



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
253-858-3400 – info@penmetparks.org
www.penmetparks.org

REGULAR MEETING AGENDA

September 21, 2021, 6:00 PM

Community Recreation Center (CRC) 2416 14th Ave NW, Gig Harbor, WA 98335

Call to Order

Commissioner Roll Call:

	Present	Excused	Comment
Amanda Babich, President			
Kurt Grimmer, Clerk			
Maryellen (Missy) Hill			
Steve Nixon			
Laurel Kingsbury			

ITEM 1 Approval of Agenda

ITEM 2 Citizen Comments

Citizens are afforded an opportunity at each regular meeting of the Board to offer their comments to the Board. Citizens are limited to a three (3) minute time limit and may only speak once during the citizen comment period at each meeting.

ITEM 3 Presentations

3a. Executive Director's Report

3b. [Monthly Finance Report](#)

3c. President's Report

ITEM 4 Consent Agenda

4a. [Approval of Minutes](#)

[8/31/2021 Special Meeting, 09/07/21 Study Session and Regular Meeting](#)

4b. Approval of Vouchers

\$130,587.91 Reference Number: 210904001-210904018

ITEM 5 Unfinished Business

ITEM 6 New Business

6a. [R2021-023: Authorize the Executive Director to Sign the First Amendment to the Agreement for Human Resources Services](#)

6b. [R2021-025: Adopt Amended Policy P40-101: Comprehensive Financial Management Policy](#)

6c. [R2021-026: Adopt New Policy P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law](#)



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- 6d. [Resolution R2021-027: Adopt New Policy P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law](#)
- 6e. [R2021-028: Authorize the Executive Director to Sign the Contract with MB Electric to Replace Wiring at Sehmel Homestead Park](#)

ITEM 7 Project Manager Update

- 7a. Community Recreation Center Update

ITEM 8 Comments by Board

ITEM 9 Next Board Meetings

October 05, 2021, (Study and Regular) Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Community Recreation Center.

October 12, 2021, Special Study Session at 5:00 PM at the Community Recreation Center.

ITEM 10 Executive Session for the purpose of reviewing the performance of a public employee pursuant to RCW 42.30.110(g).

ITEM 11 Adjournment

AGENDA POLICY

No comments or discussion will be allowed on consent items.

Citizen Comments: Citizens are afforded an opportunity at each regular and special meeting of the Board of Park Commissioners to offer their comments to the Board. Citizens are limited to a three (3) minute time limit and may only speak once during the Citizen Comment period at each meeting. Comments will be included as part of the official record of the meeting.

Individuals wishing to submit materials or written testimony to the Board at the meeting must provide ten (10) copies at least 15 minutes prior to the start of the meeting.



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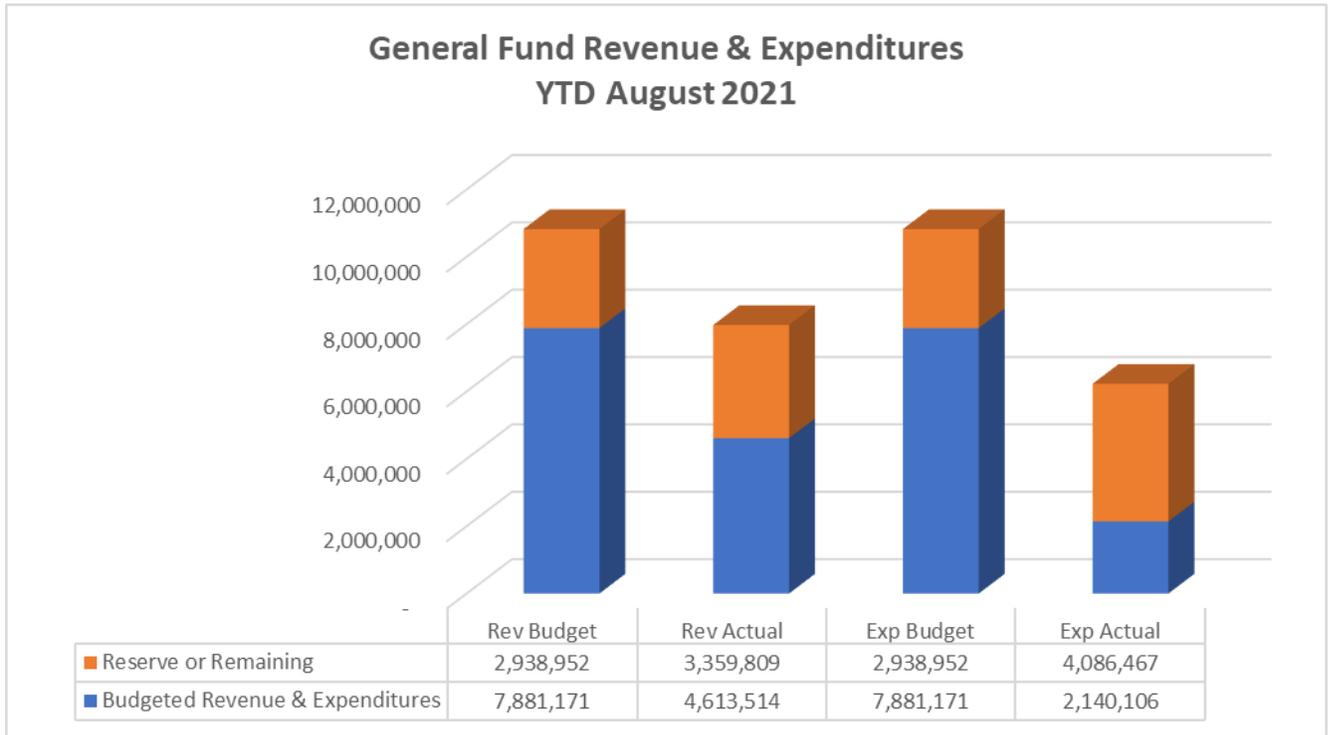
DISTRICT COMMISSION MEMO

To: Board of Park Commissioners
From: Louise Tieman, Interim Finance & HR Manager
Date: September 21, 2021
Subject: Monthly Finance Report -- August 2021

Background/Analysis

Attached is the January – August 2021 Financial Report which provides current year budget to actual comparison of revenues and expenditures.

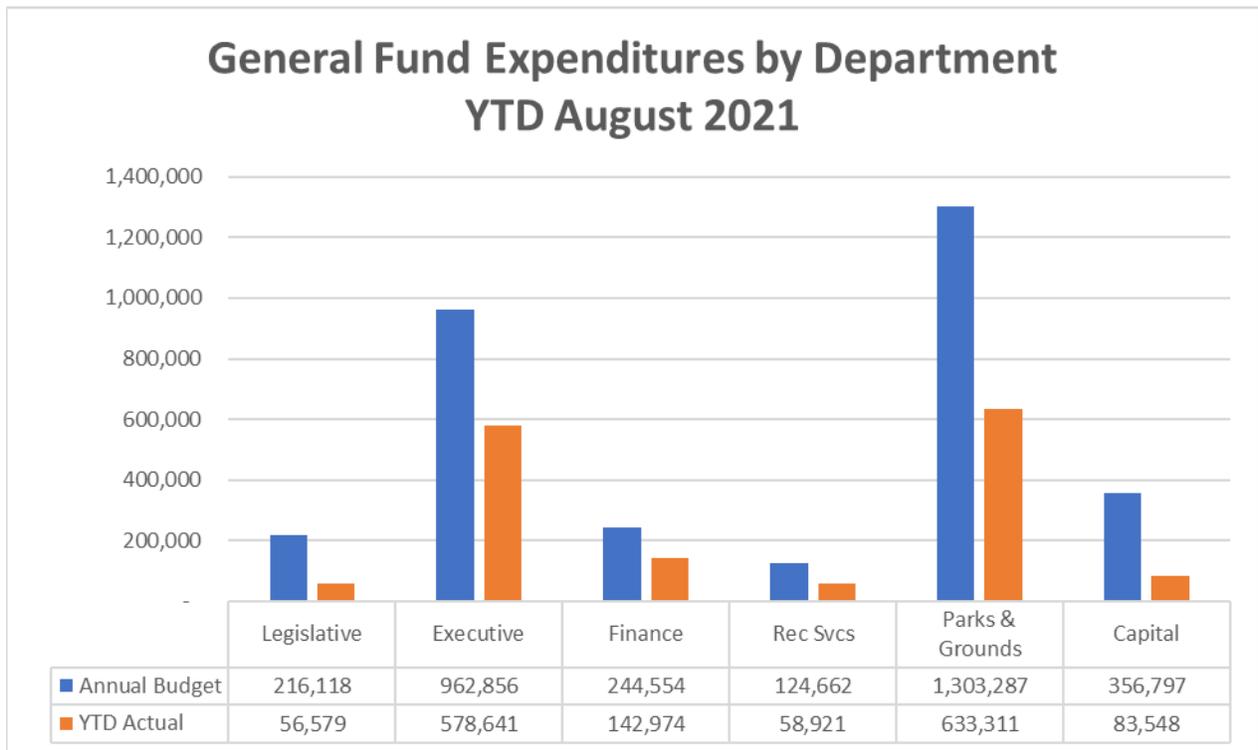
General Fund:



General Fund Summary:

The General Fund budget of \$10,820,122 is comprised of a \$2,938,952 reserve and anticipated revenues from taxes, fees, leases, and other operating sources of \$7,881,171. To date PenMet Parks has collected \$4,613,514 of anticipated revenues and has good confidence in collecting the remaining \$3,359,809 by year end. For comparison, in the last four months of 2020 PenMet Parks collected \$3,418,070.

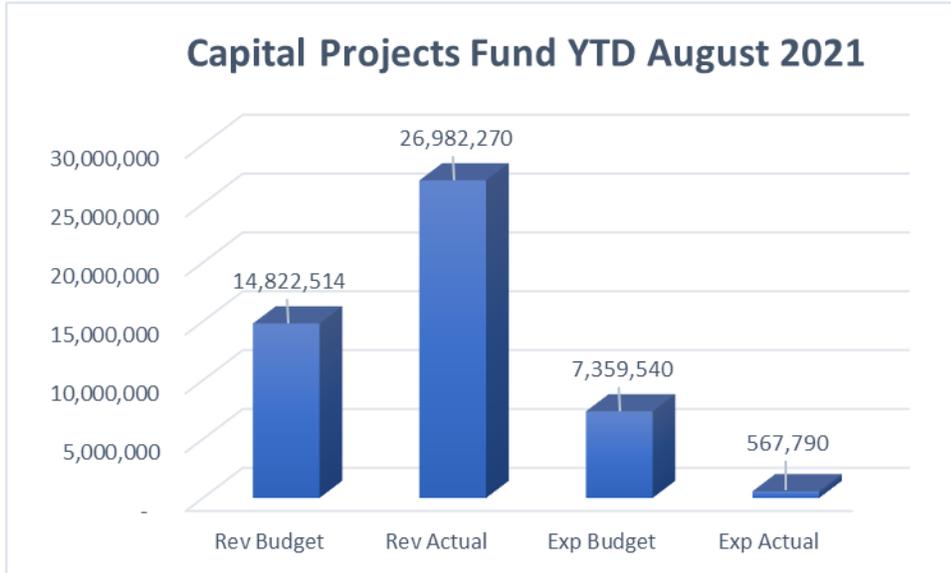
The General Fund expenditure budget is a zero-based budget designed to equal revenue, therefore it also includes the \$2,938,952 reserve and \$7,881,871 anticipated expenditures, which includes transfers to other funds including capital projects, debt service, endowment and the Recreation Revolving fund. Operating expenditures total \$2,140,106 YTD with \$1,654,598 available to spend. We do not anticipate spending it all, however, primarily due to the impact of staff vacancies on wages and benefits. In 2020 PenMet Parks expended \$1,643,564 in the remaining four months.



General Fund Expenditures by Department:

General Fund expenses by line item are on target with planned expenditures. No department exceeds its budget.

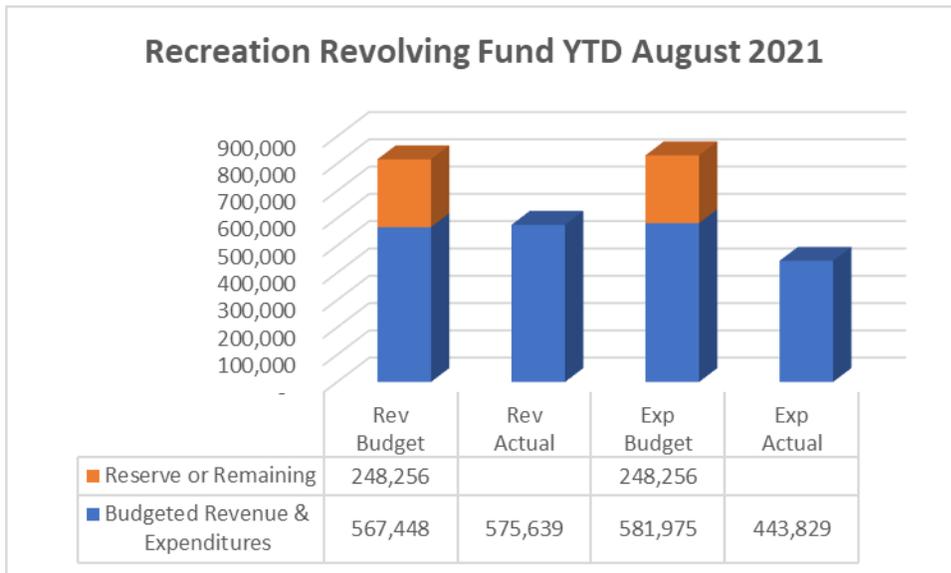
Capital Projects Fund:



The CRC bonds have earned investment interest of \$4,283 as of August 31, 2021.

The Capital Projects fund has expended approved amounts totaling \$567,790 on its three projects, the Community Recreation Center, the Sehmel Homestead Park turf replacement, and the Hale Pass renovation.

Recreation Revolving Fund:



The Recreation Revolving Fund has its own structure which includes a reserve of \$248,256, anticipated revenues from registrations and fees of \$416,600, plus cash support from the General

Fund of \$150,848 to subsidize programs and events for the benefit of the community. This is also a zero-based budget, so planned expenditures approximately equal revenues and cash support at \$581,975.

The Recreation Department provided additional camps, classes and sports this summer which resulted in revenues exceeding the annual budget by \$8,191 with four months left for additional registration revenue. Approximately \$87,000 revenue is anticipated for the remainder of 2021, which is in line with the 2020 revenue from the same period.. Additionally, the majority of the Kids Need to Play! grant was invoiced in September for a total of \$192,495 and we are awaiting reimbursement. The SEEK grant will also result in increased revenue from reimbursement of youth-related program expenses but the final amount is unknown at this time (not to exceed \$157,819).

The Recreation Department has expended \$443,829 in program expenses YTD and has \$138,146 remaining in its budget. In 2020 it expended \$183,760 in the last four months of the year. Though Recreation program expenses are outpacing budget, revenue from program fees and grants are expected to cover the overage.

All other Funds:

The other funds utilized by the District had no or minimal activity, which is as expected during this period.

Fund Name	Budget	Status
Debt Service	541,600	No activity
Debt Contingency	600,000	No activity
Equipment Replacement	362,789	No activity
Restricted Endowment	144,965	No activity
Unrestricted Endowment	277,000	243

Investment Activity:

PenMet Parks utilizes the cash management services of the Pierce County Finance Department to maximize the rate of return on idle cash while incurring the least amount of risk. The County invests in the Washington State Investment Pool, a secured and fully liquid investment vehicle. As of August, the investment report is as follows:

General Fund monies:

Beginning balance	\$	16,004,498.43
Deposit: from payment account	\$	-
Deposit: interest	\$	1,070.80
Withdrawal: fee	\$	(50.00)
Ending balance	\$	<u>16,005,519.23</u>

Endowment Fund monies:

Beginning balance	\$	420,759.22
Deposit: interest	\$	28.15
Withdrawal: fee	\$	(1.41)
Ending balance	\$	<u>420,785.96</u>

CRC Bond Proceeds

Beginning balance	\$	16,003,229.11
Deposit: interest	\$	1,103.66
Withdrawal: fee	\$	(50.00)
Ending balance	\$	<u>16,004,282.77</u>

Total LGIP Ending balance \$ 32,430,587.96

2021 BUDGET POSITION

Item 3b.

