

# **Gig Harbor City Council Meeting**

**February 28, 2011  
5:30 p.m.**



**AGENDA FOR  
GIG HARBOR CITY COUNCIL MEETING  
Monday, February 28, 2011 – 5:30 p.m.**

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of February 14, 2011.
2. Correspondence / Proclamations: a) NEA Read across America Day; b) Pierce County Reads.
3. Resolution – Surplus Property.
4. Banking Contract.
5. Agreement for Attorney Services – Bob Christie.
6. On-Call Development Review – Professional Services – Amendment No. 2 to Consultant Services Agreement/David Evans & Associates.
7. Skansie Net Shed Structural Improvements – Consultant Services Agreement / Sitts & Hill Engineers, Inc.
8. Approval of Payment of Bills for February 28, 2011: Checks #65752 through #65888 in the amount of \$448,885.26.

**PRESENTATIONS:**

1. Proclamation: NEA Read across America Day: Students Michele and William Hagmann, and Markid and Ansley Hardy. Niki Vanderford, teacher.
2. Proclamation: Pierce County Reads – Kathleen Wolf.

**OLD BUSINESS:**

1. Second Reading of Ordinance – Amending 2011 Salary Schedule.
2. Maritime Pier Restroom / Parking Lot.

**NEW BUSINESS:**

**STAFF REPORT:**

**PUBLIC COMMENT:**

**MAYOR'S REPORT / COUNCIL COMMENTS:**

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Planning / Building Committee – Mon. Mar 7th at 5:15 p.m.
2. Council Workstudy Session Mon. Mar 14th after regular meeting.

**ADJOURN:**

**MINUTES OF GIG HARBOR CITY COUNCIL MEETING – FEBRUARY 14, 2011**

**PRESENT:** Councilmembers Ekberg, Franich, Conan, Malich, Kadzik, and Mayor Hunter. Councilmembers Young and Payne were absent.

**CALL TO ORDER:** 5:30 p.m.

**PLEDGE OF ALLEGIANCE:**

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of January 24, 2011.
2. Liquor License Action: a) New application – Java & Clay Café; b) License Transfer: Water to Wine; c) Renewals: Water to Wine; Costco Wholesale; Eagles; Gig Harbor Chevron; Gig Harbor 76; Il Lucano; Tokyo Teriyaki; Gateway to India; Hot Iron 750; and Tides Tavern.
3. Receive and File: GHPD 2010 4th Quarter Report.
4. Incineration of Controlled Substance Agreement.
5. Tacoma Visitor and Convention Bureau Contract.
6. Pierce County Promotion Area Interlocal Agreement Amendment.
7. HUD Agreement for Donkey Creek Transportation Project.
8. 2011 Water Main Improvement Project – Surveying Services Consultant Contract.
9. Well No. 11 Test Well – Public Works Contract.
10. Grandview Tank Foundation Project – Consultant Services Contract / Parametrix.
11. Lift Station No. 6 Architectural Design Drawings / Lawhead & Associates.
12. WWTP Improvement Project – Consultant Services Contract Amendment / Parametrix.
13. Approval of Payment of Bills for February 14, 2011: Checks #65579 through #65751 in the amount of \$1,061,980.85.
14. Approval of Payroll for the Month of January: Checks #5835 through #5850 in the amount of \$306,462.27.

**MOTION:** Move to adopt the Consent Agenda as presented.  
**Ekberg / Kadzik** - unanimously approved.

The agenda was amended to postpone the swearing in ceremony to follow Old Business to allow Officer Hutches to arrive.

**OLD BUSINESS:**

1. Official City Newspaper. City Clerk Molly Towslee explained that the advertisement to bid for the city's official city newspaper mistakenly contained language that deals with advertising of bids for the small works roster and has nothing to do with the call for an official newspaper. In addition State law does not require the City to award its official newspaper status to the lowest responsible bidder nor does the City Code.

**MOTION:** Move to reconsider the motion of January 24th to award the designation of the "Official City Newspaper" to *the Peninsula Gateway*.

**Ekberg / Conan** – unanimously approved.

**MOTION:** Move to withdraw the January 24 designation of *the Peninsula Gateway* as "Official City Newspaper," to reject all proposals, and to direct the City Clerk to readvertise without the public works language.

**Ekberg / Conan** – four voted in favor. Councilmember Malich voted no.

**SWEARING IN CEREMONY:** Chief Mike Davis introduced the city's newly hired police officer, Debra Hutches. After giving a brief overview of her background, he asked Mayor Hunter to perform the ceremony to swear her in as Police Officer.

**EXECUTIVE SESSION:** For the purpose of discussing potential litigation per RCW 42.30.110(1)(i).

**MOTION:** Move to go into Executive Session at 5:39 p.m. for approximately 20 minutes to discuss potential litigation per RCW 42.30.110(1)(i).

**Kadzik / Conan** – unanimously approved.

**MOTION:** Move to return to regular session at 6:00 p.m.

**Kadzik / Conan** – unanimously approved.

**NEW BUSINESS:**

1. Employee Medical Insurance Voluntary Opt-Out Proposal – Memorandum of Understanding. City Administrator Rob Karlinsey presented the background information on this proposed medical opt out for supervisory employees and answered Council questions.

**MOTION:** Move to authorize the Mayor to sign the attached Memorandum of Understanding with the Supervisor's Guild.

**Ekberg / Kadzik** – unanimously approved.

2. First Reading of Ordinance – Amending the 2011 Salary Schedule. Administrator Karlinsey explained that this ordinance will correct the error in the salary range for the Assistant Building Official/Fire Marshal adopted in the 2011 Budget. This will come back for a second reading and adoption at the next meeting.

**STAFF REPORT:**

1. 2010 Ending Fund Balance. City Administrator Karlinsey reported that the 2010 Ending Fund Balance has come in 2% higher than anticipated which amounts to

approximately \$200,000.00. He offered several options for what Council could choose to do with these funds. He explained that a list of possible new projects would be presented to the Operations and Public Projects Committee for discussion.

2. The Borgen Boulevard Local Improvement District has been paid off and the left over reserve for city use is \$100,000.00. Administrator Karlinsey said he would come back to Council with a recommendation for how these funds can be used.

3. Maritime Pier Update. Administrator Karlinsey presented information on the proposed plan to be submitted for a maintenance permit to replace the existing pier. He said that the plan had been reviewed by the stakeholders group who concurred with the plan with the understanding that this doesn't preclude future expansion of the size or use of the pier.

Councilmember Franich asked a question about using volunteer labor, citing the offer by the Fishermen's Club to contribute \$50,000 towards the project, and the possibility that they could use their equipment to clear the site. City Attorney Angela Belbeck responded by saying that there is the ability to use volunteer labor up to what she thinks is \$75,000 before the city has to financially match funds. She added that there are limitations to the floor size of a project for this to come into play.

**PUBLIC COMMENT:** None.

**MAYOR'S REPORT / COUNCIL COMMENTS:**

Councilmember Paul Kadzik recognized the Boy Scouts in the audience and thanked them for coming to the meeting.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Operations Committee – Thu. Feb 17<sup>th</sup> at 3:00 p.m.
2. Civic Center closed in Observance of Presidents Day – Mon. Feb. 21<sup>st</sup>.
3. Finance / Safety Committee Tues. Feb 22<sup>nd</sup> at 4:00 p.m.
4. Boards and Candidates Review – Mon. Feb. 28<sup>th</sup> at 4:00 p.m.

**ADJOURN:**

**MOTION:** Move to adjourn at 6:27 p.m.  
**Franich / Conan** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1016

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Charles L. Hunter, Mayor

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Molly Towslee, City Clerk

**PROCLAMATION OF THE MAYOR  
OF THE CITY OF GIG HARBOR**

WHEREAS, the citizens of Gig Harbor stand firmly committed to promoting reading as the catalyst for our students' future academic success, their preparation for America's jobs of the future, and their ability to compete in a global economy; and

WHEREAS, Gig Harbor Academy has provided significant leadership in the area of community involvement in the education of our youth, grounded in the principle that educational investment is key to the community's well-being and long-term quality of life; and

WHEREAS, "NEA's Read Across America," a national celebration of Dr. Seuss's 107th birthday on March 2, 2011, sponsored by the National Education Association, promotes reading and adult involvement in the education of our community's students; and

WHEREAS, the City of Gig Harbor City Council enthusiastically endorses "NEA's Read Across America" and recommits our community to engage in programs and activities to make America's children the best readers in the world;

NOW, THEREFORE, I, Charles Hunter, Mayor of the City of Gig Harbor, do proclaim March 2nd 2011, as

***READ ACROSS AMERICA DAY***

and invites citizens of Gig Harbor to assure that every child is in a safe place reading together with a caring adult to celebrate Dr. Seuss's 107th birthday.

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**Mayor, City of Gig Harbor**

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**Date**

**PROCLAMATION OF THE MAYOR  
OF THE CITY OF GIG HARBOR**

**WHEREAS**, Pierce County READS seeks to provide, cultivate, and encourage reading opportunities for a community of readers throughout Pierce County; and

**WHEREAS**, Pierce County READS will be a focused 10-week period, March 5th – April 30, 2011, when people throughout the county will read the selected award-winning book, participate in free events, join with groups to discuss the book, and attend a free event to meet the nationally known, award-winning author on April 30th at 7 p.m. with the full schedule of events and activities available at [www.piercecountylibrary.org](http://www.piercecountylibrary.org); and

**WHEREAS**, the Pierce County Library is offering this community-wide program in collaboration with numerous community partners; and

**WHEREAS**, Pierce County READS will foster and strengthen community involvement and unity through a shared reading activity;

***NOW, THEREFORE, I, Charles Hunter, Mayor of the City of Gig Harbor, do proclaim March 5th through April 30, 2011 as***

***Pierce County READS***

in recognition of Pierce County Library System and The News Tribune's Pierce County READS, sponsored by Key Foundation, a foundation funded by KeyBank and invite all citizens of Gig Harbor to join me in this special observance. In Witness Whereof, I have hereunto set my hand and caused the Seal of the City of Gig Harbor to be affixed this 28<sup>th</sup> of February.

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**Mayor, City of Gig Harbor**

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**Date**

**Subject: Resolution – Surplus Equipment**

**Dept. Origin:** Finance

**Proposed Council Action:**

**Prepared by:** Kay Johnson

Adopt the attached resolution surplusizing this City-owned equipment.

**For Agenda of:** February 28, 2011  
**Exhibits:**

Initial & Date

**Concurred by Mayor:**

CLH 2/22

**Approved by City Administrator:**

RJK

**Approved as to form by City Atty:**

[Signature]

**Approved by Finance Director:**

[Signature]

**Approved by Department Head:**

[Signature] 2.16.2010

Expenditure	Amount	Appropriation
Required \$0	Budgeted \$0	Required \$0

**INFORMATION / BACKGROUND**

The city has a surplus of antiquated equipment which needs to be properly disposed. This surplus occurred due to the replacement of outdated equipment.

**FISCAL CONSIDERATION**

The surplus equipment will be sold to either a recycling center or charity organization to be refurbished and reused.

**BOARD OR COMMITTEE RECOMMENDATION**

N/A

**RECOMMENDATION / MOTION**

**Move to:** Adopt the attached resolution surplusizing this city-owned equipment.



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY OF GIG HARBOR  
DECLARING CITY EQUIPMENT SURPLUS AND ELIGIBLE  
FOR SALE.**

**WHEREAS**, the Gig Harbor City Council has determined that city-owned equipment is surplus to the City's equipment needs and has been or is in need of being replaced with new equipment; and

**NOW, THEREFORE**, the City Council of the City of Gig Harbor hereby resolves as follows.

To declare as surplus:

EQUIPMENT	Quantity	SERIAL / ASSET NUMBER	MODEL INFO.
Dell 650 Workstations	5	<b>DSTKK21</b> Asset#01035# <b>FSTKK21</b> Asset#01036 <b>7H20P21</b> Asset#01054 <b>GSTKK21</b> Asset#01040 <b>CH20P21</b> Asset#01056	Precision 650's
Gateway 2000	1	<b>0009167741</b>	E-3110
Dell Precision 340	1	<b>CR2H321</b> No asset #	340

	<p><b><u>Monitors</u></b>  Dell FP 2000</p>	<p>1</p>	<p>Tw-09e249-46635-32a-038L</p>	<p>FP2000</p>
	<p><b><u>Printers</u></b> HP5610  HP PSC 1210  HP PSC 1210  HP5440 DESKJET</p>	<p>4</p>	<p>CN741DE1K5 No asset #  MY35BCC0WT Asset #01086  MY35BCC0VP No asset #  TH574130W5 Asset#01083</p>	<p>ALL ARE DESKJETS</p>
	<p>Keyboards Miscellaneous box of cables and wires  3 Phones</p>	<p>5  3</p>		<p>Dell  RadioShack</p>

PASSED ON THIS 28 day of February, 2011   .

APPROVED:

\_\_\_\_\_  
MAYOR CHARLES L. HUNTER

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
MOLLY M. TOWSLEE, CITY CLERK

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
RESOLUTION NO.

**Subject:** Banking Services Agreement

**Dept. Origin:** Finance

**Proposed Council Action:** Approve contract with Columbia Bank

**Prepared by:** David Rodenbach, Finance Director

**For Agenda of:** February 28, 2011

**Exhibits:** Banking Services Agreement

Initial & Date

**Concurred by Mayor:**

CLH 2-23-11

**Approved by City Administrator**

ROK

**Approved as to form by City Atty:** by e-mail

**Approved by Finance Director:** [Signature] 2.22.11

Expenditure	Amount	Appropriation
Required see below	Budgeted see below	Required 0

**INFORMATION / BACKGROUND**

January 3, 2011, the city issued a Request for Proposal (RFP) for banking services over the next three years. The due date for all proposals was January 20, 2011. The notice was published in the January 5, 2011 edition of the Peninsula Gateway.

In addition to publishing notice in the paper, we also sent the RFP to all banks with a location within Gig Harbor city limits. Bank of America (our current banking partner), Columbia Bank, Key Bank, Kitsap Bank, Timberland Bank, Umpqua Bank and Union Bank responded.

In addition to price, we considered the overall capabilities of the bank to meet the required service levels described in this RFP; the bank's experience in providing services to the public sector, as well as dedicated resources and personnel; the bank's financial standing among its peers and the associated credit quality ratings; the bank's efforts to understand our banking needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies to improve our current practices and procedures; the credentials and experience of the person(s) assigned to our relationship; and the bank's community involvement.

Considering all these factors, we recommend Columbia Bank as the City's banking partner over the next three year period beginning April 1, 2011

**FISCAL CONSIDERATION**

Columbia Bank had the lowest cost proposal of all respondents.

Monthly banking expenses are dependent on banking and credit card activity. Banking fees under the new contract are expected to be at or below current budget.

**RECOMMENDATION / MOTION**

**Move to:** Approve and authorize the Mayor to execute the attached Banking Services Agreement.

## **CITY OF GIG HARBOR AGREEMENT FOR BANKING SERVICES**

### **I. PARTIES**

This Agreement for Banking Services (the "Agreement") is made and executed this 28th day of February 2011, by and between the City of Gig Harbor, 3510 Grandview Street, Gig Harbor, Washington 98335 (hereinafter "City"), and Columbia Bank, a corporation (the "Bank").

### **II. RECITALS**

WHEREAS, the City issued a Request for Proposals (RFP) for Banking Services; and

WHEREAS, the Bank was the successful bidder in response to the City's RFP for Banking Services; and

WHEREAS, the City desires to enter into an agreement with the Bank for the performance of the banking services identified in the City's RFP; and

WHEREAS, the Bank is agreeable to performing such banking services for the City in accordance with the terms and conditions set forth below; and

NOW, THEREFORE, in consideration of the mutual benefits to the City and the Bank and in consideration of the terms and conditions specified below, the parties agree as follows:

### **III. SCOPE OF BANKING SERVICES**

The Bank shall furnish all labor, materials, and supplies necessary to perform the required banking services as stated in the Banking Services Proposal attached as Exhibit A and incorporated by this reference. All performance of banking services under this agreement shall meet all applicable requirements of state and federal law.

### **IV. TIME OF PERFORMANCE**

The Bank shall commence performance of banking service for the City on April 1, 2011, and this Agreement shall be in effect for a term of three (3) years. Prior to the end of this period, the City may choose to negotiate a renewal option or to request new proposals.

### **V. COMPENSATION**

1. The Bank shall be paid at the specified rate for each of the banking services required by the City as set forth in Exhibit A.
2. The Bank shall direct debit the City on a monthly basis for banking services rendered under this agreement and in accordance with the compensation methods defined in Exhibit A.

## VI. INDEPENDENT CONTRACTOR

The Bank is an independent contractor with respect to the banking services provided under this agreement. Nothing in this agreement shall create the relationship of employer and employee between the parties, nor are any third-party beneficiary rights intended by this agreement. Neither the Bank nor any employee of the Bank shall be entitled to any benefits accorded City employees by virtue of the performance of banking services provided under this agreement. The City shall not, for any reason, be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to the Bank, or any employee of the Bank.

## VII. TERMINATION

The City or the Bank may terminate this agreement, with or without cause, upon sixty (60) days written notice. If to the Bank, notification should be made at the Bank's branch office in the city of Gig Harbor, Washington, located at 3006 Judson Street # 101, Gig Harbor, Washington, to the attention of the Branch Manager; if to the City, notification should be made to the attention of the Finance Director, 3510 Grandview Street, Gig Harbor, Washington. Upon such termination, the City shall pay the Bank only for the banking services completed by the Bank in accordance with this agreement.

## VIII. GENERAL PROVISIONS

- A. Integrated Agreement.** The entire and integrated agreement between the City and the Bank related to the services shall consist of this agreement, the Bank's service-level agreements in connection with the services (including their respective user documentation and set-up forms), the Bank's bid response and the City's RFP as modified by the Bid Response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) this agreement, (2) the Bank's Treasury Terms and Conditions agreements (including user documentation and set-up forms), (3) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the services.
- B. Assignment.** The Bank shall not assign all or any portion of its duties or obligations to provide banking services to the City under this agreement without the City's prior written consent.
- C. Waiver.** A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.
- D. Choice of law.** All questions concerning the validity, interpretation, performance and enforcement of this agreement shall be governed by the laws of the State of Washington, and venue for any action in court regarding this agreement shall lie in Pierce County, Washington. The prevailing party in any such action shall be entitled to reimbursement for its legal costs and expenses, including reasonable attorney's fees.
- E. Compliance with Laws.** The Bank shall comply with all applicable federal, state, local laws, regulations and City ordinances in performing banking services for the City under the terms of this agreement.

**F. Authorized Signatures.** By their signatures below, each party represents that they are fully authorized to sign for and on behalf of the named principal above.

**IX. HOLD HARMLESS/INDEMNIFICATION**

The Bank agrees to indemnify, defend, and hold harmless the City and its officers, officials, agents, and employees, from any claim, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, officials, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015. It is further specifically and expressly understood that the indemnification provided herein constitutes the Bank's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

**X. LIABILITY INSURANCE COVERAGE**

The Bank currently maintains the schedule of insurance coverages below. The Bank will continue to, at the Bank's sole expense, maintain these insurance coverages during the life of this Agreement. The Bank will inform the City in writing of any changes to the coverage within 30 days of the effective date.

- Consultants Error or Omissions or Professional Liability: \$3,000,000 per occurrence
- Bankers Professional Liability insurance with All Risk Coverage for limits of \$3,000,000 per occurrence.
- Electronic Funds Transfer and Computer Fraud Insurance with limits of \$5,000,000 per occurrence.
- Directors & Officer Liability Insurance with a limit of \$15,000,000 per occurrence.

