



Administration and Finance Committee Meeting Minutes

January 24, 2019
4:00 PM
SeaTac City Hall - Riverton Room 128

Members:	Present:	Absent:	Commence:	4:00 P.M.
			Adjourn:	6:11 P.M.
Erin Sitterley, Chair	X			
Peter Kwon	X			
Clyde Hill		X		

Other Council Members Present: Joel Wachtel, Pam Fernald, Stanley Tombs

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Committee Chair Erin Sitterley called the meeting to order at 4:00 PM</i>
2. Public Comment	<i>None</i>
3. Review of the Minutes	<u>X</u> Recommended for Approval <i>A copy of the 1/10/18 minutes was provided to the committee for review. The committee approved the minutes as written.</i>
4. Council/City Manager Travel Pre-Approval or Final Approval	<i>None</i>
5. Attendance – Community Services Advisory Committee	<i>City Manager Carl Cole briefed the committee on the absences of Community Services Advisory (CSA) Committee member Kent Palosaari. SMC 2.15.100 requires the City Manager to notify the A&F committee of any member absent from three consecutive regularly scheduled meetings without prior notification and excuse. The A&F committee has the authority to declare the position vacant to allow a new member to be appointed. The committee discussed the CSA committee member's overall attendance and decided to declare the position vacant. The committee also wished to look into revising the language of SMC 2.15.100 to make sure other committee members cannot miss a significant portion of committee meetings.</i>

<p>6. Amendments to Council Admin Policy</p> <ul style="list-style-type: none"> - Council Committee/Code Enforcement - CIR Single Source CMO Work Request Form - Other Miscellaneous Items 	<p><u>X</u> Next Review at Future A&F Meeting</p> <p><i>City Clerk Kristina Gregg provided several items for committee consideration regarding potential revisions to the City Council Administrative procedures. The committee discussed each topic individually and provided the following direction:</i></p> <ol style="list-style-type: none"> 1. Topic 1: Public Comments – requirement for signing up before the meeting. <i>The committee recommended revising the language to better enforce the current rule of signing up to speak prior to the meeting.</i> 2. Topic 2: Public Comments related to Action Items. <i>The Committee recommended removing the public comment period to increase efficiency and eliminate confusion.</i> 3. Topic 3: Special Council Meetings public comment period. <i>The committee recommended adding language to allow the Mayor to determine if a Special Council Meeting will have public comment and the time limit for comments. All public comment at Special Council Meetings will be related to the items on the agenda.</i> 4. Topic 4: Public Comment – Exceeding 30 Minutes. <i>The committee did not recommend any language be added to the procedures.</i> 5. Topic 5: Code Enforcement Council Committee. <i>The committee recommended adding language to re-establish the Code Enforcement Committee.</i> 6. Topic 6: Council Information Request (CIR) Form. <i>The committee agreed to continue to use CIRs as the single source for Councilmembers to request work from the City Manager to allow for better tracking and efficiency.</i> 7. Topic 7: Disruptions. <i>The committee recommended adding the proposed language regarding disruptions to the Council Admin procedures.</i> 8. Topic 8: Media Relations. <i>The committee recommended adding language regarding the City Council handling of media contacts.</i> 9. Topic 9: Additional changes to the procedures. <i>None at this time.</i> 10. Topic 10: Transportation & Public Works Committee (T&PW) meeting schedule. <i>The committee recommended reviewing options pertaining to adding a second monthly meeting for the T&PW committee.</i> 11. Topic 11: Referral of Agenda Items. <i>The committee recommended adding language into the procedures allowing the City Manager to refer some administrative or housekeeping items directly to Council Meetings, either as an action item or consent agenda item without committee review. The committee also recommended adding language to give the Council Standing Committees the ability to refer administrative or housekeeping items directly to the Consent Agenda.</i> <p><i>The proposed revisions to the Council Admin procedures will be brought back to a future A&F meeting for review and final recommendation.</i></p>
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<p>7. CIR – Agenda Bill Criteria</p>	<p><u> X </u> Next Review at Future A&F Meeting</p> <p><i>Finance & Systems Director Gwen Pilo provided the committee with an Agenda Bill Checklist developed by Councilmember Fernald. Ms. Pilo asked the committee if they wished to incorporate a checklist into the agenda bill process, to be used by staff when creating agenda bills. The committee was in favor of this proposal and wished to give direction on the items included in the checklist. Staff will bring this back to a future A&F meeting for discussion and recommendations.</i></p>
<p>8. Finance Policy Update</p>	<p><u> X </u> Informational Update</p> <p><i>Finance & Systems Director Gwen Pilo provided the committee with an update on the City's financial policies and highlighted the next policies to be reviewed in 2019.</i></p>
<p>9. Future Meeting Schedule</p>	<p><i>The next A&F Meeting is scheduled for February 14 at 4:00 PM in Riverton Room 128.</i></p>
<p>10. Adjourn</p>	<p><i>Committee Chair Erin Sitterley adjourned the meeting at 6:11 PM.</i></p>



Current Vacancies

Updated February 7, 2019

Vacancy	AFSCME	Position Funding	Dept	Notes/Status
Administrative Assistant 2	Y	Sound Transit Funded	PW	Hiring Manager Reviewing Applications
Chief of Police	N	100% General Fund	PD	Pending KCSO Release of Candidates
Civil Engineer 1	Y	50% 102 Fund, 50% 403 Fund	PW	Offer Accepted, Start Date 2/11/19
Civil Engineer 1	Y	50% 102 Fund, 50% 403 Fund	PW	Offer Accepted, Start Date 2/11/19
Civil Engineer 2	Y	Sound Transit Funded	PW	Interviewing Applicants 2/14/19
Code Compliance Supervisor	N	100% General Fund	CED	Pending PVRB
Information Systems Analyst	Y	100% General Fund	FS	HR Screening Applications
Judicial Support Specialist	Y	100% General Fund	CRT	Offer Accepted, Start Date 2/28/19
Parking Compliance Officer	Y	100% 102 Fund	PD	Offer Pending KCSO Background Checks
Parking Compliance Officer	Y	100% 102 Fund	PD	Offer Pending KCSO Background Checks
Senior Center Attendant	Y	100% General Fund	PCPS	Interviewing Applicants 2/13/19

Fund Key

- 102 Fund = Street
- 307 Fund = Public Works Engineering / Transportation CIP
- 403 Fund = Surface Water Management
- 404 Fund = Solid Waste
- 501 Fund = Equipment Rental

Employee Headcount as of 02/01/2019


- Regular Full Time: 109
- Regular Part Time: 8
- Variable Hour: 25
- Seasonal: 4

Total Headcount: 146*

**Does not include contracted Fire and Police*



MEMORANDUM

To: Administration and Finance Committee
Through Lawrence Ellis, Parks, Community Programs & Services Director 
From: Brian Ruda, Facilities Manager
Date: February 13, 2019
Re: Committee Questions regarding the Refugee Women's Alliance (REWA) lease

At the last Administration and Finance committee meeting some members had questions about the potential lease agreement with REWA.

1. How many people do they employ and how many people do they expect to be in and out through a typical day?
 - a. REWA has a staff of 33 people and they expect to see around 50 people throughout the day.
 - b. REWA also stated most of their visitors use public transportation.
2. How many people can be in the new 750/sqft classroom?
 - a. Per code, 37 people are allowed to be in the classroom.

The Committee was concerned with a 72 month lease and wanted to explore a 3year lease with a 3year option to renew. After talking with a representative for REWA, they have proposed a 60 month lease with no option. They didn't feel like they could move their operations to City Hall for 3year lease.



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LEASE AGREEMENT
(Multi Tenant Gross Lease)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this 3rd day of January, 2019, between City of SeaTac ("Landlord"), and Refugee Women's Alliance (Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. **Leased Premises.** The leased commercial real estate i) consists of an agreed area of approximately 7,800 rentable square feet (to be verified by architect) and is outlined on the floor plan attached as Exhibit A, including shared use of the existing server room on 2nd floor (the "Premises"); ii) is located on the land legally described on attached Exhibit B; and iii) is commonly known as 4800 South 188th Street, Suite 240, City of SeaTac, WA (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises; the land beneath the Premises; the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the building in which the Premises are located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to as the "Property." The Building and all other buildings on the Property as of the date of this Lease consist of an agreed area of 105,000 rentable square feet.

b. **Lease Commencement Date.** The term of this Lease shall be for a period of 60 months and shall commence on May 1, 2019 or such earlier or later date as provided in Section 3 (the "Commencement Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).

c. **Lease Termination Date.** The term of this Lease shall expire at midnight on April 30, 2024 or such earlier or later date as provided in Section 3 (the "Termination Date").

d. **Base Rent.** The base monthly rent shall be (check one): \$____, or according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

e. **Prepaid Rent.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$12,675.00 as prepaid rent, to be applied to the Rent due for months 1 through 1 of the Lease.

f. **Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$14,341.00 to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one): cash, or letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto.

g. **Permitted Use.** The Premises shall be used only for general office and educational purposes and for no other purpose without the prior written consent of Landlord (the "Permitted Use").

h. Notice and Payment Addresses.

Landlord: City of SeaTac
4800 South 188th Street
City of SeaTac, WA 98101
Fax No.: (206) 973-4809



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Email: accountspayable@ci.seatac.wa.us

Tenant: Refugee Womens Alliance
4800 South 188th Street, Suite 240
Seattle, WA 98101
Fax No.: (206) 721-0282
Email: mahraz@rewa.org

2. PREMISES.

a. Lease of Premises. Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

b. Acceptance of Premises. Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements to be completed by Landlord as described on attached Exhibit C (the "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

c. Tenant Improvements. Attached Exhibit C sets forth all of Landlord's Work, if any, and all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth on attached Exhibit C. If Tenant fails to notify Landlord of any defects in the Landlord's Work within thirty (30) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct.

3. TERM. The term of this Lease shall commence on the Commencement Date specified in Section 1, or on such earlier or later date as may be specified by notice delivered by Landlord to Tenant advising Tenant that the Premises are ready for possession and specifying the Commencement Date, which shall not be less than 30 days (thirty (30) days if not filled in) following the date of such notice.

a. Early Possession. If Landlord permits Tenant to possess and occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1, but otherwise all terms



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and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date.

b. Delayed Possession. Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement Date set forth in Section 1 shall also be delayed. In addition, the Termination Date set forth in Section 1 shall be modified so that the length of the Lease term remains the same. If Landlord does not deliver possession of the Premises to Tenant within 60 days (sixty (60) days if not filled in) after the Commencement Date specified in Section 1, Tenant may elect to cancel this Lease by giving notice to Landlord within ten (10) days after such time period ends. If Tenant gives notice of cancellation, the Lease shall be cancelled, all prepaid rent and security deposits shall be refunded to Tenant, and neither Landlord nor Tenant shall have any further obligations to the other. The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year. To the extent that the tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date set forth in Section 1.

4. RENT.

a. Payment of Rent. Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one): the Commencement Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent") (collectively, "rent" or "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

b. Late Charges; Default Interest. If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.



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- c. **Less Than Full Payment.** Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section.
5. **SECURITY DEPOSIT.** Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If Landlord applies the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefor by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the Lease term, the security deposit shall be repaid to Tenant without interest within thirty (30) days after the surrender of the Premises by Tenant in the condition required by Section 12 of this Lease.
6. **USES.** The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, the Building, or the Property, or cause the cancellation of any insurance on the Premises, the Building, or the Property. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building, or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or to injure or annoy such persons.
7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that as of the Commencement Date, to Landlord's knowledge but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, or orders, including without limitation, the Americans With Disabilities Act, if applicable, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.
8. **UTILITIES AND SERVICES.** Landlord shall provide the Premises the following services: water and electricity for the Premises seven (7) days per week, twenty-four (24) hours per day, and heating,



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ventilation and air conditioning from 7:00 a.m. to 7:00 p.m. Monday through Friday; 8:00 a.m. to 1:00 p.m. on Saturday; and NA on Sunday, and Landlord shall also provide janitorial service to the Premises and Building five (5) nights each week, exclusive of holidays. Heating, ventilation and air conditioning services will also be provided by Landlord to the Premises during additional hours on reasonable notice to Landlord, at Tenant's sole cost and expense, at an hourly rate reasonably established by Landlord from time to time and payable by Tenant, as and when billed, as Additional Rent. If water and electricity services are not separately metered to the Premises, Tenant shall pay its proportionate share of all charges for any utilities that are jointly metered based on the ratio which the rentable square feet of the Premises bears to the total rentable square feet served by the joint meters. Notwithstanding the foregoing, if Tenant's use of the Premises incurs utility charges which are above those usual and customary for the Permitted Use, Landlord reserves the right to require Tenant to pay a reasonable additional charge for such usage.

Tenant shall furnish all other utilities (including, but not limited to, telephone, Internet, and cable service if available) and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, and of all other utilities and other services which Tenant requires with respect to the Premises, except those to be provided by Landlord as described above. Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof.

9. TAXES. Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant's use of the Premises as well as all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Property, including any Taxes resulting from a reassessment of the Building or the Property due to a change of ownership or otherwise.

10. COMMON AREAS.

a. Definition. The term "Common Areas" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general, non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. To the extent that such areas and facilities exist within the Property, Common Areas include hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas, lobby or mall areas, common heating, ventilating and air conditioning systems, common electrical service, equipment and facilities, and common mechanical systems, equipment and facilities. Tenant shall comply with reasonable rules and regulations concerning the use of the Common Areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the right to install, maintain, use, repair and replace pipes,



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ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.

b. Use of the Common Areas. Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, to comply with those rules and regulations, and not interfere with the use of Common Areas by others.

c. Maintenance of Common Areas. Landlord shall maintain the Common Areas in good order, condition and repair. In performing such maintenance, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises.

11. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises, including any Tenant Work identified on attached Exhibit C (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the names of Tenant's contractors and reasonably detailed plans and specifications therefor. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the structural integrity of the Premises, the Building, or the Property, and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as to not unreasonably interfere with other tenants. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 19) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or the Property or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

12. REPAIRS AND MAINTENANCE; SURRENDER. Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition, including all HVAC components and other utilities and systems to the extent exclusively serving the Premises. Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems serving more than just the Premises, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises, the Building, or the Property and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct



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of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the default rate set forth in Section 4 shall be due and payable as Additional Rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

13. ACCESS AND RIGHT OF ENTRY. After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term, and (b) posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

14. SIGNAGE. Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

15. DESTRUCTION OR CONDEMNATION.

a. Damage and Repair. If the Premises or the portion of the Building or the Property necessary for Tenant's occupancy are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and the portion of the Property necessary for Tenant's occupancy to the extent required below and this Lease shall not terminate. Tenant may, however, terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event by giving twenty (20) days notice of termination.

The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are damaged. If insurance proceeds are not available or are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender does not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or fifty percent (50%) or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a)



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terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within sixty (60) days after receipt by Landlord from Tenant of notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any alterations or improvements paid for by Tenant; any Tenant Work identified in Exhibit C (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

Rent will be prorated during times that Tenant is unable to occupy the Premises pursuant to this Section.

b. Condemnation. If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the Property taken by the condemning authority. All Rents and other payments shall be paid to that date.