Peninsula Metropolitan Park District

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001 General Expense Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 31 00 630 Restricted Beginning Balance	0.00	9,141.72	(9,141.72)	0.0%
308 91 00 001 Unassigned Beginning Balance	2,938,951.91	2,938,951.91	0.00	100.0%
001 Carryover	2,938,951.91	2,948,093.63	(9,141.72)	100.3%

002 Revenue

311 10 00 001 Real and Personal Property Tax	7,306,786.00	4,092,536.33	3,214,249.67	56.0%
313 17 00 000 Sales Tax	377,000.00	331,056.22	45,943.78	87.8%
317 40 00 000 Private Harvest Tax	0.00	1,836.92	(1,836.92)	0.0%
337 00 00 000 Leasehold Excise Tax	1,500.00	5,052.39	(3,552.39)	336.8%
337 00 00 001 REET Excise Tax	0.00	0.00	0.00	0.0%
347 30 00 000 Facility Rental Fee	72,500.00	89,384.62	(16,884.62)	123.3%
361 11 00 001 Investment Interest	18,000.00	8,954.80	9,045.20	49.7%
362 30 01 000 Parking Space Lease	0.00	0.00	0.00	0.0%
362 50 01 000 Long Term Golf Course Lease	57,000.00	45,596.18	11,403.82	80.0%
362 60 01 000 Housing Rentals/Leases	48,385.08	32,352.44	16,032.64	66.9%
362 70 01 000 Concessions Lease Facilities	0.00	771.45	(771.45)	0.0%
382 10 00 000 Deposits Received	0.00	0.00	0.00	0.0%
389 30 53 630 State Leasehold Receipts	0.00	5,972.95	(5,972.95)	0.0%
002 Revenue	7,881,171.08	4,613,514.30	3,267,656.78	58.5%

003 NonRevenue

369 91 00 000 Other General Fund Revenue	0.00	3,150.69	(3,150.69)	0.0%
395 10 61 000 Sale of Land	0.00	0.00	0.00	0.0%
395 10 62 000 Sale of Buildings & Structures	0.00	0.00	0.00	0.0%
395 10 63 000 Sale of Other Improvements	0.00	0.00	0.00	0.0%
395 10 64 000 Sale of Machinery & Equipment	0.00	0.00	0.00	0.0%
003 NonRevenue	0.00	3,150.69	(3,150.69)	0.0%

Fund Revenues:

10,820,122.99 7,564,758.62 3,255,364.37 69.9%

	Amt Budgeted	Expenditures	Remaining	
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010 Legislative

511 10 10 000 Compensation	61,440.00	46,976.00	14,464.00	76.5%
511 10 20 000 Benefits	5,652.00	5,528.54	123.46	97.8%
511 10 31 000 Office & Operating Supplies	650.00	351.97	298.03	54.1%
511 10 44 000 Printing and Advertising	375.00	0.00	375.00	0.0%
511 20 41 000 Professional Services	80,000.00	2,604.55	77,395.45	3.3%
511 40 43 000 Travel	4,312.05	0.00	4,312.05	0.0%
511 40 49 000 Memberships & Training	2,128.00	0.00	2,128.00	0.0%
511 50 45 000 Rentals	5,500.00	1,118.30	4,381.70	20.3%
511 70 41 000 Elections	56,061.00	0.00	56,061.00	0.0%
010 Legislative	216,118.05	56,579.36	159,538.69	26.2%

020 Debt Service

592 76 80 000 Bond Service Costs	300.00	0.00	300.00	0.0%
592 84 00 000 Bond Issue Costs	0.00	0.00	0.00	0.0%

2021 BUDGET POSITION

Item 3b.

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001 General Expense Fund Months: 01 To: 08

Expenditures	Amt Budgeted	Expenditures	Remaining	
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020 Debt Service

020 Debt Service	300.00	0.00	300.00	0.0%
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030 Executive

513 10 10 000	Salaries - Exec	130,000.00	94,002.15	35,997.85	72.3%
513 10 11 000	Wages - Regular	129,887.00	85,797.63	44,089.37	66.1%
513 10 20 000	Benefits	111,340.00	60,150.74	51,189.26	54.0%
513 10 44 000	Marketing	3,425.94	1,623.56	1,802.38	47.4%
513 10 44 001	Supplies	13,250.00	871.79	12,378.21	6.6%
513 10 44 002	Printing	53,528.00	31,590.64	21,937.36	59.0%
513 10 44 003	Professional Services	29,500.00	10,737.37	18,762.63	36.4%
513 10 45 000	Office Lease	112,305.00	77,664.50	34,640.50	69.2%
513 10 49 000	Dues & Training	8,810.00	3,060.85	5,749.15	34.7%
513 20 41 000	Executive-Professional Services	63,700.00	46,186.31	17,513.69	72.5%
513 40 43 000	Executive - Travel	9,740.00	800.00	8,940.00	8.2%
515 20 41 000	Legal - Professional Services	60,000.00	79,543.50	(19,543.50)	132.6%
576 10 31 000	Office and Operating Supplies	7,000.00	4,620.18	2,379.82	66.0%
576 10 35 000	Minor Equipment	0.00	0.00	0.00	0.0%
576 10 41 000	Professional Services - Computers	37,696.00	23,144.95	14,551.05	61.4%
576 10 43 000	Administration - Travel	500.00	0.00	500.00	0.0%
576 10 45 000	Operating Rentals and Leases	10,000.00	3,923.71	6,076.29	39.2%
576 10 46 000	Insurance - General Liability	81,000.00	207.00	80,793.00	0.3%
576 10 49 000	Miscellaneous / Events	2,500.00	322.84	2,177.16	12.9%
576 20 31 000	Postage	1,300.00	832.56	467.44	64.0%
576 20 36 001	Computer Hardware	12,000.00	5,340.52	6,659.48	44.5%
576 20 36 002	Computer Software	15,000.00	8,233.46	6,766.54	54.9%
576 20 41 001	Telephone	37,800.00	17,206.68	20,593.32	45.5%
576 20 41 002	Internet	20,000.00	16,328.00	3,672.00	81.6%
576 89 41 000	Taxes	0.00	0.00	0.00	0.0%
589 30 41 000	Sales Tax Rentals	12,573.86	6,452.42	6,121.44	51.3%

030 Executive	962,855.80	578,641.36	384,214.44	60.1%
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040 Budget & Finance

514 10 11 000	Wages - Regular	150,735.00	109,851.08	40,883.92	72.9%
514 10 20 000	Personnel Benefits	54,341.00	24,656.63	29,684.37	45.4%
514 10 31 000	Supplies	1,149.00	429.87	719.13	37.4%
514 20 00 000	Financial Services	600.00	148.37	451.63	24.7%
514 23 36 000	Computers - Springbrook	4,824.00	2,108.75	2,715.25	43.7%
514 23 41 000	Professional Services	31,610.00	5,083.19	26,526.81	16.1%
514 23 49 000	Bank Charges	600.00	178.04	421.96	29.7%
514 40 43 000	Travel	105.00	0.00	105.00	0.0%
514 40 49 000	Memberships & Training	590.00	517.92	72.08	87.8%

040 Budget & Finance	244,554.00	142,973.85	101,580.15	58.5%
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050 Recreational Services

571 10 11 000	Wages - Administration	79,146.00	52,310.52	26,835.48	66.1%
571 10 20 000	Benefits - Administration	41,176.00	5,756.59	35,419.41	14.0%
571 10 43 000	Conferences	4,340.05	854.00	3,486.05	19.7%

2021 BUDGET POSITION

Item 3b.

Peninsula Metropolitan Park District

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001 General Expense Fund

Months: 01 To: 08

Expenditures	Amt Budgeted	Expenditures	Remaining	
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050 Recreational Services

050 Recreational Services	124,662.05	58,921.11	65,740.94	47.3%
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060 Parks & Grounds

576 85 11 000	Wages - Regular	641,063.00	323,557.22	317,505.78	50.5%
576 85 20 000	Benefits	321,923.50	139,172.09	182,751.41	43.2%
576 85 31 000	Operating Supplies	0.00	0.00	0.00	0.0%
576 85 31 001	Toilet Paper/Paper Towels	3,122.00	2,749.54	372.46	88.1%
576 85 31 002	Soap/Cleaning Products	1,561.00	1,347.21	213.79	86.3%
576 85 31 003	Signs	5,000.00	1,001.77	3,998.23	20.0%
576 85 31 004	Garbage Bags	4,950.00	2,484.05	2,465.95	50.2%
576 85 31 005	Dog Bags	15,350.00	4,428.61	10,921.39	28.9%
576 85 31 006	Fertilizer	2,700.00	1,510.60	1,189.40	55.9%
576 85 31 007	COVID/Medical	7,177.00	1,638.50	5,538.50	22.8%
576 85 31 008	Plumbing/Heating	8,000.00	244.18	7,755.82	3.1%
576 85 31 009	Pesticide	3,100.00	28.77	3,071.23	0.9%
576 85 31 010	Ballfield Supplies	3,300.00	1,173.09	2,126.91	35.5%
576 85 31 011	Sand/Seed	8,700.00	597.92	8,102.08	6.9%
576 85 31 012	Paint	13,300.00	119.81	13,180.19	0.9%
576 85 31 013	Infield Mix	6,000.00	1,299.30	4,700.70	21.7%
576 85 31 014	Bark	8,900.00	35.81	8,864.19	0.4%
576 85 31 015	Hardware/Fasteners	6,900.00	2,501.85	4,398.15	36.3%
576 85 31 016	Lights	6,500.00	4,775.53	1,724.47	73.5%
576 85 31 017	Gravel	6,900.00	2,324.06	4,575.94	33.7%
576 85 31 018	Uniforms	5,000.00	1,766.09	3,233.91	35.3%
576 85 31 019	Vehicle/Trailer	0.00	1,569.35	(1,569.35)	0.0%
576 85 31 020	Supply Oil	1,200.00	67.16	1,132.84	5.6%
576 85 32 000	Fuel	0.00	175.54	(175.54)	0.0%
576 85 32 001	Diesel	7,000.00	3,286.67	3,713.33	47.0%
576 85 32 002	Fuel Oil	1,000.00	118.44	881.56	11.8%
576 85 32 003	Gasoline	9,000.00	4,935.44	4,064.56	54.8%
576 85 32 004	Propane	500.00	90.02	409.98	18.0%
576 85 34 000	Concessions Expense	55.00	0.00	55.00	0.0%
576 85 35 000	Small Tools & Minor Equipment	12,300.00	11,468.87	831.13	93.2%
576 85 36 000	Computers - Shop	0.00	0.00	0.00	0.0%
576 85 40 000	Extraordinary Park Repairs	0.00	0.00	0.00	0.0%
576 85 41 000	Professional Services	0.00	0.00	0.00	0.0%
576 85 41 001	Fire Alarm Inspection	4,500.00	6,804.78	(2,304.78)	151.2%
576 85 41 002	Septic Inspection	10,900.00	1,826.73	9,073.27	16.8%
576 85 41 003	Backflow Assembly	900.00	0.00	900.00	0.0%
576 85 41 004	Septic Tank Pumping	10,700.00	6,015.18	4,684.82	56.2%
576 85 41 005	Asphalt Repair	5,000.00	0.00	5,000.00	0.0%
576 85 41 006	Plumbing	0.00	128.40	(128.40)	0.0%
576 85 41 007	Auto Services	5,000.00	3,546.33	1,453.67	70.9%
576 85 41 008	Locks & Deadbolts	0.00	0.00	0.00	0.0%
576 85 41 010	Sani Cans	17,330.00	8,057.50	9,272.50	46.5%
576 85 41 011	Security	10,000.00	12,962.50	(2,962.50)	129.6%
576 85 41 012	Safety Program	0.00	5,842.50	(5,842.50)	0.0%
576 85 43 000	Travel	0.00	0.00	0.00	0.0%
576 85 43 001	Bridge Tolls	1,500.00	240.00	1,260.00	16.0%
576 85 43 002	Meals	500.00	44.80	455.20	9.1%
576 85 43 003	Mileage Reimbursement	500.00	86.95	413.05	17.4%

2021 BUDGET POSITION

Item 3b.

Peninsula Metropolitan Park District

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001 General Expense Fund Months: 01 To: 08

Expenditures	Amt Budgeted	Expenditures	Remaining	
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060 Parks & Grounds

576 85 44 000	Printing & Advertising	0.00	0.00	0.00	0.0%
576 85 45 000	Operating Rentals & Leases	0.00	455.33	(455.33)	0.0%
576 85 45 001	Scissor Lift	1,700.00	0.00	1,700.00	0.0%
576 85 45 002	Boom	2,000.00	0.00	2,000.00	0.0%
576 85 45 003	Demo Hammer	150.00	0.00	150.00	0.0%
576 85 45 004	Excavators	4,000.00	0.00	4,000.00	0.0%
576 85 45 005	Concrete Mixer	1,650.00	0.00	1,650.00	0.0%
576 85 45 006	Copier	0.00	0.00	0.00	0.0%
576 85 45 007	Septic Excavation	0.00	0.00	0.00	0.0%
576 85 45 008	Sod Cutter and Repair	0.00	0.00	0.00	0.0%
576 85 45 009	Cleaning	1,300.00	0.00	1,300.00	0.0%
576 85 46 000	Surface Water/Noxious Weed Tax	3,700.00	3,675.52	24.48	99.3%
576 85 47 000	Utility Services	0.00	0.00	0.00	0.0%
576 85 47 001	Electric	40,800.00	29,010.86	11,789.14	71.1%
576 85 47 002	Water	10,855.00	7,095.67	3,759.33	65.4%
576 85 47 003	Recycle	0.00	0.00	0.00	0.0%
576 85 47 004	Garbage	12,700.00	12,589.70	110.30	99.1%
576 85 47 005	Trash - Dump Runs	4,000.00	1,040.67	2,959.33	26.0%
576 85 47 006	Natural Gas	3,500.00	6,462.84	(2,962.84)	184.7%
576 85 48 000	Repairs & Maintenance	0.00	8,052.88	(8,052.88)	0.0%
576 85 48 001	Buildings	14,000.00	3,476.53	10,523.47	24.8%
576 85 48 002	Equipment	6,000.00	590.48	5,409.52	9.8%
576 85 48 003	Vandalism	4,000.00	0.00	4,000.00	0.0%
576 85 48 004	Heating	0.00	0.00	0.00	0.0%
576 85 48 005	Plumbing	0.00	36.79	(36.79)	0.0%
576 85 48 006	Structures	5,000.00	2.48	4,997.52	0.0%
576 85 49 000	Memberships & Training	10,600.00	798.40	9,801.60	7.5%
060 Parks & Grounds		1,303,286.50	633,311.31	669,975.19	48.6%

070 Capital

576 80 10 000	Wages - Regular	196,418.00	57,271.13	139,146.87	29.2%
576 80 20 000	Benefits	83,262.00	21,215.83	62,046.17	25.5%
576 80 31 000	Supplies	5,000.00	24.83	4,975.17	0.5%
576 80 35 000	Small Equipment	1,600.00	0.00	1,600.00	0.0%
576 80 41 000	Professional Services	60,000.00	3,974.53	56,025.47	6.6%
576 80 43 000	Travel	3,300.00	561.57	2,738.43	17.0%
576 80 44 000	Printing	0.00	0.00	0.00	0.0%
576 80 45 000	Facility Rentals	5,000.00	0.00	5,000.00	0.0%
576 80 49 000	Memberships & Training	2,217.00	500.00	1,717.00	22.6%
070 Capital		356,797.00	83,547.89	273,249.11	23.4%

090 NonExpenditures

589 30 41 630	State Leasehold Disbursed	0.00	11,524.76	(11,524.76)	0.0%
589 40 00 000	Deposits Disbursed	0.00	0.00	0.00	0.0%
589 99 00 000	Payroll Clearing	0.00	316,826.71	(316,826.71)	0.0%
597 20 55 001	Transfer Out to Recreation Fund	150,847.64	150,847.64	0.00	100.0%
597 76 64 001	Transfer Out to Capital Equipment Fund	106,932.00	106,932.00	0.00	100.0%
597 76 65 001	Transfer Out to Capital Project Fund	3,868,942.10	0.00	3,868,942.10	0.0%
597 76 71 001	Transfer Out to Debt Service Fund	541,600.00	0.00	541,600.00	0.0%

2021 BUDGET POSITION

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Peninsula Metropolitan Park District

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001 General Expense Fund Months: 01 To: 08

Expenditures	Amt Budgeted	Expenditures	Remaining	
090 NonExpenditures				
598 11 41 000 Intergovt Payment	0.00	0.00	0.00	0.0%
598 22 41 000 Intergovt Pmt - Fire Protect	4,275.94	0.00	4,275.94	0.0%
090 NonExpenditures	4,672,597.68	586,131.11	4,086,466.57	12.5%
Fund Expenditures:	7,881,171.08	2,140,105.99	5,741,065.09	27.2%
Fund Excess/(Deficit):	2,938,951.91	5,424,652.63		

2021 BUDGET POSITION

Item 3b.