DATED this 28th day of February, 2011

\_\_\_\_\_  
City of Gig Harbor  
Charles L. Hunter, Mayor

\_\_\_\_\_  
Columbia Bank  
Jami L S Block,  
AVP, Cash Mgmt Officer

Approved as to form:

\_\_\_\_\_  
Angela S. Belbeck  
City Attorney





## Banking Services Proposal

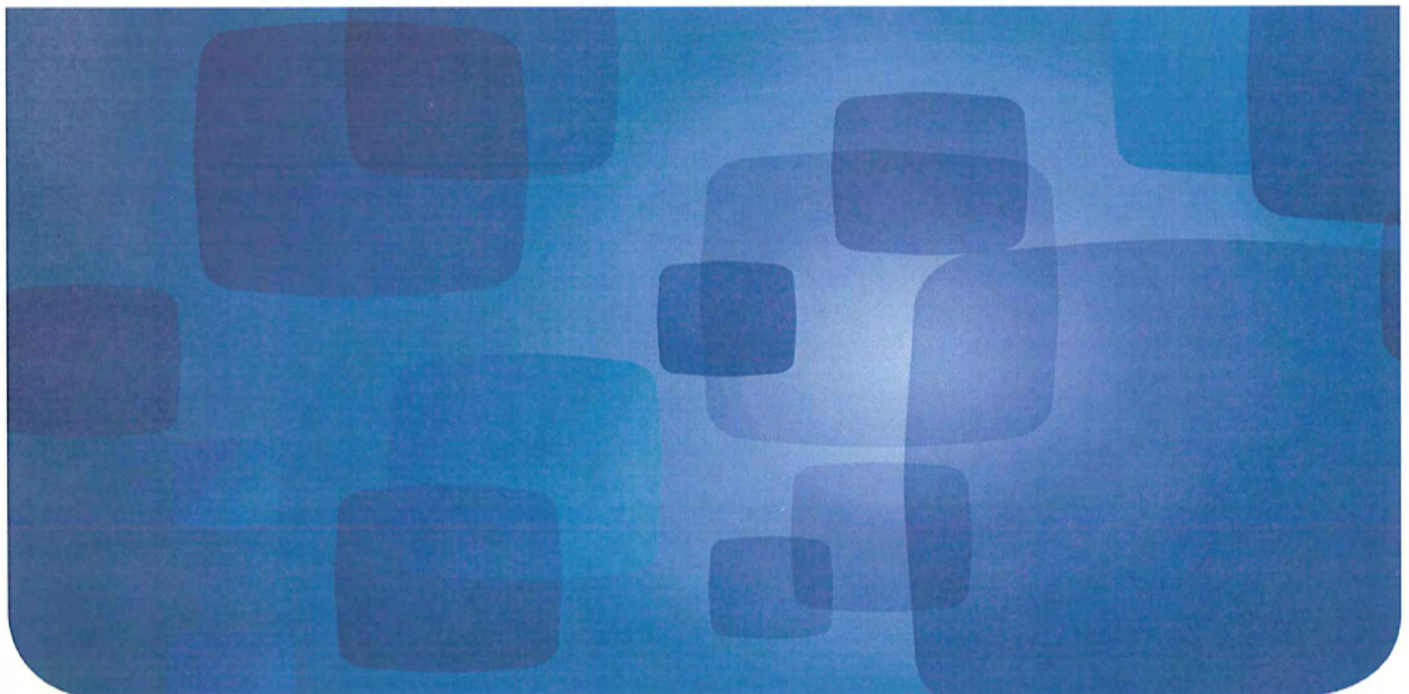
City of Gig Harbor  
January 2011



Presented By:

Jami Block  
AVP, Cash Management Officer

Nancy Stolz  
AVP, Branch Manager Downtown Gig Harbor



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## I. Introduction

Columbia Bank is a state-chartered, full-service bank headquartered in Tacoma, Washington, with assets of over \$4 billion. Columbia State Bank serves small and medium sized businesses, professionals and individuals through 83 banking offices located in Washington and Oregon. Included in Columbia State Bank is Bank of Astoria, with 6 branches on the northern coast of Oregon. The cornerstone of Columbia's philosophy includes a local, friendly approach to doing business, coupled with all the modern conveniences. Columbia State Bank is proud to be a local bank, strongly committed to its customers and the communities it serves.

The Company was reorganized and additional management was added in 1993 in order to take advantage of commercial banking business opportunities resulting from increased consolidation of banks in the Company's principal market area. Columbia Bank has grown from four branch offices in 1993 to its present size.

## II. General Qualifying Conditions

### ***Location within Gig Harbor City Limits***

We have two locations within the Gig Harbor City Limits. Our Gig Harbor Branch at 5303 Pt. Fosdick Drive NW and our Downtown Gig Harbor Branch at 3006 Judson Street; both are full service and ready to assist you.

### ***Qualified Public Depository***

Columbia Bank has been designated by the Washington Public Deposit Protection Commission as a qualified public depository. City of Gig Harbor may review and confirm our status by visiting [www.tre.wa.gov/government/qualifiedpublicdepositories.shtml](http://www.tre.wa.gov/government/qualifiedpublicdepositories.shtml).

A copy of the Washington Public Deposit Protection Commission Quarterly Commission Report is available in the Attachments.

### ***Federal Deposit Insurance Corporation***

Columbia State Bank is insured by the FDIC. We also participate in recent extended FDIC coverage such as the Temporary Account Guarantee (TAG) program. Information on the TAG can be found at [www.FDIC.gov](http://www.FDIC.gov).

### ***Municipal Banking Experience***

Columbia Bank has been providing municipal banking services since our inception almost 18 years ago. We currently bank more than 15 cities in Washington and Oregon; not to mention several PUD's, ports and school districts.

While many banks will boast having a separate "Government Banking" department it really comes down to dedicated personnel with experience serving cities like Gig Harbor. Columbia Bank's Cash Management Tacoma team has a combined total of over 80 years of experience working with diversified clients. This experience gives us the opportunity to think "outside the box" to create customized banking services for the Cities that we serve while still keeping local and state rules and regulations in mind.

### III. Proposal Requirements

#### ***Content and Format***

This proposal was created at the City's request in a simple and economical manner, using double sided printing when possible to cut down on paper usage. The layout of the proposal mimics the subjects and order of contents of the RFP while not including the actual RFP to continue the simplified, economical theme.

#### ***Executive Summary***

Included at the beginning of this proposal is Columbia Bank's Executive Summary which highlights our key elements.

#### ***Proposal Certification Form***

The proposal certification forms, Attachments A and C, are completed and included in this proposal. All five bound proposals have original signatures on the completed certificates.

#### ***Cost Proposal Forms***

Attachment "B" Bid Sheet is included in this proposal. The Banking Services Proposal Form and the Credit Card Proposal Form have both been completed to the City's specified requirements.

#### ***Other Required Information***

##### ***Audited Annual Financial Report***

A bound copy of Columbia State Banks 2009 Annual Report is being provided with this proposal. Our 2010 annual report will be available in March. Fourth Quarter earnings will be available January 27, 2011. All reports are available on our website at [www.ColumbiaBank.com](http://www.ColumbiaBank.com). We would also be happy to provide copies of the new reports when they are available upon request.

##### ***Online Banking and Reporting***

Detailed information on Columbia Online® is available in the Scope of Services>Services Requested section of this proposal. We have also provided Online Banking report samples in the Attachments section.

##### ***Public Depository Liability Report***

A copy of Columbia Banks latest Public Depository Liability report as submitted to the Public Deposit Protection Commission is available in the Attachments section.

**IV. Selection Process*****Qualifications and Criteria for Selection******Experience in Municipal Banking***

Columbia Bank's Cash Management team has continued to provide excellent service and support to the cities that we serve. The top three cities listed in our references have utilized Columbia Bank for all their service needs for a combined total of 38 years.

**REFERENCES****City of Lakewood, WA**

Contact: Mary Ann Norquist  
Address: 6000 Main St SW, Lakewood, WA 98499-5027  
Email: [MNorquist@CityofLakewood.us](mailto:MNorquist@CityofLakewood.us)  
Phone: 253.983.7815

Services Utilized: Online Banking for Balances, Transfers, Wire Transfers and ACH origination – Collections, Direct Deposit of Payroll; CD-ROM; Zero Balance Accounts; Public Funds Sweep Account

**City of Puyallup, WA**

Contact: Vicki York  
Address: 333 S Meridian, Puyallup, WA 98371  
Email: [VickiY@ci.puyallup.wa.us](mailto:VickiY@ci.puyallup.wa.us)  
Phone: 253.841.5473

Services Utilized: Online Banking for Balances, Transfers, Wire Transfers, ACH Origination – Vendor Payments, Tax Payments and Direct Deposit of Payroll; Zero Balance Accounts; Lockbox; Corporate Credit Cards; CD-ROM; Public Funds Sweep Account

**City of Fircrest, WA**

Contact: Colleen Corcoran  
Address: 115 Ramsdell St, Fircrest, WA 98466  
Email: [CCorcoran@CityofFircrest.net](mailto:CCorcoran@CityofFircrest.net)  
Phone: 253.564.8901

Services Utilized: Online Banking for Balances, Transfers, Wire Transfers and ACH origination - Direct Deposit of Payroll; Zero Balance Accounts; CD-ROM; Account Analysis

Paratransit Services, Inc.

Contact: Darlene Riley  
Address: 4810 Auto Center Way, Bremerton, WA 98312  
Email: [DMR@Paratransit.net](mailto:DMR@Paratransit.net)  
Phone: 360.377.7176 x 227

Services Utilized: Online Banking for Balances, Wire Transfers, ACH origination, Direct Deposit

of Payroll and Transfers, Investment Sweep Account, Line of Credit Sweep Account, Remote Deposit Capture, Zero Balance Accounts, Account Analysis

***Strength and Stability of Bank***

Columbia Bank remains very well capitalized, with a total risk-based capital ratio of 24% (Q3 2010), above the threshold set by the FDIC to be considered 'well capitalized' - the highest rating. In 2008 we participated in the Capital Purchase Program (CPP) and have since repaid all \$77 million in CPP funds, and redeemed the associated stock warrants. Net interest margins are relatively stable at 5.24% and Columbia's diverse loan portfolio has helped it avoid concentration of risk in any one segment. Further, Columbia's exceptional 89% core deposit level reflects the strong, lasting relationships built with our customers.

***Charges for Services***

The City will find that Columbia Bank has competitive pricing among our peers. We know that we are not the least expensive or the most expensive, but we provide quality products and customer service that is unbeatable. We encourage you to view the analysis comparison provided in the Attachments section.

***Cost of Transition***

We are enthusiastic to provide transition of your banking services to Columbia Bank with no set up fees and a credit of \$200 toward the purchase of check and deposit supplies. The Downtown Gig Harbor branch will also offer supplies such as coin wrappers, currency straps, night deposit bags and endorsement stamps free of charge.

***Service Enhancements***

At Columbia Bank we really focus on relationships. Having a strong relationship with our clients means we understand their needs sometimes before the need is known. To do this we encourage quarterly meetings to review current account structures and services, get updated on projects that our clients are working on to see how we can assist, review changes in the economy and laws that may affect their banking needs and go over any new banking services or upgrades that may be available or coming soon.

Relationship reviews are critical in understanding the goals of our clients. When doing reviews we sometimes find that a product or service our client is utilizing is no longer effective for their ever changing needs. At Columbia we'll be the first to point this out to our clients, typically saving them money.

With Columbia Bank our Cash Management services never have contractual timeframes tied to them. As new products and services are available our clients are always welcome to give them a try to see how they'll work without the worry of being stuck with something that may not be beneficial.

### **Assigned Relationship Manger/Team**

Columbia Bank takes client services very seriously. We've instituted a team approach to accomplish the objectives noted by the City – namely that City management and staff will always know the right person to contact to get answers to their questions and to address any concerns. Needless to say, no one person can know everything about all the products and services we offer our customers, but we work hard to ensure that all of our City of Gig Harbor team members, from day to day service to long-term relationship management, are not only in touch and available, but also knowledgeable about your City's account structure, unique requirements and people. Despite all the automation and electronic tools we make available to improve efficiencies and save you time and money, banking truly remains a relationship business – and the City's team will get to know its Columbia counterparts very well.

We will provide a full Relationship Team Contact List upon acceptance by the City of Gig Harbor, but in the meantime here's some background on key personnel for your reference:

#### ***Treasury Management***

**Jami Block**, AVP, Cash Management Officer

253.305.1972

[JBlock@ColumbiaBank.com](mailto:JBlock@ColumbiaBank.com)

Jami will have overall responsibility for the Cash Management needs of the City of Gig Harbor. Her diverse banking career began 16 years ago with Key Bank where she held various branch positions and concluded her time with Key in their Central Cash Vault processing over \$2 million in cash daily. Jami joined Columbia Bank in 1999 working in our retail branches and the bank's ATM department. For the past 8 years she has been instrumental in the development and growth of Columbia Bank's Cash Management department. She has served a diverse customer base of non-profit and for-profit organizations in the Puget Sound region and oversees the majority of our Washington municipal accounts, including several cities.

Jami is deeply involved in philanthropic cancer events in the Puget Sound area including the American Cancer Society's Relay for Life and the Leukemia & Lymphoma Society's Tacoma Celebrity Waiters Luncheon Auction. She is a native of Eatonville and has lived her entire life in the Puget Sound area.

Jami's manager is Janice Phillips, Senior Vice President, Deposit & Treasury Management Sales and Service, 253.305.0330, [JPhillips@ColumbiaBank.com](mailto:JPhillips@ColumbiaBank.com).

**David Ragan**, Cash Management Officer

253.396.6975

[DRagan@ColumbiaBank.com](mailto:DRagan@ColumbiaBank.com)

David will be the principal daily cash management contact with City of Gig Harbor staff for transaction and account service and support and will serve as the focal point for initial and ongoing product and technical implementation and training. David is a veteran of 14 years in the financial industry, now in his 3rd year at Columbia Bank. Previously, David was at Harborstone Credit Union in a variety of roles including Online Banking Specialist and ACH Coordinator. David is the lead and most senior member of the Columbia Bank Cash Management Tacoma-based service team. He is backed up by a team of three other professional service representatives under the direction of Customer Service Manager Heather Sommerville.

### ***Branch Operations***

**Nancy Stolz**, AVP Branch Manager Downtown Gig Harbor

253.851.5551

[NStolz@ColumbiaBank.com](mailto:NStolz@ColumbiaBank.com)

Nancy will be the principal branch management contact for the City of Gig Harbor, responsible for the depository location nearest to your offices. Nancy oversees branch operations and a staff of four along with a small loan portfolio.

Nancy began working in the financial services field in 1996 with Columbia Bank. She succeeded in various positions working her way to customer service representative before moving to Kitsap Bank for a brief time to gain experience as a branch officer in charge of balancing the branches daily cash along with monthly compliance audits as well as many other duties. Nancy returned to Columbia Bank after accepting a promotion to manager of our Downtown Gig Harbor branch. She is proud to claim a career in banking of almost 15 years entirely in the Gig Harbor area. Nancy and her staff provide excellent customer service as proven with being voted friendliest bank staff by members of the community for the past three years.

Nancy has lived in the Gig Harbor area for 30 years. She raised both her daughters there where they attended Peninsula Schools.



***Merchant Services***

Villa Kerr, Merchant Card Services Officer

253.512.6464

[VKerr@ColumbiaBank.com](mailto:VKerr@ColumbiaBank.com)

Villa started in the merchant credit card processing business in 1969 and has been a Columbia Bank Merchant Card Services Officer since 2000. She has been recognized numerous times for delivering exemplary customer service and received the WW Philip Excellence in Customer Service Award. Villa values and enjoys helping customers.

Villa has lived in the Gig Harbor area since 1988 and has volunteered at auctions for various organizations including the Gig Harbor Historical Society. She has served on the Tacoma Little Theatre Board and assisted with costuming and also has been involved with Tacoma Mountaineering.

***Community Involvement***

Columbia Bank is proud to be a community leader, strongly committed to our customers and the cities and towns we serve. Through many board memberships, volunteer activities, and fund-raising and sponsorship initiatives, Columbia, and most importantly our employees, strive to make the communities served by our bank - and our people - better places to live.

While our CRA Report shows the amount of sponsorship we provide each county, it can't begin to tally the number of hours our employees commit to the cities that they work and live in as well as the philanthropic organizations that benefit from their dedication. A copy of Columbia Bank's most recent CRA Report is included in the Attachments.

Our Gig Harbor Branches currently serve or have participated with the following organizations:

- Gig Harbor Historic Waterfront Association
- The Boys and Girls Club
- Community in Schools
- The Harbor History Museum
- Gig Harbor Rotary
- Gig Harbor Soroptimist
- Gig Harbor Chamber of Commerce
- Our Gig Harbor branches have sponsored several exciting events and will be the Commodore sponsor for the annual Maritime Gig festival this year.

**Other Factors***Online Security*

Columbia Bank is aware of the consistent need to stay one step ahead of computer hackers and internet users with malicious intent. Our Columbia OnLine® system is set up to give our clients control over online banking users; giving the City peace of mind knowing that you can create dual control processes and segregate duties.

We also use Multi Factor Authentication (MFA) for critical online transaction authentication. MFA authenticates users by identifying at least two pieces of information: something you know, something you have or something you are. Columbia OnLine® users that will need access to send ACH files and/or Wires will be provided user ID's with passwords (something you know) and Security Tokens (something you have).

A Security Tokens is a small hand-held device that resembles a mini calculator and allows for individual user authentication. When wire transfer or ACH files are sent via Columbia OnLine®, a pin number is entered into the token, which then creates a random 6-digit passcode the user provides to the system for release of the file.

*Data Equipment Compatibility*

Columbia Bank is ready to help with any transition needs including preparing your systems to make sure they are compatible with our products. Below is a list of services and their system requirements:

*Internet Banking:*

Columbia Bank's balance reporting, wire transfer, ACH debit/credit systems have the same system requirements. Because these functions are accessed using the Internet Banking system, you will be able to securely access your information from any Internet browser that meets these following system specifications:

- Internet Web Browser with 128 bit encryption - *Microsoft Internet Explorer® v. 6.x or higher, Mozilla Firefox® v. 2.0*
- Java or JavaScript enabled

*Credit Card:*

Columbia Bank Merchant Services inventories the latest models of all POS equipment, supports various processing software certified on the major networks and have experience with integrated systems. POS equipment leases for \$25.00 per unit/monthly.

- Power source and phone line

CD-ROM:

Hardware minimum:

- Pentium II or higher
- 64 MB of RAM
- 15 MB of disk space

Software minimum:

- Windows 98

DailyDEPOSIT®:

Two types of scanners are available depending on daily check volume. Scanners are leased and the lease is included in the monthly fee that goes towards Account Analysis.

- Pentium 4 2.0 GHz Processor-- 3.0 GHz Processor recommended
- 1GB RAM--2GB RAM recommended with batch scanners
- 1024x768 video resolution
- 40GB Hard Drive
- Network Card
- Business Class DSL with a minimum 768kbs upload and 768kbs download
- USB 2.0

Conversion Plan

Columbia Bank has had many successful experiences in transitioning customers to our bank. Our Relationship Team will work with the City to develop a conversion plan suited to the City's timeline and service requirements. During the implementation process the City of Gig Harbor will have direct access to the relationship team member responsible for your conversion. We will provide on-site training with designated City staff as well as provide ongoing training and support over the phone or in person.

A very plain sample implementation plan is listed on the next page that we can customize in detail to the City's needs and put into place to move your relationship from your existing bank to Columbia Bank.

**Week 1**

Action	Responsible Party
All necessary agreements, implementation forms and signature cards provided to City of Gig Harbor	Columbia Bank Branch Cash Management
Signed agreements, implementation forms and signature cards returned to Columbia Bank	City

**Week 2**

Action	Responsible Party
Checking accounts are opened	Columbia Bank Branch
Banking supplies are ordered (deposit slips, endorsement stamps, check stock, etc.)	Columbia Bank Branch
Corporate credit cards are ordered	Columbia Bank Branch
Columbia OnLine® is set-up	Cash Management
Merchant card equipment is ordered	Columbia Merchant Card Services
Begin consultation for accepting on-line credit card transactions	Columbia Merchant Card Services City

**Week 3**

Action	Responsible Party
On site training for Columbia OnLine® - to include testing of ACH and Positive Pay file uploads and installation of dailyDEPOSIT®	Cash Management City
Safe Deposit Box is opened	Columbia Bank Branch
Merchant card equipment is installed and training provided	Columbia Merchant Card Services City
Install and test accepting on-line credit card transactions	Columbia Merchant Card Services City
Notify courier of new depository bank	City

**Week 4**

Action	Responsible Party
Banking supplies are received	City
Corporate credit cards are received	City

*Additional Services*

Columbia Bank offers a host of products that have not been mentioned in the Request for Proposal from the City. We encourage you to read more about them in our Attachments section. Here is a brief list of those services:

- Columbia dailyDEPOSIT® (aka Remote Deposit Capture)
- ACH Filter – electronic fraud prevention
- Columbia Club - checking account package offered to City of Gig Harbor employees
- Corporate Credit Cards –
- Zero Balance Accounts – ZBA's
- Safety Deposit Box –
- Lockbox – Columbia Bank partners with Retail Lockbox for all your lockbox needs
- EDI – Electronic Data Interchange
- Investment Sweep Account - For excess balances
- Line of Credit Sweep - Advance from our pay down your LOC automatically

## V. Terms and Conditions

### ***Awarding Contract***

Columbia Bank agrees to comply with all contract terms detailed in the City of Gig Harbor's Request for Proposal.