If the condemning authority takes a portion of the Premises or of the Building or the Property necessary for Tenant's occupancy that does not render them untenable, then this Lease shall continue in full force and effect and the base monthly rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if twenty-five percent (25%) or less of each of those areas are condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make



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a separate claim against the condemning authority for moving expenses if Tenant may terminate the Lease under this Section, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

a. **Tenant's Liability Insurance.** During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds using an endorsement form acceptable to Landlord, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$10,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.

b. **Tenant's Property Insurance.** During the Lease term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.

c. **Miscellaneous.** Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the state in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.

d. **Landlord's Insurance.** Landlord shall carry special form clauses of loss coverage property insurance of the Building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. The Landlord agrees to carry liability insurance in amounts not less than



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those required of the Tenant but such liability insurance will protect only the Landlord and does not replace or supplement the liability insurance this Lease obligates the Tenant to carry.

e. **Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION.

a. **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

b. **Indemnification by Landlord.** Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.

c. **Waiver of Immunity.** Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.

d. **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, other licensees or invitees, or any other person in or about the Premises or the Property.

e. **Survival.** The provisions of this Section shall survive expiration or termination of this Lease.



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18. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$1,000.

If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement and documents.

19. LIENS. Tenant shall not subject the Landlord's estate to any liens or claims of lien. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within ten (10) days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

20. DEFAULT. The following occurrences shall each constitute a default by Tenant (an "Event of Default"):

a. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.

b. **Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. **Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary); or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the



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existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.

d. **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.

e. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.

f. **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant Improvement in a timely fashion.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

21. REMEDIES. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any re-letting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve



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Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described below.

b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" are defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs of securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease

c. **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term or any extension thereof.

d. **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.

e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other



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sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

22. MORTGAGE SUBORDINATION AND ATTORNMEN. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request, execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.

23. NON-WAIVER. Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

24. HOLDOVER. If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return the Premises to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 125% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

25. NOTICES. All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by notice delivered in conformance with this Section.

26. COSTS AND ATTORNEYS' FEES. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.



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27. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.

28. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

29. LANDLORD'S LIABILITY. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder. Subject to Sections 16(d) and 17(d).

30. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

31. HAZARDOUS MATERIAL. As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's knowledge without duty of investigation, there is no Hazardous



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Material on, in, or under the Premises as of the Commencement Date except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Material on the Premises or the Property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises and the Property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section shall survive expiration or termination of this Lease.

32. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

33. MERGER. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

34. GENERAL.



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(Multi Tenant Gross Lease)

- a. **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- b. **Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described and disclosed in Section 36 of this Lease), it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 36, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.
- c. **Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d. **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e. **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.
- f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- g. **Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.
- h. **Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.
- i. **No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.



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j. **Authority of Parties.** Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.

k. **Time.** "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.

35. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A: Floor Plan/Outline of the Premises
- Exhibit B: Legal Description of the Property
- Exhibit C: Tenant Improvement Schedule

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant's Lease Obligations Rider
- Parking Rider
- Option to Extend Rider
- Rules and Regulations

36. AGENCY DISCLOSURE. At the signing of this Lease, Landlord is represented by The Andover Company - Michael Ewing & Michael Hemphill (insert both the name of the Broker and the Firm as licensed) (the "Landlord's Broker"); and Tenant is represented by The Andover Company - Jim Bisset/David Baumerl (insert both the name of the Broker and the Firm as licensed) (the "Tenant's Broker").

This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant's Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant



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consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on an attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

37. COMMISSION AGREEMENT. If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:

- \$Landlord agrees to pay the tenant representation broker Jim Bisset/Dave Baumer of The Andover Company, Inc., a commission equal to the cumulative of \$1.00/RSF per year for years 1-5. Landlord to pay listing brokers Mike Ewing/Michael Hemphill of The Andover Company, Inc., a commission equal to the cumulative of \$.50/RSF per year for years 1-5.
- ___% of the gross rent payable pursuant to the Lease
- \$_____ per square foot of the Premises
- Other _____

Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows ___ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of the Premises pursuant to any right reserved to Tenant under the Lease, calculated as provided above or as follows _____ (if no box is checked, as provided above).

Any commission shall be earned upon execution of this Lease, and paid one-half upon execution of the Lease and one-half upon occupancy of the Premises by Tenant

Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

38. BROKER PROVISIONS.

LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES, THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE, LANDLORD'S OR TENANT'S FINANCIAL STANDING, ZONING, COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS, SERVICE OR CAPACITY OF UTILITIES, OPERATING COSTS, OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.



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IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

City of SeaTac
LANDLORD:

Refugee Women's Alliance
TENANT:

LANDLORD:

[Handwritten Signature]
TENANT:

Joseph Scorcio
BY:

MAHNTZ K ESMETU
BY:

City Manager
ITS:

Executive Director
ITS:



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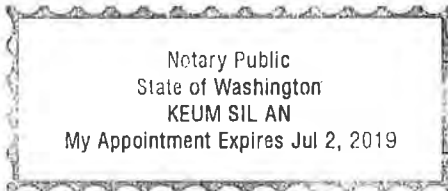
STATE OF WASHINGTON

COUNTY OF King

ss.

I certify that I know or have satisfactory evidence that Mahnaz Eshetu is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 15th day of January, 2019



[Signature]
(Signature of Notary)

Keum SIL AN
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Issaquah
My appointment expires July 2, 2019

STATE OF WASHINGTON

COUNTY OF _____

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20____.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____



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STATE OF WASHINGTON

COUNTY OF _____

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____

STATE OF WASHINGTON

COUNTY OF _____

ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 20__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at _____
My appointment expires _____



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EXHIBIT A

[Floor Plan/Outline of the Premises]

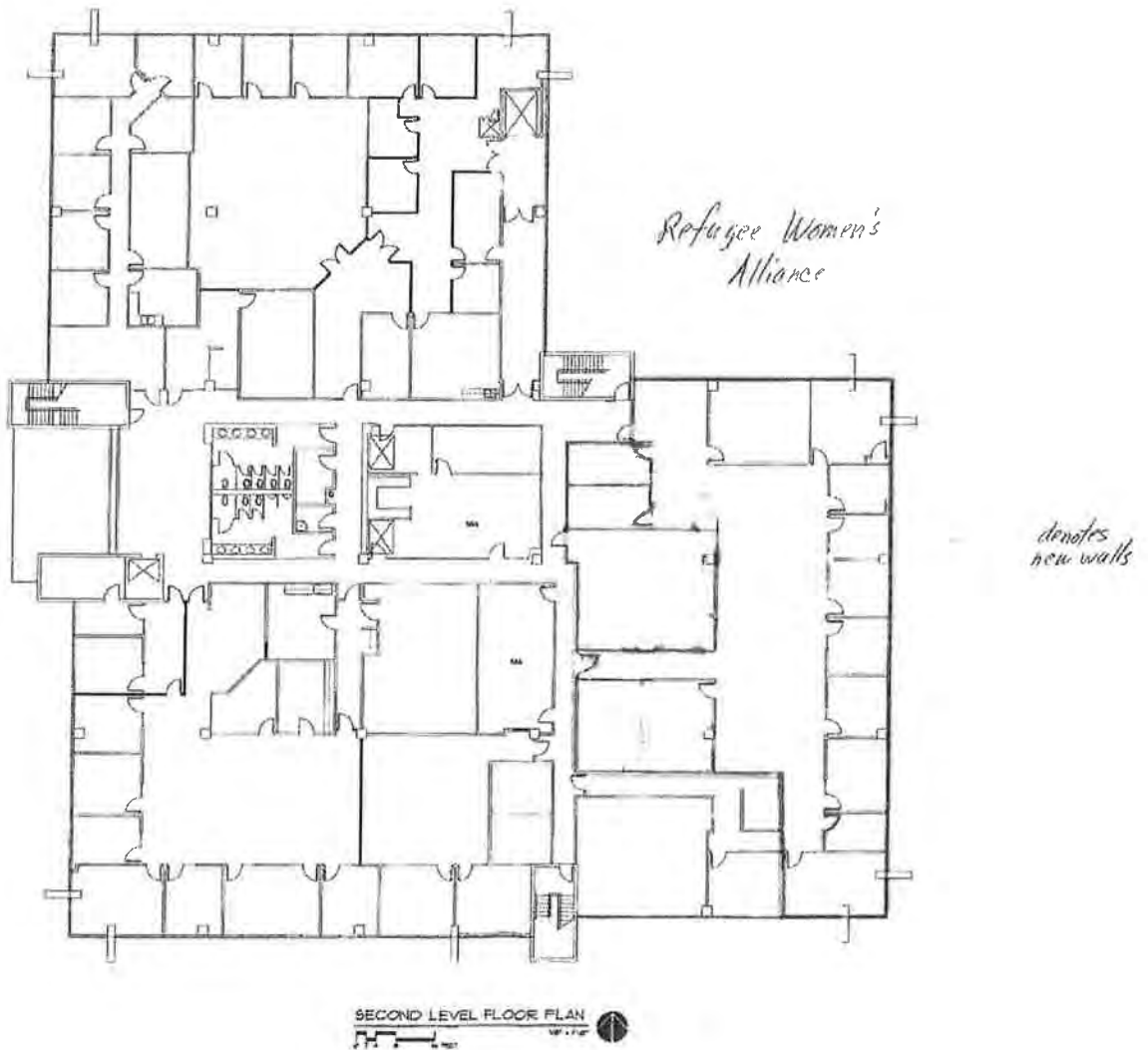


Exhibit A



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EXHIBIT B

[Legal Description of the Property]

THIS EXHIBIT A (Legal Description) dated June 16, 1992, is attached to and made part of Lease for space in the IBM Building at Sea-Tac, executed concurrently herewith by SEKOTAC, INC., a Washington corporation, as Landlord, and Guardsmark, Inc. a Delaware corporation, as Tenant for the IBM Building. The legal description for the Land is:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID SUBDIVISION WITH THE "C"-LINE SURVEY OF PRIMARY STATE HIGHWAY NO. 1, SOUTH 188TH INTERCHANGE;
THENCE SOUTH 2°04'00" WEST A DISTANCE OF 72.40 FEET;
THENCE SOUTH 2°04'00" WEST A DISTANCE OF 246.90 FEET TO A POINT DISTANT 90.0 FEET NORTHEASTERLY WHEN MEASURED RADIALLY FROM THE "F"-LINE SURVEY OF SAID PRIMARY STATE HIGHWAY NO. 1;
THENCE SOUTHEASTERLY PARALLEL WITH SAID "F"-LINE ALONG THE ARC OF A CURVE TO THE RIGHT THE CENTER OF WHICH BEARS SOUTH 47°18'40" WEST SAID CURVE HAVING A RADIUS OF 490.00 FEET THROUGH A CENTRAL ANGLE OF 17°45'20" A DISTANCE OF 151.85 FEET TO A POINT OF TANGENT OPPOSITE "F"-LINE STA. 54+44.96;
THENCE SOUTH 24°56'00" EAST CONTINUING PARALLEL WITH SAID "F"-LINE A DISTANCE OF 215.04 FEET TO A POINT OPPOSITE AND PERPENDICULAR TO "F"-LINE STA. 56+60;
THENCE NORTH 85°53'18" EAST A DISTANCE OF 73.72 FEET TO A POINT DISTANT 60.0 FEET NORTHWESTERLY WHEN MEASURED PARALLEL WITH AND PERPENDICULAR TO THE "MR"-LINE SURVEY OF SAID PRIMARY STATE HIGHWAY NO. 1 AT STA. 173+20.00;
THENCE NORTH 68°10'00" EAST PARALLEL WITH SAID "MR"-LINE A DISTANCE OF 158.30 FEET TO A POINT OF CURVE OPPOSITE "MR"-LINE STA 174+78.30;
THENCE CONTINUING PARALLEL WITH SAID "MR"-LINE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 340.00 FEET THROUGH A CENTRAL ANGLE OF 49°03'51" A DISTANCE OF 291.15 FEET TO A POINT OF COMPOUND CURVATURE OPPOSITE "MR"-LINE STA. 178+20.85;
THENCE CONTINUING ON A CURVE TO THE LEFT HAVING A RADIUS OF 894.93 FEET, THROUGH A CENTRAL ANGLE OF 0°03'10", AN ARC LENGTH OF 0.83 FEET TO A POINT DISTANT 85.00 FEET SOUTHERLY WHEN MEASURED PARALLEL WITH AND PERPENDICULAR TO SAID NORTH LINE OF SAID SUBDIVISION;
THENCE NORTH 87°56'00" WEST PARALLEL WITH SAID NORTH LINE A DISTANCE OF 229.02 FEET;
THENCE NORTH 73°25'37" WEST A DISTANCE OF 119.77 FEET TO THE TRUE POINT OF BEGINNING.

SITUATED IN THE COUNTY OF KING, STATE OF WASHINGTON.

Exhibit B



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EXHIBIT C

[Tenant Improvement Schedule]

1. Tenant Improvements to be Completed by Landlord

Landlord at landlord's cost shall add an additional class room, provide new carpet/paint and provide new walls and doors per Exhibit "A".

A work letter and space plan shall be mutually agreed upon by Landlord & Tenant detailing all improvements, this will become part of the lease document.

2. Tenant Improvements to be Completed by Tenant



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 Rent Rider
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RENT RIDER

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
 New text inserted by licensee indicated by small capital letters

This Rent Rider ("Rider") is a part of the lease agreement dated January 3, 2019 (the "Lease") between City of SeaTac ("Landlord") and Refugee Womens Alliance ("Tenant") concerning the space commonly known as SeaTac City Hall, Suite 240, 7,800 SF on the Second Floor (the "Premises"), located at the property commonly known as SeaTac City Hall (the "Property").

- 1. **BASE MONTHLY RENT SCHEDULE.** Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>May 1, 2019 through April 30, 2020</u>	<u>\$12,675/ per month (\$19.50 sq/ft per year)</u>
<u>May 1, 2020 through April 30, 2021</u>	<u>\$12,992/ per month (\$19.99 sq/ft per year)</u>
<u>May 1, 2021 through April 30, 2022</u>	<u>\$13,317/ per month (\$20.49 sq/ft per year)</u>
<u>May 1, 2022 through April 30, 2023</u>	<u>\$13,650/ per month (\$21.00 sq/ft per year)</u>
<u>May 1, 2023 through April 30, 2024</u>	<u>\$13,991/ per month (\$21.52 sq/ft per year)</u>

The Tenant, which is a Washington Nonprofit Public Benefit Corporation, is currently exempt from the payment of Leasehold Excise Tax as set forth in RCW 82.29A et. seq. Therefore, Leasehold Excise Tax is not included in the calculation of the base monthly rent. The Tenant agrees that if at any time during the Lease Term, the Tenant is not exempt from the payment of Leasehold Excise Tax, the Tenant shall remit to the Landlord the payment of Leasehold Excise Tax to the Landlord. Said Leasehold Excise Tax is in addition to the base monthly rent. Once Leasehold Excise Tax has been received by the Landlord, the Landlord will remit the tax to the State of Washington. If there is any dispute regarding the amount of Leasehold Excise Tax owed, the decision of the Washington State Department of Revenue will be determinative.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
 LANDLORD _____ DATE _____ TENANT _____ DATE _____



MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: February 14, 2019
Re: Agenda Bill Criteria CIR

History: Councilmember Pam Fernald submitted a Council Information Request (CIR) on December 3, 2018 regarding an Agenda Bill Criteria Checklist. This CIR was referred to A&F at the December 13, 2018 Council Meeting. A&F briefly reviewed the CIR at their January 24, 2019 meeting where it was determined the item would be brought back for further discussion.

Analysis: Staff has determined that since this is an administrative issue, the A&F committee can recommend to the City Manager that staff contemplate certain questions as part of the Agenda Bill creation process in order to assist Council in their decision making process.