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201 Debt Service Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 51 00 201 Assigned Beginning Balance	0.00	0.00	0.00	0.0%
001 Carryover	0.00	0.00	0.00	0.0%

003 NonRevenue

391 11 00 201 General Obligation Bond Proceed	0.00	0.00	0.00	0.0%
392 00 00 201 Premium on Bonds Sold	0.00	0.00	0.00	0.0%
393 00 00 201 Proceeds of Refunding LT Debt	0.00	0.00	0.00	0.0%
397 76 71 201 Transfer In from General Fund	541,600.00	0.00	541,600.00	0.0%
003 NonRevenue	541,600.00	0.00	541,600.00	0.0%

Fund Revenues:	541,600.00	0.00	541,600.00	0.0%
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	Amt Budgeted	Expenditures	Remaining	
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020 Debt Service

591 71 00 201 G.O. Bond Principle Payment	425,000.00	0.00	425,000.00	0.0%
592 76 80 201 Interest Long Term G.O. Bonds	116,600.00	0.00	116,600.00	0.0%
592 80 82 201 Bond Discount	0.00	0.00	0.00	0.0%
592 83 76 201 Interest LT Debt-Line of Credit	0.00	0.00	0.00	0.0%
020 Debt Service	541,600.00	0.00	541,600.00	0.0%

Fund Expenditures:	541,600.00	0.00	541,600.00	0.0%
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Fund Excess/(Deficit):	0.00	0.00		
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2021 BUDGET POSITION

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202 Debt Contingency Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
001 Carryover				
308 51 00 202 Assigned Beginning Balance	600,000.00	600,000.00	0.00	100.0%
001 Carryover	600,000.00	600,000.00	0.00	100.0%
Fund Revenues:	600,000.00	600,000.00	0.00	100.0%
Fund Excess/(Deficit):	600,000.00	600,000.00		

2021 BUDGET POSITION

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300 Capital Projects Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 51 00 300 Assigned Beginning Balance	10,953,572.60	10,953,572.60	0.00	100.0%
001 Carryover	10,953,572.60	10,953,572.60	0.00	100.0%

300 Capital Projects

361 11 00 326 Investment Interest	0.00	4,282.77	(4,282.77)	0.0%
369 91 00 300 Other Capital Revenue	0.00	24,414.28	(24,414.28)	0.0%
391 10 00 000 CRC 2021 A & B LTGO Bonds	0.00	16,000,000.00	(16,000,000.00)	0.0%
397 76 65 300 Transfer In from General Fund	3,868,942.10	0.00	3,868,942.10	0.0%
300 Capital Projects	3,868,942.10	16,028,697.05	(12,159,754.95)	414.3%

Fund Revenues:	14,822,514.70	26,982,269.65	(12,159,754.95)	182.0%
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	Amt Budgeted	Expenditures	Remaining	
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300 Capital Projects

594 76 31 300 Capital Exp. - Supplies	0.00	134.50	(134.50)	0.0%
594 76 36 300 Capital Exp. - Computers	0.00	2,805.40	(2,805.40)	0.0%
594 76 41 300 Capital Exp. - Prof Services	2,927,302.00	546,455.16	2,380,846.84	18.7%
594 76 44 300 Capital Exp. - Printing	0.00	180.60	(180.60)	0.0%
594 76 45 300 Capital Exp. - Rentals & Leases	0.00	8,000.31	(8,000.31)	0.0%
594 76 46 300 Capital Exp. - External Taxes	0.00	0.00	0.00	0.0%
594 76 61 300 Capital Exp. - Land & Land Imp.	0.00	560.00	(560.00)	0.0%
594 76 62 300 Capital Exp - Structures	1,111,472.00	0.00	1,111,472.00	0.0%
594 76 63 300 Cap Exp -Fields/Bridges/Signs	0.00	1,210.36	(1,210.36)	0.0%
594 76 65 300 Capital Exp.- Construction	3,320,766.00	8,443.99	3,312,322.01	0.3%
594 76 66 300 Capital Exp. - Lease/Purchase	0.00	0.00	0.00	0.0%
300 Capital Projects	7,359,540.00	567,790.32	6,791,749.68	7.7%

Fund Expenditures:	7,359,540.00	567,790.32	6,791,749.68	7.7%
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Fund Excess/(Deficit):	7,462,974.70	26,414,479.33		
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2021 BUDGET POSITION

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365 Equipment Replacement Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 51 00 365 Assigned Beginning Balance	0.00	0.00	0.00	0.0%
308 51 01 365 Assigned Beginning Balance	398,754.00	398,754.00	0.00	100.0%
001 Carryover	398,754.00	398,754.00	0.00	100.0%

003 NonRevenue

397 76 64 365 Transfer In from General Fund	106,932.00	106,932.00	0.00	100.0%
003 NonRevenue	106,932.00	106,932.00	0.00	100.0%

Fund Revenues:	505,686.00	505,686.00	0.00	100.0%
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	Amt Budgeted	Expenditures	Remaining	
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300 Capital Projects

594 76 35 300 Capital Exp. - Equipment	104,099.00	0.00	104,099.00	0.0%
594 76 36 365 Capital Exp. - Replacement Computers	38,798.00	0.00	38,798.00	0.0%
300 Capital Projects	142,897.00	0.00	142,897.00	0.0%

Fund Expenditures:	142,897.00	0.00	142,897.00	0.0%
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Fund Excess/(Deficit):	362,789.00	505,686.00		
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2021 BUDGET POSITION

Item 3b.

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550 Recreation Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 51 00 550 Assigned Beginning Balance	248,255.91	248,255.91	0.00	100.0%
001 Carryover	248,255.91	248,255.91	0.00	100.0%

002 Revenue

347 30 00 550 Recreation Rental Fee	0.00	0.00	0.00	0.0%
347 40 00 550 Event Admission Fee	0.00	0.00	0.00	0.0%
347 60 00 550 Recreation Program Fees	393,200.00	398,160.57	(4,960.57)	101.3%
347 90 00 550 Other Fees and Charges	18,100.00	24,309.79	(6,209.79)	134.3%
361 11 55 550 Interest Earned - Recreation	0.00	0.00	0.00	0.0%
367 00 00 550 Donations	0.00	200.00	(200.00)	0.0%
367 00 00 551 Scholarships	0.00	0.00	0.00	0.0%
367 00 00 552 Sponsorship	5,300.00	0.00	5,300.00	0.0%
369 91 00 550 Other Recreation Revenue	0.00	2,120.64	(2,120.64)	0.0%
002 Revenue	416,600.00	424,791.00	(8,191.00)	102.0%

003 NonRevenue

397 20 55 550 Transfer In from General Fund	150,847.64	150,847.64	0.00	100.0%
003 NonRevenue	150,847.64	150,847.64	0.00	100.0%

Fund Revenues:	815,703.55	823,894.55	(8,191.00)	101.0%
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	Amt Budgeted	Expenditures	Remaining	
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550 Recreation Revolving

571 20 11 550 Wages - Recreation Program	236,923.00	150,377.72	86,545.28	63.5%
571 20 12 550 Wages - SEEK Reimbursable	0.00	0.00	0.00	0.0%
571 20 20 550 Benefits - Recreation Program	76,745.00	43,115.37	33,629.63	56.2%
571 20 31 550 Office & Operating Supplies	58,256.00	30,479.71	27,776.29	52.3%
571 20 35 550 Minor Equipment	2,438.00	609.93	1,828.07	25.0%
571 20 41 550 Sports & Professional Fees	129,020.00	162,666.95	(33,646.95)	126.1%
571 20 42 550 Communication - Phones	0.00	0.00	0.00	0.0%
571 20 43 550 Travel	1,600.00	250.53	1,349.47	15.7%
571 20 44 550 Printing & Advertising	500.00	0.00	500.00	0.0%
571 20 45 550 Rentals	27,850.00	4,980.00	22,870.00	17.9%
571 20 46 550 Sales & Use Taxes	5,806.00	6,699.46	(893.46)	115.4%
571 20 47 550 Utilities	0.00	0.00	0.00	0.0%
571 20 49 550 Memberships & Training	714.00	28.04	685.96	3.9%
571 40 49 550 Special Events	42,123.00	44,621.45	(2,498.45)	105.9%
550 Recreation Revolving	581,975.00	443,829.16	138,145.84	76.3%

Fund Expenditures:	581,975.00	443,829.16	138,145.84	76.3%
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Fund Excess/(Deficit):	233,728.55	380,065.39		
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2021 BUDGET POSITION

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701 Unrestricted Endowment Fund Months: 01 To: 08

	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 51 00 701 Assigned Beginning Balance	276,373.82	276,373.82	0.00	100.0%
001 Carryover	276,373.82	276,373.82	0.00	100.0%

002 Revenue

361 11 00 701 Interest Revenue	660.00	242.77	417.23	36.8%
002 Revenue	660.00	242.77	417.23	36.8%

Fund Revenues:	277,033.82	276,616.59	417.23	99.8%
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	Amt Budgeted	Expenditures	Remaining	
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080 Endowment

514 25 00 000 Investment Fees - Endowment	34.00	6.69	27.31	19.7%
080 Endowment	34.00	6.69	27.31	19.7%

Fund Expenditures:	34.00	6.69	27.31	19.7%
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Fund Excess/(Deficit):	276,999.82	276,609.90		
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2021 BUDGET POSITION

Item 3b.

Peninsula Metropolitan Park District

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750 Restricted Endowment Fund Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
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001 Carryover

308 31 00 750	Restricted Beginning Balance	144,965.00	144,965.00	0.00	100.0%
001 Carryover		144,965.00	144,965.00	0.00	100.0%

002 Revenue

361 11 00 750	Interest Revenue	0.00	0.00	0.00	0.0%
002 Revenue		0.00	0.00	0.00	0.0%

Fund Revenues:	144,965.00	144,965.00	0.00	100.0%
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Fund Excess/(Deficit):	144,965.00	144,965.00		
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2021 BUDGET POSITION TOTALS

Item 3b.

Peninsula Metropolitan Park District

Months: 01 To: 08

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Fund	Revenue Budgeted	Received		Expense Budgeted	Spent	
001 General Expense Fund	10,820,122.99	7,564,758.62	69.9%	7,881,171.08	2,140,105.99	27%
201 Debt Service Fund	541,600.00	0.00	0.0%	541,600.00	0.00	0%
202 Debt Contingency Fund	600,000.00	600,000.00	100.0%	0.00	0.00	0%
300 Capital Projects	14,822,514.70	26,982,269.65	182.0%	7,359,540.00	567,790.32	8%
365 Equipment Replacement Fund	505,686.00	505,686.00	100.0%	142,897.00	0.00	0%
550 Recreation Fund	815,703.55	823,894.55	101.0%	581,975.00	443,829.16	76%
701 Unrestricted Endowment Fund	277,033.82	276,616.59	99.8%	34.00	6.69	20%
750 Restricted Endowment Fund	144,965.00	144,965.00	100.0%	0.00	0.00	0%
	28,527,626.06	36,898,190.41	129.3%	16,507,217.08	3,151,732.16	19.1%



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SPECIAL MEETING MINUTES

Tuesday, August 31, 2021, 5:00 PM

ATTENTION: This Zoom meeting is for a Board training workshop. There will be no citizen participation or comment during this training. You can observe this training with the following link and password.

<https://us02web.zoom.us/j/82460204531?pwd=eHFFQ3dvZnpLTkpaK1ZDUjNjYt4Zz09>

Passcode: 209859 or call in at +1 253-215-8782 Webinar ID: 824 6020 4531 Passcode: 209859

Commissioners Present:

Amanda Babich, President
Kurt Grimmer, Clerk
Maryellen (Missy) Hill
Steve Nixon (Absent Excused)
Laurel Kingsbury

Staff:

Ally Bujacich
Stacie Snuffin
Matthew Kerns
Louise Tieman

Call to Order: The meeting was called to order by President Babich at 5:02 pm

Approval of Agenda

Commissioner Grimmer made a motion to approve the agenda, seconded by Commissioner Kingsbury. The agenda was approved with a 4-0 vote.

ITEM 1 PRA Training Workshop

Municipal Attorney Ann Marie Soto gave a presentation on PRA basics. Soto went over key concepts, how to process public records requests, enforcement and penalties, and risk management strategies for PRA.

Adjournment: President Babich adjourned the meeting at 6:23 pm

APPROVED BY THE BOARD ON: _____

President

Clerk

Submitted By: Stacie Snuffin



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STUDY SESSION MINUTES

September 07, 2021, 5:00 PM

Community Recreation Center (CRC) 2416 14th Ave NW, Gig Harbor, WA 98335

Call to Order: The meeting was called to order by Commissioner Grimmer at 5:02 PM

Commissioners Present:

Amanda Babich, President (Late 5:04 PM)
 Kurt Grimmer, Clerk
 Maryellen (Missy) Hill
 Steve Nixon
 Laurel Kingsbury

Staff:

Ally Bujacich
 Chuck Cuzzetto
 Louise Tieman
 Stacie Snuffin
 Matthew Kerns

Outside Staff:

Curt Gimmestad/Absher
 Kevin Armstrong/BRS
 Connie Osborn/BRS
 Matt Struthers/Korsmo

ITEM 1 Approval of Agenda

Commissioner Hill made a motion to approve the agenda, seconded by Commissioner Kingsbury. The agenda was approved with a 4-0 vote.

ITEM 2 Board Discussion

2a. CRC Update (BRS)

Connie Osborn from BRS went over the agenda for the presentation. Osborn gave a recap of the CRC projects' milestone schedule.

Osborn gave an overview of the three concepts to align with the current budget, which included site development reduction, the renovation of the existing building on the CRC property and simplifying the structural design of the CRC. Matt Struthers from Korsmo spoke about cost drivers and using those numbers to work with the design team to stay within those target values. Armstrong, Struthers, and Commissioners discussed options for the walk-jog track, building design, and engaging with the Steering Committee again. Osborn and Armstrong presented a couple of building and site layout options, went over the pros and cons of the two options, as well as a discussion with the Commissioners about the site plans. Commissioners requested feedback from the Steering Committee regarding the location of the walk/jog track and the site layout



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ITEM 3 **Adjournment:** President Babich adjourned the meeting at 6:09 pm

APPROVED BY THE BOARD ON: _____

President

Clerk

Submitted By: Stacie Snuffin



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REGULAR MEETING MINUTES

September 07, 2021, **6:00 PM**

Community Recreation Center (CRC) 2416 14th Ave NW, Gig Harbor, WA 98335

Call to Order: The meeting was called to order by President Babich at 6:10 pm

Commissioners Present:

Amanda Babich, President
Kurt Grimmer, Clerk
Maryellen (Missy) Hill
Steve Nixon
Laurel Kingsbury

Staff:

Ally Bujacich
Chuck Cuzzetto
Louise Tieman
Stacie Snuffin
Matthew Kerns

Outside Staff:

Curt Gimmestad/Absher

Attendees:

Heather Maher
Sarah Stancikas
Glenn Hansen
Julie Higgins
Peggy Power
Ken Higgins
Linda Healy Farnes
Stephanie Hulcher
Karen Nelson
Rob Moore
Jim Braden

Entered into Executive Session at 7:29 pm
Entered back into Regular Session at 8:49 pm

ITEM 1 Approval of Agenda

Commissioner Kingsbury made a motion to approve the agenda, seconded by Commissioner Hill. The agenda was approved with a 5-0 vote.

ITEM 2 Citizen Comments:

Heather Maher commented on the Swim Safe Campaign.
Sarah Stancikas commented on swim safety.
Glenn Hansen commented on the PenMet Park Host program.
Julie Higgins commented on the PenMet Park Host program.
Peggy Power commented on the PenMet Park Host program.
Ken Higgins commented on the PenMet Park Host program.
Linda Healy Farnes commented on the PenMet Park Host program.
Stephanie Hulcher commented on the PenMet Park Host program.



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Karen Nelson commented on the PenMet Park Host program.

Rob Moore commented on the PenMet Park Host program.

Jim Braden commented on the PenMet Park Host program.

ITEM 3

Presentations

3a. Executive Director's Report

Executive Director Ally Bujacich gave an update on the Sehmel Homestead Turf Replacement project and the staff compensation study. Bujacich reported that PenMet is screening for two open leadership positions and posting two open maintenance positions.

Bujacich reported that PenMet staff and herself are developing the 2022 Annual Budget and will go over it with the Board committees in the upcoming weeks as well as the 6-Year CIP.

Bujacich gave a brief update on the Agents of Discovery program and invited Recreation Manager Matthew Kerns to provide a recap of PenMet's summer programs and provide information on E-Pact.

Kerns presented a recap of PenMet's summer programs to the Board and gave them information on the E-Pact emergency management platform that PenMet will be using with ActiveNet. Commissioner Kingsbury made comments about the summer camp program.

3b. Monthly Finance Report

Interim HR & Finance Manager Louise Tieman gave the July financial report. Commissioner Grimmer and Tieman had a discussion.

3c. Board Committees

Executive Director Ally Bujacich reported that during the 2021 Board Retreat, they had discussed sunsetting the current ad-hoc project committees. Bujacich spoke about replacing them with four standing committees and their membership and structure. In addition, Bujacich recommended that the current Salary and Benefits Committee stay in place until the study is complete. Commissioners discussed how the seats in the committee would be filled.

3d. President's Report

President Babich addressed concerned citizens regarding the sunsetting of the PenMet Parks Host program. Babich reported that the Board had asked the Executive Director to evaluate all PenMet's many programs and that it's not the only program being paused or sunset. She explained the reasons behind sunsetting the current park host program and measures that will be taken to secure and care for the parks. Babich requested that staff provides the following items: researching best practices for other park host programs, which would include examples of like park host programs and day-use parks, examples of contracts and performance measures for park hosts, examples of risk management plans, identify which parks could



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benefit from a park host using quantifiable data. She also requested that PenMet contact the FICRA organization.

ITEM 4 **Consent Agenda**

Commissioner Kingsbury made a motion to approve the consent agenda, seconded by Commissioner Grimmer. The agenda was approved with a 5-0 vote.

4a. **R2021-020 Ratify Hale Pass Flood Damage Work Contract**

4b. **Approval of Minutes**

08/03/21 Study Session and Regular Meeting

4c. **Approval of Vouchers**

\$43,947.60 Reference Number: 210801001-210801016

\$148,287.22 Reference Number: 210802001-210802005

\$18,769.12 Reference Number: 210804001-210804017 Except for Voucher 210804004 and 210804006

\$61,586.05 Reference Number: 210806002-210806016 Except for Voucher 210806006 and 210806012

\$12,749.10 Reference Number: 210902001-210902002

\$89,721.95 Reference Number: 210903001-210903003

ITEM 5 **Unfinished Business: None**

ITEM 6 **New Business**

6a. **R2021-021: Authorize ED to Sign Amendment with Absher Construction for Hale Pass Project Management**

Executive Director Ally Bujacich gave a brief background on the Hale Pass Project Management contract with Absher Construction.

Commissioner Grimmer made the motion to approve Resolution R2021-021, authorizing the Executive Director to sign the First Amendment to the Personal Services Agreement, in substantially the form attached, with Absher Construction Company to continue providing project management services for the Hale Pass projects. Seconded by Commissioner Hill. The motion passed with a 5-0 vote.

ITEM 7 **Project Manager Update**

7a. **Community Recreation Center Update**

Project Manager Curt Gimmetstad gave a brief CRC project and Hale Pass update.

7b. **CRC Operations Committee**

Executive Director Ally Bujacich reported that the update was given in the earlier study session.



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7c. CRC Finance Committee

Executive Director Ally Bujacich reported that the update was given in the earlier study session but added that the committee spent some time planning a six-year district financial model.

7d. Hale Pass Update

Executive Director Ally Bujacich reported that Gimmestad already gave the Hale Pass update earlier.

ITEM 8 Comments by Board

Commissioner Hill thanked President Babich for her president's report and assigning some responsibilities to PenMet staff to look further into the Fox Island Fishing Pier. She thanked the Fox Island citizens who came to the meeting and for sharing their concerns. Hill also thanked the Swim Safe Gig Harbor for coming and for their presentation and asked staff to consider studying the feasibility of advancing a public aquatic facility using PenMet property and that they have an interest in Peninsula Gardens.

Commissioner Kingsbury thanked the Swim Safe group for coming and for their presentation, and she looks forward to how PenMet can make the aquatic center project happen at some point.