### ***Contract Form***

Columbia Bank is happy to use the agreement supplied by the City of Gig Harbor. You will find a signed copy in each of the 5 bound proposals.

### ***Contract Duration***

Columbia Bank will enter into a three-year contract with the City of Gig Harbor if awarded the honor of being the City's bank. Prior to the expiration of the three-year term, Columbia may agree mutually with the City to add one year to the contract.

## VI. Scope of Services

### General Information

Columbia Bank accepts the City's condition of a three year period. After review at the end of the term and at the City's option, this agreement may be extended for one additional year, not to exceed four years in total.

We commend the City of Gig Harbor in the use of a check system, as opposed to warrants. Columbia Bank can provide Positive Pay, a check fraud prevention tool that works similar to warrants, but in a much more streamlined fashion.

Compensation for proposed banking services can be provide in earned credits based on average investable balances, interest, fees or a combination of all three. We would customize the compensation based on the City's needs. Columbia has several checking account options to choose from based on those needs including our new Safety NOW account which provides both earnings credit and interest.

### Services Required

#### CHECKING ACCOUNTS

Columbia Bank will provide the City with two checking accounts; one for general operating purposes and one for the municipal court. We will provide both accounts with the following exceptional services:

- Month-end statements provided by the 5<sup>th</sup> day of the following month. Statements are available by the 3<sup>rd</sup> business day in our Streamline Business Online Banking system. Additional statements for various auditors will be provided upon request in a timely manner
- Individual and consolidated monthly account analysis for all accounts. Statements are printed on the 7<sup>th</sup> of the following month giving Columbia the opportunity to make adjustments and/or corrections to the analysis prior to calculating each months final analysis totals
- Automated wire transfer system for transferring money to other institutions. Columbia OnLine® offers domestic and international wires with easy to use templates and several options for authentication keeping all of the City's wires secure
- Computer reporting system available by 8:00 a.m. each business day for the following: balance reporting, including collected, available and closing balances; detailed debits and credits; and checks paid reports
- Support in answering questions, trouble shooting problems and resolving issues in a prompt manner. Our team is ready to assist at any time and will make sure to keep you apprised as we work to resolve any issues that may arise
- Access to canceled check information along with access to place Stop Payments electronically is available thru our Commercial Online Banking

system or via phone with a member of one of our branches. Users accessing the online banking system can be given customized access to Stop Payments including dual control

- Interest or earnings credits or a combination thereof shall be applied to collected balances for overnight accrual
- Automatically re-deposit deposited items that have been returned for insufficient funds before we return them to the City. Special handling services are also available to customize how the City is notified of returned items
- Provide same day credit for deposits accepted and/or received from the City after 4:00 p.m. on business days. When deposits are received after normal business hours or on Saturdays deposits will post on the following business day
- Incoming wire transfers will be credited in real-time as received throughout the day, up to the Federal Reserve 3:00 p.m. Pacific Time deadline.
- Electronic images of cancelled/processed checks via the Columbia OnLine® system or a monthly CD-ROM. Images are available through our online banking system for three years. CD-ROM images can be saved to a PC for ongoing access along with reconciliation options

#### OVERDRAFT PROTECTION

Columbia Bank's Line of Credit was designed for efficiency giving you fast, easy access to funds. The funds can be used for any purpose you determine; including Overdraft Protection.

Columbia Bank is prepared to consider a maximum \$500,000 Line of Credit for City of Gig Harbor, with terms to include a rate based upon Columbia Bank's Base Rate (currently at 3.25%) fully floating. A minimum rate floor may apply. Line commitment would be reviewed and renewable annually. Annual fee will be waived if primary deposit and cash management relationship is with Columbia Bank.

The terms stated above are for informational purposes only. Columbia Bank has insufficient information to render a credit decision or offer a commitment of credit. This is not to be considered an offer of credit, but merely a basis of discussion. After adequate review of financial condition and subsequent approval, Columbia Bank would then provide a letter of commitment if warranted. Additional terms may be required and subject to standard documentation.

Daylight overdrafts are evaluated on a case-by-case basis. In the event that these do not clear overnight, the overdraft will be covered by the Line of Credit.

**ADDITIONAL ACCOUNTS**

Columbia Bank is happy to offer additional accounts based on the needs of the City at any time. We are able to offer the option of having the special accounts included in the analysis relationship or as stand alone accounts, both of which can defer fees to other designated accounts.

**RELATIONSHIP MANAGER**

As mentioned earlier in this proposal, Columbia Bank uses a team approach to accomplish the objective that City management and staff will always know the right person to contact to get answers to their questions and to address any concerns.

The City of Gig Harbor's branch contact will be Nancy Stolz, Branch Manager Downtown Gig Harbor. Your main office contacts will be Jami Block, AVP Cash Management Officer and David Ragan, Cash Management Officer. Villa Kerr, Merchant Card Services Officer, will be your contact for any credit card processing needs.

We've included a City of Gig Harbor Relationship Team Contact List with this proposal in the Attachments section.

**TRUST AND ESCROW AGENT SERVICES**

Columbia Bank is able to provide Trust and Escrow Services upon request for the City, as well as service requested retainage accounts. In this capacity, acting as a fiduciary agent, Columbia Bank will be able to manage and hold assets and also act as paying agent for the distribution of proceeds, funds, or assets as instructed in the corresponding Trust and Escrow agreements.

**ONLINE BANKING**

Columbia Online®, our Internet-based commercial banking system provides the ability to manage each of City of Gig Harbor's accounts with security, ease and convenience, using a standard web browser and your Internet provider, available 24/7. Access can be provided to checking, savings, money market accounts, sweep accounts, certificates of deposits, loans and lines of credit.

Columbia OnLine® allows you to control multiple accounts and users securely. You determine which accounts and functionality each user is to have through the advanced administration feature, and token-based authentication procedures protect critical transaction sessions and information.

Columbia OnLine® modules are provided to City of Gig Harbor for specific needs including Balance Reporting, ACH Origination, Wire Transfers and Positive Pay. The list of system functions available includes:

- Dual control administration for initiating and approving user access, permissions, wire transfers, ACH transfers, positive pay, template setup, etc.



- Retrieve and download current & prior 12 months statements through Streamlined Business Online Banking. At this time Columbia Bank cannot provide analysis statements via online banking; however we would be happy to have them emailed in an encrypted format to designate City staff members at the beginning of each month.

**ACH DIRECT DEPOSIT**

Columbia Bank understands that the City encourages the use of direct deposit of payroll. Employee's funds are guaranteed to be available by 8:00am on payday if the City transmits to the bank via internet prior to 4:00 p.m. two business days before the effective date. We can accept and process ACH files on a one-day window (sent prior to 4:00 p.m.); however, funds are not guaranteed to be available by 8:00am the next day at all receiving institutions due to NACHA rules and regulations.

The City should be advised that deposits to employees' accounts by 8:00 a.m. on payday following submission of the direct deposit file the previous day before 4:00 p.m. would be dependent on the *receiving institution*. A CD ROM of ACH Rules and Regulations discussing this can be provided upon request.

Columbia Bank strongly encourages the submission of payroll on a two day processing window to take advantage of the NACHA guarantee. This provides ample time to process on a one day window if the City were to have system problems that prevented processing two days prior to payday. However, keep in mind that the City of Gig Harbor is *already* processing one day prior to payday with what sounds like no foreseeable problems. We would interpret this to mean the financial institutions that City employees bank with accept multiple files from their corresponding NACHA institution throughout the business day; specifically, each business day prior to opening.

We understand payroll is a sensitive subject and would happily invite the opportunity to discuss direct deposit in more detail with the City.

**CREDIT/DEBIT CARD (MERCHANT) SERVICES**

Columbia Bank is in a unique position among community banks in that we have built and maintained our own Merchant Services group to serve our customers (and indeed a significant number of other banks as well).

Columbia Merchant Card Service is able to process VISA, MasterCard, Discover, American Express and on-line debit transactions. We can accommodate an account for the Civic Center and as many additional accounts as needed.

Columbia Merchant Card Services processes almost one billion in card deposits annually. We carry an A+ rating with VISA's Risk Management. We handle charge backs, returns and corrections "in house". We have a direct relationship with our processor TSYS (formerly VITAL), which is the VISA backroom. We utilize the two major networks for transaction processing (front end) VISA.net and Global Payment Systems. We are staffed with 22 FTE and have 350 years of Credit Carding Banking experience.

Out of the 4,000 plus Credit Card Acquirers nationwide Columbia Bank Merchant Card Services ranks in the top 65, which is quite an achievement considering we are a regional institution only located within the State of Washington and Northern Oregon and we were not on the Top 100 Acquirers until 2000. We are recognized for delivering a Nordstrom level of customer service for card depositing processing in the Northwest. We offer excellent customer service, providing local support equipment and supplies. Sales drafts, EDC paper and ribbon, window decals, signage, deposit envelopes and transmittal deposit forms are provided at no additional charge. Columbia Merchant Card Services offers an “E-Connections” Internet solution for merchant customers desiring online viewing of card deposits and statements. Though our structure tends to be less complex and less expensive than options offered by our competitors, all fees are charged separately from compensating balance earnings. Additional information on Columbia’s Merchant Card Services is available in the Attachments.

**SAFEKEEPING**

Columbia Bank understands and can accommodate the Safekeeping needs of City of Gig Harbor. Our CB Trust Department would facilitate securities purchased on a delivery versus payment method. They would also provide the safekeeping facilities in their offices on Bainbridge Island. The corresponding bank would be Fifth Third Bank. Monthly costs are dependent on the volume of the portfolio and can be negotiated from our standard pricing. Please see the Bid Sheet for additional cost information.

**VII. Attachment A**

**City of Gig Harbor  
REQUEST FOR PROPOSALS: BANKING SERVICES  
CERTIFICATION**

I have read the Request for Proposal (RFP) for Banking Services and fully understand its intent. I understand that our ability to meet the criteria and provide the required services shall be reviewed by the City, which will develop a recommendation for City Council’s consideration regarding the selection of the most advantageous banking services proposal. It is understood that all information included in, attached to, or required by this RFP shall become public record upon delivery to the City.

In addition to the completed cost proposal forms, the following are included:

1. Audited Annual Financial report for the past fiscal year.
2. Information regarding on-line banking and reporting
3. Copy of latest Public Depository Liability Report as submitted to the Public Deposit Protection Commission.

With my signature, I certify the following:

1. I am authorized to commit my firm to this Proposal and that the information herein is valid for 45 days from this date.

2. That all information presented herein is accurate and complete and that the scope of services can be performed as presented in this proposal upon the City's request.
3. That I have had an opportunity to ask questions regarding this RFP and that those questions have been answered.
4. That I understand that any material omission of required forms or information may result in rejection of this proposal as non-responsive.
5. That this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting an offer for this proposal, and is in all respects fair and without collusion or fraud.
6. That the completion of the Proposal is a binding commitment to provide the banking services requested as proposed herein.

Proposer Signature \_\_\_\_\_ Date 01/19/2001  
Name (printed) Jami L S Block Title AVP, Cash Management Officer  
Financial Institution Columbia State Bank  
Address 1301 A Street, Tacoma, WA 98402  
Phone 253.305.1972 Fax 253.272.7103  
Email Address JBlock@ColumbiaBank.com

VIII.Attachment “B” Bid Sheet

Item	Average Monthly Volume	Per Unit Price	Monthly Cost	Explanation
<b>Depository Services:</b>				
Account maintenance	2	10.00	20.00	
Deposits made	46	0.20	9.20	
Checks deposited (non-encoded)	1,200	0.065	78.00	
Currency deposited	\$7,400	.75 per 1000	5.55	
Checks written/cleared	240	0.14	33.60	
Deposited items returned	4	5.00	20.00	Includes re-deposit
Stop Payments – Manual	3	30.00	90.00	Stops placed thru online banking are reduced to \$15 each
Wire transfer in	1	10.00	10.00	
Wire transfer out	3	15.00	45.00	Wires processed thru online banking are reduced to \$8 each
Positive pay – monthly fee		50.00	50.00	Inclusive fee; no limit to the number of accounts accessed
Positive pay – per item fee		0.00	0.00	
FDIC deposit insurance		0.13 per 1000		Balance used to determine fee is the average ledger balance
<b>General ACH Services:</b>				
ACH Monthly Maintenance	1	35.00	35.00	ACH module price includes all ACH functions
ACH Consumer On Us Credits	38	0.00	0.00	
ACH Consumer Off Us Credits	238	0.00	0.00	
ACH Credit Received Item	54	.10	5.40	
ACH Debit Received Item	26	.10	2.60	
ACH Input-echannel	5	5.00	25.00	This is a per batch fee; there is no limit to the # of transactions in batch
ACH Reports-Electronic	6	0.00	0.00	Included in ACH module fee

Item	Average Monthly Volume	Per Unit Price	Monthly Cost	Explanation
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<b>Wire Transfer Services:</b>				
Wire Module Monthly Maintenance	1		35.00	35.00
Outgoing Wire - Domestic	3		8.00	24.00
Incoming Domestic Wire	1		10.00	10.00
Book Credit	2		3.00	6.00
Wire Advice-Mail	4		0.00	0.00
Wire reports for incoming and outgoing wires are available thru online banking; notifications are available thru email or fax				
<b>Account Reconciliation:</b>				
Account Reconciliation Processing	2		0.00	25.00
Base fee for Columbia OnLine®; includes all information services functions & account reconciliation. Positive Pay also covers the account recon				
<b>Information Services:</b>				
Direct Previous Day Acct	2		0.00	0.00
Direct Current Day Acct	2		0.00	0.00
Direct Current Day Std Item	84		0.00	0.00
Direct Previous Day Std Item	366		0.00	0.00
Image Retrieval	5		0.00	0.00
CD Rom-Cancelled Checks	1		20.00	20.00
<b>Safekeeping (including rptg):</b>				
Maturities/Calls	1		0.06	0.00
On stocks only				
Investment Settlement (DVP)	1		0.00	0.00
>\$500K @ 40 bps; <\$500K 30 bps; <\$1MM20 bps				
Escrow Agent Services	1		0.00	0.00
Overnight Overdraft Rate	\$500,000	Prime + 2%		71.92
Currently 5.25%				
Daylight Overdraft Rate	\$500,000	See formula		
Do not currently charge				
<b>Optional Services:</b>				
Remote Deposit Capture	1		100.00	100.00
Includes installation, lease of scanner and support				
ACH Filter	2		10.00	20.00
Per Account				
Zero Balance	1		10.00	10.00
Per Account				
Investment Sweep	1		50.00	50.00
Line of Credit Sweep	1		75.00	75.00

**FORMULAS:**

**Daylight Overdraft Formula**

Columbia Bank does not currently charge for daylight overdrafts. The banks definition of a

daylight overdraft would be a negative balance position in one of your accounts that is cleared by end of day processing either through an automatic sweep or funds being deposited to your account.

**Overnight Overdraft Formula**

If the City had an account that was in a negative balance for an extended period of time the Bank would charge the City an uncollected funds charge. The uncollected funds usage is charged at a rate of Prime + 2%. This charge is included in account analysis. Uncollected funds usage is calculated by taking the average negative collected balance, divided by 365, multiplied by the rate, multiplied by the number of days in the month.

**FDIC Insurance Formula**

Columbia Bank assesses a fee of \$0.13 per \$1,000 of average ledger balances.

**Service Charge Credit Formula**

The earnings credit is expressed on the analysis statement as an annual rate. To figure the earnings credit for the month, the investable balance is multiplied by the annual rate, divided by 365 and multiplied by the number of days in the month. We can establish your accounts to settle on a monthly, quarterly, semi-annual or annual frequency. We can either direct debit the business checking account or generate an invoice. Direct debit accounts are charged on the 15<sup>th</sup> of the month. Compensation for services rendered may be in the form of collected balances, fees, or a combination of the two.

Credit Card Activity and Fees	
Merchant Name:	City of Gig Harbor
Volume:	\$6,768.00
Average Ticket:	\$116.69
# of Transactions:	58
Based on:	AVG/MO 2010
Rate:	1.74%

Columbia Bank Merchant Card Services				
No. of Trans	Amount	Description	Rate	Fee/Item
1		SUPPORT PACKAGE FEE		\$0.00
43		VISA NETWORK APF		\$0.0195
2		TERMINAL RENTAL FEE		\$15.00
2		PRINTER RENTAL FEE		\$10.00
1	\$1,050.00	VISA VSP CNP	0.90%	\$0.00
2	\$39.00	VISA CK CARD DB	0.00%	\$0.00
25	\$2,527.00	VISA RETAIL 2 DB	0.00%	\$0.00
5	\$427.00	VISA CPS RETAIL 2	0.00%	\$0.00
7	\$1,306.00	VISA EIRF DB	0.47%	\$0.00
	\$5,672.00	VISA DUES & ASSESSMENTS	0.00%	
16	\$1,096.00	MC NABU FEE		\$0.0185
1	\$50.00	MC CORP DATA RT1	1.10%	\$0.00
1	\$250.00	MC PUBLIC SECTOR	0.00%	\$0.00
1	\$10.00	MC MERIT1 DB	0.47%	\$0.00
2	\$50.00	MC MERIT3 DB	0.00%	\$0.00
11	\$736.00	MC EMERGING MKDB	0.00%	\$0.00
	\$1,096.00	MC DUES & ASSESSMENTS	0.00%	
2	\$323.00	VISA EIRF DB	0.47%	\$0.00
121		VISANET AUTHORIZATIONS		\$0.00
6	\$1,477.00	VISA	1.74%	\$0.00
36	\$4,195.00	VISA DEBIT	1.74%	\$0.00
0	\$0.00	VISA BUSINESS	1.74%	\$0.00
1	\$250.00	MASTERCARD	1.74%	\$0.00
14	\$796.00	MC DEBIT	1.74%	\$0.00
1	\$50.00	MC BUSINESS	1.74%	\$0.00
1		TELECOM/NETWORK FEE		\$8.00
1		PCI DSS COMPLIANCE FEE / MO		\$2.92
58		SUPPLIES		\$0.00

Card Plan	# Sales	Amount Sales	Discount %	Disc/Item
V	83	\$44,301.00	1.74%	\$0.00
VD	57	\$7,641.00	1.74%	\$0.00
VB	17	\$6,891.00	1.74%	\$0.00
MC	23	\$4,183.00	1.74%	\$0.00
MD	18	\$2,569.00	1.74%	\$0.00
MB	5	\$1,469.00	1.74%	\$0.00
DB	21	\$2,395.00	0.86%	\$0.44
	224	\$67,054.00		

**IX. Attachment C**

**CITY OF GIG HARBOR AGREEMENT FOR BANKING SERVICES**

**I. PARTIES**

This Agreement for Banking Services (the "Agreement") is made and executed this \_\_\_\_ day of February 2011, by and between the City of Gig Harbor, 3510 Grandview Street, Gig Harbor, Washington 98335 (hereinafter "City"), and Columbia State Bank, a corporation (the "Bank").

