

ATTACHMENTS: A – Certified Bid Tabs

PURPOSE

The purpose of this agenda item is to authorize the Mayor to sign a contract with Dawson Construction, LLC for the 92nd AVE NW Sidewalk project.

BACKGROUND

The 92nd Ave NW Sidewalk project, identified as project #S-9 on the CIP, will add sidewalk between 271st and 272nd ST NW to provide a continuous walking path to Heritage Park trail. This project will include sidewalk, street widening, ADA ramps, curb and gutter to 92nd Ave NW.

ANALYSIS

Our estimate for the project was \$300,000, the low bid was \$246,700 including tax. We had a total of 8 bids. The budget for sidewalk installation work is currently \$465,000. Due to some unknowns in the project and potential design misses we are requesting a 10% contingency of \$24,670.

Fiscal Impact			
Fund(s):103	595 10 61 06		
Amount:	\$271,370	Project Estimate:	\$300,000
Budget Authorized	[x] Yes [] No	Amendment Required	[] Yes [x] No [] Monitor

RECOMMENDATIONS

Staff Recommendation:

Staff recommends awarding the low bidder, Dawson Construction, LLC. the 92nd AVE NW Sidewalk project for \$246,700 with a \$24,670 construction contingency.

Committee/Board Recommendation:

The Public Works Committee has not reviewed this proposal prior to the May 11, 2023 City Council Meeting.

CITY COUNCIL OPTIONS

1. Approve the Mayor to sign a contract with Dawson Construction, LLC. for the 92nd AVE NW Sidewalk project for \$246,700 with a \$24,670 construction contingency.
2. Send back to Public Works Committee for additional discussion.
3. Reject all bids and delay the project.

PROPOSED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO SIGN A CONTRACT WITH DAWSON CONSTRUCTION, LLC. TO COMPLETE THE 92ND AVE NW SIDEWALK PROJECT FOR \$246,700 WITH A \$24,670 CONSTRUCTION CONTINGENCY.



BID TABULATION
92nd Ave Sidewalk
Bid Opening: Tuesday April 27, 2023 @2PM

ATTACHMENT A

Item No.	ITEM DESCRIPTION	UNITS	QTY	Engineer's Estimate		DAWSON		INTERWEST CONSTRUCTION INC.		BAYSHORE CONSTRUCTION		BLUE MT. CONSTRUCTION GROUP LLC		TAYEX		SPECIALTY EQUIPMENT INC/ NEPTUNE GENERAL CONST.		RAWLS ELECTRIC & EXCAVATING		SANTANA TRUCKING & EXCAVATING INC.	
				UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	1-04.4 SP Minor Changes	1	EST	5000	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
2	1-05.4 SP Roadway Surveying	1	LS	\$ 2,500	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,100.00	\$ 5,100.00	\$ 5,910.00	\$ 5,910.00	\$ 9,497.00	\$ 9,497.00	\$ 6,500.00	\$ 6,500.00	\$ 2,875.00	\$ 2,875.00	\$ 5,000.00	\$ 5,000.00	\$ 7,600.00	\$ 7,600.00
3	1-09.7 SP Mobilization	1	LS	\$ 30,000	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00	\$ 32,000.00	\$ 32,000.00	\$ 22,000.00	\$ 22,000.00	\$ 27,980.00	\$ 27,980.00	\$ 25,000.00	\$ 25,000.00	\$ 32,000.00	\$ 32,000.00	\$ 25,000.00	\$ 25,000.00	\$ 40,000.00	\$ 40,000.00
4	1-10.5 SP Project Temporary Traffic Control	1	LS	\$ 36,000	\$ 36,000.00	\$ 5,000.00	\$ 5,000.00	\$ 18,750.00	\$ 18,750.00	\$ 6,000.00	\$ 6,000.00	\$ 1.00	\$ 1.00	\$ 25,000.00	\$ 25,000.00	\$ 4,725.00	\$ 4,725.00	\$ 5,000.00	\$ 5,000.00	\$ 16,000.00	\$ 16,000.00
5	2-01.5 SP Clearing and Grubbing	1	LS	\$ 2,500	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 2,000.00	\$ 2,000.00	\$ 1.00	\$ 1.00	\$ 5,000.00	\$ 5,000.00	\$ 15,750.00	\$ 15,750.00	\$ 2,500.00	\$ 2,500.00	\$ 7,500.00	\$ 7,500.00
6	2-03.5 SP Roadway Ex. Incl. Haul	400	CY	\$ 60	\$ 24,000.00	\$ 75.00	\$ 30,000.00	\$ 48.00	\$ 19,200.00	\$ 50.00	\$ 20,000.00	\$ 119.00	\$ 47,600.00	\$ 40.00	\$ 16,000.00	\$ 53.00	\$ 21,200.00	\$ 100.00	\$ 40,000.00	\$ 98.00	\$ 39,200.00
7	2-09.5 SP Shoring and Trench Safety	1	EST	\$ 1,000	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
8	4-04.5 SP Crushed Surfacing Top Course	230	TN	\$ 50	\$ 11,500.00	\$ 80.00	\$ 18,400.00	\$ 74.00	\$ 17,020.00	\$ 65.00	\$ 14,950.00	\$ 87.00	\$ 20,010.00	\$ 75.00	\$ 17,250.00	\$ 56.00	\$ 12,880.00	\$ 95.00	\$ 21,850.00	\$ 62.00	\$ 14,260.00
9	4-04.5 SP Crushed Surfacing Base Course	260	TN	\$ 50	\$ 13,000.00	\$ 50.00	\$ 13,000.00	\$ 52.00	\$ 13,520.00	\$ 55.00	\$ 14,300.00	\$ 85.00	\$ 22,100.00	\$ 75.00	\$ 19,500.00	\$ 56.00	\$ 14,560.00	\$ 95.00	\$ 24,700.00	\$ 62.00	\$ 16,120.00
10	4-04.5 SP Permeable Ballast	320	TN	\$ 50	\$ 16,000.00	\$ 40.00	\$ 12,800.00	\$ 45.00	\$ 14,400.00	\$ 55.00	\$ 17,600.00	\$ 86.00	\$ 27,520.00	\$ 75.00	\$ 24,000.00	\$ 50.00	\$ 16,000.00	\$ 95.00	\$ 30,400.00	\$ 71.00	\$ 22,720.00
11	5-04.5 SP HMA Cl. 1/2" PG 58H-22	420	TN	\$ 160	\$ 67,200.00	\$ 145.00	\$ 60,900.00	\$ 140.00	\$ 58,800.00	\$ 192.00	\$ 80,640.00	\$ 127.00	\$ 53,340.00	\$ 155.00	\$ 65,100.00	\$ 195.00	\$ 81,900.00	\$ 175.00	\$ 73,500.00	\$ 176.00	\$ 73,920.00
12	7-04.5 SP Consolidate Roof Downspouts	1	LS	\$ 5,000	\$ 5,000.00	\$ 7,000.00	\$ 7,000.00	\$ 6,100.00	\$ 6,100.00	\$ 6,800.00	\$ 6,800.00	\$ 1,500.00	\$ 1,500.00	\$ 5,000.00	\$ 5,000.00	\$ 6,500.00	\$ 6,500.00	\$ 7,500.00	\$ 7,500.00	\$ 9,500.00	\$ 9,500.00
13	7-04.5 SP PVC Storm Sewer Pipe 12-Inch Diam	14	LF	\$ 250	\$ 3,500.00	\$ 150.00	\$ 2,100.00	\$ 138.00	\$ 1,932.00	\$ 100.00	\$ 1,400.00	\$ 163.00	\$ 2,282.00	\$ 300.00	\$ 4,200.00	\$ 150.00	\$ 2,100.00	\$ 200.00	\$ 2,800.00	\$ 124.00	\$ 1,736.00
14	7-05.5 SP Catch Basin Type PVC	1	EA	\$ 2,000	\$ 2,000.00	\$ 5,000.00	\$ 5,000.00	\$ 4,250.00	\$ 4,250.00	\$ 5,000.00	\$ 5,000.00	\$ 3,940.00	\$ 3,940.00	\$ 5,000.00	\$ 5,000.00	\$ 5,525.00	\$ 5,525.00	\$ 2,000.00	\$ 2,000.00	\$ 5,150.00	\$ 5,150.00
15	7-05.5 SP Catch Basin Type 1	1	EA	\$ 3,500	\$ 3,500.00	\$ 2,000.00	\$ 2,000.00	\$ 1,650.00	\$ 1,650.00	\$ 2,500.00	\$ 2,500.00	\$ 3,940.00	\$ 3,940.00	\$ 4,500.00	\$ 4,500.00	\$ 2,700.00	\$ 2,700.00	\$ 2,000.00	\$ 2,000.00	\$ 2,400.00	\$ 2,400.00
16	7-05.5 SP Combination Inlet	1	EA	\$ 2,000	\$ 2,000.00	\$ 4,500.00	\$ 4,500.00	\$ 3,450.00	\$ 3,450.00	\$ 4,000.00	\$ 4,000.00	\$ 4,411.00	\$ 4,411.00	\$ 4,000.00	\$ 4,000.00	\$ 3,700.00	\$ 3,700.00	\$ 2,500.00	\$ 2,500.00	\$ 5,750.00	\$ 5,750.00
17	7-05.5 SP Connection to Drainage Structure	2	EA	\$ 1,200	\$ 2,400.00	\$ 600.00	\$ 1,200.00	\$ 450.00	\$ 900.00	\$ 3,000.00	\$ 6,000.00	\$ 338.00	\$ 676.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 1,500.00	\$ 3,000.00	\$ 2,825.00	\$ 5,650.00
18	7-05.5 SP Replace Frame & Grate	2	EA	\$ 350	\$ 700.00	\$ 700.00	\$ 1,400.00	\$ 600.00	\$ 1,200.00	\$ 350.00	\$ 700.00	\$ 1,122.00	\$ 2,244.00	\$ 800.00	\$ 1,600.00	\$ 450.00	\$ 900.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00
19	7-08.5 SP 4"-8" Quarry Spalls (As Necessary)	5	TN	\$ 150	\$ 750.00	\$ 50.00	\$ 250.00	\$ 50.00	\$ 250.00	\$ 50.00	\$ 250.00	\$ 70.00	\$ 350.00	\$ 100.00	\$ 500.00	\$ 125.00	\$ 625.00	\$ 150.00	\$ 750.00	\$ 150.00	\$ 750.00
20	8-01.5 SP Temporary Erosion and sedimentation Control	1	LS	\$ 1,500	\$ 1,500.00	\$ 4,000.00	\$ 4,000.00	\$ 5,000.00	\$ 5,000.00	\$ 500.00	\$ 500.00	\$ 1.00	\$ 1.00	\$ 1,000.00	\$ 1,000.00	\$ 12,500.00	\$ 12,500.00	\$ 1,500.00	\$ 1,500.00	\$ 6,200.00	\$ 6,200.00
21	8-02.5 SP Property Restoration	1	EST	\$ 2,500	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
22	8-04.5 SP Cement Conc. Traffic Curb and Gutter	240	LF	\$ 75	\$ 18,000.00	\$ 40.00	\$ 9,600.00	\$ 39.50	\$ 9,480.00	\$ 55.00	\$ 13,200.00	\$ 47.00	\$ 11,280.00	\$ 35.00	\$ 8,400.00	\$ 45.00	\$ 10,800.00	\$ 65.00	\$ 15,600.00	\$ 51.00	\$ 12,240.00
23	8-04.5 SP Cement Conc. Pedestrian Curb	155	LF	\$ 75	\$ 11,625.00	\$ 40.00	\$ 6,200.00	\$ 44.00	\$ 6,820.00	\$ 55.00	\$ 8,525.00	\$ 47.00	\$ 7,285.00	\$ 32.00	\$ 4,960.00	\$ 35.00	\$ 5,425.00	\$ 65.00	\$ 10,075.00	\$ 48.00	\$ 7,440.00
24	8-06.5 SP Cement Conc. Driveway Entrance	70	SY	\$ 225	\$ 15,750.00	\$ 140.00	\$ 9,800.00	\$ 99.00	\$ 6,930.00	\$ 95.00	\$ 6,650.00	\$ 95.00	\$ 6,650.00	\$ 103.00	\$ 7,210.00	\$ 47.50	\$ 3,325.00	\$ 92.50	\$ 6,475.00	\$ 128.00	\$ 8,960.00
25	8-14.5 SP Cement Conc. Sidewalk	85	SY	\$ 175	\$ 14,875.00	\$ 130.00	\$ 11,050.00	\$ 80.00	\$ 6,800.00	\$ 95.00	\$ 8,075.00	\$ 95.00	\$ 8,075.00	\$ 83.00	\$ 7,055.00	\$ 31.50	\$ 2,677.50	\$ 87.50	\$ 7,437.50	\$ 108.00	\$ 9,180.00
26	8-14.5 SS Cement Conc. Curb Ramp Type Parallel	1	EA	\$ 3,250	\$ 3,250.00	\$ 3,500.00	\$ 3,500.00	\$ 3,300.00	\$ 3,300.00	\$ 3,000.00	\$ 3,000.00	\$ 2,374.00	\$ 2,374.00	\$ 2,300.00	\$ 2,300.00	\$ 4,750.00	\$ 4,750.00	\$ 3,500.00	\$ 3,500.00	\$ 2,300.00	\$ 2,300.00
27	8-20.5 SP Pavement Markings	1	LS	\$ 5,000	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,600.00	\$ 4,600.00	\$ 1,500.00	\$ 1,500.00	\$ 3,759.00	\$ 3,759.00	\$ 6,500.00	\$ 6,500.00	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 4,480.00	\$ 4,480.00
28	8-21.5 SP Permanent Signing	1	LS	\$ 3,500	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00	\$ 2,300.00	\$ 2,300.00	\$ 1,500.00	\$ 1,500.00	\$ 1,899.00	\$ 1,899.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 2,265.00	\$ 2,265.00
Base Bid Subtotal					\$ 304,550.00		\$ 246,700.00		\$ 257,752.00		\$ 262,000.00		\$ 277,715.00		\$ 278,075.00		\$ 279,417.50		\$ 309,587.50		\$ 332,321.00
Total Base Bid with Tax					\$ 304,550.00		\$ 246,700.00		\$ 257,752.00		\$ 262,000.00		\$ 277,715.00		\$ 278,075.00		\$ 279,417.50		\$ 309,587.50		\$ 332,321.00