Commissioner Hill thanked Recreation Manager Matthew Kerns and Special Events & Community Outreach Coordinator Chuck Cuzzetto for their hard work at the Kiwanis/PenMet Putt-Putt Golf Tournament.

President Babich stated that she supports Commissioner Hill's request for PenMet staff to work on the feasibility of a potential aquatic center within the PenMet Park District and thanked the Swim Safe Gig Harbor group for coming and for their presentation.

Commissioner Hill commented that someone from Kiwanis suggested an idea regarding the miniature golf course to have local landscaping companies sponsor holes on the course..

Commissioner Kingsbury asked if PenMet could repurpose some of the old turf being replaced at Sehmel Homestead Park and use it on the putt-putt course at the CRC..

ITEM 9 Next Board Meetings

September 14, 2021, Special Study Session at 5 pm at the Community Recreation Center. September 21, 2021, (Study and Regular) Study Session at 5:00 pm and Regular Meeting at 6:00 pm at the Community Recreation Center

ITEM 10 Executive Session:

10a. Executive Session to discuss with legal counsel matters relating to litigation or potential litigation per RCW 42.30.110(1)(i).

10b. Executive Session to consider the selection of a site or the acquisition of real estate by lease or purchase per RCW 42.30.110(1)(b)



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10c. Executive Session for the purpose of reviewing the performance of a public employee pursuant to RCW 42.30.110(g).

ITEM 11 Adjournment: President Babich adjourned the meeting at 8:50 pm

APPROVED BY THE BOARD ON: _____

President

Clerk

Submitted By: Stace Snuffin



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
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www.penmetparks.org

DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

From: Ally Bujacich, Executive Director

Date: September 21, 2021

Subject: **R2021-023: Authorize the Executive Director to Sign the First Amendment to the Agreement for Human Resources Services**

Background/Analysis

PenMet Parks entered into an agreement with Compensation Connections in June 2021 to provide human resources services including planning and discovery (Phase 0), updating job descriptions and making compensation recommendations for leadership roles (Phase 1) and updating job descriptions and making compensation recommendations for the balance of the positions (Phase 2). The amount of the agreement is not to exceed \$23,100.

Phases 0-2 are nearly complete. The job descriptions are finalized, the market analysis is complete, and a revised salary grid is anticipated to be recommended to the Board for approval during the October 5, 2021 Board meeting.

An amendment to the agreement is required to complete Phase 3, which includes a staffing analysis and recommendations, a revised HR policy including benefit recommendations, and an HR toolkit with documents and templates that may be used to administer and improve HR services. In addition, the amendment includes creating job descriptions and making compensation recommendations for four additional positions, and providing a limited amount of on-call professional HR services. The four additional positions are a result of forthcoming staffing changes that are anticipated for 2022. The on-call HR services will be provided as needed to backfill District resources and expertise, and will be billed on a time-and-materials basis up to 20 hours.

The proposed first amendment increases the contract amount by not more than \$23,320, for a total contract amount of \$46,420, inclusive of applicable Washington State Sales Tax. The proposed amendment exceeds the allotted budget by \$16,420, and the overage will be funded from projected savings in the general fund.

Recommendation

Staff requests that the Board approve Resolution R2021-023, authorizing the Executive Director to sign the First Amendment to the Personal Services Agreement, in substantially the form attached, with Compensation Connections to provide HR services.

Policy Implications/Support

1. The District has adopted goals including:
 - District Funds: To maximize the use of tax revenues by using other resources such as grants, user fees, volunteers, and appropriate professional resources.

Motion

I move to approve Resolution R2021-023, authorizing the Executive Director to sign the First Amendment to the Personal Services Agreement, in substantially the form attached, with Compensation Connections to provide HR services.

Should you have any questions or comments please contact me at (253) 858-3408 or via email at abujacich@penmetparks.org.

Peninsula Metropolitan
Park District



FIRST AMENDMENT TO PERSONAL SERVICES AGREEMENT

THIS FIRST AMENDMENT to the PERSONAL SERVICES AGREEMENT is made and entered into this _____ day of September, 2021 by and between The PENINSULA METROPOLITAN PARK DISTRICT, a municipal corporation, hereinafter referred to as the "District", and COMPENSATION CONNECTIONS LLC, Washington limited liability company, whose address is 8830 Norman Avenue SE, Snoqualmie, WA 98065, hereinafter referred to as the "Consultant".

WITNESSETH:

WHEREAS, the District and Consultant entered into a Personal Services Agreement dated June 22, 2021 (the "Agreement");

WHEREAS, the Consultant has completed most of the services specified in the earlier scope of work and the District and Consultant wish to add to the scope of services and increase the amount of total compensation available as provided herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is hereby agreed as follows:

1. Scope of Services. The Consultant agrees to provide the scope of services as amended in Exhibit A of this First Amendment. The parties acknowledge that the Consultant has been providing services since June 22, 2021 and that many of the services specified on the earlier scope of work have been completed. This First Amendment is intended to provide for Consultant's continued services.

2. Compensation and Method of Payment.

A. In consideration of the services to be provided by the Consultant, including the additional services, the District hereby increases the compensation available by TWENTY-THREE THOUSAND THREE HUNDRED AND TWENTY DOLLARS (\$23,320.00) so that the total compensation will not exceed FORTY-SIX THOUSAND FOUR HUNDRED AND TWENTY DOLLARS (\$46,420.00), inclusive of Washington State Sales Tax.

3. Entire Agreement. Except as amended herein, all of the other terms in the Agreement remain in full force and effect.

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

Signature Page and Amended Exhibit A Follows

PENINSULA METROPOLITAN PARK DISTRICT, a municipal corporation

COMPENSATION CONNECTIONS LLC

Ally Bujacich, Executive Director
P.O. Box 425
Gig Harbor, WA 98335
Phone: 253.858.3408
E-Mail: abujacich@penmetparks.org

(Signature)

(Name, Printed)

(Title)

APPROVED AS TO FORM

Attorney For the Peninsula Metropolitan Park District

Copy 1: Consultant (Original)
Copy 2: Contract Compliance (Original)

EXHIBIT A

First Amended Scope of Services

The Consultant shall provide compensation analysis and human resources services designed to achieve PenMet Parks' goals and support policy direction. The Consultant's primary responsibilities are to complete a staffing analysis, create an HR toolkit, finalize job descriptions and recommend compensation for four additional positions, and provide professional human resources services on an as-needed basis as requested by the Executive Director or her designee.

The Consultant's services will begin immediately. The services will be provided on a time and materials basis using the hourly rates for staff listed below but not to exceed the amount specified in Section 2 above.

APPROACH

Staffing analysis: Working with the Executive Director, Consultant will ensure its understanding of PenMet's strategic plan as it impacts current and future staffing for the organization. As part of the analysis, Consultant will research how other parks departments/districts are structured. Consultant will identify key knowledge, skills, and essential functions that will be needed to achieve PenMet's strategic plan. Consultant anticipates a working session with the Executive Director to review the findings and develop a staffing plan that aligns with PenMet's short- and long-term objectives.

Human resources toolkit: Consultant will gain an understanding of PenMet's current HR policies/practices by reviewing all the related documentation, recent communications related to HR, and other relevant policies and procedures. Consultant anticipates a conversation with the Executive Director (and others if applicable) to check the Consultant's understanding, walk through the organization's HR processes, ask questions, and obtain additional documentation if needed. Based on this exploration, Consultant will then recommend changes to the existing HR Policy. Consultant anticipates developing a new HR Administration Guide that includes existing/updated and new/recommended processes. In addition, Consultant will update and/or create various HR documents and templates (e.g., applicant interview template, job offer letter, performance review form, benefits guide). Consultant will work with the Executive Director to identify which HR documents to focus on for this project. For budgetary reasons, it may be determined that additional documents will be developed as part of a future scope of work.

Job descriptions and compensation analysis: Job descriptions and compensation recommendations for four additional positions will be developed using the methodology described in the personal services agreement.

On-call professional human resources consulting: Consultant will provide professional-level human resources services as requested by the Executive Director or designee, up to 20 hours.

PROJECT DELIVERABLES

Phase 3 – Staffing Analysis and Human Resources Toolkit

- Summary of research regarding the structure of other parks departments/districts.
- Summary of key knowledge, skills, and essential functions needed to achieve PenMet's strategic plan.
- Staffing plan that aligns with PenMet's short- and long-term objectives.
- Revised HR policy.
- Revised and/or new HR procedures, consolidated into an HR Administration Guide.

- Revised and/or new HR documents and templates; to be determined and may include applicant interview template, job offer letter, performance review form, benefits guide.

Phase 4 – Four Staff Positions

- Updated position descriptions for four staff positions.
- Salary market data worksheet with targeted employer data and published survey data for each position.
- Updated employee pay and classification plan with salary grid for staff positions.

Phase 5 – On-call Professional Human Resources Services

- Provide advice and create documents as requested by Executive Director or her designee.

ANTICIPATED COMPLETION DATES

Phase 3 – Staff analysis and HR toolkit	12 weeks after completion of Phase 2, which is anticipated for September 21, 2021.
Phase 4 – Four staff positions	4 weeks after completion of Phase 2, which is anticipated for September 21, 2021.
Phase 5 – On-call HR services	Not applicable.

FEE

Phase 3 – Staff analysis and HR Toolkit	Not to exceed \$ 15,400
Phase 4 – Four staff positions	Not to exceed \$ 3,520
Phase 5 – On-call HR services	Not to exceed \$ 4,400

KEY STAFF ASSIGNED TO THE PROJECT AND HOURLY RATES

Shannon Drohman	\$220/hour
JoAnnette Lingenfelter	\$220/hour
Steve Tiegs	\$220/hour



Peninsula Metropolitan Park District

RESOLUTION NO. R2021-023

A RESOLUTION OF PENMET PARKS AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN THE FIRST AMENDMENT TO THE AGREEMENT FOR HUMAN RESOURCES SERVICES

WHEREAS, PenMet Parks authorized a Professional Services Agreement with Compensation Connections on June 22, 2021 to provide human resources services related to a compensation study; and

WHEREAS, PenMet Parks and Compensation Connections wish to expand the scope of services to include a staffing analysis, creation of an HR toolkit, completing a compensation study for additional positions, and providing professional HR services, and thereby increase the amount of total compensation; and

WHEREAS, staff negotiated with Compensation Connections to develop the attached First Amendment to Personal Services Agreement to amend the scope of work and increase the compensation available by TWENTY-THREE THOUSAND THREE HUNDRED AND TWENTY DOLLARS (\$23,320.00) so that the total compensation will not exceed FORTY-SIX THOUSAND FOUR HUNDRED AND TWENTY DOLLARS (\$46,420.00), inclusive of Washington State Sales Tax.

NOW THEREFORE BE IT

RESOLVED, by the Board of Park Commissioners that the Executive Director is authorized to execute the First Amendment to Personal Services Agreement with Compensation Connections to provide additional human resources services to PenMet Parks as described above and to increase the compensation available by TWENTY-THREE THOUSAND THREE HUNDRED AND TWENTY DOLLARS (\$23,320.00) so that the total compensation will not exceed FORTY-SIX THOUSAND FOUR HUNDRED AND TWENTY DOLLARS (\$46,420.00), inclusive of Washington State Sales Tax, in substantially the form attached as Exhibit "A".

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on September 21, 2021.

President

Clerk

Attest



Peninsula Metropolitan Park District

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DISTRICT COMMISSION MEMO

To: District Commission

From: Ally Bujacich, Executive Director

Date: September 21, 2021

Subject: **Resolution R2021-025: Adopt Amended Policy P40-101: Comprehensive Financial Management Policy**
Resolution R2021-026: Adopt New Policy P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law
Resolution R2021-027: Adopt New Policy P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law

Background/Analysis

The Board of Park Commissioners passed Resolution R2021-016 on July 20, 2021, which adopted the June 19, 2021 Board Retreat outcomes, including a policy review priority schedule. The schedule identifies reviewing existing Policy P40-101: Comprehensive Financial Management Policy, as well as reviewing proposed new policies P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law and P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law as high priorities.

Recommended revisions to Policy P40-101: Comprehensive Financial Management Policy were reviewed by DA Davidson. Proposed new policies P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law and P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law were recommended and developed by Pacifica Law Group.

The Board reviewed draft versions of the above-listed policies during the September 14, 2021 Board study session.

Recommendation

Staff requests that the Board approve Resolution R2021-025 adopting amended Policy P40-101: Comprehensive Financial Management Policy, Resolution R2021-026 adopting new Policy P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law, and Resolution R2021-027 adopting new Policy P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law.

Policy Implications/Support

1. The District has adopted goals including prudent management of District funds.
2. The District adopted the outcomes from the June 19, 2021 Board Retreat, including the policy priority schedule.

Motions

1. *I move to approve Resolution 2021-025 adopting the amended Policy P40-101: Comprehensive Financial Management Policy.*
2. *I move to approve Resolution 2021-026 adopting the new Policy P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law.*
3. *I move to approve Resolution R2021-027 adopting new Policy P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law*

If you have any questions or comments, please contact me at the earliest opportunity at (253) 858-3408 or via e-mail at abujacich@penmetparks.org.



Peninsula Metropolitan Park District

Comprehensive Financial Management Policy

Policy Number:	Resolution Number:	Date Approved:	Supersedes the following Resolutions and Policies:
P40-101	R2021-025	September 21, 2021	R2020-010 (Adopted 6/16/20) R2012-011 (Adopted 4/16/12) R2009-013 (Adopted 6/15/09) R2006-004 (Adopted 4/17/06) R2005-010 (Adopted 8/08/05) R2007-007 (Adopted 9/17/07)

Policy: **Comprehensive Financial Management**
(Approved by the PenMet Parks Board of Park Commissioners)

Purpose: The Peninsula Metropolitan Park District (PenMet Parks) is accountable to its citizens for its use of public money. The establishment and maintenance of wise financial and fiscal policies enable officials of PenMet Parks to protect the public interest and ensure public trust.

This Financial Management Policy defines the current policies to be used by PenMet Parks to meet its immediate and long-term service goals and operate in a financially prudent manner. The individual policies contained herein serve as general guidelines for both financial planning and internal financial management of PenMet Parks.

This policy ensures that the District is positioned to respond to changes and the economy or new service requirements without an undue amount of financial stress.

This policy is also established to maintain a good credit rating in the financial community and assure taxpayers that the District is well managed financially and maintained in sound fiscal condition.

The District will adhere to the highest accounting and management policies as set by the Government Finance Officers' Association, the Governmental Accounting Standards Board, and other professional standards for financial reporting and budgeting.

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Policy Requirements:

Section 1. General Responsibilities

The PenMet Parks Board of Park Commissioners (the “Board”) is responsible for approving the annual Operating Budget and the Capital Improvement Plan as well as establishing the policy direction for PenMet Parks under Washington State Law. Sound business practice and good government dictate that the Board establishes policies regarding the fiscal activities of PenMet Parks in accordance with applicable local, state, and federal laws and regulations.

District staff, under the direction of the Executive Director, is responsible for proposing programs, recommending funding levels, and formulating budget proposals for implementing service programs in accordance with established goals and directives.

Section 2. Objectives

The objectives of the Comprehensive Financial Management Policy are:

- To guide the Board and management for policy decisions having significant fiscal impact;
- To set forth operating principals to minimize the cost of government and limit financial risk;
- To employ balanced and fair revenue policies to provide sufficient funding for desired programs;
- To maintain appropriate financial capacity for bonded indebtedness for present and future needs;
- To promote sound financial management by providing accurate and timely information regarding PenMet Parks' financial condition;
- To protect PenMet Parks' credit rating and provide for adequate resources to meet the provisions of PenMet Parks' debt obligations;
- To ensure the legal use of financial resources through an effective system of internal controls; and
- To promote cooperation and coordination with other governments, non-profits, and the private sector in the financing and delivery of services.

Section 3. General Policies

- A. The Board may adopt resolutions to set financial policies to assure the financial strength and accountability of the District.
- B. The Executive Director shall develop administrative directives and general procedures for implementing the Board's financial policies.
- C. All Departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and programs will be developed to reflect current policy directives, projected resources, and future service requirements.
- D. The District shall establish and maintain a compensation and benefit package that is competitive with the public and private sectors to attract and retain employees necessary for providing high quality services.
- E. The District will strive to coordinate with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support favorable legislation at the state and federal level.
- F. The District will strive to initiate, encourage, and participate in economic development efforts to create job opportunities and strengthen the local economy.
- G. The District will strive to maintain fair and equitable relationships with its vendors, contractors and suppliers.

Section 4. Financial Planning and Reserve Policies

- A. The District engages in a financial planning process which encompasses important policy considerations and provides guidelines for all aspects of the District’s financial management strategy.

- B. The General Fund’s targeted unreserved fund balance will be a goal of twenty-five percent (25%) or greater of annual expenditures of the General Fund, excluding capital expenditures (the “Unrestricted Reserve Fund”).

- C. This Unrestricted Reserve Fund will be established and maintained annually in the District budget as District resources allow to:
 - 1. Offset unanticipated economic downturns and necessary revisions to any general municipal purpose fund; and
 - 2. Provide a sufficient cash flow for daily financial needs at all times.

- D. The District will maintain sufficient funds in the Unrestricted Reserve Fund to meet any existing debt service or other agreements.

- E. All transfers from the Unrestricted Reserve Fund will require Board approval.

- F. In addition to the Unrestricted Reserve Fund, the District also maintains other “unrestricted reserve funds” including the Capital Projects Fund and Equipment Replacement Fund.

- G. Fees and charges collected for services:
 - 1. Recreation (Program) Fees collected will be utilized to off-set the cost of direct expenses related to the delivery of District sponsored recreation programs.

Facility Use and Rentals Fees and Charges are typically used to off-set the cost of direct maintenance expenses related to facilities maintained and operated by the District. The Board will direct 100% of these fees to a Permanent Fund such as a restricted maintenance endowment fund(s) to support park maintenance in general or for a specific park or facility. This will be determined by the Board during the budget process.

