

GIG HARBOR CITY COUNCIL MEETING



January 27, 1997

7:00 P.M., CITY HALL COUNCIL CHAMBERS

AGENDA FOR GIG HARBOR CITY COUNCIL MEETING
January 27, 1997 - 7:00 p.m.

PUBLIC COMMENT/DISCUSSION:

CALL TO ORDER:

APPOINTMENT OF MAYOR PRO TEM:

APPROVAL OF MINUTES:

CORRESPONDENCE / PROCLAMATIONS:

OLD BUSINESS:

1. Second Reading of Ordinance - Gig Harbor North Annexation (ANX91-04).
2. Second Reading of Ordinance - Amendments to Title 17 of the GHMC - GH North Annexation Zoning.
3. Second Reading of Ordinance - Sewer Rate Increase Ordinance.
4. Second Reading of Ordinance - Adopting New Job Description and Salary Range - Public Works Clerk.

NEW BUSINESS:

1. Resolution - AWC Insurance Company Contract.
2. Radio Maintenance Agreement - Police / Public Works.
3. Distribution of State Marine Services Funding.
4. Police Radio Dispatching Agreement.
5. Bid for Official Newspaper - Peninsula Gateway.

MAYOR'S REPORT: Finholm View Climb Update.

COUNCIL COMMENTS:

STAFF REPORTS:

1. Quarterly Report - Tom Enlow, Finance Director.

ANNOUNCEMENTS OF OTHER MEETINGS:

APPROVAL OF BILLS:

EXECUTIVE SESSION: For the purpose of discussing litigation and potential litigation.

ADJOURN:



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: CITY COUNCILMEMBERS
FROM: MAYOR GRETCHEN WILBERT *GW*
SUBJECT: APPOINTMENT OF MAYOR PRO TEM
DATE: JANUARY 21, 1997

BACKGROUND

The second Council Meeting in January is the time for appointment of Mayor Pro Tem for the City of Gig Harbor. My custom has been to pass the honor among the Councilmembers. A hearty thank you goes to Councilmember Picinich for fulfilling this role the past year.

Councilmember Ekberg has accepted my invitation to act as Mayor Pro Tem for the upcoming 1997 year.

REGULAR GIG HARBOR CITY COUNCIL MEETING OF JANUARY 13, 1997

PRESENT: Councilmembers Platt, Picinich, Markovich, Ekberg, Owel and Mayor Wilbert.

PUBLIC COMMENT/DISCUSSION: None.

CALL TO ORDER: 7:10 p.m.

APPROVAL OF MINUTES:

MOTION: Move approval of the minutes of the December 9th, 1996 meeting, as presented.
Platt/Picinich - unanimously approved.

CORRESPONDENCE/PROCLAMATIONS: None scheduled.

OLD BUSINESS: None scheduled.

NEW BUSINESS:

1. **First Reading of Ordinance - Gig Harbor North Annexation (ANX91-04).** Ray Gilmore presented this ordinance and explained that it was almost one year to date that Council adopted the resolution accepting the annexation petition for the Gig Harbor North area. He added that the Boundary Review Board of Pierce County finished reviewing and had passed the annexation request in September of last year. He explained that Staff has suggested changes to Section 4, to identify all zoning districts by tracts. In addition, a legal description, zoning agreement, development agreement, and a general annexation map would be included with the ordinance before it returns for its second reading.
2. **First Reading of Ordinance - Amendments to Title 17 of the GHMC - GH North Annexation Zoning.** Mr. Gilmore introduced this ordinance that adopts new sections for the zoning code related to the Gig Harbor North area. He added that this ordinance would also return for a second reading and offered to answer questions.
3. **First Reading of Ordinance - Sewer Rate Increase Ordinance.** Tom Enlow introduced this ordinance that would provide for a five percent sewer rate increase. He added this increase would go into effect with billings issued after February 1, 1997. He said that the increase would provide approximately \$40,000 per year to be used to offset biosolids disposal and energy costs. He said that this would return for a second reading at the next meeting.
4. **Prosecutor Employment Agreement.** Mark Hoppen explained that Gary Johnson, the City's prosecuting attorney, was requesting a contract increase for the upcoming year. He gave an overview of the rate increases requested and explained that the services that had been provided to date were satisfactory. He introduced Mr. Johnson who gave a brief presentation and answered questions. Mr. Hoppen suggested that rather than approving a two-year

contract, that the contract be approved for one year to evaluate both performance and terms in light of the probable increased case load. Councilmember Platt suggested placing the contract on the table until a worksession could be held to explore other options due to the high costs. After discussion on the proposed annexations and the Court becoming a Court of Record, Mr. Hoppen suggested approving the contract and forming a committee during the year to work on options. Councilmember Markovich agreed and voiced his willingness to work on a committee to discuss Municipal Court vs District Court II to determine where the legal system would be in five years.

MOTION: Move to approve the contract with Mann & Johnson for one year at the proposed rates.
Markovich/Picinich - unanimously approved.

5. Resolution - Adjustments to Personnel Manual. Mark Hoppen introduced this resolution as housekeeping in nature taking care of two minor policy issues. The first revision is to reconcile the personnel manual with the employee guild contract and to reflect current practice of paying for license fees and dues. The second revision would allow for the City to provide coffee or lunch volunteers a suggested by the auditor.

MOTION: Move to approve Resolution No. 486 a presented.
Picinich/Ekberg - unanimously approved.

6. First Reading of Ordinance - Adopting New Job Description and Salary Range - Public Works Clerk. Mark Hoppen explained that this ordinance accomplishes two things; first, adopting a new job description for the Public Works Clerk, and second; to add the salary range for this position to the salary scheduled. This will return for a second reading at the next meeting with a correction to the titles in the salary schedule.

7. P & H Partnership - Request for Refund. Mark Hoppen explained that the City had entered into a contract in March of 1996 to provide both water and sewer to the Northharbor Business Campus off Burnham Drive NW. He said it was later determined that the proposed water line from the Department of Corrections to Burnham Drive proved infeasible without broad participation, which was not available. Because of this, Mr. Perrow and Mr. Holmaas were asking for a refund for the \$11,142.50 that they paid to reserve these services, which would not be available during the one-year term of the contract. Carol Morris explained that Mr. Perrow also requested that a document be filed with the Pierce County Auditor revising the current recorded document. She pointed out a document that was not included in the packet canceling the Utility Extension Capacity Agreement to be recorded.

MOTION: Move we refund P & H Partnership the commitment agreement payment in the amount of \$11,142.50.
Picinich/Markovich - unanimously approved.

MOTION: Move for adoption of the cancellation of agreement for Utility Extension and Capacity Agreement and Agreement Waiving Right to Protest LID document that is before us.
Picinich/Markovich - unanimously approved.

8. Voice Mail Contract - PTI Communications. Molly Towslee presented this contract with PTI Communications to install a voice-mail system at City Hall, and answered questions.

MOTION: Move we authorize the Mayor to sign the PTI Communications contract in the amount of \$8,148 plus tax.
Ekberg/Owel - unanimously approved.

9. Resolution - Designating Borgen's Corner. Mayor Wilbert introduced this Resolution designating the corner at Harborview and North Harborview Drive as Borgen's Corner. She added that she had spoken with the business owners in the area and they all agreed to the designation to honor George Borgen.

MOTION: Move to approved Resolution No. 487 to designate that area as Borgen's Corner.
Owel/Ekberg - unanimously approved.

10. Liquor License Renewals - Marco's Restaurant / Mimi's Pantry; Gourmet Essentials; Harbor Inn; and Neville's Shoreline. Mayor Wilbert asked that the liquor board be notified that Neville's Shoreline was no longer in business.

MAYOR'S REPORT:

Legislative Priorities. Mayor Wilbert explained that she had placed the information she had been receiving lately in a notebook for Council to review. She gave a brief overview of the contents of the notebook and asked that they take a look at the information and pass it on.

STAFF REPORT:

1. Gig Harbor Police Department. Chief Barker showed Council the plaque awarded to the Explorers Scouts that was presented at the conclusion of the Winter Academy at Camp Murray.

APPROVAL OF BILLS

MOTION: Move approval of checks #17028 through #17172 in the amount of \$102,596.06.
Owel/Ekberg - unanimously approved.

APPROVAL OF PAYROLL:

MOTION: Move approval of checks #13522 through #13641 in the amount of \$198,297.94.
Owel/Ekberg - unanimously approved.

EXECUTIVE SESSION:

MOTION: Move to adjourn to Executive Session at 7:42 p.m. for the purpose of discussing litigation.
Platt/Picinich - unanimously approved.

MOTION: Move to return to regular session at 8:20 p.m.
Picinich/Platt - unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 8:20 p.m.
Platt/Picinich - unanimously approved.

Cassette recorder utilized.
Tape 450 Side A 000-end.
Tape 450 Side A 000 - 068.

Mayor

City Administrator



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: RAY GILMORE, DIRECTOR, PLANNING-BUILDING
DEPARTMENT
SUBJ.: SECOND READING OF ORDINANCE - GIG HARBOR NORTH
ANNEXATION(ANX 91-04)
DATE: JANUARY 23, 1997

INFORMATION/BACKGROUND

The proposed annexation has been considered by the City Council at two public hearings, one in December of 1995 and the second in January of 1996. The Resolution (Petition to Annex) was passed by the City Council on September 10, 1996 and forwarded to the Pierce County Boundary Review Board. The Pierce County Boundary Review Board approved the annexation in December of 1996. The proposal consists of the annexation of approximately 795 acres to the City of Gig Harbor.

POLICY CONSIDERATIONS

The ordinance adopts the annexation of 795 acres to the City of Gig Harbor, a zoning district map for the annexation area and the annexation agreement for the Gig Harbor North Properties. Exhibits include a legal description of the annexation area ("A"), the annexation agreement, by reference ("B") and a zoning district map for the annexation area ("C").

RECOMMENDATION

An ordinance for the adoption of the annexation is presented to Council for its approval. This is the second and final reading of the ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, ANNEXING CERTAIN REAL PROPERTY COMMONLY KNOWN AS THE GIG HARBOR NORTH ANNEXATION, GIG HARBOR FILE NO. ANX 91-04, PURSUANT TO THE DIRECT PETITION METHOD SET FORTH IN CHAPTER 35A.14 RCW; REQUIRING SAID PROPERTY TO BE ASSESSED AND TAXED AT THE SAME RATE AND BASIS AS THE OTHER PROPERTY WITHIN THE CITY; REQUIRING COMPLIANCE WITH THE TERMS OF A DEVELOPMENT AGREEMENT FOR FUTURE DEVELOPMENT OF CERTAIN PROPERTY WITHIN THE ANNEXATION AREA; PLACING IN EFFECT THE ZONING CLASSIFICATIONS OF PCD-LDR, PCD-MDR, PCD-C, PCD-BP, PCD-NB, MUD, R-1, R-2, RB-1, RB-2 AND B-2 ON SAID PROPERTY; DIRECTING AMENDMENTS TO THE CITY ZONING MAP TO REFLECT THE EFFECTIVE DATE OF THE ZONING WHICH SHALL BE EFFECTIVE SIMULTANEOUS WITH ANNEXATION, AND FIXING THE EFFECTIVE DATE OF SAID ANNEXATION.

WHEREAS, a Notice of Intent to Annex 795 acres of property, commonly known as Gig Harbor North Annexation, more particularly described in Exhibit "A" (Legal Description), attached hereto and incorporated herein, was signed by owners of ten percent (10%) in value, according to assessed valuation for general taxation of the property for which annexation is sought, and was received by the City on April 22, 1991; and

WHEREAS, the City Council met with the petitioners/owners within sixty (60) days of receive of said notice of intent to annex; and

WHEREAS, the City Council authorized circulation of a Petition for Annexation to be signed by owners of not less than sixty percent (60%) in value according to the assessed valuation for general taxation for the property for which annexation is sought, requiring that said property be assessed and taxed at the same rate and basis as other property within the City, and said Petition indicated the proposed adoption of zoning designations of PCD-LDR, PCD-MDR, PCD-C, PCD-BP, PCD-NB, MUD, R-1, R-2, RB-1, RB-2 AND B-2 for the property; and

WHEREAS, the Petition for Annexation was subsequently received by the City and certified by the City Administrator on May 5, 1993 as legally sufficient, and as containing the signatures of not less than sixty percent (60%) in value, according to the assessed valuation for general taxation of the property described in Exhibit "A"; and

WHEREAS, the property described in Exhibit "A" and proposed to be annexed is contiguous with the City's boundaries, within the City's Urban Growth Area established by Pierce County and included in the Comprehensive Plans of both the County and the City of Gig Harbor; and

WHEREAS, the Gig Harbor Planning Commission held a public hearing on November 14, 1995, which hearing was held pursuant to proper notice, and at the conclusion of said hearing, the Commission recommended to the Council that the zoning classifications of zoning designations of PCD-LDR, PCD-MDR, PCD-C, PCD-BP, PCD-NB, MUD, R-1, R-2, RB-1, RB-2 AND B-2 be adopted as the zoning of said property; and

WHEREAS, the City Council held a public hearing on December 11, 1995, to consider the Petition for Annexation, which hearing was held pursuant to proper notice, during which hearing the Council determined that the proposed annexation was a logical extension of the City's corporate limits; that said property should be annexed to the City; that the property should be required to assume its pro rata share of bonded indebtedness, be assessed and pay taxes at the same rate and on the same basis as other property within the City; and

WHEREAS, the City Council considered the recommendation of the City Planning Commission on pre-annexation zoning for the area during public hearings conducted on December 11, 1995 and January 22, 1996, and having determined that: (1) such would be in conformance with the City's Comprehensive Plan; (2) the proposed zoning classifications were consistent with adjacent land uses and would promote appropriate development and use of said land in light of the character and condition of the surrounding property in the neighborhood; and (3) that the establishment of these zoning classifications would not be materially detrimental to the public health, safety and general welfare or to the surrounding properties; and

WHEREAS, on September 10, 1996, the City Council adopted Resolution 479, describing its intent to annex the Gig Harbor North area, contingent upon: (1) assumption by the

property owners of their portion of the City of Gig Harbor's indebtedness; (2) adoption of the proposed zoning classifications on the property described in Exhibit "A"; and (3) execution and compliance with the terms of a Pre-Annexation Development Agreement, which is attached hereto as Exhibit "B", and incorporated herein by this reference; and

WHEREAS, a Notice of Intention was filed with the Washington State Boundary Review Board for Pierce County on October 9, 1996; and

WHEREAS, the Pierce County Boundary Review Board completed its review proceedings on December 9, 1996; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR DO ORDAIN AS FOLLOWS:

Section 1. The real property commonly known as the Gig Harbor North area, City File No. ANX 91-04, more particularly described in Exhibit "A", should be and is hereby annexed and made a part of the City of Gig Harbor.

Section 2. Pursuant to the terms of the Annexation Petition, all property within the territory annexed hereby shall be assessed and taxed at the same rate and on the same basis as property within the City, including assessments for taxes and payment of any bonds issued or debts contracted prior to or existing as of the date of annexation.

Section 3. Pursuant to the terms of the Pre-Annexation Development Agreement, attached hereto as Exhibit "B", all development on the property described in Exhibit "A" shall conform to the City's zoning code, and shall further comply with all of the terms of the Agreement.

Section 4. In conformance with the terms of the Annexation Petition and simultaneous with annexation, the property described in Exhibit "A" and as shown in Exhibit "C" shall receive the following zoning classifications:

- | | |
|---------|---|
| Tract 1 | General Business District (B-2) |
| Tract 2 | Planned Community District - Residential Medium Density (RMD) |
| Tract 3 | Planned Community District - Residential Low Density (RLD) |
| Tract 4 | Planned Community District - Residential Medium Density (RMD) |
| Tract 5 | Planned Community District - Residential Low Density (RLD) |

Tract 6	Planned Community District - Business Neighborhodd Business (NB)
Tract 7	Planned Community District - Business Park (BP)
Tract 8	Planned Community District - Commercial (C)
Tract 9	Residential Business 2 (RB-2)
Tract 10	Planned Community District - Business Park (BP)
Tract 11	Residential Business 2 (RB-2)/Mixed Use Overlay District
Tract 12	Residential Low Density (R-1)/Mixed Use Overlay District
Tract 13	Public Institutional (PI)/Mixed Use Overlay District
Tract 14	Residential Business 2 (RB-2)/Mixed Use Overlay District
Tract 15	General Business District (B-2)/Mixed Use District Overlay
Tract 16	Residential Business 1 (RB-1)
Tract 17	Medium Density Residential (R-2)
Tract 18	Low Density Residential (R-1)

Section 5. The Planning Director is hereby instructed to effectuate the necessary changes to the Official Zoning Map of the City in accordance with the zoning established by this section upon the effective date of the annexation.

Section 6. The Gig Harbor City Clerk hereby declares the property described in Exhibit "A", which is the subject of the annexation petition, to be contiguous with the boundaries of the City of Gig Harbor.

Section 7. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 8. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and the property shall be deemed annexed to the City five (5) days after passage and publication of an approved summary consisting of the title.

APPROVED:

MAYOR, GRETCHEN A. WILBERT

ATTEST/AUTHENTICATED:

CITY ADMINISTRATOR, MARK HOPPEN

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____

FILED WITH THE CITY CLERK: 1/8/97
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. _____

SUMMARY OF ORDINANCE NO. _____

of the City of Gig Harbor, Washington

On the ____ day of _____, 199__, the City Council of the City of Gig Harbor, passed Ordinance No. _____. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, ANNEXING CERTAIN REAL PROPERTY COMMONLY KNOWN AS THE GIG HARBOR NORTH ANNEXATION, GIG HARBOR FILE NO. ANX 91-04, PURSUANT TO THE DIRECT PETITION METHOD SET FORTH IN CHAPTER 35A.14 RCW; REQUIRING SAID PROPERTY TO BE ASSESSED AND TAXED AT THE SAME RATE AND BASIS AS THE OTHER PROPERTY WITHIN THE CITY; REQUIRING COMPLIANCE WITH THE TERMS OF A DEVELOPMENT AGREEMENT FOR FUTURE DEVELOPMENT OF CERTAIN PROPERTY WITHIN THE ANNEXATION AREA; PLACING IN EFFECT THE ZONING CLASSIFICATIONS OF PCD-LDR, PCD-MDR, PCD-C, PCD-BP, PCD-NB, MUD, R-1, R-2, RB-1, RB-2 AND B-2 ON SAID PROPERTY; DIRECTING AMENDMENTS TO THE CITY ZONING MAP TO REFLECT THE EFFECTIVE DATE OF THE ZONING WHICH SHALL BE EFFECTIVE SIMULTANEOUS WITH ANNEXATION, AND FIXING THE EFFECTIVE DATE OF SAID ANNEXATION.

The full text of this Ordinance will be mailed upon request.

DATED this _____ day of _____, 1997.

CITY ADMINISTRATOR, MARK HOPPEN

EXHIBIT "A"

DESCRIPTION OF GIG HARBOR NORTH ANNEXATION
INCLUDING SOUTH 30 FEET OF WOODRIDGE
(112TH St. NW.)

Beginning at the center of Section 30, Township 22 North, Range 2 East, W.M.; Thence East along the North line of the West half of the Southeast quarter of said Section 30 to the Northeast corner of said West half of the Southeast quarter of said Subdivision; Thence South along the East line of said Subdivision to a point 30 feet North of the South line of said Section 30; as shown on the Plat of Woodridge, in Volume 55 of Plats at pages 32 and 33; Thence East parallel with the South line of said Section 30 and its extension, thereof, into Section 29, Township 22 North, Range 2 East, W.M., to the East Right-Of-Way line of Peacock Hill Ave. NW, Thence South along said East Right-Of-Way line through said Section 29 and into Section 32, Township 22 North, Range 2 East, W.M., to intersect the Easterly extension of the South line of the North half of the Northeast quarter of the Southeast quarter of the Southeast quarter of Section 31, Township 22 North, Range 2 East, W.M. in said Section 32; Thence West along said South line and its extension thereof to the Southwest corner of said North half of the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section 31, said point also known as the Southwest corner of Lot 1 of Pierce County Short Plat recorded under Auditor's recording number 9410160168, also known as the Northwest corner of Lot 1, Plat of Harbor View 2nd Addition, recorded in Volume 34 of Plats at pages 4 and 5 and Recorded under Auditor's recording number 2219366; Thence South along the West line of said Harbor View 2nd Addition and the West line of S and S Addition recorded in Volume 45 of Plats at pages 31 and 32, recorded under Auditor's recording number 2494094 and its extension South to a point on the South line of said Section 31; Thence West along said South line also being the North line of Section 6, Township 21 North, Range 2 East, W.M. to the Northwest corner of Woodworths Addition to Gig Harbor, as recorded in Book 5 of Plats of Page 66, Records of Pierce County Auditor; Thence South along the West line of said Plat also being the East line of Lot 1 of Pierce County Short Plat Number 77-22 recorded in Volume 13 of Short Plats at page 66 to the Southeast corner of said Lot 1 of said Pierce County Short Plat No. 77-22; Thence West along the South line of lots 1,2,3 & 4 of said Pierce County Short Plat No. 77-22 to the Southwest corner of said Lot 4 of said Short Plat, said point also being a point on the East line of the North half of the Northwest quarter of the Northeast quarter of said Section 6; Thence South along said East line to the Southeast corner of the North half of the Northwest quarter of the Northeast quarter of Section 6; Thence West along the South line of said North half of the Northwest quarter of the Northeast quarter to the East line of the West half of the West half of the Northeast quarter of Section 6; Thence South along said subdivision line to the Westerly Right-Of-Way line of Burnham Drive N.W. (Gig Harbor-Longbranch County Road); Thence Northwesterly along the Westerly Right-Of-Way line of said Burnham Drive NW, through Section 6, Township 21 North, Range 2 East, W.M., and through Section 31, Township 22 North, Range 2 East, W.M. and into Section 36, Township 22 North, Range 1 East, W.M. to intersect a point on station 70+83.30 P.T. line of the A5 line as shown on Washington State Department of Highways plan Sheet 13 of 52 of State Route 16, Narrows Bridge to Olympic Drive, dated March 19, 1970; Thence Southwesterly along said Station 70+83.30 line, to a point 40 feet distant from the centerline of said A5 line also being the Westerly Right-Of-Way line of said A5 line; Thence Northwesterly and parallel with the centerline of said A5 line to a point opposite Station 68+70 and 40 feet distant; Thence Westerly along said Station 68+70 line to a point opposite Station 1307+41.97, on the Easterly Right-Of-Way of State Route 16 located 245 feet right (Easterly) of the SB line as shown on Sheet 13 of 52 of said plan sheets of State Route 16; Thence Northerly along the Easterly Right-Of-Way line of said State Route 16 to a point opposite Station 1311+00, located 240 feet right (Easterly) of said SB line; Thence continue Northerly to a point opposite Station 7+50 located 80 feet right (Easterly) of the BR5 line as shown on Sheet 14 of 52 of said plan sheets of State Route 16; Thence Easterly along the Right-Of-Way of State Route 16 to Station 56+25.00 located 90 feet left

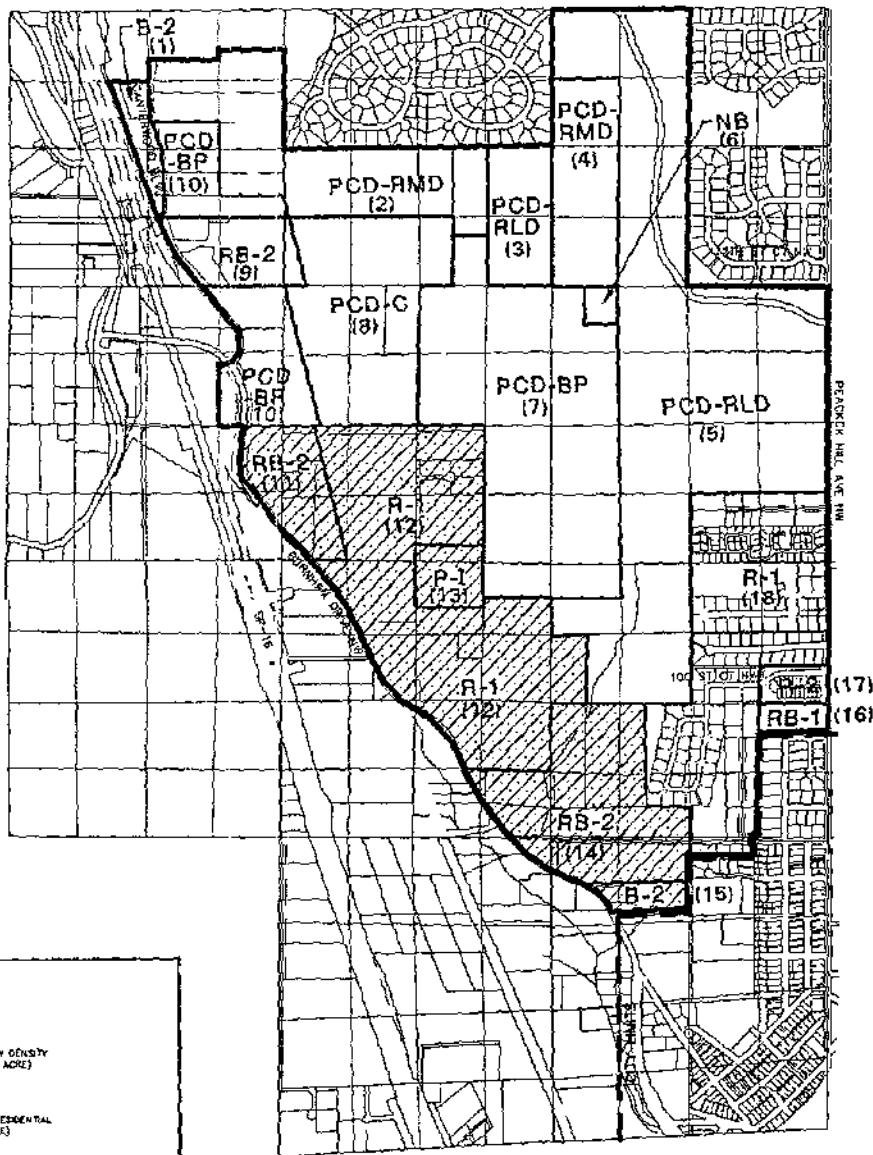
EXHIBIT "B"

Gig Harbor North Annexation Agreement:

"Resolution for Annexation and Preannexation
Agreement and All Exhibits"

This document is on file with the City Clerk of
the City of Gig Harbor City

Exhibit "C"



LEGEND:

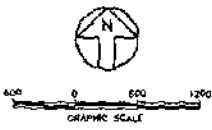
R-1	SINGLE FAMILY LOW DENSITY (UP TO 4 DU PER ACRE)
R-2	MEDIUM DENSITY RESIDENTIAL (1-4 DU PER ACRE)
RB-1	RESIDENTIAL-BUSINESS (MIXED RESIDENTIAL WITH BUSINESS; BASIC DENSITY OF UP TO 3 DU PER ACRE)
RB-2	RESIDENTIAL-BUSINESS (MIXED RESIDENTIAL WITH BUSINESS; BASIC DENSITY OF UP TO 8 DU PER ACRE, 12 DU PER ACRE CONDITIONALLY)
B-2	RETAIL SALES AND SERVICE
PCD-RLD	RESIDENTIAL LOW DENSITY (BASIC DENSITY OF 4 DU PER ACRE; UP TO 7 DU PER ACRE WITH DENSITY CREDITS)
PCD-RMD	RESIDENTIAL MEDIUM DENSITY (BASIC DENSITY OF 8 DU PER ACRE; UP TO 16 DU PER ACRE WITH DENSITY CREDITS)
PCD-C	PLANNED COMMUNITY GENERAL COMMERCIAL/RETAIL
PCD-BP	BUSINESS PARK
PCD-NB	NEIGHBORHOOD BUSINESS (SITE AREA LIMITED TO 3 ACRES)
P-1	PUBLIC INSTITUTIONAL
	MIXED USE OVERLAY DISTRICT

Amendment to the City of Gig Harbor
Zoning District Map
Gig Harbor North Annexation Area

Ordinance No. _____ adopted
27 January, 1997.
Effective Date: February 5, 1997

APPROVED: _____
Mayor, Gretchen A. Wilbert

Date _____





City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: RAY GILMORE, PLANNING-BUILDING DIRECTOR
SUBJ.: SECOND READING OF ORDINANCE - AMENDMENTS TO
TITLE 17 OF THE GIG HARBOR MUNICIPAL CODE (GIG
HARBOR NORTH ANNEXATION ZONING)
DATE: JANUARY 23, 1997

INFORMATION/BACKGROUND

The proposed amendments to Title 17 (the zoning code) were previously considered by the Planning Commission at a public hearing on November 14, 1995. The City Council considered the amendments to the zoning code at two public hearings, one in December of 1995 and the second in January of 1996. The Resolution (Petition to Annex) was passed by the City Council on September 10, 1996 and forwarded to the Pierce County Boundary Review Board. The Pierce County Boundary Review Board approved the annexation in December of 1996. Additionally, Planning Commission recommendations on adjustments to the Mixed Use district are included. The proposal consists of amendments of the GHMC (zoning).