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**CITY OF STANWOOD
CITY COUNCIL
AGENDA STAFF REPORT**

ITEM NUMBER: 11d
DATE: May 11, 2023
SUBJECT: Financial Management Policy Update
CONTACT PERSON: David A. Hammond, Finance Director
ATTACHMENTS: A – Resolution 2023-07, Financial Policy Update
B – Exhibit A – Consolidated Financial Management Policy,
with proposed edits.

ISSUE

The issue for the City Council is to review recommended financial management policy updates and consider adoption of Resolution 2023-07, updating the consolidated financial management policy.

BACKGROUND

Staff generally recommends updates to the Consolidated Financial Management Policy every two years, as part of the biennial budget process; however, Staff proposes three changes outside of the typical two-year cycle in order to keep the policies current.

RECOMMENDED CHANGES

1. Investment Policy Section.

This entire policy section is replaced with a revamped version approved by the WPTA Investment Policy Committee. In attachment B, the current policy sections that will be replaced have been marked by ~~strikeout~~, while the replacement section has been underlined.

2. Investment Policy Section.

This entire policy section is replaced with a revamped version approved by the WPTA Debt Policy Committee. In attachment B, the current policy sections that will be replaced have been marked by ~~strikeout~~, while the replacement section has been underlined.

3. Change to procurement of information technology section.

This addition was prompted during review and drafting of an upcoming electronic communication management policy. This review has recognized the need to ensure new technology system additions are compatible with the communications policy. The change will require all such purchases to be reviewed for compatibility by the Finance Director. The Proposed change:

Current policy, section 9.14, Miscellaneous, includes this paragraph:

“A competitive negotiation process, as an alternative to bidding, may be used for computer and telecommunications equipment, software, and services (RCW 39.04.270). Item(s) must be within budget and may be authorized by the department head if under \$7,500, by the Mayor or designee if between \$7,500 and \$50,000, and by the Council if over \$50,000.”

Proposed new paragraph:

Technology Procurements. All purchases of information technology products and services, including, but not limited to, hardware, software or applications, cellular or mobile devices, computer-related peripherals or components, audio-visual equipment, telecommunications systems or equipment, drones, or technology services or consulting shall be approved in advance by the city's finance director, or designee, to ensure system and equipment compatibility, records retention, and reporting capacity. The purchase of electronic data and telecommunications systems may be made by competitive negotiations in accordance with RCW 39.04.270. Item(s) must be within budget and may be authorized by the department head if under \$7,500, by the Mayor or designee if between \$7,500 and \$50,000, and by the Council if over \$50,000.”

FISCAL IMPACT

No Fiscal Impact from these recommended policy changes.

COMMITTEE REVIEW AND RECOMMENDATION

With the exception of the IT Procurement change, which has not been discussed by committee, the proposed policy changes were discussed by the Finance Committee at their February and March meetings and were unanimously recommended for approval.

CITY COUNCIL OPTIONS

1. Adopt Resolution 2023-07 updating the city's financial management policy.
2. Do not adopt Resolution 2023-07 and direct staff to areas of concern. This option implies Council has questions or concerns regarding the proposed Financial Management Policy updates in Attachment A.

RECOMMENDED MOTION:

I MOVE TO ADOPT RESOLUTION 2023-07 UPDATED FINANCIAL MANAGEMENT POLICY.

**CITY OF STANWOOD
Stanwood, Washington**

RESOLUTION NO. 2023-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANWOOD
UPDATING THE CONSOLIDATED FINANCIAL MANAGEMENT POLICY**

WHEREAS, the City has financial management policies which were consolidated and updated in February of 2020; and

WHEREAS, the City wishes to maintain a current set of financial policies in a single, comprehensive financial policy; and

WHEREAS, the City was recently awarded certificates of excellence from the Washington Public Treasurer's Association based on its review of the city's updated Debt and Investment Policy sections,

WHEREAS, it is in the best interest of the public and City staff to incorporate the revised debt and investment sections into its comprehensive financial policies; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON AS FOLLOWS:

1. The City hereby adopts the City of Stanwood Financial Management Policies, attached to this Resolution as **Exhibit A**.

PASSED by the City Council and APPROVED by the Mayor this **11th day of May 2023**.

CITY OF STANWOOD

By _____
Sid Roberts, Mayor

ATTEST:

By _____
Lisa Sokolik, City Clerk

CITY OF STANWOOD
FINANCIAL MANAGEMENT POLICIES

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1. Financial Management Goals

- a. To provide a financial base sufficient to sustain municipal services, the social well-being of city residents and businesses, and the physical infrastructure of the city.
- b. To be able to withstand local and regional economic cycles, to adjust to changes in the service requirements, and to respond to other changes as they affect the community.
- c. To maintain an excellent credit rating in the financial community and assure taxpayers that Stanwood city government is maintained in sound fiscal condition.
- d. To promote sound financial management by providing accurate and timely information on the City's financial condition.

2. Reserves

- a. The city will maintain General Operating Reserves at a level equal to at least three (3) months (25%) of the total General Fund budgeted expenditures. These reserves shall be created and maintained to:

- 1. Provide sufficient cash flow to meet daily financial needs.
- 2. Sustain city services in the event of a catastrophic event such as a natural/manmade disaster (e.g., earthquake, windstorm, flood, terrorist attack) or a major downturn in the economy.

In general, the city shall endeavor to support ongoing operations with ongoing revenues. The city may allow reserves to fall below this minimum on a one-time basis to support city operations. If this occurs, the city will begin to replenish these reserves within two years of a withdrawal.

- b. Annual surpluses in the General Fund will be used to fund one-time operations and capital expenditures, dedicated to the Capital Improvement Program or placed in an economic contingency account if:
 - 1. There are surplus balances remaining after all current expenditure obligations and reserve requirements are met.
 - 2. The city has made a determination that revenues for the ensuing year are sufficient to support budgeted General Fund operations.
- c. A surplus is defined as the difference between the actual beginning fund balance and the budgeted beginning fund balance. It consists of under-expenditures and excess revenues over and above the amounts included in the following annual budget.

- d. The city may also maintain, at its discretion, an Economic Contingency to serve as a hedge against economic fluctuations, fund future one-time operational and capital needs or support city services on a one-time basis pending the development of a longer-term financial solution. The source of funding for this reserve is the biennium surplus as outlined in sections 2b and 2c above. Restoration of this reserve is at the city's discretion.
- e. The city will maintain operating reserves in the following funds:
 - 1. Water – Sixty (60) days of Water Fund operating expenditures.
 - 2. Sanitary Sewer – Sixty (60) days of Sanitary Sewer operating expenditures.
 - 3. Storm Drainage – Sixty (60) days of Storm Drainage operating expenditures.
 - 4. Street Operating – Sixty (60) days of Street operating expenditures.

These operating reserves shall be created and maintained to provide sufficient cash flow to meet daily financial needs and will be based upon total operating expenditures. For budgeting purposes, operating expenditures will be calculated upon the funds' total expenditure budgets excluding ending fund balances, capital purchases, and the current year's portion of principal paid on outstanding debt.

- f. The city will establish a capital contingency reserve for the Water, Sanitary Sewer, and Storm Drainage Utilities in the amount of 1% of system fixed assets, which is set aside in case of an emergency. Additionally, the reserve could be used for other unanticipated capital needs or capital cost overruns.
- g. In order to maintain the significant investments in utility capital assets there shall be regular, annual transfers from the utility operations funds to the utility capital project or reserve funds to be expended on future utility capital projects.
- h. The city will establish a revenue stabilization reserve for the Water, Sanitary Sewer, and Storm Drainage utilities. The required fund balance shall be set at 25% of the total of water and wastewater revenues collected through monthly rates. Moneys may be withdrawn from the revenue stabilization reserves to supplement operating revenues in years of revenue shortfalls caused by reduced sales due to weather or restrictions on water use. The revenue stabilization reserves will be replenished within four years of a withdrawal.

- i. Bond reserves shall be created and maintained by the Water/Wastewater and Stormwater Utilities in accordance with the provisions set forth in the bond covenants. These shall be in addition to the reserves described above.
- j. The city shall additionally maintain the following Equipment Replacement Reserve Funds:
 - 1. Equipment Reserve Fund (General Government and Streets).
 - 2. Utility Equipment Reserve Funds (Water, Sewer & Drainage).

The Equipment Reserve Funds will be maintained at a level sufficient to meet requirements of a ten-year fleet and equipment replacement plan, so as to sustain an acceptable level of municipal services and prevent a physical deterioration of city assets.

- k. The city shall continue a system reinvestment funding strategy, as follows

System reinvestment funding provides the city with a long-term funding strategy for each system to mitigate the impacts to ratepayers during periods of substantial system investment. Repair and replacement costs are funded through regular and predictable rate provisions. The Equipment Reserve Funds will be maintained at a level sufficient to meet scheduled equipment replacement to sustain an acceptable level of municipal services and prevent a physical deterioration of city assets.

The city will establish a system reinvestment strategy that incorporates system reinvestment funding from rates equal to annual depreciation expense net of annual debt principal payments for each utility.

- l. The status of year end reserve balances compared to this policy will be reported on the Fourth Quarter Finance Report.

3. Expenditures

- a. The city budget will provide for a sustainable level of service as defined in the context of the budget process.
- b. The city's operating budget will not use one-time revenues to support ongoing expenditures. An example would be to hire full-time staff in response to a surge in sales tax or building/permit fees. Eventually such revenues will fall back to normal levels, while the city maintains a higher staff level that is no longer funded.

- c. The city will maintain expenditure categories according to state statute and administrative regulation. Capitalization standards shall be in accordance with GFOA best practices, a policy for “small and attractive” assets (i.e. assets below the capitalization threshold that must be inventoried and tracked due to their susceptibility to theft or conversion to personal use) as required by the State Auditor.
- d. The City will structure service levels in the context of financial sustainability.
- e. The city will forecast its General fund and Street fund expenditures annually for the next six years. The drivers and assumptions used in the forecast will be described.
- f. The city’s cost allocation plan will be updated annually. The cost allocation plan will be the basis for distribution of general government costs to other funds or capital projects (also known as indirect costs). (Cost Allocation Policy is in Section Eleven below.)
- g. All compensation planning and collective bargaining will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to the City. The city budget will provide for a sustainable level of service as defined in the context of the budget process.

4. Revenues

- a. The city will strive to maintain as diversified and stable a revenue system as permitted by state law to shelter it from short-run fluctuations in any one revenue source. The revenue mix should combine stable revenue sources and volatile revenue sources to minimize the effect of an economic downturn. In the general fund, examples of stable revenue sources include property taxes (in normal economic times), and utility taxes, while examples of volatile revenue sources include sales taxes and building/permit fees.
- b. Because revenues, especially those of the general fund, are sensitive to both local and regional economic activities, revenue estimates provided to the city council shall be conservative.
- c. The city will estimate its annual revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.
- d. The city will project each major revenue stream for the next six years and will update this projection annually. The finance department will annually review and make available to the finance committee an analysis of each potential major revenue source before going to the full council for review.