Financial Forecasting:

- A. PenMet Parks shall develop and maintain annually a financial forecast for the General Fund that estimates fund resources and uses for a period of six (6) years beyond the current year. This forecast will be updated annually and provide PenMet Parks' decision makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool should recognize the effects of economic cycles, the demand for services and PenMet Parks' projected resources. It is the goal of PenMet Parks to achieve a strong financial condition with the ability to:
- Withstand local and regional economic conditions;
 - Adjust efficiently to the changing service requirements within the District's boundaries; and
 - Effectively maintain and improve PenMet Parks' infrastructure.
- B. The forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of economic growth. PenMet Parks' financial planning should ensure the continued delivery of needed services by assuring the availability of adequate and ongoing resources during economic downturns.

Section 5. Operating Budget Policies

- A. The Board will adopt and maintain a balanced annual operating budget.
- B. The operating budget will define the District's annual financial plan as developed by the Board and staff in establishing goals and objectives for the ensuing year. The intent of the budget is that one-time and routine expenditures will be financed with current resources.
- C. The operating budget shall serve as the annual financial plan for the District. It will serve as the policy document of the Board for implementing the Board's goals and objectives. The budget will provide staff with the resources necessary to accomplish the determined service levels.
- D. Balanced revenue and expenditure forecasts will be prepared to examine the District's ability to absorb operating costs due to changes in the economy, service demands, contractual obligations, and capital improvements.
- E. In the event a balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the use of reserves to balance the budget is permitted. In the event that a budget shortfall is expected to continue beyond one year, the reserves may be used, but only if developed as part of a corresponding strategic financial plan to close the gap through revenue increases or expenditure decreases.
- F. The budget will give first consideration to ongoing mission led programs before the addition of any new program. Budgets associated with any proposed new program should be submitted and reviewed at least four months prior to adoption and incorporation into the budget. Additional personnel should be recommended only after the need has been fully substantiated. Personnel not authorized in the budget must be approved by the Board.
- G. The budget will reflect the projection of all revenues from all sources and all expenditures and present the level of governmental services and method of allocating costs in the provision of these services to the community.

- H. Current operating expenditures will be paid from current revenues and cash carried over from the prior year after the reserve requirements are met. The District will avoid budgetary and accounting practices that balance the current budget at the expense of future budgets.
- I. The District will maintain a level of expenditures that will enhance public wellbeing and quality of life for the residents of the community.
- J. A multi-year maintenance and replacement schedule will be developed based on the District's projections of its future replacement and maintenance needs. The projections will be updated and the schedule revised on an annual basis.
- K. The budget will provide sufficient levels of maintenance and replacement funding to ensure that all capital facilities and equipment are properly maintained and that such future costs will be minimized.
- L. Year-end surpluses in the General Fund may be used for nonrecurring emergency capital expenditures or dedicated to the Capital Program. The following criteria must be met to qualify any portion of the General Fund surplus for these purposes:
- There are surplus balances remaining after the Reserve Fund is fully funded and allocations to the other funds are made;
 - An analysis has occurred assuring that the District has an adequate level of short and long-term funding resources to support the proposed alternate use of the surplus balances; and
 - The funds are specifically appropriated by the Board.

Section 6. Budgetary Control Policies

- A. The District will adopt a twelve (12) month balanced calendar year budget with annual financial reporting. The balanced budget means budgeted expenditures will not exceed the available resources of the beginning fund balance plus all revenues.
- B. The budget will be developed and administered in compliance with all applicable State of Washington budgetary statutes.

The Administration will maintain a system for monitoring the District's budget performance. The system will include provisions for amending the budget during the year in order to address unanticipated needs, surpluses or emergencies.

- C. Accounting and reporting practices will be maintained to provide accurate and timely monitoring of the District's budget performance.
- D. Appropriations requested after the original budget is adopted will be approved only after consideration of the elasticity of anticipated revenues. Such appropriations must be approved by the Board.
- E. Monthly budget reports will be issued by the Executive Director or his or her designee to the Board reporting on the actual performance compared to budget estimates.
- F. The budget may be adjusted during the year in order to address unanticipated needs, emergencies or changes in work plan. Adjustments or amendments will occur through a process coordinated by the Executive Director or his or her designee.
- G. The budget is adopted at the fund level with allocations made for administrative control. Reallocation of existing appropriation does not change the adopted budget "bottom-line." It may become necessary to shift allocations between line items, programs, or even departments to meet unanticipated needs, emergencies or changes in work plan. As long as the total fund budget is not changed, the adjustment can be done administratively with the authorization of the Department Manager and approval of the Executive Director with the exception of any shift of allocation from the Maintenance Department which requires approval by the Board.
- H. The Executive Director has the authorization to transfer money between funds and between projects within the CIP, but only if approved by the Board in advance and as part of amending the adopted budget.

- I. The budget may also be amended during the year in order to address unanticipated needs, emergencies or changes in work plan. Formal amendment of the budget through Board approved resolution amending the expenditure appropriation and the related funding source is required when a fund's total budget changes. The change can either be when existing budget authority is moved between funds or when a new budget authority is needed such as in the case of receiving additional grant funding.

Section 7. Revenue Policies

- A. The District will strive for a diversified and stable revenue system to protect against short-term fluctuations in any one revenue source. The District will seek to avoid dependence on temporary or unstable revenues to support on-going services. The District will also seek to avoid dependence on federal or state revenues. The revenue mix should combine revenue source types that minimize the effect of an economic downturn.
- B. Because revenues, especially those of the General Fund, are sensitive to local and regional economic conditions, revenue estimates will be conservative and will be made using an objective, analytical process.
- C. General Fund and other unrestricted revenues will not be earmarked for specific purposes, activities or services unless otherwise authorized by the Board or required by law. All non-restricted revenues will be deposited into the General Fund and appropriated through the budget process.
- D. The District will not use deficit financing and borrowing to support on-going operations in the case of long-term (greater than one year) revenue downturns. Revenue forecasts will be revised and expenses will be reduced to conform to the revised long-term revenue forecast or alternative revenue sources will be considered.
- E. The District will follow an aggressive and professional policy of collecting revenues and, when necessary, discontinuing service, pursuing the claim in court, utilizing a collection agency and other reasonable methods of collection (such as imposing penalties, collection and late charges) may be used.

Fees and Charges

- F. The District will charge appropriate service user fees instead of ad valorem (property) taxes or subsidies from other District funds, for services that can be identified and where costs are directly related to the level of service provided.
 - 1. Park recreation programs shall be funded by a user charge. User charges shall be comparable to other neighboring municipalities where practical.

2. Reimbursable work performed by the District (labor, meals, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual cost.
3. Charges for services shall accurately reflect the actual or estimated cost of providing a specific service where practical. The cost of providing specific services shall be recalculated periodically, and if necessary, the fee adjusted accordingly. The District shall maintain a current schedule of fees and charges, showing when the fees were last reviewed and/or recalculated. Fees and charges will be reviewed every three years at a minimum.
4. The District will consider market rates and charges levied by other municipalities for like services in establishing rates, fees, and charges.
5. Certain fees, such as rental fees, will be based upon market conditions and are not subject to the limitations of cost recovery.

Grants and Gifts

- G. Grant funding for programs or items which address the District's current priorities and policy objectives should be considered to leverage District funds. Inconsistent and/or fluctuating grants should not be used to fund on-going programs.
- H. Before accepting any grant, the District shall thoroughly consider whether or not the terms of the grant will have a negative impact on any on-going obligations.
- I. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended in accordance with the District's Donation Policy and the wishes and instructions of the donor.

Section 8. Expenditure Policies

- A. The District will strive to adopt an annual General Fund budget in which current expenditures do not exceed current projected revenues. Capital expenditures may be funded from one-time revenues.
- B. Department Managers are responsible for managing their budgets within the total appropriation for their department.
- C. The District will take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases or use of contingencies. The District may approve a short-term interfund loan or use of one-time revenue sources to address temporary gaps in cash flow, although this should be avoided if possible.
- D. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- E. Consideration will be placed on improving individual and work group productivity rather than adding to the work force. The District will invest in technology and other efficiency tools to maximize productivity. The District will hire additional staff only after the need for such positions has been demonstrated and documented.
- F. All compensation planning will focus on the total costs of compensation which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the District. Contracts presented for approval by the Executive Director that do not meet these requirements will have specific operational, legal or other compulsory items identified and discussed before ratification by the Board will be considered.
- G. Periodic comparisons of service delivery will be made to ensure that quality services are provided to our citizens at the most competitive and economical cost. Privatization and contracting with other governmental agencies will be evaluated as alternatives to service delivery where appropriate. Programs that are determined to be inefficient and/or ineffective or not aligned with the mission of the District have the potential to be reduced in scope or eliminated.

- H. The District will make every reasonable effort to maximize any discounts offered by creditors/vendors.

Section 9. Investment Policy

It is the District’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Funds are managed by the Pierce County Treasurer (see Pierce County Investment Policies).

District staff will review all investments at least monthly.

Monthly investment reports will be issued by the Executive Director or his or her designee to the Board to monitor the District’s Investment fund performance and fees.

Section 10. Accounting and Reporting Policies

- A. The District's accounting and financial reporting will follow the Washington State Auditor's Office prescription for the accounting and reporting of local governments in the State of Washington under RCW 43.09.200.
- B. The State Auditor's Office provides a standard account classification system through its Budgeting Accounting and Reporting System (BARS). The District is classified as a Special Purpose Governmental District and will maintain its records on a basis consistent with the Category 2 BARS manual.
- C. The Executive Director or his or her designee will maintain electronic financial systems to monitor expenditures, revenue, and performance of all District programs on an on-going basis. The Board will receive regular monthly reports that will present a summary of financial activity for the period and the cumulative data for the budget year.
- D. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose.
- E. Revenues are recognized only when cash is received and expenditures are recognized only when paid, including those properly chargeable against the report year budget appropriations as required by State law. Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.
- F. The Executive Director or his or her designee shall maintain fixed asset records for all capital assets owned by the District. The threshold for capitalization of non-infrastructure assets is \$25,000.
- G. The State Auditor's Office will perform a financial and compliance audit on a scheduled basis and issue an audit report. Results of the audit will be provided to the Board.
- H. The District will conduct an internal financial review on an annual basis.

Section 11. Fund Policies

To be consistent with text contained in the annual budget, the following is a list of District Financial Funds:

- A. General Fund
The General Fund is the general operating fund of the District. This fund is used to account for all financial resources and expenditures of the District which are not accounted for in other funds.

The General Fund provides funding for general purpose governmental services to the citizens. This fund is used to account for all general financial resources except those that must be accounted for in a special revenue fund.

- B. Special Revenue Funds
Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specific purposes.
 - 1. Reserve Fund
Use of reserve funds must be authorized by a Resolution of the Board.
 - 2. Recreational Activities Fund
The Recreational Activities Fund is user fee based. Revenues are collected and used to operate a particular recreational activity with excess funds used for improvements to support programs, facilities and events.
 - 3. Equipment Replacement Fund
Use of this fund is restricted to capital equipment replacement and is funded annually by the General Fund at 100% of equipment replacement value divided by the number of years of useful life.

- C. Debt Service Fund
 - 1. The Debt Service Fund is used only to account for the accumulation of resources for, and the payment of, long-term debt, principal and interest.

This fund contains several types of debt including but not limited to:

- Special Voter Approved Levies
- Voted Unlimited Tax Obligation Bonds
- Non-Voted Limited Tax Obligation Bonds
- General Obligation Bonds

2. Under RCW 39.36.020(2), the public may vote to approve bond issues [known as Unlimited Tax General Obligation (UTGO) Bonds] for general government in an amount not to exceed 2.5% of the assessed valuation, less any other outstanding debt.

All voter approved UTGO Bonds require a 60% majority approval and to validate the election, the total votes cast must equal to at least 40% of the total votes cast in the last general election.

The Board may approve non-voted bond issues known as Limited Tax General Obligation (LTGO) Bonds. The non-voted debt capacity limit may not to exceed 0.25% of the District’s assessed valuation, less any other outstanding non-voted debt.

3. Debt service for voter approved UTGO Bond issues are funded with special excess property tax levies. By law, the maximum financing term for UTGO Bonds is 40 years or less.

Debt service for non-voted LTGO Bond issues are funded through regular property taxes and other money lawfully available. By law, the maximum financing term for LTGO Bonds is 40 years or less.

D. Permanent Funds

Permanent Funds are legally restricted so only earnings, not principal, may be used to support the specific government program. The Board will adopt separate policies governing the management of restricted funds such as endowments.

E. Capital Improvement Funds

Capital Improvement Funds account for the purchase, construction, replacement, addition, or major repair of public facilities and major equipment. These projects differ from routine maintenance in that their cost is generally greater than \$25,000 and they have a useful life of generally ten (10) years or more. Examples may include but

are not limited to: buildings, bridges, parks, major trails, and significant pieces of equipment.

F. Depository Account

All District funds received shall be deposited in the bank of record within three (3) business days of receipt, except when staffing levels are inadequate to timely make such deposits, but in such events such deposits shall be made as soon as reasonably possible not to exceed two (2) weeks. Funds are automatically transferred from the depository account to the District's fund account with Pierce County (the District's Treasurer).

G. Fund Balance and Maintenance of Minimum Reserve Levels

The District shall strive to maintain adequate fund balances (reserves) in order to provide sufficient cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. Operating expenditures shall include salaries, benefits, supplies, professional services, intergovernmental and interfund expenses, capital outlays and transfers

Section 12. Debt Policies

A. Capital Planning:

The District shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the District shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

B. Legal Governing Principles

In the issuance and management of debt, the District shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

1. State Statutes – The District may contract indebtedness as provided for by state law, subject to the statutory and constitutional limitations on indebtedness.
2. Federal Rules and Regulations – The District shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations thereunder; and the Securities Acts of 1933 and 1934.
3. Local Rules and Regulations – The District shall issue and manage debt in accordance with the limitations and constraints imposed by local rules, policies, and regulations.

C. Roles & Responsibilities

The Board:

1. Approves indebtedness;
2. Approves appointment of the bond underwriter and bond counsel;

3. Approves the Financial Policy, including the section on the Debt Policy; and
4. Approves budgets sufficient to provide for the timely payment of principal and interest on all debt.

The Executive Director (and/or Finance Manager) in consultation with the Board:

1. Assumes primary responsibility for debt management;
2. Provides for the issuance of debt at the lowest reasonably possible cost and risk;
3. Determines the available debt capacity;
4. Provides for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
5. Recommends to the Board the manner of sale of debt;
6. Monitors opportunities to refund debt and recommends such refunding as appropriate;
7. Complies with all Internal Revenue Service (IRS), Securities and Exchange Commission (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt;
8. Provides for the timely payment of principal and interest on all debt and ensures that the fiscal agent receives funds for payment of debt service on or before the payment date;
9. Provides for and participates in the preparation and review of offering documents;
10. Complies with all terms, conditions and disclosure required by the legal documents governing the debt issued;
11. Submits to the Board all recommendations to issue debt;
12. Provides for the distribution of pertinent information to rating agencies;
13. Complies with undertakings for ongoing disclosure pursuant to SEC Rule 15c2-12; and
14. Applies and promotes prudent fiscal practices.

D. Ethical Standards Governing Conduct

The members of the District’s staff will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

E. Types of Debt Instruments:

The District may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of the Board, the District is authorized to sell:

1. **Unlimited Tax General Obligation Bonds** – The District shall use Unlimited Tax General Obligation Bonds (UTGO), also known as “Voted General Obligation Bonds” for the purpose of general purpose, pool improvements, open space and parks. Voted Bond issues are limited to capital purposes only.

Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the approval of 60% of the voters at an election to be held for that purpose, plus validation requirements.

2. **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation Debt (LTGO), also known as “Non-Voted General Obligation Debt,” requires the District to use a portion of its regular property tax levy sufficient to meet its debt service obligations but only up to a statutory limit. The District shall use LTGO Bonds as permitted under State law for lawful purposes only. LTGO debt is backed by the full faith and credit of the District and is payable from regular property taxes and other money lawfully available. LTGO Bonds will only be issued if:

- a. The District determines they can afford the payments;
- b. A project requires funding not available from alternative sources;
- c. Matching fund monies are available which may be lost if not applied for in a timely manner; or,
- d. Emergency conditions exist.

- 3. **Revenue Bonds** – The District shall use Revenue Bonds as permitted under State law for the purpose of financing construction or improvements to facilities of enterprise systems (if any) operated by the District in accordance with the Capital Improvement Plan.
- 4. **Short-Term Debt** – The District shall use short-term debt as permitted by State law for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long-term funding has been secured but not yet received. The District may use interfund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund’s current operations. All interfund loans will be subject to the Board’s approval and will bear interest at prevailing rates.
- 5. **Leases** – The District is authorized to enter into capital leases under State law, subject to the approval of the Board.

F. General Requirements

- 1. The District will not use long-term debt to pay for current operations. The use of bonds or certificates of participation will only be considered for significant capital and infrastructure improvements.
- 2. The term of the debt shall never extend beyond the useful life of the improvements to be financed, and generally the term of the debt will not exceed thirty (30) years.
- 3. The general policy of the District is to establish debt repayment schedules that use level annual principal and interest payments.
- 4. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond resolution, or 2) payment of debt service on the bonds.

Proceeds from debt will be used in accordance with the purpose of the debt issue. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond resolution that authorized the issuance of the debt.

5. The District will use the most prudent methods of acquiring capital outlay items, including the use of lease-purchase agreements. In no case will the District enter into a lease-purchase agreement if the equipment has a useful life that is less than the term of the lease.
6. The District will maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved. The District will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.
7. The District shall use refunding bonds in accordance with the Refunding Bond Act, as amended or superseded. Unless otherwise justified, the District will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any “current refunding,” unless otherwise justified.
8. With the Board’s approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an interfund loan as appropriate in the circumstances.
9. An independent outside financial advisor may be used to provide the District with objective advice and analysis on debt issuance.
10. A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided by RCW chapter 43.80 the District will use the fiscal agent appointed by the State.
11. Projects proposed for financing through general obligation debt will be accompanied by an analysis of the future operating and maintenance costs associated with the project.