The list of questions Councilmember Fernald suggested is attached. Staff is requesting the Committee review the questions for discussion and provide any edits to the current list. After a final list is decided, it will be added to Policy CW-009 Agenda Item Instruction Manual as part of the style guide.

Agenda Bill Criteria
Working Checklist for Agenda Bill # _____



Criteria

Comments

	Promotes the <u>core functions</u> of a city that taxpayers expect such as Public Safety, Human Services, Public works?	
	Is there a legitimate, quantifiable NEED, or is it a 'flavor of the month' feel good bill?	
	Are metrics part of the agenda bill to show if it is effective?	
	Is there a sunset date?	
	Duplicating something the government is already doing?	
	Does the bill affect/restrict taxpayer's freedom?	
	Does the bill affect/restrict taxpayer property rights?	
	Does the bill affect /restrict taxpayer taxes?	

	Does the bill increase or reduce the tax burden the city places on its citizens?	
	Is there really a need for us to use taxpayer money or is the service already available outside of government bounds?	
	Does the bill serve <u>all</u> citizens?	
	Does the bill serve special interests ONLY? Why?	
	Has it been done before in a city our size? (location and results)	
	Does this bill enhance the overall livability of our city?	
	Does this bill show good stewardship of the taxpayer's money?	
	Housekeeping only	
	Required by law	



Financial Management Report

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Stoplight Charts

Expense Summary by Fund

Salary Expenditures Overview

General Fund Summary

General Fund Ending Fund Balance Estimate

Capital Expenditures Overview

Select Revenue Graphs

Actuals thru December 31, 2018

BUDGETED REVENUE BY CATEGORY (NO TRANSFERS)

Actuals thru December 31, 2018

<u>Revenue Description</u>	<u>2018 Annual BUDGET</u>	<u>2018 YTD ACTUAL</u>	<u>Percent collected</u>	<u>2017 YTD ACTUAL</u>	<u>2017 % of Budget</u>	
Property Tax - Regular Levy	\$15,800,000	\$16,974,680	107%			●
Sales & Use Tax (operating)	\$11,587,000	\$13,665,929	118%			●
Parking Tax (#102)	\$8,100,266	\$9,364,761	116%			●
Leasehold Excise Tax	\$1,800,000	\$2,129,360	118%			●
Stormwater Fees (#403)	\$4,300,552	\$3,712,430	86%			●
Long Term Leases (CH & SeaTac Ctr - #108)	\$1,194,537	\$977,676	82%			●
Permits & Plan Review (building, electrical, etc.)	\$1,395,121	\$2,961,500	212%			●
Engineering Plan Review	\$261,400	\$1,008,855	386%			●
Hotel/Motel Special Revenue Tax (#107 & #206)	\$1,506,500	\$1,642,004	109%			●
Sales & Use Tax (criminal justice)	\$675,000	\$719,835	107%			●
Gambling Tax	\$650,000	\$404,897	62%			●
Motor Vehicle Tax - City Streets (#102)	\$600,000	\$535,339	89%			●
Franchise Fees	\$692,702	\$789,439	114%			●
Subtotal: Top Operating Revenues	\$48,563,078	\$54,886,707	113%	\$0		●
Sales & Use Tax (construction)	\$650,000	\$473,301	73%			●
Real Estate Excise Tax - #1 & #2	\$620,000	\$993,155	160%			●
Valley Ridge Park Turf Field Fees	\$240,000	\$274,698	114%			●
GMA Traffic Impact Fees	\$60,000	\$1,069,854	1783%			●
Subtotal: Top Capital Recurring Revenues	\$1,570,000	\$2,811,008	179%	\$0		●
Other 15% of Revenues (NO Transfers)	\$10,793,036	\$14,977,016	139%			●
TOTAL REVENUES	\$60,926,114	\$72,674,731	119%	\$0	61%	●

LEGEND:



Green = Annual Performance is within (or better than) expectations set in the budget



Yellow = Annual performance indicates this may become an area of concern in the future



Red = Annual Performance in this area is a cause for concern

Notes

Property Taxes: Final Property Tax Levy was \$16,892,202. Approximately \$130,000 not collected in 2018. Amount collected over levy amount was previous years uncollected amounts.

State Collected Tax Revenues: There is a two-month lag in the collection and remittance of certain revenues collected by the State. For example, sales tax remitted to the city in May and June is for business activities that occurred in March and April respectively. Revenues impacted by this delay are Sales Tax, Criminal Justice Sales Tax, Motor Vehicle Tax and Hotel/Motel Tax.

Ten month benchmark is 83%

Parking Taxes: There is a one month lag on collection of parking tax.

Eleven month benchmark is 92%

Leasehold & Gambling Taxes: These taxes are remitted to the State quarterly. 4th Quarter paid in February of following year.

● Stormwater Fees: Fees are collected by King County with Property taxes. 2018 budget amount was high.

● Long Term Leases: Revenue down from budgeted due to termination of FAA lease in City Hall.

Franchise Fees: The collection of Franchise Fees vary from monthly to quarterly, depending on the contract.

● Sales & Use Construction: Port of Seattle provided an updated construction vendor list in December. The new list will assist us in properly identifying construction sales tax for allocation to the 301 Fund.

Real Estate Excise Tax: Real estate sales in the city continue to be above average. 443 sales in 2018 are second highest year since 2012 (516 in 2017). 4th quarter average was \$43.3 million (Q1=\$32.4; Q2=\$16.7; Q3=\$14.3).

GMA Traffic Impact Fees: Traffic impact fees are dependent upon the amount and type of development within the City. Development continues to be stronger than expected as well as the number of new PM-peak hour trips generated. This has resulted in much higher fee generation than expected.

BUDGETED EXPENSE BY COST CATEGORY (NO TRANSFERS)

Actuals thru December 31, 2018

<u>Expense Category</u>	2018 Annual <u>BUDGET</u>	2018 YTD <u>ACTUAL</u>	Percent <u>Expended</u>	2017 THRU Q4 <u>ACTUAL</u>	2017 % <u>of Budget</u>	
PERSONNEL	\$ 15,388,555	\$ 14,315,600	93%			●
SUPPLIES	\$ 813,768	\$ 699,757	86%			●
SERVICES & CHARGES	\$ 9,560,231	\$ 7,228,788	76%			●
INTERGOVERNMENTAL	\$ 2,767,890	\$ 2,050,778	74%			●
POLICE- Base ILA with King Co.	\$ 11,261,570	\$ 10,855,847	96%			●
FIRE/EMS- ILA with Kent RFA	\$ 10,301,260	\$ 10,084,973	98%			●
CAPITAL	\$ 23,324,413	\$ 11,580,889	50%			●
DEBT SERVICE	\$ 343,350	\$ 343,211	100%			●
TOTAL EXPENSES	\$ 73,761,037	\$ 57,159,842	77%	\$ -		●

YTD Target: 100%

LEGEND:

- Green = Annual Performance is within (or better than) expectations set in the budget
- Yellow = Annual performance indicates this may become an area of concern in the future
- Red = Annual Performance in this area is a cause for concern

Notes

General Fund: 54% of the total General Fund budget is allocated to contracted police and fire services; 28% is allocated to Personnel.

Intergovernmental: Includes charges for jail services, animal control and KC voter registration charges.

Fire Contract: Full year billed.

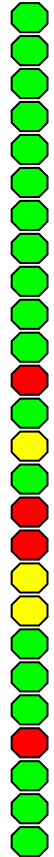
Police Contract: Full year billed. King County "trues up" 2018 contract costs in the first quarter of 2019. A reconciling bill is provided in May for the first 4 months of 2019 and any credit or additional cost owed from 2018.

Capital: See Capital Expense report for project status.

Debt Service: SCORE Bond debt service for 2018 was paid from SCORE contract revenue.

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending December 31, 2018

GENERAL FUND		2018 Q4	2018 YTD	YTD %	2017 Thru Q4	2017 %	
Department	Section	2018 Budget	Actual	Expended	Expended	Actual	Expended
City Council		\$ 398,206	\$ 62,683	\$ 292,057	73%		
Municipal Court		\$ 837,034	\$ 180,563	\$ 695,236	83%		
City Manager		\$ 1,428,115	\$ 390,747	\$ 1,093,575	77%		
Finance & Systems		\$ 2,204,976	\$ 474,009	\$ 1,844,517	84%		
City Clerk		\$ 575,666	\$ 102,578	\$ 462,386	80%		
Legal Services		\$ 1,244,126	\$ 287,842	\$ 1,102,963	89%		
Human Resources		\$ 1,187,150	\$ 212,864	\$ 941,191	79%		
Police Services		\$ 12,282,072	\$ 3,845,112	\$ 11,980,317	98%		
Fire Services		\$ 10,387,545	\$ 5,218,809	\$ 10,135,167	98%		
	<i>Central Facilities</i>	\$ 852,160	\$ 240,219	\$ 818,631	96%		
	<i>Fire Stations (3)</i>	\$ 37,240	\$ 8,825	\$ 30,914	83%		
	<i>Maintenance Facility</i>	\$ 44,570	\$ 22,735	\$ 73,860	166%		
	<i>Human Services</i>	\$ 748,527	\$ 197,687	\$ 645,208	86%		
	<i>Park, CP & Admin</i>	\$ 280,439	\$ 83,424	\$ 308,427	110%		
	<i>Rec. Svcs/Classes</i>	\$ 857,012	\$ 226,083	\$ 915,481	107%		
	<i>Rec Prgms/Camps</i>	\$ 719,412	\$ 166,264	\$ 725,357	101%		
	<i>Comm Ctr. Facility</i>	\$ 136,690	\$ 50,470	\$ 151,092	111%		
	<i>Parks Maintenance</i>	\$ 1,519,228	\$ 425,570	\$ 1,558,813	103%		
Parks, CS & Fac. Total		\$ 5,195,278	\$ 1,421,277	\$ 5,227,781	101%		
	<i>Planning</i>	\$ 808,551	\$ 191,551	\$ 656,437	81%		
	<i>Building</i>	\$ 1,476,051	\$ 314,962	\$ 1,263,069	86%		
	<i>Engineering Review</i>	\$ 133,337	\$ 18,660	\$ 72,746	55%		
	<i>Economic Dvlpmnt</i>	\$ 15,394	\$ 30	\$ 17,361	113%		
	<i>Code Compliance</i>	\$ 376,641	\$ 80,726	\$ 315,318	84%		
Comm & Econ Devm't Total		\$ 2,809,974	\$ 605,929	\$ 2,324,932	83%		
TOTAL GENERAL FUND		\$ 38,550,142	\$ 12,802,413	\$ 36,100,122	94%		



YTD Target: 100%

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending December 31, 2018

Summary of Expenditures by Department and Division Notes:

Maintenance Facility: Failure in two main water heaters and HVAC control system requiring replacement. Since 2015, water and electricity actuals have come in over budget. 2019 line items were increased to remedy that.

Park, CP & Admin: The Administrative Assistant was paid Acting pay while the Human Services manager position was filled. Director budgeted benefits were calculated at incorrect rates. The need to purchase furniture was unanticipated.

Rec. Svcs/Classes: A formula in the payroll budget spreadsheet caused salaries to be calculated incorrectly. Credit card fees and printing costs more than budgeted.

Rec Prgms/Camps: A formula in the payroll budget spreadsheet caused salaries to be calculated incorrectly.

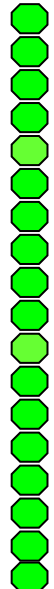
Comm Ctr. Facility: Since 2013 electricity actuals have come in over budget. No adjustment has been made to correct future years. Repairs and Maintenance and Janitorial Services over budget.

Parks Maintenance: A formula in the payroll budget spreadsheet caused salaries to be calculated incorrectly. Since 2015, water actuals have come in over budget. 2019 line items were increased to remedy that.

Economic Dvlpmnt: A formula in the payroll budget spreadsheet was calculating incorrectly causing a significant shortfall in Salaries & Benefits for this Division.

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending December 31, 2018
City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending December 31, 2018

OTHER FUNDS	Fund Name	2018 Budget	2018 Q4 Actual	YTD Actual Expended	YTD % Expended	2017 Thru Q4 Actual	2017 % Expended
102	Street Fund	\$ 13,253,556	\$ 4,984,643	\$ 11,515,907	87%		
105	Port of Seattle ILA	\$ 1,410,721	\$ 506,143	\$ 1,016,868	72%		
106	Transit Planning	\$ -	\$ -	\$ -			
107	Hotel/Motel Tax	\$ 1,126,164	\$ 322,845	\$ 1,091,575	97%		
108	Building Mgmt	\$ 1,117,513	\$ 293,468	\$ 1,070,294	96%		
110	Facility Repair/Repl.	\$ 153,497	\$ -	\$ 153,497	100%		
111	DC Basin ILA	\$ 335,808	\$ 23,482	\$ 53,782	16%		
206	2009 LTGO Refunding	\$ 343,200	\$ 336,600	\$ 343,200	100%		
207	2009 Score Bonds	\$ 209,099	\$ -	\$ -	0%		
301	Municipal CIP	\$ 7,238,522	\$ 1,280,239	\$ 4,632,830	64%		
306	Facility Construction CIP	\$ 108,365	\$ 2,803	\$ 86,167	80%		
307	Transportation CIP	\$ 12,226,371	\$ 2,220,017	\$ 4,666,546	38%		
308	Light Rail Area CIP	\$ 500,000	\$ 69	\$ 1,980	0%		
403	Surface Wtr Mgt	\$ 3,713,515	\$ 606,529	\$ 2,477,673	67%		
404	Solid Waste & Env	\$ 279,121	\$ 48,455	\$ 188,745	68%		
501	Equipment Rental	\$ 965,580	\$ 93,902	\$ 399,912	41%		
SUBTOTAL OTHER FUNDS		\$ 42,981,032	\$ 10,719,194	\$ 27,698,975	64%		
ALL FUNDS - EXPENDITURE TOTAL		\$ 81,531,174	\$ 23,521,607	\$ 63,799,097	78%		



YTD Target: 100%

Summary of Expenditures by Fund Notes:

Building Management: Kidder Mathews budget increased for 2018. A Budget Amendment will be presented in July.

Muni. Facilities: Two projects exist in this fund. One is complete.