**II. RECITALS**

WHEREAS, the City issued a Request for Proposals (RFP) for Banking Services; and

WHEREAS, the Bank was the successful bidder in response to the City's RFP for Banking Services; and

WHEREAS, the City desires to enter into an agreement with the Bank for the performance of the banking services identified in the City's RFP; and

WHEREAS, the Bank is agreeable to performing such banking services for the City in accordance with the terms and conditions set forth below; and

NOW, THEREFORE, in consideration of the mutual benefits to the City and the Bank and in consideration of the terms and conditions specified below, the parties agree as follows:

**III. SCOPE OF BANKING SERVICES**

The Bank shall furnish all labor, materials, and supplies necessary to perform the required banking services as stated in the Banking Services Proposal attached as Exhibit A and incorporated by this reference. All performance of banking services under this agreement shall meet all applicable requirements of state and federal law.

**IV. TIME OF PERFORMANCE**

The Bank shall commence performance of banking service for the City on April 1, 2011, and this Agreement shall be in effect for a term of three (3) years. Prior to the end of this period, the City may choose to negotiate a renewal option or to request new proposals.

**V. COMPENSATION**

3. The Bank shall be paid at the specified rate for each of the banking services required by the City as set forth in Exhibit A.
4. The Bank shall direct debit the City on a monthly basis for banking services rendered under this agreement and in accordance with the compensation methods defined in Exhibit A.



**VI. INDEPENDENT CONTRACTOR**

The Bank is an independent contractor with respect to the banking services provided under this agreement. Nothing in this agreement shall create the relationship of employer and employee between the parties, nor are any third-party beneficiary rights intended by this agreement. Neither the Bank nor any employee of the Bank shall be entitled to any benefits accorded City employees by virtue of the performance of banking services provided under this agreement. The City shall not, for any reason, be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to the Bank, or any employee of the Bank.

**VII. TERMINATION**

The City or the Bank may terminate this agreement, with or without cause, upon sixty (60) days written notice. If to the Bank, notification should be made at the Bank's branch office in the city of Gig Harbor, Washington, located at 3006 Judson Street, to the attention of Nancy Stolz; if to the City, notification should be made to the attention of the Finance Director, 3510 Grandview Street, Gig Harbor, Washington. Upon such termination, the City shall pay the Bank only for the banking services completed by the Bank in accordance with this agreement.

**VIII. GENERAL PROVISIONS**

- G. Integrated Agreement.** The entire and integrated agreement between the City and the Bank related to the services shall consist of this agreement, the Bank's service-level agreements in connection with the services (including their respective user documentation and set-up forms), the Bank's bid response and the City's RFP as modified by the Bid Response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) this agreement, (2) the Bank's Treasury Terms and Conditions agreements (including user documentation and set-up forms), (3) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the services.

- H. Assignment.** The Bank shall not assign all or any portion of its duties or obligations to provide banking services to the City under this agreement without the City's prior written consent.
- I. Waiver.** A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.
- J. Choice of law.** All questions concerning the validity, interpretation, performance and enforcement of this agreement shall be governed by the laws of the State of Washington, and venue for any action in court regarding this agreement shall lie in Pierce County, Washington. The prevailing party in any such action shall be entitled to reimbursement for its legal costs and expenses, including reasonable attorney's fees.
- K. Compliance with Laws.** The Bank shall comply with all applicable federal, state, local laws, regulations and City ordinances in performing banking services for the City under the terms of this agreement.
- L. Authorized Signatures.** By their signatures below, each party represents that they are fully authorized to sign for and on behalf of the named principal above.

#### **IX. HOLD HARMLESS/INDEMNIFICATION**

The Bank agrees to indemnify, defend, and hold harmless the City and its officers, officials, agents, and employees, from any claim, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, officials, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015. It is further specifically and expressly understood that the indemnification provided herein constitutes the Bank's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

#### **X. LIABILITY INSURANCE COVERAGE**

The Bank currently maintains the schedule of insurance coverages below. The Bank will continue to, at the Bank's sole expense, maintain these insurance coverages during the life of this Agreement. The Bank will inform the City in writing of any changes to the coverage within 30 days of the effective date.

- Consultants Error or Omissions or Professional Liability: \$3,000,000 per occurrence
- Bankers Professional Liability insurance with All Risk Coverage for limits of \$3,000,000 per occurrence.
- Electronic Funds Transfer and Computer Fraud Insurance with limits of \$5,000,000 per occurrence.
- Directors & Officer Liability Insurance with a limit of \$15,000,000 per occurrence.

DATED this \_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
City of Gig Harbor  
Charles L. Hunter, Mayor

\_\_\_\_\_  
Columbia State Bank  
Jami L S Block,  
AVP, Cash Mgmt Officer

Approved as to form:

\_\_\_\_\_  
Angela S. Belbeck  
City Attorney

**X. Attachments****Additional Services*****Columbia dailyDEPOSIT®***

Columbia Banks remote deposit capture program, dailyDEPOSIT®, is available to save you time and money by making your check deposits without leaving your desk. Reduce or eliminate courier fees and eliminate early deadlines, submit your scanned deposit by 7:00pm and receive same day credit. A desktop scanner is installed at each of your locations making check deposits. Once the checks are scanned, all images are verified for accuracy and quality, the deposit is balanced and submitted to the bank. You retain the actual checks in a safe and secure manner for sixty (60) days and then destroy them. A video demonstration is available on our website at [www.columbiabank.com](http://www.columbiabank.com). We would also be happy to provide a live demonstration in your offices upon request.

***ACH Filter***

Columbia Bank can establish an ACH filter on the City's accounts to track all incoming ACH transactions and filter or refuse credits or debits not on the approved sender list based on the originator's tax ID number. ACH filters are a strong fraud protection service available for a nominal monthly fee, but providing substantial peace of mind.

***Columbia Club Employee Package***

The City of Gig Harbor employees will enjoy the benefit of reduced rate loans and special discounts, as well as the personalized service that a local bank can offer. Columbia Bank will work with the City in developing an Employee Package to meet the needs of your employees. All that is required to participate in the Columbia Club Employee Package is the establishment of a voluntary direct deposit of payroll program (which the City already has in place) and an opportunity to introduce your employees to Columbia Bank at an agreed-upon time and location. For added convenience, there is no charge from Columbia Bank to use Columbia Cash ATM's or any other bank ATM within Washington State. Coupled with direct deposit of payroll, Columbia OnLine® Internet Banking and Columbia On-Call, our automated telephone service, most bank transactions will be accessible to employees 24 hours a day at literally hundreds of convenient locations.

***Corporate Credit Cards***

Columbia Bank can provide credit cards or purchase cards for travel and other purposes through First Bankcard, our credit card provider. First Bankcard has a 24-hour call center which can be used to obtain balance and transaction information, and the company also provides access to customers to view account activity and make payments instantly online. We invite you to test drive the First Bankcard online system at [www.businesscardaccess.com](http://www.businesscardaccess.com).

As a business customer of the First Bankcard system, the City would have the option of receiving free, easy to read monthly paper management reports in addition to your monthly statement. Or if you prefer, you can take advantage of the Web-based reporting, with a selection of up to 20 standard reports. City personnel can download data into a general ledger system, or import data into a variety of financial management tools.

***Zero Balance Accounts***

Often, it makes sense for certain balances or procedures to be separated from general account processing, yet accomplishing this task through maintaining multiple checking accounts can become quite complex. Zero Balance Accounts (ZBA's) provide a way to easily and efficiently segregate payroll, accounts payable and other functions by automatically funding disbursements and processing collections for different purposes, regardless of the "master" or "sub-account" involved - without the requirement to manually transfer funds back and forth.

As transactions are posted each day, funds are either swept from the sub-accounts to the master account, or funds are swept from the master to the sub-accounts to restore all sub-accounts to a zero balance. ZBAs help ensure efficient operational and accounting practices are achieved while available cash is maximized and invested where it's needed – perhaps using a Sweep account or other earnings vehicle.

***Safety Deposit Box***

Both our Point Fosnick and Downtown Gig Harbor branches have safe deposit boxes available in a variety of sizes. Columbia Bank will provide the City with one box at no charge for the duration of our service as its primary deposit relationship bank.

***Lockbox Services***

Columbia Bank uses a third party provider for our lockbox processing, if needed. Increase productivity for the City by allowing Retail Lockbox to process account receivables in a timelier basis. This service will increase your funds availability, reduce processing costs and increase reliability and security. Contracts and fees associated with Retail Lockbox would be the responsibility of the City. Contact information will be provided upon request.

***Electronic Data Interchange (EDI)***

Receive email notification of incoming Automated Clearing House (ACH) payments along with the detail remittance information that is sent with the payment. EDI reports are sent to you in a secure encrypted email.

***Investment Sweep***

Columbia's Investment Sweep can be linked to a designated checking account to allow the City to earn interest on any excess funds maintained. This product was not designed to replace any current investment system, but rather to enhance it. Excess funds over a set target balance are swept into an interest bearing account, earning returns at a rate published weekly by the bank. A target balance amount is established in the general account based on your input and activity level. Every day, any funds above or below the target balance are automatically swept into or removed from the Investment Sweep account based on the configuration.

**Line of Credit Sweep**

If the City were to establish a Line of Credit we would recommend the use of our Line of Credit Sweep. The sweep can be customized to your needs; whether you need it for overdraft protection to automatically advance when your general account balance goes below zero or if you would like to pay down your balances quicker than manual monthly payments. The Line of Credit Sweep can be used in conjunction with the Investment Sweep account and Zero Balance Accounts.

**Public Depository Commission Report**

State of Washington Date: 01/12/2011 Time: 8:56 am	<b>Washington Public Deposit Protection Commission</b> <b>Quarterly Commission Report</b>	Treasury Management System Report ID: PDCCommissionReport Page 1 of 5
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<u>Columbia State Bank</u>	Date Submitted: <u>October 28, 2010</u>
<i>Legal Name of Bank Depository</i>	
<u>1102 Broadway Plaza, Tacoma, WA 98402-3525</u>	Report Ending: <u>September 30, 2010</u>
<i>Main Branch Location - Address, City, State</i>	
<u>1102 Broadway Plaza</u>	Status: <u>Final</u>
<i>Mailing Address / P.O. Box</i>	
<u>Tacoma, WA 98402-3525</u>	
<i>City / State / Zip</i>	

**PUBLIC DEPOSITS**

Deposits of Washington State and its Political Subdivisions at Quarter End		
Washington Public Deposits (Insured)	46,631,986	
Reciprocal Washington Certificates of Deposits (Insured)	0	
Washington Public Deposits (Uninsured)	21,609,066	
Total Washington Public Deposits		68,241,052
Out-Of-State Public Deposits	70,829,510	

Four-Quarter Average	<b>Report Date</b>	<b>Deposits Reported</b>
	09/30/2010	21,609,066
	06/30/2010	17,545,961
	3/31/2010	10,655,671
	12/31/2009	11,987,754
Total Reported		61,798,452
Four-Quarter Average		15,449,613

**MAXIMUM LIABILITY**

Maximum Liability is the greater of 10% of WA Public Deposits (Uninsured) or 10% of Four-Quarter Average.

Maximum Liability	2,160,907
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Note: Amount your institution can be assessed in the event any public depository fails as defined by RCW 39.58.010(6). This amount will be used as one of the factors to determine collateral levels to be maintained and will not change until the next original quarterly report is received in our office.

**BANK EQUITY CAPITAL**

Perpetual Preferred Stock and Related Surplus	0	
Common Stock	4,345,466	
Surplus (exclude surplus related to preferred stock)	347,018,140	
Retained Earnings	195,664,499	
Accumulated Other Comprehensive Income	22,775,853	
Other Bank Equity Capital Components	0	
Subtotal Bank Equity Capital		569,803,958
Plus Subordinated Notes and Debentures	0	
Total Bank Equity Capital at Quarter End		569,803,958

Washington Proportional Bank Equity Capital		
Deposits - Washington State	2,723,639,553	
Deposits - All Locations	3,467,596,305	
Washington Proportional Bank Equity Capital		447,555,154

**MINIMUM FINANCIAL STANDARDS**

Tier 1 Leverage Ratio	10.01%	
Tier 1 Risk-Based Capital Ratio	16.74%	
Total Risk-Based Capital Ratio	18.01%	
Nonperforming Assets	86,842,452	
Other Real Estate Owned	35,488,411	
Total Nonperforming Assets		122,330,863
Total Assets at Quarter End	4,243,057,529	
FHLB Advances (remaining maturity one year or less)	5,203,961	
FHLB Advances (remaining maturity more than one year)	114,380,095	
Total FHLB Advances		119,584,056
Securities Pledged to Others at Quarter End	325,867,429	
Securities Unpledged at Quarter End	311,207,922	
Collateral Grid Market Value	50,548,372	
Total Securities at Quarter End		687,623,723
Total Loans	2,495,292,988	
Total Deposits	3,467,596,305	
Total Loans to Total Deposits Ratio		71.96%

**DEPOSIT LIMITATION**

Deposit Limitation is the lesser of 150% of WA Proportional Bank Equity Capital or 30% of Total Public Deposits of Washington State.		
150% of WA Proportional Bank Equity Capital	671,332,731	
30% of Total Public Deposits of Washington State	1,402,742,444	
Deposit Limitation		671,332,731

**COLLATERAL ADEQUACY**

Maximum Liability	2,160,907	
Washington Public Deposits (Uninsured)	21,609,066	
Collateral Grid Market Value	50,548,372	
Less Greater of Max. Liab. or WA Pub. Deposits (Uninsured)	21,609,066	
Equals Collateral Grid Market Value Greater Than (Less Than) Required		28,939,306
Percentage of Collateral Grid Market Value to:		
Maximum Liability		2339%
Washington Public Deposits (Uninsured)		234%

**Columbia OnLine® Report Samples**

*Previous Day Report*

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Previous Day Transactions for 01/18/2011 - 01/19/2011

Account Sort: Account Name

Sort: Date/Amount

ABA 125108272

**Claims**

	Description	DB Amount	CR Amount	Serial Num	Ref Num
01/18/2011	Automatic Transfer Credit		\$15,192.97		
	From DDA XXXXXX3909/				
	Check Paid	\$6,392.19		59720	
	Check Paid	\$4,515.40		59559	
	Check Paid	\$2,462.76		59612	
	Check Paid	\$1,060.00		59643	
	Check Paid	\$265.88		59636	
	Check Paid	\$158.89		59615	
	Check Paid	\$120.00		59639	
	Check Paid	\$120.00		59609	
	Check Paid	\$97.85		59460	
<b>Totals for Account</b>		<b>\$15,192.97</b>	<b>\$15,192.97</b>		
<b>Total Debits/Credits</b>		<b>9</b>	<b>1</b>		

ABA 125108272

**General**

	Description	DB Amount	CR Amount	Serial Num	Ref Num
01/18/2011	Deposit		\$149,492.03		
	Automatic Transfer Debit	\$70,391.58			
	To DDA XXXXXX0120/				
	Automatic Transfer Debit	\$15,192.97			
	To DDA XXXXXX3917/				
	Deposit		\$2,980.59		
	PreAuthorized ACH Credit		\$500.70	000000930124125	125108270000648
	MERCHANTCARDSVCS DEP/				
	PreAuthorized ACH Credit		\$430.00	000000930124125	125108270000421
	MERCHANTCARDSVCS DEP/				
	PreAuthorized ACH Credit		\$100.00	000000930124125	125108270000422
	MERCHANTCARDSVCS DEP/				
	Automatic Transfer Debit	\$94.70			
	To DDA XXXXXX3925/				



	Deposit		\$24.00		
	PreAuthorized ACH Credit		\$10.00	000000930202536	125108270001518
MERCHANTCARDSVCS DEP/					
	PreAuthorized ACH Credit		\$10.00	000000930202536	125108270001519
MERCHANTCARDSVCS DEP/					
<b>Totals for Account</b>		<b>\$85,679.25</b>	<b>\$153,547.32</b>		
<b>Total Debits/Credits</b>		<b>3</b>	<b>8</b>		

**ABA 125108272**

**Payroll**

	Description	DB Amount	CR Amount	Serial Num	Ref Num
01/18/2011	Automatic Transfer Credit		\$94.70		
From DDA XXXXXX3909/					
	Check Paid	\$94.70		112362	
<b>Totals for Account</b>		<b>\$94.70</b>	<b>\$94.70</b>		
<b>Total Debits/Credits</b>		<b>1</b>	<b>1</b>		
<b>Totals for Report</b>		<b>\$100,966.92</b>	<b>\$168,834.99</b>		
<b>Total Debits/Credits</b>		<b>13</b>	<b>10</b>		

*Balance Report*

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**Balance Summary for 01/18/2011 - 01/18/2011**

**Account Sort: Account Name**

**01/18/2011**

	Closing Ledger	Item Count	Opening Available	Item Count	1 - Day Float	Item Count	2 - Day Float	Item Count	Total Credits	Item Count	Total Debits	Item Count
ABA125108272												
Claims												
	\$0.00		\$0.00		\$0.00		\$0.00		\$15,192.97		\$15,192.97	
ABA125108272												
General												
	\$322,192.62		\$322,192.62		\$152,192.62		\$0.00		\$153,547.32		\$85,679.25	
<b>Totals</b>	<b>\$322,192.62</b>	<b>0</b>	<b>\$322,192.62</b>	<b>0</b>	<b>\$152,192.62</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$168,740.29</b>	<b>0</b>	<b>\$100,872.22</b>	<b>0</b>

Checks Paid Report

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**Checks Paid List for 01/03/2011 - 01/13/2011**

**Account Sort: Account Name**

**Sort: Date/Amount**

**ABA 125108272**

**Payroll**

	Description	DB Amount	CR Amount	Serial Num	Ref Num
01/06/2011	Check Paid	\$2,588.79		112356	
01/10/2011	Check Paid	\$55,203.58		112359	
	Check Paid	\$2,028.52		112360	
	Check Paid	\$671.13		112361	
	Check Paid	\$240.63		112366	
01/11/2011	Check Paid	\$77,196.79		112358	
	Check Paid	\$15,915.33		112364	
	Check Paid	\$881.00		112363	
	Check Paid	\$189.50		112357	
01/12/2011	Check Paid	\$9,312.09		112348	
	Check Paid	\$1,458.54		112367	
	Check Paid	\$487.50		112365	
<b>Totals for Account</b>		<b>\$166,173.40</b>			
<b>Total Debits/Credits</b>		<b>12</b>	<b>0</b>		
<b>Totals for Report</b>		<b>\$166,173.40</b>			
<b>Total Debits/Credits</b>		<b>12</b>	<b>0</b>		