- e. The city will establish all user charges at a level related to the cost of providing the service and within policy parameters established by the city council.
- f. In each even-numbered year, in conjunction with biennial budget development, the city will review user fees to adjust for the effects of inflation and other factors as appropriate. The city will strive to set fees for user activities, such as recreational services, at a level to support the direct and indirect costs of the activity in accordance with cost recovery policies adopted by council.
- g. The city will set fees and user charges for each enterprise fund, such as water, sanitary sewer and storm drainage, at a level that fully supports the total direct and indirect cost of the activity including the cost of annual depreciation of capital assets. Additionally, for analysis and rate modeling purposes, the proposed rates shall also consider debt service coverage commitments made by the city of 1.25 times annual debt service.

5. Operating Budget

- a. The base operating budget is the city's comprehensive biennial financial plan which provides for the desired level of city services as defined by the city's priorities. In each even-numbered year a biennial budget will be developed based on council priorities. In odd-numbered years a mid-biennium review will be performed and a budget amendment proposed, if necessary.
- b. In order to facilitate and implement the budget process, the Mayor will propose a biennial budget calendar sometime in the first quarter of every other year as required by state law for biennial budgets. The calendar will be comprehensive in nature and generally provide for a process that resembles the Best Practices as published by the Government Finance Officers Association.
- c. The goals of the budgeting by priorities process are:
 - Align the budget with long-range goals and objectives
 - Measure progress towards priorities
 - Get the best value for each tax dollar
 - Foster continuous learning in the city
 - Build regional cooperation

- c. "One-time" expenses require specific authority to be carried forward into subsequent budgets.
- d. Biennial operating budgets should provide for design, construction, maintenance and replacement of the city's capital, plant, and equipment consistent with the capital facilities plan including the related cost for operating such new facilities.
- e. The city will maintain all its assets at a level such that it protects the city's capital investment and minimizes future maintenance and replacement costs.
- f. The city will develop a six-year projection of equipment replacement and maintenance needs and will update this projection every budget cycle consistent with budget development.
- g. All general government current operating expenditures will be paid from current revenues and cash carried over from the prior biennium.
- h. Reports on revenues and expenditures will be prepared monthly and reviewed quarterly by the city council during the year.
- i. The city will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets.
- j. The City of Stanwood defines a balanced budget as current fund revenues (including beginning net cash and investments) are equal to or greater than current budgeted expenditures (including ending net cash and investments).
- k. The city will utilize beginning balances and other one-time revenues only for onetime/non-recurring expenditures.
- l. All supplemental appropriations for programs (appropriations requested after the original budget is adopted) will be considered as a result of the availability of new revenues (such as unanticipated grants).
- m. Use project/task revenues to support related expenditures (e.g., park and building permit fees).
- n. All supplemental appropriations will conform to the "budgeting by council priorities" process.

6. Capital Budget

- a. The city will make capital improvements in accordance with an adopted capital improvement program.
- b. The Capital Improvement Program and the base operating budget will be reviewed at the same time to ensure that the city's capital and operating needs are balanced with each other and that the Capital Improvement Program is aligned with the city's other long-range plans.
- c. The city will develop and update the six-year plan for capital improvements including operations and maintenance costs and update it every year. Capital expenditures will be forecast considering changes in population, changes in real estate development, or changes in relevant economic condition of the city and the region.
- e. The city will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to council for approval. The city will use intergovernmental assistance and other outside resources whenever possible.
- f. The city will balance financing methods for capital projects with the desire to meet construction deadlines.

7. Operational Controls

The City will maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives are met.

- a. Accounting Records and Reporting.
 - 1. The City will maintain its accounting records in accordance with state and federal regulations, which includes requirements for data retention for archival purposes and business continuity.
 - 2. The City will establish and maintain a high standard of internal controls and accounting practices. The City accounts for revenues and expenditures on a cash basis.
 - 3. City records will be archived and destroyed in accordance with the Washington State Records Retention Schedule.
 - 4. The continuation of services after a disaster is critical to the success of the City. The City must ensure that its applications, data and network resources can continue and be appropriately accessible to users. The Finance Director is responsible for developing procedures for the security, storage, retention and retrieval of data to ensure operations continue during and after a disaster.

5. Budgeting, accounting and reporting will conform to the Budgeting, Accounting and Reporting System (BARS) for Governments as prescribed by the Washington State Auditor. Changes to the City's revenue and expense accounts must be authorized by the finance department and will be made only if it's in the best interest of the overall accounting system.
 6. All known or suspected loss of public funds shall be reported to the State Auditor's Office in accordance with RCW 43.09.185.
- b. Auditing. The State Auditor will perform the City's financial and compliance audit in accordance with state and federal laws. Results of the audit will be provided to the Council in a timely manner.
 - c. Payment Approvals. Vendor invoices shall be signed for approval by the department director or designee. Reimbursements payable to City employees shall be signed for approval as follows (employees may not approve their own reimbursement):
 - Council – approved by the Mayor, City Administrator, or designee;
 - Mayor – approved by the City Administrator or designee;
 - City Administrator – approved by the Mayor or designee;
 - Department Head – approved by the City Administrator or designee;
 - Other employees – approved by the Department Director or designee.
 - d. Accounts Payable. Original invoices that are received by accounts payable will be date-stamped and routed to department directors. Other invoices may be received directly by the department director or other staff, such as when items are picked up at will-call or services are performed on-site. For all invoices, department director or designees will verify that the invoiced items have been received and that the invoiced amount is correct. The accounts payable original invoices should include the correct account coding and have a required authorized approval signature. The approved invoice will be routed to accounts payable for payment, within one week of receipt.
 - e. Invoicing & Accounts Receivable—Invoices will be created within the City Accounting software only by the Finance Department or by employees authorized by the Finance Director. Accounts receivable aging reports will be monitored by the finance department and appropriate collection activity pursued.
 - f. Simplified Fund Structure. To the extent possible, the City will minimize the number of Funds. Funds will be created and accounted for in accordance with BARS.
 - g. Cash Management.
 1. The Finance Department will develop, maintain, and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets.

2. There are two locations where monies are received: the City Hall Finance office and the Police department.
3. Deposits will be made every 24 hours as per RCW 43.09.240, including deposits received from the Police Dept. by the finance department.
4. The Finance office and Police Station locations each have cash drawers. These funds are used to make change for cash payments. The amount of these cash drawers are authorized by resolution.
5. No change shall be given when a check is presented for payment.
6. Cash refunds are prohibited. Refunds shall be processed through the method payment was received such as by check or credit card.
7. No one is authorized, at any time, to borrow funds from any cash drawer. Doing so will result in discipline up to and including termination.
8. The Finance Office has a Petty Cash Fund as authorized by SMC 3.69. This fund is used to pay for or reimburse small expenditures where waiting for a payment from the normal payment process is unreasonable. No one is authorized to borrow monies from this Fund.

8. Capital Asset Accounting

- a. Responsibilities. The Finance Director will establish a fixed assets system and prepare guidelines for the physical inventory. To establish the original inventory, department heads and the Finance Director shall conduct a physical inventory of all assets in each department, which shall be adopted by a resolution of the City Council.

To assist in accountability and theft prevention, each department head shall be held responsible for all property assigned to his/her department. Under the City's Personnel Policy Manual, theft and/or unauthorized use of city property is not allowed and may lead to disciplinary action up to and including termination and criminal prosecution. Any theft or suspicion of theft or unauthorized use should be reported to the responsible department head and the Finance Director for further investigation.

Each department head will notify the Finance Director of any additions, deletions, interdepartmental transfers, modifications, or lease of property within thirty (30) days of the transaction. The Finance Director will ensure the appropriate changes are made to the department's fixed asset records.

- b. Capitalization Limit. All assets acquired with a cost of \$5,000 or more per individual item will be capitalized, tagged and input into the fixed asset system. Assets acquired through capital lease financing will be capitalized in accordance with this policy. Donated fixed assets will be recorded at an estimated fair market value at the time received.

- c. The Finance Director shall maintain asset records, which shall be verified by a physical inventory at least once every two years.
- d. Small and Attractive Assets. Certain assets that do not meet the \$5,000 limit will be tagged and tracked in the fixed asset system if they are determined to be “small and attractive assets” as determined by the Finance Director.
- e. Small and attractive assets are those assets that are particularly at risk or vulnerable to loss that do not meet the City’s capitalization threshold of \$5,000. Departments are ultimately accountable for their small and attractive assets and therefore should implement specific measures to control such items in order to minimize the risk of loss.
- f. Departments must include, at a minimum, the following assets with unit costs of \$500 or more as *small and attractive*:
 - a. Personal computers
 - b. Laptops and notebook computers
 - c. Communications equipment, both audio and visual
 - d. Cameras and projection equipment
 - e. Other data processing accessory equipment and components (scanners, mobile data storage devices, etc.)
 - f. Other easily portable and desirable tools or equipment such as portable generators, gas-powered hand tools, etc.
- g. Lost or Stolen Assets. Lost or stolen equipment must be reported to the Mayor and the Finance Director as soon as it is discovered by filing a “missing property report.”
- h. An annual report on the status of fixed assets and the results of physical inventory procedures will be prepared by the finance department and included in the first quarter finance department report.

9. Purchasing

The purpose of this policy is to implement the requirements of state law and, when applicable, federal guidance with regards to procurement of goods and services and the required bidding on public contracts for public works, goods, services, supplies, and materials. It is the City’s policy to follow state and, when applicable, federal requirements with regard to the expenditure of public funds, to provide a fair forum for those interested in bidding on public contracts, and to help ensure that public contracts are performed satisfactorily and efficiently at least cost to the public, while avoiding fraud, waste, and favoritism in their award. For federally funded purchases and contracts, the purpose of this policy is to also ensure that there is no abuse of federal funds and that all allowable costs are accorded consistent treatment.

Except as otherwise expressly provided herein, the provisions of this policy are intended solely as a convenience and reference guide for City officials and employees. Nothing in this policy is intended to create any liability for or against the City. Without limitation of

the foregoing, nothing in this policy is intended to create any enforceable right, entitlement, or cause of action in or for any third parties.

9.1 DEFINITIONS and ACRONYMS

- a. "Architectural and Engineering services" means services rendered by any person, other than a city employee, to perform activities within the scope of the professional practice of architecture RCW 18.08, professional practice of engineering and land surveying RCW 18.43, and/or professional practice of landscape architecture RCW 18.96.
- b. "Bid splitting" means breaking a public work project or purchase of equipment or supplies into segments. The city may not break a public works project to avoid compliance with bidding statutes. RCW 35.23.352(1).
- c. "Contract" means a contract in writing for the execution of a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process in RCW 39.04.155.
- d. "Day Labor" refers to the use of city staff to perform public works.
- e. "Formal competitive bid" is the process of advertising and receiving sealed written bids from prospective vendors. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.
- f. "Informal competitive quotes" are price quotes from vendors that are obtained using a variety of mediums such as phone, fax, e-mail, or writing. Results must be documented and submitted to the Finance Department. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.
- g. "Interlocal agreements" are the exercise of governmental powers in a joint or cooperative undertaking with another public agency.
- h. "SMC" – Stanwood Municipal Code.
- i. "MRSC" – Municipal Research Services Center.
- j. "Ordinary maintenance" is work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, seasonally, semiannually, but not less frequently than once per year), to service, check or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.
- k. "Personal services" – interchangeable with professional services – services that involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. These activities and products are mostly intellectual in nature, and they do not include Architectural and Engineering services. Example of services include accounting, legal, comprehensive planning, and real estate services.
- l. "Professional services" – see personal services.
- m. "Public work," as defined in RCW 39.04.010, means a complete project, and includes all work, construction, alteration, repair, or improvement other than ordinary maintenance executed at the cost of the city or which is by law a lien

- or charge on any city property. Public work projects include the related materials, supplies, and equipment to complete the project.
- n. "PUD" – Public Utility District.
 - o. "Purchased services" – different from personal services in that these services are generally routine, repetitive, or mechanical in nature and supports the City's day to day operations. Purchased services include janitorial, debt collections, equipment service agreements, machine repair, or delivery services. (May include ordinary maintenance.)
 - p. "RCW" – Revised Code of Washington.
 - q. "RFP - Request for Proposal" means a process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are evaluated based upon the suitability, practicality, quality of the proposal and experience and cost.
 - r. "RFQ - Request for Qualifications" means a request only for a firm's general capabilities, including a list of principals, previous projects, number of employees, and licenses. An RFQ does not include pricing information.
 - s. "Small Works Roster" is a roster of qualified contractors maintained for use in a modified formal bid process. When the contract amount for a public works project is \$350,000 or less, the city may follow the small works roster process for construction of a public work or improvement as an alternative to formal competitive bid requirements.
 - t. "Sole Source Supplier" occurs when purchase is clearly and legitimately limited to a single supplier. These situations often arise when an agency has specific technological requirements. Examples include: (a) licensed, copyrighted, or patented products or services that only one vendor provides; (b) new equipment or products that must be compatible with existing equipment or products; (c) proprietary or custom-built software or information systems that only one vendor provides; and (d) products or services where only one vendor meets the required certifications or statutory requirements. (RCW 39.04.280(1)(a)).
 - u. "Use Tax" is a tax on the use of goods or certain services in Washington when sales tax has not been paid. Goods used in Washington are subject to either sales or use tax, but not both.
 - v. "WAC" – Washington Administrative Code

9.2 Purchasing Code of Ethics

To instill public confidence in the award of public contracts and the expenditure of public funds, the City adopts the following code of ethics regarding public contracting:

- a) Actions of City employees shall be impartial and fair;
- b) City decisions and policies shall be made in compliance with required procedures and within the proper channels of government structure;
- c) Public employment shall not be used for personal gain, and City employees shall not solicit, accept, or agree to accept any gratuity, or anything of monetary value, for themselves, their families, or others, including city contractors or consultants, that would or could result in personal gain.