SALARY
AND
BENEFITS
EXPENDITURES

City of SeaTac
Salaries & Benefits
Summary by Fund and Department
Month Ending December 31, 2018

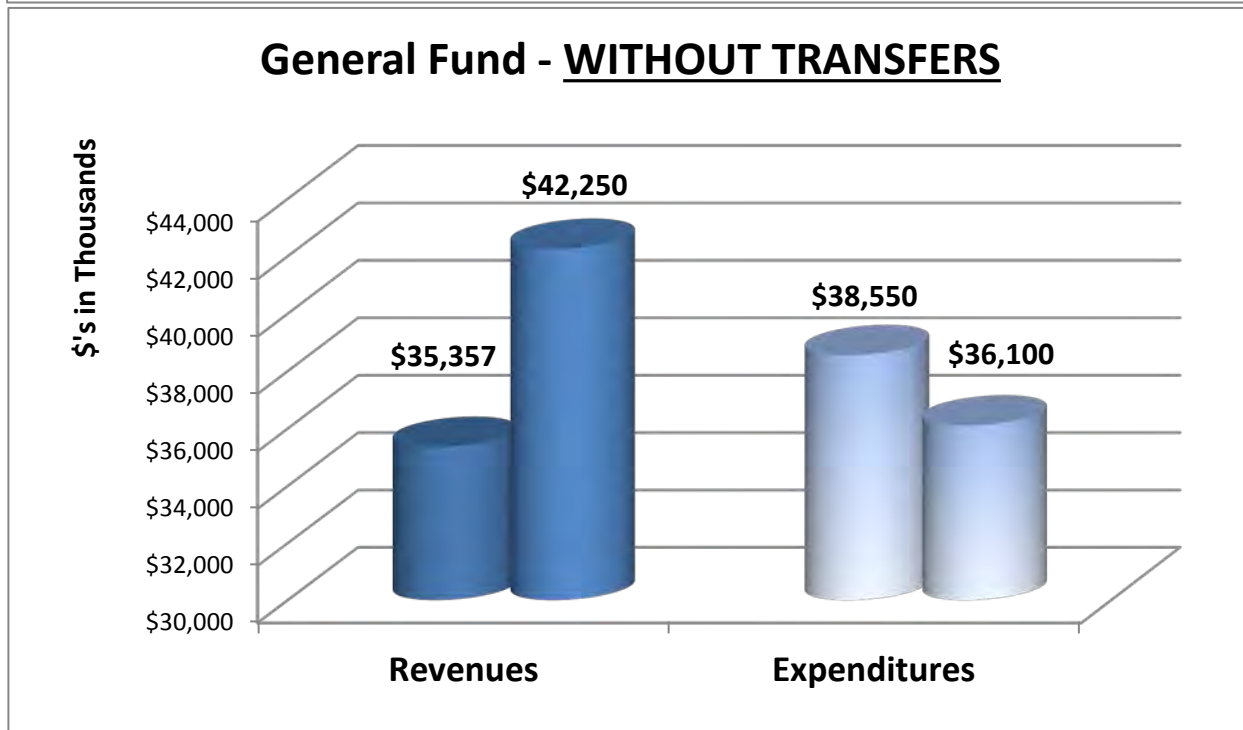
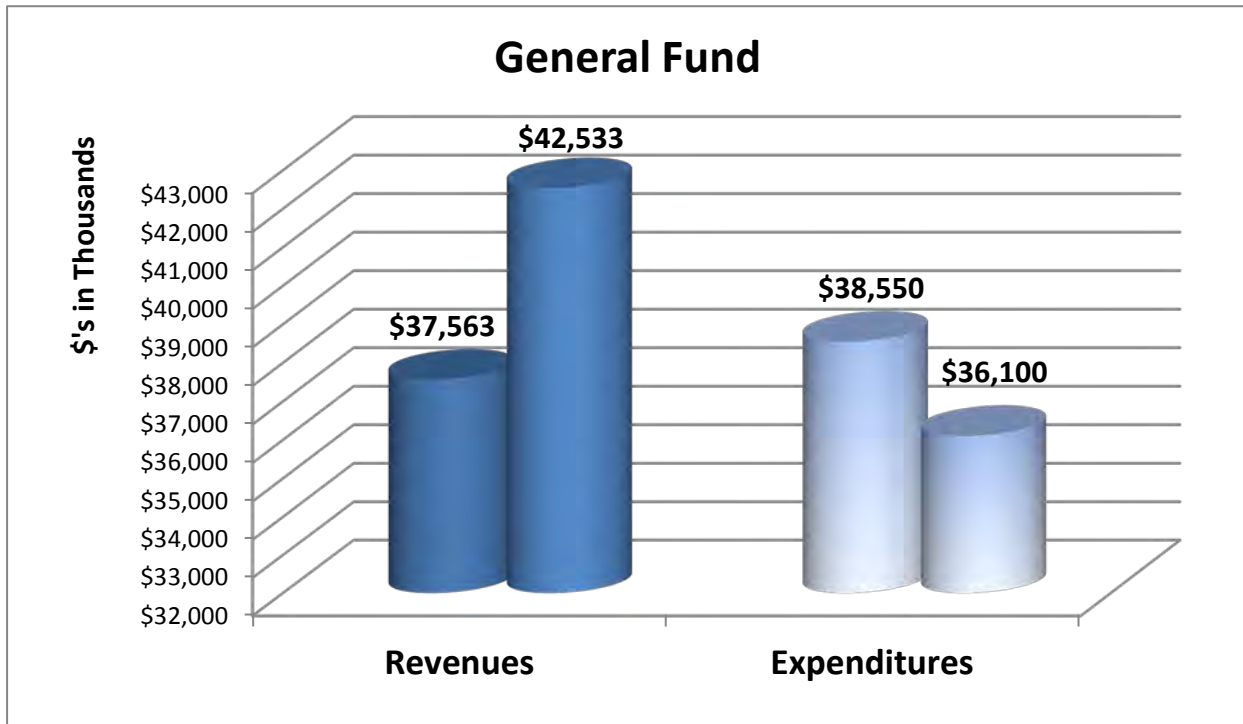
GENERAL FUND		2018 Q4	YTD Actual	YTD %	2017 Q4	2017 %	
Department	Section	2018 Budget	Actual	Expended	Expended	Actual	Expended
City Council		\$ 220,568	\$ 52,586	\$ 217,283	99%	\$ 165,932	75%
Municipal Court		\$ 700,248	\$ 151,082	\$ 618,459	88%	\$ 482,310	59%
City Manager		\$ 927,650	\$ 247,407	\$ 800,402	86%	\$ 417,751	68%
	<i>Finance Administration</i>	\$ 894,687	\$ 198,502	\$ 788,518	88%	\$ 519,823	64%
	<i>Systems/GIS</i>	\$ 720,112	\$ 162,034	\$ 643,331	89%	\$ 367,505	53%
Finance & Systems Total		\$ 1,614,799	\$ 360,536	\$ 1,431,849	89%	\$ 887,328	59%
City Clerk		\$ 363,333	\$ 91,295	\$ 364,016	100%	\$ 262,967	61%
Legal Services		\$ 1,129,901	\$ 275,606	\$ 1,048,455	93%	\$ 717,874	62%
Human Resources		\$ 407,568	\$ 102,774	\$ 408,128	100%	\$ 277,876	73%
Police Services		\$ 89,656	\$ 23,195	\$ 93,490	104%	\$ 64,300	75%
Fire Service - LEOFF 1		\$ 74,150	\$ 8,923	\$ 40,832	55%	\$ 39,708	56%
	<i>Central Facilities</i>	\$ 452,058	\$ 109,509	\$ 435,844	96%	\$ 306,838	68%
	<i>Human Services</i>	\$ 134,782	\$ 27,487	\$ 106,183	79%	\$ 96,819	75%
	<i>Park & Rec Admin.</i>	\$ 268,547	\$ 72,481	\$ 291,543	109%	\$ 201,844	77%
	<i>Rec. Svcs/events</i>	\$ 989,590	\$ 251,641	\$ 1,062,391	107%	\$ 703,177	70%
	<i>Comm Ctr. Facility</i>	\$ 164,799	\$ 43,077	\$ 180,696	110%	\$ 118,663	69%
	<i>Parks Maintenance</i>	\$ 950,859	\$ 241,560	\$ 1,000,776	105%	\$ 661,016	89%
Parks, CS & Facilities Total		\$ 2,960,635	\$ 745,755	\$ 3,077,433	104%	\$ 2,088,357	76%
	<i>Planning</i>	\$ 728,580	\$ 175,917	\$ 630,625	87%	\$ 488,590	68%
	<i>Building</i>	\$ 1,080,882	\$ 242,132	\$ 974,810	90%	\$ 684,727	69%
	<i>CED/Engr. Review</i>	\$ 77,681	\$ 15,671	\$ 83,239	107%	\$ 45,299	55%
	<i>Code Compliance</i>	\$ 301,777	\$ 75,927	\$ 297,457	99%	\$ 196,415	68%
Comm & Econ Devm't Total		\$ 2,188,920	\$ 509,647	\$ 1,986,132	91%	\$ 1,415,030	68%
TOTAL GENERAL FUND		\$ 10,677,428	\$ 2,568,806	\$ 10,086,478	94%	\$ 6,819,433	67%
OTHER FUNDS	Fund Name	2018 Budget	2018 Q4 Actual	YTD Actual Expended	YTD % Expended	2017 Q4 Actual	2017 % Expended
102 Street Fund		\$ 1,779,587	\$ 351,020	\$ 1,537,291	86%	\$ 1,010,261	72%
106 Transit Planning Fund		\$ -	\$ -	\$ -	0%	\$ -	0%
107 Hotel/Motel Tax Fund		\$ 231,314	\$ 51,810	\$ 242,310	105%	\$ 98,839	36%
307 Transportation CIP Fund		\$ 1,019,406	\$ 216,620	\$ 915,066	90%	\$ 681,634	80%
403 Surface Water Mgt.		\$ 1,461,662	\$ 330,936	\$ 1,358,143	93%	\$ 909,114	63%
404 Solid Waste & Environ		\$ 166,156	\$ 36,816	\$ 129,464	78%	\$ 116,957	74%
501 Equipment Rental Fund		\$ 53,002	\$ 12,181	\$ 45,579	86%	\$ 36,792	75%
SUBTOTAL OTHER FUNDS		\$ 4,711,127	\$ 999,383	\$ 4,227,853	90%	\$ 2,853,597	65%
ALL FUNDS TOTAL		\$ 15,388,555	\$ 3,568,189	\$ 14,314,331	93%	\$ 9,673,031	67%

YTD Target:

100%

**City of SeaTac
General Fund Totals to date
Month Ending December 31, 2018**

Fund	Fund Name	Budgeted Revenue	Revenue to date	Budgeted Expenditures	Expenditures to date
001	General Fund	\$37,562,970	\$42,533,364	\$38,550,142	\$36,100,122
	NO TRANSFERS	\$35,357,303	\$42,250,324	\$38,550,142	\$36,100,122



General Fund Ending Fund Balance
Actuals thru December 31, 2018

General Fund Revenues by Source

<u>Source</u>	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 YEAR END EST.
Taxes:							
<i>Property Tax</i>	\$ 11,576,650	\$12,283,261	\$12,989,243	\$14,430,895	\$15,511,050	\$15,800,000	\$16,974,680
<i>Property Tax - BLS</i>	376,393	371,184	318,975	389,081	401,928	394,720	348,500
<i>Sales & Use Tax (Includes Crim. Justice)</i>	10,308,347	11,481,328	12,012,835	12,907,212	15,001,095	12,262,000	14,385,763
<i>Leasehold Excise Tax</i>	1,787,363	1,442,456	2,412,581	2,369,919	2,550,333	1,800,000	2,129,360
<i>Gambling Tax</i>	580,478	616,184	723,174	652,662	582,399	650,000	404,897
<i>Utility Tax</i>			2,705,303	716,519	-	-	-
Licenses and Permits	1,083,718	1,437,391	1,612,257	2,244,381	1,674,173	1,582,270	2,762,462
Grants and Entitlements	124,951	105,618	309,686	205,372	233,395	180,700	193,624
State Shared Revenue	388,408	372,388	509,082	486,553	491,680	503,500	520,170
Intergovernmental Service Revenue	59,522	59,906	98,566	63,990	56,586	2,000	41,814
General Government Charges	129,464	133,563	105,233	104,206	127,544	77,750	204,501
Security of Persons & Property Fees	190,549	182,523	189,843	173,207	148,490	183,700	185,407
Physical Environment Fees	180,161	93,087	55,044	5,344	5,605	46,800	92,940
Economic Development Fees (Planning)	339,676	568,946	522,517	700,698	833,133	875,253	1,551,841
Culture & Recreation Fees (Parks & Rec)	412,962	414,211	418,000	444,842	441,934	473,550	459,930
Fines and Forfeits	589,780	586,864	615,775	618,441	588,821	195,660	286,260
Interest and Miscellaneous	39,087	42,619	55,526	93,757	172,224	52,500	322,881
Rents, Leases and Concessions	222,049	212,732	193,851	223,512	239,913	220,100	272,184
Other Miscellaneous Revenues	53,735	1,540,468	162,344	129,656	40,309	52,100	126,423
Transfers from Other Funds	1,005,503	2,464,256	997,836	2,066,486	1,321,012	2,205,667	1,285,667
Total General Fund Revenues	\$ 29,448,794	\$34,408,986	\$37,007,670	\$39,026,733	\$40,421,626	\$37,558,270	\$42,549,304

General Fund Ending Fund Balance
Actuals thru December 31, 2018

General Fund Expenditures by Department

<u>Department</u>	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 YEAR END EST.
Council	287,537	\$ 307,640	\$ 298,457	\$ 303,328	\$ 279,299	\$ 398,206	\$ 292,057
Municipal Court	782,496	755,499	741,971	732,552	690,552	837,034	695,236
City Manager, Pub. Def	1,768,338	1,765,007	1,787,425	772,132	803,513	1,428,115	1,093,575
Finance & Systems	1,568,447	1,641,459	1,702,271	1,694,255	1,614,028	2,204,976	1,844,517
City Clerk	448,975	385,777	449,307	528,602	526,203	575,666	462,386
Legal	1,035,456	1,061,973	1,167,359	1,333,984	1,113,956	1,244,126	1,102,963
Human Resources	811,664	883,745	527,905	590,960	5,089,987	1,187,150	941,191
Police, SCORE, Animal Control Services	9,801,147	10,037,220	10,353,800	10,744,161	11,280,722	12,282,072	11,980,317
Fire & Emergency Services	7,969,058	9,963,200	8,985,785	10,091,396	10,046,285	10,387,545	10,135,167
Parks/Recreation/Facilities/Human Services	4,227,086	4,271,140	4,266,428	4,597,958	4,977,708	5,195,278	5,227,781
Public Works	593,694	542,966	522,622	515,700	-	-	-
Community & Economic Development	2,002,059	2,075,801	2,251,023	2,269,743	2,083,101	2,809,974	2,324,932
Total General Fund Expenditures	\$ 31,295,956	\$33,691,427	\$33,054,354	\$34,174,772	\$38,505,353	\$38,550,142	\$ 36,100,122
YE Estimated Surplus/(Deficit)	\$ (1,847,163)	\$ 717,560	\$ 3,953,317	\$ 4,851,961	\$ 1,916,273	\$ (991,872)	\$ 6,449,182
Beginning Fund Balance	\$ 9,795,993	\$ 7,948,830	\$ 8,666,390	\$ 12,619,707	\$ 17,471,668	\$ 13,396,640	\$ 19,387,941
Ending Fund Balance	\$ 7,948,830	\$ 8,666,390	\$ 12,619,707	\$ 17,471,668	\$ 19,387,941	\$ 12,404,768	\$ 25,837,122
Fund Balance Target**	\$ 7,823,989	\$ 8,422,857	\$ 8,263,588	\$ 11,391,591	\$ 12,835,118	\$ 12,850,047	\$ 12,033,374
Over (Under) Fund Target	\$ 124,841	\$ 243,533	\$ 4,356,118	\$ 6,080,077	\$ 6,552,823	\$ (445,279)	\$ 13,803,748