**Account Analysis Comparison**

Nov-10	COLUMBIA BANK				BANK OF AMERICA			
	UNITS	UNIT PRICE	FEE	BAL. REQ.	UNITS	UNIT PRICE	FEE	BAL. REQ.
FDIC	779.00	0.130	101.27	246,423.33	779824.00		84.68	294,363.81
<b>DEPOSITORY SERVICES</b>								
ACCOUNT MAINTENANCE	2.00	10.000	20.00	48,666.60	2.00	15.00	30.00	104,285.71
BANKING CENTER DEPOSIT	40.00	0.200	8.00	19,466.64	40.00	0.40	16.00	55,619.05
GENERAL CHECKS PAID TRUNCATED	241.00	0.140	33.74	82,100.55	241.00	0.14	33.74	117,286.66
<1> DDA STATEMENT PER ACCOUNT	1.00	N/C	0.00	1.00	1.00	20.00	20.00	69,523.81
RETURNS-CHARGEBACKS	1.00	5.000	5.00	12,166.65	1.00	5.00	5.00	17,380.96
<1> RETURNS-RECLEAR	3.00	N/C	0.00	0.00	3.00	4.00	12.00	41,714.28
CKS DEPOSITED UNLEAR ITEMS	874.00	0.065	56.81	138,237.48	874.00	0.12	104.88	364,582.86
DEBITS POSTED- ELECTRONIC	20.00	0.100	2.00	4,866.66	20.00	0.00	0.00	0.00
CREDITS POSTED- ELECTRONIC	51.00	0.100	5.10	12,409.98	51.00	0.00	0.00	0.00
ADDITIONAL STATEMENT	2.00	3.000	6.00	14,599.98	2.00	1.78	3.56	0.00
<b>TOTAL</b>			<b>136.65</b>	<b>332,514.54</b>			<b>221.62</b>	<b>770,393.33</b>
<b>COMMERCIAL DEPS-CASH VAULT</b>								
CURR/COIN DEP/\$100-VLT	69.00	0.075	5.18	12,592.48	69.00	0.10	6.90	23,985.72
<b>TOTAL</b>			<b>5.18</b>	<b>12,592.48</b>			<b>6.90</b>	<b>23,985.72</b>
<b>GENERAL ACH SERVICES</b>								
<2> ACH OPTIONAL RPTS ELECTRONIC	4.00	N/C	0.00	0.00	4.00	2.00	8.00	27,809.52
ACH MONTHLY MAINTENANCE	1.00	35.000	35.00	85,166.55	1.00	30.00	30.00	104,285.72
ACH INPUT-ECHANNEL	4.00	5.000	20.00	48,666.60	4.00	5.00	20.00	69,523.81
<2> ACH CONSUMER ON US CREDITS	37.00	N/C	0.00	0.00	37.00	0.08	2.96	10,289.52
<2> ACH CONSUMER OFF US CREDITS	236.00	N/C	0.00	0.00	236.00	0.08	18.88	65,630.48
ACH CREDIT RECEIVED ITEM	46.00	0.100	4.60	11,193.32	46.00	0.10	4.60	15,990.48
ACH DEBIT RECEIVED ITEM	21.00	0.100	2.10	5,109.99	21.00	0.10	2.10	7,300.00
<b>TOTAL</b>			<b>61.70</b>	<b>150,136.46</b>			<b>86.54</b>	<b>300,829.53</b>
<b>WIRE TRANSFER</b>								
WIRE MODULE MAINTENANCE SVC	1.00	35.000	35.00	85,166.55	1.00	10.00	10.00	34,761.90
ELEC WIRE OUT-BOOK DB	2.00	8.000	16.00	38,933.28	2.00	4.00	8.00	27,809.52
<3> WIRE ADVICE-MAIL	5.00	N/C	0.00	0.00	5.00	2.00	10.00	34,761.91
<3> ELEC WIRE BK MNT TEMP STORAGE	2.00	N/C	0.00	0.00	2.00	0.50	1.00	3,476.19
BOOK CREDIT	3.00	3.000	9.00	21,899.97	3.00	5.00	15.00	52,142.86
<b>TOTAL</b>			<b>60.00</b>	<b>145,999.80</b>			<b>44.00</b>	<b>152,952.38</b>
<b>ACCOUNT RECONCILIATION SVC</b>								
ARP PPAY MAINT-NO RECON	1.00	50.000	50.00	121,666.50	1.00	60.00	60.00	208,571.43
<4> ARP PPAY NO RECON INPUT ITEM	206.00	N/C	0.00	0.00	206.00	0.02	4.12	14,321.90
<4> ARP FULL RECON INPUT PER ITEM	206.00	N/C	0.00	0.00	206.00	0.07	14.42	50,126.66
<b>TOTAL</b>			<b>50.00</b>	<b>121,666.50</b>			<b>78.54</b>	<b>273,019.99</b>

<b>INFORMATION SERVICES</b>									
	GCS TRANSACTION HISTORY	2.00	N/C	0.00	0.00	2.00	0.00	0.00	0.00
	DIRECT PREVIOUS DAY ACCT	4.00	N/C	0.00	0.00	4.00	31.88	127.52	443,283.81
	DIRECT CURRENT DAY ACCT	4.00	N/C	0.00	0.00	4.00	31.88	127.52	443,283.81
	DIRECT CURRENT DAY STD ITEM	81.00	N/C	0.00	0.00	81.00	0.10	8.10	28,157.15
	DIRECT PREVIOUS DAY EXT ITEM	366.00	N/C	0.00	0.00	366.00	0.12	43.92	152,674.28
<5>	<b>TOTAL</b>			25.00	0.00			307.06	1,067,399.05
<b>IMAGE</b>									
<6>	CD ROM MAINTENANCE	2.00	N/C	0.00	0.00	2.00	25.00	50.00	173,809.53
<6>	CD ROM PER IMAGE	242.00	N/C	0.00	0.00	242.00	0.04	9.68	33,649.52
	CD ROM DISK (monthly)	1.00	20.000	20.00	48,666.60	1.00	10.00	10.00	34,761.91
	<b>TOTAL</b>			20.00	48,666.60			69.68	242,220.96
<b>TOTAL CHARGES</b>				<b>459.80</b>				<b>899.02</b>	
<b>BALANCE REQUIRED</b>					<b>1,057,999.72</b>				<b>3,125,164.77</b>
<b>COLLECTED USABLE BALANCE</b>					<b>721,682.43</b>				<b>721,682.43</b>
<b>EARNINGS CREDIT ALLOWANCE</b>				<b>355.90 @ 0.50%</b>				<b>207.61 @ 0.35%</b>	
<b>ANALYSIS RESULTS</b>				<b>103.90 DEBIT</b>				<b>691.41 DEBIT</b>	
<b>ESTIMATED ANNUAL SAVINGS</b>				<b>7050.19</b>					
<1>	Columbia Bank does not charge for this service.								
<2>	Services included in ACH monthly maintenance and input fees.								
<3>	Included in Wire Module Maintenance monthly fees.								
<4>	Maintenance fees for Positive Pay are inclusive.								
<5>	Information services in included in the Commercial Online Banking base monthly fee.								
<6>	Monthly fee for CD-ROM is inclusive. No limit to accounts on disk; however, the CD can only contain 30,000 items.								
<p><i>This proposal has been prepared for the exclusive use of the City of Gig Harbor. Due to the confidential nature of this document, it may not be reproduced or distributed, in whole or in part, without prior written consent of Columbia Bank. Cost estimates are based on volumes submitted by the City of Gig Harbor, and/or Columbia Bank's experience with institutions of similar size and business activity. Terms and conditions quoted herein are current and valid for ninety (90) days, and subject to standard due diligence.</i></p>									

**Columbia Banks Most Recent CRA Report**

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**Large Institution Performance Evaluation**

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**GENERAL INFORMATION**

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of Columbia State Bank (CSB) prepared by the Federal Deposit Insurance Corporation, the institution's supervisory agency, as of December 8, 2008. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

Large Institution Performance Evaluation

**INSTITUTION’S CRA RATING**

**INSTITUTION’S CRA RATING:** This institution is rated Satisfactory.

*The following table indicates the performance level of CSB with respect to the lending, investment, and service tests.*

PERFORMANCE LEVELS	Columbia State Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

(\*) The Lending Test is weighted most heavily when arriving at an overall rating.

**MAJOR FACTORS SUPPORTING THE RATING**

Lending, Investment, and Service Tests

CSB is rated High Satisfactory in the Lending Test. The bank’s level of lending reflects a good responsiveness to assessment area credit needs. At 87.85 percent, CSB originated a substantial majority of the loans reviewed within its assessment areas. The bank’s borrower profile reflects an excellent distribution of businesses of different sizes. The bank’s geographic distribution of loans reflects an adequate penetration throughout the assessment areas. At \$54.3 million, the bank originated a good level of community development loans over the evaluation period. The bank uses flexible loans products to meet assessment area credit needs.

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**Large Institution Performance Evaluation**

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CSB is rated Low Satisfactory in the Investment Test. While the bank's amount of donations is good, CSB's amount of investments is marginally adequate. CSB's investments demonstrate an adequate responsiveness to the needs of its assessment areas, but the bank did not use any innovative or complex investments to support community development initiatives.

CSB's Service Test rating is High Satisfactory. CSB's branch offices are easily accessible to all customers in the assessment areas, including those in low- and moderate-income (LMI) geographies. Services and business hours are tailored to the needs of LMI geographies and families within the assessment areas. There are no significant differences in retail services among the branches. The institution provided a good level of community development services within the assessment areas.

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**Merchant Card Services**

# Merchant Card Services

February 22, 2011

City of Gig Harbor  
 Attn: David Rodenbach, Finance Director  
 3510 Grandview Street  
 Gig Harbor, WA 98335

Dear Mr. Rodenbach:

Columbia Bank Merchant Card Services is interested in obtaining your merchant bankcard deposit relationship. Our Merchant Center is staffed by local card professionals with a primary goal of providing the best possible customer service. Columbia Bank is a locally owned Financial Institution and committed to the needs of our customer.

The following is for your review:

**ELECTRONIC DRAFT CAPTURE** - Discount fees are impacted by Visa/MasterCard/Discover/Diners/JCB® "Interchange Rates", which are driven by the enhanced data on the card's magnetic strip (requiring card swipe), card type and entry mode. This influences discount assessed on various transactions.

- **RETAIL – Card Present** - Qualified items (Card swipe, daily deposit) 1.74 %

Under certain conditions additional assessment fees of 0.15% to 1.70% may occur:

Reward-type cards  
 Some business, corporate and purchase cards  
 Hand keyed or card-not-present items with address verification (AVS) and invoice number  
 Delayed deposited items-past 2 days  
 Offline transactions  
 Missing required card information

- **PCI DSS Compliance:**

The VISA, MasterCard, Discover and American Express Card Programs require businesses to meet certain security standards to protect cardholder information. All merchants accepting "card payments" must meet the "Payment Card Industry Data Security Standards" (PCI DSS). This includes completing an annual questionnaire, filling out and signing an "Attestation of Compliance" and in some cases a security scan of your business IP address due to the transmission or storing of cardholder information. We work with an approved scanning vendor, **ControlScan**, and we will assist you with the referral to complete this process.

- **Processing Options:**

1) **EDC Terminal/Printer (Unit)** - We provide the latest models of Point of Sale Products for \$25.00 per month rental, with 24-hour, 7-day a week assistance. An \$8.00 per month telecommunication/ network fee is assessed per unit. Merchant owned equipment will be assessed a \$25 Reprogramming Fee per unit. Merchant Card Services supports many integrated systems (PC's/software) and will work with various software/hardware providers to expedite the right solution for your business. When using the Integrated Solutions the \$8.00 network fee applies as well.



**2) PASS Products: To View Demo Site for all Pass Products: <http://www.merchantexperience.com/>**

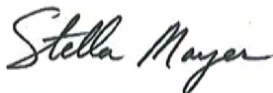
- **WebPASS** (Virtual Terminal) - TSYS provides an IP Payment gateway that enables CNP merchants to authorize, capture and manage card transactions. The setup fee is \$75.00. An \$18.50 monthly gateway fee is assessed plus \$0.10 per transaction.

**3) Authorize.Net** – We partner with Authorize.Net to provide an Internet Protocol (IP) payment gateway that enables merchant to authorize, capture and manage card transactions. The set up fee is \$55.00. An \$18.50 monthly gateway fee is assessed plus \$0.10 per transaction. Required for all e-commerce merchants, Advance Fraud Detection Suite at \$9.95 monthly. To view demo site: <http://welcome.authorize.net/>.

- **Debit Card Acceptance** – We process PIN driven (on-line) debit transactions at \$0.26 each plus pass-through Network Interchange. This type of acceptance requires a Pin Pad attachment to the POS terminal. Pin Pads are provided at a rental fee of \$7.00 per month.
- **Other Card Types** - We can accommodate signing up for American Express card acceptance. The rates are pre-set for this program and the transactions are provided as part of our servicing. For a discount rate quote, please contact the undersigned.
- **Check Services** - We have two vendors to assist in setting up Check Services: ECHO and Telecheck.
- **E-Connections** - We offer a free "E-Connection" Internet solution for merchant customers desiring on-line viewing of card deposits and statements.
- **Supplies** - Backup imprinters, forms, paper and ribbon are all supplied at **NO** additional cost for customers of our Merchant Program.
- **Pricing** - We offer "base rate plus" pricing and **do not** charge statement, correction, chargeback, ACH/batch or American Express transaction fees. We **do not** charge a monthly minimum discount fee. Months with zero activity would be assessed the network fee.
- **Monthly Activity Statement** - We provide a complete detailed Merchant Statement identifying bankcard activity monthly by location. The gross amounts of Merchant deposits are credited 2 business days after settlement. All fees are automatically deducted from your bank account one time at the end of each calendar month.
- **Membership Fee** - There will be an initial set up fee of \$45.00 for each location. Thereafter, the fee is assessed annually on your anniversary date.

As a Merchant Services Team, we are committed to providing quality service to our customers. We appreciate this opportunity to present our program and are available to discuss any points of this proposal.

Sincerely,

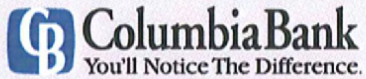


Stella Mayer  
VP, Merchant Card Services  
Columbia Bank  
(800) 900-1946

cc: Jami Block, AVP Cash Management, Columbia Bank



***Columbia Bank Sample Checking Account Statement***



Direct inquiries to:  
Cash Management Department  
(253)396-6979  
P.O. Box 2156, MS 6220  
Tacoma, WA 98401-2156

John Q. Sample  
1234 Cascade Pl.  
Richland, WA 12345-6789

**COMBINED STATEMENT OF ACCOUNTS**

Statement Date: 10/31/07  
Last Statement Date: 9/30/07

**Make daily bank  
deposits from  
your own desk.**

**Remote Deposit Capture**

Call 800-800-8888 or visit  
columbiabank.com for details

This is a placeholder for a Universal Message.  
This is a placeholder for an Account Level Message.

**SUMMARY OF ACCOUNT BALANCES**

Account Name	Account Number	Ending Balance
Basic Business Checking	1234567890	\$14,685.79
Business Savings	9876543210	\$1,001.22
Working Capital/Business Investment	1234567891	\$14685.79

**BASIC BUSINESS CHECKING SUMMARY**

Account Number	1234567890	Beginning Balance	\$14,705.76
Low Balance	\$3,953.28	<b>Credits</b>	
Average Balance	\$3,953.28	Deposits	\$0.00
		ACH Credits	\$0.00
		Other Credits	\$0.00
		Total Credits	+ \$26,676.91
		Total Maintenance Fees	- \$0.00
		<b>Debits</b>	
		ACH Debits	\$0.00
		Other Debits	\$0.00
		Electronic Checks	\$0.00
		Checks	\$0.00
		Total Debits	- \$26,696.88
		<b>Ending Balance</b>	<b>\$14,685.79</b>

**DEPOSITS**

Date	Description	Amount	Date	Description	Amount
11-02	Deposit	\$5,550,501.00	11-02	Deposit	\$5,550,501.00
11-04	Deposit	\$50,501.00	11-04	Deposit	\$50,501.00

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Page 1 of 6

**TO HELP BALANCE YOUR ACCOUNT**

Step 1- Update your checkbook record. Enter checks, interest credited, and service charges not recorded.

Step 2- LIST OUTSTANDING CHECKS, ATM, POS, AND OTHER WITHDRAWALS below.

Step 3- Check Reconciliation

Number	Amount	Number	Amount	Check Reconciliation	
				Ending Statement Balance	
				Add your deposits made but not shown on statement	
				SUBTOTAL	
				Subtract your total outstanding checks & other withdrawals (Step 2)	
				This should agree with your checkbook balance	
		<b>TOTAL</b>	<b>\$</b>		

**SPECIAL NOTATIONS ON YOUR STATEMENT:**

1. When an "R" appears next to a check number, the items has been returned due to insufficient funds.
2. A minus sign (-) to the left of an Ending Balance figure means the account was overdrawn that day.
3. Non-Truncation = non-safekeeping charge.

**IN CASE OF ERRORS OR QUESTIONS ABOUT ELECTRONIC TRANSFERS:** Telephone or write us using the telephone number or address listed below as soon as you can, if you think your statement or receipt is wrong, or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or transfer in question, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

Phone (253) 471-4013  
Columbia Bank  
ATM Operations MS OP-0261  
PO BOX 2156  
Tacoma, Wa 98401-2156

We will investigate your complaint and correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so you will have use of the money during the time it takes us to complete our investigation.

**FOR INQUIRIES ON PRE AUTHORIZED DEPOSITS OR PAYMENTS:** Please telephone us at: (253) 305-1940 or 1-800-305-1905, ext 1940.

**IN CASE OF IRREGULARITIES IDENTIFIED ON THIS STATEMENT:** You must notify us within 30 days of the date we mailed or made this statement available to you of any unauthorized or missing signature, alteration on a check, unauthorized or missing endorsement, or other improper charges identified on this statement. Failure to notify us within the prescribed time period or to commence action against us within 90 days after notice to us will preclude you from asserting claims against us based on such checks or charges.

**IMPORTANT LINE OF CREDIT INFORMATION**

**In case of Error or Questions About Your Bill:** If you think your statement is wrong, or if you need more information about a transaction on this statement, write us on a separate sheet at the address shown on your statement as soon as possible. We must hear from you no later than sixty (60) days after we send you the FIRST statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number;
- The dollar amount of the suspected error;
- Describe the error and explain, if you can why you believe this is an error.  
If you need more information, describe the item you are not sure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you delinquent or take any action to collect the amount you question.

**IN CASE OF LOSS OR THEFT OF YOU COLUMBIA CHECK CARD OR CASH CARD:** To report the loss, theft, disappearance or suspected unauthorized use of the card or any disclosure of the PIN, call (253) 471-4012 anytime.

**COLUMBIA ON CALL:** You may access account information, transfer funds, or make a loan payment anytime by using our automated service. Please call (253) 305-0050 or 1-800-304-0050. We appreciate your business.



**COMBINED STATEMENT OF ACCOUNTS**

Statement Date: 10/31/07

11-07	Deposit	\$2,708.00	11-07	Deposit	\$2,708.00
11-09	Deposit	\$15.25	11-09	Deposit	\$15.25

**Total Deposits: \$5,550,501.00**

**ACH CREDITS**

Date	Description	Amount
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00

**Total ACH Credits: \$5,550,501.00**

**OTHER CREDITS**

Date	Description	Amount	Date	Description	Amount
11-02	Transfer From DDA 3905624010	\$5,550,501.00	11-02	Transfer From DDA 3905624010	\$5,550,501.00
11-04	Transfer From DDA 3905624010	\$50,501.00	11-04	Transfer From DDA 3905624010	\$50,501.00

**Total Other Credits: \$5,550,501.00**

**ACH DEBITS**

Date	Description	Amount
11-02	Preauthorized ACH Dr Something Corp Batch Offset 400010545355	\$5,550,501.00
11-02	Preauthorized ACH Dr Another Corp 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Dr IRS USATAXPYMT 0045855221 4500545355	\$5,550,501.00

**Total ACH Debits: \$5,550,501.00**

**OTHER DEBITS**

Date	Description	Amount
11-02	Trf to Loan Acct To Loan 1234567890	\$5,550,501.00
11-02	Automatic Loan Pmt To Loan 1234567890	\$5,550,501.00
11-02	Online Transfer W/D	\$5,550,501.00

**Total Other Debits: \$5,550,501.00**

**ELECTRONIC CHECKS**

Date	Description	Amount
11-02	Check #3857 WAL_MART/GEMB CHECKPAYMENT	\$501.00

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**COMBINED STATEMENT OF ACCOUNTS**

Statement Date: 10/31/07

11-02 Check #3859 WAL\_MART/GEMB CHECKPAYMENT \$21.00

**Total Electronic Checks: \$5,550,501.00**

**CHECKS**

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
38632564	10-08	\$455,550.50	3874	10-08	\$15.07	3882	10-08	\$64.23
3864	10-09	\$50,501.00	3875	10-09	\$999.64	3883	10-09	\$58.91
3870*	10-04	\$20.00	3876	10-10	\$158.67	3884	10-05	\$12.45
3871	10-02	\$58.67	3880*	10-12	\$212.00	3885	10-16	\$15.98
3873*	10-15	\$18.02	3881	10-15	\$15.75			

\* Indicates skip in check sequence

**Total Checks: \$5,550,501.00**

**DAILY BALANCES**

Date	Balance	Date	Balance	Date	Balance
10-01	\$5,550,501.00	10-11	\$58.67	10-23	\$50,501.00
10-02	\$50,501.00	10-12	\$18.02	10-24	\$20.00
10-03	\$20.00	10-15	\$5,550,501.00	10-25	\$58.67
10-04	\$58.67	10-16	\$50,501.00	10-26	\$18.02
10-05	\$18.02	10-17	\$20.00	10-29	\$5,550,501.00
10-08	\$5,550,501.00	10-18	\$58.67	10-30	\$50,501.00
10-09	\$50,501.00	10-19	\$18.02	10-31	\$20.00
10-10	\$20.00	10-22	\$5,550,501.00		