Purchasing decisions shall be made impartially, based upon the City's specifications for the contract and the responses of those bidding on the contract; and

- d) No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

9.3 Controlling Laws

The expenditure of public funds for the purchase of and contracting for goods, services, supplies, and materials shall comply with all applicable state law requirements as set forth in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC). Where this policy conflicts with state law requirements, the more restrictive provision shall prevail. Where this policy is silent with regards to purchasing and/or bidding requirements, state law shall prevail.

Purchases and/or contracts that include federal funding shall also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published under Title 2 of the Code of Federal Regulations (2 CFR 200), hereinafter referred to as the Uniform Purchasing Guidance. Procurements involving federal funds must adhere to the most restrictive bid thresholds, refer to City of Stanwood "Procedures for Federal Procurements."

Monitoring and Compliance

Each department director shall implement, monitor, and enforce these policies. In the event of any conflict in procurement requirements or questions about proper procedure or other requirements, the matter shall be referred to the City Administrator and/or the Administrator's designee for further action. Willful or intentional violations of public procurement requirements may result in personal penalties, financial liabilities, and/or discipline (RCW 39.30.020).

In addition to the enforcement of these policies, the department director shall insure that reasonable measures are taken to safeguard protected, personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive or that the City considers sensitive consistent with applicable federal, state, and local laws regarding privacy and obligations of confidentiality.

9.4 Proper Authorization/Certifications

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and/or to the City and subject to disciplinary action.

For federally funded purchases and contracts, to assure that expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreement must include a certification, signed by an official who is authorized to legally bind the City, which reads as follows:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (US Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)”

9.5 Budget Sufficiency

Each department director must ensure that purchases are initiated only when the departmental budget is sufficient to cover the anticipated cost. Expenditures that exceed departmental appropriations require a budget amendment approved by City Council. Requests for budget amendments must be submitted in writing and shall be approved by the requesting director or manager and forwarded to the City Administrator and Finance Director for review prior to being forwarded to the City Council for approval.

Financing

If a department is requesting financing for equipment or vehicles, it is necessary to work with the Finance Director. Financing documentation shall be included as part of the documentation for City Council approval to authorize Mayor or designee to sign loan or bond documents.

9.6 Breaking Down or Bid Splitting Purchases

The breaking down or bid splitting of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited.

9.7 Cost

Purchase cost includes sales tax, use tax, delivery charges, and any related miscellaneous charges.

9.8 Local Businesses

Local businesses should be encouraged to submit bids on City procurements that are open to everybody. When determining the lowest bid on purchase of supplies, materials, or equipment, the City may, whenever indicated in advance, take into consideration sales tax revenue it would receive from a supplier located within its boundaries pursuant to RCW 39.30.040.

9.9 Contract Authorizations

- a) Expenditures are required to be included in the annual budget.
- b) Contract authorizations apply to the aggregate cost of individual items, whether purchased in one order or over a series of orders. Cost is inclusive of sales tax, use tax, delivery charges, and any related miscellaneous charges.
- c) The Mayor or designee may execute professional services, and purchased services contracts, up to \$100,000 (one hundred thousand), as long as the contract is consistent with the adopted budget.
- d) Services contracts greater than \$100,000 (hundred thousand) require Council authorization.
- e) Contracts of any amount that are not consistent with the adopted budget require Council approval.
- f) Initial Interlocal agreements of any amount with governmental agencies require Council authorization. The Mayor or designee up to \$100,000 (one hundred thousand) may execute renewal or extension of existing Interlocal agreements with governmental agencies, if the agreement's terms address renewal and the agreement is consistent with the adopted budget. All other renewals require Council approval.
- g) The Mayor or designee may present any contract to the Council for approval even if the contract is not required to be approved by the Council.

9.12. PUBLIC WORKS PROJECTS

The preparation of plans and/or specifications and an estimate of project cost shall be authorized by the Mayor or designee for projects up to \$100,000 and by the City Council for larger projects.

Type of Purchase or Project	Process	Other Requirements	Contract Authorization
Projects costing under \$350K	May use Small Works Roster (the City uses the MRSC Rosters RCW 39.04.155)	• Prevailing wage • Insurance • Contract/ Performance bond* • Bid bond/deposit (unless using Small Works Roster)	• Must be budgeted • If under \$100K, Mayor or designee may execute • All other must be approved by Council
Projects costing \$350K or more	Formal bids	• Prevailing wage • Insurance • Contract/ Performance bond • Bid bond/deposit	• Must be budgeted • Requires Council approval
Projects costing under \$65K (Alternative to the Small Works Roster)	Solicited quotes	• Prevailing wage • Contract/ Performance bond required between \$10K to \$40K	• Must be budgeted • Mayor or designee may execute
Projects with costs exceeding \$65K for single or multiple trades and less than \$300K	Must call for bids or use Small Works Roster process to solicit quotes	• Prevailing wage • Insurance • Contract/ Performance bond • Bid bond/deposit (unless using Small Works Roster)	• Must be budgeted • If under \$100K, Mayor or designee may execute • All other must be approved by Council
Projects less than \$2,500	One quote needed, two recommended	• Appropriate form(s) for prevailing wages • No bond • No retainage	• Must be budgeted • Mayor or designee may execute
Projects with costs less than \$75,500 for single or \$116,155 for multiple trades, or current limit set by RCW 35.23.352 (via RCW 35A.40.200)	Day Labor may be used	• For projects >\$25K publish project description and estimated cost 15 days prior to work • For projects >\$5K keep a record of the project cost (RCW 39.04.070)	Not applicable

* On contracts of \$150,000 or less, at the option of the contractor, the City may, in lieu of the bond, retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later.

Regardless of cost limits, the City may in its discretion solicit formal bids at any time.

Project budget authorization may include a project contingency, not to exceed 20% (twenty percent). If additional budget authority is needed for the project, Council must approve the increase for budget amendment prior to approval of the contract.

9.12.1 Construction Contract Change Orders

Authority to approve Construction Contract Change orders is delegated by the City Council to the Public Works Director as follows:

- Up to the greater of five percent or \$25,000.00.
- With concurrence of the Mayor or City Administrator—up to the greater of ten percent or \$100,000.00.

Change orders which would significantly change the scope of the project and/or exceed the Council approved project budget beyond Council approved project contingency would require additional Council action. All change orders, regardless of amount, will be reported to Council in the Quarterly Finance Report.

9.12.2 Prevailing Wage Laws

Public work projects and maintenance, when performed by contract, are governed by chapter 39.12 RCW, Prevailing Wages on Public Works regardless of contract amount. It is the responsibility of the contracting employee to notify the vendor of prevailing wage requirements and obtain compliance documentation prior to awarding any public work or maintenance contract. Public work and ordinary maintenance contracts will only be awarded to contractors who document compliance with the Washington State Prevailing Wage Law. The department director or designee managing the project is responsible for collecting ongoing compliance documents. If a contractor is found to be in violation of prevailing wage laws by the Department of Labor and Industries, the City will have to withhold payment (including retainage) from that contractor.

PROFESSIONAL AND PERSONAL SERVICES

Type of Purchase	Process	Other Requirements	Contract Authorization
Architectural and Engineering Services	Request for Qualifications (RCW 39.80), individually or on-call rosters, or the MRSC Roster Process	• Publish RFQ • Must evaluate on performance and qualifications • Negotiate contract after selection	• Must be budgeted • If under \$100K, Mayor or designee may execute • All other must be approved by Council
All other personal services	No process required by state law		• Must be budgeted • If under \$100K, Mayor or designee may execute • All other must be approved by Council

Any professional and/or personal services contracts not part of the budget, regardless of amount, must be authorized by Council.

9.12.3 Purchases of Materials, Supplies, and Equipment

Type of Purchase	Process	Other Requirements	Contract Authorization
Items costing less than \$7,500	No state law required process	Less than \$3,000 require documented cost comparison. \$3,000 to \$7,500 obtain 3 quotes	• Must be within department budget • Department director or designee may execute
Items costing over \$7,500	Must call for bids or use State Bid Contract, MRSC Vendor List, or other Interlocal bid process approved by Council	Publication of RFP if bidding	• Must be within department budget • Over \$7,500 but less than \$50K, Mayor or designee may execute • Over \$50K, Council must authorize

9.13 Reporting

Information for any public work, personal, professional, and/or purchased services contracts approved and signed under the authority of the procurement policy that do not go to Council will be forwarded to the Mayor's office with copies to the City Administrator and the Finance Director. A list of the contracts approved under this delegated authority each quarter will be included in the quarterly finance report to the Council.

9.14 Miscellaneous

A lease of property with option to purchase, where the cost of the real or personal property to be leased exceeds the amounts specified in RCW 35.23.352, shall be treated similar to a public works project (RCW 35.42.220) subject to the same process requirements as outlined in Section 12 of this policy.

Technology Procurements. All purchases of information technology products and services, including, but not limited to, hardware, software or applications, cellular or mobile devices, computer-related peripherals or components, audio-visual equipment, telecommunications systems or equipment, drones, or technology services or consulting shall be approved in advance by the city's finance director, or designee, to ensure system and equipment compatibility, records retention, and reporting capacity. The purchase of electronic data and telecommunications systems may be made by competitive negotiations in accordance with RCW 39.04.270. Item(s) must be within budget and may be authorized by the department head if under \$7,500, by the Mayor or designee if between \$7,500 and \$50,000, and by the Council if over \$50,000."

~~A competitive negotiation process, as an alternative to bidding, may be used for computer and telecommunications equipment, software, and services (RCW 39.04.270). Item(s) must be within budget and may be authorized by the department head if under \$7,500, by the Mayor or designee if between \$7,500 and \$50,000, and by the Council if over \$50,000.~~

If the public works project is for street signalization or street lighting, it is treated as a single craft or trade project for bidding purposes.

9.15 Formal Bid Requirements

The following shall apply for public work contracts and when formal bidding is required for the purchase of materials, supplies, or equipment, except as otherwise noted:

- To ensure consistency and fair process, the City will use standard forms, documents, contracts, and terms and conditions, when practical. The City's Project Coordinator will maintain templates for bid-related documents for use by departments when practical. The City may use an evaluation selection

committee to promote an open, proper selection. The requesting department director will appoint committee members to act in an advisory capacity.

- Minimum qualifications and/or specifications are stated to ensure bids address the needs of the City. Minimum qualifications cannot be used to eliminate qualified contractors and vendors. Minimum qualifications should be tested against the marketplace to ensure they aren't overly restrictive.
- When practical for public works contracts, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms. Interested companies should be encouraged to attend.
- Selection of a winning offer is based primarily on lowest responsive bid. Quality and expertise, however, may be a consideration to the extent legally permissible.

9.16 Formal Competitive Bid (RCW 35.23.352(1))

I. Publication of Notice.

After City Administrator authorization, the requesting department director (or designee) will publish the Call for Bids for sealed bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the City web page, at least thirteen (13) days prior to bid submittal deadline.

II. Notice Contents for Public Works Contracts.

Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice for public works must include:

- a. Project title;
- b. Nature and scope of work;
- c. Where contract documents (plans and specifications) can be reviewed or obtained;
- d. Cost to obtain a set of contract documents;
- e. Place, date, and time that bids are due;
- f. Place, date, and time that bid will be opened;
- g. Statement that a bid bond must accompany the bid;
- h. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bids and/or the bidding process;
- i. Statement that the contract involves "public work" and that workers shall receive the prevailing rate of wage pursuant to the Prevailing Wages on Public Works Act (Chapter 39.12 RCW);
- j. List of the applicable prevailing wage rates or prevailing wage statement;
- k. Statement that the City is an equal opportunity employer and invites responsive bids from all qualified responsible bidders;
- l. The materials and equipment to be furnished, if any.

III. Notice Contents for Purchases of Materials, Supplies, or Equipment.

Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice must include:

- a. Name and description of requested items;

- b. Where contract documents (plans and specifications) can be reviewed or obtained;
- c. Cost to obtain a set of contract documents;
- d. Place, date, and time that bids are due;
- e. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process;
- f. Place, date, and time that bid will be opened.