** Note: Projected Fund Balance Target amount equals four (4) months of operating expenditures

CAPITAL EXPENDITURES

**City of SeaTac
Capital Funds Summary
Capital Expenditures by Type
Month Ending December 31, 2018**

Type	Description	Annual BUDGET	YTD Actual Expended	YTD % Expended	Project Update
61 Land					
Fund 308	S. 154th St - Land Acq.	500,000	1,846	0%	Negotiations ongoing
Land Total		500,000	1,846	0%	
62 Buildings					
Fund 108	SeaTac Center Tenant Imprvmnts	20,000	18,775	94%	Fire hydrant failure & fire alarm panel replacement
	City Hall Improvements	47,725	71,147	149%	Legal/HR Move to the 2nd Floor
Fund 301	City Hall Improvements-Lighting Upgrade	105,976	42,534	40%	LED Lights in City Hall - Complete
	City Hall Elevator Hydraulics	64,161	-	0%	Scheduled for 2019
	SeaTac Community Center Improvements	24,264	-	0%	LED Parking Lot Lights - Complete
Fund 306	DEMOLITION FIRE STATION #45 & #47	83,365	86,167	103%	Complete. Asbestos in walls caused cost overrun.
	Maintenance Facility Roof Repair	25,000	-	0%	Construction Complete Q4 2018
	City Hall Improvements	-	617	*	
Buildings Total		370,491	219,239	59%	
63 Other Improvements					
Fund 102	2017 Overlay Project	897,895	567,237	63%	Project is substantially complete. See 307-2017 Overlay Project and 403-Spot Drainage Repair for other project expenses.
	2018 Overlay Project				Project awarded in June followed by construction. Scheduled for completion in May/June 2019
		2,670,088	2,292,123	86%	
	2019 Overlay Project	-	20,389	*	
	200TH STREET & I-5 ACCESS RAMP	-	513	*	
Fund 111	DMC Capital Replacement	50,000	-	0%	
Fund 301	Valley Ridge Park Improvements	4,763,585	4,151,473	87%	Substantial completed, performing punch list
	Angle Lake Park-Playground Equip	84,575	55,425	66%	Completed in Janaury 2019
	Riverton Heights Property Development	39,976	23,752	59%	Complete
	Angle Lake Park Path Easement	139,967	49,865	36%	Complete
	S 188th ST Fence Beautification	105,338	29,977	28%	Complete February 2019
	Veterans War Memorial	75,000	-	0%	Scheduled for 2019
	Angle Lake Park Repaving	179,230	122,320	68%	Completed
	City Hall Parking Lot Repaving	282,576	-	0%	Scheduled for 2019
	Sunset Park Tennis Court Renovation	120,450	-	0%	Scheduled for 2019
	North SeaTac Park Improvements	157,433	20,176	13%	10% Completed
Fund 307	Connecting 28th/24th Ave S	500,000	553,264	111%	Final Acceptance of project outstanding.
	Military Rd. S/S 152nd St				60% Design Complete, ongoing ROW Acquisition. Construction expected in 2019.
		2,074,658	289,852	14%	
	2017/2018 Neighborhood Pedestrian Improvement Program				2018 and 2019 projects selected, 34th Ave S SRTS and S 200th St Shared Use Path, respectively. Advisory Committee formed & guidelines for program were developed in 2017.
		2,410,000	-	0%	
	International Blvd Safety Imp Program				Delayed one year due to staff workload. Targeting program kick off Q1 2019
		500,000	-	0%	

Type	Description	Annual BUDGET	YTD Actual Expended	YTD % Expended	Project Update
	Intelligent Transportation Systems	91,000	9,000	10%	Funds used for CATES contract; this program will begin in Q4 2018.
	2017/2018 Ped Crossing Project	110,000	-	0%	Study and Program expected launch Q1 2019
	S 166th ST Ped Improvements	2,744,207	1,514,485	55%	Construction started July 2018
	S 200th ST Ped & Bicycle Shared Pathway	985,000	95,367	10%	Project selected as one of two sidewalk program projects for 2019/20. Authorized for design in 2019.
	32nd AVE S Ped Improvements	651,200	-	0%	Project was grant dependent and failed to be funded.
	S 198th St Planning/Design	210,000	-	0%	Project currently not scheduled.
	Des Moines Memorial Dr & S 200th Intersection	231,000	188,415	82%	90% Design complete. ROW acquisition ongoing. Contract amendment to complete design and ROW acquisition being presented for Council action February 2019. Scheduled for construction in 2019.
	2017 Overlay Project	697,000	939,947	135%	Project is substantially complete. See 307-2017 Overlay Project and 403-Spot Drainage Repair for other project expenses.
	34th AVE S from S 160th to S 176th	-	145,458		50% design complete. Scheduled for construction * 2020.
	Spot Drainage Improvements				\$87,353 used for SWM infrastructure on 2017 Overlay project. Remaining funds to be rolled over into 2019 for SWM Spot Drainage Projects (was deferred to be advertised in Q1 2019. Confirming scope and budget)
Fund 403	S 208TH ST Drainage Repair	400,000	87,353	22%	Project will be constructed by Sound Transit at their expense. Construction expected in 2020/2021
	Des Moines Memorial Dr Manhole Repl	343,314	-	0%	2017 and 2018 funds will be obligated to the Miller Creek Stream Daylighting project being constructed by the City of Burien which will address the culvert deficiencies.
	South 138th St Pipe Replacement	24,300	-	0%	Not currently scheduled
	Other Improvements Total	21,682,630	11,156,392	51%	
	64 Equipment				
Fund 001	Computer Software - Court	48,400	12,547	26%	
Fund 102	Tools and Equipment	27,842	27,004	97%	
Fund 301	Computer Software	17,608	-	0%	
	Permitting Software	50,000	33,395	67%	Project run into 2019 due to vendor delays.
	Computer Hardware	14,000	15,561	111%	
	Tools and Equipment-Parks Mtc	10,079	-	0%	
	Fire Station #45 HVAC	45,000	39,340	87%	Completed December 2018
Fund 501	Vehicles/Heavy Equipment	148,000	51,059	34%	
	Tools and Equipment	410,363	24,505	6%	
	Equipment Total	771,292	203,412	26%	
	Total Capital Expenditures	23,324,413	11,580,889	50%	

YEAR TO DATE
SELECTED REVENUE

- Property Tax
- Total Sales Tax
- Port Construction Sales Tax
- Port Sales Tax
- Parking Tax

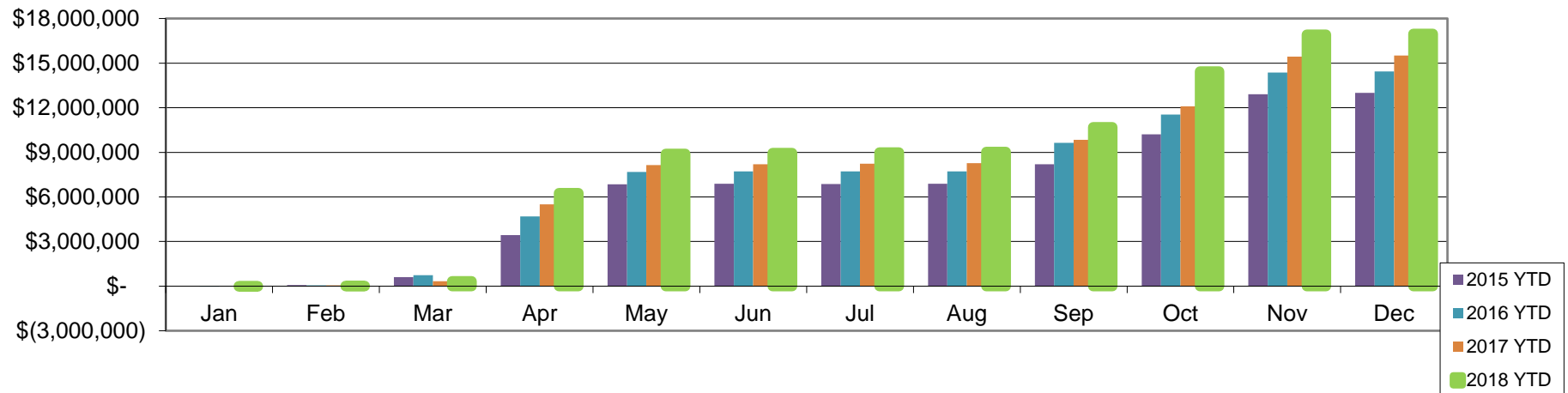
COMPARISONS

**City of SeaTac
Year to Year Revenue Comparison**

Property Taxes

Month	2015	2015 YTD	2016	2016 YTD	2017	2017 YTD	2018	2018 YTD	Variance YTD
Jan	\$ (9,811)	\$ (9,811)	\$ (43,546)	\$ (43,546)	\$ (11,008)	\$ (11,008)	\$ (19,741)	\$ (19,741)	\$ (8,733)
Feb	\$ 79,691	\$ 69,881	\$ 93,211	\$ 49,665	\$ 66,113	\$ 55,106	\$ 33,789	\$ 14,048	\$ (41,057)
Mar	\$ 539,264	\$ 609,145	\$ 693,945	\$ 743,610	\$ 275,653	\$ 330,758	\$ 309,901	\$ 323,949	\$ (6,809)
Apr	\$ 2,823,038	\$ 3,432,183	\$ 3,936,702	\$ 4,680,312	\$ 5,171,967	\$ 5,502,726	\$ 5,933,349	\$ 6,257,298	\$ 754,573
May	\$ 3,421,334	\$ 6,853,516	\$ 3,004,853	\$ 7,685,165	\$ 2,633,783	\$ 8,136,508	\$ 2,635,257	\$ 8,892,555	\$ 756,047
Jun	\$ 24,567	\$ 6,878,083	\$ 28,255	\$ 7,713,421	\$ 52,621	\$ 8,189,129	\$ 55,700	\$ 8,948,255	\$ 759,126
Jul	\$ (4,247)	\$ 6,873,837	\$ (4,927)	\$ 7,708,494	\$ 43,410	\$ 8,232,539	\$ 36,458	\$ 8,984,713	\$ 752,174
Aug	\$ 4,918	\$ 6,878,755	\$ 4,374	\$ 7,712,867	\$ 42,777	\$ 8,275,316	\$ 44,907	\$ 9,029,620	\$ 754,304
Sep	\$ 1,322,548	\$ 8,201,303	\$ 1,919,510	\$ 9,632,377	\$ 1,563,240	\$ 9,838,556	\$ 1,669,464	\$ 10,699,084	\$ 860,528
Oct	\$ 2,015,384	\$ 10,216,687	\$ 1,913,347	\$ 11,545,724	\$ 2,247,105	\$ 12,085,662	\$ 3,740,442	\$ 14,439,526	\$ 2,353,864
Nov	\$ 2,695,181	\$ 12,911,868	\$ 2,824,190	\$ 14,369,915	\$ 3,351,718	\$ 15,437,379	\$ 2,471,043	\$ 16,910,569	\$ 1,473,190
Dec	\$ 77,375	\$ 12,989,243	\$ 60,980	\$ 14,430,895	\$ 73,670	\$ 15,511,050	\$ 64,111	\$ 16,974,680	\$ 1,463,631
Total	\$ 12,989,243	\$ 15,800,000	\$ 14,430,895	\$ 12,889,000	\$ 15,511,050	\$ 14,800,000	\$ 16,974,680	\$ 15,800,000	107.4%

Property Tax Comparisons YTD



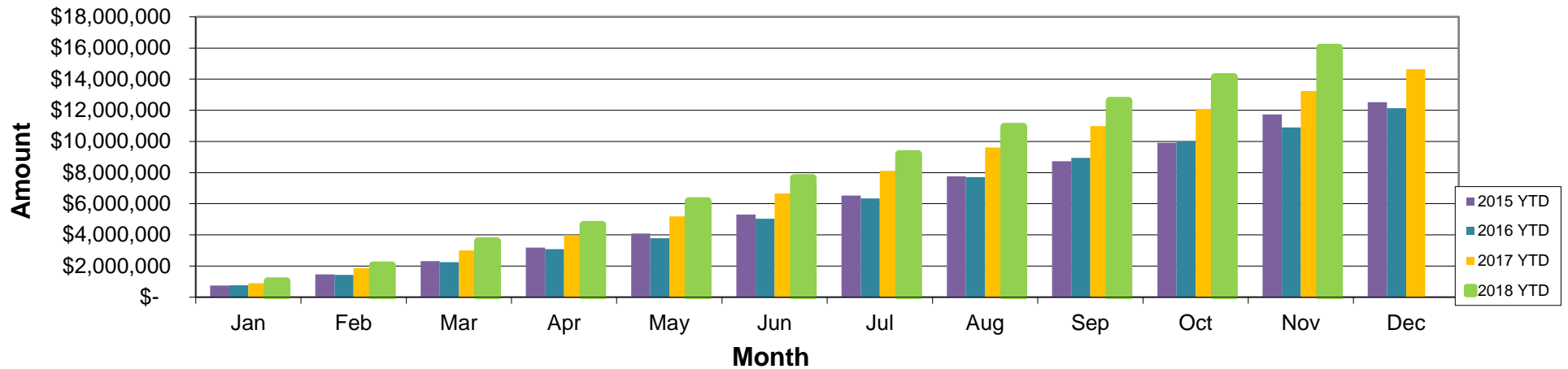
**City of SeaTac
Year to Year Revenue Comparison**

Sales Tax (Total Operating + Construction Activity)

(Monthly Spread reflects business activity: There is a 60 day delay for State to remit to Cities, so city will receive Nov/Dec amounts in the following year)

Month	2015	2015 YTD	2016	2016 YTD	2017	2017 YTD	2018	2018 YTD	Variance YTD
Jan	\$ 750,107	\$ 750,107	\$ 765,522	\$ 765,522	\$ 901,215	\$ 901,215	\$ 1,025,018	\$ 1,025,018	\$ 123,803
Feb	\$ 717,169	\$ 1,467,276	\$ 666,186	\$ 1,431,708	\$ 968,275	\$ 1,869,490	\$ 1,024,140	\$ 2,049,158	\$ 179,668
Mar	\$ 845,303	\$ 2,312,579	\$ 814,925	\$ 2,246,633	\$ 1,135,777	\$ 3,005,267	\$ 1,555,125	\$ 3,604,283	\$ 599,016
Apr	\$ 865,803	\$ 3,178,382	\$ 828,543	\$ 3,075,176	\$ 984,468	\$ 3,989,735	\$ 1,053,245	\$ 4,657,528	\$ 667,793
May	\$ 909,528	\$ 4,087,910	\$ 716,317	\$ 3,791,493	\$ 1,191,949	\$ 5,181,684	\$ 1,520,561	\$ 6,178,089	\$ 996,405
Jun	\$ 1,220,227	\$ 5,308,137	\$ 1,244,867	\$ 5,036,360	\$ 1,470,185	\$ 6,651,869	\$ 1,483,137	\$ 7,661,226	\$ 1,009,357
Jul	\$ 1,213,833	\$ 6,521,971	\$ 1,307,394	\$ 6,343,754	\$ 1,452,074	\$ 8,103,943	\$ 1,542,458	\$ 9,203,684	\$ 1,099,741
Aug	\$ 1,234,750	\$ 7,756,720	\$ 1,359,686	\$ 7,703,440	\$ 1,512,582	\$ 9,616,525	\$ 1,738,207	\$ 10,941,891	\$ 1,325,366
Sep	\$ 968,541	\$ 8,725,261	\$ 1,235,549	\$ 8,938,989	\$ 1,366,547	\$ 10,983,072	\$ 1,672,767	\$ 12,614,658	\$ 1,631,586
Oct	\$ 1,182,541	\$ 9,907,802	\$ 1,056,287	\$ 9,995,276	\$ 1,100,233	\$ 12,083,305	\$ 1,524,571	\$ 14,139,229	\$ 2,055,924
Nov	\$ 1,821,296	\$ 11,729,098	\$ 901,682	\$ 10,896,958	\$ 1,146,368	\$ 13,229,673	\$ 1,890,164	\$ 16,029,393	\$ 2,799,720
Dec	\$ 785,076	\$ 12,514,175	\$ 1,230,949	\$ 12,127,907	\$ 1,403,791	\$ 14,633,464	\$ -	\$ -	\$ -
Total	\$ 12,514,175	\$ 11,700,000	\$ 12,127,907	\$ 12,470,000	\$ 14,633,464	\$ 12,002,000	\$ 16,029,393	\$ 12,237,000	131.0%