**BUSINESS SAVINGS SUMMARY**

Account Number	9876543210	Beginning Balance	\$1,000.92
Low Balance	\$3,953.28	<b>Credits</b>	
Average Balance	\$3,953.28	Deposits	\$0.00
		ACH Credits	\$0.00
		Other Credits	\$0.00
<b>Interest Earnings</b>		Total Credits	+ \$0.30
Current Annual Percentage Yield	0.35%	Total Maintenance Fees	- \$0.00
Interest Days	30	<b>Debits</b>	
Interest Earned	\$0.30	Withdrawals	\$0.00
Interest Paid Year-to-Date	\$15.60	ACH Debits	\$0.00
		Other Debits?	\$0.00
		Total Debits	- \$0.00
		<b>Ending Balance</b>	<b>\$1,001.22</b>

**DEPOSITS**

Date	Description	Amount	Date	Description	Amount
11-02	Deposit	\$5,550,501.00	11-10	Deposit	\$5,550,501.00
11-04	Deposit	\$50,501.00	11-11	Deposit	\$50,501.00

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**COMBINED STATEMENT OF ACCOUNTS**

Statement Date: 10/31/07

11-07	Deposit	\$2,708.00	11-12	Deposit	\$2,708.00
11-09	Deposit	\$15.25	11-13	Deposit	\$15.25

**Total Deposits: \$5,550,501.00**

**ACH CREDITS**

<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Credit Merchant Service Merch Dep 000055221 42000010545355	\$5,550,501.00

**Total ACH Credits: \$5,550,501.00**

**OTHER CREDITS**

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-02	Accr Earning Pymt Added to Account	\$5,550,501.00	11-02	Transfer From DDA 3905624010	\$5,550,501.00
11-04	Transfer From DDA 3905624010	\$50,501.00	11-04	Transfer From DDA 3905624010	\$50,501.00

**Total Other Credits: \$5,550,501.00**

**WITHDRAWALS**

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-02		\$5,550,501.00	11-02		\$5,550,501.00
11-04		\$50,501.00	11-04		\$50,501.00

**Total Withdrawals: \$5,550,501.00**

**ACH DEBITS**

<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-02	Preauthorized ACH Dr Something Corp Batch Offset 400010545355	\$5,550,501.00
11-02	Preauthorized ACH Dr Another Corp 000055221 42000010545355	\$5,550,501.00
11-02	Preauthorized ACH Dr IRS USATXPYMT 0045855221 4500545355	\$5,550,501.00

**Total ACH Debits: \$5,550,501.00**

**OTHER DEBITS**

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
11-02	Transfer To DDA 3905624010	\$5,550,501.00	11-02	Transfer To DDA 3905624010	\$5,550,501.00
11-04	Transfer To DDA 3905624010	\$50,501.00	11-04	Transfer To DDA 3905624010	\$50,501.00

**Total Other Withdrawals: \$5,550,501.00**

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**COMBINED STATEMENT OF ACCOUNTS**

Statement Date: 10/31/07

**DAILY BALANCES**

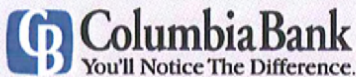
Date	Balance	Date	Balance	Date	Balance
10-01	\$5,550,501.00	10-11	\$58.67	10-23	\$50,501.00
10-02	\$50,501.00	10-12	\$18.02	10-24	\$20.00
10-03	\$20.00	10-15	\$5,550,501.00	10-25	\$58.67
10-04	\$58.67	10-16	\$50,501.00	10-26	\$18.02
10-05	\$18.02	10-17	\$20.00	10-29	\$5,550,501.00
10-08	\$5,550,501.00	10-18	\$58.67	10-30	\$50,501.00
10-09	\$50,501.00	10-19	\$18.02	10-31	\$20.00
10-10	\$20.00	10-22	\$5,550,501.00		

**WORKING CAPITAL/BUSINESS INVESTMENT SUMMARY**

Account Number	1234567890		
Current Balance	\$3,953.28	Unused Line Amount	\$1,013,629.53
Interest Paid MTD	\$3,953.28	Interest Paid YTD	\$33,705.32
Total Principal Paid MTD	\$3,953.28	Current Interest rate	7.750%
		Total Advances	\$14,685.79

Date	Description		Payments	Advances
11-02	Advance	To DDA 1234567890	\$5,550,501.00	
11-03	Prin Pymnt - No Dt	From DDA 1234567890		\$5,550,501.00

**Columbia Bank Sample Analysis Statement**



Direct inquiries to:  
Broadway Branch  
(503)788-8181  
1301 A Street, Ste 800  
Tacoma, WA 98402

John Q. Sample  
1234 Cascade Pl.  
Richland, WA 12345-6789

**ACCOUNT ANALYSIS SUMMARY**

Statement Date: 10/31/07  
Last Statement Date: 9/30/07  
Primary Account Number: 1234567890

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**Remote Deposit Capture**

Call 800-800-8888 or visit columbiabank.com for details

This is a placeholder for a Universal Message.  
This is a placeholder for an Account Level Message.

**ANALYSIS RELATIONSHIP SUMMARY**

Account Number	Name	Earn Credit Allowance	Total Cost	Analysis Credit/Charge
1234567890	John Q Sample	\$79.23	\$14,685.79	\$21.05
1234567890	IOLTA Type II	\$7,074.23	-\$2,791.87	\$4,282.36
Analysis Credit Calculated This Period				\$24,105.83
Analysis Credit Previously Carried Forward				-\$0.00
Total Analysis Charge Debited To Account 1234557890				\$24,105.83

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**Important Account Analysis Information from your statement:**

**Average Ledger Balance:** Ledger balance is the running balance in the account. It is averaged by totaling the daily ledger balance and dividing it by the number of days in the month.

**Average Float:** Float is assigned to some items deposited that must be sent through the Federal Reserve before the bank has use of the funds. It is averaged by totaling the daily float and dividing it by the number of days in the month.

**Average Collected Balance:** Collected balance is the ledger balance minus the float. It is averaged by totaling the daily ledger, subtracting the daily float and dividing it by the number of days in the month.

**Reserves:** Reserves are a percentage of the collected balance the bank holds as a requirement of the Federal Reserve.

**Investable Balance:** The investable balance is the Average Collected Balance minus the Reserve Requirement. This balance is used to calculate the earnings credit allowance for the month.

**Earn Credit Allowance:** The monthly earnings credit rate is applied to the Investable Balance to determine the allowance applied to offset service charges. The calculation is: Investable Balance times Earnings Credit Rate divided by 365 and multiplied by the number of days in the month.

**Required Balances:** The investable balance needed to offset the corresponding service charge. The calculation is: Total service charge divided by the earnings credit rate, multiplied by 365, and divided by the number of days in the month.

**Investable Balance Needed to Avoid Charge:** This is the sum of the Required Balances field and represents the Investable Balance needed to offset all service charges.



**ACCOUNT ANALYSIS DETAIL**

Statement Date: 10/31/07  
Account Number: 1234567890

**ACCOUNT ANALYSIS DETAIL**

Account Number	1234567890		
Report Cycle:	03/01/2007 thru 03/31/2007	Average Ledger Balance	\$24,105.83
Days in Cycle:	31	Average Float	-\$0.00
John Q Sample		Average Collected Balance	\$24,105.83
DBA John Q Sample		Less: Reserves (10.0000%)	-\$2,410.58
1234 Cascade Pl.		Investable Balance	\$21,695.25
Bellevue WA 98005		Earned Credit Allowance (4.3000%)	\$79.23

Transaction Type	Volume	Unit Cost	Service Charges	Required Balances
On-US Items	80	0.650	\$5.20	\$1,424.00
Stop Payment Orders	80	0.650	\$5.20	\$1,424.00
Deposit	80	0.650	\$5.20	\$1,424.00
Credit Memo	80	0.650	\$5.20	\$1,424.00
Check	80	0.650	\$5.20	\$1,424.00
Maintenance Fee	80	0.650	\$5.20	\$1,424.00
Wire Token	80	0.650	\$5.20	\$1,424.00
			Investable Balance Needed to Avoid Charge	\$24,105.83
			Total Charges	-\$0.00
			Earned Credit Allowance	\$24,105.83
			Analysis Credit Calculated This Period	-\$2,410.58



**ACCOUNT ANALYSIS DETAIL**

Statement Date: 10/31/07  
Account Number: 1234567890

**ACCOUNT ANALYSIS DETAIL**

<b>Account Number</b>	<b>1234567890</b>		
Report Cycle:	03/01/2007 thru 03/31/2007	Average Ledger Balance	\$24,105.83
Days in Cycle:	31	Average Float	-\$0.00
IOLTA Type II		Average Collected Balance	\$24,105.83
		Less: Reserves (10.0000%)	-\$2,410.58
		Investable Balance	\$21,695.25
		Earned Credit Allowance (4.3000%)	\$79.23

<b>Transaction Type</b>	<b>Volume</b>	<b>Unit Cost</b>	<b>Service Charges</b>	<b>Required Balances</b>
Interest Paid To Account	80	0.650	\$5.20	\$1,424.00
Local Items	80	0.650	\$5.20	\$1,424.00
Non-Local Items	80	0.650	\$5.20	\$1,424.00
Stop Payment Orders	80	0.650	\$5.20	\$1,424.00
Deposit	80	0.650	\$5.20	\$1,424.00
Check	80	0.650	\$5.20	\$1,424.00
Wire Transfer In	80	0.650	\$5.20	\$1,424.00
Wire Transfer Out	80	0.650	\$5.20	\$1,424.00
Maintenance Fee	80	0.650	\$5.20	\$1,424.00

Investable Balance Needed to Avoid Charge	\$24,105.83
Total Charges	-\$0.00
Earned Credit Allowance	\$24,105.83
Analysis Credit Calculated This Period	-\$2,410.58

As you consider our proposal, please keep in mind that we are prepared to begin immediately to help complete a conversion checklist, such as the one enclosed, and plan an orderly move to Columbia upon your decision to become a Columbia customer. Of course, you may have questions or comments to share, and I urge you to call me at (253) 305-1972 at any time. I look forward to the results of the City's proposal review process, and I will follow up with you soon, regardless. I am very excited by the opportunity to work with you and the City of Gig Harbor team, David, and I know that our Branch Banking staff, Villa Kerr at Merchant Services and all of my colleagues at Columbia Bank join me in saying thanks for the opportunity to pursue your business.

Best Regards,

Jami Block  
Assistant Vice President & Cash Management Officer  
**Columbia Bank**  
1301 A Street, Suite 800  
Tacoma, WA 98402  
JBlock@ColumbiaBank.com

**Subject:** Agreement for Legal Services  
Robert Christie, Christie Law Group PLLC

**Dept. Origin:** Administration

**Prepared by:** Molly Towslee, City Clerk

**For Agenda of:** 02/28/11

**Proposed Council Action:**

**Exhibits:** Agreement for Attorney Services  
Initial & Date

Authorize the Mayor to sign the Agreement  
for Legal Services with Robert Christie

**Concurred by Mayor:** CLH 2/24/11  
**Approved by City Administrator:** PK  
**Approved as to form by City Atty:** e-mail 2-20-11  
**Approved by Finance Director:** CR 2/24/11  
**Approved by Department Head:** \_\_\_\_\_

Expenditure	Amount Budgeted	Appropriation	
Required	See Fiscal Note Below	Required	0

**INFORMATION / BACKGROUND**

This Contract, provided by Robert Christie and approved by the City Attorney is for legal services in connection with the Sergeant Promotion Grievance.

**FISCAL CONSIDERATION**

Sufficient funds are in the administration budget to cover these services.

**BOARD OR COMMITTEE RECOMMENDATION**

None

**RECOMMENDATION / MOTION**

**Move to:** Authorize the Mayor to sign the Agreement for Attorney Services with Robert Christie, Christie Law Group PLLC.

## AGREEMENT FOR ATTORNEY SERVICES

THIS AGREEMENT, effective January 20, 2011, by and between Robert Christie, Christie Law Group PLLC (hereinafter the "Attorney") and the City of Gig Harbor, Washington (hereinafter the "City").

Section 1. Purpose. The purpose of this Agreement is to ensure that the City receives professional services from Attorney in an effective, timely and cost efficient manner while ensuring that the Attorney is appropriately and fairly compensated for services rendered.

Section 2. Scope of Service. Attorney agrees to provide legal services, as requested by the City Council in connection with the Sergeant Promotion Grievance filed by the Gig Harbor Police Guild.

Section 3. Compensation. The City hereby agrees to pay Attorney for legal services at the rate of Two Hundred dollars (\$200.00) per hour. Attorney agrees to use every appropriate method to contain his fees on these matters.

The attorney authorized to work on the matters described above is Robert Christie. The charges for legal services provided will be based on actual time or based on increments which are no greater than 6 minutes.

A legal and research assistant may be used by the Attorney, at a rate of not more than Twenty Dollars (\$20.00) per hour.

The Attorney may bill for travel time, but for no more than two (2) hours from portal to portal during one day. No separate charges shall be paid for such office expenses as the following ordinary costs of doing business: local and long distance telephone costs and charges, postage, meals, clerical staff work, supplies and word processing. The City agrees to reimburse the extraordinary expenses incurred by Attorney, at cost with no mark-up as follows: legal messenger services, photocopies prepared at the Attorney's office shall be reimbursed at the rate of \$.15 per page, photocopies prepared by outside reproduction service shall be reimbursed at cost; computerized legal research over an above the Attorneys' monthly fee shall be reimbursed at cost but only when approved in advance by the City Attorney.

Section 4. Independent Contractor Status. It is expressly understood and agreed that Attorney, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an employee of the City.



Section 5. Billings. Attorney shall submit to the Gig Harbor Finance Director monthly bills for the assigned matter describing the legal services provided during the previous month. Attorney shall not bill for duplicate services performed by more than one person or for services to correct Attorney errors or oversights. Attorney shall bill for only one participant in a conference or consultation between members of Attorney's firm.

Attorney's monthly bills shall include, at a minimum, the following information for each specific matter to which such services or costs pertain: the name of the matter; a brief description of the legal services performed; the date the services were performed; and the amount of time spent on each date services were performed and by whom. In addition to providing copies of all documents as specified below, Attorney shall provide any information that will assist the City in performing a thorough review and/or audit of the billings, as may be requested by the City. The City shall make every effort to timely pay Attorney's invoices.

Any invoices reflecting separate charges for computerized legal research must include copies of the invoice for such computerized legal research associated with the services provided to the City. If any messenger, delivery, or special postage services such as overnight delivery are required, the Attorney will arrange to have such services provided.

Section 6. Advice and Status Reporting. Attorney shall provide the City Attorney and/or City Council with timely advice of all significant developments arising during performance of his services hereunder, orally or in writing, as the City considers appropriate.

Attorney shall provide copies of all e-mails, pleadings, motions, discovery, correspondence, and other documents prepared by the Attorney, including research memoranda, or received by the Attorney unless they have been otherwise provided to the City.

Section 7. Communications. Attorney will communicate primarily with Scott Snyder, City Attorney.

Section 8. Non-Assignment. The parties recognize hereto that a substantial inducement to the City for entering into this Agreement was, and is, the professional reputation and competence of the Attorney. Neither this Agreement nor any interest therein may be assigned by Attorney without the prior written approval of the City.

Section 9. Insurance. The Attorney shall maintain professional malpractice insurance during the life of this Agreement, as required below. Each insurance policy shall be written on an "occurrence" form. The Attorney shall

maintain limits no less than: Professional Liability Insurance, Errors and Omissions: \$1,000,000 single occurrence, \$1,000,000 aggregate limit.

Any deductibles or self-insured retentions must be declared to, and approved by, the City. The deductible and/or self-insured retention of the policies shall not limit or apply to the Attorney's liability to the City and shall be the sole responsibility of the Attorney. To the extent of the Attorney's negligence, the Attorney's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by the City, its officers, officials, employees or agents shall not contribute with the Attorney's insurance or benefit the Attorney in any way. The Attorney's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

Section 10. Licenses. Attorney warrants that he is a member in good standing with the Washington State Bar, and that any license or licenses that are required in order to perform the legal services under this Agreement have been obtained and are valid.

Section 11. Termination. This Agreement may be terminated by either party upon written notice with or without cause. In the event of termination, the Attorney shall be entitled to compensation as provided for in this Agreement, for services performed satisfactorily to the effective date of termination; provided, however, that the City may condition payment of such compensation upon Attorney's delivery to the City of any and all documents, photographs, computer software, video and audio tapes, and other materials provided to Attorney or prepared by or for Attorney or the City in connection with this Agreement.

Section 12. Notices. Notices required under this Agreement shall be personally delivered or mailed, postage prepaid, as follows:

Attorney: Robert Christie  
Christie Law Group, PLLC  
Julie's Landing on Lake Union  
2100 Westlake Ave. No., Ste. 206  
Seattle, WA 98109

To the City: Robert Karlinsey, City Administrator  
3510 Grandview Street  
Gig Harbor, WA 98335

City of Gig Harbor  
Dave Rodenbach, Finance Director  
3510 Grandview Street  
Gig Harbor, WA 98335

Notices given by personal delivery shall be effective immediately. Notices given by mail shall be deemed to have been delivered forty-eight hours after having been deposited in the United States mail.

Section 13. Ownership of Materials. Any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by Attorney pursuant to this Agreement shall be the property of the City at the moment of their completed preparation.

Section 14. Conflict of Interest. Attorney warrants and covenants that Attorney presently has no interest in, nor shall any interest be hereinafter acquired in, any matter which will render the services required under the provisions of this Agreement a violation of any applicable state, local or federal law or any rule of professional conduct. In the event that any conflict of interest should nevertheless hereinafter arise, Attorney shall promptly notify the City of the existence of such conflict of interest.

Section 15. Time is of the Essence. Attorney agrees to diligently prosecute the services to be provided under this Agreement to completion and in accordance with any schedules specified herein. In the performance of this Agreement, time is of the essence.

Section 16. Confidentiality. Attorney agrees to maintain in confidence and not disclose to any person, association, or business, without prior written consent of the City, any secret, confidential information, knowledge or data relating to the products, process or operation of the City and/or any of its departments and divisions. Attorney further agrees to maintain in confidence and not disclose to any person, association, or business any data, information or material developed or obtained by Attorney during the term of this Agreement. The covenants contained in this paragraph shall survive the termination of this Agreement for whatever cause.

Section 17. Amendments. This Agreement is not subject to modification or amendment, except by a written authorization executed by both the Attorney and the duly authorized representative of the City, which written authorization shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

Section 18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

Section 19. Severability. Should any part of this Agreement be declared by a final decision of a court or tribunal of competent jurisdiction to be

unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of the Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the parties.

Section 20. Controlling Law. The laws of the State of Washington shall govern this Agreement and all matters relating to it.

Section 21. Whole Agreement. This Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

Section 22. Disputes. In the event that the parties are unable to resolve any dispute regarding the performance of the legal services or this Agreement, any litigation brought to enforce the terms of this Agreement shall be filed in King County Superior Court. The prevailing party shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing party.

IN WITNESS WHEREOF, Attorney and the City, by the signatures below, have executed this Agreement on the dates indicated below.

Robert Christie  
By   
Robert Christie

Dated: 2/16/11

THE CITY OF GIG HARBOR

By \_\_\_\_\_  
Mayor Charles L. Hunter

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

ATTEST:

\_\_\_\_\_  
Molly Towslee, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Angela Belbeck, City Attorney



Subject: On-Call Development Review – Professional Services with David Evans and Associates
-- Amendment No. 2 to Consultant Services Contract

Proposed Council Action: Authorize the Mayor to execute Amendment No. 2 to the Contract with David Evans and Associates, Inc. for a not-to-exceed amount of \$4,970.00 and a revised contract amount not-to-exceed \$39,486.00.