9.17 Bid Opening

Bids are submitted to the responsible department director or designee, where they are time and date stamped and processed. The bids shall be opened at the time and place specified in the advertisement for bids.

- I. Report on Bids: The responsible department director or designee will prepare a report and recommendation on all bids received to the decision maker with the authority to approve the contract.
- II. Bid Award: The City shall award the contract to the lowest responsible bidder or shall have power by Council resolution to reject any or all bids and to make further calls for bids in the same manner as the original call.
- III. Bid Bonds for Public Works Contracts: Upon award of a public works contract or rejection of all bids, bid bonds shall be returned to the unsuccessful bidders. The successful bidder's bid bond or deposit shall be retained until the bidder enters into a contract with the City and furnishes a performance bond in the full amount of the contract price.

9.18 Small Works Roster (RCW 39.04.155(1) and (2))

RCW 39.04.155 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property. The Small Works Roster may be used for public work projects valued below \$350,000 in lieu of formal bidding. Use of the Small Works Roster allows the City to waive the advertisement requirements of the formal competitive process.

The Washington State Municipal Research Services Center (MRSC) compiles small works rosters for cities and counties throughout the State of Washington. The City of Stanwood has contracted with MRSC to use its small works rosters for public works contracts valued below \$350,000.

a) Invitations for Quotations.

Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

Quotations shall be invited from all, or at least five (5), appropriate contractors.

- b) Vendors/contractors selected from the Small Works Roster are not relieved from observing applicable legal requirements such as Contract Bond, Prevailing Wage, Retainage, etc.
- c) Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.
- d) As required by RCW 39.04.200, the City must post a list of contracts awarded from the small works roster once every year. The list must contain the name of the contractor, the amount of the contract, a brief description of the type of work performed, and the date of the award.

9.19 Limited Public Works (RCW 39.04.155(3))

For public work projects with an estimated cost of less than \$50,000, the City may use the Limited Public Works Process in lieu of the small works process.

a) Invitations for Quotations.

Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

b) Number of contractors invited.

Quotations shall be invited from a minimum of three contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder. If no bids are received, see **Section 9.20.7** for guidance.

c) Notification of Award.

After an award is made, the quotations shall be open to public inspection and available by electronic request. The City shall maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

d) Prevailing Wage/Insurance

Vendors/contractors selected using the Limited Public Works Process are required to comply with prevailing wage and insurance requirements.

9.20 Exemptions to competitive bidding requirements

RCW 39.04.280 provides uniform exemptions to competitive bidding requirements utilized by municipalities when awarding contracts for public works and contracts for purchases.

9.20.1 Purchases that are clearly and legitimately limited to a single source of supply (Sole Source Vendor)

If, after conducting a good faith review of available resources, the requesting department director determines that there is only one source of the required materials, supplies, or equipment, a purchase contract may be awarded without complying with established bid requirements. The requesting department director will submit a written request for sole source procurement to the Finance Director, and Mayor or City Administrator for approval, and conduct price, terms, and delivery negotiations, as appropriate. The vendor must certify in writing that the City is getting the lowest offered price.

The Mayor or City Administrator shall approve all sole source purchases in a form that identifies the factual basis for the sole source justification and concludes that “the purchase is clearly and legitimately limited to a single source or supply.” A sole source resolution shall not be required in case of emergency, under the terms and conditions specified in RCW 39.04.280(2)(b) and (c). On-going sole source purchases of materials, equipment, and supplies should be reviewed annually to ensure the pricing is still the lowest price for the City and that the conditions that justify the sole source purchase still exist.

9.20.2 Purchases involving special facilities or market conditions

By authority of RCW 39.04.280(1)(b) the City Council hereby delegates authority to the Mayor or City Administrator to waive established bidding requirements if an exceptional opportunity arises to purchase favorably priced equipment or supplies or used goods that will be sold before the City can conduct the bid process. A procurement summary must be approved by the Finance Director and Mayor or City Administrator and must set forth the factual basis for the special market conditions.

9.20.3 Quarterly Reporting of Sole Source Exceptions Required

A list of the contracts approved under this delegated authority each quarter will be included in the quarterly finance report to the Finance Committee. Sole Source contracts will be reviewed annually by the Finance Director for continuing sole source authority.

9.20.3 Auctions

RCW 39.30.045 authorizes the City to acquire supplies, materials, and equipment through an auction conducted by an agency of the State of Washington, an agency of the United States, any municipality or other government agency, or any private party if the items can be obtained at a competitive price.

9.20.4 Surplus Property

The City may acquire surplus property from another government without the use of competitive quotes or bids (RCW 39.33.010), when it is possible to procure obvious bargains through the procurement of surplus material, supplies, or equipment. The requesting department director will submit a written request for procurement to the Mayor for approval, and conduct price, terms, and delivery negotiations, as appropriate.

9.20.5 Purchases in the event of an emergency

Emergency is defined as "...unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken." If an emergency situation has been declared, the Mayor or designee may make or authorize others to make emergency procurements of materials, supplies, equipment, or services without complying with the requirements of this policy when there exists a threat to public health, welfare, or safety or threat to proper performance of essential functions; provided, that such emergency procurements shall be made with such competition as is practical under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor/vendor shall be included in the contract file. As soon as practical, a record of each emergency procurement shall be made and shall set forth the contract's name, the amount and type of the contract, and listing of the item(s) procured under the contract, which shall be reported to the Council at the next subsequent meeting. If a contract is awarded without competitive bidding due to a declared emergency, the City Council must adopt a resolution certifying the emergency situation existed no later than two weeks following the award of the contract (RCW 39.04.280(2)(b)). The persons authorized to issue an emergency proclamation under SMC 2.80.010, in the same order of succession, are authorized to declare an emergency for purposes of this bidding exemption.

9.20.6 Interlocal Agreements

The City may enter into Interlocal agreements with other public agencies similarly authorized under RCW 39.34.030. State law regarding competitive bidding shall govern any cooperative purchasing agreement. The competitive bid process of the original jurisdiction may substitute for Stanwood's if consistent with the bidding laws that apply to Stanwood. "Piggybacking" on other jurisdiction bids requires an Interlocal agreement. All Interlocal cooperative-purchasing agreements shall be presented to Council for approval.

The City of Stanwood may be able to realize savings through quantity purchasing with the following organizations:

- a) US Communities Shared Purchasing. US Communities is a national collective of local and state agencies that have gathered under a non-profit to bid on items for shared purchasing. The City of Stanwood has

registered with US Communities, allowing the City to use any US Communities contract that meets our needs. Cities and counties from around the country bid the US Communities contracts. They are all subject to bid laws that are similar to those in Washington, and they conduct competitive sealed bids or proposals in much the same way, if not exactly the same way, as we do in Washington. However, use the same care to review the US Communities contracts to verify that they do not violate the City's Procurement Policies and Procedures or Washington state law. All US Communities purchasing agreements shall be presented to Council for approval.

b) Department of Enterprise Services (DES)

The City of Stanwood may be able to realize savings through the DES's quantity purchasing. Use of DES requires an Interlocal agreement with the State of Washington approved by the City Council.

9.20.7 No Bids or Quotations Received

When no responsive bids or quotations are received in response to an invitation to bid or request for quotations, the department director or his/her designee is authorized to procure the required item through direct negotiations with a vendor or to rebid, or do the project with City employees for public works contracts, as the Mayor or his/her designee deems appropriate.

10. EXPENSE REIMBURSEMENT

City employees will be reimbursed for reasonable and customary expenses actually incurred while performing official City business. The City will not reimburse for expenses that have already been paid by another program or organization, or if reimbursement is available through another program or organization.

10.1 Travel

Meal and travel reimbursement should be paid at the Federal Domestic Per Diem Rate as posted by the U.S. General Services Administration. All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of Stanwood Financial Procedures Manual, which establishes procedure related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of business of the City.

The Finance Director is responsible to create and monitor travel authorization and reimbursement procedures and forms, and to provide training and oversight of all city travel.

10.2 Meals & Refreshments at Meetings

Situations arise in which such provision of meals or light refreshments would allow work on city business or city training to continue through mealtimes, or in which the event atmosphere and morale of participants would facilitate progress on work activities. One example is the National Night Out; other examples include city provision of light refreshments during evening volunteer activities, such as citizen advisory boards or commissions.

The Finance Director shall provide staff guidance regarding appropriate events at which meals or light refreshments are authorized and will provide instruction to ensure appropriate approvals are obtained and documentations are maintained. The city must also consider Internal Revenue Service regulations covering the income tax consequences of providing food and beverages to employees.

10.3 Credit Cards

In accordance with RCW 43.09.2855, local governments are authorized to use credit cards or procurement cards for official government purchases and acquisitions. Cash advances on credit cards or procurement cards are prohibited. Credit cards and procurement cards may not be used to purchase alcoholic beverages. It will be the responsibility of the Finance Director to assign credit cards or procurement cards to employees that need them for City operations.

The Finance Director is authorized to obtain purchasing cards (P-Cards) by participation in the statewide contract administered by the Washington State Department of Enterprise Services, and to provide rules, guidance and procedures for their use. This contract allows the City to earn a quarterly rebate based on the volume spent and timely payment. The use of the P-Card does not relieve the employees from complying with other City and departmental policies and procedures.

10.4 Fuel Credit Cards

Fuel credit cards offer an efficient way for city staff to re-fuel vehicles during city business. Fuel credit cards also offer a way to track fuel purchases and monitor fuel use. The Finance Director is authorized to utilize state-procured contracts to obtain fuel credit cards and to provide rules, guidance and procedures for their use.

10.5 Store-Issued Credit Accounts

The City discourages the practice of requesting new charge accounts from vendors unless the vendor will not accept a procurement card or check on delivery and the City will realize cost savings or has time constraints. It is the City's preference for employees to use the procurement cards whenever possible.

11. Cost Allocation

- a. The City of Stanwood desires to comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered to other funds.
- b. Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received.
- c. The Washington State Auditor's Office prescribes the accounting and reporting of local governments in the State of Washington under the Revised Code of Washington (RCW) Washington State law provides, at RCW 43.09.210. It states in part:

Separate accounts shall be kept for each department, public improvement, undertaking, institution, and public service industry under the jurisdiction of every taxing body. All service rendered by, or property transferred from, one department, public improvement, undertaking, institution, or public service industry receiving the same, and no department, public improvement, undertaking institution, or public service industry shall benefit in any financial manner whatever by an appropriation of fund made for the support of another.

- d. The RCW does not specifically address how "full value" is to be determined.
- e. RCW 35A.33.122/35A.34.205/35.33.123 states:

Administration, oversight, or supervision of utility – Reimbursement from utility budget authorized. Whenever any code city apportions a percentage of the city manager's, administrator's, or supervisor's time, or the time of other management or general government staff, for administration, oversight, or supervision of a utility operated by the city, or to provide services to the utility, the utility budget may identify such services and budget for reimbursement of the city's current expense fund for the value of such services.

- f. Governmental Accounting Standards Board (GASB)

The GASB is an independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. While GASB is not a governmental agency and does not have enforcement authority, compliance with GASB is tested by the Washington State Auditor's Office's annual audit of the City.

- g. The Finance Director is responsible for developing and monitoring cost allocation procedures that comply with the guidance provided by GASB, the Washington State Auditor's Office, Budgeting, Accounting and Reporting System (BARS), and the guidance in 2 CFR 200, Uniform Guidance.

12. Debt

Section I. Introduction

(i) Purpose and Overview

The Debt Policy for the City of Stanwood is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City of Stanwood. Adherence to the policy is essential to ensure that the city maintains a sound debt position and protects the credit quality of its obligations.

Section II. Legal Governing Principles

In the issuance and management of debt, the City of Stanwood shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable. The following section highlights the legal framework of debt issuance and roles and responsibilities in debt issuance.

(ii) Governing Law

State Statutes - the City of Stanwood may contract indebtedness as provided for by Title 35A RCW and other state statutes. Indebtedness is subject to the limitations on indebtedness provided for in Article VIII of the Washington State Constitution and chapter 39.36 RCW. Bonds evidencing such indebtedness shall be issued and sold in accordance with applicable statutes.

Federal Rules and Regulations – To the extent applicable, the City of Stanwood shall issue and manage debt in accordance with the limitations and constraints imposed by applicable federal rules and regulations.

Local Rules and Regulations - The City of Stanwood shall issue and manage debt in accordance with the limitations and constraints imposed by the Stanwood Municipal Code and by this City of Stanwood Debt Policy (within the Consolidated Financial Management Policies).

Responsibility

City Council - The City Council shall:

- Approve indebtedness;
- Approve the Debt Policy; and
- Approve budgets sufficient to provide for the timely payment of principal and interest

Authority to issue and manage debt is derived from SMC 2.08.039. This section gives the Finance Director authority to act in the capacity of City Treasurer, which includes the duties of debt management. The Finance Director is responsible for assuring that the activities related to

the issuance and payment of bonds or other obligations are consistent with policy direction given by the City Council and, to the extent practicable consistent with the City's policy objectives, do not adversely affect the City's bond ratings.