POLICY CONSIDERATIONS

The adoption of the proposed ordinance implements the goals, policies and objectives of the City of Gig Harbor Comprehensive Plan. Several new chapters are proposed which adopt development standards for the Planned Community Districts comprising the Gig Harbor North properties and the Mixed Use Overlay district along the Burnham Drive Corridor.

RECOMMENDATION

An ordinance for the adoption of the amendments to the zoning code is presented to Council for its approval. This is the second and final reading of the ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO LAND USE AND ZONING, ADOPTING NEW ZONING CLASSIFICATIONS OF PLANNED COMMUNITY DEVELOPMENT LOW DENSITY RESIDENTIAL (PCD-LDR), MEDIUM DENSITY RESIDENTIAL (PCD-MDR), COMMERCIAL (PCD-C), BUSINESS PARK (PCD-BP), NEIGHBORHOOD BUSINESS (PCD-NB), DENSITY CREDIT TRANSFER OPTIONS AND A MIXED USE DISTRICT(MUD); ADDING NEW CHAPTERS 17.17, 17.21, 17.41, 17.54, 17.56, 17.59 AND 17.91, TO THE GIG HARBOR MUNICIPAL CODE

WHEREAS, the City has the authority to prepare a proposed zoning regulation to become effective upon the annexation of an area (RCW 35A.63.330); and

WHEREAS, the proposed zoning text and districts for the Gig Harbor North Annexation area were circulated to various local and state agencies, as required per Chapter 36.70A, along with an addendum to the final EIS (City of Gig Harbor Comprehensive Plan) for review and comment, on October 30 of 1995; and,

WHEREAS, on November 14, 1995, the Gig Harbor Planning Commission held a public hearing on the proposed zoning ordinance, which hearing was held pursuant to proper notice, and the Commission recommended adoption of the ordinance; and,

WHEREAS, on January 22, 1996, the City of Gig Harbor City Council considered the zoning ordinance, and determined that the new chapters to Title 17 of the GHMC are consistent with and implement the City of Gig Harbor Comprehensive Land Use Plan; NOW THEREFORE

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. A new chapter to Title 17 of the Gig Harbor Municipal Code is adopted as follows:

Chapter 17.17
Planned Community Development
Low Density Residential (LDR)

17.17.010 Intent

Provide for well designed residential developments which are located to minimize adverse effects on the environment or sensitive natural areas.

Provide clustering of dwelling units to protect important natural features and amenities, limit the costs of development and public service costs and to maintain, enhance and complement the natural beauty of the Gig Harbor community.

Allow unique and innovative residential development concepts that will provide for unconventional neighborhoods, provide affordable housing for a wide range of income levels, maintain or enhance community linkages and associations with other neighborhoods, and to allow village and traditional neighborhood forms.

17.17.020 Permitted Uses

1. Single family detached and attached dwellings.
2. Manufactured homes of 1,000 square feet minimum per unit in developments approved for manufactured homes.
3. Accessory apartments subject to the criteria established in the definition.
4. Parks, Open Space and Community Recreational Facilities.
5. Family day care facilities within a residence.
6. Adult Family Homes.
7. K-12 Educational facilities.

8. Houses of religious worship and related uses on parcels not greater than five acres.
9. Home occupations, consistent with chapter 17.84.
10. Public facilities

17.17.030 Conditional Uses

Commercial Family Day Care facilities.

17.17.040 Performance Standards

1. Density

Maximum base density is 4 dwelling units per gross acre. Additional density may be allowed using either of the following options:

A. Bonus Density Option

A bonus density of up to of up to 30% over the base may be permitted, based upon the following allocations:

- 1) 30% of the development site is common open space, which must be contiguous or larger than 1 acre in area (+5%).
- 2) A pedestrian trail system is provided within the common open space area, consistent with the adopted trails plan per the land use map (+10%).
- 3) A minimum 35% of the required common open space is improved as an active recreational area (+10%). Active recreational areas shall include, but not be limited to:
 - a) Clearly defined athletic fields and/or activity courts.
 - b) Recreation Center or Community Facility.
- 4) Additional common open space is provided between the development and adjacent residential zones, uses or developments (+5% bonus maximum at a ratio of 1% density bonus per 5% open space increase).

B. Density Credit Transfers

A transfer of density credits may be applied from one residential district within the PCD district to the RLD District up to a maximum of 7 dwelling units per acre. Density credit transfers shall be as provided for in the density credit transfer section, in chapter 17.59 GHMC. Density credit transfers may be used in conjunction with bonus density options to achieve the maximum allowable density of 7 dwelling units per acre.

2. General

A. Maximum density is 4 dwelling units per structure in attached single family dwellings.

B. Each unit must have individual private yards or courts enclosed by a wall, berm or dense landscaping.

C. Private easements shall be required for all zero lot-line developments to facilitate access from the adjoining lot for necessary maintenance and repair activities.

D. Minimum Yards (from the property line):

Front	15 feet
Side	5 feet. At least 20 feet is required on the opposite side of a lot having a zero lot line.
Rear	15 feet

E. Minimum lot area

The minimum lot size is 10,000 square feet for divisions of land of four or less lots. A minimum parcel size is not specified for divisions of land of five or more lots.

F. Minimum Lot Width

Minimum lot width is 0.7% of the lot area, in lineal feet.

G. Maximum Height

The maximum height is 35 feet.

H. Maximum Lot Area Coverage

45%, excluding residential driveways, private walkways and similar impervious surfaces.

I. Landscaping

Landscaping shall comply with the requirements of chapter 17.78.

J. Design

All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual.

K. Circulation/Roads/Streets

Residential development which provide pedestrian linkages to and within common open space trails systems may be waived from the provisions of public sidewalks curbs and gutters within the residential development, in whole or in part, upon approval of the Public Works Director.

L. Signage

Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 2. A new chapter of the Gig Harbor Municipal Code is adopted as follows:

Chapter 17.21
Planned Community Development
Medium Density Residential (MDR)

17.21.010 Intent

Provide for greater population densities to facilitate high quality affordable housing, a greater range of lifestyles and income levels. Provide for the efficient delivery of public services and to increase residents accessibility to employment, transportation and shopping. Serve as a buffer and transition area between more intensively developed areas and lower density residential areas.

17.21.020 Permitted Uses

1. Single family detached and attached dwellings.
2. Manufactured homes of 1,000 square feet minimum per unit in developments approved for manufactured homes.
3. Multifamily attached dwelling units.
4. Parks, Open Space and Community Recreational Facilities.
5. Family day care facilities within a residence.
6. K-12 Educational facilities.
7. Houses of religious worship and related uses on parcels not greater than five acres.
8. Home occupations, consistent with chapter 17.84.
9. Public facilities.
10. Accessory apartments subject to the criteria established in the definition.

17.21.030 Conditional Uses

Commercial Family Day Care facilities.

17.21.040 Performance Standards

1. Density

The minimum base density is 8 dwelling units per acre. Additional density may be allowed using either of the following options:

A. Bonus Density Option

A bonus density of up to up to 30% over the base may be permitted, based upon the following allocations:

1) 30% of the development site is common open space, which must be contiguous or greater than larger than 1 acre in area (+5%).

2) A pedestrian trail system is provided within the common open space area, consistent with the adopted trails plan per the land use map (+10%).

3) A minimum 35% of the required common open space is improved as an active recreational area (+10%). Active recreational areas shall include, but not be limited to:

- A) Clearly defined athletic fields and/or activity courts.
- B) Recreation Center or Community Facility.

4) Additional common open space is provided between the development and adjacent residential zones, uses or developments (+5% bonus maximum at a ratio of 1% density bonus per 5% open space increase).

B. Density Credit Transfers

A transfer of density credits may be applied from one residential district within the PCD to the Residential Medium District up to a maximum of 16 dwelling units per acre. Density credit transfers shall be as provided for in the density credit transfer section, in chapter 17.59 GHMC. Density credit transfers may be used in conjunction with bonus density options to achieve the maximum allowable density of 16 dwelling units per acre.

2. General

- A. Single family attached dwelling units must have individual private yards or courts enclosed by a wall, berm or dense landscaping. Easements shall be required for all zero lot-line developments to facilitate access from the adjoining lot for necessary maintenance and repair activities.
- B. Minimum Yards (from the property line)
 - Front 10 feet
 - Side 30 feet.
 - Rear 30 feet.
- C. Maximum Height
The maximum height is 45 feet.
- D. Maximum Lot Area Coverage
65%, excluding driveways, private walkways and similar impervious surfaces.

- E. Landscaping
Landscaping shall comply with the requirements of chapter 17.78.

- F. Circulation/Roads/Streets
Residential development which provide pedestrian linkages to and within common open space trails systems may be waived from the requirements in the City's Public Works Standards for public sidewalks curbs and gutters within the residential development, in whole or in part, upon approval of the Public Works Director.

- G. Design
All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual

- H. Signage
Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 3. A new chapter of the Gig Harbor Municipal code is adopted as follows:

17.41

Planned Community Development Commercial (PCD-C)

17.41.010 Intent

Provides for the location of businesses serving shoppers and patrons on a wider basis as distinguished from a neighborhood area. Encourages urban development. Encourages attractive natural appearing development and landscaping. Promotes a quality visual environment by establishing standards for the design, size and shape of buildings that create an attractive business climate. Where appropriate, residential uses should be located above commercial uses.

17.41.020 Permitted Uses

1. Retail and wholesale sales and service
2. Business and professional offices and services, including government offices.

3. Medical complex facilities
4. Nursing and convalescent homes
5. Retirement complexes
6. Hotels and motels
7. Nurseries
8. Commercial recreation
9. Automobile service stations and repair, including car wash facilities
10. Restaurants, including drive-through establishments, cocktail lounges and taverns
11. Banks and financial institutions
12. Public facilities
13. Convention/conference center facilities
14. Performing arts centers
15. Museums and art galleries
16. Churches or houses of religious worship
17. Public and private schools
18. Trails, open space, community centers
19. Residential uses located above retail facilities.
20. Mini-storage facilities
21. Family day care and adult family homes.

17.41.030 Performance Standards

1. Yard Requirements

The following minimums (in feet) apply:

Contiguous Parcel Situation	Lot Width	Front	Side	Rear	Street Frontage
Commercial/Commercial	75	20	05	20	20
Commercial/Residential	75	20	30	30	20

2. Landscaping

All uses shall conform to the landscaping requirements established in chapter 17.78. All required yards shall be landscaped in accordance with the landscaping requirements of chapter 17.78.

3. Lot area

There is no minimum lot area for this district.

4. Height

Structures within 100 feet of a residential low density zone shall not exceed 35 feet in height. Structures within 100 feet of a residential medium density zone shall not exceed 45 feet in height. The building height shall be determined as defined in Section 17.04.160 of the GHMC. The maximum building height shall also be limited by the city building and fire codes. Definitions within the city building and fire codes shall be used to determine height for compliance with the applicable building and fire code.

5. Lot coverage

There is no maximum lot area coverage except as needed to meet setback, open space and landscaping requirements.

6. Off-Street Parking

Off-street parking and loading areas meeting the requirements of Section 17.72 shall be provided.

7. Exterior Mechanical Devices

All HVAC equipment, pumps, heaters and other mechanical devices shall be screened from view from all public right-of-way.

8. Outdoor Storage of Materials

Outdoor storage of materials and supplies, except for authorized sales displays, shall be completely screened from adjacent properties and public right-of-way.

9. Outdoor Lighting

Within 100 feet of any residential use or zone, outdoor lighting and aerial mounted floodlighting shall be shielded from above in such a manner so that the bottom edge of the light shield shall be below the light source. Such lighting shall be shielded so that direct illumination shall be confined to the property boundaries of the light source. Ground mounted floodlighting or light projection above the horizontal plane is prohibited between midnight and sunrise. Temporary outdoor lighting intended to advertise a temporary promotional event shall be exempt from this requirement.

10. Trash Receptacles

Trash receptacles shall be screened from view. Screening shall be complementary to building design and materials.

11. Design

All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual.

12. Signage

Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 4. A new chapter of the Gig Harbor Municipal code is adopted as follows:

17.54

**Planned Community Development
Business Park (PCD-BP)**

17.54.010 Intent

The Business Park District Provides for the location of high quality design development and operational standards for technology research and development facilities, light assembly and warehousing, associated support service and retail uses, business and professional office uses, corporate headquarters and other supporting enterprises. The Business Park District is intended to be devoid of nuisance factors, hazards and potentially high public facility demands. Retail uses are not encouraged in order to preserve these districts for major employment opportunities and to reduce the demand for vehicular access.

17.54.020 Permitted Uses

1. Research and development facilities.
2. Light assembly and warehousing.
3. Light manufacturing.
4. Service and retail uses which support and are ancillary to the primary uses allowed in the Business Park district.
5. Professional offices and corporate headquarters.
6. Distribution facilities.
7. Vocational, trade and business schools.

8. Book and magazine publishing and printing.
9. Financial and Investment Institutions.
10. Commercial Photography, cinematography and video productions facilities.
11. Reprographic, computer, courier services, mail and packaging facilities.
12. Trails, open space, community centers.
13. Schools, public and private.
14. Public facilities.
15. Adult family homes and family day care.

17.54.030 Performance Standards

All uses in the Business Park zone shall be regulated by the following performance standards:

1. General

Uses which create a risk of hazardous waste spills must provide hazardous waste containment provisions that meet building code, fire code and health and environmental regulations to prevent air, ground and surface water contamination.

2. Setbacks

No structure shall be closer than 150 feet to any residential zone or development or closer than 50 feet to any street or property line. Parking shall not be located any closer than 30 feet to a property line.

3. Open Space

A minimum of 20% of the site, excluding setbacks, shall remain in open space, with either retained natural vegetation or new landscaping.

4. Landscaping

All uses shall conform to the landscaping requirements established in Section 17.78. All required yards shall be landscaped in accordance with the landscaping requirements of Section 17.78.

5. Lot area

There is no minimum lot area for this district.

6. Height

Structures within 100 feet of a residential low density zone shall not exceed 35 feet in height. Structures within 100 feet of a residential medium density zone shall not exceed 45 feet in height. The building height shall be calculated as defined in Section 17.04.160 of the GHMC. The maximum building height shall also be limited by the city building and fire codes. Definitions within the city building and fire codes shall be used to determine height for compliance with the applicable building and fire code.

7. Lot coverage

There is no maximum lot area coverage except as needed to meet setback, open space and landscaping requirements.

8. Off-Street Parking

Off-street parking and loading areas meeting the requirements of Section 17.72 shall be provided.

9. Exterior Mechanical Devices

All HVAC equipment, pumps, heaters and other mechanical devices shall be screened from view from all public right-of-way.

10. Outdoor Storage of Materials

Outdoor storage of materials and supplies, except for authorized sales displays, shall be completely screened from adjacent properties and public right-of-way.

11. Outdoor Lighting

Within one hundred feet of any residential use or zone, outdoor lighting and aerial mounted floodlighting shall be shielded from above in such a manner so that the bottom edge of the light shield shall be below the light source. Such lighting shall be shielded so that direct illumination shall be confined to the property boundaries of the light source. Ground mounted floodlighting or light projection above the horizontal plane is prohibited between midnight and sunrise. Temporary outdoor lighting intended to advertise a temporary promotional event shall be exempt from this requirement.

12. Trash Receptacles

Trash receptacles shall be screened from view. Screening shall be complementary to building design and materials.

13. Design

All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual.

14. Signage

Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 5. A new section of the Gig Harbor Municipal code is adopted as follows:

17.56

**Planned Community Development
Neighborhood Business (PCD-NB)**

17.56.010 Intent

The intent of the Neighborhood Business District (NBD) is to provide for businesses serving the everyday needs of neighboring residents. The NBD is limited in overall site area and availability of uses and is not intended to provide regional retail facilities. The NBD implements the goals and policies of the Gig Harbor Comprehensive Plan in providing retail and service uses that are easily accessible to local residents.

17.56.020 Permitted Uses

Retail uses primarily service residential areas and having less than 7,500 square feet of floor space per business. Those uses include, but are not limited to:

1. Banks
2. Grocery stores
3. Delicatessens
4. Drug stores
5. Bakeries
6. Gift shops
7. Hardware stores

8. Shoe repair
9. Barber and beauty shops
10. Laundry/dry cleaning
11. Flower shops
12. Restaurants, except drive-in/drive-thru
13. Business/professional offices
14. Public facilities
15. Gasoline dispensing
16. Residential uses located above permitted business use
17. Trails, open space, community centers
18. Public facilities
19. Adult family homes and family day care.

17.56.030 Performance Standards

1. General

All uses in the Neighborhood Business zone are subject to the following conditions:

- a. All business, service, or repair must be conducted within an enclosed building except for outside restaurant sitting, flower and plant display and fruit/vegetable stands appurtenant to a grocery store.
- b. Any goods produced in the neighborhood business zone shall be sold on the premises where produced.
- c. Processes, equipment and goods shall not emit odor, dust, smoke, cinders, gas, noise, vibrations, or waste which would be unreasonably affect adjacent residential area.

The Neighborhood Business Districts shall not be greater than 3 acres in total land area nor may an NBD be located within one mile of any other NBD

2. Hours of Operation

The following hours of operation apply:

Facility	Hours of Operation
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Gasoline Dispensing with Convenience Store	6:00am - 10:00pm
Grocery Stores	6:00am - 10:00pm
Delicatessens	6:00am - 10:00pm

3. Yard Requirements

Minimum yard requirements are as follows:

<u>Contiguous Parcel Situation</u>	<u>Minimum Lot Width</u>	<u>Front</u>	<u>Side</u>	<u>Rear</u>	<u>Street Frontage</u>
a. Commercial/Commercial	75	10	0	20	20
b. Commercial/Residential	75	20	30	30	20

The side yard must be at least 20 feet plus 10 feet for each story above two. Except when adjacent to a residential use or zone, the side yard must be at least 30 feet plus 10 feet for each story above two.

4. Height

Maximum height shall not exceed 35 feet for all structures.

5. Lot area

No minimum lot size is specified except as required to accommodate landscaping and open space requirements.

6. Lot coverage

A maximum lot coverage is not specified except as needed to meet setback and open space requirements.

7. Off-Street Parking

Off-street parking and loading areas meeting the requirements of chapter 17.72 shall be provided.

8. Exterior Mechanical Devices

All HVAC equipment, pumps, heaters and other mechanical devices shall be screened from view from all public right-of-way.

9. Outdoor Storage of Materials

Outdoor storage of materials and supplies, except for authorized sales displays, shall be completely screened from adjacent properties and public right-of-way.

10. Outdoor Lighting

Within one hundred feet of any residential use or zone, outdoor lighting and aerial mounted floodlighting shall be shielded from above in such a manner so that the bottom edge of the light shield shall be below the light source. Such lighting shall be shielded so that direct illumination shall be confined to the property boundaries of the light source. Ground mounted floodlighting or light projection above the horizontal plane is prohibited between midnight and sunrise. Temporary outdoor lighting intended to advertise a temporary promotional event shall be exempt from this requirement.

11. Trash Receptacles

Trash receptacles shall be screened from view. Screening shall be complementary to building design and materials.

12. Design

All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual.

13. Signage

Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 6. A new section of the Gig Harbor Municipal code is adopted as follows:

Chapter 17.59

Planned Community Development

Transfer of Density Credits Option

17.59.010 Intent

A. The intent of the density credit transfer option is to permit greater flexibility in the allocation of residential density within a Planned Community Development designation without exceeding

the maximum density buildout as planned for. The density transfer credit option may provide for higher densities in areas posing the fewest environmental constraints and which also have available access to public transportation. To this end, desired goals of the density credit transfer option are to:

1. Protect areas identified as having environmentally sensitive areas or features by minimizing or avoiding impacts associated with residential development.
2. Supply quality affordable housing while providing access opportunities to local employment areas.
3. Promote more efficient provision of public services.
4. Locate higher density residential development in areas which are capable of supporting more intense uses.

17.59.020 Applicability

- A. Density credit transfers are limited to the Planned Community designation and the Mixed Use designation of the City of Gig Harbor Comprehensive Plan (Nov., 1994). Density credit transfers may be applied from one residential district to another residential district. A density credit consists of one residential dwelling unit.
- B. Property which is constrained by critical areas or wetlands as defined under the Gig Harbor Municipal Code shall receive full density credit for those portions of the site which are undevelopable.
- C. Density credits may be transferred in whole or in fractions. Development rights associated with a density credit are considered real property and are subject to any legal requirements as applicable to other real property.

17.59.030 Procedure

- A. An owner of real property within the Planned Community District residential low or residential medium may apply for a density credit transfer either as a donor or receiver of

the density credit. A donor relinquishes density from property under the donor's ownership to the receiver's property. The receiver of density credits may apply the increased density to land under the receiver's ownership, consistent with the City of Gig Harbor Comprehensive Plan and the City Zoning Code. The following process applies to the transfer and receipt of density credits:

1. The applicant must submit documentation to the City which provides the following:

- a. The location, site area and specific development right(s) permitted under the Comprehensive Plan and Zoning Code which the property owner proposes to transfer, the base density, inclusive of previously transferred density, and the resultant change in density on the donor's property.
- b. The location and site area of the land to which the density credit is transferred to, including the projected density credit resulting from the transfer, the base density and the resultant change in density on the receiver's property.

B. Upon receipt of the completed application for density credit transfer, the Planning-Building Department shall review the density credit transfer proposal to assure that it is consistent with the Planned Community Development district designation to which it applies and the general density as stated.

C. Upon approval of the Planning Department and the City Attorney, the applicant/property owner shall file with the Pierce County Auditor a legally sufficient document which effectively accomplishes the following:

- 1) A covenant on the lands affected by the density credit transfer which contains deed restrictions reflecting the transfer and its resultant conditions to private ownership and future development of the land.
- 2) A deed for the development rights so affected shall be assigned an Assessor's tax parcel number, including a legal description of the real property from which density credits are to be donated from and a legal description of the real property to which such density credits are to be transferred to.

A copy of the executed legal instrument, bearing the Pierce County Auditor's file number, shall be provided to the Planning Department and the City Attorney prior to the issuance of any development permit for the affected properties.

Density credit transfers area exempt from the permit processing procedures in Title 19 and are processed simultaneous with any Type III permit application.