Dept. Origin: Public Works/Engineering

Prepared by: Stephen Misiurak, PE City Engineer

For Agenda of: February 28, 2011

Exhibits: Amendment No. 2 to CSC Exhibit A

Initial & Date

Concurred by Mayor:

Approved by City Administrator:

Approved as to form by City Atty: OK per AB via email 2/23/11

Approved by Finance Director:

Approved by Department Head:

Handwritten initials and date: CLH 2/24/11

Handwritten initials: DJK

Handwritten initials and date: OK per AB via email 2/23/11

Handwritten initials and date: DJR 2-23-11

Handwritten initials and date: [Signature] 2/24/11

Table with 5 columns: Expenditure Required, see Fiscal Consideration below, Amount Budgeted, see Fiscal Consideration below, Appropriation Required, \$0

INFORMATION / BACKGROUND

The City Engineer recommended that David Evans and Associates, Inc. assist City staff on an on-call basis by providing professional engineering services for civil plan review and traffic analysis of the proposed Safeway development. This service will be utilized at the request of Safeway and the City would manage the professional services contract. The applicant has deposited funds with the City that are kept in a separate account in an amount equal to the estimated cost of the professional services. The City will pay the consultant for services rendered from the monies in the account. Contract Amendment No. 2, in the amount of \$4,970, has been authorized by Safeway, and the additional amount deposited with the City. The additional work consists of completing an additional plan review, verifying applicant responses are adequate and responding to questions from the applicant.

FISCAL CONSIDERATION

Private development monies fund this Consultant Services Contract, along with this Amendment #2, for a new not-to-exceed total of \$39,486.00. This is a "pass-through" expense, paid for by funds that have been deposited with the City from the developer.

BOARD OR COMMITTEE RECOMMENDATION

N/A

**RECOMMENDATION / MOTION**

**Move to:** Authorize the Mayor to execute an Amendment No. 2 to the Contract with David Evans and Associates (DEA) in the not-to-exceed amount of \$4,970.00 and a revised contract amount not-to-exceed \$39,486.00.

**SECOND AMENDMENT  
TO  
CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF GIG HARBOR AND  
DAVID EVANS AND ASSOCIATES, INC.**

THIS SECOND AMENDMENT is made to that certain Consultant Service Contract dated November 23, 2010 (the "Agreement"), as amended by that certain First Amendment dated January 10, 2011, by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and David Evans and Associates, Inc., a corporation organized under the laws of the State of Washington, located and doing business at 3700 Pacific Highway East, Suite 311, Tacoma, Washington 98424 (hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City is presently engaged in the engineering, landscape architectural, site planning, environmental (traffic) review and recommendations pertaining to the civil review of the "Safeway" development and desires to execute an amendment to the Contract in order to modify **Exhibit A—Scope of Work** to be performed by the Consultant and the amount of compensation to be paid by the City and reimbursed by the Safeway development;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties in this Amendment as follows:

**Section 1. Amendment to Scope of Work.** Section I of the Agreement is amended to require the Consultant to perform the additional work described in **Exhibit A**, attached to this Amendment and incorporated herein.

**Section 2. Amendment to Compensation.** Section II(A) of the Agreement is amended to require the City to pay compensation to the Consultant for the work described in **Exhibit A** in an amount not to exceed Four Thousand Nine Hundred Seventy Dollars and No Cents (\$4,970.00), as set forth on **Exhibit A**, attached hereto and incorporated herein.

EXCEPT AS EXPRESSLY MODIFIED BY THIS SECOND AMENDMENT, ALL TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

David Evans and Associates, Inc.

By: Alan M. DeBald  
Its Principal

City of Gig Harbor

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

ATTEST:

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

APPROVED AS TO FORM:

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





DAVID EVANS  
AND ASSOCIATES INC.

**MEMORANDUM**

**DATE:** February 9, 2011

**TO:** Emily Appleton  
City of Gig Harbor  
3510 Grandview Street  
Gig Harbor, WA 98335

**FROM:** Larry Onorati

**SUBJECT:** Point Fosdick Square Redevelopment

**PROJECT:** COGH-0000-0038 – Point Fosdick Square

**COPIES:** 1

Emily:

Thank you for the opportunity to work with the City again and on the Point Fosdick Square Redevelopment project. We have completed the initial plan review, corresponded with the developer's engineers (phone, e-mail), attended review meetings and addresses review comments and addressed code related issues.

As stated, we have reviewed our labor allocation to date (through noon February 4, 2011) and have expended a total of, \$31,437.44. Our January invoice, cumulative through noon January 28, 2011 is \$27,109.24. We will invoice \$4,328.20 for the week of January 29<sup>th</sup>. Additionally, this week we have responded to the project engineers question and assisted the City's with their review and have expended some of the remaining \$3,076.56 (\$34,516.00 minus \$31,437.44).

We estimate that to complete the second plan review, back check of the city comments and respond to questions and code interpretations an additional 34 hours, \$4,920 will be necessary. The breakdown is as follows:

Managing Professional Engineer.....	4 hrs @ \$200.00/hour,	\$800
Senior Professional Engineer.....	6 hrs @ \$175.00/hour,	\$1,050
Professional Engineer .....	12 hrs @ \$140.00/hour,	\$1,680
<u>Design Engineer .....</u>	<u>12 hrs @ \$120.00/hour,</u>	<u>\$1,440</u>
<i>Total.....</i>	<i>34 hours,</i>	<i>\$4,970</i>

Also, note that this estimate assumes that the separate permit(s) for early grading will not be submitted. If the project developer elects to submit additional permit sets, such as an early grading package, our estimate may need to be revised.

Please review and let me know how you would like to proceed.

Larry Onorati

Attachments/Enclosures:

Initials: LAO

File Name: P:\COGH00000038\0300COM\0320Client\2011.02.09 Emily Appleton Status.docx



**Business of the City Council  
City of Gig Harbor, WA**

**Subject:**  
Skansie Net Shed Structural Improvements  
– Consultant Services Contract/ Sitts & Hill  
Engineers, Inc.

**Proposed Council Action:**  
Approve and authorize the Mayor to execute a  
Consultant Services Contract with Sitts & Hill  
Engineers, Inc., in the not to exceed amount of  
\$19,800.00.

**Dept. Origin:** Engineering

**Prepared by:** Stephen Misiurak *SM*

**For Agenda of:** February 28, 2011

**Exhibits:** Consultant Services Contract and  
Scope of Services

Initial & Date

**Concurred by Mayor:**

**Approved by City Administrator:** *RSK*  
**Approved as to form by City Atty:** *NIA EMAIL 2/24/11*  
**Approved by Finance Director:** *FD 2/24/11*  
**Approved by Department Head:** *2/24/11*

<b>Expenditure Required</b>	\$19,800.00	<b>Amount Budgeted</b>	See Fiscal Consideration	<b>Appropriation Required</b>	\$0
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**INFORMATION/BACKGROUND**

The 2011 budgeted Parks Development Objective No. 1 provides for obtaining the necessary permits and the reinforcement and /or replacement of aging pilings to improve the structural integrity of the Skansie Net Shed.

In 2006 the City of Gig Harbor inspected the pilings and structure supports of the Skansie Brothers Net Shed and found 28 of the 66 pilings needs repair or replacement. Several horizontal structural supports throughout the floor section need to be replaced. The city would like to maintain the existing architectural character of the piles support system.

This contract will provide for obtaining the necessary permits and assist with the development of bid documents for the work that will reinforce and shore up the structure.

**FISCAL CONSIDERATION**

The city obtained a grant in 2010 for \$100,000 from National Trust for Historic Preservation/Partners in Preservation for the purposes of stabilizing the 1910 Skansie Net Shed by repairing, sistering or replacing rotten and missing pilings, piling caps, cross members and other structural elements. The city's project match is \$25,000 for a combined total project of \$125,000.

**BOARD OR COMMITTEE RECOMMENDATION**

The condition of the Net Shed was discussed at an Operations & Public Projects Committee meeting in 2006.

**RECOMMENDATION/MOTION**

Approve and authorize the Mayor to execute the Consultant Services Contract with Sitts & Hill Engineers, Inc., in the not-to-exceed amount of \$ 19,800.00.

**CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF GIG HARBOR AND  
SITTS & HILL ENGINEERS, INC.**

THIS AGREEMENT is made by and between the City of Gig Harbor, a Washington municipal corporation (hereinafter the "City"), and Sitts & Hill Engineers, Inc., a Corporation organized under the laws of the State of Washington located and doing business at 4815 Center Street, Tacoma, WA 98409 (hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City is presently engaged in the engineering services for renovation of the floor and pile system at the Skansie Net Shed and desires that the Consultant perform services necessary to provide the following consultation services.

WHEREAS, the Consultant agrees to perform the services more specifically described in the Scope of Work, dated January 31, 2011, including any addenda thereto as of the effective date of this agreement, all of which are attached hereto as **Exhibit A – Scope of Work**, and are incorporated by this reference as if fully set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

**TERMS**

**I. Description of Work**

The Consultant shall perform all work as described in **Exhibit A**.

**II. Payment**

A. The City shall pay the Consultant an amount based on time and materials, not to exceed Nineteen Thousand Eight Hundred Dollars and Zero Cents (\$19,800.00) for the services described in Section I herein. This is the maximum amount to be paid under this Agreement for the work described in **Exhibit A**, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed supplemental agreement. PROVIDED, HOWEVER, the City reserves the right to direct the Consultant's compensated services under the time frame set forth in Section IV herein before reaching the maximum amount. The Consultant's staff and billing rates shall be as described in **Exhibit B – Scope of Work**. The Consultant shall not bill for Consultant's staff not identified or listed in **Exhibit B** or bill at rates in excess of the hourly rates shown in **Exhibit B**; unless the parties agree to a modification of this Contract, pursuant to Section XVIII herein.

B. The Consultant shall submit monthly invoices to the City after such services have been performed, and a final bill upon completion of all the services described in this Agreement. The City shall pay the full amount of an invoice within forty-five (45) days of receipt. If the City objects to all or any portion of any invoice, it shall so notify the Consultant of the same within fifteen (15) days from the date of receipt and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion.

### III. Relationship of Parties

The parties intend that an independent contractor-client relationship will be created by this Agreement. As the Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or sub-consultant of the Consultant shall be or shall be deemed to be the employee, agent, representative or sub-consultant of the City. In the performance of the work, the Consultant is an independent contractor with the ability to control and direct the performance and details of the work, the City being interested only in the results obtained under this Agreement. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance, and unemployment insurance are available from the City to the employees, agents, representatives, or sub-consultants of the Consultant. The Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives and sub-consultants during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

### IV. Duration of Work

The City and the Consultant agree that work will begin on the tasks described in **Exhibit A** immediately upon execution of this Agreement. The parties agree that the work described in **Exhibit A** shall be completed by September 1, 2011; provided however, that additional time shall be granted by the City for excusable days or extra work.

### V. Termination

A. Termination of Agreement. The City may terminate this Agreement, for public convenience, the Consultant's default, the Consultant's insolvency or bankruptcy, or the Consultant's assignment for the benefit of creditors, at any time prior to completion of the work described in **Exhibit A**. If delivered to consultant in person, termination shall be effective immediately upon the Consultant's receipt of the City's written notice or such date stated in the City's notice, whichever is later.

B. Rights Upon Termination. In the event of termination, the City shall pay for all services satisfactorily performed by the Consultant to the effective date of termination, as described on a final invoice submitted to the City. Said amount shall not exceed the amount in Section II above. After termination, the City may take possession of all records and data within the Consultant's possession pertaining to this Agreement, which records and data may be used by the City without restriction. Upon termination, the City may take over the work and prosecute the same to completion, by contract or otherwise. Except in the situation where the Consultant has been terminated for public convenience, the Consultant shall be liable to the City for any additional costs incurred by the City in the completion of the Scope of Work referenced as **Exhibit A** and as modified or amended prior to termination. "Additional Costs" shall mean all reasonable costs incurred by the City beyond the maximum contract price specified in Section II(A), above.

## VI. Discrimination

In the hiring of employees for the performance of work under this Agreement or any sub-contract hereunder, the Consultant, its subcontractors, or any person acting on behalf of such Consultant or sub-consultant shall not, by reason of race, religion, color, sex, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

## VII. Indemnification

The Consultant shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The City's inspection or acceptance of any of the Consultant's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, agents and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER. THE CONSULTANT'S WAIVER OF IMMUNITY UNDER THE PROVISIONS OF THIS SECTION DOES NOT

INCLUDE, OR EXTEND TO, ANY CLAIMS BY THE CONSULTANT'S EMPLOYEES DIRECTLY AGAINST THE CONSULTANT.

The provisions of this section shall survive the expiration or termination of this Agreement.

### VIII. Insurance

A. The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Consultant's own work including the work of the Consultant's agents, representatives, employees, sub-consultants or sub-contractors.

B. Before beginning work on the project described in this Agreement, the Consultant shall provide evidence, in the form of a Certificate of Insurance, of the following insurance coverage and limits (at a minimum):

1. Business auto coverage for any auto no less than a \$1,000,000 each accident limit, and
2. Commercial General Liability insurance no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall include, but is not limited to, contractual liability, products and completed operations, property damage, and employers liability, and
3. Professional Liability insurance with no less than \$1,000,000. All policies and coverage's shall be on a claims made basis.

C. The Consultant is responsible for the payment of any deductible or self-insured retention that is required by any of the Consultant's insurance. If the City is required to contribute to the deductible under any of the Consultant's insurance policies, the Contractor shall reimburse the City the full amount of the deductible within 10 working days of the City's deductible payment.

D. The City of Gig Harbor shall be named as an additional insured on the Consultant's commercial general liability policy. This additional insured endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary in Section B. The City reserves the right to receive a certified and complete copy of all of the Consultant's insurance policies.

E. Under this agreement, the Consultant's insurance shall be considered primary in the event of a loss, damage or suit. The City's own comprehensive general liability policy will be considered excess coverage with respect to defense and indemnity of the City only and no other party. Additionally, the Consultant's commercial general liability policy must provide cross-liability coverage as could be achieved under a standard ISO separation of insured's clause.

F. The Consultant shall request from his insurer a modification of the ACORD certificate to include language that prior written notification will be given to the City of Gig Harbor at least 30-days in advance of any cancellation, suspension or material change in the Consultant's coverage.

### **IX. Exchange of Information**

The City warrants the accuracy of any information supplied by it to the Consultant for the purpose of completion of the work under this Agreement. The parties agree that the Consultant will notify the City of any inaccuracies in the information provided by the City as may be discovered in the process of performing the work, and that the City is entitled to rely upon any information supplied by the Consultant which results as a product of this Agreement.

### **X. Ownership and Use of Records and Documents**

Original documents, drawings, designs and reports developed under this Agreement shall belong to and become the property of the City. All written information submitted by the City to the Consultant in connection with the services performed by the Consultant under this Agreement will be safeguarded by the Consultant to at least the same extent as the Consultant safeguards like information relating to its own business. If such information is publicly available or is already in consultant's possession or known to it, or is rightfully obtained by the Consultant from third parties, the Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise.

### **XI. City's Right of Inspection**

Even though the Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the approval of the City and shall be subject to the City's general right of inspection to secure the satisfactory completion thereof. The Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or become applicable within the terms of this Agreement to the Consultant's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

### **XII. Consultant to Maintain Records to Support Independent Contractor Status**

On the effective date of this Agreement (or shortly thereafter), the Consultant shall comply with all federal and state laws applicable to independent contractors including, but not limited to the maintenance of a separate set of books and records that reflect all items of income and expenses of the Consultant's business, pursuant to the Revised Code of Washington (RCW) Section 51.08.195, as required to show that the services performed by

the Consultant under this Agreement shall not give rise to an employer-employee relationship between the parties which is subject to RCW Title 51, Industrial Insurance.

### **XIII. Work Performed at the Consultant's Risk**

The Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at the Consultant's own risk, and the Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by the Consultant for use in connection with the work.

### **XIV. Non-Waiver of Breach**

The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

### **XV. Resolution of Disputes and Governing Law**

Should any dispute, misunderstanding, or conflict arise as to the terms and conditions contained in this Agreement, the matter shall first be referred to the City Engineer or Director of Operations and the City shall determine the term or provision's true intent or meaning. The City Engineer or Director of Operations shall also decide all questions which may arise between the parties relative to the actual services provided or to the sufficiency of the performance hereunder.

If any dispute arises between the City and the Consultant under any of the provisions of this Agreement which cannot be resolved by the City Engineer or Director of Operations determination in a reasonable time, or if the Consultant does not agree with the City's decision on the disputed matter, jurisdiction of any resulting litigation shall be filed in Pierce County Superior Court, Pierce County, Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The non-prevailing party in any action brought to enforce this Agreement shall pay the other parties' expenses and reasonable attorney's fees.

### **XVI. Written Notice**

All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the agreement, unless notified to the contrary.



Unless otherwise specified, any written notice hereunder shall become effective upon the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated below:

CONSULTANT:  
SITTS & HILL ENGINEERS, INC.  
ATTN: Larry Lindell, P.E.  
Principal, Structural Project Manager  
4815 Center Street  
Tacoma, WA 98409  
(253) 474-9449

City of Gig Harbor  
ATTN: Stephen Misiurak, P.E.  
City Engineer  
3510 Grandview Street  
Gig Harbor, WA 98335  
(253) 851-6170

**XVII. Assignment**

Any assignment of this Agreement by the Consultant without the written consent of the City shall be void. If the City shall give its consent to any assignment, this paragraph shall continue in full force and effect and no further assignment shall be made without the City's consent.

**XVIII. Modification**

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and the Consultant.

[The remainder of this page left intentionally blank]

**XIX. Entire Agreement**

The written provisions and terms of this Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever, this Agreement or the Agreement documents. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and any Exhibits attached hereto, which may or may not have been executed prior to the execution of this Agreement. All of the above documents are hereby made a part of this Agreement and form the Agreement document as fully as if the same were set forth herein. Should any language in any of the Exhibits to this Agreement conflict with any language contained in this Agreement, then this Agreement shall prevail.

IN WITNESS WHEREOF, the parties have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

CONSULTANT

CITY OF GIG HARBOR

By: \_\_\_\_\_  
Its Principal

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

ATTEST:

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

APPROVED AS TO FORM:

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

Professional Engineers and Planners  
4815 Center Street, Tacoma, WA 98409  
Telephone (253) 474-9449  
Fax (253) 474-0153

ROBERT J. DAHMEN, P.E.  
BRENT K. LESLIE, P.E.  
ROBERT N. ERB, P.L.S.  
RANDALL C. HAYDON, P.L.S.  
KATHY A. HARGRAVE, P.E.  
LARRY G. LINDELL, P.E.

**EXHIBIT A  
SCOPE OF SERVICES**

January 31<sup>st</sup>, 2011

CITY OF GIG HARBOR  
3510 Grandview Street  
Gig Harbor, Washington 98335

TO: Mr. Steve Misiurak, P.E.

SUBJECT: **PROPOSAL FOR ENGINEERING SERVICES FOR RENOVATION OF THE FLOOR AND PILE SYSTEM AT SKANSIE NET SHED LOCATED IN GIG HARBOR, WASHINGTON**

Dear Mr. Misiurak:

Sitts & Hill Engineers is pleased to present this proposal for engineering services for a potentially phased renovation of the Skansie Net Shed piles and floor support system in Gig Harbor, Washington. Sitts & Hill Engineers has experience with similar projects throughout the Pacific Northwest. We are committed to providing the Project Team with the high level of responsiveness and service necessary to make this a cost effective and successful project.

This proposal includes our Project Description, Scope of Engineering Services, Exclusions and a summary of estimated Professional Services Fees.

**PROJECT DESCRIPTION**

Sitts & Hill Engineers proposes to provide the engineering services associated with the environmental and building permitting for repair and replacement of deteriorated piles and floor framing members at the above referenced project. We have based our proposal on preliminary information, meetings and design concept drawings provided by City of Gig Harbor.

The project will be designed to the 2009 International Building Code IBC with State and local amendments.

**ASSUMPTIONS**

We have made the following assumptions in the calculation of estimated engineering services fees:

1. Site access points will be off Harborview Drive.
2. The repairs and replacement may be phased.
3. Repair and replacement concepts will be completed by Sitts & Hill with input from City staff.
4. SEPA and JARPA applications will be completed by Sitts & Hill with input from City staff.
5. Sitts & Hill Engineers Staff is not anticipating public input meeting as this is anticipated to be a repair and replacement project.
6. City staff would like to maintain the existing architectural character the piles support system.