Sales Tax Comparison YTD



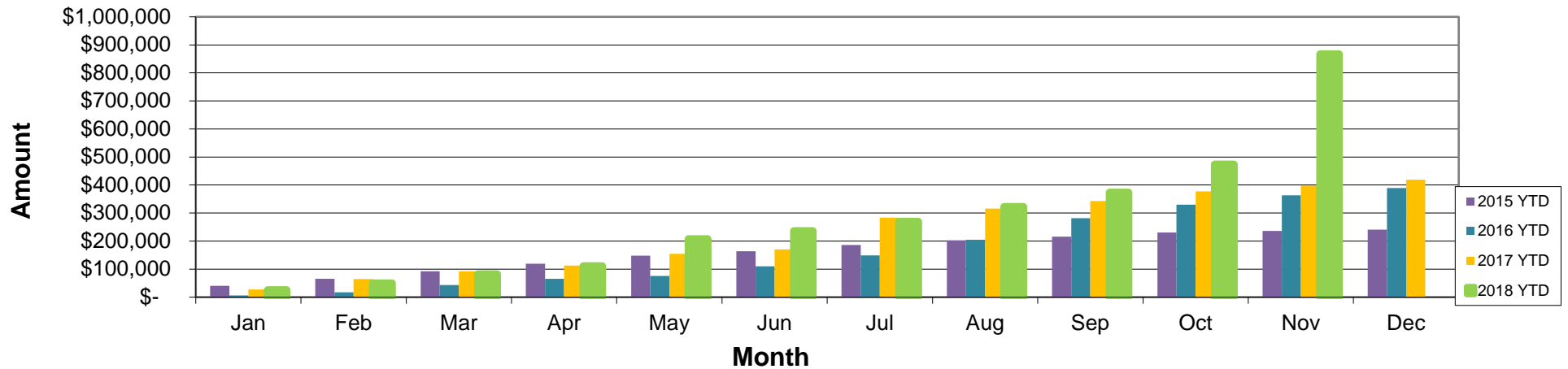
**City of SeaTac
Year to Year Revenue Comparison**

Port Construction Sales Tax

(Monthly Spread reflects business activity: There is a 60 day delay for State to remit to Cities, so city will receive Nov/Dec amounts in the following year)

Month	2015	2015 YTD	2016	2016 YTD	2017	2017 YTD	2018	2018 YTD	Variance YTD
Jan	\$ 40,442	\$ 40,442	\$ 5,733	\$ 5,733	\$ 27,528	\$ 27,528	\$ 25,324	\$ 25,324	\$ (2,204)
Feb	\$ 25,232	\$ 65,674	\$ 11,509	\$ 17,242	\$ 36,816	\$ 64,344	\$ 24,180	\$ 49,504	\$ (14,840)
Mar	\$ 26,820	\$ 92,494	\$ 25,793	\$ 43,035	\$ 27,899	\$ 92,243	\$ 32,881	\$ 82,385	\$ (9,858)
Apr	\$ 26,607	\$ 119,101	\$ 22,206	\$ 65,241	\$ 20,436	\$ 112,679	\$ 28,414	\$ 110,799	\$ (1,880)
May	\$ 29,432	\$ 148,533	\$ 10,177	\$ 75,418	\$ 41,446	\$ 154,125	\$ 96,609	\$ 207,408	\$ 53,283
Jun	\$ 15,085	\$ 163,618	\$ 34,948	\$ 110,366	\$ 16,438	\$ 170,563	\$ 28,528	\$ 235,936	\$ 65,373
Jul	\$ 22,250	\$ 185,868	\$ 38,920	\$ 149,286	\$ 113,437	\$ 284,000	\$ 33,908	\$ 269,844	\$ (14,156)
Aug	\$ 17,202	\$ 203,070	\$ 55,145	\$ 204,431	\$ 31,859	\$ 315,859	\$ 52,808	\$ 322,652	\$ 6,793
Sep	\$ 12,952	\$ 216,022	\$ 76,910	\$ 281,341	\$ 26,765	\$ 342,624	\$ 51,246	\$ 373,898	\$ 31,274
Oct	\$ 14,955	\$ 230,977	\$ 48,676	\$ 330,017	\$ 34,901	\$ 377,525	\$ 99,403	\$ 473,301	\$ 95,776
Nov	\$ 5,319	\$ 236,296	\$ 32,989	\$ 363,006	\$ 19,778	\$ 397,303	\$ 394,110	\$ 867,411	\$ 470,108
Dec	\$ 4,544	\$ 240,840	\$ 26,452	\$ 389,458	\$ 21,750	\$ 419,053	\$ -	\$ -	\$ -
Total	\$ 240,840	\$ 890,000	\$ 389,458	\$ 1,340,000	\$ 419,053	\$ 650,000	\$ 867,411	\$ 650,000	133.4%

Sales Tax Comparison YTD



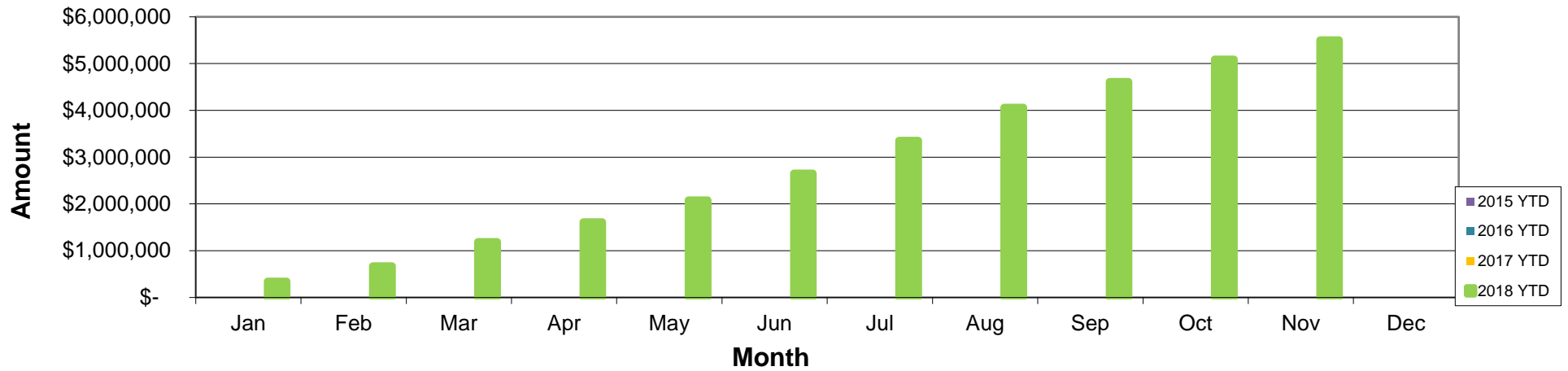
**City of SeaTac
Year to Year Revenue Comparison**

Other Port Sales Tax (excludes Construction)

(Monthly Spread reflects business activity: There is a 60 day delay for State to remit to Cities, so city will receive Nov/Dec amounts in the following year)

Month	2015	2015 YTD	2016	2016 YTD	2017	2017 YTD	2018	2018 YTD	Variance YTD
Jan							\$ 340,311	\$ 340,311	
Feb							\$ 333,567	\$ 673,878	
Mar							\$ 514,481	\$ 1,188,359	
Apr							\$ 422,410	\$ 1,610,769	
May							\$ 470,205	\$ 2,080,974	
Jun							\$ 573,964	\$ 2,654,938	
Jul							\$ 701,751	\$ 3,356,689	
Aug							\$ 703,602	\$ 4,060,291	
Sep							\$ 554,530	\$ 4,614,821	
Oct							\$ 475,904	\$ 5,090,725	
Nov							\$ 412,245	\$ 5,502,970	
Dec							\$ -	\$ -	
Total							\$ 5,502,970	34%	

Sales Tax Comparison YTD



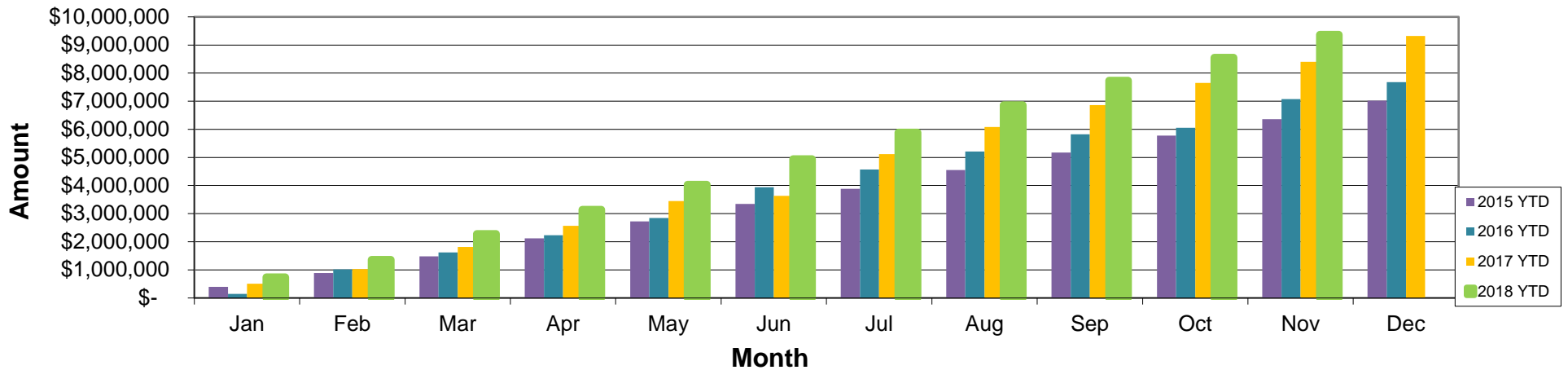
**City of SeaTac
Year to Year Revenue Comparison**

Parking Tax

(There is a 30 day delay for remittance to City)

Month	2015	2015 YTD	2016	2016 YTD	2017	2017 YTD	2018	2018 YTD	Variance YTD
Jan	\$ 392,938	\$ 392,938	\$ 143,696	\$ 143,696	\$ 508,304	\$ 508,304	\$ 741,564	\$ 741,564	\$ 233,260
Feb	\$ 494,505	\$ 887,444	\$ 876,565	\$ 1,020,261	\$ 515,429	\$ 1,023,733	\$ 618,026	\$ 1,359,591	\$ 335,858
Mar	\$ 595,421	\$ 1,482,864	\$ 597,360	\$ 1,617,620	\$ 793,520	\$ 1,817,253	\$ 915,630	\$ 2,275,221	\$ 457,968
Apr	\$ 633,814	\$ 2,116,678	\$ 616,506	\$ 2,234,126	\$ 747,252	\$ 2,564,505	\$ 870,641	\$ 3,145,863	\$ 581,358
May	\$ 609,264	\$ 2,725,942	\$ 606,516	\$ 2,840,642	\$ 881,535	\$ 3,446,040	\$ 884,907	\$ 4,030,770	\$ 584,730
Jun	\$ 618,627	\$ 3,344,568	\$ 1,097,841	\$ 3,938,484	\$ 186,849	\$ 3,632,889	\$ 906,526	\$ 4,937,296	\$ 1,304,407
Jul	\$ 539,606	\$ 3,884,174	\$ 634,365	\$ 4,572,849	\$ 1,485,522	\$ 5,118,411	\$ 953,957	\$ 5,891,253	\$ 772,842
Aug	\$ 669,431	\$ 4,553,605	\$ 635,939	\$ 5,208,788	\$ 962,517	\$ 6,080,928	\$ 970,217	\$ 6,861,470	\$ 780,542
Sep	\$ 623,833	\$ 5,177,438	\$ 610,696	\$ 5,819,484	\$ 777,243	\$ 6,858,171	\$ 869,216	\$ 7,730,686	\$ 872,515
Oct	\$ 598,605	\$ 5,776,043	\$ 239,879	\$ 6,059,363	\$ 787,877	\$ 7,646,048	\$ 824,174	\$ 8,554,860	\$ 908,812
Nov	\$ 588,484	\$ 6,364,526	\$ 1,016,826	\$ 7,076,189	\$ 756,741	\$ 8,402,789	\$ 809,901	\$ 9,364,761	\$ 961,972
Dec	\$ 653,843	\$ 7,018,369	\$ 606,699	\$ 7,682,889	\$ 921,748	\$ 9,324,537	\$ -	\$ -	\$ -
Total	\$ 7,018,369	\$ 6,930,317	\$ 7,682,889	\$ 7,206,489	\$ 9,324,537	\$ 7,956,704	\$ 9,364,761	\$ 8,100,266	115.6%

Parking Tax Comparison YTD



City of SeaTac

Vouchers 101
Administration & Finance Committee
February 14, 2019



Purchasing Overview

- Purchasing Requirements/Guidance
 - SeaTac Municipal Code 3.31 Purchasing System
 - State Auditors Office BARS Manual 3.8.5
 - RCW 42.24 Payment of Claims for Expenses, Material, Purchases-Advancements
 - RCW 39 Public Contracts and Indebtedness

SMC 3.31

- Provides uniform system to obtain supplies and services efficiently and timely
- Facilitates responsibility and accountability
- Ensures competition
- Complies with State statutes
- Promotes use of recycled products

Purchasing & Approval Process

- Initial Purchase
- Department Authorization
- Invoice Processing
- Voucher Audit & Certification
- Mailing of Payments

Initial Purchase

- Adopted Budget is Department purchasing plan
- Departments are required to follow City's purchasing policies

Department Authorization

- Department Head or Authorized Signer approves invoice for payment
- Approval means:
 - All guidelines have been followed
 - All items on invoice have been received
 - City is obligated to pay

Invoice Processing

- Invoices are processed on the 5th & 20th of each month
- AP Technician audits invoices for signatures, packing slips, PO's (if applicable), other supporting documentation

Voucher Audit & Certification

- Prior to mailing vouchers are audited & signed by Treasury Operations Manager (TOM)
- TOM is bonded (insured)
- Guidelines for voucher certification are provided in section 3.8.5 of State BARS manual

Mailing of Payments

- In accordance with RCW 42.24.180 the City Council passed Resolution #07-014 to allow for mailing of checks prior to Council approval.
- Requires 4 components be met:
 - Auditing Officer bonded for not less than \$50,000
 - Council adopt purchasing and disbursement policies
 - Council approve claims and next regular council meeting
 - Disapproved claims become receivable to City

State Auditors

- Prescribes language for certification document
- Prescribes language for Resolution
- Prescribes what is required for supporting documentation
- Audits purchasing and voucher process

Questions?



Vouchers 101



SeaTac Finance Department

Purchasing System Overview

The City of SeaTac's Purchasing System can be found in SeaTac Municipal Code Chapter 3.31 (attachment 2). As stated in Section 3.31.010 (A) "The purpose of this chapter is to delegate authority for the purchase or lease of material, equipment services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government".