Section 7. A new section of the Gig Harbor Municipal code is adopted as follows:

17.91

Mixed Use District Overlay (MUD)

17.91.010 Intent

The intent of the mixed use zone is to provide flexibility in promoting the development of an integrated multi-use district which permits a variety of residential types and compatible businesses in close proximity to each other.

Development standards and Design Manual assure site development that is sensitive to critical lands and will provide the flexibility necessary to accommodate changing land use patterns and conditions.

Projects should be designed to ensure that early development does not foreclose options for later development and that new and different uses can be added without jeopardizing uses already established or planned for.

17.91.020 Permitted Uses

1. Residential dwellings, attached/detached
2. Retirement communities/complexes
3. Professional Business Offices and Services
4. Retail Sales and Service
5. Commercial Recreation
6. Hotels and Motels, including restaurants and conference facilities

7. Light Manufacturing and Assembly
8. Automobile and boat repair where the repairs are conducted within enclosed buildings or in a location that is not visible from public right-of-way and adjacent properties
9. Public facilities.
10. Churches and related uses on parcels ten acres or less in area.
11. Adult family homes and family day care.
12. Warehousing and storage

17.91.030 Conditional Uses

1. Churches and related uses on parcels greater than ten acres.

17.91.040 Site Development and Performance Standards

A. Minimum Development Parcel Size

To promote efficient and compatible groupings of uses within a Mixed Use District, the following minimum development parcel sizes shall apply:

1. No parcel less than 10 acres shall be developed with residential uses, except where the parcel is contiguous to a developed or planned residential area.
2. No parcel less than 10 acres shall be developed with commercial or business uses, except where the parcel is contiguous to a developed or planned business or commercial area.
3. Where phased development is proposed for a parcel of 10 acres or greater and where the first phase is less than 10 acres, the remaining portion of the parcel reserved for future development shall be committed to residential or commercial uses.
4. Where residential and non-residential uses are developed on the same parcel or site, the parcel size requirements may be waived where it is found that the intent of the mixed use zone is otherwise met.

B. Density

1. Maximum residential density is 4 dwelling units per acre. Minimum parcel size is not specified. Bonus densities of up to 30% over the base may be permitted, based upon the following allocations:
 - a) 30% of the development site is common open space, which must be contiguous to greater than one acre in area (+5%).
 - b) A pedestrian trail system is provided within the common open space area, consistent with the adopted trails plan per the land use map (+10%).
 - c) A minimum 35% of the required common open space is improved as an active recreational area (+10%). Active recreational areas shall include, but not be limited to:
 1. Clearly defined athletic fields and/or activity courts.
 2. Recreation Center or Community Facility.

Additional common open space is provided between the development and adjacent residential zones, uses or developments (+5% bonus maximum at a ratio of 1% density bonus per 5% open space increase).

C. General

1. The Maximum residential density is 4 dwelling units per structure in townhouse or zero lot-line developments.
2. Each unit must have individual private yards or courts enclosed by a wall, berm or dense landscaping.
3. Townhouse units adjacent to a single family residence within the same development shall have a front yard equal to or exceeding the single family dwelling and a minimum side yard of 25 feet if adjacent to a single family lot.

4. Easements shall be required for all zero lot-line developments to facilitate access from the adjoining lot for necessary maintenance and repair activities.

D. Separation of Uses/Transition Buffers

To assure that different land uses are adequately separated, the following transition buffers and setbacks shall be used:

1. Buffers Separating New Businesses from Existing Residential Uses

A business or commercial use must meet the following standards where it is adjacent to property which is either developed or planned for residential use:

- a. A minimum 35 feet setback from any property shared with a residential site.
- b. Landscaping forming a dense vegetative screen or retention of existing native vegetation within required buffer areas equal to the minimum setback.
- c. No parking shall occur within a required buffer.

2. Buffers Separating New Residential Use from Existing Commercial Uses

A residential use must meet the following standards where it is adjacent to property which is either developed or planned for commercial or business use:

- a. A minimum 35 feet setback from any property shared with a commercial site.
- b. Landscaping forming a dense vegetative screen or retention of existing native vegetation within required buffer areas equal to the minimum setback.

3. Buffers Separating New Multi-family Dwellings from Existing Single Family Dwellings

A multifamily use must meet the following standards where it is adjacent to property which is developed as single family residential:

- a. A minimum setback of 25 feet from all street right-of-ways common to both uses.
- b. A minimum setback of at least 25 feet from any property line shared with a single family use
- c. Landscaping within required buffer areas equal to minimum width of the buffer.

Parking areas shall not occupy the required buffer area.

4. Buffers Separating Single Family Dwellings from Existing Multi-Family Dwellings
Where adjacent property is developed or planned for single-family residential use, a multifamily residential development must meet the following standards:

- a. A minimum setback of 25 feet from all street right-of-ways common to both uses.
- b. A minimum setback of at least 25 feet from any property line shared with a single family use
- c. Landscaping within required buffer areas equal to minimum width of the buffer.

E. Mixed Use Occupancies Within the Same Structure

Residential units and retail business or office uses shall be permitted within the same structure, subject to the following standards:

1. The non-residential use must have access by way of a business arterial and shall front directly on an adjacent sidewalk or pedestrian walkway, or on a front or side yard from which vehicles are excluded.
2. Where a business or residential portion of the building is located on different floors, business uses shall occupy the floors below the residential uses.
3. Business and residential portions of a building must be separated by soundproof walls, floors, equipment, utilities or other suitable architectural features or appurtenances.
4. Allocation of uses shall be consistent with the City of Gig Harbor Comprehensive Plan.

F. Performance Standards

1. Minimum Yards (from the property line)

Front 15 feet

Side 5 feet. At least 20 feet is required on the opposite side of a lot having a zero lot line.

Rear 15 feet

2. Maximum Height

The maximum height of a structure shall not exceed 35 feet.

3. Maximum Lot Area Coverage

45%, excluding driveways, private walkways and similar impervious surfaces.

4. Landscaping

Landscaping shall comply with the requirements of chapter 17.78 GHMC.

5. Exterior Mechanical Devices

All HVAC equipment, pumps, heaters and other mechanical devices shall be screened from view from all public right-of-way.

6. Outdoor Storage of Materials

Outdoor storage of materials and supplies, except for authorized sales displays, shall be completely screened from adjacent properties and public right-of-way.

7. Outdoor Lighting

Within one hundred feet of any residential use or zone, outdoor lighting and aerial mounted floodlighting shall be shielded from above in such a manner so that the bottom edge of the light shield shall be below the light source. Such lighting shall be shielded so that direct illumination shall be confined to the property boundaries of the light source. Ground mounted floodlighting or light projection above the horizontal plane is prohibited between midnight and sunrise. Temporary outdoor lighting intended to advertise a temporary promotional event shall be exempt from this requirement.

8. Trash Receptacles

Trash receptacles shall be screened from view. Screening shall be complementary to building design and materials.

9. Design

All residential structures of four or more attached dwelling units and all non-residential structures shall comply with the standards of the City of Gig Harbor Design Manual.

10. Signage

Signage must comply with the requirements of Chapter 17.80 of the GHMC.

Section 8. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 9. Effective Date. This ordinance shall take effect and be in full force five (5) days after publication of an approved summary consisting of the title.

APPROVED:

MAYOR, GRETCHEN A. WILBERT

ATTEST/AUTHENTICATED:

CITY ADMINISTRATOR, MARK HOPPEN

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY:

BY _____

FILED WITH THE CITY CLERK: JANUARY 13, 1997

PASSED BY THE CITY COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO. ____

SUMMARY OF ORDINANCE NO. _____

of the City of Gig Harbor, Washington

On the ____ day of _____, 1997, the City Council of the City of Gig Harbor, passed Ordinance No. _____. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING TO LAND USE AND ZONING, ADOPTING NEW ZONING CLASSIFICATIONS OF PLANNED COMMUNITY DEVELOPMENT LOW DENSITY RESIDENTIAL (PCD-LDR), MEDIUM DENSITY RESIDENTIAL (PCD-MDR), COMMERCIAL (PCD-C), BUSINESS PARK (PCD-BP), NEIGHBORHOOD BUSINESS (PCD-NB), DENSITY CREDIT TRANSFER OPTIONS AND A MIXED USE DISTRICT(MUD); ADDING NEW CHAPTERS 17.17, 17.21, 17.41, 17.54, 17.56, 17.59 AND 17.91, TO THE GIG HARBOR MUNICIPAL CODE.

Section 1. A new chapter 17.17 (PCD- Residential Low Density) of the Gig Harbor Municipal Code is adopted.

Section 2. A new chapter 17.21 (PCD-Residential Medium Density) of the Gig Harbor Municipal Code is adopted.

Section 3. A new chapter 17.41(PCD- Commercial) of the Gig Harbor Municipal Code is adopted.

Section 4. A new chapter 17.54 (PCD-Business Park) of the Gig Harbor Municipal Code is adopted.

Section 5. A new chapter 17.56 (PCD- Neighborhood Business) of the Gig Harbor Municipal Code is adopted.

Section 6. A new chapter 17.59 (PCD- Density Credit Transfers) of the Gig Harbor Municipal Code is adopted.

Section 7. A new chapter 17.91 (Mixed Use Overlay) of the Gig Harbor Municipal Code is adopted.

Section 8. A severability clause is adopted.

Section 9. Establishing an effective date.

The full text of this Ordinance will be mailed upon request.

DATED this ____ day of _____, 1997.

CITY ADMINISTRATOR, MARK HOPPEN



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: TOM ENLOW
DATE: JANUARY 21, 1997
SUBJECT: SECOND READING - SEWER RATE INCREASE ORDINANCE

BACKGROUND

This ordinance provides for a five percent sewer rate increase as discussed at the budget workshop. The increase will be effective with billings issued after February 1, 1997.

FISCAL IMPACT

The increase will provide approximately \$40,000 per year and will be used to offset increased biosolid disposal and energy costs and contribute toward capital improvements such as an emergency generator for the treatment plant.

RECOMMENDATION

Staff recommends approval of the ordinance.

CITY OF GIG HARBOR

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON RELATING TO THE MUNICIPAL SEWER SYSTEM: PROVIDING INCREASES IN THE SEWER RATES, AMENDING GIG HARBOR MUNICIPAL CODE SECTIONS 13.32.010, 13.32.015, 13.32.020, 13.32.025, 13.23.040 AND SETTING AN EFFECTIVE DATE.

WHEREAS, it is necessary to increase the sewer service rates and charges to reflect the increased costs of providing those services and to maintain a viable sewer system;

NOW, THEREFORE, the City Council of the City of Gig Harbor, Washington, **ORDAINS** as follows:

Section 1. Section 13.32.010 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.010 Sewer Rates. The monthly sewer service rates shall be set at the following amounts:

<u>Customer Class</u>	<u>Customer Base Charge</u> (per month)		<u>Commodity Charge</u> (per ccf)		<u>Minimum Charge</u> (per month)	
Residential	\$4.62	\$4.85	\$2.03	\$2.13	\$14.77	\$15.50
Multi-residential (per living unit)	2.72	2.86	2.03	2.13	10.84	11.38
Commercial/School (per billing unit)	8.66	9.09	2.03	2.13	14.75	15.48

Section 2. Section 13.32.015 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.015 Sewer Rates - Community Systems. The monthly sewer service rates for community systems shall be set at the following amounts:

<u>Customer Class</u>	<u>Monthly Charge</u>	
Penn Thicket System	\$164.01	\$118.14/system
Shore Crest System	23.10	16.17/living unit

Section 3. Section 13.32.020 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.020 Non-metered uses. Until a water meter has been installed to measure water flow by a residential unit, multi-residential building, or commercial facility, the sewer service charge for each unmetered unit/facility shall be as follows:

<u>Non-metered Customer Class</u>	<u>Monthly Charge</u>	
Residential	\$18.83	\$19.76/unit
Multi-residential	14.90	15.64/living unit
Commercial	39.11	41.04/billing unit

Section 4. Section 13.32.025 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.025 Sewer Rates - Community systems using flow meters. The monthly sewer service rates for community systems basing billing on sewer flow meters shall be set at the following amounts:

<u>Customer Class</u>	<u>Customer Base Charge (per month)</u>		<u>Commodity Charge (per ccf)</u>		<u>Minimum Charge (per month)</u>	
Residential	\$4.62	\$4.85	\$2.03	\$2.13	\$18.83	\$19.76
Multi-Family Residential	2.72	2.86	2.03	2.13	14.90	15.74
Commercial	8.66	9.09	2.03	2.13	39.11	41.04

Section 5. Section 13.32.030 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.030 Outside sewer service. Sewer service extended outside the city limits shall be charged at 1.5 times the city rates established in GHMC ~~13.32.010, 13.32.020 and 13.32.0250~~ this chapter.

Section 6. Section 13.32.040 of the Gig Harbor Municipal Code is hereby amended to read as follows:

13.32.040 Utility taxes by state and city excluded. The sewer use charges listed in GHMC ~~13.32.010, 13.32.020 and 13.32.030~~ this chapter do not include state and city utility taxes.

Section 7. This ordinance shall be in full force and take effect five (5) days after its publication of an approved summary consisting of the title. The increases provided for herein will be reflected in utility billings issued after February 1, 1997.

PASSED by the City Council of the City of Gig Harbor, Washington, and approved by its Mayor at a regular meeting of the council held on this ___th day of _____, 1997.

APPROVED:

Gretchen A. Wilbert, Mayor

ATTEST:

Mark E. Hoppen
City Administrator/Clerk

Filed with city clerk: 1/7/97
Passed by city council:
Date published:
Date effective:



City of Gig Harbor. The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: MARK HOPPEN, CITY ADMINISTRATOR *MH*
SUBJECT: ADDITION OF PUBLIC WORKS CLERK POSITION
DATE: JANUARY 23, 1997

INTRODUCTION/BACKGROUND

The city budget for 1997 authorizes the hiring of a half-time public works shop clerk. In order to implement the hiring of this position, an ordinance is being submitted to Council to create the job description for the position of Public Works Clerk and to establish compensation for the position. The half-time position was budgeted for hiring in February. This is the second and final reading of the ordinance.

POLICY CONSIDERATIONS

This position, as proposed, establishes a job description that is analogous to the level of work and level of skill expertise expected of the Administrative Receptionist. The salary range proposed is identical to the Administrative Receptionist position.

FISCAL CONSIDERATIONS

The 1997 budget for this position, including wages and benefits, totals \$20,000. The expenditures within the proposed salary range for this half-time position are well within the established budgetary allocation.

RECOMMENDATION

Staff recommends approval of this ordinance.

**CITY OF GIG HARBOR
ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY OF GIG HARBOR AMENDING ORDINANCE NO. 742,
ADDING A PUBIC WORKS CLERK TO THE SALARY SCHEDULE, ADOPTING A NEW
JOB DESCRIPTION AND SETTING AN EFFECTIVE DATE.**

WHEREAS, the Gig Harbor City Council has approved the creation of a new Public Works Clerk position in 1997; and

WHEREAS, the existing personnel policies for the City of Gig Harbor do not currently have a job description for the "Public Works Clerk" position;

NOW, THEREFORE, the City Council of the City of Gig Harbor, Washington, **ORDAINS** follows:

Section 1. The City of Gig Harbor Job Descriptions in Ordinance No. 742 shall be amended to include a new job description titled "Public Works Clerk" attached as Exhibit 'A' and incorporated herein by this reference.

Section 2. The 1997 Salary Schedule shall be amended to include the new position of Public Works Clerk with the salary range to be \$1,802 - \$2,251 per month. The amended 1997 Salary Schedule is attached hereto and incorporated herein by this reference.

Section 3. This ordinance shall take effect and be in full force five days after publication.

PASSED this _____ day of January, 1997.

Gretchen A. Wilbert, Mayor

ATTEST:

Mark E. Hoppen, City Administrator

Filed with City Clerk: 1/8/97

Passed by City Council:

Date Published:

Date Effective:

Exhibit 'A'
PUBLIC WORKS CLERK

Nature of Work

The person in this position performs primarily clerical and office administration functions for the Public Works Department. Responsibilities generally include, but are not limited to, processing invoices; record keeping; accounting; typing; filing; inventorying; preparing routine correspondence; preparing and maintaining databases; responding to public inquiries; complaints; and responding to public inquiries, complaints, and requests; and performing other tasks as assigned. Work must be executed quickly, and with confidentiality, accuracy, and minimal supervision.

Controls Over the Work

Under the direct supervision of the Public Works Assistant and the indirect supervision of the Public Works Supervisor, Wastewater Treatment Plant Supervisor, and the Public Works Director, the Public Works Clerk performs clerical and office administration functions in support of the Public Works Department. In the absence of the Public Works Assistant, the Public Works Clerk works under the direct supervision of the Public Works Director. Under general direction, and *within City policies and procedures*, the Public Works Clerk exercises independent judgement and initiative.

Essential Duties and Responsibilities

Processes invoices, knowledge of BARS system desired.

Develops and maintains records and files, including computerized databases.

Assists the Public Works Assistant in administering Public Works Department office functions, including grant management, permit issuance, bond monitoring and releases, coordination of development review, maintenance of office supplies and equipment, scheduling and schedule coordination; greets the public by telephone and personal inquiries, makes referrals and obtains routine information; assists the public by checking routine records and files for requested information; types routine correspondence, including letters, memoranda, reports and other material from clear copy or rough draft; sorts, processes, and files correspondence, checks, invoices, index cards, and other documents. Performs other duties as assigned by designated supervisory staff.

Knowledge, Abilities, and Skills

Knowledge of business English, spelling, and basic business math.

Knowledge of WordPerfect or Microsoft Word word processing software.

Knowledge or ability to learn spreadsheet software.

Knowledge of general office procedures and general office equipment.

Ability to operate a standard office calculator.

Ability to type at the net rate of 40 words per minute.

Ability to perform routine mathematical computations and tabulations accurately and with reasonable speed.

Ability to be effective, tactful, and diplomatic in explaining City policies and procedures.

Ability to develop and maintain positive working relationships with the public, and other City staff.

Ability to carry out oral and written instructions with minimal supervision or guidance.

Physical Demands and Work Environment

Work is performed in an office, field, maintenance, shop, or wastewater treatment plant environment. Walking, sitting, standing, bending and reaching are required. Exposure to adverse weather conditions, mechanical and electrical equipment, operating machinery and chemicals may be involved.

Qualifications Required (Minimum)

Minimum: Current State of Washington Driver's License.

One-year related office experience, or satisfactory completion of a business or secretarial curriculum.

**SUMMARY OF ORDINANCE NO. _____
of the City of Gig Harbor, Washington**

On _____, 1997, the City Council of the City of Gig Harbor, Washington, approved Ordinance No. _____, the summary of text of which is as follows:

AN ORDINANCE OF THE CITY OF GIG HARBOR AMENDING ORDINANCE NO. 742, ADDING A PUBIC WORKS CLERK TO THE SALARY SCHEDULE, ADOPTING A NEW JOB DESCRIPTION AND SETTING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GIG HARBOR:

The full text of this ordinance will be mailed upon request.

APPROVED by the City Council at their regular meeting of _____, 1997.

BY: _____
Mark E. Hoppen
City Administrator/Clerk

Exhibit 'B'

ATTACHMENT "A"

1997 SALARY SCHEDULE

<u>POSITION</u>	<u>RANGE</u>	
	<u>Minimum</u>	<u>Maximum</u>
City Administrator	\$4,847	\$6,059
Public Works Director	4,340	5,426
Chief of Police	4,107	5,134
Finance Director	3,910	4,888
Planning Director	3,826	4,783
Police Lieutenant	3,595	4,494
Public Works Supervisor	3,493	4,366
Police Sergeant	3,425	4,281
Fire Marshal/Building Official	3,350	4,188
Sewer Plant Supervisor	3,343	4,179
Foreman	2,978	3,723
Police Officer	2,872	3,590
Planning Associate	2,867	3,584
Construction Inspector	2,819	3,524
Sewer Plant Operator	2,776	3,471
Maintenance Worker	2,698	3,372
Planning / Building Inspector	2,610	3,262
Engineering Technician	2,508	3,134
Administrative Assistant	2,428	3,036
Public Works Assistant	2,428	3,036
Court Administrator	2,344	2,931
Finance Technician	2,219	2,773
Planning-Building Assistant	2,219	2,773
Laborer	2,178	2,723
Court Clerk	2,125	2,656
Police Services Specialist	2,086	2,609
Administrative Receptionist	1,802	2,251
Public Works Clerk	1,802	2,251



City of Gig Harbor. The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: MARK HOPPEN, CITY ADMINISTRATOR *MH*
SUBJECT: INSURANCE COVERAGE AWC/RMSA
DATE: JANUARY 23, 1997

INFORMATION/BACKGROUND

Attached are agreements to accept insurance coverage for the city from the Association of Washington Cities Risk Management Service Agency. A resolution approving the Mayor's signature of an interlocal agreement approving a two-year relationship with AWC/RMSA is attached. Also attached is an insurance pool coverage declaration sheet and a copy of the policy.

FISCAL CONSIDERATIONS

The pro-rated premium fee for the year is \$60,562. This coverage is at the \$5 million level of coverage per occurrence.

RECOMMENDATION

Staff recommends approval of this insurance package.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, REGARDING MEMBERSHIP IN THE ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT SERVICE AGENCY.

WHEREAS, the Association of Washington Cities Risk Management Service Agency (RMSA) offers pooled self-insurance, offering cost stability and the potential for long-term savings; and

WHEREAS, RMSA is sponsored by the Association of Washington Cities as a Service to Washington cities; and

WHEREAS, the City of Gig Harbor finds that membership in RMSA is of benefit in managing the risks involved in providing services to its citizens; and

WHEREAS, the City of Gig Harbor has been provided with an opportunity to review the Pool Agreement; and

WHEREAS, the City of Gig Harbor has submitted the Pool Agreement to its legal counsel to review for compliance with the Charter and Ordinances; now therefore

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

The City of Gig Harbor does hereby enter into a contract with RMSA and becomes a member of the RMSA for a two-year period commencing January 16, 1997, and agrees to abide by the terms of the Trust Agreement, which, along with this Resolution, constitutes the contract between the City of Gig Harbor and RMSA. The Mayor is hereby authorized to execute such documents as are necessary pursuant to this resolution.

RESOLVED this _____ day of ____, 1997.

APPROVED:

GRETCHEN A. WILBERT, MAYOR

ATTEST/AUTHENTICATED:

MARK E. HOPPEN, CITY CLERK

FILED WITH THE CITY CLERK: 1/22/97
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.

INTERLOCAL AGREEMENT:

CREATING

THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY

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INTERLOCAL AGREEMENT:
CREATING THE
ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY

PREAMBLE

THIS AGREEMENT is made and entered into in the State of Washington by and among the members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members," and individually as "Member," which are parties signatory to this Agreement. Said Members are sometimes referred to herein as "parties."

RECITALS

WHEREAS, Ch. 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods; and

WHEREAS, the Association of Washington Cities desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages; and

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a joint protection program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

ARTICLE 1
Definitions

The following definitions shall apply to the provisions of this Agreement:

- 1.1 "Agency" shall mean the Association of Washington Cities Risk Management Service Agency said entity created by this Agreement.
- 1.2 "Association" shall mean the Association of Washington Cities.

- 1.3 "Board of Directors" or "Board" shall mean the governing body of the Association of Washington Cities which will serve ex officio, and by right of office as the Association of Washington Cities Board Members, as the Board of Directors of the Agency.
- 1.4 "Claims" shall mean demands made against the Agency arising out of occurrences which are within the Agency's Joint Protection Program as developed by the Board of Directors.
- 1.5 "Deposit Charge" shall mean the dollar amount calculated by the Agency which will represent the individual Member's share of Organizational Expenses and the Member's first year premium for participation in the Joint Protection Program administered by the Agency.
- 1.6 "Excess Insurance" shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.
- 1.7 "Executive Director" shall mean the Executive Director of the Association of Washington Cities who is appointed by the Board of Directors as the Executive Director of the Agency, and responsible for the management of the Agency.
- 1.8 "Fiscal Year" shall mean that period of 12 months which is established as the fiscal year of the Agency.
- 1.9 "Insurance" shall mean and include self-insurance through a funded program and/or commercial insurance contract.
- 1.10 "Joint Protection Program" shall mean the program established by the Board of Directors and intended to address the general operation of the Agency.
- 1.11 "Local Governmental Entity" shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts, public utility districts, water districts, sewer districts, school districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.
- 1.12 "Operating Committee" shall mean the committee appointed by the Board of Directors which will serve in an advisory capacity to the Board and is authorized to carry out various duties and responsibilities, including, but not limited to the following:

- 1.12.1 Develop and forward to the Board of Directors the proposed Agency Interlocal Agreement/Articles, and Agency goals and objectives.
 - 1.12.2 As soon as practical after the effective date of this Agreement, develop and forward to the Executive Director the Joint Protection Program (JPP) which identifies Agency and Member coverages.
 - 1.12.3 Interview and recommend to the Executive Director consultants to be utilized by the Agency including but not limited to: broker of record, claim administrator, loss control consultants, and risk management consultant.
 - 1.12.4 Develop membership admissions guidelines which affect Member entry into the pool and continued Member participation as provided for in Article 21.
 - 1.12.5 Develop and recommend to the Executive Director standards necessary for the development and maintenance of an effective Agency loss control program.
 - 1.12.6 Review, and where necessary develop and forward recommendations to the Executive Director, Agency program evaluations indicating changes, modifications or additions necessary to enhance Agency efficiency and improve the position of member entities as self-insured organizations.
 - 1.12.7 Make an annual report to the Board of Directors recommending Agency goals and objectives and reviewing loss control programs, membership activity, claims activity, and self insurance activity.
 - 1.12.8 Review all other Agency activity related to Agency operations including but not limited to: claims, insurance, self insurance coverage and limits.
 - 1.12.9 Submit a financial report annually to supplement the Executive Director's annual report, as referenced in Article 14, to the Board of Directors and Members to bring to their attention issues of committee concern.
- 1.13 "Organizational Expenses" shall mean those costs incurred by the Association in the course of forming the Agency, including, but not limited to:
- 1.13.1 Consultant fees;
 - 1.13.2 Insurance brokerage commissions;

- 1.13.3 Legal fees;
 - 1.13.4 Loss data analysis with respect to prospective Members; and
 - 1.13.5 Premium Calculation.
- 1.14 "Signatory" or "Signatories" shall mean those parties who sign this Agreement, including execution by Counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.