Budgeting and Capital Planning

The city develops and maintains a capital planning process including a six-year capital improvement plan for consideration and adoption by the City Council as part of the city's budget process. The Finance Department is responsible for coordinating and analyzing the debt requirements. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current revenue requirements. Prior to issuance of debt, the city will prepare revenue projections, such as the biennial budget and a financial forecast, to ensure that there is adequate revenue to make principal and interest payments.

Permitted Debt by Type - The following is a description of the types of debt the city may issue:

1. General Obligation

This debt is backed by the full faith and credit of the city. RCW 39.36.020 currently limits this debt based on of the assessed valuation of the city for each of three purposes:

a. General Purposes

Debt issued in this category can be used for any municipal purpose allowed by law.

Non-Voted

The City Council may authorize the issuance of general obligation debt up to 1.5% of the city's assessed value without a vote of the public if there is an available source of funding to pay the debt service. This funding source can be the diversion of an existing revenue source or a new revenue coming from the enactment of a new tax or other revenue source. The debt can take the form of bonds, bond anticipation notes, lease-purchase agreements, conditional sales contracts, certificates of participation, or other forms of installment debt.

Voted

Pursuant to RCW 39.36.020, the City Council may place any general obligation debt issue before the electorate. According to state law, if a debt issue is placed before the city's electorate, it must receive a 60% or greater yes vote and have a turnout of at least 40% of those voting at the previous general election. Voted issues are limited to capital purposes only and may not be used for the replacement of equipment.

- (iii) Voted Debt for General Municipal Purposes. The total indebtedness of the city for general municipal purposes (including both voted and nonvoted debt) may not exceed 2.5% of the city's assessed value.
- (iv) Voted Debt for Open Space and Parks. In addition to the above limits, debt in an amount up to 2.5% additional of the city's assessed value may be issued in this category and must be used for open space, park facilities and/or capital facilities associated with economic development. All debt in this category must be approved by the voters, as described above.

- (v) Voted Debt for Utility Purposes. In addition to the above limits, debt up to 2.5% additional of the city's assessed value may be issued in this category and must be used for utility infrastructure (water, sewer and electricity) that is owned and controlled by the city. All debt in this category must be approved by the voters, as described above.

(vi)

2. Revenue Debt

Revenue bonds are generally payable from a designated source of revenue generated by the project or system for which the improvements were financed. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the city's statutory debt limitation nor is voter approval required.

3. Local Improvement District (LID) Debt

LID bonds are payable from assessments of property owners within the local improvement district. Similar to revenue debt, no taxing power or general fund pledge is provided as security, and LID bonds are not subject to statutory debt limitations. The debt is backed by the assessments levied and collected from within the district and may be secured by an LID Guaranty Fund.

4. Other Financing Contracts and Loan Programs

- a. Lease purchase or financing contracts are payment obligations that represent principal and interest components for which the city receives the property after all payments are made.
- b. Local Option Capital Asset Lending (LOCAL) Program is available for use by the city through the Office of the State Treasurer under RCW 39.94. It is a financing program that allows pooling by the state of equipment financing and certain real estate project needs into larger offerings of securities and allows local government agencies the ability to finance equipment or real estate needs through the State Treasurer's Office subject to existing debt limitations and financial considerations. LOCAL Program financings are general obligations, subject to the general obligation debt limits described above.
- c. Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to provides low interest loans, on a competitive basis, to help local governments address critical infrastructure needs for water, stormwater, roads, bridges, and solid waste/recycling systems. Public Works Trust Fund loans (and loans from other State sources) may be general obligations (subject to the debt limitations described above) or utility revenue obligations, depending on the program and purpose.

Short-Term Debt and Interim Financing

The city may utilize short-term borrowing in anticipation of long-term bond issuance or to fund cash flow needs in anticipation of tax or other revenue sources. In accordance with SMC 3.45.010, the Finance Director is authorized to make loans from one city fund to another city fund. The Finance Director or designee is required to assure that the loaning fund will have adequate cash balances to continue to meet current expenses after the loan is made and until

repayment from the receiving fund, and the borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments.

Other Debt Instruments

The City of Stanwood may use Other Debt Instruments as required with the approval of City Council.

(vii) Ethical Standards Governing Conduct

Employees of the City and Members of the City Council will adhere to standards of conduct as stipulated by the following:

- Public Records Act, chapter 42.56 RCW;
- Open Public Meetings Act, chapter 42.30 RCW; and
- Code of Ethics for Municipal Officers, chapter 42.23 RCW.

Section III: Professional Services

(viii) Professional Services

The city's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the city's debt program. Finance Director will consider the most cost-effective method of sale, and use professional services as deemed appropriate..

1. Bond Counsel

All debt issued by the city will include a written opinion by bond counsel affirming that the city is authorized to issue the proposed debt. The opinion shall include confirmation that the city has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.

2. Financial Advisor

A Financial Advisor(s) may be used to assist in the issuance of the city's debt. The Financial Advisor will provide the city with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.

3. Underwriters

An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method, except for direct placements of debt with a lender. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors. Underwriter(s) will also be used for a competitive sale method. Under a competitive sale of publicly offered bonds, underwriters will submit proposals for the purchase of the new issue

of municipal securities electronically and the securities are awarded to the underwriter presenting the lowest true interest cost (TIC) according to stipulated criteria set forth in the notice of sale. For a direct placement, the city will generally seek proposals from lenders through a competitive process.

4. Fiscal Agent

A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with Chapter 43.80 RCW, the city will use the Fiscal Agent that is appointed by the state.

5. Other Service Providers

The Finance Director will have the authority to periodically select other service providers (e.g., escrow agents, verification agents, trustees, arbitrage consultants, etc.) as necessary to meet legal requirements.

Section IV. Transaction-Specific Policies

(ix) **Method of Sale**

The city will generally issue its debt through a competitive process but may use a negotiated process under the following conditions.

- The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
- The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- The debt issued is bound by a compressed timeline due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

Credit Ratings

The city will maintain good communications with bond rating agencies about its financial condition. This effort will include providing periodic updates on the city's general financial condition and coordinating meetings and presentations in conjunction with a new issuance. The city will continually strive to maintain the highest possible bond ratings by improving financial policies, budgets, forecasts, and the financial health of the city. Credit enhancements may be used to improve or establish a credit rating on a city debt obligation. Credit enhancements should only be used if cost effective.

Refunding Debt

A debt refunding is a refinance of debt typically done to take advantage of lower interest rates.

Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a present value savings of three percent of the principal amount of the refunding debt being issued. Advance refunding of tax-exempt issuances is currently prohibited.

Debt Type and Structure

The Finance Director is responsible for selection of the type of debt and terms to ensure the most advantageous pricing.

Section V. Compliance Policies

(x) Investment of Proceeds

(xi)

General - The City of Stanwood shall comply with all applicable Federal, State, and contractual restrictions regarding the investment of bond proceeds, including the City of Stanwood's Investment Policy.

Arbitrage Rebate Monitoring and Reporting

The city will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract, or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the city will pay the amount of the arbitrage to the federal government as required by the Section 1.148 Treasury Regulations. The city will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner to preserve the tax-exempt status of the outstanding debt.

The City of Stanwood shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings, and to ensure compliance with record retention requirements.

(xii) Ongoing Disclosure

The Finance Director shall be responsible for providing annual disclosure information to the Municipal Standards Rulemaking Board (MSRB), as required by the city's undertakings to provide continuing disclosure made pursuant to SEC Rule 15c2-12. Ongoing disclosure shall occur by the date designated in the undertakings, which is currently the last day of September for most of the city's issuances. Disclosure shall take the form of Audited Annual Financial Statements and such operating data as specified in the undertaking. The Finance Director shall be the Compliance Officer for disclosure requirements. Detailed procedures are described in the City's Post-Issuance Compliance Policies and Procedures for Tax-Exempt Bonds.

(xiii) Legal Covenants

The City of Stanwood shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Derivative Products

No derivative products will be utilized unless permitted by law, and after adoption of a swap or derivative policy by the City Council. No derivative products shall be utilized without an analysis by an independent municipal advisor. No derivative products shall be used for the purpose of speculation.

(xiv) Debt Policy Review

The city shall review and update its debt policy every four years.

Short and Long Term Debt Policies

- ~~a. Short term debt is defined as a period of three years or less.~~
- ~~b. The city may use short term debt to cover temporary cash flow shortages, which may be caused by a delay in receipting tax revenues or issuing long term debt. The city will not use short term debt for current operations.~~
- ~~c. The city may issue interfund loans rather than outside debt instruments to meet short term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short term borrowing will be subject to council approval by ordinance or resolution and will bear interest based upon prevailing rates.~~
- ~~d. Long term debt is that debt which exceeds three years.~~
- ~~e. The city will utilize long term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows.~~
- ~~f. Acceptable uses of bond proceeds are items which can be considered capital assets. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds provided that the net present value (NPV) of savings is at least four percent (4%).~~
- ~~g. The city will determine whether self-supporting bonds (such as special assessment improvement district bonds) are in the city's best interest when planning to incur debt to finance capital improvements.~~
- ~~h. The city will not use long term debt for current operations.~~
- ~~i. The city will maintain good communications with bond rating agencies about its financial condition. The city will follow a policy of full disclosure on every financial report and bond prospectus including proactive compliance with disclosure to the secondary market.~~
- ~~j. Unlimited Tax General Obligation Bond Policy~~

- ~~1. Every project proposed for financing through general obligation debt shall be accompanied by a full analysis of the future operating and maintenance costs associated with the project.~~
- ~~2. Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.~~
- ~~3. Before general obligation bond propositions are placed before the voters, the capital project under consideration should have been included in the Capital Improvement Program. The source of funds should describe the intended use of bond financing.~~

~~k. Limited Tax General Obligation (Councilmanic) Bond Policies:~~

- ~~1. As a precondition to the issuance of limited tax general obligation bonds, alternative methods of financing should also be examined.~~
- ~~2. Limited tax general obligation bonds should only be issued under certain conditions:~~
 - ~~a) A project requires monies not available from alternative sources;~~
 - ~~b) Matching fund monies are available which may be lost if not applied for in a timely manner; or~~
 - ~~• Catastrophic conditions.~~

~~l. Financing of Lease Purchases~~

- ~~i. Under State law, the public may vote to approve bond issues for general government purposes in an amount not to exceed 2.5% of assessed valuation (AV). Within the 2.5% limit, the City Council may approve bond issues and/or lease purchases up to 1.5% of the City's total AV. In addition, state law provides for an additional 2.5% of AV for parks and open space purposes with a vote of the public.~~
- ~~ii. Lease purchase financing may be used when the cost of borrowing or other factors make it in the city's best interest.~~

13. Grant Administration

1. Applications for grants must be reviewed by the city administrator and/or the mayor prior to submission. Grants in the amount of \$25,000 or less may be approved by the mayor. Grants in excess of that amount are subject to the approval of the city council.

2. The department director receiving the grant shall be designated the grant manager and as such is responsible for all grant compliance and recordkeeping requirements. This includes:
 - a. Monitoring to ensure grant activities are properly performed.
 - b. Submitting grant reimbursement requests in a timely manner with the required supporting documentation. Reimbursement requests shall be submitted to the finance department for review prior to submittal to grantor.
 - c. Maintaining complete records. This includes the grant application, the grant contract and amendments, any correspondence with the grantor, grant reimbursement requests and supporting documents, any reports submitted to the grantor, etc.
 - d. Coordinating with the finance department to ensure that all grant accounting and reporting requirements are met.
3. Financial transactions relating to grants are subject to more specific accounting and financial reporting requirements than other types of transactions. In order to ensure the City correctly accounts for and report grants, the grant manager must forward copies of the following to the finance director within thirty (30) days of receipt:
 - a. Copies of the grant agreement and all amendments.
 - b. Copies of any extensions of time authorized by the grantor.
 - c. Copies of all grant billings and supporting documentation.
 - d. Notification of the close of the grant.
 - e. Notification of any audit to be performed by the grantor.

14. Investment Policies

14.1 Policy:

It is the policy of the City of Stanwood to invest public funds in a manner which will provide the maximum security of the principal while meeting the daily cash flow demands of the city and highest investment return while conforming to all Washington statutes governing the investment of public funds.

14.2 Scope:

This investment policy applies to all financial assets of the City of Stanwood other than any Fiduciary funds which include but is not limited to Deferred Compensation Plan funds managed externally; Contractors Deposit funds; and such funds excluded by law or bond covenant. The applicable funds are accounted for in the City's Annual Financial Report and include:

General Fund
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Debt Service Funds (unless prohibited by bond covenant)
Internal Service Funds
Any new fund created by Council, unless exempted by Council.