**EXHIBIT A  
SCOPE OF SERVICES**

The City of Gig Harbor  
January 31<sup>st</sup>, 2011  
Page 2 of 3

**Consent Agenda - 7  
Page 11 of 17**

**BASIC SCOPE OF ENGINEERING SERVICES**

Sitts & Hill Engineers understands the Scope of engineering services to be defined as follows. If Additional Items are required or excluded, please contact our office so that adjustments can be made to the proposed fees.

1. Meetings with the design team.
2. Foundation system that will maintain the existing architectural character.
3. CAD drafting on AutoCAD sufficient for a permit submittal.
4. Specifications and General Notes. City of Gig Harbor will provide Divisions Zero and One Specifications.
5. Two sets of formal progress for City of Gig Harbor review and coordination.
6. Stamped structural calculations sufficient for a submittal to the Building Department.
7. The Permitting Phase will include coordination with the City as required for permit submittal and the resubmittal of the construction documents, if required. We have budgeted for a meeting with City personnel during this phase and one preapplication meeting to refine the project specific requirements.
8. Limited bidding and Construction Support Services.

**EXCLUSIONS - BASIC SCOPE OF ENGINEERING SERVICES**

The following are a list of Additional Services that, at your request, may be performed under a separate contract if necessary.

1. Our Scope of work will **not** include structural design for fences, site retaining walls or site structures.
2. Site survey data collection or base map preparation.
3. Construction substitutions may be considered as an Additional Service.
4. Approved changes requested by the contractor, owner or design build subcontractors will be billed on a Time and Materials basis.
5. Permitting services **not** specifically included in the Scope of work.
6. Permit agency fees.

**EXHIBIT A  
SCOPE OF SERVICES**

**ENGINEERING FEES**

Basic engineering services are on a Time and Materials basis and will be billed monthly. Construction Support Services will also be billed on a Time and Materials basis to help with budgetary considerations.

**Proposed Fee Schedule**

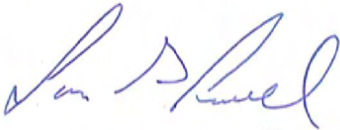
Repair and Maintenance of Pile and Floor Framing System Permit Submittal Package	\$17,300.00
Limited Bidding and Construction Support Services	<u>\$ 2,500.00</u>
<b>Total of all Estimated Services</b>	<b>\$19,800.00</b>

We are prepared to begin work upon receipt of Authorization to Proceed. To assure clarity in matters of our mutual responsibilities, we incorporate our Standard General Conditions and Chargeout Rates, copies of which are attached. These documents, together with this proposal, shall form the basis of our contract for the work. This proposal is valid for a period of 120 days.

We appreciate this opportunity to submit this proposal. If you have any questions, please don't hesitate to contact our office.

Sincerely,

SITTS & HILL ENGINEERS, INC.



Larry G. Lindell, P.E.  
Structural Project Manager

i:jam/2011/prop/Jan/2011-01-31 - GH

\_\_\_\_\_  
Authorization Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name / Title

**EXHIBIT B  
SCHEDULE OF RATES AND  
ESTIMATED HOURS**

*Consent Agenda - 7  
Page 13 of 17*

**SITTS & HILL ENGINEERS, INC.  
4815 Center Street  
Tacoma, Washington 98409**

*The following are representative charges:*

**CIVIL AND STRUCTURAL ENGINEERING DESIGN**

Principal	\$ 130 - 135/Hour
Senior Project Manager	\$ 110 - 120/Hour
Project Manager	\$ 90 - 112/Hour
Engineer	\$ 57 - 116/Hour
Landscape Architect	\$ 112/Hour
Inspectors & Technicians	\$ 57 - 91/Hour

**SURVEYING**

Principal Land Surveyor	\$ 135/Hour
Senior Project Surveyor	\$ 110 - 115/Hour
Project Surveyor	\$ 80 - 100/Hour
Survey Technician	\$ 56 - 95/Hour
Field Crew Chief	\$ 58 - 95/Hour
Field Crew Member	\$ 56 - 67/Hour

**SUPPORT PERSONNEL**

CAD Technician	\$ 59 - 92/Hour
Administration	\$ 60 - 72/Hour

**MISCELLANEOUS**

Mileage	\$ 0.51 per mile
Regular Materials (Stakes)	\$ 0.50 per unit
RTK - GPS	\$ 75.00/Hour
Special Materials	Cost Plus 15%
Subconsultants	Cost Plus 15%

**CONSULTING ENGINEER AND COURT CASES**

Principal	\$ 275/Hour
Engineer	\$ 225/Hour
Land Surveyor	\$ 225/Hour

*Effective September 1<sup>st</sup>, 2010*

**EXHIBIT B  
SCHEDULE OF RATES AND  
ESTIMATED HOURS**

<p>FILE: 2011-02-09 Net Shed.xls DATE: 25 AUGUST 2010 ESTIMATE BY: L LINDELL</p> <p align="center"><b>ENGINEERING SERVICES ESTIMATE PREPARED FOR Gig Harbor Skansie Net Shed, Gig Harbor, Washington</b></p> <p><b>PROJECT: Skansie Net Shed Upgrades, Gig Harbor, WA</b></p>	<p align="right">SITTS &amp; HILL ENGINEERS, INC. 4815 CENTER STREET TACOMA, WA. 98409 TEL. (253) 474-9449 FAX. (253) 474-0153</p> <table border="1"> <thead> <tr> <th data-bbox="407 338 456 1745">DESCRIPTION</th> <th data-bbox="456 338 1359 1745">DESIGN COSTS</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 338 505 1745"><b>DESIGN SERVICES -</b></td> <td></td> </tr> <tr> <td data-bbox="505 338 553 1745">CONSTRUCTION DOCUMENTS</td> <td align="right">\$12,729</td> </tr> <tr> <td data-bbox="553 338 602 1745">GENERAL PROJECT TASKS</td> <td align="right">\$4,737</td> </tr> <tr> <td data-bbox="602 338 1359 1745">CONSTRUCTION PHASE SUPPORT AND PROJECT COMPLETION</td> <td align="right">\$2,565</td> </tr> <tr> <td colspan="2" data-bbox="1203 338 1235 1745"><b>GRAND TOTAL OF COSTS =</b></td> </tr> <tr> <td colspan="2" data-bbox="1235 338 1359 1745" style="text-align: right;"><b>\$20,031</b></td> </tr> </tbody> </table> <p>NOTES:</p>	DESCRIPTION	DESIGN COSTS	<b>DESIGN SERVICES -</b>		CONSTRUCTION DOCUMENTS	\$12,729	GENERAL PROJECT TASKS	\$4,737	CONSTRUCTION PHASE SUPPORT AND PROJECT COMPLETION	\$2,565	<b>GRAND TOTAL OF COSTS =</b>		<b>\$20,031</b>	
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<b>\$20,031</b>															











**Subject: Second reading: Amendment To  
2011 Personnel Salary Schedule**

**Proposed Council Action: Adopt Ordinance**

**Dept. Origin: Finance**

**Prepared by: David Rodenbach**

**For Agenda of: February 28, 2011**

**Exhibits: Ordinance, page 44 of 2011 Budget**

**Initial & Date**

**Concurred by Mayor:**

*CLH 2/23/11*

**Approved by City Administrator:**

*ADK 2/23/11*

**Approved as to form by City Atty:**

Per Email

**Approved by Finance Director:**

*DR 2.21.11*

Expenditure	see fiscal	Amount		Appropriation	
Required	note below	Budgeted	NA	Required	\$0

**INFORMATION / BACKGROUND**

The 2011 personnel salary schedule was adopted by ordinance no. 1201 as part of the city's 2011 budget. We recently learned that the adopted range for the Assistant Building Official/Fire Marshall is incorrect. The salary range should have been increased 4.4 percent in accordance with the salary survey conducted in late 2010. This increase is included in the Salary Range Adjustments page (44) of the adopted 2011 budget (see attached).

**FISCAL CONSIDERATION**

The impact of this range increase is already included in the adopted 2011 budget.

**BOARD OR COMMITTEE RECOMMENDATION**

N/A

**RECOMMENDATION / MOTION**

We recommend that Council adopt this ordinance.

**ORDINANCE NO. 1204**

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON,  
RELATING TO THE 2011 CITY PERSONNEL SALARY SCHEDULE;  
AMENDING THE 2011 CITY PERSONNEL SALARY SCHEDULE TO  
CORRECT AN ERROR.**

---

WHEREAS, on November 22, 2010, the City Council adopted Ordinance No. 1201 setting the 2011 annual budget and salary schedule for city employees; and

WHEREAS, after the City Council's approval of Ordinance No. 1201 staff found an error in the salary range for the Assistant Building Official/Fire Marshall and a correction is needed; and

WHEREAS, the approved budget has capacity to include this change; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON,  
ORDAINS AS FOLLOWS:

Section 1. Amendment. The 2011 personnel salary schedule adopted at section 3 of Ordinance No. 1201 is hereby amended to correct an error, changing the monthly salary range for the Assistant Building Official/Fire Marshall from \$5,153 - \$6,441 to \$5,379 - \$6,724.

Section 2. Effective Date. This Ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this 28th day of February, 2011.

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Molly M. Towslee, City Clerk

APPROVED AS TO FORM:  
Office of the City Attorney

---

Angela S. Belbeck

Filed with city clerk: 02/09/11  
Passed by the city council: 02/28/11  
Date published: 03/02/11  
Date effective: 03/07/11  
Ordinance No. 1204

### SALARY RANGE ADJUSTMENTS

Pursuant to **Gig Harbor Employees Guild and Gig Harbor Employees' Guild Supervisory Bargaining Unit** labor contracts, the city conducts a salary survey of wage rates each year. The cities included in the survey are nearby cities that are viewed as competitors with Gig Harbor in the local labor market. If the survey results disclose that the current salary range midpoint for a position is two and one-half percent (2.5%) or more below 100% of the survey range midpoint for that position, then the city adjusts the salary range midpoint for that position to 100% of the salary survey midpoint. To do this, the city constructs a salary range for this position around the adjusted salary midpoint, consistent with the city's past practice (25% range spread). In this manner, the city maintains a competitive recruitment and retention practice, a stable work force and avoids future large catch-up salary adjustments.

→ Salary ranges that were adjusted based upon the 2.5% criterion are Assistant Building Official/Fire Marshall – 4.4%, Building and Fire Safety Director – 4.4%, City Engineer – 4.4%, Information Systems Manager – 4.4%, Planning Director – 4.4%, Public Works Superintendent – 3.6%, Wastewater Treatment Plant Supervisor – 3.6%, City Clerk – 7.2% and Finance Director – 3.5%.

The June 2010 CPI-W for Seattle-Tacoma-Bremerton was negative 0.1 percent; therefore, a cost of living increase will not be applied in 2011.



**Business of the City Council  
City of Gig Harbor, WA**

**Subject:** Maritime Pier and Parking Lot Project located at 3003 Harborview Drive (aka Old Stutz Fuel site)

**Proposed Council Action:** Authorize the Mayor to direct staff to finalize permit documents of the Maritime Pier and Parking Lot Project, with the new location of the restroom proposed at the ~~NE~~ corner of the lot (near the shoreline and the Morris property).

Direct staff to bring back agreements with Sunshine Property Management and the Tides for financial contributions toward the construction of the public restroom.

**Dept. Origin:** Administration

**Prepared by:** Rob Karlinsey  
City Administrator

**For Agenda of:** February 28, 2011

**Exhibits:**

	Initial & Date
<b>Concurred by Mayor:</b>	_____
<b>Approved by City Administrator:</b>	_____
<b>Approved as to form by City Atty:</b>	_____
<b>Approved by Finance Director:</b>	_____
<b>Approved by Department Head:</b>	_____

Expenditure	<b>see Fiscal</b>	Amount		Appropriation	
Required	<b>Consideration below</b>	Budgeted	<b>\$288,000.00</b>	Required	<b>\$0</b>

**INFORMATION / BACKGROUND**

In 2010, the City purchased property at 3003 Harborview Drive (aka Old Stutz site) for the purpose of constructing a Public Parking Lot and Maritime Pier. Funding for the Parking Lot was approved. A consultant was retained to design, engineer and permit the proposed work. Shoreline Regulations require a comprehensive design that includes future waterside plans (in this case, a Maritime Pier).

On December 13, 2010, the City Council directed staff to work with Mr. Stanley of the Tides Tavern to co-locate the restroom with the shed next to the Tides Tavern. Under this arrangement, Mr. Stanley would pay for the construction of the co-located facilities, but within financial limits and subject to negotiations. Mr. Stanley subsequently obtained cost estimates from a contractor for the structure, and the estimate was higher than Mr. Stanley is willing to pay. As a result, Mr. Stanley is proposing that the restroom be located on the other side of the future parking lot, near the water and next to the Morris property. The main points of a proposed agreement are as follows:

- A. The City of Gig Harbor will build the public bathroom where originally proposed (by the pier on the old Stutz property) to be completed in 2011 or by Memorial Day 2012 (the City is not subject to this deadline if permitting agencies are delaying approval)
- B. The Tides Tavern will (1) reduce its existing shed building from its current 15' frontage on the bulkhead to 10' frontage on the bulkhead, (2) remove the existing 6' addition attached to the shed on the Stutz end, and keep the smoker in its current location on the parking

lot side of the existing shed. The result will be a reduction from a 21' long shed to a 10' X 10' shed.

- C. The Tides will paint, clean, trim etc the shed to make it look a lot better than it does now and be more in keeping with the historical architecture and look of the Tides; plans for doing so will be reviewed and approved in advance and in writing by the City. I propose a budget of \$5,000.
- D. If the City agrees to not locate and build the public bathroom at street level, Sunshine Property Management will pay \$20,000 of the cost to build the bathroom, and the Tides Tavern will pay \$40,000 of the cost.
- E. The Tides Tavern will pay rent to the City of \$2,943 per year starting on January 1, 2012.
- F. Lease Terms:
  - 1. 20 years; with an option for 1 five year renewal, at which time the annual rent will be renegotiated; (language to be developed)
  - 2. If Mr. Stanley sells, transfers, etc the Tides business and/or the land and building, the lease with the City for the shed shall transfer to the new owners as long as the use of the Tides land/building/business and the purpose of the shed remains the same. (language to be developed)
  - 3. If Mr. Stanley or successors decides to abandon the shed, and the City does not want to take over the shed, Mr. Stanley or successors will remove and dispose of the shed and associated equipment at their expense, and the lease with the City shall cease.

If the City Council finds the above points as well as the new proposed location of the restroom acceptable, staff can bring back a more formal agreement for City Council approval.

**FISCAL CONSIDERATION**

The City's budget for the parking lot construction does not include construction of a restroom. If the City receives funding from the Tides and Sunshine Property management as proposed above, the City should then have funding to be able to construct the restroom soon after the parking lot is completed. Leasehold excise tax would also have to be negotiated into the above points.

**BOARD OR COMMITTEE RECOMMENDATION**

N/A

**RECOMMENDATION / MOTION**

Move to: Authorize the Mayor to direct staff to finalize permit documents of the Maritime Pier and Parking Lot Project, with the new location of the restroom proposed at the NW corner of the lot (near the shoreline and the Morris property).

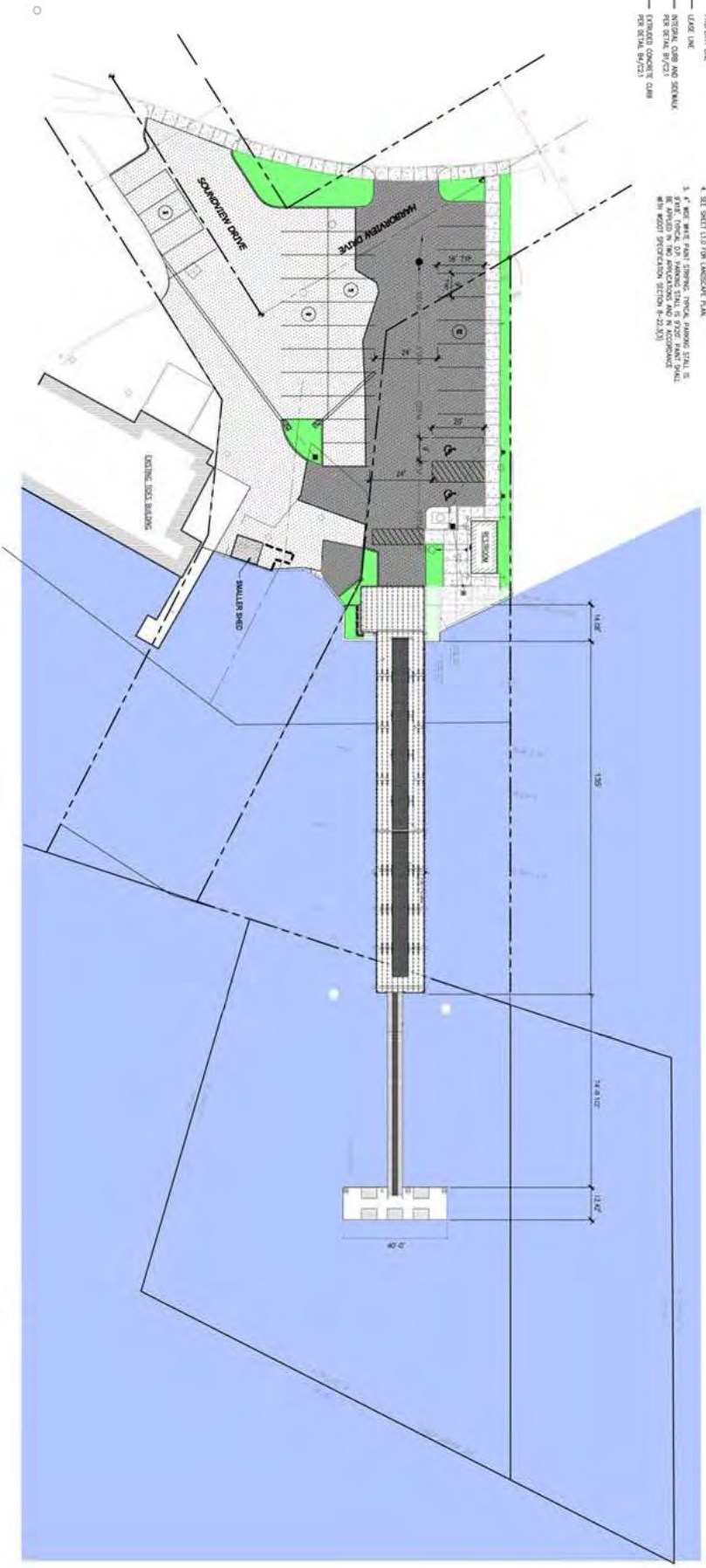
Direct staff to negotiate and bring back for Council consideration agreements with Sunshine Property Management and the Tides Tavern for financial contributions toward the construction of the public restroom.



SECTION 08, TOWNSHIP 21 NORTH, RANGE 2 EAST, W.M.

- LEGEND**
- APICAL PAVEMENT PER STA. 41/21
  - 7" ASPHALT CONCRETE PER STA. 41/21
  - CONCRETE
  - PARKING STALL COAT
  - PROPERTY LINE
  - GRADE LINE
  - INSTRAL CURB AND SIDEWALK PER STA. 41/21
  - CONCRETE CONCRETE CURB PER STA. 41/21

- NOTES**
1. TOTAL CONCRETE SPREAD ARE APPROXIMATE. TOTAL CONCRETE SPREAD ARE APPROXIMATE. TOTAL CONCRETE SPREAD ARE APPROXIMATE.
  2. ADJUST WORKING WELL CAP TO MATCH PROPOSED GRADE.
  3. ADJUST CURB BURN IN TO MATCH PROPOSED GRADE.
  4. SEE SHEET 11.0 FOR LANDSCAPE PLAN.
  5. 4" NET WITH PAINT CURBING. TYPICAL PARKING STALL IS 8'0" WIDE. TOTAL OF PARKING STALLS 15'0" WIDE. PAINT SHALL BE WHITE. SEE SPECIFICATION SECTION 4-22.03.



SURFACING PLAN  
SCALE: 1"=20'