ARTICLE 2
Purposes

- 2.1 This Agreement is entered into by the Members to provide for self-insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage for all forms of Insurance available or required by law for Local Governmental Entities and for which state law authorizes the formation of pooling organizations to provide such Insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of Claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Services Agency, to direct and administer a Joint Protection Program wherein the Members will engage in certain activities, including but not limited to the following:
- 2.1.1 Pool their losses and Claims;
 - 2.1.2 Jointly purchase Excess Insurance; and
 - 2.1.3 Jointly purchase administrative and other services including:
 - 2.1.3.1 Claims adjusting;
 - 2.1.3.2 Data processing;
 - 2.1.3.3 Risk management consulting;
 - 2.1.3.4 Loss prevention;
 - 2.1.3.5 Legal; and
 - 2.1.3.6 Miscellaneous related services.
- 2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent

date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and members of the Agency, subject to approval by the Board of Directors.

- 2.3 It is also the purpose of this Agreement to provide, to the extent permitted by law, that the Agency may, at the discretion of its Directors, contract with non-member Local Government Entities or other public or non-profit entities in the State of Washington to provide, at a reasonable charge, such non-members administrative and other services, including Claims adjusting, data processing, risk management consulting, loss prevention, and training.

ARTICLE 3 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and Signatories of this Agreement pursuant to Article 19. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 20 and 21, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4 Term of Agreement

This Agreement shall become effective on January 1, 1989, and shall be of unlimited duration; but not less than one year, and will continue unless terminated as hereinafter provided in Article 23.

ARTICLE 5 Creation of Agency

Pursuant to Ch. 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any party to this Agreement.

ARTICLE 6 Powers of the Agency

- 6.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:

- 6.1.1 Contract or otherwise provide for risk management and loss control services;

- 6.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 6.1.3 Consult with the state insurance commissioner and/or the state risk manager;
 - 6.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 6.1.5 Incur debts, liabilities, or obligations;
 - 6.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 6.1.7 Sue and be sued in its own name;
 - 6.1.8 Hire employees and agents; and
 - 6.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law including the incorporation of the Agency as a non-profit corporation.
- 6.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 7
The Board of Directors and Powers

7.1 The Board of Directors

The Agency, its funds and service programs shall be administered by a Board of Directors.

7.2 Agents for Service of Process

Each Director shall be considered as an agent of the Agency for the purpose of accepting service of legal process, provided that the Directors may designate their administrative agent, or another person, as agent of the Agency for this purpose.

7.3 Number of Directors

There shall be nineteen (19) initial Directors of the Agency, who shall be members of the Board of Directors of the Association of Washington Cities serving ex officio and by right of office, as a member of the Board of Directors of the Agency. Each Director of the Association shall be eligible to serve as a Director of the Agency.

7.4 Powers of the Board of Directors

The Board of Directors of the Agency shall have the following powers and functions:

- 7.4.1 The Board shall appoint an Operating Committee pursuant to Article 11, to which it may give authority to make and implement any decisions, including those involving the administration of the Agency, except those decisions that would require an amendment of this Agreement, under Article 26 herein.
- 7.4.2 The Board shall review all acts of the Operating Committee, and shall have the power to modify and/or override any decision or action of the Operating Committee.
- 7.4.3 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
- 7.4.4 The Board shall receive and review periodic accountings of all funds under Articles 14 of the Agreement.
- 7.4.5 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
- 7.4.6 The Board shall determine and select all necessary insurance, including Excess Insurance, necessary to carry out the Joint Protection Program of the Agency.
- 7.4.7 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, Claims adjusting, loss control, and risk management consulting services.
- 7.4.8 The Executive Director of the Association of Washington Cities, acting in the capacity of Executive Director of the Agency shall have general supervisory control over the Agency.
- 7.4.9 The Board shall have such other powers and functions as are provided for in this Agreement or those which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts with non-members or other Local Governmental Entities and the Agency, to provide services to such non-members as are set forth in Article 2, upon such terms and conditions

as the Board of Directors shall decide are appropriate.

ARTICLE 8 Directors

8.1 Appointment of Additional or Successor Directors

In the event of the termination of appointment, resignation, or death of a Director, or an increase in the size of the Board of Directors, a successor or additional Director shall be appointed by the Board of Directors of the Association of Washington Cities, in accordance with the rules and bylaws of the Association of Washington Cities. Such appointment shall be effective as of the date specified in a written notice of the appointment delivered to the Chairman or Secretary of the Directors.

8.2 Acceptance of Appointment by Directors

Each Director shall sign a document accepting his/her appointment as Director and agreeing to abide by the terms and provisions of this Interlocal Agreement.

8.3 Term of Appointment

Each Director shall serve a term coterminous with his or her term on the Board of Directors of the Association of Washington Cities.

8.4 Termination of Appointment by Appointing Entity

8.4.1 The appointment of a Director of the Agency may be terminated, at any time, by the Board of Directors of the Association of Washington Cities, in accordance with the rules and bylaws of the Association of Washington Cities.

8.4.2 The termination of a Director's appointment shall be effective upon written notice, mailed to the last address provided to the Agency by the respective Board member, postage prepaid by registered mail and will be deemed received three (3) days after mailing.

8.5 Vacancies

No vacancy in the position of Director shall impair the power of the remaining Directors to administer the affairs of the Agency so long as a quorum exists as specified in Article 9, Section 9.2, hereof.

8.6 Return of Books and Records

In the event of the termination of appointment, resignation, or death of a Director, the Director (or the Director's legal guardian, heirs, or personal representative) shall, upon the request of the Board of Directors or the Executive Director, forthwith turn over to the Executive Director any and all records, books, documents, monies, and other property in the possession of the Director or under the Director's control, that belong to the Agency or that were received by the Director in his/her capacity as Director.

ARTICLE 9 Meetings of the Board of Directors

9.1 Manner of Voting

Any action to be taken by the Directors at a meeting shall be determined by a majority vote of those Directors at the meeting.

9.2 Constitution of a Quorum

To constitute a valid regular or special meeting of the Directors, a quorum must be present. A quorum shall consist of a simple majority of the Directors then serving.

9.3 Motions

Any Director including the Chairman may offer or second any motion or resolution presented for the Director's consideration.

9.4 Proxies

Any member of the Board shall be permitted to be represented at any Board meeting by his or her proxy who shall be a mayor, councilmember, commissioner, or chief administrative officer of such Board member's entity. If a Board member is absent from three consecutive meetings of the Board, without arranging for proxy, the Board shall declare his or her position vacant, unless the member has been excused by the Board, whose determination as to the reasonableness of such excuse shall be final.

9.5 Regular Meetings

The Directors shall hold regular periodic meetings consistent with the needs of Agency business, provided that there shall be at least two (2) regular meetings held during each calendar year. The Directors shall determine the time and place of all regular meetings.

9.6 Special Meetings

Either the Chairman or the Executive Director or any two (2) Directors may call a special meeting of the Directors giving written notice to all the other Directors of the time and place of the meeting at least five (5) days before the date set for the meeting, provided that five (5) days advance notice shall not be necessary if all Directors are agreeable to an earlier meeting.

9.7 Action Without a Formal Meeting

The Directors may take action without a formal meeting by means of:

9.7.1 a conference telephone call, arranged by the Executive Director, in which all Directors participate;

9.7.2 the presentation of a written motion or resolution sent to all Directors by the Executive Director and the subsequent obtaining of Director votes on the motion or resolution in telephone calls placed to each Director by the Executive Director; or

9.7.3 the presentation of a written motion or resolution sent to all Directors by the Executive Director and the subsequent obtaining of Director votes on the motion or resolution in letters sent by each Director to the Executive Director.

9.8 Minutes

Any action under this section shall be reported in the minutes of the next formal meeting.

ARTICLE 10
Officers of the Agency

10.1 Appointment of President and First Vice President

10.1.1 The officers of the Agency shall consist of a President and a First Vice President, elected at the annual meeting of the Association of Washington Cities, serving ex officio and by right of office, in the same capacity on the Board of Directors of the Association of Washington Cities and the Board of Directors of the Agency. Each of such officers shall hold his respective office until the following annual meeting and until his respective successor is duly elected or appointed, and qualified.

- 10.1.2 The President shall preside at all Board meetings of the Agency.
- 10.1.3 In case of the death or disability of the President, the First Vice President shall perform the duties of the President, and in case of his death or disability, such duties shall be performed by the Executive Director.
- 10.1.4 The Executive Director shall record or arrange for the recording of all proceedings of the Board of Directors.

10.2 Authorized Signatures

The President and the Executive Director or any two authorized Directors shall sign all negotiable instruments, certificates, contracts, government reports, and other legal documents on behalf of the Agency, provided that the authority for signing negotiable instruments may be delegated to the administrative agent, corporate Directors (if any), depository bank, or custodian bank. All persons doing business with the Agency may rely on such signatures.

10.3 Expenses

Each Director shall be reimbursed by the Agency for all expenses properly and actually incurred by such Director in the administration of the Agency.

ARTICLE 11 Operating Committee

- 11.1 The Board of Directors shall appoint, at the inception of the Agency during a Board meeting, an Operating Committee which shall consist of not less than five or more than nine representatives from Local Governmental Entities participating in the Agency. It is the intent of the Board to provide for the committee to assist the Board and/or Executive Director with the operations of the Agency and to keep the Board and/or Executive Director advised on all aspects of Agency operations and any professional standards requisite to the Agency's operations.
- 11.2 The Board of Directors shall delegate to the Operating Committee various powers including, but not limited to the following:
 - 11.2.1 Develop and forward to the Board of Directors the proposed Agency Interlocal Agreement/Articles, and Agency goals and objectives.
 - 11.2.2 As soon as practical after the effective date of this Agreement, develop and forward to the

Executive Director the Joint Protection Program (JPP) which identifies agency and member coverages.

- 11.2.3 Interview and recommend to the Executive Director consultants to be utilized by the Agency including but not limited to: broker of record, claim administrator, loss control consultants, and risk management consultant.
- 11.2.4 Develop membership admissions guidelines which affect Member entry into the pool and continued Member participation as provided for in Article 21.
- 11.2.5 Develop and recommend to the Executive Director standards necessary for the development and maintenance of an effective Agency loss control program.
- 11.2.6 Review and where necessary develop and forward recommendations to the Executive Director Agency program evaluations indicating changes, modifications or additions necessary to enhance agency efficiency and improve the position of member entities as self-insured organizations.
- 11.2.7 Make an annual report to the Board of Directors recommending Agency goals and objectives and reviewing loss control programs, membership activity, claims activity, and self insurance activity.
- 11.2.8 Review all other Agency activity related to Agency operations including but not limited to: Claims, insurance, self insurance coverage and limits.
- 11.2.9 Submit a financial report annually to supplement the Executive Director's annual report, as referenced in Article 14, to the Board of Directors and Members to bring to their attention issues of committee concern.

ARTICLE 12 Coverage

- 12.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 12.2 The Board may arrange purchase of a group policy for Members interested in obtaining additional types or limits of coverage at additional cost to those participating Members. Such additional cost may include an administrative fee for the Agency's services.

- 12.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 13

Development of the Joint Protection Program

- 13.1 As soon as practicable after the effective date of this Agreement, the Board of Directors shall establish the Agency's coverage, the amount of initial premiums, the cost allocation plan and formula, the pro forma financial statement of the Agency, and the amount and type of excess or other Insurance to be procured.
- 13.2 The Joint Protection Program provided by the Agency shall extend to all Member operations except as excluded by the Board of Directors.

ARTICLE 14

Accounts and Records

- 14.1 Annual Budget. The Agency shall annually adopt an operating budget, pursuant to Article 7.4.3 of this Agreement.
- 14.2 Funds and Accounts. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practices. Books and records of the Agency shall be in the hands of the Executive Director and shall be open to any inspection at all reasonable times by Member representatives.
- 14.3 Executive Director's Report. The Executive Director, within one hundred and twenty (120) days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to each Member
- 14.4 Annual Audit. The Board shall provide for a certified, annual audit of the accounts and records of the Agency. Such audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a certified public accountant, a report thereof shall be filed as public record with each of the Members. Such report shall be filed within six (6) months of the end of the year under examination.
- 14.5 Costs. Any costs of the audit, including contracts with, or for employment of, certified public accountants, in making an audit pursuant to this Article, shall be borne by the Agency and shall be considered included within the term "administrative costs."

ARTICLE 15
Bond Requirements

The Board may require that all officers and personnel authorized to disburse funds of the Agency, provide a fidelity bond in the amount set by the Board, such bond to be paid for by the Agency.

ARTICLE 16
Responsibility of the Agency

The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

- 16.1 Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial Insurance, as well as excess coverage and other Insurance, such Insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;
- 16.2 Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;
- 16.3 Provide loss prevention, safety, and consulting services to Members as required;
- 16.4 Provide Claims adjusting and subrogation services for Claims covered by the Agency's Joint Protection Program;
- 16.5 Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;
- 16.6 Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and Insurance provisions;
- 16.7 Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the Executive Director, an independent auditor may be retained by contract to conduct the audits;
- 16.8 Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her agency as an agent of the Agency; and

- 16.9 The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 17
Responsibilities of Members

Members shall have the following responsibilities:

- 17.1 Each member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency as to risk management.
- 17.2 Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Agency concerning the development and implementation of a loss control policy to prevent unsafe practice(s).
- 17.3 Each Member shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Agency's loss reporting system.
- 17.4 Each Member shall promptly pay its premium and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any additional premium and accrued interest at a rate determined by the Board, when and if required of it by the Board.
- 17.5 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the Joint Protection Program under this Agreement.
- 17.6 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all By-laws, rules, and regulations adopted by the Board of Directors.

ARTICLE 18
Interim Period and Effective Date of Program

- 18.1 Interim Period. Once this Agreement has been initially signed, the estimated Deposit Charge for each Member shall be developed by October 15, 1988 and presented to each Member by written notice. Each Member shall have fifteen (15) calendar days from the receipt of such notice to withdraw from the Agreement.
- 18.1.1 After the end of this fifteen (15) day period, and prior to December 1, 1988, each Member's actual Deposit Charge shall be determined. Each Member

which signed the Agreement shall be bound thereby unless the actual Deposit Charge for the first year exceeds the estimated Deposit Charge in the written notice provided pursuant to §18.1. If the actual charge exceeds the estimated Deposit Charge a Member may nevertheless, elect to proceed with its participation in the Joint Protection Program by informing the Agency, in writing, of its decision to that effect.

18.2 Effective Date of Joint Protection Program. After each Member's actual Deposit Charge for the first year has been determined, written notice to that effect shall immediately be given to all Members. The Joint Protection Program shall become effective thirty (30) days from the date of such notice.

18.3 Joint Protection Program. After this Agreement becomes effective, the Agency shall develop the details of the Joint Protection Program more fully described in Articles 12 and 13 of this Agreement.

ARTICLE 19 New Members

19.1 Admission of New Members. After the effective date of the Joint Protection Program is established by the Agency, according to the provisions of Article 18, additional Members shall be permitted to become Signatories to this Agreement, and to enter the Joint Protection Program, during the first year of operation or in following years. The Directors shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.

19.2 Costs. Members entering under this Article will be required to pay their share of Organizational Expenses as determined by the Board, including those necessary to analyze their loss data and determine their premium.

ARTICLE 20 Withdrawal and Three Year Commitment

20.1 A Member may withdraw as a party to this Agreement during the Interim Period as provided for in Article 18.1.

20.2 A Member which signs the Agreement and enters the Joint Protection Program pursuant to Article 18 may not withdraw as a party to this Agreement and as a Member of the Agency for a three-year period, commencing on the effective date of the Joint Protection Program, as determined by Article 18.

- 20.3 After the initial three-year noncancellable commitment, a Member may withdraw only at the end of any Fiscal Year, provided it has given the Agency a 12-month written notice of its intent to withdraw from this Agency.
- 20.4 A Member shall be entitled to withdraw from the Agency where it presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the Agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.

ARTICLE 21
Cancellation by Agency

- 21.1 The Agency shall have the right to cancel any Members participation in the Joint Protection Program upon a three quarters vote of the entire Board of Directors. The Agency's Board of Directors shall, in addition, be responsible to provide for the cancellation of a Member's participation in the Joint Protection Program, where the Operating Committee recommends by a simple majority vote that a Member be expelled for failure to comply with a written condition or term imposed by a majority vote of the Operating Committee in regards to safety or risk management standards established by the Committee and approved by the Board of Directors.
- 21.2 Any Member so cancelled shall be given one hundred eighty (180) days notice prior to the effective date of the cancellation. Any Member so cancelled shall have a period of up to six months coverage under the terms of this or may effect alternate insurance or self insurance arrangements if it so desires. Any Member so cancelled shall, for the purposes of Article 21, be treated as if it had voluntarily withdrawn.

ARTICLE 22
Effect of Withdrawal or Cancellation

- 22.1 The withdrawal of any Member from this Agreement shall not terminate the same.
- 22.2 No Member by withdrawing shall be entitled to payment or return of any premium, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.
- 22.3 The withdrawal of any Member after the effective date of the Joint Protection Program shall not terminate its

responsibility to contribute its share or premium or funds to any fund or Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 23.3 of this Agreement.

- 22.4 Any withdrawing or terminated Member shall not be permitted to rejoin the Agency for a period of five (5) years.

ARTICLE 23 Termination and Distribution

- 23.1 This Agreement may be terminated at any time during the first three noncancellable years by the written consent of all Members, and thereafter by the written consent of three-fourths of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise winding up and liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such winding up and liquidation, including the power to require Members, including those which are Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of premium deemed necessary by the Board for final disposition of all Claims, losses, and liabilities covered by this Agreement. Such additional premium shall be determined and thereafter adjusted, if necessary, in the same manner as provided in Article 13 hereof for annual premiums.
- 23.2 Upon termination of this Agreement, all assets of the Agreement shall be distributed only among the parties that were Members of the Joint Protection Program, including any of those parties which previously withdrew pursuant to Article 20 of this Agreement, in accordance with and proportionate to their cash payments and property contributions made during the term of this Agreement. The Board shall determine such distribution within six months after the last pending claim or loss covered by this Agreement has been finally disposed of.
- 23.3 The Board is vested with all powers of the Agency for the purpose of winding up and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of premium deemed necessary by the Board for final disposition of all

Claims and losses covered by this Agreement. A Member's share of such additional premium shall be determined on the same basis as that provided for annual premiums in Article 13 of this Agreement, and shall be treated as if it were the next year's annual premium for that Member.

ARTICLE 24
Provision for By-Laws and Manual

As soon as practicable after the first meeting of the Board of Directors, and within the first 12 months of the Agency's existence, the Board shall cause to be developed Agency By-Laws and a policy and procedure manual to govern the day-to-day operations of the Agency. Each Member shall receive a copy of any By-Laws, policy statement, or manual developed under this Article.

ARTICLE 25
Notices

Notices to Members hereunder shall be sufficient if mailed to the last address provided to the Agency by the respective Member, postage prepaid by registered mail and will be deemed received three (3) days after mailing.

ARTICLE 26
Amendment

This Agreement may be amended at any time by the written approval of three quarters of all Members of the Agency.

ARTICLE 27
Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the By-Laws against any Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorneys fees.

ARTICLE 28
Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following a reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, premium, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 29
Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses, applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 30
Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 31
Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

ARTICLE 32
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a certified copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

THE ASSOCIATION OF WASHINGTON
CITIES RISK MANAGEMENT SERVICE
AGENCY

By _____
Its _____

By _____
Its _____

**ASSOCIATION OF WASHINGTON CITIES RISK
MANAGEMENT SERVICE AGENCY (POOL)**

POOL COVERAGE AGREEMENT DECLARATIONS

NAMED COVERED PARTY

City of Gig Harbor

ASSESSMENT

\$48,793 + \$11,769 (4xof1) = \$60,562

TERM OF COVERAGE

Effective from January 16, 1997 to January 1, 1998. Both days at 12:01 a.m. standard time at covered party's address.

LIMITS OF LIABILITY

In consideration of the contribution by members, this agreement provides coverages in the following amounts:

SECTION I - PROPERTY COVERAGE

Agreement A - Building, Contents and Equipment	\$25,000,000 per entity/per occurrence
Limited to: New Acquired	\$5,000,000 per entity/per occurrence
Builder's Risk	\$5,000,000 per entity/per occurrence
Unscheduled Property	\$500,000 per entity/per occurrence
Accounts Receivable	\$500,000 per entity/per occurrence
Fine Arts	\$500,000 per entity/per occurrence
Mobile Equipment	\$500,000 per entity/per occurrence
Contractor's Equipment	\$500,000 per entity/per occurrence
Business Interruption/Extra Expense	\$500,000 per entity/per occurrence
Flood and Earthquake	\$25,000,000 annual aggregate per peril for all claims against the pool subject to a deductible of \$25,000 or 2 percent of ultimate net loss, whichever is greater per earthquake or flood; deductible and individual member entity claims subject to apportionment per paragraph II A 2 in the General Coverage Provisions.
Agreement B - Auto Physical Damage	Actual Cash Value
Agreement C - Valuable Papers and Records and EDP Media	\$500,000 per entity/per occurrence

SECTION II - LIABILITY COVERAGE

Agreement D -	General, Police and Automobile Liability	\$5,000,000 per occurrence
	Products and Completed Operations	\$5,000,000 per occurrence
		\$10,000,000 annual aggregate
Agreement E -	Automobile Medical Payments	\$5,000 per person
Agreement F -	Errors and Omissions Liability	\$5,000,000 per wrongful act
		\$5,000,000 annual aggregate

SECTION III - CRIME COVERAGE

Agreement G -	Money and Securities Inside and Outside Premises	\$25,000 each loss
	Limited to: Costs to Discover and Calculate the Loss	\$10,000 per loss
Agreement H -	Blanket Employee Dishonesty including Faithful Performance	\$250,000 each loss
	Limited to: Costs to Discover and Calculate the Loss	\$10,000 per loss
Agreement I -	Depositors Forgery and Counterfeit Currency and Money Orders	\$25,000 each loss
	Limited to: Costs to Discover and Calculate the Loss	\$10,000 per loss

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**ASSOCIATION OF WASHINGTON CITIES RISK MANAGEMENT SERVICE AGENCY
POOL COVERAGE AGREEMENT**

COMBINED PROPERTY, LIABILITY AND CRIME COVERAGE AGREEMENT

This agreement is not a contract of insurance as such, but rather an agreement by AWC RMSA to pay its own losses and those of its member entities, subject to the limits of liability and other terms and conditions of this agreement and any addenda attached hereto.

GENERAL COVERAGE PROVISIONS

I. COVERED PARTY

For purposes of this Agreement, the term "covered party" shall mean:

- A. Member Entities. For purposes of this agreement, wherever the term "Member Entity(ies)" or "Member" appears, those terms shall mean those entities identified on the declarations page of this Agreement as Named Covered Parties and the Association of Washington Cities Risk Management Service Agency (Pool).
- B. The board of directors, operations committee, officers and employees of the Association of Washington Cities Risk Management Service Agency (Pool) when acting within the scope and performance of their duties on behalf of the Pool; the elected and appointed officials, boards, commissions, foundations, councils, officers, employees and volunteers, individually and collectively, of all member entities when acting within the scope and performance of their duties on behalf of the participating member entities, including any legal representative of such person in the event of their death or incapacity.
- C. Any person, organization, trustee or estate whom a member entity is obligated by written contract or agreement to provide coverage such as is afforded by this agreement but only in respect to operations by or on behalf of the named covered party.
- D. Under Section II, Agreement D, "Covered Party" also includes any person while operating an automobile owned by or rented to a member entity, or any person or organization legally responsible for the use thereof, provided that at the time of the occurrence such vehicle is being used by the member entity or with its permission.

II. LIMITS OF LIABILITY

A. Section I

- I. Under Section I, Agreements A, B, and C the most the Pool will pay is set forth

in the declarations under the heading LIMITS OF LIABILITY.

2. The most the pool will pay annually for the combined claims of all member entities for ultimate net loss caused by flood and earthquake is the annual aggregate shown for those perils in the declarations under the heading LIMITS OF LIABILITY. These limits will be applied in order in which the event (flood or earthquake) occurs so that the amounts available for each subsequent event will be reduced by the amounts paid or payable as a result of the previous event(s) during the same coverage period. If the amounts available to pay for the ultimate net loss of all member entities caused by an event are insufficient, the amounts available will be apportioned among the member entities who have suffered loss according to the proportion that member's ultimate net loss caused by the event bears to the total ultimate net loss suffered by all member entities as a result of the event. The deductible will be apportioned among member entities in the proportion that their ultimate net loss caused by the event bears to the total ultimate net loss suffered by all member entities as a result of the event.