Section 13. Communication Policies

- A. It is the policy of the District to remain as transparent as possible.
- B. The District shall manage relationships with the rating analysts assigned to the District's credit, using both informal and formal methods to disseminate information.
- C. The District's Basic Financial Statements and Notes shall be a vehicle for compliance with continuing disclosure requirements. The Notes to the Financial Statements may be supplemented with additional documentation as required. Each year included in the Notes to the Financial Statements, the District will report its compliance with debt targets and the goals of the Debt Policies.
- D. The District shall strive to maintain and improve its current bond rating.

Section 14. Compliance Policies

A. Investment of Proceeds

The District shall comply with all applicable federal, state and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

B. Legal Covenants

The District shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

C. Periodic Policy Review

At a minimum, the Financial Management Policies and the District's Post Issuance Compliance Policy will be reviewed and updated every five (5) years.

Section 15. Capital Improvement and Capital Budget Policies

- A. It is the District's policy to ensure that adequate resources are allocated to preserve existing infrastructure and other capital assets before targeting resources toward construction or acquisition of public facilities or major equipment. The District will maintain its physical assets at a level adequate to protect its capital investment and minimize future maintenance and replacement costs. The budget will provide for the orderly replacement of the capital assets from current resources where possible. Long-term borrowing for capital facilities is considered an appropriate method of financing large facilities that benefit more than one generation of users.
- B. The District will develop a six-year Capital Improvement Plan (CIP) to identify and coordinate infrastructure, facility, and major pieces of equipment needs and what facilities to construct, their location, timing, projected cost, and funding sources in a way that maximizes the return to the community. The plan is directed at improving the parks and recreational infrastructure for the community. All capital improvements will be made according to the adopted CIP.
- C. The CIP will be formulated using an analysis of long-term, overall resources and will include projected funding sources and ongoing operations and maintenance costs. Future changes in economic or demographic factors identified in the financial forecasting process will be incorporated in the capital budget projections. The plan will be updated annually.
- D. The first year of the CIP will constitute the capital budget for the ensuing budget year. The capital budget and the base operating budget will be reviewed at the same time to assure that the District's capital and operating needs are evaluated in a balanced manner.
- E. The District will reasonably determine the least costly financing method for all new projects. Whenever possible, the District will use intergovernmental assistance and other outside resources to fund capital projects. Additional funding may come from designated surpluses in the General Fund and certain special revenue funds as outlined in the operating budget policy.
- F. Projects contained within the CIP will include capital costs as well as ongoing operating costs.

- G. For the purposes of this section, a CIP project is defined as any one project or a grouping of similar projects that are reasonably related where the cost exceeds \$25,000 and/or a life span of more than 10 years; involves new construction or reconstruction designed to replace an existing system or facility; acquisition of land or structures; involves District funding in whole or in part; or involves no District funding but is the District's responsibility to implement, operate or maintain, such as a 100 percent grant funded project.
- H. Minor equipment that falls below the capital asset threshold but is subject to shrinkage shall have a District property tag affixed to it when placed into service and will be accounted for on the "Small and Attractive" inventory list.
- I. The Finance Department will coordinate an annual physical count/inspection of all capital assets.
- J. Adequate insurance will be maintained on all capital assets consistent with the results of the annual physical count / inspection.

Section 16. Cash and Purchasing Policies

- A. The Executive Director or his or her designee will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment and security of all cash assets. Written cash handling procedures are updated periodically and made available to all departments.
- B. Purchase of goods and services will be accomplished by a separate purchasing policy adopted by the Board.
- C. Payroll costs are authorized by budget adoption.
- D. Expenditures will be within current resource projections at the fund level.



Peninsula Metropolitan Park District

RESOLUTION NO. R2021-025

A RESOLUTION OF PENMET PARKS ADOPTING THE AMENDED POLICY P40-101: COMPREHENSIVE FINANCIAL MANAGEMENT POLICY

WHEREAS, the Peninsula Metropolitan Park District (PenMet Parks) is accountable to its citizens for its use of public money and the establishment and maintenance of wise financial and fiscal policies to protect the public interest and ensure public trust; and

WHEREAS, Policy P40-101: Comprehensive Financial Management Policy (the "Policy") defines the current policies to be used by PenMet Parks to meet its immediate and long-term service goals and operate in a financially prudent manner; and

WHEREAS, the individual policies contained within the Policy serve as general guidelines for both financial planning and internal financial management of PenMet Parks; and

WHEREAS, the Policy ensures that the District is positioned to respond to changes and the economy and new service requirements without an undue amount of financial stress; and

WHEREAS, the Board of Park Commissioners has passed several resolutions amending the Policy and wishes to further amend the Policy to ensure it continues to protect the public interest and ensure public trust;

NOW THEREFORE BE IT

RESOLVED by the Board of Park Commissioners that PenMet Parks adopts the amended Policy P40-101: Comprehensive Financial Management Policy attached as Exhibit A, which supersedes all previous versions of Policy P40-101.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on September 21, 2021.

President

Clerk

Attest



Peninsula Metropolitan Park District

Bond Procedure and Post Compliance Policy – Federal Securities Law

Policy Number: P40-103	Resolution Number: R2021-026	Date Approved: September 21, 2021	Supersedes the following Resolutions and Policies:
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Policy: **Bond Procedure and Post Compliance Policy – Federal Securities Law**
 (Approved by the PenMet Parks Board of Commissioners)

Purpose: This policy and procedure is intended to guide the Peninsula Metropolitan Park District, Pierce County, Washington (the “District”) in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the District. These obligations may arise as a result of securities laws or as a result of contractual commitments made by the District. This policy should be read together with other District policies and procedures relating to its debt obligations and (with respect to tax-exempt securities) a separate District policy relating to requirements of federal tax law. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. In the District, the District’s Director of Finance and Administration (“Finance Director”), or such officer’s designee, will be responsible for ensuring that the policy is followed and compliance checklist and records maintained.

A. Scope and Purpose

This policy and procedure is intended to establish a framework for compliance by District with its disclosure and/or contractual obligations with respect to bonds, notes, and other securities it issues or that are issued on its behalf (as defined herein, the “securities”), pursuant to the requirements of federal and state securities laws and other applicable rules, regulations, and orders. This section applies generally to all of the District’s bonds (regardless of their tax status) and other debt issued on the District’s behalf subject to comparable requirements. The purpose of this policy is to: facilitate compliance with applicable law and existing ongoing disclosure undertakings when preparing and distributing initial and ongoing disclosure documents, to reduce exposure (of the District and its officials and employees) to liability for damages and enforcement actions based on material misstatements and omissions in such documents, and to promote good investor relations.

B. The Anti-Fraud Rules

It is the policy of the District to comply fully with applicable securities laws regarding disclosure in connection with the issuance of securities and with the terms of its continuing disclosure agreements, including the Anti-Fraud Rules. The “Anti-Fraud Rules” refer to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, particularly Rule 10b-5 under the Securities Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts.¹

The Anti-Fraud Rules require all material information relating to the offered securities to be provided to potential investors in connection with the sale or issuance of securities. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a materially complete description of the securities and the District’s financial condition. In the context of the sale of securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important, in the total mix of information made available to investors, in determining whether or not to purchase the securities being offered.

¹ For example, the Anti-Fraud Rules provide that “It shall be unlawful for any person, directly or indirectly, ...
(a) To employ any device, scheme, or artifice to defraud,
(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading,
or
(c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,
in connection with the purchase or sale of any security.”

The Anti-Fraud Rules apply to all statements and other communication that are intended (or reasonably can be expected) to be accessible to and relied upon by investors of the District's securities. Investor communications include: Preliminary and final Official Statements (the offering documents used in connection with the sale of securities), filings made on EMMA (including filings made pursuant to continuing disclosure undertakings and voluntary postings), and may include, depending on the context, information uploaded or linked or posted to the website of the District, and press releases and other formal and/or public statements of the District.

C. Guidelines for Preparing Disclosure Documents

1. All District staff members and officials involved in the preparation or review of disclosure documents or other investor communications are responsible for being familiar with the Anti-Fraud Rules. Violations of the Anti-Fraud Rules may be punishable by civil or criminal penalties against the District and the individual staff members and officials responsible for the violations.
2. Staff members and officials involved in the preparation or review of disclosure documents and other investor communications are instructed to err on the side of raising issues when preparing or reviewing such documents and communications. Officials and staff are encouraged to consult with the District's general counsel, bond counsel and/or disclosure counsel, if any, and/or the District's municipal advisor, if any, if there are questions regarding whether an issue is material. Any concerns regarding the accuracy of a disclosure document or other investor communication should be immediately reported to the District's general counsel, bond counsel and/or disclosure counsel, if any.
3. The officers and employees charged by this policy with performing or refraining from any action may depart from this policy when they and the District Finance Manager in good faith determine that such departure is in the best interests of the District and consistent with the duties of the District under the Anti-Fraud Rules. The District Finance Manager is encouraged to first consult with bond counsel, disclosure counsel and/or other legal counsel to the District prior to any such departure.
4. Prior to the public release of any disclosure document or communication to be posted on EMMA, the District Executive Director or Finance Manager or designee shall complete a final review of the material, consisting of comparing and resolving any material discrepancies between the District's audited (and unaudited, if needed) financial statements and other source materials, and cover-to-cover review of the communication.

D. Preliminary and Final Official Statements

For the purpose of satisfying the underwriter's compliance with the SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the District Executive Director or the District Finance Director (and/or any other official designated by the District's Board, if any) shall be responsible for "deeming final" the Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, maturity dates, delivery dates, and other terms of the securities dependent on such matters or permitted under the Rule to be omitted.

Prior to release of a final Official Statement, the District Executive Director or Finance Director or designee shall be responsible for reviewing and approving the document. Such officer's approval may be documented in the form of the signed closing certificate. In connection with the closing of the transaction, the District Executive Director or Finance Director (and any other official designated by the District's Board, if any) will execute a certificate under the Anti-Fraud Rules stating that the Preliminary and final Official Statements, as of their respective dates and as of the dates of pricing and closing, as applicable, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

E. Ongoing Disclosure

Under the provisions of the Rule, underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. The transcript for each issue subject to the Rule (i.e., all publicly sold securities) will include an undertaking by the District to comply with the Rule. The District Finance Director or designee will be responsible for and monitor compliance by the District with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of certain "listed events."

1. *Annual Filings.* The District shall file, on a timely basis, its audited financial statements and any operating data as required under its continuing disclosure agreements. If audited financial information is not available by the filing date, unaudited information must be filed, and the audited information must be filed as soon as it is available. Further, the District Finance Director is responsible for providing, in a timely manner, notice of any failure to provide required annual financial information, on or before the date specified in the applicable continuing disclosure agreement.

Prior to posting an annual filing, the District Finance Director will complete a final review, consisting of comparing and noting material discrepancies with source materials and compliance with the Anti-Fraud Rules. Each

continuing disclosure filing shall be sent to the District Finance Director or other authorized officer for approval prior to posting on EMMA. The District Finance Director must exercise reasonable care to file the annual filings in word-searchable PDF format and with the identifying information required by the Continuing Disclosure Agreements, including applicable CUSIP numbers for the securities. The District Finance Director shall enroll on the EMMA website to receive annual email reminders of annual filing deadlines.

2. *Listed Events.*

- (a) *When Notice is Required.* Notice of certain listed events must be filed in a timely manner not more than *ten (10) business days* after the occurrence of the event. As of the date of this policy, the listed events include the following:
- (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds;
 - (7) Modifications to the rights of bondholders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (11) Rating changes (both upgrades and downgrades);
 - (12) Bankruptcy, insolvency, receivership or similar event of the District;
 - (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) Incurrence of a Financial Obligation (as defined below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Security holders, if material; and
 - (16) Default, event of acceleration, termination event, modification of terms, or

other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

- (b) *Definition of “Financial Obligation.”* “Financial Obligation” is defined in the Rule to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of clause (A) or (B) of this definition. The term financial obligation does not include municipal securities as to which a final Official Statement has been provided to consistent with the Rule.
- (c) *Inventory of Financial Obligations.* To facilitate compliance with these listed events, the District Finance Director will maintain an inventory of all Financial Obligations of the District. The District Finance Director will review each Financial Obligation (with the assistance of disclosure counsel and/or bond counsel as needed) to determine whether it is material and subject to reporting under the District’s continuing disclosure agreements. The District Finance Director will periodically review the definition of Financial Obligations and the inventory of existing Financial Obligations with the appropriate District officers and employees. If there is a foreseeable possibility of any default, event of acceleration, termination event, modification of terms or other similar event is reasonably possible occur, the District Finance Director will be informed.

F. Other Investor Communications

The Anti-Fraud Rules apply to all investor communications. Such investor communications may include, but are not limited to, voluntary filings made on EMMA, information on the District’s website (such as on an investor relations webpage), communications with investors (or potential investors), press releases and other formal statements of the District that are intended to reach investors. The District Finance Director and other officers of the District shall exercise reasonable care to make sure that the information in investor communications is materially accurate and complete and otherwise in compliance with this policy.

G. Document Retention.

The following documents are to be maintained in connection with each Security. The goal is to retain adequate records to substantiate compliance with the Anti-Fraud Rules. Unless otherwise specified, the following records are to be maintained.

1. Complete bond transcript.
2. A written record of any Financial Obligation or the occurrence of other notice event that is determined to be immaterial or not reflecting financial difficulty

and thus not requiring disclosure, and the facts and circumstances used to reach such conclusion.

3. Documentation of the actions taken to prepare, check, review and approve each Investor Communication made pursuant to these procedures, including the sources of the information included.
4. Electronic copies of confirmations from EMMA of all continuing disclosure filings.
5. Copies of any filings or correspondence with the SEC or other regulatory body.

H. Training

The District will provide opportunities for training to the District Executive Director, District Finance Director, legal counsel, department managers/directors, elected officials and other individuals responsible for complying with this policy, as needed, specifically including the following training opportunities: at or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue; participation in in-house training sessions, CPE seminars, or seminars/webinars conducted by professional organizations (e.g., GFOA, WPTA, WFOA); and training will be provided as necessary to address any changes in federal securities laws or this policy.



Peninsula Metropolitan Park District

RESOLUTION NO. R2021-026

A RESOLUTION OF PENMET PARKS ADOPTING POLICY P40-103: BOND PROCEDURE AND POST COMPLIANCE POLICY – FEDERAL SECURITIES LAW

WHEREAS, the Peninsula Metropolitan Park District (PenMet Parks) is required to meet its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the District; and

WHEREAS, these obligations may arise as a result of securities laws or as a result of contractual commitments made by the District; and

WHEREAS, the District desires to adopt a policy that outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance;

NOW THEREFORE BE IT

RESOLVED by the Board of Park Commissioners that PenMet Parks adopts Policy P40-103: Bond Procedure and Post Compliance Policy – Federal Securities Law attached as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on September 21, 2021.

President

Clerk

Attest



Peninsula Metropolitan Park District

Bond Procedure and Post Compliance Policy – Federal Tax Law

Policy Number: P40-104	Resolution Number: R2021-027	Date Approved: September 21, 2021	Supersedes the following Resolutions and Policies:
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Policy: **Bond Procedure and Post Compliance Policy – Federal Tax Law**
(Approved by the PenMet Parks Board of Commissioners)

Purpose: This policy and procedure is intended to guide the Peninsula Metropolitan Park District, Pierce County, Washington (the “District”) in meeting its obligations under applicable statutes, regulations and documentation associated with tax-exempt bonds and other tax-advantaged obligations. This policy should be read together with other District policies and procedures relating to its debt obligations and a separate District policy relating to the requirements of federal securities laws. This policy outlines obligations that may be applicable to each issue of tax-exempt or tax-advantaged bonds and identifies the party to be responsible for monitoring compliance. In the District, the District’s Director of Finance and Administration (“Finance Director”), or such officer’s designee, will be responsible for ensuring that the policy is followed and compliance checklist and records maintained.

A. Scope and Purpose

This policy and procedure applies to all of the District’s tax-exempt and tax-advantaged governmental bonds, and other bonds subject to comparable requirements. As used in this policy, references to “bonds” include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases. This policy and procedure is intended to improve the District’s ability to: prevent violations in bond requirements from occurring; timely identify potential violations; and correct identified violations through appropriate remedial steps.

B. Transcripts

1. For each bond issue, the District will receive a full transcript, including a full record of the proceedings related to the issuance of the bonds. For tax-exempt and tax-advantaged bonds, the transcript will include proof of filing an IRS Form 8038-G or 8038-GC and a tax certificate (the “Tax Certificate”) with respect to the bonds.
2. Bond transcripts will be retained in the following location within the District: District Finance Director’s Office.
3. Additional records to be retained by the District are listed in Section H below.

C. Use of Bond Proceeds

Monitoring the expenditure of bond proceeds is necessary to assure that the required amount of bond proceeds are expended for capital expenditures and that not more than 10% of the bond proceeds are expended for projects that will be used in a private trade or business (including by the federal government and nonprofit entities).

1. If the project(s) to be financed with the proceeds of the bonds will be funded with multiple sources of funds, the District will adopt an accounting methodology that:
 - (a) maintains each source of funding separately and monitors the actual expenditure of bond proceeds;
 - (b) commingles the proceeds and monitors the expenditures on a first in, first out basis; or
 - (c) provides for the expenditure of funds received from multiple sources on a proportionate basis.
2. Records of expenditures (timing of expenditure and object code) of the proceeds of bonds will be maintained by the District Finance Director.