14.3 Prudence:

Investments shall be made with judgment and care - under circumstances then prevailing - which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

14.4 Objective:

The primary objectives, in priority order, of the City's investment activities shall be:

- a. Safety: Safety of principal is the foremost objective of the City of Stanwood. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- c. Return on investment: The City's investment portfolio shall be designed with the objective of attaining a market rate of return given the City's risk constraints and cash flow requirements.

14.5 Delegation of Authority:

Management responsibility for the investment program is assigned to the Finance Director (SMC 2.08), who shall establish and monitor written procedures for the operation of the investment program, consistent with this investment policy. Such

procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Investment Committee: The City Council Finance Committee and the Finance Director shall serve as the Investment Committee. The committee shall meet quarterly and provide overall guidance with regard to investment transactions. The committee will review and authorize financial dealers and institutions as provided for in Section 14.7 below.

14.6 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City of Stanwood, particularly with regard to the time of purchases and sales.

14.7 Authorized Financial Dealers and Institutions:

The Finance Director will maintain a list of broker/dealers and financial institutions authorized to provide investment services to the city. Authorized broker/dealers and financial institutions will be limited to those that are approved by the Investment Committee and meet one or more of the following:

- Financial institutions approved by the Washington Public Deposit Protection Commission (RCW 39.58); or,
- Primary dealers recognized by the Federal Reserve Bank; or,
- Non-primary dealers qualified under the U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and a certified member of the Financial Industry Regulatory Authority (FINRA).

Each authorized broker/dealer or financial institution will be selected by creditworthiness, required to maintain an office in the State of Washington, and required to regularly submit annual reports, including audited financial statements. Additionally, broker/dealers are required to complete a broker/dealer questionnaire or any other information that may be required by the City to assess the qualifications of the firm. An annual financial statement is required to be on file for each financial institution and broker/dealer with which the City invests.

14.8 Authorized Investments:

Authorized investments are securities and investments authorized by state statute as defined in RCW's 39.58 and 39.59. Authorized investments include:

- a. Investment deposits, including certificates of deposit, with qualified public depositories as defined in RCW 39.58.
- b. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States (such as the Government National Mortgage Association).
- c. Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, Tennessee Valley Authority (TVA) notes and bonds, and Federal National Mortgage Association notes, bonds and guaranteed certificates of participation.)
- d. Bonds of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency.
- e. Obligations of supranational institutions provided that, at the time of investment, the institution has the United States government as its largest shareholder.
- f. Washington State Local Government Investment Pool.
- g. Commercial Paper purchased in the secondary market and having received the highest rating by at least two (2) Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase and adhering to the investment policies and procedures adopted by the State Investment Board.
- h. Investment Pool Offered by Local Government (e.g., Snohomish County Investment Pool)

14.9 Safekeeping and Custody:

All security transactions, entered into by the City of Stanwood shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Finance Director. Certificates of Deposits must be issued by financial institutions qualified by the PDPC; therefore, they will normally be held at the financial institution.

14.10 Diversification:

The City will diversify its investments by security type and institution. The following schedule provides the maximum holdings in any one type of investment or with any one issuer.

<u>Type of Security</u>	<u>Maximum Holdings</u>
<u>Savings or Time Deposits</u>	<u>30% of Portfolio</u>
<u>Certificates of Deposit</u>	<u>5% of Portfolio</u>
<u>U.S. Treasury Notes, Bonds or Certificates</u>	<u>100% of Portfolio</u>
<u>U.S. Government Sponsored Corporations</u>	<u>100% of Portfolio</u>
<u>State of Washington or Local Government Bonds</u>	<u>25% of Portfolio</u> <u>10% per Issuer</u>
<u>State or Investment Pool Offered by Local Government (e.g., Snohomish County Investment Pool)</u>	<u>100% of Portfolio</u>
<u>Commercial Paper</u>	<u>5% of Portfolio</u>
<u>Supranationals</u>	<u>5% of Portfolio</u>
<u>Other Authorized Investments</u>	<u>10% of Portfolio</u>

Separate guidelines containing additional or more restrictive limitations for certain investment instruments are contained in the investment procedures document.

14.11 Maturities:

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow or restricted by state guidelines, the City will not directly invest in securities maturing more than five years from the date of purchase. Separate guidelines containing additional or more restrictive limitations for certain investment instruments are contained in the investment procedures document.

14.12 Internal Control:

The Finance Director shall establish a process of independent review by an external auditor. This review will provide internal control by assuring that policies and procedures are being complied with. Such review may also result in recommendations to change operating procedures to improve internal control. In addition, the Finance Director will ensure periodic internal reviews of compliance are completed.

14.13 Performance Standards:

The City of Stanwood's investment portfolio will be designed with the objective of attaining a rate of return commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

Average Rate of Return:

The basis used by the Finance Director to determine whether an average rate of return is being achieved shall be the 2 year average of the 2-Year Treasury Note.

14.14 Reporting:

The Finance Director will include a report on investments held and the portfolio's returns compared to benchmark in the City's Quarterly Financial Report.

14.15 Investment Policy Review:

The City of Stanwood's investment policy shall be reviewed on a biennial basis by the Finance Committee and any modifications made thereto must be approved by the City Council.

GLOSSARY OF INVESTMENT TERMS

AGENCIES: Federal agency securities.

ANNUAL FINANCIAL REPORT: The official annual report for the City of Stanwood. It is based on a December 31st fiscal year end and is submitted to the State Auditor no later than May 31st of the following year. The State Auditor reviews and issues opinions on the City's annual financial reports on a biennial basis.

ASKED: The price at which securities are offered.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U. S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): An independent federal agency that insures deposits in member banks, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The

President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: An independent agency of the U.S. government that plays a central role in monetary policy, domestic payment systems, and the regulations of financial institutions.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U. S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PUBLIC DEPOSIT PROTECTION COMMISSION: The Public Deposit Protection Commission provides security for public treasurers in Washington State by protecting public deposits which exceed the amount insured by the FDIC. It also minimizes participating depositories' liability for defaulting institutions

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected

by the state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

SAFEKEEPING: A service provided/contracted with a financial institution for the settling and holding of securities on behalf of the customer. In the case of book entry securities; holding of securities in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SUPRANATIONALS: An international organization, or union, whereby member states transcend national boundaries or interests to share in the decision making and vote on issues pertaining to the wider grouping. It is formed by two or more central governments through international treaties. The purpose for creating a supranational is to promote economic development for the member countries. The International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank (IADB), IFC (International Finance Corporation) and ADB (Asian Development Bank) are examples of supra's.

TREASURY BILLS: A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U. S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U. S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage.
(a) INCOME YIELD is obtained by dividing the current dollar income by the current

market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

14. Investment Policies

14.1 Policy:

~~It is the policy of the City of Stanwood to invest public funds in a manner which will provide the maximum security of the principal while meeting the daily cash flow demands of the city and highest investment return while conforming to all Washington statutes governing the investment of public funds, in this specific order.~~

14.2 Scope:

~~This investment policy applies to all financial assets of the City of Stanwood other than any Fiduciary funds which include but is not limited to Deferred Compensation Plan funds managed externally; Contractors Deposit funds; and such funds excluded by law or bond covenant.~~

~~The applicable funds are accounted for in the City's Annual Financial Report and include:~~

- ~~General Fund~~
- ~~Special Revenue Funds~~
- ~~Capital Project Funds~~
- ~~Enterprise Funds~~
- ~~Debt Service Funds (unless prohibited by bond covenant)~~
- ~~Internal Service Funds~~
- ~~Any new fund created by Council, unless exempted by Council.~~

14.3 Prudence:

~~Investments shall be made with judgment and care — under circumstances then prevailing — which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.~~

- ~~a. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely~~

~~fashion and appropriate action is taken to control adverse developments.~~

14.4 Objective:

~~The primary objectives, in priority order, of the City's investment activities shall be:~~

- ~~d. Safety: Safety of principal is the foremost objective of the City of Stanwood. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.~~
- ~~e. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.~~
- ~~f. Return on investment: The City's investment portfolio shall be designed with the objective of attaining a market rate of return given the City's risk constraints and cash flow requirements.~~

14.5 Delegation of Authority:

~~Management responsibility for the investment program is assigned to the Finance Director (SMC 2.08), who shall establish and monitor written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.~~

- ~~a. Investment Committee: The Finance Committee and the Finance Director shall serve as the Investment Committee. The committee shall meet quarterly and provide overall guidance with regard to investment transactions. The committee will review and authorize financial dealers and institutions as provided for in Section 7.~~

14.6 Ethics and Conflicts of Interest:

~~Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the~~

~~performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City of Stanwood, particularly with regard to the time of purchases and sales.~~

14.7 Authorized Financial Dealers and Institutions:

~~The Finance Director will maintain a list of broker/dealers and financial institutions authorized to provide investment services to the city. Authorized broker/dealers and financial institutions will be limited to those that are approved by the Investment Committee and meet one or more of the following:~~

- ~~• Financial institutions approved by the Washington Public Deposit Protection Commission (RCW 39.58); or,~~
- ~~• Primary dealers recognized by the Federal Reserve Bank; or,~~
- ~~• Non-primary dealers qualified under the U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and a certified member of the Financial Industry Regulatory Authority (FINRA).~~

~~Each authorized broker/dealer or financial institution will be selected by creditworthiness, required to maintain an office in the State of Washington, and required to regularly submit annual reports, including audited financial statements. Additionally, broker/dealers are required to complete a broker/dealer questionnaire or any other information that may be required by the City to assess the qualifications of the firm. An annual financial statement is required to be on file for each financial institution and broker/dealer with which the City invests.~~

8 Authorized Investments:

~~Authorized investments are securities and investments authorized by state statute as defined in RCW's 39.58 and 39.59. Authorized investments include:~~

- ~~i. Investment deposits, including certificates of deposit, with qualified public depositories as defined in RCW 39.58.~~
- ~~j. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States (such as the Government National Mortgage Association).~~
- ~~k. Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, and Federal National Mortgage Association notes, bonds and guaranteed certificates of participation.)~~
- ~~l. Bankers' acceptances purchased on the secondary market.~~
- ~~m. Bonds of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency.~~
- ~~n. Repurchase agreements for securities listed in 2, 3, and 4 above, provided that the transaction is structured so that the City of Stanwood obtains control over the underlying securities and a Master Repurchase Agreement has been signed with the bank or dealer.~~
- ~~o. State Investment Pool.~~
- ~~p. Commercial Paper purchased in the secondary market and having received the highest rating by at least two (2) Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase and adhering to the investment policies and procedures adopted by the State Investment Board.~~
- ~~q. Mutual funds used specifically for debt issues related to arbitrage.~~
- ~~r. Investment Pool Offered by Local Government (e.g. Snohomish County Investment Pool)~~

14.9 Safekeeping and Custody:

~~All security transactions, including collateral for repurchase agreements, entered into by the City of Stanwood shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Finance Director. Certificates of Deposit in the City's name, or confirmations of them, will be delivered to and held in the Finance Department.~~

14.10 Diversification:

~~The City will diversify its investments by security type and institution. The following schedule provides the maximum holdings in any one type of investment or with any one issuer.~~

Type of Security	Maximum Holdings
Certificates of Deposit	50% of Portfolio 10% per Issuer 20% of Issuer's Net Worth
U.S. Treasury Notes, Bonds or Certificates	100% of Portfolio
U.S. Government Sponsored Corporations	100% of Portfolio
Bankers Acceptances	25% of Portfolio 10% per Issuer
State of Washington or Local Government Bonds	25% of Portfolio 10% per Issuer
Repurchase Agreements	25% of Portfolio 25% per Dealer
State or Investment Pool Offered by Local Government (e.g. Snohomish County Investment Pool)	100% of Portfolio
Commercial Paper	10% of Portfolio 10% per Issuer
Mutual Funds	Arbitrage related only
Other Authorized Investments	10% of Portfolio

~~Separate guidelines containing additional or more restrictive limitations for certain investment instruments are contained in the investment procedures document.~~

14.11 Maturities:

~~To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow or restricted by state guidelines, the City will not directly invest in securities maturing more than five years from the date of purchase. However, the City may collateralize its repurchase agreements using longer-dated investments.~~

~~Separate guidelines containing additional or more restrictive limitations for certain investment instruments are contained in the investment procedures document.~~

14.12 Internal Control:

~~The Finance Director shall establish a process of independent review by an external auditor. This review will provide internal control by assuring that policies and procedures are being complied with. Such review may also result in recommendations to change operating procedures to improve internal control.~~

14.13 Performance Standards:

~~The City of Stanwood's investment portfolio will be designed with the objective of attaining a rate of return commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.~~

a) Average Rate of Return:

~~The basis used by the Finance Director to determine whether an average rate of return is being achieved shall be the 2 year average of the 2 Year Treasury Note.~~

14.14 Reporting:

~~The Finance Director will include a report on investments held and the portfolio's returns compared to benchmark in the City's Quarterly Financial Report.~~

14.15 Investment Policy Review:

~~The City of Stanwood's investment policy shall be reviewed on a biennial basis by the Finance Committee and any modifications made thereto must be approved by the City Council.~~

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ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

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DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

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LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written agreement covering all future transactions between the investor and dealer or financial institution. The agreement defines the nature of the transactions, identifies the relationship between the parties, establishes normal practices regarding ownership and custody of the collateral securities during the term of the investment, provides for remedies in the event of a default by either party, and otherwise clarifies issues of ownership.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PUBLIC DEPOSIT PROTECTION COMMISSION: The Public Deposit Protection Commission provides security for public treasurers in Washington State by protecting public deposits which exceed the amount insured by the FDIC. It also minimizes participating depositories' liability for defaulting institutions.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A transaction between a securities dealer and an investor in which the dealer sells the security to the investor with an agreement to buy the security back at a specific time and price that will result in a predetermined yield for the investor.