B. Section II

1. Under Section II, Liability Coverage, Agreement D, General, Police and Automobile Liability, regardless of the number of persons or entities covered, occurrences, claims, or loss or damage occurring, the Pool's maximum liability shall be as indicated in the Declarations, ultimate net loss (as defined). The annual aggregate for ultimate net loss that falls within the products-completed operations hazard (as defined), shall be no more than two times the annual occurrence limit.
2. Under Section II, Agreement E, Automobile Medical Payments, regardless of the number of covered automobiles, covered parties, claims made or automobiles involved in the accident, the maximum limit shall be as indicated in the declarations, ultimate net loss (as defined).
3. Under Section II, Agreement F, Errors and Omissions Liability, regardless of the number of persons or entities covered, claims made, or the amount of loss or damage occurring, the Pool's maximum liability shall be as indicated in the declarations.

- C. Under Section III, Crime Coverage, regardless of the number of persons or entities covered, claims made, or the amount of loss or damage occurring, the Pool's maximum

liability shall be:

1. Under Agreement G, Money and Securities, as indicated in the declarations, ultimate net loss (as defined).
2. Under Agreement H, Blanket Employee Dishonesty, as indicated in the declarations, ultimate net loss (as defined).
3. Under Agreement I, Depositor's Forgery and Counterfeit Currency and Money Orders, as indicated in the declarations, ultimate net loss (as defined).

III. TERRITORY

(This Agreement applies worldwide, but claims must be brought in a United States Court of Law.)

SECTION I - PROPERTY COVERAGE

SECTION I - COVERAGE AGREEMENTS

AGREEMENT A - BUILDINGS, CONTENTS AND EQUIPMENT (INCLUDING EDP): The Pool agrees, subject to the provisions of this Agreement, to protect against Ultimate Net Loss resulting from loss or damage to property of the member entity(ies), other than property covered under Agreements B and C, wherever located, against all risks of direct physical loss, damage, or destruction, occurring during the period of this Agreement.

AGREEMENT B - AUTOMOBILE PHYSICAL DAMAGE: The Pool agrees, subject to the limitations, terms and conditions of this Agreement to protect against ultimate net loss resulting from loss or damage to automobiles owned by the member or for which the member has an obligation to provide adequate coverage, wherever located, against all risks of direct physical loss, including collision with another object, occurring during the period of this Agreement.

AGREEMENT C - VALUABLE PAPERS AND RECORDS AND ELECTRONIC DATA PROCESSING (EDP) MEDIA: The Pool agrees, subject to the limitations, terms and conditions of this Agreement, to protect against ultimate net loss resulting from loss or damage to valuable papers and records and electronic data processing (EDP) media owned by the member entity or for which the member entity has an obligation to provide adequate coverage, wherever located, against all risks of direct physical loss or damage occurring during the period of this Agreement.

SECTION I, PROPERTY - EXTENSIONS OF COVERAGE

- I. **LOSS OF RENTS:** Subject to the limit of liability stated in the declarations, the Pool will pay lost rental income if the member entity's operations are interrupted as a result of loss to property

of the member entity from a covered cause of loss. This loss will be limited to the member entity's actual loss of rental income.

II. **EXTRA EXPENSE:**

- A. Subject to the limit of liability stated in the Declarations, the Pool will pay expense over and above the member entity's ordinary business expenses, which are necessary to continue normal operations after a loss to property of the member entity from a covered cause of loss. This coverage will continue only for the period of time reasonably necessary to repair or replace the damaged or destroyed property, subject further to the condition that the member entity must make every reasonable effort to resume operations or partial operations as soon as possible.
- B. Subject to the limit of liability stated in the Declarations, coverage is extended to include loss as covered hereunder, for a period not exceeding two weeks when access to the covered property is prohibited by order of civil authority or when, as a direct result of other physical damage not otherwise excluded by this Agreement the air conditioning for the data processing equipment is so damaged to reduce or suspend the member's ability to perform normal data processing operations.

In addition to the other Section I, Property - Exclusions, these extensions do not cover loss of rental income or extra expense resulting from:

1. The suspension, lapse or cancellation of any lease, license, contract or order;
2. Interference at premises by strikers or other persons while repairing or replacing the property damaged or destroyed or with the resumption or continuation of the member entity's occupancy;
3. Loss or damage to property rented or leased to others while away from the premises of the Named Covered Party.
4. Error in machine programming or instructions to machine;
5. Except with respect to loss to electronic data processing equipment and/or data processing media, damage due to mechanical failure, faulty construction or error in design unless fire or explosion ensues, and then only for interruption resulting from such ensuing fire or explosion;
6. Except with respect to loss to electronic data processing equipment and/or data processing media, short circuit, blowout or other electrical disturbance, other than lightning, within electrical apparatus, unless fire or explosion ensues and then only for loss damage or expense caused by such ensuing fire or explosion.

If this agreement expires before the Pool has paid all the amounts due under paragraphs I. and II. above, the Pool will continue to make the payments to which the member entity is entitled until that obligation is satisfied.

- III. **ACCOUNTS RECEIVABLE:** Subject to the limit of liability stated in the declarations, the covered member may be reimbursed by the Pool as a result of a loss or series of losses resulting from a covered event to cover sums due the member entity from customers provided the member entity is unable to effect collection thereof as a direct result of loss of or damage to accounts receivable records.

This limit shall also extend to cover interest charges on any loan to offset impaired collection pending repayment of such sums, collection expenses in excess of normal collection costs, and other expenses reasonably incurred by member entity to reestablish records of accounts receivable made necessary because of such loss or damage.

When there is proof that a loss to records of accounts receivable has occurred but the member entity cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- A. The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increased or decreased in the twelve months average of monthly gross revenues which may have occurred in the interim.
- B. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred due consideration also being given to normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of said accounts evidenced by records not lost or damaged, or otherwise established or collected by the member entity, and an amount to allow for probable bad debts which would have been normally uncollectible by the member entity.

- IV. **DEBRIS REMOVAL:** This Agreement covers within the limit of liability the expense of removal from the premises containing the property insured hereunder of debris remaining after any loss not otherwise excluded by this Agreement except that there shall be no liability assumed for the expense of removal of any foundations.

- V. **REMOVAL CLAUSE:** This Agreement covers within the limit of liability, the expense and damage occasioned by removal from the premises endangered by a loss not otherwise excluded under this Agreement wherever such property is located or removed for preservation.

- VI. **ARCHITECT'S FEES:** This Agreement covers within the limit of liability, the additional costs involving architect's fees for consultations arising from losses resulting from a loss not otherwise excluded under this Agreement.
- VII. **CIVIL AUTHORITY CLAUSE:** Notwithstanding anything contained in this Agreement to the contrary, property which is covered hereunder is also covered within the limits of liability stated in the declarations against the risk of damage or destruction by civil authority during a conflagration for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by war, invasion, revolution, rebellion, insurrection or other hostilities or warlike operations.
- VIII. **BUILDING LAWS CLAUSE:** Notwithstanding anything contained herein to the contrary, in the event of a loss otherwise covered under this agreement the Pool also shall be liable, within the limits of liability stated in the declarations for the loss occasioned by the enforcement of any state or municipal law, ordinance or code which necessitates repairing, rebuilding, or replacement of material to meet such requirements. If demolition is required to comply with such enforcement, the Pool shall also be liable for such additional costs.
- IX. **EXPENSE TO REDUCE OR PREVENT LOSS:** The member entity is authorized to take immediate steps and this Agreement covers such expenses as are necessarily incurred for the purpose of reducing or preventing any loss under this Agreement not exceeding, however, the amount by which the loss under this Agreement is thereby reduced, subject to the limit of liability stated in the declarations.
- X. **COSTS TO PROVE A LOSS:** Such reasonable expenses necessarily incurred in determining the amount of loss are also covered under this Agreement.

SECTION I. PROPERTY - PROPERTY EXCLUDED

Animals, aircraft, watercraft unless specifically scheduled, standing timber and growing crops; land, air and water; underground tanks, pipes, sewers and utilities.

Roadways, pavements, sidewalks, curbs, culverts, storm sewers, sanitary sewers, bridges, tunnels, and overpasses.

Currency, money, evidence of debt, notes, and securities.

Property sold by the covered party under trust agreement, conditional sale, installment plan or other deferred payment plan, after such property has been delivered to designee as being consigned.

SECTION I - EXCLUSIONS

- I. WITH REGARD TO ALL PROPERTY, THIS AGREEMENT DOES NOT PROTECT AGAINST ULTIMATE NET LOSS RESULTING FROM:
- A. Loss or damage caused by moth, vermin, termites or other insects; wear, tear or gradual deterioration; improper or inadequate maintenance; rust, wet or dry rot or mold.
 - B. Loss or damage caused by:
 - 1. Radioactive or fissionable material
 - 2. Contamination, other than by 1. above, unless directly resulting from fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, smoke or collapse.
 - C. Loss or damage resulting from dampness of atmosphere or extremes in temperature unless damage results directly from other physical damage, including damage to the data processing air conditioning system otherwise excluded under this Agreement.
 - D. Loss or damage resulting from loss of use, delay or loss of markets.
 - E. Breakdown of machinery or the explosion or rupture or bursting of steam boilers or steam pipes or steam turbines or steam engines owned or operated by the covered party unless a loss not otherwise excluded ensues, and then only for loss or damage caused by the ensuing loss.
 - F. Except with respect to electronic data processing equipment, loss of or damage to electrical appliances or devices of any kind, including wiring, arising from electrical injury or disturbance to the said electrical appliances or devices or wiring from artificial causes unless fire or explosion ensues, and then only for direct loss or damage caused by such ensuing fire or explosion.
 - G. Loss or damage caused by normal settling, normal shrinkage or normal expansion in foundations, walls, floors or ceilings.
 - H. Loss or damage to or loss of use of property directly or indirectly caused by asbestos or the presence of asbestos.
 - I. Any dishonest act or acts committed alone or in collusion with others by any of the officers, officials, or employees of the covered party.
 - J. Loss or damage to property located in those areas designated by the United States Army Corps of Engineers and the National Flood Insurance Program as "Zone A" (a zone of maximum exposure for flood) if such loss or damage results from or arises out of flood.
 - K. Loss caused directly or indirectly by:

1. hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against actual, impending or expected attack,
 - (i) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military or naval air forces; or
 - (ii) by military, naval, or air forces; or
 - (iii) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission shall be conclusively presumed to be such a hostile or warlike action by such government, power authority, or forces;
2. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

L. With respect to Real and Personal Property, excluding stock, supplies, or raw materials used by the covered party, errors in design, faulty workmanship, and faulty materials.

II. **IN ADDITION TO THE EXCLUSIONS IN SECTION I - EXCLUSIONS, WITH REGARD TO PERSONAL PROPERTY, THIS AGREEMENT DOES NOT PROTECT AGAINST ULTIMATE NET LOSS RESULTING FROM:**

- A. Loss or damage by mechanical derangement, inherent vice or latent defect.
- B. Loss or damage resulting from processing or faulty workmanship, unless fire or explosion ensues, and then only for direct loss or damage caused by such ensuing fire or explosion.
- C. Loss or damage resulting from shrinkage, evaporation, loss of weight or leakage, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, and theft or attempted theft.
- D. Loss resulting from any kind of infidelity or dishonesty on the part of any covered party or any other person lawfully in possession of a member's property (except as covered under Section III, Crime, of this Agreement).

SECTION I - DEFINITIONS

- I. **PROPERTY OF THE MEMBER(S)**: The term "property of the member(s)" shall mean all tangible real and personal property, which the member owns, including but not limited to contractor's equipment, leasehold improvements or betterments and property which the member

holds on consignment or agrees to cover by any written contractual agreement normal to its operations. The term does not include automobiles.

- II. **AUTOMOBILE**: The term "Automobile" shall mean any licensed bus, motor vehicle, trailer or semi-trailer, and any equipment permanently attached thereto.
- III. **CONTRACTOR'S EQUIPMENT**: The term "Contractor's Equipment" shall mean any vehicles not licensed for on-road use and/or equipment used in the member entity's operations.
- IV. **ULTIMATE NET LOSS**: The words "Ultimate Net Loss" in respect of this Section shall be understood to mean the value of the loss or damage sustained by the member entity after making deductions for all recoveries and salvages.
- V. **EARTHQUAKE AND FLOOD**: Each loss by earthquake, volcanic action, and flood shall constitute a single occurrence hereunder:
 - A. If more than one earthquake shock or volcanic action occurs within any period of 72 hours during the term of this policy, the Covered Party may elect the moment when the 72 hour period will commence; or
 - B. If any flood occurs within a period of continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s); or
 - C. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance.

Such earthquake shocks, volcanic action, and flood shall be deemed to be a single occurrence within the meaning of this Agreement.

Should any time period referred to in "A" above extend beyond the expiration date of this Agreement and commence prior to the expiration, the Pool shall pay all losses occurring during such period as if such period fell entirely within the terms of this Agreement.

The Pool shall not be liable, however, for any loss caused by any earthquake shock, volcanic action, or flood occurring before the effective date and time of this Agreement.

- VI. **FLOOD**: The term "flood" shall mean a general and temporary condition of partial or complete inundation of normally dry land areas ensuing from the overflow of inland or tidal waters, or the unusual and rapid accumulation or runoff of surface waters (including the breaking of boundaries) from any source.

SECTION I. PROPERTY - CONDITIONS

- I. **VALUATION**: Subject to the limits set forth in the declarations, the value of the loss or damage sustained shall be determined as follows:

A. Real and Personal Property - If repaired, rebuilt or replaced, the cost to repair, rebuild or replace the destroyed or damaged property with material of like kind and quality, or like functional utility as respects EDP equipment. If the member entity decides to replace destroyed or damaged property on another site, cost of such site is not included hereunder.

If not repaired, rebuilt or replaced, the actual cash value of the destroyed or damaged property.

B. Automobile and Contractors Equipment - The actual cash value of the automobile or contractors equipment at the time of loss.

C. Valuable Papers and Records and EDP Media - Full cost to repair or replace with like kind and quality on date of loss if actually replaced; otherwise actual cash value.

D. Fine Arts - The basis of adjustment shall be computed as follows:

1. Fine arts on loan, or in the care, custody, or control of the covered party: the amount for which the covered party may be legally liable.

2. All other fine arts: the lesser of
- i. \$500,000
 - ii. the cost to repair or replace
 - iii. the actual cash value

II. **APPRAISAL**: In the event the member entity and the Pool are unable to agree as to the amount necessary to rebuild, repair or replace the damaged or destroyed property, the actual cash value of the property or the actual amount of reimbursement to be paid, each party shall name a competent and disinterested appraiser and the two so chosen shall, before proceeding further, appoint a competent and disinterested umpire. The appraisers together shall obtain estimates of the cost to rebuild, repair or replace, and calculate the amounts of reimbursement due, and failing to agree, shall submit their differences to the umpire. The award, in writing duly verified by any two shall determine the points in question. Both parties shall pay the cost of their own appraisers and equally pro rate the cost of the umpire.

SECTION II - LIABILITY COVERAGE

SECTION II - COVERAGE AGREEMENTS

AGREEMENT D - GENERAL, POLICE AND AUTOMOBILE LIABILITY (OCCURRENCE

BASIS): The Pool will pay on behalf of the covered party the covered party's ultimate net loss (as defined) for personal injury sustained by any person or persons and for injury to or destruction of tangible property of others, including the loss of use thereof, caused by an occurrence during the term of this

agreement.

AGREEMENT E - AUTOMOBILE MEDICAL PAYMENTS: The Pool agrees to pay reasonable expenses incurred for necessary medical and funeral expenses to or for any covered party or the party's family member who, while occupying an automobile owned by the member, sustains bodily injury, including sickness or disease and death resulting therefrom caused by an accident. The Pool will pay only expenses incurred within three years from the date of the accident.

AGREEMENT F - ERRORS AND OMISSIONS: The Pool agrees to pay on behalf of the covered party the covered party's ultimate net loss (as defined) sustained as a result of a wrongful act taken in the course of employment during the term of this agreement.

With respect to this Agreement F, it is further agreed:

- I. This agreement applies even if the allegation is groundless or fraudulent or brought solely because the covered party is a council member or otherwise covered under this agreement.
- II. In addition to those persons and entities defined as covered parties in parts 1A and 1B of the General Coverage Provisions, the unqualified term "Covered Party" shall also include persons who:
 - A. Were formerly members of the governing body or employees and volunteers, but only with respect to ultimate net loss sustained as a result of a wrongful act that occurred during the time of their service as such, or
 - B. While acting on outside boards at direction of the member entity.
- III. The total liability of the Pool for all damages, defense costs, charges and expenses arising from any wrongful act shall not exceed the Limit of Liability stated for Section II, Agreement F, Errors and Omissions.
- IV. This agreement shall not apply to ultimate net loss for or arising from:
 - A. Back pay which is part of a judgment or settlement
 - B. Amounts which have been assumed under a written or oral contract
 - C. Investment in or inadequacy of assets of any pension or savings plan
 - D. Any wrongful act which results in injury, loss or damage expected or intended from the standpoint of the covered party

SECTION II. LIABILITY - EXCLUSIONS

This Agreement does not apply under Agreement D, E and F:

- I. A. To ultimate net loss and medical or funeral expenses incurred by the covered party because of injury, loss or damage (including personal injury) to any employee of the member entity arising out of and in the course of employment, provided that this

exclusion does not apply to:

1. ultimate net loss assumed by the member entity under any contract or agreement with an entity other than an employee of association of employees; and
 2. under Agreement F, to ultimate net loss resulting from wrongful acts alleged by the employee to constitute employment discrimination on the basis of race, sex, creed, color, religion or national origin.
- B. Except for Employer's Stop Gap coverage, to any obligation for which the member entity may be held liable under any Workers Compensation or disability benefits law or under any similar law, plan or agreement;
- II. To bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
- A. Any aircraft, or
 - B. Any watercraft, unless specifically scheduled, owned or operated, rented by, loaned to or used to carry persons for a monetary charge by any covered party.
- III. A. To injury, sickness, disease, death or destruction with respect to which a covered party under this Agreement is insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- B. Resulting from the hazardous properties of nuclear material and with respect to which
1. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof, or
 2. The covered party is, or had such policy not been issued, would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;
- C. Resulting from the hazardous properties of nuclear material, provided
1. The nuclear material is at any nuclear facility owned by, or operated by or on behalf of, a covered party, or has been discharged or dispersed therefor; or
 2. The nuclear material contained in spent fuel or waste is at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a covered party; or
 3. The injury, sickness, disease, death or destruction arises out of the furnishing by

a covered party of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this part applies only to injury to or destruction of property at such nuclear facility.

- IV. To damage to property owned by the covered party.
- V. To liability arising out of the willful violation of a penal statute or ordinance or dishonest acts committed by or with the knowledge and consent of the member entity.
- VI. To liability for damages arising out of the covered party's gaining any personal profit or advantage to which the covered party is not legally entitled.
- VII. To liability for damages, fines or penalties imposed by law or other matters which may be uninsurable under law.
- VIII. To claims arising out of the actual, alleged or threatened discharge, dispersal, release or escape of "pollutants":
 - A. At or from premises owned, leased or occupied by the "member entity" except premises do not include streets, highways, alleys or other public thoroughfares;
 - B. At or from any site or location used by or for the "member entity" or others for the handling, storage, disposal, processing or treatment of waste;
 - C. Which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for the "member entity" or any person or organization for whom the "member entity" may be legally responsible;
 - D. At or from any site or location on which the "member entity" or any contractors or subcontractors working directly on the "member entity's" behalf are performing operations:
 - 1. If the "pollutants" are brought on or to the site or location in connection with such operations; or
 - 2. If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the "pollutants", except that this paragraph b. does not apply to emergency testing, cleanup, removal, containment, treatment, detoxification or neutralizing by the "member entity" of spills, releases or other hazardous conditions, if such spill, release or other hazardous condition was not from premises, equipment or locations under the control of the "member entity". For the purpose of this paragraph, premises do not include streets, highways, alleys

or other public thoroughfares of the "member entity".

- E. Any cost or expense arising out of any governmental directions or request that the "covered party" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "pollutants".
- F. Liability which would not have occurred in whole or part but for the actual, alleged or threatened discharge, disposal, seepage, migration, release or escape of pollutants at any time.
- G. Any loss, cost or expense arising out of any:
 - 1. Request, demand or order that any member entity or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants; or
 - 2. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Provided, however, that exclusions A. and D1. of this exclusion VIII do not apply to personal injury or destruction of or damage to the tangible property of others, including the loss of use thereof, caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- IX. Past salary or wages due because of unlawful discrimination, violation of civil rights, or wrongful termination of any employee or official of the "covered party".
- X. To liability of any covered party for assault or battery committed by or at the direction of such covered party except, i) liability for personal injury or death resulting from any act alleged to be assault or battery for the purpose of preventing injury to persons or damage to property, or ii) liability arising out of corporal punishment.
- XI. To any liability or alleged liability arising out of or alleged to arise out of any negligent act, error or omissions of any covered party, or any other person for whose acts a covered party is legally liable, in the "administration" of an "employee benefits program" as defined in this exclusion resulting from:
 - A. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or

humiliation;

- B. Bodily injury to, or sickness, disease or death of any person, or to injury to or destruction of any property, including the loss of use thereof;
- C. Any claim for failure of performance of contract by any insurer, including failure of any employee benefit program;
- D. Any claim based upon the covered party's failure to comply with any law concerning worker's compensation, unemployment insurance, social security or disability benefits;
- E. Any claim based upon:
 - 1. Failure of investment to perform as represented by a covered party;
 - 2. The investment or non-investment of funds;
 - 3. Advice given by a covered party to an employee to participate or not to participate in investment subscription plans;
- F. Any claim based upon any actual or alleged wrongful acts or breach of duty, committed or alleged to have been committed by a trustee or other fiduciary, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employees' Retirement Income Security Act of 1974.

As used in this exclusion, the term "employee benefits program" means group liability insurance, group accident or health insurance, profit sharing plan, pension plans, severance plans, worker's compensation, unemployment insurance, social benefits, disability benefits and any other similar employee benefits. As used in this exclusion, the unqualified word "administration" means (i) giving counsel to employees with respect to the employee benefits program; (ii) interpreting the employee benefits program; (iii) handling of records in connection with the employee benefits program; and (iv) enrollment, termination or cancellation of employees under the employee benefits program, provided all such acts are authorized by a member entity.

- XII. Any loss, claim or expense or liability arising from the existence, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products, and/or products containing asbestos. It is further agreed the Pool shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim or suit excluded herein.
- XIII. To liability arising out of hospital/clinic malpractice.
- XIV. To injuries of any kind arising out of the rendering of or failure to render health care services by any duly qualified health care practitioner including but not limited to physician, surgeon, dentist, nurse, paramedic and EMT, employed by or acting on behalf of or at the direction of a member entity; provided, however, that this exclusion shall not apply to:

- A. Emergency health care services rendered at the location of an accident or catastrophe provided the location is not a hospital, clinic, or other facility established to provide health care services; or
 - B. Emergency health care services rendered at a hospital, clinic, or other facility established to provide health care services, if the services are made necessary by an accident or catastrophe which causes injury or creates an imminent risk of injury to persons solely because they are or were occupying the facility at the time of the accident or catastrophe; or
 - C. Health advisory services provided as a community service by the member entity. For purposes of this exclusion, the term "health advisory services" means services intended to provide the general public with information related to general health concerns, including but not limited to information relating to blood pressure, well baby care and sexually transmitted disease, but in no event shall it include information provided during or in the course of the care or treatment of any health condition.
- XV. To liability arising from the operation of airports or transit systems.
- XVI. To liability arising out of sexual or physical abuse or molestation of any person by the covered party, any employee of the covered party or any volunteer worker. Such acts or offenses do not constitute personal injury within the terms of this Agreement and as such any claim arising directly or indirectly, from the aforementioned is excluded.
- XVII. To any liability of any and all of the covered parties arising out of or in any way connected with the operation of the principles of eminent domain, condemnation or by whatever name called regardless of whether such claims are made directly against the covered party or by virtue of any agreement entered into by or on behalf of the covered party.
- XVIII. To any loss or losses resulting from or arising out of either;
- A. The member entity's failure to supply water, gas or electricity, or
 - B. The member entity's failure to supply sufficient water, gas or electricity to meet demand.
- XIX. Under Agreement E, Automobile Medical Payments, coverage does not apply to any person for bodily injury:
- A. Sustained by a covered party or any family member while occupying or struck by any automobile not owned by the named covered party. "Occupancy" is defined as in, upon, getting in, on, out or off.
 - B. Sustained by any person, whether or not an employee of a covered party, if entitled to benefits under workers' compensation law.

- C. Sustained while occupying an automobile without a reasonable belief that the person is entitled to do so.
 - D. Caused by declared or undeclared war or insurrection or any consequences thereof.
- XX. To liability or ultimate net loss arising out of, resulting from, caused by or contributed to by:
- A. The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - B. The abatement, mitigation, removal or disposal of lead, lead compounds or materials containing lead;
 - C. Any supervision, instructions, recommendations, warnings or advice given or which would have been given in connections with parts A and B above; or
 - D. Any obligations to share damages with or repay someone else who must pay damages in connection with parts A, B, or C above.

SECTION II, LIABILITY - DEFINITIONS

- I. **ULTIMATE NET LOSS:** The term "ultimate net loss" in this Section shall mean the total sum which the member entity becomes legally obligated to pay by reason of claims covered herein, either through adjudication or compromise, after making proper deductions for all recoveries and salvages, and shall also include hospital, medical and funeral charges and all sums paid as salaries, wages, compensation, fees, charges and law costs, contributions on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses, and investigators and other persons, and for litigation, settlement, adjustment and investigation of claims and suits which are paid as a consequence of any occurrence covered hereunder, excluding only the salaries of the named covered party's permanent employees. Fees, charges and expenses of the designated claims administrator are specifically excluded. Further the foregoing provisions are subject to Agreement F, Errors and Omissions Liability Paragraph III.
- II. **OCCURRENCE:** The term "occurrence" wherever used herein shall mean an accident, including continuous or repeated exposure to conditions, which results in personal injury or in injury to or destruction of tangible property of others, including the loss of use thereof, neither expected nor intended from the standpoint of the covered party.
- III. **DEFINITIONS APPLYING TO SECTION II, LIABILITY EXCLUSION III:** "Hazardous Properties" include radioactive, toxic or explosive properties; "Nuclear Material" means "Source Material, "Special Nuclear Material," and "Byproduct Material" and have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph A. or B. below.