Section B of Chapter 3.31 addresses the objectives of the City's purchasing system. They are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment and services in an efficient and timely manner;
2. To facilitate responsibility and accountability with the use of City resources;
3. To ensure equal opportunity and competition among suppliers and contractors;
4. To promote effective relationships and clear communication between the City and its suppliers and contractors;
5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;
6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment in accordance with other provision of the Municipal Code and City policies.

Purchasing & Approval Process

With every purchase there is a process to ensure the policies of the City, as well as any State requirements, have been met prior to vendor payments being made. The steps below detail the City's process each time a purchase and payment is made:

1. Initial Purchase

The adopted City Budget acts as the purchasing plan for every department within the City. When incurring costs for services, materials, etc., departments are required to follow the City's adopted purchasing system policies.

2. Department Authorization

The department head/authorized signer approves the invoice stating they have adhered to all of the guidelines in place to ensure this invoice is a true and just claim for goods and/or services provided and the City is obligated to pay.

3. Invoice Processing

Once the Finance Department receives this approved and signed invoice for payment, it is included in the next accounts payable cycle. Our accounts payable cycle coincides with the payroll cycle, the 5th & 20th of every month.

4. Voucher Audit & Certification

Before the checks have been mailed out, the vouchers are pre-audited and signed by the auditing officer. The auditing officer(s) are separately bonded as part of this fiduciary role for the City. The guidelines for voucher certification and approval are stated in section 3.8.5 of the State Budgeting Accounting and Reporting System (BARS) manual (attachment 1).

5. Mailing of Payments

The mailing of the checks prior to the legislative body approving the claim is addressed in section 3.8.5.50 (attachment 1). There are four components that need to be addressed to be able to make payments prior to approval. The City passed Resolution #07-014 (attachment 3) on July 24, 2007 to be in compliance with RCW 42.24.180 (attachment 4) that is referenced in the BARS manual section 3.8.5.50.

Frequently Asked Questions

Q: How do you determine the timing of payments?

A: Avoidance of penalties/late fees, more timely payment for services/goods already rendered, and Real Estate related payments (closing docs, recording fees, etc.)

Q: How do we ensure City purchasing policies are being followed?

A: Any City employee authorized to make purchases is required to follow the purchasing policies as well as their adopted department budget approved by Council. Also, the State Auditor's Office (SAO) comes in once a year to audit and verify the appropriate processes are being followed as part of their annual Accountability Audit. This audit report is publicly available on the SAO office website.

Q: Who are the approved signers for the City?

A: The Finance Department has a list of approved signers for each department on file with their signature. The State Auditor's office uses this document to verify payment authorizations.

Q: Who are the City's designated Auditing Officers, bonded per BARS 3.8.5.50?

A: The Finance & Systems Director (officer designated to sign checks), and the Treasury Operations Manager (auditing officer).

Q: What is Council's role in approving claims that have already been certified and paid?

A: If Council denies a claim that is already certified as true and just, this is direction to staff to pursue collections and may expose the City to risk if contractual obligations are not being met.

State Budgeting Accounting and Reporting System (BARS) Manual

Attachment 1

3. ACCOUNTING

3.8 Expenditures

3.8.5 Voucher Certification and Approval¹

3.8.5.10 All claims against a municipality must be preaudited by the auditing officer of the municipality or his/her delegate. In addition, all claims must be certified by the auditing officer. *Claims* refer to all external payments that are made to satisfy obligations of the entity, regardless of how payments are processed (i.e., through warrants, checks, EFTs, etc.). *Claims* would include refunds or reimbursements, bond payments, federal tax payments, payments to other governments, grants, transfers or payments made to component units or joint ventures, etc. *Claims* would not include interfund loans, interfund reimbursements or payments (i.e., to internal service funds), indirect cost allocations or other internal accounting transactions, purchases of investments or transfers between bank accounts both owned by the entity, etc.

The auditing officer's certification may be made on each individual claim voucher or, subject to the acceptance and approval of the municipal legislative body, a blanket voucher certification may be used so long as it indicates the particular vouchers so certified. The use of a blanket certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified. The certification must be signed and dated by the auditing officer or his/her delegate. For all claims, except expense reimbursement claims certified by officers or employees (see [Employee Travel](#)), the certification must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim.

3.8.5.20 The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to certify to said claim.

3.8.5.30 The certification by the auditing officer in no manner relieves members of the governing body from the responsibility and liability for each voucher approved. It is the governing body's responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the governing body members and the municipality.

¹ Chapter [42.24](#) RCW

3.8.5.40 To indicate governing body approval for payment of claim vouchers and payroll, the following should be entered in the minutes:

The following voucher/warrants/electronic payments are approved for payment:

(Funds)			Total
Voucher (warrant)			
numbers:	_____	through _____	\$ _____
Payroll warrant			
numbers:	_____	through _____	\$ _____
Electronic payments			
dates:	_____	through _____	\$ _____

3.8.5.50 If the legislative body authorizes the procedure, cities, counties and districts may issue warrants, checks or electronic payments before the legislative body approves claims. To do this the municipality must enact the following policies and procedures (required in Chapter [42.24 RCW](#)):

1. The auditing officer and the officer designated to sign the checks, warrants or initiate an electronic payment must have an official bond. The amount should be determined by the legislative body but cannot be less than \$50,000 (RCW [42.24.180](#));
2. The legislative body should adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control; for electronic payments, the legislative body should adopt information technology policies that implement effective internal control over technology used to initiate and approve electronic payments.
3. The legislative body must review and approve the claims paid at its next regularly scheduled public meeting, or for cities and towns, at a regularly scheduled public meeting within one month from issuance; and
4. If the legislative body disapproves some claims, the auditing officer and the officer designated to sign the checks, warrants or initiate the electronic payment must recognize these claims as receivables of the taxing district and pursue collection diligently until the amounts are either collected or the legislative body is satisfied and approves the claims.

3.8.5.60 The legislative body may stipulate that certain kinds or amounts of claims should not be paid before the board has reviewed the supporting documentation and approved the issue of checks, warrants or electronic payments in payment of those claims.

3.8.5.70 The original copy of all vouchers should be filed in the office of the auditing officer of the municipality. The detailed accounts to which the expenditures are to be posted must be clearly designated. Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse. See [Original Supporting Documentation](#) for requirements.

3.8.5.80 Districts that do not issue their own warrants should send either original vouchers or other supporting documentation (e.g., listing of approved vouchers, etc.) to the county auditor.

SeaTac Municipal Code Chapter 3.31
Attachment 2

Chapter 3.31 PURCHASING SYSTEM

Sections:

- 3.31.010 Purpose, objective, and scope.
- 3.31.020 Definitions.
- 3.31.030 Purchasing and contracting – City manager responsibilities.
- 3.31.040 Determining total purchase cost.
- 3.31.050 Cost threshold – Contract approval levels and contract amendments.
- 3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.
- 3.31.070 Procedure for professional services contracts.
- 3.31.080 Procedures for architectural, engineering, and design services.
- 3.31.090 Procedures for public works.
- 3.31.100 Competitive bidding procedures for public works projects.
- 3.31.110 Emergency purchases.
- 3.31.120 Sole source and special market conditions.
- 3.31.130 Electronic data processing and telecommunications systems.
- 3.31.140 Final acceptance.
- 3.31.150 Intergovernmental cooperative purchasing.
- 3.31.160 Compliance.
- 3.31.170 Third party contracts.
- 3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].
- 3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.

3.31.010 Purpose, objective, and scope.

A. The purpose of this chapter is to delegate authority for the purchase or lease of material, equipment, services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government.

B. The objectives of the City's purchasing system are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner;
2. To facilitate responsibility and accountability with the use of City resources;
3. To ensure equal opportunity and competition among suppliers and contractors;
4. To promote effective relationships and clear communication between the City and its suppliers and contractors;
5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;
6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment, in accordance with other provisions of the Municipal Code and City policies.

C. This chapter does not apply to the acquisition, sale, or lease of real property.

D. If grant funding is involved in the proposed purchase or project, any additional requirements should be obtained from the funding agency. Such requirements may be more restrictive than the requirements of this chapter. However, it is the intent of this chapter to complement any requirements of funding agencies.

E. All purchases shall comply with appropriate and relevant Federal, State, and City laws and policies. If the appropriate and relevant Federal or State laws, regulations, grants, or requirements are more restrictive than these guidelines, such laws, regulations, grants, or requirements should be followed. Furthermore, the City Attorney should be consulted when questions regarding potential conflicts arise. (Ord. 09-1011 § 1 (part))

3.31.020 Definitions.

As used in this chapter, the following terms shall have the following meaning:

- A. "Appropriation" means City Council budgeting to expend funds for a specific purpose.
- B. "Bid" means an offer to perform a contract to sell, lease or supply material, equipment, services or supplies in response to a formal solicitation.
- C. "Bid security" means a bond or deposit submitted with a bid, for a sum not less than five percent (5%) of the bid amount (including sales tax). A bid security is designed to help ensure that a bid has been made in good faith and that the bidder will enter into a contract if a bid is accepted.
- D. "Bidder" means a person or legal entity who submits a bid.
- E. "Change order" means written modification or addition to a purchase order or contract authorized by the appropriate authority.
- F. "City Purchasing Agent" is the person who is charged with procurement of all supplies, materials, equipment and services for the City.
- G. "Competitive bidding" means the submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.
- H. "Description" means identifying information distinctly and plainly set forth and sufficiently portrayed and explained to ensure that the product or service under consideration is uniquely identified.
- I. "Emergency" means unforeseen circumstances beyond the City's control that present a real, immediate threat to the proper performance of essential functions, or that will likely result in material loss to property, bodily injury, or loss of life if immediate action is not taken.
- J. "Emergency purchase" means a purchase made in response to unforeseen circumstances beyond the control of the City which presents a real, immediate and material threat to the public interests or property of the City.
- K. An "equal" is material, equipment or supplies which equal or exceed the quality, performance and usefulness of the brand, model or specifications designated as the standard.
- L. An "informality" or "irregularity" is one which is merely a matter of form or is some immaterial variation from the exact requirements of the invitation for bids, having no effect or merely a trivial or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of or be otherwise prejudicial to bidders.
- M. "Invitation to bid" means the procedure used in the competitive bidding procedures.
- N. "Lowest bidder" means the bidder submitting the lowest price. See "responsive bidder" and "responsible bidder."
- O. "Prevailing wages" means the hourly wages, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Washington State Department of Labor and Industries for each trade and occupation employed in the performance of public work.

P. "Professional services" means services which provide professional or technical expertise from a corporation, firm, agency, individual or group of individuals who, for a fee, accomplish a specific study, project, task, or other work statement. Examples include, but are not limited to: accounting and auditing, bond or insurance brokerage, financial or administrative studies, feasibility studies, special project management for a defined period of time or result, consulting services, legal services, real estate appraisal or title abstracts, surveying, soils analysis or core testing.

Q. "Purchase" includes leasing or renting.

R. "Request for quotation" means the procedure used when soliciting quotations.

S. "Responsible bidder" or "responsible vendor" means a person or legal entity who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

T. "Responsive bidder" or "responsive vendor" means a person or legal entity who has submitted a bid conforming in all material respects to the terms and conditions, specifications, and other requirements in a request or invitation for bids.

U. "Sealed bid" means a bid which has been submitted in a sealed envelope to prevent its contents from being revealed before the deadline for the submission of all bids. A sealed bid cannot be delivered to the City via electronic means (such as fax or email).

V. "Specification" means the explicit requirements furnished with an invitation to bid or request for quotation upon which a purchase or contract is to be based. Specifications set forth the characteristics of the equipment, material, supplies or services to be purchased to enable the bidder or vendor to determine and understand what is to be supplied. This information may be either in terms of physical characteristics or performance requirements or both.

W. "Vendor" means the supplier of goods or services, or both. (Ord. 09-1011 § 1 (part))

3.31.030 Purchasing and contracting – City manager responsibilities.

The City Manager may delegate the authority and responsibilities of the specific purchases and contracts to any appropriate member of the City staff. (Ord. 09-1011 § 1 (part))

3.31.040 Determining total purchase cost.

A. Use Anticipated Cost. The anticipated annual need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which contract approval level, cost threshold, and other related purchasing requirements apply.

B. No "Bid Splitting." Requirements shall not be divided in order to come up with a lower total cost that avoids contract approval levels or competition requirements. If one (1) item being purchased requires another item to "make a whole," the total accumulated costs of the two (2) items should be considered together to determine which approval level and cost threshold apply.

C. Costs such as taxes, freight, and installation charges shall be included when determining which cost threshold applies. The value of a trade-in, when applicable, shall be considered to determine the lowest bid when competitive bidding is used.

D. Requirements for the total quantity of an item (when they can reasonably be projected) should be considered when determining which cost threshold and related purchasing requirements apply.

E. If a project is to be completed in phases, the total accumulated cost for all phases shall be used when determining which contract approval level applies. (Ord. 09-1011 § 1 (part))

3.31.050 Cost threshold – Contract approval levels and contract amendments.

A. The following approval levels are designed for all contracts and purchases. Contracts and purchases that require additional budget appropriations must be approved by the City Council, regardless of amount.

1. Contracts and purchases not exceeding fifty thousand dollars (\$50,000) may be approved by the City Manager or designee without City Council approval.
 2. Contracts and purchases exceeding fifty thousand dollars (\$50,000) shall be presented to the City Council for approval.
- B. The approval process for contract amendments, except contract amendments for public works, is set forth in this subsection.
1. The City Manager may execute an amendment without City Council approval; provided, that the amendment:
 - a. Extends the time of completion for a project. Such an extension can be for up to six (6) months; and/or
 - b. Provides for a cost increase that does not exceed ten percent (10%) of the original contract cost or fifty thousand dollars (\$50,000), whichever is less, and such cost increase does not require additional budget appropriations; or
 - c. The total value of the contract does not exceed fifty thousand dollars (\$50,000) after the cost increase.
- C. The approval process for amendments to public works contracts exceeding fifty thousand dollars (\$50,000) in value (including change orders) is set forth in this subsection.
1. The City Manager or designee may execute an amendment to a public works contract, including change orders, without City Council approval; provided, that the amendment or change order does not increase the cost of the original contract amount beyond any contingency authorized by the City Council when the contract was awarded. (Ord. 12-1005 § 1: Ord. 09-1011 § 1 (part))

3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.