SAFEKEEPING: A service provided/contracted with a financial institution for the settling and holding of securities on behalf of the customer. In the case of book entry securities; holding of securities in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U. S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U. S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

15. Authorization & processing of ACH/Electronic Funds Transfers

15.1 PURPOSE AND SCOPE

The City of Stanwood makes payments to vendors and employees by electronic funds transfer and also receives funds from various parties as a routine business practice. All such payments must be properly authorized and executed to reduce the risk of erroneous or fraudulent transactions.

15.2 INTERNAL CONTROL REQUIREMENTS

To protect EFT transactions from internal and external threats, the following controls will be adhered to:

- a. Implementation of bank offered security measures to prevent unauthorized individuals from initiating or modifying a transfer, i.e., use of positive pay.
- b. Each user initiating or approving bank transactions must have separate bank User IDs.
- c. Separate users must initiate and authorize electronic transactions.
- d. Use of pre-established templates for specific transaction types and specific accounts may be authorized in advance by the Finance Director, however, new templates must be initiated by one user and authorized by the Finance Director.
- e. The process for creating, securing, sending and authenticating direct deposit transmittal files to prevent unauthorized modification or submission is documented below.
- f. Adherence to City of Stanwood computer policies and procedures to protect the computers and computing processes used for EFTs from computer malware.
- g. Regardless of payment method, i.e., wire transfer, ACH or paper warrant (check), employees shall adhere to the authorization and processing requirements outlined in Section 9 of this Manual.
- h. Changes to employee direct deposit must be processed using the Direct Deposit Authorization Form, under no circumstances will account changes be authorized by telephone or email.
- i. Changes to vendor ACH accounts must be processed using the EFT (ACH/Wire Transfer) Authorization Form, under no circumstances will account changes be authorized by telephone or email.

15.3 Types of Payments Made via ACH:

- a. **Vendor Payments:** In its normal course of business, the City of Stanwood remits the following types of vendor payments via ACH: Supplier payments, Employee reimbursements, routine payments to the WA State Treasurer.
- b. **Wire Transfers:** transfer for investment purchases, bond proceeds, interest

payments and maturities are routinely processed by wire between the City and US Bank (custodial account) and between the City and the Local Government Investment Pool.

- c. **Customer Direct Debit:** Customers have the option to direct the city to directly debit their bank account to make their payments.
- d. **Payroll – Fulltime Employees:** in order to standardize procedures and reduce the number of individual transactions, the City of Stanwood highly encourages all employees to be paid by ACH direct deposit.
- e. **Payroll – Part-time Employees:** The city will offer all part-time employees the option to be paid by ACH direct deposit.
- f. **Payroll – Temporary Employees:** The city will offer all temporary employees the option to be paid by ACH direct deposit.

For suppliers and employees being paid by paper warrant (check), the city shall adhere to the requirements for payment approvals and accounts payable documentation and processing as described in City of Stanwood Financial Management Policy, and other applicable laws.

With very few exceptions, checks issued to suppliers should only be delivered to the supplier by United States mail or its equivalent. Payroll checks may be delivered directly to the employee. Exceptions must be documented and authorized by the Finance Director. Under no circumstances is a check to be mailed earlier than the date of the check.

15.4 TRAINING

To ensure consistent compliance with procedures, employees tasked with processing, reconciling and record-keeping will train in proper procedures and internal controls prior to conducting these functions.

15.5 DEFINITIONS

- a. Automated Clearing House (ACH) - A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH and Wire Transfer. Wire transfers execute directly between two accounts, as opposed to a clearinghouse, so they process more quickly, but they are more expensive.
- b. Electronic funds transfer (EFT) - refers to the disbursement from a bank account by means of wire, direct deposit, ACH or other electronic means.
- c. NACHA (National Automated Clearing House Association) is the steward of the electronic system that connects all U.S. bank accounts and facilitates the movement of money among them.

15.6 RECORD-KEEPING

- a. Transaction records will include:
 - i. Chronological number of the EFT payment.
 - ii. Time and date of disbursement.
 - iii. Payee - name, address and account number.
 - iv. Amount of disbursement.
 - v. Purpose of disbursement.
 - vi. BARS or other accounting system expenditure/expense account number.
 - vii. Name and number of fund(s).
 - viii. Disbursing bank's unique transaction identification number, if available.
 - ix. Receiving bank or financial institution's identification number.
- b. A file must be maintained of authorizations by payees who have thereby agreed to have moneys added to their accounts electronically.
- c. The Finance Director should notify the disbursing bank that access to files, records and documentation of all EFT transactions involving the Finance Director should be provided to the State Auditor when required for the conduct of the statutory post audit.

15.7 PROCEDURES:

- a. Origination of ACH File:
 - i. ACH File Database: The City of Stanwood creates ACH files from SpringBrook, which are downloaded in proper ACH format.
 - ii. Transmission: Several options are available to transmit the file to the ACH originating bank, either through a gateway provider, or directly to the bank. The City of Stanwood generates and transmits payroll, employee reimbursement and supplier payment files via Washington Federal.
 - iii. Retention: ACH and EFT data files are required to be maintained for six years after the end of the fiscal year (per Local Government Records Retention Manual, DANS GS2011-185).
- b. **Authorizations**
 - a. All employees whose net pay is to be direct deposited must complete a Direct Deposit Authorization Form. This form is submitted to the city Payroll Office along with a deposit slip for a Savings Account or a voided check for a Checking Account. In lieu of a deposit slip or voided check, the employee may provide documentation from the employee's financial institution indicating the transit-routing number and the account number.

- i. The authorization form shall provide the employee the ability to change bank account information. Employees should notify the Payroll Office immediately but no later than seven working days prior to the effective pay date. Exceptions may be granted up to 4 working days prior to pay date for closed or compromised accounts.
- ii. An employee desiring to discontinue participating in the ACH program may submit a revocation request. The request will be acted on depending upon whether participation is mandatory or not.
- iii. Retention of authorization forms and any requests for revocation of authorization will be maintained until superseded and released from all audits.
- iv. The City of Stanwood does not allow telephone or email initiated entries or changes to authorizations.

c. Transaction Advices

- i. Participating employees are provided a hard copy Direct Deposit advice (paystub) on the payroll pay date, specifying details of the employee's gross pay, tax withholdings, statutory and voluntary deductions, net pay and other information.
- ii. Suppliers being paid by ACH credit will be advised of the payment by email.

d. Cancellation of Transactions

- i. If it is learned that a supplier or employee does not have a right to a payment or the payment amount is in excess of the amount due the supplier/employee, then the payment is to be cancelled. Actions to take will depend upon where the payment is in the timeline of the transaction.
 - 1. If the ACH file has not been transmitted to Washington Federal, but the payment process has been finalized, staff will void the batch to remove the incorrect payment.
 - 2. If the ACH file has not been transmitted to Washington Federal and the ACH process has begun, staff will remove the incorrect payment prior to finalizing the batch.
 - 3. If the ACH file has already been transmitted to Washington Federal, staff would complete a Washington Federal ACH Service Request for Item Delete/Reversal and send to Washington Federal.

e. Cut-off Times and Close Outs

- i. The following cutoff times are established for ACH file transmissions:
 - 1. The ACH file auto-generated at the conclusion of the payroll process is scheduled to transmit two (2) banking days prior to payroll issue/check date.
 - 2. The ACH file transmission for suppliers is generated two (2) banking days prior to issue/check date.

f. Funding outbound ACH transactions

- i. Funding of ACH files is deemed to be a critical function that must be performed accurately and timely, in order to avoid the overdrawing of bank accounts.
- ii. The settlement bank account which accommodates the funding of outbound ACH transactions for Payroll and outbound ACH Supplier transaction is the City's General Bank Account held at Washington Federal.
- iii. Funding of ACH/EFT transactions must occur for settlement no later than the following day.

g. Reporting of inbound ACH transactions

- i. The settlement bank account which accommodates the receipt of inbound ACH transactions is the City's General Bank Account held at WAFed.
- ii. The City receives notices from the Office of the State Treasurer (OST) about two days prior to receipt. The transmittal is recorded in various funds and revenue accounts and is posted by the Finance department in Springbrook when funds are received.
- iii. Gun permits and fingerprinting are applied for online through Permitium. An ACH deposit is made monthly to the city's main checking account with WAFed. The Police Records Clerk reconciles all applications and fees and sends a copy of reconciliation to Finance. The Finance department posts the payment in Springbrook each month.
- iv. The city receives funds monthly from Snohomish County for the City share of property taxes. Monthly reports are available via Sharepoint. The Finance department records the activity monthly once the funds are received via ACH credit to the City main checking account at WAFd.
- v. For online permit payments made through IWORQ via Payroc, notice is retrieved from IWORQ website by the Community Development Department. Permit receipts are printed and delivered to the Finance Accounting Technician who posts permit payments into Springbrook with their daily cashiering batch. Payments are deposited by Payroc directly into the City's General Checking account held by WAFed.
- vi. Utility payments made online utilize Xpress Bill Pay. Payments made in this manner are imported into Springbrook daily. Payments are deposited directly into the City's General Checking account held by WAFd.
- vii. As additional departments allow online payments, protocol will mirror item iii under this section.

h. Reconciliation

- i. All Bank Statements shall be reconciled monthly as part of a global reconciliation.
- ii. Individuals responsible for bank account reconciliations should not also be responsible for handling cash. Additionally, these individuals should only have inquiry access to Washington Federal, thus negating their ability to record receipts or process disbursements.
- iii. All Bank Reconciliations are performed in accordance with BARS Manual standards. Completed bank reconciliations are reviewed by a second reviewer and recorded accordingly. Any reconciling item adjustments are recorded and reviewed by a second reviewer as part of the monthly reconciliation process.
- iv. All reconciliations are reviewed, signed, and dated by a second Finance Department employee or the City Administrator. All journal entries for adjustments are prepared by the responsible party and reviewed by a second Finance Department employee once completed.
- v. All outstanding items are reconciled prior to the end of the succeeding month. Large checks over 6 months old are reviewed monthly. Abandoned checks are escheated to the state each year per state regulations.

i. Returns

- i. In the case of outbound transactions for supplier and payroll payments, an ACH Returns account is not utilized. Instead, the returns will be credited to the settlement bank account at Washington Federal from which the funds were originally disbursed.
- ii. Returned items are monitored as part of the daily deposit process. Any returned items are forwarded to the appropriate Finance staff member (Payroll for Direct Deposit and AP for all other ACH payments), to be researched and either voided or reissued as appropriate. A second Finance Department employee reviews all such returns and their related disposition.

j. Paying Invoices

- i. All invoices for banking services received (e.g., Washington Federal, etc.) shall be paid timely, in accordance with established City of Stanwood procedures for accounts payable.
- ii. Responsibility for inspecting the invoices received and approving for payment is that of the Finance Department.

k. Signatures and Approvals:

- i. The U.S. Federal ESIGN Act of 2000 gives the same legal protection to online signing as to traditional pen-and-paper signing.
- ii. The City of Stanwood utilizes Adobe Pro e-sign for routing of documents and for the collection of signatures.
- iii. Approval Signatures collected through Adobe Pro's e-sign routing process are original and official.

15.8 REFERENCES

- i. City of Stanwood Financial Management Policy, Section 7.c.- Payment Approvals.
- ii. RCW 39.58.750 – authorizes local government use of EFT and directs the State Auditor to prescribe accounting procedures for EFT transaction processing.
- iii. BARS MANUAL Section 3.8.11 – provides accounting procedures and recommended internal controls to safeguard local government resources when utilizing EFT.
- iv. BARS MANUAL Section 3.1.9 – provides guidance regarding appropriate bank reconciliation practices.
- v. E-Commerce Contacts:
 - a. The Finance Department will maintain an updated list of WaFed contacts.

15.9 FORMS

- i. EFT (ACH/Wire Transfer) Authorization Form (authorization to pay vendors by ACH)
- ii. Direct Deposit Authorization Form (payroll)
- iii. Direct Debit Authorization Form (utility bill payment method)

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