"Nuclear Facility" means

- A. Any nuclear reactor, or
- B. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste, or
- C. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the member entity at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- D. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

IV. **PERSONAL INJURY**: The term "personal injury" wherever used herein shall mean: Bodily injury, mental injury, mental anguish, shock, sickness, disease, and disability, including death resulting therefrom, and shall include any additional injury caused by or resulting from false arrest, false imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, invasion of right of privacy, libel, slander or defamation of character; also piracy and any infringement of copyright or of property, erroneous service of civil papers, violation of civil rights, and disparagement of property.

V. **CLAIM**: The term "Claim" wherever used in this Agreement, shall mean any information that may give rise to damages covered by this Agreement, including suit(s) brought in connection therewith, which the covered party becomes aware of and provides written notice of the same to the Pool.

VI. **WRONGFUL ACT**: For purposes of Agreement F, Errors and Omissions, the term "wrongful act" shall mean an act, error or omission, including negligence, breach of duty, or misstatement or misleading statement committed or alleged to have been committed by the covered party which results in injury or damage other than personal injury or injury to or destruction of tangible

property of others, including the loss of use thereof.

VII. **PRODUCTS-COMPLETED OPERATIONS HAZARD:**

- A. Products-completed operations hazard includes all personal injury and property damage occurring away from premises you own or rent and arising out of your product or your work except:
1. Products that are still in your physical possession; or
 2. Work that has not yet been completed or abandoned.
- B. Your work will be deemed completed at the earliest of the following times:
1. When all of the work called for in your contract has been completed.
 2. When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 3. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- C. This hazard does not include personal injury or property damage arising out of:
1. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the loading or unloading of it.
 2. The existence of tools, uninstalled equipment or abandoned or unused materials;
or

PROPERTY DAMAGE: Property damage means:

- A. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- B. Loss of use of tangible property that is not physically injured. use of that property. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.

YOUR PRODUCT: Your product means:

- A. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
1. You;
 2. Others trading under your name; or
 3. A person or organization whose business or assets you have acquired; and
- B. Containers (other than vehicles), materials, parts or equipment furnished in connection

with such goods or products.

Your product includes:

- A. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your products; and
- B. The providing of or failure to provide warnings or instructions.

Your product does not include:

- A. vending machines or other property rented to or located for the use of others but not sold.

YOUR WORK: Your work means:

- A. Work or operations performed by you or on your behalf; and
- B. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- A. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work; and
- B. The providing of or failure to provide warnings or instructions.

SECTION II. LIABILITY - CONDITIONS

- I. **CROSS LIABILITY:** In the event of claims being made by reason of personal injuries, property damage or wrongful act alleged by any covered party herein for which another covered party herein is or may be liable, this Agreement shall cover such covered party against whom a claim is made or may be made in the same manner as if separate policies had been issued to each covered party herein. Nothing contained herein shall operate to increase the Pool's Limit of Liability as set herein. The Pool agrees to waive all rights of subrogation against all or any of the members or individuals comprising the covered party.
- II. **DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS:** As respects such coverage as is afforded by Section II, Liability, of this Agreement the Pool shall within the limit stated in the Declarations:
 - A. Defend in their name and behalf any suit against the covered parties alleging such injury or destruction and seeking damages on account thereof, even if such suit is groundless, false, or fraudulent; but the Pool may make such investigations, negotiations and settlements of any claims as it deems expedient.
 - B. Pay all contributions on bonds to release attachment for an amount not in excess of the applicable limit of liability of this Agreement, all contributions on appeal bonds required in any such defended suit, the cost of bail bonds required of the member entity in the

event of accident or occurrence during the period of this Agreement with respect to which coverage is afforded under this Agreement (not to exceed the sum of \$250 per bail bond), but without an obligation to apply for or furnish any such bonds.

- C. Pay all expenses incurred by the Pool, all costs taxed against the member entity in any such suit and all interest accruing after the entry of judgment until the Pool has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Pool's liability thereon.
- D. Pay expenses incurred by the member for such immediate medical and surgical relief to others as shall be imperative at the time of an accident.
- E. Reimburse the member entity for all reasonable expenses, other than loss of earnings, incurred at the Pool's request. The amount incurred under this agreement, except settlements claims and suits, are payable in addition to the applicable limit of liability of this policy, except as provided for under Section II, Liability, Agreement E, Errors and Omissions Annual Aggregate Limit.

III. **NOTICE OF OCCURRENCE:** Whenever the covered party has information from which the covered party may reasonably conclude that an occurrence covered under Section II, Liability, of this Agreement involves injuries or damages, notice shall be given to the Pool as soon as practicable. Claims shall not be prejudiced if the covered party, through clerical oversight or error, fails to notify the Pool of any occurrence.

SECTION III - CRIME INSURANCE

SECTION III - COVERAGE AGREEMENTS

AGREEMENT G - MONEY AND SECURITIES

The Pool agrees, subject to the limit of liability stated in the Declarations and the terms and conditions of this Agreement, to indemnify the member entities for ultimate net loss caused by reason of theft, burglary, robbery, kidnapping, disappearance or destruction of any money or securities which may at any time be or believed by the member entity to be in or upon any premises occupied or used by the member entity or by any bank, trust company or safety deposit company. This Agreement also applies to deposits within a night depository safe provided by a bank or trust company on its premises for the use of its customers or in transit while in the custody of the member entity's officers or employees anywhere.

AGREEMENT H - BLANKET EMPLOYEE DISHONESTY INCLUDING FAITHFUL PERFORMANCE

The Pool agrees, subject to the limit of liability stated in the Declarations and the terms and conditions set forth herein, to indemnify the member entity (hereinafter called "the Employer") against its ultimate net loss (including that part of any inventory shortage which the Employer shall conclusively prove is caused by the dishonesty of any Employee or Employees) caused by larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication, or failure to perform faithfully his duties or to account properly for all monies and properties received by virtue of his employment, or other fraudulent or dishonest act or acts committed by any one or more of the Employees as defined, acting alone or in collusion with others.

AGREEMENT I - DEPOSITORS FORGERY AND COUNTERFEIT CURRENCY AND MONEY ORDERS

The Pool agrees, subject to the limit of liability stated in the Declarations, to pay the member's ultimate net loss for loss due to the:

- I. Acceptance in good faith, in exchange for merchandise, money or services of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency; or
- II. Forgery of or alteration of any checks, drafts, promissory notes, or similar written promises to pay a certain sum that are:
 - A. Made or drawn by or upon the member entity,
 - B. Made or drawn by anyone acting as agent for the member entity, or purported to have been so made or drawn.

SECTION III, CRIME - DEFINITIONS

AGREEMENT G, H AND I

- I. **ULTIMATE NET LOSS**: The words "ultimate net loss" in respect of Section III, Crime, shall be understood to mean the actual loss sustained by the member entity after making deductions for all recoveries and salvages. Costs associated with loss determination and calculation shall be subject to the limits stated on the declarations page.

AGREEMENT G

- II. **MONEY**: The term "Money" as used in this Agreement shall be deemed to mean currency, coin,

bank notes, uncanceled and precanceled postage and unused postage in postage meters.

- III. **SECURITIES**: The term "Securities" shall be deemed to mean federal food stamps, express, postal and bank money orders, postal notes, debentures, scrip, check, warrants, transfers, coupons, demand and time drafts, bills of exchange, acceptances, promissory notes, certificates of deposits, certificates of stock, bonds, car trust certificates, interim receipts and certificates, warehouse receipts, bills of lading and all other instruments of a similar nature including mortgages upon real estate or upon chattels and upon interests therein, and assignments of such mortgages and instruments.
- IV. It is understood and agreed that this Agreement covers money and securities of the member entity or for which the member entity is legally liable or held by it in any capacity, whether or not the member entity is liable for the loss thereof. If legal proceedings are taken against the member entity to enforce a claim for money and securities so held the member entity shall immediately notify the Pool in writing.
- V. **EMPLOYEES**: The term "Employees" shall mean not only persons compensated by the member entity but also those directed by the member entity, and including those independent contractors and/or services which may be considered as usually performed by employees of the member entity.
- VI. **THEFT**: The term "Theft" shall include "trick and device".

AGREEMENT H, EMPLOYEE DISHONESTY

- VII. **EMPLOYEE OR EMPLOYEES**: The term "Employee" or "Employees" as used in this Agreement shall be deemed to mean respectively one or more of the natural persons who on the effective date of this Agreement or at any other time during the term of this Agreement are in the regular service of the Employer in the ordinary course of the Employer's business and who are compensated by salary, wages and/or commission, and whom the Employer has the right to govern and direct at all times in the performance of such service. However, employee does not mean brokers, factors, commission merchants, consignees, contractors or other agents or representatives of the same general character.

SECTION III, CRIME - CONDITIONS

- I. **UNDER AGREEMENTS G, MONEY & SECURITIES, AND H, EMPLOYEE DISHONESTY**
- A. It is agreed that coverage will not extend to any claim not discovered within the term of

this Agreement and for losses sustained and/or acts committed prior to January 1, 1989 (hereinafter called the 'Retroactive Date'). In the event of (a) the expiration of this Agreement by reason of non-renewal, or (b) the termination of this Agreement as an entirety, as provided in General Condition IV, the member entity shall have twelve calendar months following the date of such expiration or termination in which to discover losses sustained between the Retroactive Date and the date of such expiration or termination.

Notwithstanding anything to the contrary contained herein it is understood and agreed that in the event of this Agreement being immediately succeeded by a similar coverage with the Pool on which the Retroactive Date is January 1, 1989, the said succeeding Agreement shall be deemed to be a renewal hereof and in consequence the discovery period provided herein shall not be operative.

II. UNDER AGREEMENT H, EMPLOYEE DISHONESTY

A. Payment of loss under this Agreement shall not reduce the liability of the Pool for other losses; nor in any event shall the Pool be liable under this Agreement for an amount greater than the limits of liability stated in the Declarations on account of any one loss or series of losses caused by the fraudulent or dishonest acts of any Employee or in which such Employee is concerned or implicated.

B. In case any reimbursement be obtained or recovery be made by the Employer or by the Pool on account of any loss covered under this Agreement, the net amount of such reimbursement or recovery, after deducting the actual cost of obtaining or making the same, shall be applied to reimburse the Employer in full for that part if any, of such loss in excess of this coverage, and the balance, if any, or the entire net reimbursement or recovery if there be no such excess loss, shall be applied to that part of such loss covered by this Agreement or, if payment shall have been made by the Pool, to its reimbursement therefor.

The Employer shall execute all necessary papers and render all assistance not pecuniary to secure unto the Pool its legal rights. Reimbursement or recovery within the meaning of this paragraph does not include recovery from: suretyship, insurance or reinsurance; also security or indemnity taken from any source by or for the benefit of the Pool.

C. This coverage shall be deemed canceled as to any Employee immediately upon discovery by the Employer, of any fraudulent or dishonest act on the part of such employee; or at 12:01 a.m. Standard Time as aforesaid upon the effective date specified in a written

notice served upon the Employer or sent by registered mail. Such date if the notice be served shall be not less than fifteen days after such service, or if sent by registered mail, not less than twenty days after the date borne by the sender's registry receipt.

- D. It is agreed that within the term "Employees" are various public officials of the member entity who by law are required to be separately bonded. It is further agreed that this Agreement shall apply as excess coverage therefore and then only after such legally required other insurance has been exhausted.

GENERAL PROVISIONS APPLICABLE TO ALL SECTIONS

I. **SALVAGE AND RECOVERY CLAUSE:**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Agreement shall be applied as if received or recovered prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

II. **INSPECTIONS, AUDIT AND VERIFICATION OF VALUES:**

The Pool or its duly authorized representatives shall be permitted at reasonable times during continuance of this Agreement to inspect the premises used by the covered party and to examine the covered parties' books or records in so far as they relate to coverage afforded by this Agreement.

III. **RECORDS:**

It is hereby understood and agreed that the records and books as kept by the covered party shall be acceptable to the Pool in determining the amount of loss or damage covered hereunder.

IV. **CANCELLATION:**

This Agreement may be canceled by any member entity including the Pool according to the terms of the AWC RMSA Interlocal Agreement.

V. **OTHER INSURANCE:**

It is hereby recognized by all covered parties that covered parties may have purchased or otherwise have available insurance or coverage protection protecting the covered party from risks or losses for which they are also protected under this Agreement. In consideration of the contribution at which this Agreement is written, it is hereby agreed, intended and understood that if the covered party has valid and collectible insurance or coverage protection against a loss or risk covered by this Agreement, the Pool shall not contribute to payment for that risk or loss unless and until the insurance or coverage protection has been exhausted and then only to the

extent by which the loss exceeds the available insurance coverage or coverage protection subject to the limit of liability provisions set forth in this Agreement. However, permission is hereby granted to covered parties to purchase insurance for the purpose of applying in excess of the limit of liability stated in this agreement. Such excess insurance shall not be considered "other insurance" for the purposes of this provision.

VI. **MORTGAGE CLAUSE:**

The interest of any mortgager on property covered hereunder is included as if a separate addendum was attached hereto to the extent of the amount of mortgage as of the date of loss, subject to the limits of liability set forth in this agreement.

VII. **NOTICE OF ACCIDENT OR OCCURRENCE, CLAIM OR SUIT:**

In the event of an occurrence, claim, loss or situation which may cause loss, written notice shall be given by or on behalf of the covered party to the Pool or any of its authorized agents as soon as practicable. Such notice shall contain particulars sufficient to identify the covered party and also reasonably obtainable information respecting the time, place and circumstances of the occurrence, the names and addresses of the injured and of available witnesses, and information respecting applicable insurance available to the injured at the time of the occurrence. If claim is made or a suit is brought against the covered party, the covered party shall immediately forward to the Pool every demand, notice, summons, or other process received by the covered party or its representative.

VIII. **ASSISTANCE AND COOPERATION OF COVERED PARTY:**

The covered party shall cooperate with the Pool and upon the Pool's request shall assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the covered party because of personal injury, damage to tangible property, or any other loss, with respect to which coverage is afforded under this Agreement; and the covered party shall attend hearings and trials and assist in the securing and giving evidence and obtaining the attendance of witnesses. The covered party shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others (when such coverage is provided by this Agreement) as shall be imperative at the time of the occurrence. Further, the covered party shall use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.

IX. **LOSS PAYMENTS:**

The Pool shall promptly pay on behalf of the covered party all payments in accordance with the

amounts stated in Section II, Liability Coverage of the Limits of Liability section of the Declarations.

X. **APPEAL:**

In the event the covered party and the Pool are unable to agree to the advisability of appealing a judgment, a disinterested attorney, mutually agreeable to the Pool and the covered party, shall be retained and directed to render a written opinion as to his recommendation concerning such appeal. Such written recommendation shall be binding on both the covered party and the Pool. Fees of such retained attorney shall be borne equally by both parties for the services of rendering his recommendation only. The covered party's portion of such fee shall be in addition to and not included in the "pay on behalf of" provisions of this Agreement and shall not accrue to its deductible, if applicable.

XI. **ARBITRATION:**

Any dispute concerning the decision of the Pool to deny coverage for all or part of a claim which a covered party believes is covered under the terms of this Agreement shall be submitted to binding arbitration and shall not be the subject of any court action except to confirm the award of the arbitration, or to enforce this arbitration agreement. In the event of arbitration, the covered party will select one arbitrator and the Pool will select another. The two arbitrators will select a third. If they cannot agree on the third arbitrator within 30 days, the judge of a court having jurisdiction will appoint the third arbitrator. Arbitration will take place in Thurston County. Local court rules governing procedures and evidence will apply. The decision in writing of any two arbitrators will be binding. The covered party and the Pool will pay the arbitrator each selected. The expense of the third arbitrator will be shared equally.

XII. **LITIGATION PROCEEDINGS:**

No suit to recover on account of loss under this Agreement shall be brought until ninety days after proof of loss shall have been furnished, nor at all unless commenced within twenty-seven months from the date upon which loss occurred, if such loss is within the knowledge of the covered party; if not, the twenty-seven months shall begin upon notice to the covered party of such loss or claim.

XIII. **SUBROGATION:**

The Pool shall be subrogated to all rights which the covered party may have against any person or other entity in respect to any claim or payment made under this Agreement, and the covered party shall execute all papers required by the Pool and shall cooperate with the Pool to secure the Pool's rights. The net amount of any such reimbursement or recovery, after deducting the actual cost of obtaining or making the same, shall be first applied in the following order;

- A. Amount of loss which exceeds the applicable limit of liability.
- B. To reduce the Pool's loss until the Pool is fully reimbursed.
- C. To reduce the covered party's loss.

XIV. **WAIVER OF SUBROGATION:**

This Agreement shall not be invalidated if the covered party by written agreement has waived or shall waive its right of recovery from all individuals and entities covered as additional covered parties and any other covered party for loss or damage covered hereunder; provided, that any such waiver is made prior to the occurrence of said loss or damage.

XV. **CONFLICTING STATUTES:**

In the event that any provision of this Agreement is unenforceable under the laws of Washington or other jurisdiction wherein it is claimed that the covered party is liable for any injury covered hereby because of non-compliance with any statute thereof, then this Agreement shall be enforceable for the covered party with the same effect as if it complied with such statutes.

XVI. **ASSIGNMENT:**

Assignment of interest under this Agreement shall not bind the Pool until the Pool's consent is endorsed hereon.

XVII. **DECLARATIONS:**

By acceptance of this Agreement, the member entity agrees that it embodies all agreements existing between the member entity and the Pool or any of its agents relating to this Agreement. None of the Provisions, Conditions or other terms of this Agreement shall be waived or altered except by an addendum; nor shall notice to any agent or knowledge possessed by any agent or by any other person be held to effect a waiver or change in any part of this Agreement.

XVIII. **WAR CLAUSE:**

Coverage does not apply under this Agreement for loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority unless such acts of destruction by order of civil authority are at the time of and for the purpose of preventing spread of fire; or claims or liability arising directly or indirectly from nuclear fission, nuclear fusion or radioactive contamination.

XIX. FRAUDULENT CLAIMS:

If a covered party shall make any claim knowing the same to be materially false or fraudulent, as regards amount or otherwise, this Agreement shall become void as respects that covered party and all claim hereunder to which the covered party may be or is otherwise entitled shall be forfeited.

XX. ACTION AGAINST POOL:

No action shall lie against the Pool unless, as a condition precedent thereto, the covered party shall have fully complied with all the terms of this Agreement nor until the amount of the covered party's obligation to pay shall have been finally determined either by judgment against the covered party after actual trial or by written agreement of the covered party, the claimant and the Pool. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or their legal representatives who have secured judgment or written agreement shall be entitled to recover under this Agreement only to the extent of the limits and other terms afforded by this Agreement. Nothing contained in this Agreement shall give any person or organization any right to join the Pool as a co-defendant in any action against the covered party to determine the covered party's liability.

STOP-GAP ENDORSEMENT

I. In consideration of the contribution of the member entity, it is agreed that if any employee of the member entity, who has been reported and declared under the Workers' Compensation Law of the State of Washington sustains bodily injury by accident or disease which injury or disease arises out of and in the course of his employment in the business operations of the member entity, but such employee has rejected the benefits provided by such law or is otherwise not entitled to receive such benefits, then this agreement shall cover the legal liability of the member entity for damages because of such injury or disease, including death at any time resulting therefrom.

II. With respect to the coverage afforded by this agreement and regardless of the number of member entities under this policy, the Pool's liability is limited as follows:

On account of bodily injury by accident as aforesaid shall be limited to \$250,000 for all damages, including damages for care and loss of services, arising out of injury, including death at any time resulting therefrom, sustained by one person in any one accident and subject to that limit respecting each person, the Pool's total liability shall be limited to \$250,000 for all damages, including damages for care and loss of services, arising out of injury, including death at any time resulting therefrom, sustained by two or more persons in any one accident.

The Pool's liability on account of disease as aforesaid shall be limited to \$250,000 on account of disease, including death at any time resulting therefrom, suffered by any one employee, and, subject to such limit with respect to each such employee, the total limit of the Pool's liability shall be \$250,000.

III. The insurance afforded by this Endorsement shall not apply:

- A. To bodily injury, disease or death suffered or caused by any person knowingly employed by the member entity in violation of any law as to age, or under the age of 14 years, regardless of any such law;
- B. To bodily injury, disease or death suffered or caused by any employee whose worker hours have not been included in the total worker hours upon which contribution for this Endorsement has been based;
- C. To aircraft operations or the performance of any duty in connection with aircraft while in flight;
- D. To any premium, assignment, penalty, fine or other obligation imposed by any workers' compensation law;

- E. To bodily injury, disease or death of any employee for which claim can be made for damages because of the member entity's failure to comply with any provision of the Workers' Compensation Law of Washington, or which would have been covered under the provisions of such law if the member entity had complied therewith;
 - F. To liability assumed by the member entity under any contract or agreement, or to bodily injury, disease or death of any employee which is covered by the Agreement or any endorsement thereof, independently of this endorsement.
- IV. The coverage afforded by this endorsement applies only to accidents which occur during the coverage period within the territorial limits of the United States of America, its territories or possessions, or Canada, and to disease which is sustained within such limits and only if the last day of the last exposure, in the employment of the member entity, to the conditions causing the disease occurs during period of this Agreement, and if incapacity resulting from such disease occurs not later than 12 months after the end of the period of this Agreement.

Subject otherwise to all terms, clauses and conditions as heretofore.

JOINT LOSS ENDORSEMENT

In the event of damage to or destruction of property, at a location covered in this agreement and also designated in a boiler and machinery insurance policy and there is a disagreement between the Pool and the boiler and machinery insurer with respect to:

- I. Whether such damage or destruction was caused by a peril insured against by this Agreement or by an accident insured against by such boiler and machinery insurance policy; or
- II. The extent of participation of this Agreement and such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any or all of said policies.

The Pool shall upon written request of the member entity, pay to the member entity one-half of the amount of the loss which is in disagreement, but in no event more than the Pool would have paid if there had been no boiler and machinery insurance policy in effect, subject to the following conditions:

- III. The amount of the loss which is in disagreement after making provisions for any undisputed claims payable under the said contracts and after the amount of the loss is agreed upon by the member entity and the Pool, is limited to the minimum amount remaining payable under either the boiler and machinery or this agreement.
- IV. The boiler and machinery insurer shall simultaneously pay to the member entity one-half of said amount which is in disagreement;
- V. The payments by the Pool/Insurer hereunder and acceptance of the same by the member entity signify the agreement of the Pool/Insurer to submit to and proceed with arbitration within 90 days of such payments;

The arbitrators shall be three in number, one of whom shall be appointed by the boiler and machinery insurer and one of whom shall be appointed by the Pool and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the Pool/Insurer and that judgement upon such award may be entered in any court of competent jurisdiction;

- VI. The member entity agrees to cooperate in connection with such arbitration but not to intervene therein;
- VII. The provision of this endorsement shall not apply unless the policy issued by the boiler and machinery insurance company is similarly endorsed; or
- VIII. Acceptance by the member entity of sums paid pursuant to the provisions of this endorsement, including an arbitration award, shall not operate or alter, waive, surrender or in any way affect the rights of the member entity against the Pool/Insurer.

Subject otherwise to all terms, clauses and conditions as heretofore.

**SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION,
DEBRIS REMOVAL AND COST OF CLEAN-UP EXTENSION, AUTHORITIES EXCLUSION**

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision in the agreement to which this endorsement is attached, Section I-Property Coverage of this agreement does not protect against loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless, if fire is not excluded from this agreement and a fire arises directly or indirectly from seepage and/or pollution and/or contamination any loss or damage protected against under Section I of this agreement arising directly from that fire shall (subject to the terms, conditions and limitations of the policy) be covered.

However, if the protected property is the subject of direct physical loss or damage for which the Pool has paid or agreed to pay then this agreement (subject to its terms, conditions and limitations) protects against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The member entity shall give notice to the Pool of intent to claim no later than 12 months after the date of the original physical loss or damage.

DEBRIS REMOVAL AND COST OF CLEAN-UP EXTENSION

Notwithstanding the provision of the preceding exclusion in this endorsement or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean-up in the agreement to which this endorsement is attached, in the event of direct physical loss or damage of the property covered hereunder, this agreement (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also covers within the limits of liability set forth in the agreement and the declarations:

- A. Expenses reasonably incurred in removal of debris of the property covered hereunder destroyed or damaged from the premises of the member entity; and/or
- B. Cost of clean-up, at the premises of the member entity, made necessary as a result of such direct physical loss or damage;

provided that this agreement does not protect against the costs of decontamination or removal of water, soil or any other substance or under such substances.

It is a condition precedent to recovery under this extension that the Pool shall have paid or agreed

to pay for direct physical loss or damage to the property covered hereunder unless such payment is precluded solely by the operation of any deductible and that the member entity shall give notice to the Pool of intent to claim for cost of removal of debris or cost of clean-up no later than 12 months after the date of such physical loss or damage.

AUTHORITIES EXCLUSION

Notwithstanding any of the preceding provisions of this endorsement or any provision of the agreement to which this endorsement is attached, this agreement does not protect against loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the member entity at the order of any government agency, court or other authority arising from any cause whatsoever.