- A. This section applies to purchases of supplies, equipment, nonprofessional services and information services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), contracting for professional services (which is addressed in SMC 3.31.070), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).
- B. Purchases that do not exceed five thousand dollars (\$5,000) may be entered into through direct negotiation. Advertisement and competitive bidding is not required, although every effort shall be made to receive the best price possible.
- C. For purchases exceeding five thousand dollars (\$5,000), but less than fifty thousand dollars (\$50,000), at least three (3) quotations shall be obtained. Quotations may be obtained by telephone or in writing (which includes electronic communications such as fax and email), and quotations shall be recorded and available for public inspection. Advertisement is not required. The purchase shall be made from the responsible vendor providing the lowest quotation. When three (3) quotations cannot be obtained, the City Manager shall be so notified at the time that the purchase is submitted for approval in accordance with SMC 3.31.050.
- D. For purchases exceeding fifty thousand dollars (\$50,000), but less than three hundred thousand dollars (\$300,000), formal competitive bids shall be obtained. Bids do not need to be sealed, but shall be in writing (which includes electronic communications such as fax and email). The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.
- E. For purchases exceeding three hundred thousand dollars (\$300,000), competitive sealed bids shall be obtained. The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.
- F. RCW 39.30.045 allows for the purchase of any supplies or equipment at auctions rather than through competitive bidding, if the items can be obtained at a competitive price. Purchases of supplies or equipment may be acquired at auction, subject to the provisions of RCW 39.30.045 so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

G. RCW 39.33.010 allows for the purchase of surplus property from other governmental agencies. Surplus property may be acquired from other governmental agencies, subject to the provisions of RCW 39.33.010, so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

H. RCW 39.04.080 authorizes one (1) public agency to contract with another public agency to perform any function which each agency is authorized by law to perform itself. Contracts with another public agency are authorized, subject to the provisions of RCW 39.04.080 so long as the City Council has authorized the expenditure of funds for said contract as required in SMC 3.31.050. (Ord. 12-1005 § 2: Ord. 09-1011 § 1 (part))

3.31.070 Procedure for professional services contracts.

A. This section applies to contracts for professional services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).

B. A formal process is not required for the selection of vendors providing professional services. Furthermore, it is recognized that a formal professional services selection process may not be advantageous, based on the nature of the needed services, and the dollar value involved. Therefore, a process to select vendors for professional services contracts may be utilized that the City Manager deems appropriate, considering both the vendors' qualifications and the cost of the services being provided. Such process may include procedures set forth for selecting vendors for architectural, engineering, and design services.

C. The City Manager must be able to identify what, if any, selection process and/or criteria was used in selection of a vendor. For contracts subject to City Council approval, the City Council reserves the right to require additional selection processes to be followed, in order to ensure that the most highly qualified vendor is chosen to contract with the City. (Ord. 09-1011 § 1 (part))

3.31.080 Procedures for architectural, engineering, and design services.

A. This section applies to contracts for architectural, engineering, and design services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070).

B. Chapter 39.80 RCW outlines the requirements for obtaining professional architectural or engineering services. The requirements outlined in Chapter 39.80 RCW as stated in this section, or as may be amended by the State Legislature, shall be followed.

C. Contracts for these services will be approved in accordance with the contract approval levels outlined in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.090 Procedures for public works.

A. This section applies to contracts for public works. This section does not apply to the contracting for architectural, engineering, and design services (which is addressed in SMC 3.31.080), purchase of supplies, equipment, nonprofessional services and information services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070). This section is not intended to conflict with State law.

B. As defined in RCW 39.04.010, public works include (but are not limited to) all work, construction, alteration, repair, or improvement (other than ordinary maintenance, engineering analysis, and design and other professional services) executed at the City's cost, or which is by law a lien or charge on any property therein.

C. Pursuant to RCW 35.22.620, the cost of a public works project is the costs of materials, supplies, equipment, and labor on the construction of that project.

D. For public works projects, the Purchasing Agent may use the small works roster procedures when applicable, as established by Council resolution.

E. Public works projects shall be awarded by use of competitive sealed bidding as provided in SMC 3.31.100 if the small works roster procedures are not used.

F. The City is required by RCW 39.12.040 to require contractors to pay prevailing wages on all public works contracts. A "statement of intent to pay prevailing wages" must be received from a contractor prior to the start of any construction, and an "affidavit of wages paid" must be received following final acceptance of the work.

G. RCW 39.08.010 mandates that the City require a performance bond for every public works contract. The performance bond shall be received by the City within seven (7) calendar days of contract execution or prior to the start of any construction, whichever is earlier. The bond shall also be executed by a surety company authorized to do business in Washington State, in an amount equal to one hundred percent (100%) of the price specified in the contract.

1. For contracts of thirty-five thousand dollars (\$35,000) or less, the City may retain fifty percent (50%) of the contract for thirty (30) days after final acceptance, or until receipt of all necessary releases from the Department of Revenue and Department of Labor and Industries, and settlement of any liens filed under Chapter 60.28 RCW (whichever is later), in lieu of a performance bond. This requirement is at the option of the contractor.

2. For contracts being awarded under the limited small works roster process provided under RCW 39.04.155(3), the payment and performance bond requirements of Chapter 39.08 RCW may be waived.

H. In order for a bid to be considered responsive for public works contracts valued at over one million dollars (\$1,000,000), every bidder must submit (either with their bid or within one (1) hour of the bid submittal time) the names of all subcontractors that will be used for heating, ventilation and air conditioning, plumbing, and electrical work, pursuant to RCW 39.30.060. (Ord. 12-1005 § 3: Ord. 10-1007 § 1: Ord. 09-1011 § 1 (part))

3.31.100 Competitive bidding procedures for public works projects.

A. Public Notice. While State law does not contain any detailed requirements for public notice, good business practice calls for using a notification process that will reach the most contractors and allow enough time for responsive bids to be prepared. At a minimum, notice shall be published in the City's official newspaper at least twice, and each publication shall be a minimum of five (5) days apart. Furthermore, the first notice shall be published at least thirteen (13) days prior to the last date upon which bids will be received, and the second notice shall occur at least seven (7) days prior to the last date upon which bids will be received. In addition to publication in the City's official newspaper, public works projects that exceed the maximum dollar amount for utilization of the small works roster must also be advertised in the Daily Journal of Commerce in the same manner as the City's official newspaper.

B. Submittal of Bids. Bids will be submitted as specified in the invitation for bid by the appointed date and time listed in the invitation. All bids must be filled out in ink or be typewritten and must be properly signed by an authorized representative of the vendor. All changes and/or erasures shall be initialed in ink. Unsigned bids shall be rejected. Each bid will be date and time stamped as it is received, and late bids will not be accepted. If a bid is a sealed bid, all qualified bids will be opened and read aloud publicly at the appointed time.

C. Cancellation. An invitation for bids may be cancelled.

D. Award. The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids.

E. No City representative shall inform a vendor of the terms or amount of any other vendor's bid for the same project prior to the bid opening date and time. Once bids have been submitted (and opened, if the bids are sealed), the City may not negotiate with

bidders. The contract must be awarded to the lowest responsive and responsible bidder, or else the City Council may choose to reject all bids by Council action.

F. A written record shall be made of each bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bids shall be recorded, open to public inspection, and available by telephone inquiry.

G. The original bid responses shall be filed with the City Clerk within fourteen (14) days of the date bids were due, and will be retained for review and audit as required.

H. Bid Security. In general, bid security is optional. However, bid security shall be required for all competitive bidding of public works projects valued in excess of the maximum dollar amount allowed for utilization of the small works roster. Security shall be in the form of a bond with a value of five percent (5%) of the amount of the bid, provided by a surety company that is authorized to do business in Washington State, or the equivalent in cash or certified check. When the invitation for bids requires submittal of bid security, noncompliance will result in rejection of the bid. If a bidder is permitted to withdraw a bid before award, its bid security shall be returned.

I. Noncollusion Affidavit. Each bidder may be required to warrant that their bid is genuine, and that they have not entered into collusion with other bidders, by submitting with their bid an executed and notarized affidavit. (Ord. 12-1005 § 4: Ord. 09-1011 § 1 (part))

3.31.110 Emergency purchases.

In the event of an emergency when the public interest or property of the City would suffer material injury or damage by delay, the City Manager may waive the requirements set forth in this chapter. The City Manager shall report, in detail, such emergency expenditures to the City Council within twenty (20) days of purchases or contracts entered into pursuant to this section, or as soon as practicable. Written determination of the basis for the emergency and for the selection of the particular vendor or vendors shall be filed with the City Clerk within twenty (20) days of procurement. If an emergency is proclaimed pursuant to Chapter 2.75 SMC, the provisions of that chapter shall supersede in the event of any conflicts. (Ord. 09-1011 § 1 (part))

3.31.120 Sole source and special market conditions.

A. The provisions of this section only apply to the purchase of supplies, equipment, and information services.

B. Sole source purchases are authorized when:

1. There is clearly and legitimately only one (1) source capable of supplying the good or service in a timely fashion; or
2. There are special circumstances or market conditions that result in only one (1) appropriate source. This includes parts and services for equipment and technical support for computer software or hardware that the City is already using.

C. Purchases may be made from a sole source vendor without soliciting other quotes or bids. However, written documentation demonstrating the appropriateness of a sole source purchase shall be submitted to the City Manager in advance of the purchase. The City Manager will evaluate whether a vendor can legitimately be defined as a sole source, pursuant to RCW 39.04.280. Any sole source purchases and contracts and the basis for the exception from competitive procurement shall be recorded and open to public inspection immediately after the purchase.

D. Any purchases or agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.130 Electronic data processing and telecommunications systems.

Notwithstanding any provisions of this chapter, electronic data processing and telecommunications systems may be acquired in accordance with the provisions of RCW 39.04.270. However, the contract approval limits set forth in SMC 3.31.050 are still applicable. (Ord. 09-1011 § 1 (part))

3.31.140 Final acceptance.

In order to comply with the provisions of RCW 39.08.030, the City Council shall formally accept the work for all projects in which a bond has been filed with the City in accordance with Chapter 39.08 RCW. (Ord. 09-1011 § 1 (part))

3.31.150 Intergovernmental cooperative purchasing.

A. The City may sell to, acquire from or use any supplies, material or equipment belonging to any agency, political subdivision, or unit of local government including, but not limited to, special purpose and local service districts, any agency of the State, County, or Municipal government, King County, and any agency of the United States, without the necessity for competitive sealed bids.

B. The City may join the above-described units of government in cooperative purchasing plans when the best interests of the City would be served thereby; provided, that each of the participating units shall be separately invoiced by the vendors for purchases made under such plans, and the City shall not be obligated for purchases other than those required for its own use. It is further provided that in the case of purchases by the City through such intergovernmental cooperative purchasing plans, the City Manager or designee shall be authorized to negotiate with the successful bidder for any additional equipment, options and/or accessories where such equipment, options and/or accessories were not included in the bid package of the other public agency, political subdivision, or unit of local government; provided, that such accessories, options or equipment could be purchased within budgeted amounts. It is further provided that the City Manager or designee is authorized to negotiate reductions or deletions of equipment, options and/or accessories where such equipment, options and/or accessories were included in the bid package of the other public agency, political subdivision, or unit of local government and where such equipment, options and/or accessories are not needed, wanted or required by the City.

C. Any agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.160 Compliance.

Officers and employees should be aware of possible personal penalties, and financial liability for intentional or willful violation of competitive bidding laws. RCW 39.30.020 states:

In addition to any other remedies or penalties contained in any law, municipal charter, ordinance, resolution, or other enactment, any municipal officer by or through whom or under whose supervision, in whole or in part, any contract is made in willful and intentional violation of any law, municipal charter, ordinance, resolution, or other enactment requiring competitive bidding upon such contract shall be held liable to civil penalty of not less than three hundred dollars and may be held liable, jointly and severally, with any other such municipal officer for all consequential damages to the municipal corporation.

If, as a result of a criminal action, the violation is found to have been intentional, the municipal officer shall immediately forfeit their office. For purposes of this section "municipal officer" shall mean an "officer" or "municipal officer" as those terms are defined in RCW 42.23.020 (2).

(Ord. 09-1011 § 1 (part))

3.31.170 Third party contracts.

A. At times, the City is a third party to a contract in which there is no net financial impact to the City. These situations include, but are not limited to, contracts for peer review of developer studies and reports submitted to the City as part of the development review process.

B. Contracts in which the City is a party with two (2) or more other parties, and in which there is no net financial impact to the City, may be executed by the City Manager without Council approval.

C. Contracts in which the City is a party with two (2) or more other parties, and in which there is a net financial impact to the City, are subject to the contract approval levels set forth in SMC 3.31.050. The specific contract approval level shall be based upon the net fiscal impact to the City, which may be less than the total value of the contract. (Ord. 09-1011 § 1 (part))

3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].

The City hereby adopts as a part of its purchasing system the "Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" as it relates to purchasing and procurement, established by the Office of Management and Budget (OMB), and set forth now or as hereafter amended in OMB Circular A-102, which is adopted herein by reference. (Ord. 09-1011 § 1 (part))

3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.

The City Manager or designee, on behalf of the City, is granted the authority to accept grants, lease or rent City facilities, or let any contract in which the City receives either monetary or nonmonetary payment for material, equipment, services, or supplies under such terms and conditions the City Manager deems is in the best interest of the City and does not interfere with public use; provided, that annual payment to the City for any such lease, rental agreement, or contract is less than fifty thousand dollars (\$50,000) in value. (Ord. 12-1005 § 5: Ord. 09-1011 § 1 (part))

The SeaTac Municipal Code is current through Ordinance 17-1017, passed October 10, 2017.

Disclaimer: The City Clerk's Office has the official version of the SeaTac Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.ci.seatac.wa.us/> (<http://www.ci.seatac.wa.us/>)

City Telephone: (206) 973-4800

Code Publishing Company (<http://www.codepublishing.com/>)

Resolution 07-014

Attachment 3

RESOLUTION NO. 07-014

A RESOLUTION of the City Council of the City of SeaTac, Washington authorizing the Director of Finance to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

WHEREAS, RCW 42.24.180 provides that the City Council may authorize the issuance of checks in payment of claims provided that certain statutory requirements are followed, including 1) the auditing officer obtains a bond in an amount not less than \$50,000; 2) the Council adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal controls; 3) the Council approve claims paid at the next regularly scheduled meeting; and 4) if the Council disapproves a claim, any amount paid becomes a receivable to the City; and

WHEREAS, the City Council deems that it is appropriate to make said authorization;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON HEREBY RESOLVES as follows:

1. The Director of Finance is authorized to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

PASSED this 24th day of July, 2007 and signed in authentication thereof on this 24th day of July, 2007.

CITY OF SEATAC

Gene Fisher, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to Form:

Mary Mirante Bartolo, City Attorney

[Payment of Claims prior to Council Approval]

Attachment 3

RCW 42.24.180

Attachment 4

RCW 42.24.180***Taxing district—Issuance of warrants or checks before approval by legislative body—
Conditions.**

In order to expedite the payment of claims, the legislative body of any *taxing district, as defined in RCW 43.09.260, may authorize the issuance of warrants or checks in payment of claims after the provisions of this chapter have been met and after the officer designated by statute, or, in the absence of statute, an appropriate charter provision, ordinance, or resolution of the *taxing district, has signed the checks or warrants, but before the legislative body has acted to approve the claims. The legislative body may stipulate that certain kinds or amounts of claims shall not be paid before the board has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims. However, all of the following conditions shall be met before the payment:

(1) The auditing officer and the officer designated to sign the checks or warrants shall each be required to furnish an official bond for the faithful discharge of his or her duties in an amount determined by the legislative body but not less than fifty thousand dollars;

(2) The legislative body shall adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;

(3) The legislative body shall provide for its review of the documentation supporting claims paid and for its approval of all checks or warrants issued in payment of claims at its next regularly scheduled public meeting or, for cities and towns, at a regularly scheduled public meeting within one month of issuance; and

(4) The legislative body shall require that if, upon review, it disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants shall jointly cause the disapproved claims to be recognized as receivables of the *taxing district and to pursue collection diligently until the amounts disapproved are collected or until the legislative body is satisfied and approves the claims.

[1994 c 273 § 18; 1984 c 128 § 11.]

NOTES:

***Reviser's note:** "Taxing district" redesignated "local government" by 1995 c 301 § 15.