3. If the project involves bond proceeds and other sources of funds and included both governmental and nongovernmental use of the financed facilities, the District Finance Director in consultation with the project manager or other authorized District official will undertake a final reconciliation of bond proceeds expenditures and expenditures of other funds with project costs no later than 18 months after the later of the date of expenditure or the date that the project is placed in service (but in no event more than five years after the date of issue).
4. Any change in the scope of the project financed with bond proceeds should be reviewed and documented.
5. Any delay in the project and the expected spending of bond proceeds should be discussed with bond counsel and documented.
6. Records of investments and interest earnings on the bond proceeds will be maintained by the District Finance Director. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on bonds are considered proceeds of the issue. Interest earnings on proceeds will be deposited in the fund in which the bond proceeds were deposited (if not, then the plan for use of interest earnings will be discussed with the District's bond counsel).
7. Records of interest earnings on reserve funds maintained for the bonds.
8. If at the completion of the project there are unspent bond proceeds, the District Finance Director, conferring with bond counsel, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and bond authorization documents.

D. Arbitrage Rebate

In general, bond proceeds and certain other funds can only be invested at a rate that exceeds the yield on the bonds under limited circumstances. Furthermore, amounts earned by investing above the bond yield must be rebated to the IRS, unless the District qualifies as a small issuer or a spending exception is met. The arbitrage and rebate requirements for each bond issue are detailed in the Tax Certificate executed in connection with the applicable bond issue. The District Finance Manager will monitor compliance with the arbitrage rebate obligations of the District for each bond issue.

1. *Funds to Monitor.* The District Finance Director will monitor the following funds in connection with each bond issue: bond or debt service funds/accounts; project or construction funds/accounts; any refunding

accounts; debt service funds/accounts; any other accounts with bond proceeds; and any other accounts holding amounts pledged to pay bonds.

2. *Review.* The District Finance Director will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.
 - (a) During construction, the District Finance Director is to monitor expenditures to confirm satisfaction of expected exceptions to rebate (described below in Subsection 3).
 - (b) The first rebate payment is due five years after date of issue of the bonds plus 60 days.
 - (c) Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds.
 - (d) Final rebate payment is due 60 days after early redemption or retirement of the bonds.
3. *Rebate Exceptions.* The District Finance Director will review the Tax Certificate in the transcript in order to determine whether the District is expected to comply with a spending exception that would permit the District to avoid having to pay arbitrage rebate. If the Tax Certificate identifies this spending exception, then the District Finance Director will monitor the records of expenditures to determine whether the District met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government).
4. *Rebate Consultant.* The District Finance Director may select and retain the services of a rebate consultant if determined to be necessary and in the best interest of the District in order to calculate any potential arbitrage rebate liability. The rebate consultant may be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all bonds issued by the District. The selected rebate consultant shall provide a written report to the District with respect to the issue and with respect to any arbitrage rebate owed if any.

Based on the report of the rebate consultant, the District will file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

5. *Yield Reduction Payments.* If the District fails to expend all amounts required to be spent as of the close of any temporary period specified in the Tax Certificate (generally three years for proceeds of a new money issue

and 13 months for amounts held in a debt service fund), the District will consult with bond counsel to determine and pay any required yield reduction payment.

E. Use of the Facilities Financed with Bond Proceeds

In order to maintain tax-exemption of bonds issued on a tax-exempt or tax-advantaged basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The District Finance Director will monitor and maintain records regarding any private use of the projects financed with such bond proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimis* amounts unless cured by a prescribed remedial action.

1. Private use may arise as a result of:
 - (a) Sale of all or a portion of the facilities;
 - (b) Lease of all or a portion of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);
 - (c) Management contracts (in which the District authorizes a third party to operate a facility (e.g., cafeteria or parking operator)), except for qualified management contracts under IRS Rev. Proc. 2017-13 or any successor guidance;
 - (d) Preference arrangements (in which the District grants a third party preference of the facilities, e.g., preference parking in a public parking lot); and
 - (e) Entering into contracts giving “special legal entitlement” to the facility (for example, selling advertising space or naming rights).
2. All leases and other contracts involving use or management of bond-financed property will be sent prior to execution to the District Finance Director for review. The District Finance Director will confer with personnel responsible for bond financed projects at least annually to discuss any existing or planned use of bond-financed or refinanced facilities. Private use for each bond-financed project will be calculated annually.
3. If the District Finance Director or designee identifies private use of tax-exempt debt financed facilities, the District Finance Director or designee will consult with the District’s bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The private use may be allocated to those

facilities (or portions of facilities) that were funded from sources other than bond proceeds. If noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions. If remedial actions are unavailable, determine whether to make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) under Internal Revenue Manual 7.2.3.

F. Refundings

For refunding escrows, the District will confirm that any scheduled purchases of State and Local Government Series (“SLGS”) or open market securities are made as scheduled. On the redemption date, the District Finance Director will confirm that the refunded bonds have been redeemed and cancelled. Promptly following the redemption date, the District Finance Director will confirm that all proceeds of the bonds and all proceeds of the refunded bonds have been spent. Verify that excess proceeds, if any, of the bonds do not exceed an amount permitted by the Regulations.

Any final rebate payment is due 60 days after early redemption or retirement of the refunded bonds.

G. Reissuance

A significant modification of the bond documents may result in bonds being deemed refunded or “reissued.” Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new Tax Certificate. The District shall consult with bond counsel in the event of modification of the bond documents.

H. Records Retention

1. Records with respect to matters described in this Section H will be retained by the District for the life of the bond issue (and any issue that refunds the bond issue) and for a period of three years thereafter.
2. Records to be retained:
 - (a) The transcript;
 - (b) Arbitrage rebate reports prepared by the District or by outside consultants;
 - (c) Work papers that were provided to the rebate consultants;

- (d) Records necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.
- (e) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the District should continue to maintain those records in accordance with this policy);
- (f) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate);
- (g) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable;
- (h) Copies of all contracts relating to the use of the bond-financed facility including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements; and
- (i) Copies of all records noting compliance with these policies.

I. Training

The District will provide opportunities for training to the District Executive Director, District Finance Director, legal counsel, department managers/directors, elected officials and other individuals responsible for complying with this policy, as needed, specifically including the following training opportunities: at or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue; participation in in-house training sessions, CPE seminars, or seminars/webinars conducted by professional organizations (e.g., GFOA, WPTA, WFOA); and training will be provided as necessary to address any changes in federal tax laws or this policy.



Peninsula Metropolitan Park District

RESOLUTION NO. R2021-027

A RESOLUTION OF PENMET PARKS ADOPTING POLICY P40-104: BOND PROCEDURE AND POST COMPLIANCE POLICY – FEDERAL TAX LAW

WHEREAS, the Peninsula Metropolitan Park District (PenMet Parks) is required to meet its obligations under applicable statutes, regulations and documentation associated with tax-exempt bonds and other tax-advantaged obligations; and

WHEREAS, the District desires to adopt a policy that outlines obligations that may be applicable to each issue of tax-exempt or tax-advantaged bonds and identifies the party to be responsible for monitoring compliance;

NOW THEREFORE BE IT

RESOLVED by the Board of Park Commissioners that PenMet Parks adopts Policy P40-104: Bond Procedure and Post Compliance Policy – Federal Tax Law attached as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on September 21, 2021.

President

Clerk

Attest



Peninsula Metropolitan Park District

PO Box 425 – Gig Harbor, WA 98335
 253-858-3400 – info@penmetparks.org
www.penmetparks.org

DISTRICT COMMISSION MEMO

To: Board of Park Commissioners

From: Ally Bujacich, Executive Director

Date: September 21, 2021

Subject: **R2021-028: Authorize the Executive Director to Sign the Contract with MB Electric to Replace Wiring at Sehmel Homestead Park**

Background/Analysis

Wiring serving the Sehmel Homestead Park turf field was stolen during two separate incidents in August and September, which resulted in inoperable field lighting. Staff have filed police reports, incident reports, and claims with Enduris for each incident.

MB Electric provided a proposal to replace the wiring for an amount not to exceed \$21,600.00, inclusive of Washington State Sales Tax. The District will be billed for the cost of the work on a time and materials basis, not to exceed the contract sum listed above. Enduris has preliminarily approved the reimbursement of actual costs up to \$20,286.72, less the deductible of \$1,000.00 per occurrence. Staff will negotiate the claim with Enduris in an effort to cover all incurred costs related to the repair up to \$21,600.00, less the deductible.

Pending Board of Park Commissioners authorization to execute the contract with MB Electric, the work is scheduled for September 22-24, 2021. Time is of the essence to minimize impacts to use of the field after sunset.

After the wires are replaced, the electrical vault covers will be tack welded and barricaded to help prevent future theft.

Recommendation

Staff requests that the Board approve Resolution R2021-028, authorizing the Executive Director to sign the contract, in substantially the form attached, with MB Electric to replace stolen wiring at Sehmel Homestead Park.

Policy Implications/Support

1. The District has adopted goals including:
 - Developing and Maintaining High Quality Facilities: To build and maintain high quality facilities consistent with community planning.
 - District Funds: To maximize the use of tax revenues by using other resources such as grants, user fees, volunteers, and appropriate professional resources.
 - Promoting Healthy Lifestyles: To provide parks and recreation facilities and programs that contribute significantly to the health and well-being of the community.

Motion

I move to approve Resolution R2021-028, authorizing the Executive Director to sign the contract, in substantially the form attached, with MB Electric to replace stolen wiring at Sehmel Homestead Park.

Should you have any questions or comments please contact me at (253) 858-3408 or via email at abujacich@penmetparks.org.

Peninsula Metropolitan Park District

PROJECT CONTRACT FOR WORK AWARDED FROM SMALL WORKS ROSTER

(Work Less Than \$300,000)

This AGREEMENT is made as of the 21st day of September, 2021, between the Peninsula Metropolitan Park District ("PenMet Parks" or "Owner"), (PO Box 425, Gig Harbor, WA 98335), and the Contractor: MB Electric LLC.

A general description of the Project is: furnish and install wire, crimps, splices, and other materials as required to restore the condition of the field lighting wiring to its original condition prior to the two theft incidents. The quality of materials and equipment installed by the Contractor shall be equivalent or better to the materials and equipment that are replaced under this agreement. At the conclusion of the project, all lighting affected by the two theft incidents will be operational in its original condition.

The Architect/Engineer ("A/E"), if any, is: | |
N/A.

The Owner and Contractor agree as set forth below.

ARTICLE 1 **THE WORK**

1.1 The Contractor shall fully execute and complete the entire Work described in the Contract Documents.

1.2 This written contract represents the entire agreement between the parties. All prior representations, promises or statements merge with this written contract.

ARTICLE 2 **DATES OF COMMENCEMENT AND SUBSTANTIAL AND FINAL COMPLETION**

2.1 The date of commencement of the Work (the date from which the Contract Time is measured) shall be the date established in a notice to proceed issued by the Owner, unless a different date is stated below:

2.2 The Contractor shall achieve Substantial Completion of the entire Work no later than September 24, 2021 and Final Completion no later than October 24, 2021, subject to adjustments of the Contract Time as provided in the Contract Documents.

2.3 Liquidated damages, if any, shall be \$0 per day for each calendar day after the Contract Time that Substantial Completion is not attained, and shall be paid to the Owner.

**ARTICLE 3
CONTRACT SUM**

3.1 Owner shall pay the Contractor for the Contractor’s performance of the Contract the Contract Sum of not to exceed TWENTY-THOUSAND Dollars (\$20,000.00), subject to additions and deductions as provided in the Contract Documents. Sales tax is not included in the Contract Sum.

The contract sum has been derived from the contractor’s bid to Owner dated September 14, 2021, and is made up of the following components:

Labor	\$8,800
#8 XHHW-2 copper wire	\$8,400
Epoxy splice kits	\$1,440
Copper “C” crimps	\$ 144
Electrical service	\$1,216

All expenses will be tracked and billed on a time and material basis. Contractor will substantiate billing with invoices, tickets, and other suitable documentation. Amounts billed shall not exceed the total Contract Sum.

3.2 The Contract Sum is based upon and includes the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner: []

N/A

3.3 Unit prices beyond those listed in the Contractor's Bid to Owner, if any, are as follows:

N/A

[]

3.4 Allowances, if any, are as follows: []

N/A

3.5 If this Agreement is for a Project for the Contract Sum of one million dollars or more, complete below the names of the following subcontractors with whom the Contractor will subcontract for performance of the work:

N/A HVAC (heating, ventilation, and air conditioning)

N/A Plumbing as described in chapter 18.106 RCW

N/A Electrical as described in chapter 19.28 RCW.

**ARTICLE 4
PAYMENT**

4.1 Owner will make payments to the Contractor as provided below and elsewhere in the Contract Documents based upon Application(s) for Payment submitted by the Contractor. Owner will schedule final payment, constituting the entire unpaid balance of the Contract Sum except statutory retainage, to the Contractor when the Work has achieved Final Completion, the Agreement has been fully performed and the Board of Park Commissioners has accepted the Work. The retainage shall be paid pursuant to RCW 60.28 and the Contract Documents.

4.2 Payments due and unpaid under the Agreement shall bear interest as specified by RCW 39.76, not to exceed the Bank of America prime rate plus 2%.

ARTICLE 5 **PERMITS AND FEES**

5.1 The Owner will secure and pay for the cost of any required building permit. The Owner shall secure and pay for necessary approvals, easements, assessments and charges required for the use or occupancy of permanent structures or permanent changes in existing facilities.

5.2 The Contractor shall secure and pay, as a part of the Contract Sum, for all other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the construction of the Work.

ARTICLE 6 **INSURANCE**

6.1 The Owner shall insure the property in the amount of its insurable replacement cost, including additions and alterations, against "all risks" of physical loss. The policies may inure to the benefit of the Owner only. The Contractor is at risk for all material and equipment not a permanent part of the structure. If the Owner requires in writing that the Contractor procure property insurance it shall be paid for by a Change Order. The Contractor's insurance requirements are described in Section 6.3.

6.2 Upon the occurrence of an insured loss, the Owner shall have the power to adjust and settle any loss with the insurers.

6.3 In the performance of services under this Contract, the Contractor shall obtain and keep in force during the term of this Contract or any amendment hereof a policy of liability insurance covering personal injuries, death, and property damage deemed adequate by Owner in the amount of \$1,000,000 which policy includes Owner as an additional insured. Evidence of any such insurance shall be furnished by the Contractor on the date of execution hereof by delivering to Owner a copy of said policy and a certificate evidencing such insurance. Failure to maintain such insurance during the period of the contract shall be cause for termination of the contract. Such insurance shall provide that it may not be cancelled unless Owner first received 30 days written notice of such cancellation.

ARTICLE 7 **ENUMERATION OF CONTRACT DOCUMENTS**

The Contract Documents are enumerated as follows, except for modifications issued after execution of this Agreement:

7.1 This executed Agreement between the Owner and Contractor, including the attached General Conditions.

7.2 Any Supplementary and other Conditions of the Agreement.

7.3 The Specifications as follows: Materials and equipment installed under this agreement shall be of equivalent or better quality that the materials that were originally installed.

7.4 Department of Labor and Industries Prevailing Wage Rates for Pierce County: \$72.56 (journey level inside electrician).
Effective Date: September 16, 2021.

7.5 Any other documents forming part of the Contract Documents and listed below:
N/A | *This Agreement entered into as of the day and year first written above.*

PENINSULA METROPOLITAN PARK DISTRICT

CONTRACTOR

By _____
(Signature)
Ally Bujacich, Executive Director

(Printed name and title)

By _____
(Signature)

(Printed name and title)

GENERAL CONDITIONS

ARTICLE 8 THE CONTRACT DOCUMENTS

8.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one is as binding as if required by all. Performance by the Contractor is required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

8.2 The Contract Documents shall not be construed to create a contractual relationship of any kind between either the Owner and a Subcontractor of any tier, or between any persons or entities other than the Owner and Contractor.

8.3 The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

8.4 The term "A/E" means the entity listed as such on the first page of this Agreement, if any. The A/E may be an architect, engineering or similar company, or consultant, and is not necessarily a licensed architect or engineer. If "None" or "N/A" is listed for the A/E, then the Owner or its designated representative will perform all of the functions of the A/E described herein. The A/E is not an agent of the Owner, and is not authorized to speak on behalf of or bind the Owner.

8.5 The Contractor's execution of the Agreement is a representation and acknowledgement that the Contractor has visited the site and become familiar with the local conditions under which the Work is to be performed, that the Contract Sum is reasonable compensation for all the Work, and that the Contract Time is adequate for the performance of the Work. The Contractor's execution of the Agreement is a further representation and acknowledgement that the Contractor has carefully checked and verified all pertinent figures and examined the Contract Documents and the Project site, including any existing structures, and that it has satisfied itself as to the nature, location, character, quality and quantity of the Work, the labor, materials, equipment, goods, supplies, work, services and other items to be furnished, and all other requirements of the Contract Documents, as well as the surface conditions and other matters that may be encountered at the Project site or affect performance of the Work or the cost or difficulty thereof.

8.6 Contractor hereby assigns to the Owner all manufacturers' warranties.

ARTICLE 9 ADMINISTRATION OF THE AGREEMENT

9.1 The Owner, with assistance from the A/E, will provide administration of the Agreement. The Owner must approve in writing all changes in the Contract Sum or Time and all Change Orders, Construction Change Directives, and payments to the Contractor.

9.2 No representative of the Owner or the A/E is authorized to revoke, alter, enlarge, relax or release any requirements of the Contract Documents, nor to approve or accept any portion of the Work whether or not executed in accordance with, nor to issue instructions contrary to the Contract Documents. All warranties, guarantees, and certificates shall inure to the benefit of the Owner.

9.3 The Owner or the A/E may disapprove, condemn or reject work when, in its opinion, the Work does not conform to the Contract Documents. The Owner or the A/E may require special inspection or testing of any Work in accordance with the provisions of the Contract Documents whether or not such Work is then fabricated, installed or completed.