Nothing in this endorsement shall override any radioactive contamination exclusion clause in the agreement to which this endorsement is attached.

All other terms and conditions to the agreement to which this endorsement is attached remain unchanged.



City of Gig Harbor. The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL MEMBERS
FROM: MITCH BARKER AND WES HILL
SUBJECT: RADIO MAINTENANCE AGREEMENT - POLICE/PUBLIC WORKS
DATE: JANUARY 22, 1997

BACKGROUND

The Police and Public Works Department has utilized the services of the Pierce County Radio Shop to provide communications equipment, repair, and service for a number of years. The agreements for these services are identical and must be renewed each calendar year.

FISCAL CONSIDERATIONS

The agreements submitted by Pierce County for these services is offered at the same time and materials rates as last year. There is no change in fees for 1997.

RECOMMENDATION

Staff recommends that Council authorize the Mayor to sign the maintenance agreements as submitted.

AGREEMENT FOR COMMUNICATIONS MAINTENANCE PROGRAM

AGREEMENT made January 1, 1997, between PIERCE COUNTY, herein referred to as "County", and CITY OF GIG HARBOR P.D. referred to as GIG HARBOR P.D..

SECTION I. THE PARTIES

This is a communications maintenance and installation program contract between GIG HARBOR P.D. and PIERCE COUNTY.

SECTION II. TERM OF AGREEMENT - TERMINATION

This agreement shall commence as of January 1, 1997 and terminate on December 31, 1997. Either party may terminate this agreement upon thirty (30) days written notice.

SECTION III. OBLIGATIONS OF COUNTY

- A. All maintenance, repair, installation, engineering, and upgrading of GIG HARBOR P.D.'s radio communications system previously agreed to or requested in writing by GIG HARBOR P.D. shall be carried out by County, according to schedules or arrangements to be negotiated by the parties giving due consideration to the immediacy of the need and the workload of the County.
- B. On notice from GIG HARBOR P.D., County shall make any repairs necessitated by normal wear and tear resulting from normal operation, whenever such repairs are required for safe and proper operation of radio system unit.
- C. County and its agents and representatives shall at all reasonable times be given access to the radio system unit for the purpose of inspecting, altering, repairing, improving or adding to or removing the same.
- D. The described work on base station and associated equipment will be done on site. Work on all equipment, including portables, will be performed at the County radio shop, which shall include installation of radio equipment in all GIG HARBOR P.D.'s vehicles.

SECTION IV. FEES

GIG HARBOR P.D. shall reimburse the County for its services described above, at the rate of Sixty-Five (\$65.00) Dollars per hour from 7:30 a.m. through 3:00 p.m., plus time and one-half or double time adjustments required by law, where performed outside these hours as authorized by

GIG HARBOR P.D.. In addition, the County shall be reimbursed its cost plus 20% for all materials and parts provided by County, except that prior written authorization by GIG HARBOR P.D. shall be required for materials or parts in excess of Five Hundred (\$500) Dollars. Payment shall be made by GIG HARBOR P.D. within thirty (30) days of presentation of invoice, listing

time, parts and materials by the County.

SECTION V. INDEMNITY

Notwithstanding anything to the contrary contained in this agreement, GIG HARBOR P.D. shall not be responsible or liable in any manner whatsoever for, and County shall indemnify GIG HARBOR P.D. against any and all claims, suits, damages, costs or expenses arising from or growing out of, or caused directly or indirectly by any defect or error in, or any negligence or error, in connection with the installation, maintenance, engineering or upgrading of the radio system unit performed by the County, except for the sole negligence of GIG HARBOR P.D.. The County will not be responsible for claims arising out of the Antenna Supporting Structures.

SECTION VI. ASSIGNABILITY

This agreement shall not be assigned by County without the written consent of GIG HARBOR P.D.. If this agreement is assigned without GIG HARBOR P.D.'s written consent either by act of County or by operation of law, it shall thereupon terminate subject to the provisions hereinbefore set forth.

SECTION VII. GOVERNING LAW

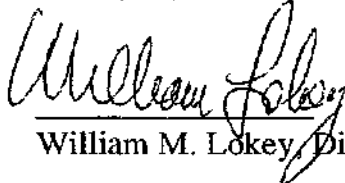
This agreement shall be governed by and construed under the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this agreement this _____ day of _____, 19____.

CITY OF GIG HARBOR

BY: _____
Authorized Signatory

PIERCE COUNTY


William M. Lokey, Director

Department of Emergency Management
Radio Communications Division

RECEIVED
JAN 13 1997
CITY OF GIG HARBOR
PUBLIC WORKS DEPT.

AGREEMENT FOR COMMUNICATIONS MAINTENANCE PROGRAM

AGREEMENT made January 1, 1997, between PIERCE COUNTY, herein referred to as "County", and CITY OF GIG HARBOR PUBLIC WORKS referred to as GIG HARBOR PUBLIC WORKS

SECTION I. THE PARTIES

This is a communications maintenance and installation program contract between GIG HARBOR PUBLIC WORKS and PIERCE COUNTY.

SECTION II. TERM OF AGREEMENT - TERMINATION

This agreement shall commence as of January 1, 1997 and terminate on December 31, 1997. Either party may terminate this agreement upon thirty (30) days written notice.

SECTION III. OBLIGATIONS OF COUNTY

A. All maintenance, repair, installation, engineering, and upgrading of GIG HARBOR PUBLIC WORKS'S radio communications system previously agreed to or requested in writing by GIG HARBOR PUBLIC WORKS shall be carried out by County, according to schedules or arrangements to be negotiated by the parties giving due consideration to the immediacy of the need and the workload of the County.

B. On notice from GIG HARBOR PUBLIC WORKS, County shall make any repairs necessitated by normal wear and tear resulting from normal operation, whenever such repairs are required for safe and proper operation of radio system unit.

C. County and its agents and representatives shall at all reasonable times be given access to the radio system unit for the purpose of inspecting, altering, repairing, improving or adding to or removing the same.

D. The described work on base station and associated equipment will be done on site. Work on all equipment, including portables, will be performed at the County radio shop, which shall include installation of radio equipment in all GIG HARBOR PUBLIC WORKS'S vehicles.

SECTION IV. FEES

GIG HARBOR PUBLIC WORKS shall reimburse the County for its services described above, at the rate of Sixty-Five (\$65.00) Dollars per hour from 7:30 a.m. through 3:00 p.m., plus time and one-half or double time adjustments required by law, where performed outside these hours as authorized by GIG HARBOR PUBLIC WORKS. In addition, the County shall be reimbursed its cost plus 20% for all materials and parts provided by County, except that prior written authorization by GIG HARBOR PUBLIC WORKS shall be required for materials or parts in

excess of Five Hundred (\$500) Dollars. Payment shall be made by GIG HARBOR PUBLIC WORKS within thirty (30) days of presentation of invoice, listing time, parts and materials by the County.

SECTION V. INDEMNITY

Notwithstanding anything to the contrary contained in this agreement, GIG HARBOR PUBLIC WORKS shall not be responsible or liable in any manner whatsoever for, and County shall indemnify GIG HARBOR PUBLIC WORKS against any and all claims, suits, damages, costs or expenses arising from or growing out of, or caused directly or indirectly by any defect or error in, or any negligence or error, in connection with the installation, maintenance, engineering or upgrading of the radio system unit performed by the County, except for the sole negligence of GIG HARBOR PUBLIC WORKS. The County will not be responsible for claims arising out of the Antenna Supporting Structures.

SECTION VI. ASSIGNABILITY

This agreement shall not be assigned by County without the written consent of GIG HARBOR PUBLIC WORKS. If this agreement is assigned without GIG HARBOR PUBLIC WORKS'S written consent either by act of County or by operation of law, it shall thereupon terminate subject to the provisions herein-before set forth.

SECTION VII. GOVERNING LAW

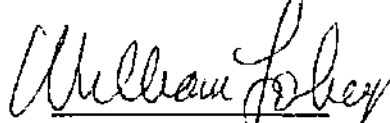
This agreement shall be governed by and construed under the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this agreement this ____ day of _____, 19__.

CITY OF GIG HARBOR

BY: _____
Authorized Signatory

PIERCE COUNTY


William M. Lokey, Director

Department of Emergency Management
Radio Communications Division



City of Gig Harbor. The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL MEMBERS
FROM: MITCH BARKER *MB*
SUBJECT: DISTRIBUTION OF STATE MARINE SERVICES FUNDING
DATE: JANUARY 22, 1997

BACKGROUND

Pursuant to RCW 88.02.040, the Department of Licensing collects vessel registration fees on an annual basis. A portion of these fees are distributed to counties providing approved boating safety programs. Under WAC 352-65-30, such counties are responsible for disbursing a portion of this funding to municipalities with approved boating safety programs. The WAC provides no set guidelines for distribution, other than to require "equitable" distribution of the funds. Gig Harbor has a state approved boating safety program and has received a portion of the state funding for the past three years. We are eligible for a portion of this funding for the 1997 budget year.

FISCAL CONSIDERATIONS

The formula utilized by Pierce County has been in place for three years and is a copy of a formula originated by Snohomish County. We have not agreed with the elements of the formula since it was implemented. During discussions with the County in late 1996, we expressed our view that the formula is not fair or equitable. We were joined in our opinion by the City of Bonney Lake. However, the County made it clear that they would not consider any other formula. Due to a 5% decrease in state funding, we will see a 36% decrease in local funding under this formula. This equates to a dollar decrease of approximately \$3900 from 1996. While we do not agree with the County formula, we are realistic enough to understand that we have very little input in the process. The funding is offered essentially as a "take it or leave it" proposition. Therefore we need to sign the agreement, as submitted by the County, in order to receive our portion of the state revenues.

RECOMMENDATION

Staff recommends that Council authorize the Mayor to sign the Boating Safety Agreement as submitted.

Pierce County Sheriff's Department
Administrative & Technical Services Bureau

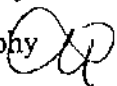
930 Tacoma Avenue South
Tacoma, Washington 98402

(206) 591-7524
FAX (206) 596-6712

Terrence W. Murphy
Bureau Chief



MEMORANDUM

Date: January 13, 1997
To: Lieutenant Larry Gibbs
From: Terrence Murphy 
Subject: Revenue Sharing Agreements - Marine Services

I received your memorandum addressing your concluded revenue sharing agreement with the cities of Gig Harbor and Bonney Lake. I have updated the draft agreements sent to you in December to reflect the new revenue amounts for the cities.

Please have the appropriate city official (mayor or city manager) sign each of the three originals. All three originals must then be returned to me. I will obtain the remainder of the County signatures and a fully executed original will be mailed to each of the cities.

Thank you for all of the work you have put into this activity. Please call me if you have any questions.

BOATING SAFETY PROGRAM AGREEMENT

This Agreement, entered into by the County of Pierce (COUNTY) and the City of Gig Harbor (GIG HARBOR), witnesses that:

WHEREAS, pursuant to RCW 88.02.040, the Department of Licensing collects vessel registration fees on an annual basis, retains the first 1.1 million dollars of what was collected and then distributes the remainder to Washington counties that have approved boating safety programs; and

WHEREAS, the COUNTY has an approved boating safety program; and

WHEREAS, the 1996 annual distribution of vessel registration fees in the amount of \$165,807.26 has been received by the COUNTY; and

WHEREAS, pursuant to WAC 352-65-30, the legislative authority of each county with an approved boating safety program will be responsible for equitably distributing funds allocated by the state treasurer to local jurisdictions with approved boating safety programs within the county; and

WHEREAS, local jurisdictions offering boating safety services and desiring to receive distribution of funds must enter into a cooperative agreement with the COUNTY and receive and maintain State Park's approval for the boating safety program; and

WHEREAS, GIG HARBOR has received State approval of its boating safety program and is eligible to receive an equitable share of the vessel registration fees distributed to the COUNTY; and

WHEREAS, the COUNTY and GIG HARBOR desire to enter into a cooperative agreement;

NOW, THEREFORE, in consideration of the covenants, conditions, performances and promises hereinafter contained, the parties agree as follows:

1. GIG HARBOR agrees to use the funds made available under this agreement only for boating safety purposes as defined by WAC 356-65-040. GIG HARBOR further agrees to use the funds to increase boating safety education and enforcement efforts and to stimulate greater local participation in boating safety, but not to use the funds to supplant existing boating safety funding.
2. GIG HARBOR agrees to operate its boating safety programs in compliance with the state's program requirements and to comply with all applicable federal, state and local laws in performing any activities resulting from the use of the funds distributed under this Agreement.

3. GIG HARBOR agrees to submit an annual report of activities performed and participate in statewide boating surveys as required by State Parks. Additionally, in accordance with WAC 352-65-060, an annual program assessment and report of activities of the local jurisdiction boating safety program will be made by State Parks in order to insure the integrity of the program approval.

4. The COUNTY and GIG HARBOR agree that GIG HARBOR'S equitable share of the vessel registration fees are \$7,112.35. The COUNTY agrees to deliver to GIG HARBOR a Treasurer's check in that amount.

5. No changes or additions shall be made to this Agreement except as agreed to by both parties and reduced to writing and executed with the same formalities as are required for the execution of this Agreement.

6. This contract shall be governed by the laws of the state of Washington. The parties stipulate that any lawsuit regarding this contract must be brought in Pierce County, Washington.

7. Should any clause, phrase, sentence or paragraph of this Agreement be declared invalid or void, the remaining provision of this Agreement shall remain in full force and effect.

8. This Agreement shall take effect upon the signature of both parties and shall remain in effect until September 1, 1997 unless sooner extended by written agreement of the parties.

CONTRACTOR:

City of Bonney Lake

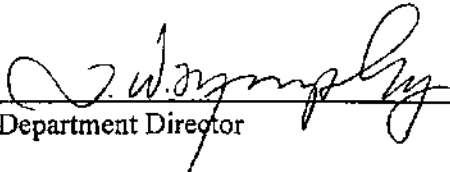
Full Firm Name

Signature

Date

Title of Signatory

PIERCE COUNTY:



Department Director

1-13-97

Date

Prosecuting Attorney (as to form only)

Date

Budget and Finance

Date

Executive Director (if applicable)

Date

County Executive (if over \$50,000)

Date



City of Gig Harbor. The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL MEMBERS
FROM: MITCH BARKER *MB*
SUBJECT: POLICE RADIO DISPATCHING AGREEMENT
DATE: JANUARY 22, 1997

BACKGROUND

The police department has utilized the services of the Law Enforcement Support Agency (LESA) to provide E-911 and related dispatching services for a number of years. The agreement for these services is currently up for renewal. The department wishes to renew this agreement.

FISCAL CONSIDERATIONS

The agreement submitted by LESA for these services reflects an increase in dispatching services over the last agreement. These rates were discussed with the department during our budget preparation cycle. We believe the rates to be fair and they were included in the 1997 budget appropriations.

RECOMMENDATION

Staff recommends that Council authorize the Mayor to sign the dispatching agreement as submitted.



LAW ENFORCEMENT SUPPORT AGENCY

County-City Building
930 Tacoma Avenue South, Room 239
Tacoma, Washington 98402

Telephone: (206) 591-7441



January 8, 1997

Chief Barker
City of Gig Harbor
3105 Judson Street
Gig Harbor, Washington 98335

Dear Chief Barker:

Enclosed you will find the breakdown of your costs for dispatching services for 1997. I have also enclosed two original copies of the LESA Dispatch Service Agreement. Please review the agreement and sign both copies keeping one for your files and returning the other to us. If you have any questions regarding the contract or the enclosed invoice for the first quarter of 1997 please contact Bob Van Gieson, Director at 591-2780.

Please forward the invoice to your accounts payable division for processing.

Thank you,

A handwritten signature in cursive script that reads "Donna Dammell".

Donna Dammell
LESA Admin
591-6078

RECEIVED

JAN 10 1997

GIG HARBOR
POLICE

1997 LESA Communications Billing Statement

	1997 Annual Costs
LESA Communications Budget	\$ 4,879,910
LESA Records Radio Budget	\$ 953,974
Total:	\$ 5,833,884
Minus 9-1-1 Revenues	\$ 637,080
Total Billable costs:	\$ 5,196,804

	Billing Percent	Quarterly Billings	1997 Annual Costs
Gig Harbor	0.85%	\$ 11,043.21	\$ 44,173

LESA DISPATCH SERVICE AGREEMENT

This AGREEMENT is made and entered into this ___ day of _____ 199 __, between the Law Enforcement Support Agency (hereinafter referred to as "LESA") and the City/Town of GIG HARBOR, to provide for police dispatch service and fees associated therewith.

1. In consideration of the service charges hereafter specified, LESA will receive and dispatch all calls for the police service in the City/Town of GIG HARBOR, and monitor the status of the assigned police units.

2. As used in this agreement, the following terms shall have the respective meanings indicated below, unless the context otherwise requires:

(a) Allocation Factor - The ratio, expressed in a percentage of the recorded dispatches for a given city or town in relation to the total recorded dispatches for the Base period.

(b) Dispatch Costs - The total LESA Communications budget plus the indirect costs associated with the Communications budget, less any revenues received for the 9-1-1 levy.

(c) Record Check Costs - The total LESA Records Radio budget which encompasses the cost of providing the interface to WACIC and local warrants and records plus the indirect costs associated with the LESA Records Radio budget.

(d) Recorded Dispatches - All dispatches and calls for dispatch, regardless of disposition, which are entered on the daily LESA Communications Center Log.

(e) Base Period - A period of two years ending the last week of June of the calendar year in which the annual charges are determined.

3. Annual charges which GIG HARBOR shall pay to LESA shall be determined by applying the Allocation Factor to the Dispatch Costs and Record Check Costs. The Allocation Factor shall be determined in a Base Period for application in the following year.

4. Each party is responsible for maintaining its own radio and communication equipment. Any phone line or device charges required for LESA to receive calls shall be the responsibility of the specific city or town which has entered into this agreement. Any failure of such equipment or failure to otherwise maintain such phone lines or devices shall not relieve GIG HARBOR of the obligation to pay the charges provided for herein.

5. The annual charges are payable quarterly no later than the 15th day of January, April, July and October.

6. This agreement shall be effective JANUARY 1, 1997 and shall remain in effect until canceled by either of the parties in the following manner. The party canceling the agreement must give written notice to the other party 30 days in advance. The above written notice shall be provided, in the case of LESA, to:

Director
Law Enforcement Support Agency
2415 So 35th Street
Tacoma, Washington 98409

and to the respective Chief of Police whose city or town are parties to this agreement.

7. Neither party shall be liable to the other or to any third party for any damage, loss, or costs whatsoever resulting from the performance of, or failure to perform, this agreement.

8. Interpretation and Venue: Washington law shall govern the interpretation of this Agreement. Pierce County shall be the venue of any arbitration or lawsuit arising out of this Agreement.

9. Unenforceable Clauses: If one or more of the clauses of this Agreement is found to be unenforceable, illegal or contrary to public policy, the Agreement will remain in full force and effect except for the clauses that are unenforceable, illegal or contrary to public policy.

10. Entire Agreement: This Agreement constitutes the complete and final agreement of the parties, replaces and supersedes all oral and/or written proposals and agreements heretofore made on the subject matter, and may be modified only in writing signed by both parties. Each party hereby acknowledges receipt of a copy of this Agreement executed by both parties.

IN WITNESS WHEREOF the parties hereto have executed this document as of the day and year first above written.

LAW ENFORCEMENT SUPPORT AGENCY

BY: *[Signature]*

Director

Date 12/31/96

TOWN of GIG HARBOR,

BY: _____

Title: _____

Date _____

Approved as to form by:

[Signature]

Title: Assistant City Attorney

Date: 12/20/96



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT, CITY COUNCIL
FROM: MARK HOPPEN, CITY ADMINISTRATOR
SUBJECT: OFFICIAL NEWSPAPER BID
DATE: JANUARY 21, 1997

INFORMATION

In accordance with Gig Harbor City Ordinance Chapter 1.20, the City shall solicit bids for the City's "official newspaper."

The attached bid from the Peninsula Gateway was the only bid received. The bid proposal complies with the published call for bids, and the prices and service received from the Gateway have been reasonable.

RECOMMENDATION

I recommend the award of the official newspaper service to the Peninsula Gateway.



City of Gig Harbor. The "Maritime City."

3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

CALL FOR BIDS

Bids are being requested by the City of Gig Harbor for the following services:

"Official newspaper" as designated under Chapter 65.16 RCW and which has a general circulation within the City of Gig Harbor.

The bids should contain the following: 1) Statement indicating the publication's qualification as a legal newspaper as provided under RCW 65.16.020 and general circulation in the City of Gig Harbor, 2) type size and column size, 4) circulation distribution, includes subscriptions and newsstand sales per distribution, and 5) advertising representative.

Sealed bids must be received at City Hall by 4:30 p.m., Wednesday, January 22, 1997, 3105 Judson Street, Gig Harbor, WA 98335. Bids must be marked on the outside: "Bid-Official Newspaper." The City Council shall award the "official newspaper" services to the lowest responsible bidder in accordance with RCW 35.23.352, and further reserves the right to reject all bids received.

Mark E. Hoppen
City Administrator

The Newspaper Serving
Greater Gig Harbor and
Peninsula Region

THE PENINSULA Gateway

P. O. Box 407
7521 Pioneer Way
Gig Harbor, WA 98335

Gig Harbor & Tacoma • (206) 851-9921

Kitsap • 895-2410

FAX • (206) 851-3939

Mark E. Hoppen
City Administrator
P.O. Box 145
Gig Harbor Wa 98335

January 15th, 1997

Dear Mr. Hoppen,

This letter is the bid by The Peninsula Gateway, Inc to continue as the "official newspaper" for the City of Gig Harbor.

The current rate is .48 cents per line per agate inch. There are 14 agate lines per inch which computes to a rate of \$6.72 per column inch.

Rate .48¢ per agate inch

Type size: 6 point

Column width: 2 inches

The Gateway is a newspaper of general circulation in the City of Gig Harbor. Over 11,000 households receive The Gateway each week through the U.S. Postal Service and newsstand outlets. The Gateway holds a second class mailing permit from the U.S. Postal Service.

The Peninsula Gateway, Inc is a business located inside the city limits of Gig Harbor. We employ more than 35 full time and part-time employees and are fully self-contained including a 6 unit web press which prints the newspaper.

The advertising representative for the city will be either Donna Natucci or Tom Taylor.

Sincerely,



Tom Taylor
Publisher

MAYOR'S REPORT
January 23, 1997

FINHOLM PROJECT
Fund Raising Status

The following summarized the current status of the funding of the Finholm View Project:

Estimated full cost to completion:	\$107,000
Adjusted cost considering donated work, supplies and materials:	87,000
Current total of funds raised:	30,365

Per cent of total cash requirement raised:	35%
--	-----

The sources of funds raised are as follows:

Sale of Steps	\$14,000	28 steps sold
Gifts (undedicated)	7,977	16 gifts
Sale of Bricks	7,398	395 Bricks
Ed Finholm Memorials	795	23 gifts
G. Borgen Memorials	195	5 gifts
Total	\$30,365	

We need to sell the remaining 37 steps and about 2,000 more bricks to attain the goal of \$87,000.



City of Gig Harbor, The "Maritime City."
3105 JUDSON STREET
GIG HARBOR, WASHINGTON 98335
(206) 851-8136

TO: MAYOR WILBERT AND CITY COUNCIL
FROM: TOM ENLOW, FINANCE DIRECTOR
DATE: January 22, 1997
SUBJECT: Quarterly Finance Report

Attached are the quarterly financial reports for the last quarter of 1996.

Total resources, including all revenues and beginning cash balances, are at 90% of the annual budget. Year to date revenues, excluding cash balances, are at 77% of budget. Grant revenues and transfers related to budgeted street projects which were postponed account for the deviation from the budget.

Overall General Fund revenues (excluding beginning balance) are at 97% of budget. Considering that the budget included \$300,000 in revenues from the Westside Annexation in 1996, revenues are actually \$215,793 ahead of that expected without the annexations. \$106,191 of the excess was due to sales tax revenues of \$1,306,191 instead of the \$1,200,000 expected from the current city limits.

General Fund expenditures are at 83% of budget with most budgeted objectives achieved, except those which were contingent on annexation. All departments are within budget, as amended. The parks department expended only 50% of its budget. A \$125,000 property purchase was contingent on annexation, the remainder of the difference is due to park projects which were postponed.

Street revenues are only 27% and expenditures 15% of budget because of approximately \$2,250,000 of budgeted projects (and \$1,995,000 of related revenue) which were postponed.

Water and Sewer revenues are 113% and 118% of budget due to increased services, interest earnings and a sewer excise tax refund. Water expenditures were 85% of budget and Sewer expenditures were 99%.

Sewer connection fees, accounted for in the Sewer Capital Construction Fund, continue their yo-yo effect. Last year they were significantly over budget at \$334,224. This year they are less than half that at \$161,664, or 65% of budget. Over \$500,000 of budgeted projects in the fund were postponed resulting in expending only 19% of budget.

Ending cash balances appear to be adequate in all funds, although a few differ from projections used for beginning balances in the 1997 budget. The General Fund ending balance is \$823,058, \$123,000 higher than projected. The Water Operating and Water Capital Asset ending fund balances are \$186,580 and \$106,475 higher than expected, respectively. Sewer Capital Construction fund balance is \$65,380 higher than expected while Sewer Operating is \$50,673 below the projected balance.

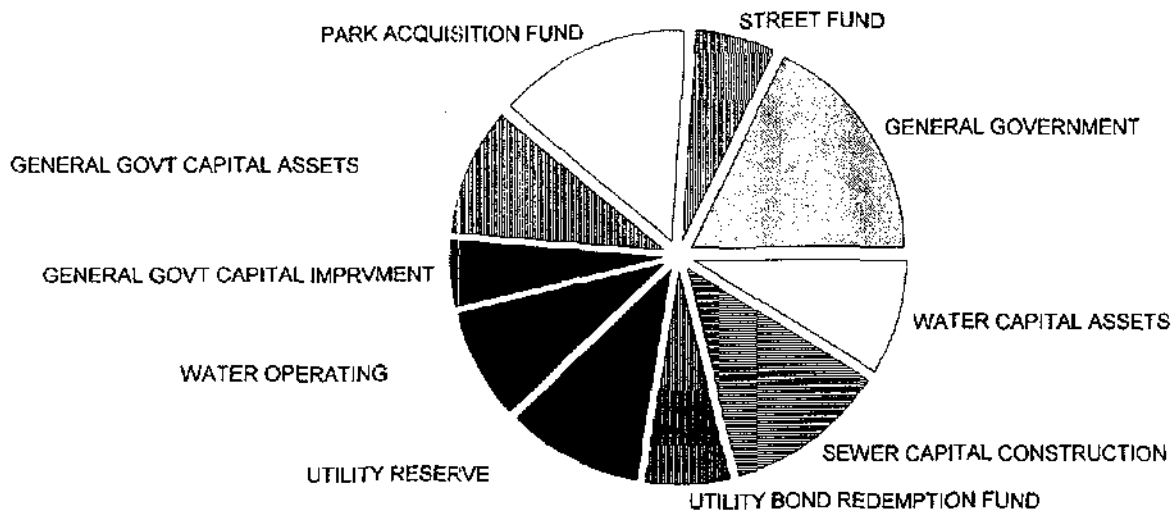
**CITY OF GIG HARBOR
CASH AND INVESTMENTS
YEAR TO DATE ACTIVITY
AS OF DECEMBER 31, 1996**

FUND NO.	DESCRIPTION	BEGINNING BALANCE	REVENUES	EXPENDITURES	OTHER CHANGES	ENDING BALANCE
001	GENERAL GOVERNMENT	\$1,274,894	\$2,524,904	\$2,892,109	(\$84,631)	\$823,058
101	STREET FUND	80,641	714,370	394,818	(117,878)	282,314
105	DRUG INVESTIGATION FUND	11,165	5,762	3,460	-	13,467
107	HOTEL-MOTEL FUND	2,323	3,943	1,867	-	4,399
109	PARK ACQUISITION FUND	52,220	629,838	-	-	682,058
200	'78 GO BONDS - FIRE	12,642	523	5,431	-	7,733
201	'75 GO BONDS - SEWER	7,680	423	3,000	-	5,103
203	'87 GO BONDS - SEWER CONSTR	502,642	174,772	638,894	(76)	38,443
208	91 GO BONDS - SOUNDVIEW DRIVE	4,944	102,265	100,349	(105)	6,756
301	GENERAL GOVT CAPITAL ASSETS	388,385	61,712	-	-	450,098
305	GENERAL GOVT CAPITAL IMPRVMEN	185,339	50,743	-	-	236,081
401	WATER OPERATING	409,308	675,912	675,884	(22,756)	386,580
402	SEWER OPERATING	263,146	927,125	1,079,842	(36,102)	74,327
407	UTILITY RESERVE	445,946	28,991	-	-	474,937
408	UTILITY BOND REDEMPTION FUND	375,853	271,254	493,393	146,371	300,085
410	SEWER CAPITAL CONSTRUCTION	227,124	485,597	154,597	7,256	565,380
411	STORM SEWER OPERATING	79,727	118,093	139,701	(9,254)	48,865
420	WATER CAPITAL ASSETS	127,505	369,381	90,338	(74)	406,475
605	LIGHTHOUSE MAINTENANCE TRUST	3,330	179	76	-	3,434
631	MUNICIPAL COURT	-	58,186	58,186	-	0
801	CLEARING CLAIMS	(77,316)	-	-	77,316	0
		<u>\$4,377,498</u>	<u>\$7,203,974</u>	<u>\$6,731,946</u>	<u>(\$39,933)</u>	<u>\$4,809,592</u>

**COMPOSITION OF CASH AND INVESTMENTS
AS OF DECEMBER 31, 1996**

	MATURITY	RATE	BALANCE
CASH ON HAND			\$300
CASH IN BANK		1.49%	147,441
LOCAL GOVERNMENT INVESTMENT POOL		5.37%	4,170,271
STUDENT LOAN MKT ASSN. (SALLY MAE)	06/01/98	6.10%	491,580
			<u>\$4,809,592</u>

Ending Cash Balances By Fund

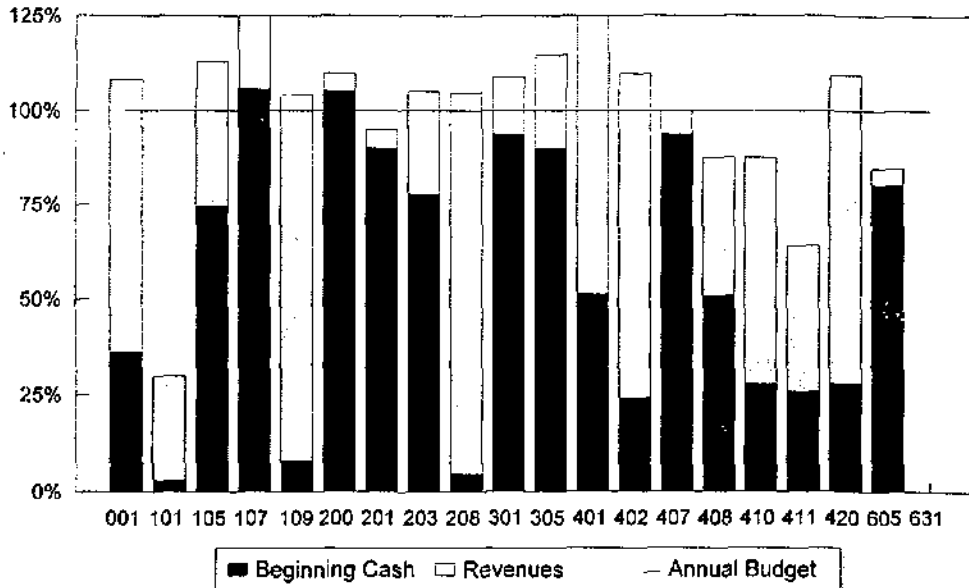


Smaller balances are excluded from chart

**CITY OF GIG HARBOR
YEAR-TO-DATE RESOURCE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING DECEMBER 31, 1996**

FUND NO.	DESCRIPTION	ESTIMATED RESOURCES	ACTUAL Y-T-D RESOURCES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT	\$3,509,111	\$3,799,798	(\$290,687)	108.28%
101	STREET FUND	2,650,803	795,010	1,855,793	29.99%
105	DRUG INVESTIGATION FUND	15,000	16,927	(1,927)	112.85%
107	HOTEL-MOTEL FUND	2,200	6,266	(4,066)	284.82%
109	PARK ACQUISITION FUND	654,000	682,058	(28,058)	104.29%
200	'78 GO BONDS - FIRE	12,000	13,164	(1,164)	109.70%
201	'75 GO BONDS - SEWER	8,500	8,103	397	95.33%
203	'87 GO BONDS - SEWER CONSTR	646,000	677,414	(31,414)	104.86%
208	91 GO BONDS - SOUNDVIEW DRIVE	102,500	107,209	(4,709)	104.59%
301	GENERAL GOVT CAPITAL ASSETS	414,000	450,098	(36,098)	108.72%
305	GENERAL GOVT CAPITAL IMPROVEMENT	206,000	236,081	(30,081)	114.60%
401	WATER OPERATING	797,138	1,085,220	(288,082)	136.14%
402	SEWER OPERATING	1,085,538	1,190,271	(104,733)	109.65%
407	UTILITY RESERVE	475,000	474,937	63	99.99%
408	UTILITY BOND REDEMPTION FUND	739,834	647,107	92,727	87.47%
410	SEWER CAPITAL CONSTRUCTION	815,000	712,721	102,279	87.45%
411	STORM SEWER OPERATING	307,520	197,820	109,700	64.33%
420	WATER CAPITAL ASSETS	455,000	496,887	(41,887)	109.21%
605	LIGHTHOUSE MAINTENANCE TRUST	4,150	3,510	640	84.57%
631	MUNICIPAL COURT	-	58,186	(58,186)	NA
		\$12,899,294	\$11,658,788	\$1,240,506	90.38%

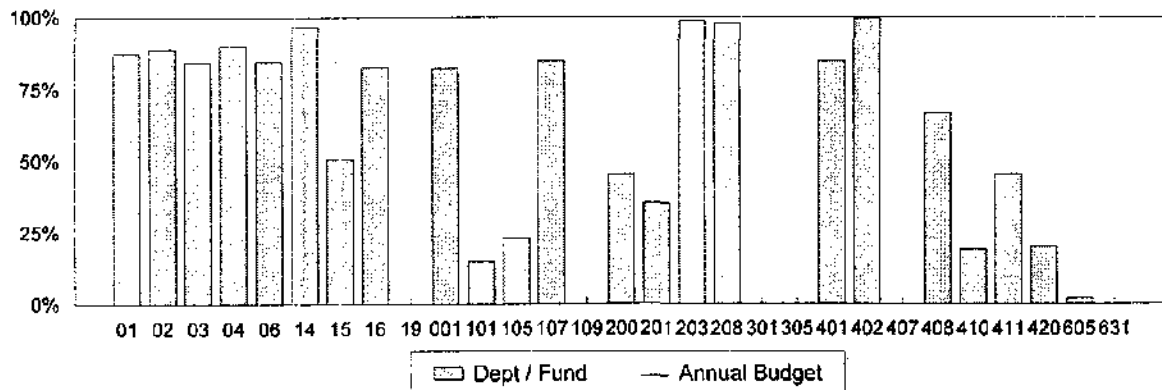
Resources as a Percentage of Annual Budget



**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
AND COMPARISON TO BUDGET
FOR PERIOD ENDING DECEMBER 31, 1996**

FUND NO.	DESCRIPTION	ESTIMATED EXPENDITURES	ACTUAL Y-T-D EXPENDITURES	BALANCE OF ESTIMATE	PERCENTAGE (ACTUAL/EST.)
001	GENERAL GOVERNMENT				
01	NON-DEPARTMENTAL	\$1,171,092	\$1,023,730	\$147,362	87.42%
02	LEGISLATIVE	18,500	16,513	1,987	89.26%
03	MUNICIPAL COURT	218,646	184,837	33,809	84.54%
04	ADMINISTRATIVE/FINANCIAL	371,150	334,796	36,354	90.20%
06	POLICE	934,486	791,541	142,945	84.70%
14	COMMUNITY DEVELOPMENT	274,510	266,028	8,482	96.91%
15	PARKS AND RECREATION	474,400	240,660	233,740	50.73%
16	BUILDING	41,100	34,006	7,094	82.74%
19	ENDING FUND BALANCE	5,227	-	5,227	-
001	TOTAL GENERAL FUND	3,509,111	2,892,109	617,002	82.42%
101	STREET FUND	2,650,803	394,818	2,255,985	14.89%
105	DRUG INVESTIGATION FUND	15,000	3,460	11,540	23.07%
107	HOTEL-MOTEL FUND	2,200	1,867	333	84.87%
109	PARK ACQUISITION FUND	654,000	-	654,000	-
200	'78 GO BONDS - FIRE	12,000	5,431	6,569	45.26%
201	'75 GO BONDS - SEWER	8,500	3,000	5,500	35.29%
203	'87 GO BONDS - SEWER CONSTR	646,000	638,894	7,106	98.90%
208	91 GO BONDS - SOUNDVIEW DRIVE	102,500	100,349	2,151	97.90%
301	GENERAL GOVT CAPITAL ASSETS	414,000	-	414,000	-
305	GENERAL GOVT CAPITAL IMPROVEM	206,000	-	206,000	-
401	WATER OPERATING	797,138	675,884	121,254	84.79%
402	SEWER OPERATING	1,085,538	1,079,842	5,696	99.48%
407	UTILITY RESERVE	475,000	-	475,000	-
408	UTILITY BOND REDEMPTION FUND	739,834	493,393	246,441	66.69%
410	SEWER CAPITAL CONSTRUCTION	815,000	154,597	660,403	18.97%
411	STORM SEWER OPERATING	307,520	139,701	167,819	45.43%
420	WATER CAPITAL ASSETS	455,000	90,338	364,662	19.85%
605	LIGHTHOUSE MAINTENANCE TRUST	4,150	76	4,074	1.82%
631	MUNICIPAL COURT	-	58,186	(58,186)	NA
		\$12,899,294	\$6,731,946	\$6,167,348	52.19%

Expenditures as a Percentage of Annual Budget



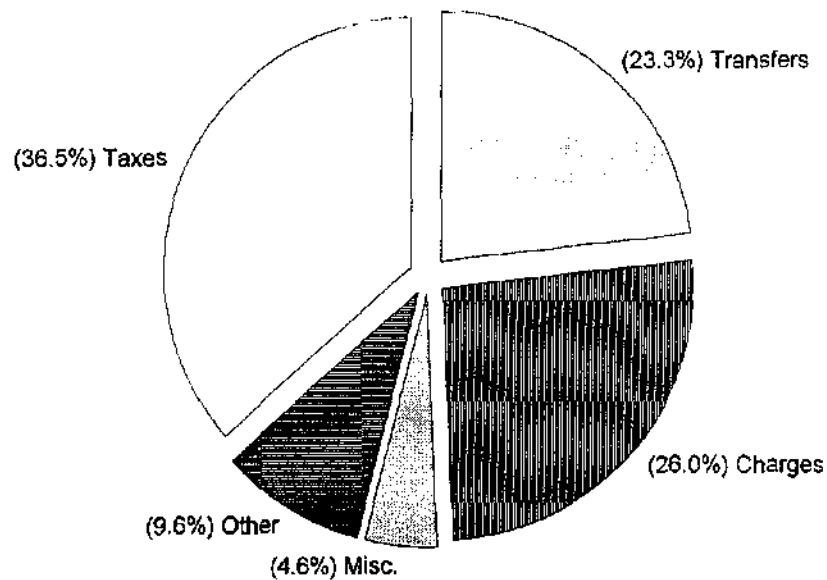
**CITY OF GIG HARBOR
YEAR-TO-DATE REVENUE SUMMARY
BY TYPE
FOR PERIOD ENDING DECEMBER 31, 1996**

<u>TYPE OF REVENUE</u>	<u>AMOUNT</u>
Taxes	\$2,631,253
Licenses and Permits	146,816
Intergovernmental	249,767
Charges for Services	1,871,757
Fines and Forfeits	99,124
Miscellaneous	334,659
Non-Revenues	194,245
Transfers and Other Sources of Funds	1,676,352
Total Revenues	7,203,974
Beginning Cash Balance	4,454,814
Total Resources	<u>\$11,658,788</u>

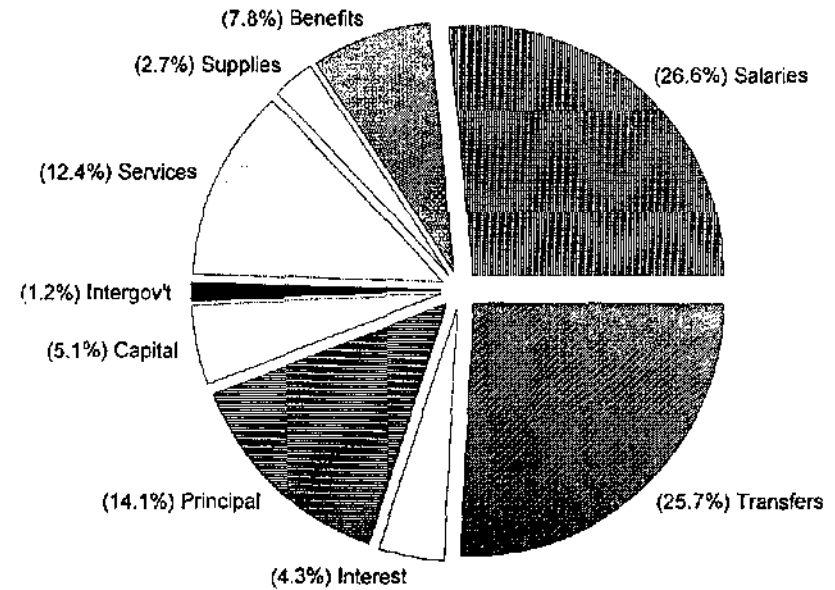
**CITY OF GIG HARBOR
YEAR-TO-DATE EXPENDITURE SUMMARY
BY TYPE
FOR PERIOD ENDING DECEMBER 31, 1996**

<u>TYPE OF EXPENDITURE</u>	<u>AMOUNT</u>
Wages and Salaries	\$1,791,742
Personnel Benefits	523,512
Supplies	184,656
Services and Other Charges	835,383
Intergovernmental Services and Charges	83,919
Capital Expenditures	342,937
Principal Portions of Debt Payments	947,806
Interest Expense	290,313
Transfers and Other Uses of Funds	1,731,678
Total Expenditures	6,731,946
Ending Cash Balance	4,809,592
Total Uses	<u>\$11,541,538</u>

Revenues by Type - All Funds



Expenditures by Type - All Funds



**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
BY FUND TYPE
AS OF DECEMBER 31, 1996**

	GENERAL GOVERNMENT	SPECIAL REVENUE	DEBT SERVICE	TOTAL GOVERNMENTAL	PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS	TOTAL ALL FUND TYPE
ASSETS								
CASH	\$28,462	\$57,091	\$1,982	\$87,534	\$60,208	-	-	\$147,741
INVESTMENTS	794,596	1,614,761	56,053	2,465,410	2,196,440	-	-	4,661,851
RECEIVABLES	22,167	32,992	7,569	62,728	2,727,641	-	-	2,790,369
FIXED ASSETS	-	-	-	-	11,831,296	-	5,564,542	17,395,838
OTHER	-	-	-	-	33,198	-	1,860,988	1,894,185
TOTAL ASSETS	\$845,225	\$1,704,843	\$65,604	\$2,615,672	\$16,848,783	-	\$7,425,530	\$26,889,984
LIABILITIES								
CURRENT	64	2,902	5,000	7,966	1,254,136	-	-	1,262,102
LONG TERM	10,126	10,126	5,175	25,427	3,493,791	-	1,860,988	5,380,206
TOTAL LIABILITIES	10,190	13,028	10,175	33,393	4,747,927	-	1,860,988	6,642,308
FUND BALANCE:								
BEGINNING OF YEAR	1,202,240	625,489	525,121	2,352,849	11,994,101	-	5,564,542	19,911,492
Y-T-D REVENUES	2,524,904	1,466,547	277,982	4,269,434	2,876,354	-	-	7,145,788
Y-T-D EXPENDITURES	(2,892,109)	(400,220)	(747,674)	(4,040,004)	(2,633,756)	-	-	(6,673,760)
ENDING FUND BALANCE	835,035	1,691,815	55,429	2,582,279	12,100,856	-	5,564,542	20,247,677
TOTAL LIAB. & FUND BAL.	\$845,225	\$1,704,843	\$65,604	\$2,615,672	\$16,848,783	-	\$7,425,530	\$26,889,984

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 1996**

	SPECIAL REVENUE FUNDS								TOTAL SPECIAL REVENUE
	001 GENERAL GOVERNMENT	101 STREET	105 DRUG INVESTIGATION	107 HOTEL - MOTEL	109 PARK ACQUISITION	301 GENERAL GOVT CAPITAL ASSETS	305 GENERAL GOVT CAPITAL IMP	605 LIGHTHOUSE MAINTENANCE	
CASH	\$28,462	\$9,640	\$460	\$150	\$23,291	\$15,370	\$8,062	\$117	\$57,091
INVESTMENTS	794,596	272,674	13,007	4,249	658,767	434,728	228,020	3,317	1,614,761
RECEIVABLES	22,167	32,992	-	-	-	-	-	-	32,992
FIXED ASSETS	-	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$845,225	\$315,306	\$13,467	\$4,399	\$682,058	\$450,098	\$236,081	\$3,434	\$1,704,843
LIABILITIES									
CURRENT	\$64	\$2,902	-	-	-	-	-	-	\$2,902
LONG TERM	10,126	10,126	-	-	-	-	-	-	10,126
TOTAL LIABILITIES	10,190	13,028	-	-	-	-	-	-	13,028
FUND BALANCE:									
BEGINNING OF YEAR	1,202,240	(17,274)	11,165	2,323	52,220	388,385	185,339	3,330	625,489
Y-T-D REVENUES	2,524,904	714,369.91	5,762	3,943	629,838	61,712	50,743	179	1,466,547
Y-T-D EXPENDITURES	(2,892,109)	(394,817.70)	(3,460)	(1,867)	-	-	-	(76)	(400,220)
ENDING FUND BALANCE	835,035	302,277.97	13,467	4,399	682,058	450,098	236,081	3,434	1,691,815
TOTAL LIAB. & FUND BAL.	\$845,225	\$315,306	\$13,467	\$4,399	\$682,058	\$450,098	\$236,081	\$3,434	\$1,704,843

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 1996**

	DEBT SERVICE				TOTAL DEBT SERVICE
	200 78 GO BOND FIRE	201 75 GO BONDS SEWER	203 87 GO BONDS SEWER CONST	208 91 GO BONDS SOUNDVIEW DR	
CASH	\$264	\$277	\$1,210	\$231	\$1,982
INVESTMENTS	7,469	4,826	37,233	6,525	56,053
RECEIVABLES	-	-	7,569	-	7,569
FIXED ASSETS	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL ASSETS	\$7,733	\$5,103	\$46,012	\$6,756	\$65,604
LIABILITIES					
CURRENT	-	\$5,000	-	(\$0)	\$5,000
LONG TERM	-	-	5,175	-	5,175
TOTAL LIABILITIES	-	5,000	5,175	(0)	10,175
FUND BALANCE:					
BEGINNING OF YEAR	12,642	2,680	504,959	4,840	525,121
Y-T-D REVENUES	523	423	174,772	102,265	277,982
Y-T-D EXPENDITURES	(5,431)	(3,000)	(638,894)	(100,349)	(747,674)
ENDING FUND BALANCE	7,733	103	40,837	6,756	55,429
TOTAL LIAB. & FUND BAL.	\$7,733	\$5,103	\$46,012	\$6,756	\$65,604

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 1996**

	PROPRIETARY							TOTAL PROPRIETARY
	401 WATER OPERATING	402 SEWER OPERATING	407 UTILITY RESERVE	408 89 UTILITY BOND REDEMPTION	410 SEWER CAP. CONST.	411 STORM SEWER OPERATING	420 WATER CAP. ASSETS	
CASH	\$14,280	\$1,404	\$2,789	\$6,890	\$19,307	\$1,658	\$13,880	\$60,208
INVESTMENTS	372,300	72,923	472,148	293,195	546,073	47,206	392,595	2,196,440
RECEIVABLES	83,785	122,478	6,575	2,435,253	67,358	12,192	-	2,727,641
FIXED ASSETS	1,838,361	6,979,122	-	-	2,404,866	608,946	-	11,831,296
OTHER	-	-	-	33,198	-	-	-	33,198
TOTAL ASSETS	\$2,308,726	\$7,175,927	\$481,512	\$2,768,536	\$3,037,604	\$670,003	\$406,475	\$16,848,783
LIABILITIES								
CURRENT	(\$2,133)	(\$1,323)	-	\$367,046	\$890,825	(\$250)	(\$30)	\$1,254,136
LONG TERM	15,134	68,140	-	3,402,828	-	7,689	-	3,493,791
TOTAL LIABILITIES	13,002	66,817	-	3,769,874	890,825	7,439	(30)	4,747,927
FUND BALANCE:								
BEGINNING OF YEAR	2,295,696	7,261,611	452,521	(643,140)	1,815,779	684,172	127,462	11,994,101
Y-T-D REVENUES	675,912	927,125	28,991	271,254	485,597	118,093	369,381	2,876,354
Y-T-D EXPENDITURES	(675,884)	(1,079,842)	-	(493,393)	(154,597)	(139,701)	(90,338)	(2,633,756)
ENDING FUND BALANCE	2,295,725	7,109,110	481,512	(1,001,338)	2,146,779	662,564	406,505	12,100,856
TOTAL LIAB. & FUND BAL.	\$2,308,726	\$7,175,927	\$481,512	\$2,768,536	\$3,037,604	\$670,003	\$406,475	\$16,848,783

**CITY OF GIG HARBOR
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 1996**

	FIDUCIARY 631 MUNICIPAL COURT	820 GENERAL FIXED ASSET GROUP	900 GENERAL L-T DEBT GROUP	TOTAL ACCOUNT GROUPS
CASH	-	-	-	-
INVESTMENTS	-	-	-	-
RECEIVABLES	-	-	-	-
FIXED ASSETS	-	5,564,542	-	5,564,542
OTHER	-	-	1,860,988	1,860,988
TOTAL ASSETS	-	\$5,564,542	\$1,860,988	\$7,425,530
LIABILITIES				
CURRENT	-	-	-	-
LONG TERM	-	-	1,860,988	1,860,988
TOTAL LIABILITIES	-	-	1,860,988	1,860,988
FUND BALANCE:				
BEGINNING OF YEAR	-	5,564,542	-	5,564,542
Y-T-D REVENUES	-	-	-	-
Y-T-D EXPENDITURES	-	-	-	-
ENDING FUND BALANCE	-	5,564,542	-	5,564,542
TOTAL LIAB. & FUND BAL.	-	\$5,564,542	\$1,860,988	\$7,425,530