9.4 The Owner or the A/E may call, schedule and conduct job meetings, which the Contractor and representatives of its Subcontractors shall attend, to discuss such matters as procedures, progress, problems and scheduling.

9.5 The Owner and the A/E may visit the site at intervals each considers appropriate to the stage of the Work to become generally familiar with the progress and quality of the completed Work. However, none of them will be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work.

ARTICLE 10 THE CONTRACTOR

10.1 The Contractor shall perform, supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, personnel and procedures, for safety, and for coordinating all portions of the Work under the Agreement. The Contractor shall be an independent contractor in the performance of the Work and shall have complete control over and responsibility for all personnel performing the Work. The Contractor is not authorized to enter into any agreements or undertakings for or on behalf the Owner or to act as or be an agent or employee of the Owner.

10.2 The Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and

completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

10.3 Workers. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Contractor shall be responsible to the Owner for the acts and omissions of the Contractor's employees, Subcontractors of any tier and their agents and employees, and other persons performing portions of the Work under a contract with the Contractor. At no change to the Contract Sum or Contract Time, the Owner may provide written notice requiring the Contractor to remove from the Work any employee or other person carrying out the Work that the Owner considers objectionable. If the Work is being performed at a site in active school use or where there is a likelihood of contact with children, a person shall be unfit and removed from the site if he or she has pled guilty to or has been convicted of any felony crime involving the physical injury or death of a child (RCW 9A.32 or RCW 9A.36 but not RCW 46.61--motor vehicle violation), the physical neglect of a child (RCW 9A.42), sexual offenses against a minor (RCW 9A.44), sexual exploitation of a child (RCW 9.68A), the sale or purchase of a minor child (RCW 9A.64.030), promoting prostitution of a child (RCW 9A.88), or violation of similar laws of another jurisdiction. Failure to comply with this section shall be grounds for the immediate termination of this Agreement.

10.4 Warranty. The Contractor warrants that materials and equipment furnished under the Agreement will be of good quality and new, that the Work will be performed in a workmanlike manner, free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, is defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage.

10.5 Taxes and Fees. In accordance with Article 3, Owner and pay all sales tax. The Contractor shall pay all other consumer, use, B & O, and other similar taxes that are legally enacted when bids are received, whether or not yet effective or merely scheduled to go into effect.

10.6 Legal Compliance. The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on performance of the Work. The Contractor shall promptly the Owner, and A/E in writing if the Contractor observes the Drawings and Specifications to be at variance with them.

10.7 Submittals. The Contractor shall review, approve and submit to the Owner or A/E with reasonable promptness Shop Drawings, Product Data, Samples and similar

submittals required by the Contract Documents. The Work shall be in accordance with approved submittals.

10.8 Progress Schedule. Within *seven days* of execution of this Agreement, the Contractor shall submit a preliminary schedule of the Work to the Owner. Failure to do so shall constitute a material breach of the Contract and a material breach of the conditions of the bid bond. Within *thirty days* after execution of the Agreement, and before any progress payment need be made, the Contractor, after consultations with its Subcontractors, shall submit a Progress Schedule to the Owner. Neither the Owner nor the A/E will, however, be required to review or approve the substance or sequence of the Progress Schedule, which are the Contractor's sole responsibility. The Contractor will be responsible for planning, scheduling, managing, and reporting the progress of the Work in accordance with all of the specific methods and submittals described in the Contract Documents. The Contractor shall use the Contract Schedule to plan, coordinate, and prosecute the Work in an orderly and expeditious manner.

10.9 Clean-Up. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. Upon completion of Work or at the Owner's request, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials. If the Contractor fails to do so, the Owner may do so and charge to the Contractor all costs incurred.

10.10 Access. The Contractor shall provide the Owner and the A/E access to the Work wherever located.

10.11 Royalties and Patents. The Contractor shall pay all royalties and license fees, shall defend suits or claims for infringement of patent rights and shall hold the Owner and the A/E harmless from loss on account thereof, unless the Contract Documents require the particular design, process or product of a particular manufacturer or manufacturers.

10.12 Indemnification. Subject to the following conditions and to the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the Owner and the A/E and their respective agents, employees, consultants, successors and assigns ("Indemnified Parties") from and against all claims, damages, losses and expenses, direct and indirect, or consequential, including but not limited to costs and attorneys' fees incurred on such claims and in proving the right to indemnification, arising out of or resulting from performance of the Work, any act or omission of the Contractor, its agents, any of its Subcontractors of any tier, and anyone directly or indirectly employed by the Contractor or Subcontractors of any tier ("Indemnitor"). The Contractor will fully indemnify the Indemnified Parties for the sole negligence of the Indemnitor. The Contractor will indemnify the Indemnified Parties for the concurrent negligence of the Indemnitor to the extent of the Indemnitor's negligence. The Contractor agrees to being added by the Owner as a party to any mediation, arbitration, or litigation with third parties in which the Owner alleges indemnification or contribution from an

Indemnitor. The Contractor agrees that all of its Subcontractors of any tier will, in the subcontracts, similarly stipulate; in the event any does not, the Contractor shall be liable in place of such Subcontractor(s). To the extent a court or arbitrator strikes any portion of this indemnification provision for any reason, all remaining provisions shall retain their vitality and effect.

10.13 Prevailing Wages.

10.13.1 Pursuant to RCW 39.12, no worker, laborer, or mechanic employed in the performance of any part of this Agreement shall be paid less than the “prevailing rate of wage” (in effect as of the date that bids are due) as determined by the Industrial Statistician of the Department of Labor and Industries, ESAC Division, PO Box 44540, Olympia, WA 98504-4540, Telephone (360) 902-5335. The schedule of the prevailing wage rates for the locality or localities where this Work will be performed are determined as of the Bid Date for the county in which the Project is located and are available at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp> and are made a part of this Agreement by reference as though fully set forth herein. A copy is available for viewing at the Owner’s office, and a hard copy will be mailed upon request. To the extent that there is any discrepancy between the referenced schedule of prevailing wage rates and the published rates as are applicable under WAC 296-127-011, the published rates shall apply at no increase to the Contract Sum. The Contractor shall provide the respective Subcontractors with a schedule of the applicable prevailing wage rates. The Industrial Statistician will answer questions relating to prevailing wage data upon request.

10.13.2 Pursuant to RCW 39.12.060, in case any dispute arises as to what are the prevailing rates of wages for work of a similar nature, and such dispute cannot be adjusted by the parties in interest, including labor and management representatives, the matter shall be referred for arbitration to the director of the Department of Labor and Industries, whose decision therein shall be final and conclusive and binding on all parties involved in the dispute.

10.13.3 The Contractor shall defend, indemnify, and hold the Owner harmless, including attorneys’ fees, from any violation or alleged violation of RCW 39.12 (“Prevailing Wages on Public Works”) or RCW 51 (“Industrial Insurance”), including without limitation RCW 51.12.050, by the Contractor or any Subcontractor of any tier.

10.14 The Contractor shall comply with all applicable provisions of RCW 49.28.

10.15 Pursuant to RCW 49.70 and WAC 296-62-054 et seq., the Contractor shall provide the Owner copies of and have available at the Project Site a workplace survey or material safety data sheets for all “hazardous” chemicals under the control or use of Contractor or any Subcontractor at the Project Site.

10.16 Contractor shall maintain and preserve for at least three years from the date of final payment books, ledgers, records, documents, estimates, correspondence, logs,

schedules, electronic data and other evidence pertaining to the costs incurred by the Contractor in connection with or related to the Agreement (“records”) to such extent and in such detail as will properly reflect and fully support all costs, charges and other amounts of whatever nature for which reimbursement or payment is or may be claimed under the Contract. Contractor agrees to make available at all reasonable times at the office of the Contractor all such records for inspection, audit and reproduction (including electronic reproduction) by the Owner and their representatives. These requirements shall be applicable to each Subcontractor of any tier and included in each Subcontract and purchase order issued with respect to the Work. The Contractor agrees, on behalf of itself, its representatives, and Subcontractors of any tier and their representatives, that any rights under RCW 42.56.070 will commence at Final Acceptance, and that the invocation of such rights at any time by the Contractor or a Subcontractor of any tier or their representatives shall initiate an equivalent right to disclosures from the Contractor and Subcontractors of any tier for the benefit of the Owner.

ARTICLE 11 **SUBCONTRACTORS**

11.1 A “Subcontractor” is a person or entity that has a direct contract with the Contractor to perform a portion of the Work at the site or to supply materials or equipment. A “Subcontractor of any tier” includes Subcontractors as well as all direct and lower level sub-subcontractors and suppliers.

11.2 As soon as practicable after award of the Agreement, the Contractor shall confirm in writing to the Owner the names of the Subcontractors for each portion of the Work. The Contractor shall not contract with any Subcontractor to whom the Owner has made reasonable and timely objection or different from the one listed in conjunction with the bid. Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor to be bound to the Contractor by the terms of the Contract Documents to the extent of the Work to be performed by the Subcontractor and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by the Contract Documents, assumes toward the Owner, and (2) allow to the Subcontractor the benefit of all rights, remedies and redress afforded to the Contractor by these Contract Documents.

11.3 The Contractor shall promptly pay (and secure the discharge of any liens asserted by) all persons properly furnishing labor, equipment, materials or other items in connection with the performance of the Work (including, but not limited to, any Subcontractors). The Contractor shall furnish to the Owner such releases of liens and claims and other documents as the Owner may request from time to time to evidence such payment (and discharge). The Owner may, at its option, withhold payment, in whole or in part, to the Contractor until such documents are so furnished. The Contractor shall defend, indemnify, and hold harmless the Owner from any liens, including all expenses and attorneys’ fees. Nothing in the Contract Documents shall create any obligation on the part of the Owner or A/E to pay or to see to the payment of any moneys

due any Subcontractor of any tier or other person or entity, except as may otherwise be required by laws and regulations.

ARTICLE 12
CONSTRUCTION BY CLIENT OR BY
SEPARATE CONTRACTORS

12.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to those of the Contract Documents.

12.2 The Contractor shall afford the Owner and separate contractors reasonable opportunity for the introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations as required by the Contract Documents.

ARTICLE 13
CHANGES IN THE WORK

13.1 The Owner, without invalidating the Agreement, may order changes in the Work consisting of additions, deletions or modifications ("Changes"), and the Contract Sum and Contract Time will be adjusted accordingly. Changes in the Work, the Contract Sum and/or the Contract Time shall be authorized only by written Change Order signed by the Owner, the A/E and the Contractor or by written Construction Change Directive signed by the Owner and the A/E.

13.1.1 Change Orders. A Change Order is a written instrument signed by the Owner and the Contractor stating their agreement upon a change in the Work; the amount of the adjustment in the Contract Sum, if any; and the extent of the adjustment in the Contract Time, if any.

13.1.2 Construction Change Directives. A Construction Change Directive is a written order prepared and signed by the Owner and the A/E that directs a change in the Work and states a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. It shall be used in the absence of total agreement on the terms of a Change Order. The Contractor shall promptly proceed with the change in the Work described in the Construction Change Directive. As soon as possible, and within *seven days* of receipt, the Contractor shall advise the Owner in writing of the Contractor's agreement or disagreement with the cost or the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

13.2 Changes in the Work shall be priced using the Contractor's unit prices and/or R.S. Means pricing as submitted in its Bid to the Owner. If no such unit prices are listed for the Changes in the Work, and if the parties cannot agree on the cost or credit to the Owner from a Change in the Work, the Contractor shall keep and present, in such form as the Owner

may prescribe, an itemized accounting together with supporting data. The total cost of any Change or Claim shall be limited to the reasonable value of the following:

13.2.1 Direct labor costs: The effective W.D.O.L.&I. prevailing hourly wage for the laborers, journeymen, and foremen performing and/or directly supervising the Changed Work on the site. The premium portion of overtime wages may not be included unless pre-approved in writing by the Owner. The hourly cost shall be based upon basic wages and mandatory fringe benefits and workers' insurances.

13.2.2 Direct material costs: An itemization of the quantity of materials necessary to perform the Change in the Work and the net cost therefor.

13.2.3 Construction equipment usage costs: An itemization of the actual length of time construction equipment appropriate for the Work will be used solely on the Change in the Work at the Site times the lower of the actual rental receipt or applicable current state, NECA, Data Quest, or MCA rental cost. Actual, reasonable mobilization costs are permitted if the equipment is brought to the Site solely for the Change in the Work. The rate for equipment necessarily standing by for future use on the Work shall be 50% of the rate established above.

13.2.4 Cost of any change in insurance or bond premium. Upon request, the Contractor shall provide K the Owner with supporting documentation.

13.2.5 Subcontractor costs: Payments the Contractor makes to Subcontractors for Changed Work performed by Subcontractors of any tier. The cost of Work for Subcontractors of any tier shall be determined in the same manner as prescribed in this Section 13.2.

13.2.6 Fee: The allowance for all combined overhead, profit, and other costs, including all office, home office, extended and site overhead (including project manager, project engineer, superintendent and general foreman time), and all delay and including impact costs of any kind, added to the total cost to the Owner of any Change Order or any Claim for additional work or extra payment of any kind on this Project shall be calculated consistent with the provisions of the contract. The change order must be signed by both the Owner and Contractor.

13.3 **Dispute Resolution.** All claims, disputes and other matters in question of the Contractor, direct or indirect, arising out of, or relating to, the Contract Documents or the breach thereof ("Claims"), except Claims which have been waived under the terms of the Contract Documents, shall be decided exclusively by the following dispute resolution procedure; claims that have been waived under the terms of the Contract Documents are not permitted to be brought in any forum. The Contractor shall diligently carry on the Work and maintain the progress schedule during the dispute resolution procedure, including any litigation proceedings, unless the parties mutually agree in writing otherwise.

13.3.1 **Notice of Claim.** The Contractor shall submit notice of all Claims to the Owner in writing within *seven days* of the event giving rise to them and shall include a clear description of the event and its probable effect.

13.3.2 **Claim Submission.** Within *21 days* of the Notice of Claim, the Contractor shall provide the Owner in writing with a Claim, which shall include a clear description of the Claim, all changes in cost and in time (direct, indirect, impact, and otherwise) to which the Contractor and Subcontractors of any tier are entitled, and data supporting the Claim. The claim of a Subcontractor may be brought only through the Contractor and only after the Contractor notifies the Owner in writing that the Contractor has reviewed and agrees with the Claim.

13.3.3 **Informal Resolution.** The Owner will make a determination of the Claim. If the Contractor disagrees with the Owner's determination and wishes to pursue the Claim further, the Contractor must, within *fourteen days* of receipt of the determination, provide the Owner with a written request that representatives of the Contractor and the Owner meet, confer, and attempt to resolve the Claim. This meeting will then take place at a mutually convenient time within *thirty days* of the request, unless the Owner elects to proceed directly to mediation.

13.3.4 **Litigation.** The Contractor may bring no litigation on Claims unless such Claims have been properly raised and considered in the dispute resolution procedures of Subparagraphs 13.3.1 through 13.3.3 above. All unresolved Claims of the Contractor shall be waived and released unless the Contractor has strictly complied with the time limits of the Contract Documents, and a summons and complaint is served and filed with the Pierce County Superior Court within the earlier of (a) *120 days* after the Date of Substantial Completion as designated in writing by the Owner or (b) *60 days* after Final Acceptance. This requirement cannot be waived except by an explicit written waiver signed by the Owner and the Contractor.

13.4 Notices and Claims. All notices and Claims shall be made in writing as required by the Agreement.

13.4.1 Any notice of a Claim of the Contractor against the Owner and any Claim of the Contractor, whether under the Agreement or otherwise, must be made pursuant to and in strict accordance with the applicable provisions of the Contract Documents. Failure to comply with these requirements shall constitute waiver of the Claim. No act, omission, or knowledge, actual or constructive, of the Owner or the A/E shall in any way be deemed to be a waiver of the requirement for timely written notice and a timely written Claim unless the Owner and the Contractor sign an explicit, unequivocal written waiver approved by the Owner's Board of Directors.

13.4.2 The fact that the Owner and the Contractor may continue to discuss or negotiate a Claim that has or may have been defective or untimely under the Contract shall not constitute waiver of the provisions of the Contract Documents

unless the Owner and Contractor sign an explicit, unequivocal written waiver approved by the Owner's board of directors.

13.4.3 The Contractor expressly acknowledges and agrees that the Contractor's failure to timely submit required notices or timely submit Claims has a substantial impact upon and prejudices the Owner, including but not limited to the inability to fully investigate or verify the Claim, mitigate damages, choose alternative options, adjust the budget, delete or modify the impacted Work, and/or monitor time, cost and quantities. For these and other reasons, the parties stipulate that the Owner is prejudiced by the Contractor's failure to timely submit notices or Claims as required by the Contract Documents.

13.5 Claims for Concealed or Unknown Conditions. If conditions unknown to the Contractor are encountered at the site which are (1) concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found and generally recognized as inherent in activities of the character provided for in the Contract Documents, then the Contractor shall give written notice to the Owner promptly before conditions are disturbed and in no event later than *seven days* after the first observance on the conditions. The Contractor shall make any Claim arising from such condition in accordance with the dispute resolution procedure in Subparagraph 13.3.

13.6 Claims for Consequential Damages. The Contractor and the Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes without limitation:

.1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Contractor for principal and home office overhead and expenses including without limitation the compensation of personnel stationed there, for losses of financing, business and reputation, for losses on other projects, for loss of profit, and for interest or financing costs.

This mutual waiver is applicable to all consequential damages of any cause, including without limitation due to either party's termination in accordance with Article 20. Nothing contained in this Section 13.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

13.7 The Contractor (including Subcontractors) shall not in any event be entitled to damages arising out of actual or alleged loss of efficiency; morale, fatigue, attitude, or labor rhythm; constructive acceleration; home office overhead; expectant underrun; trade stacking; reassignment of workers; concurrent operations; dilution of supervision; learning curve;

beneficial or joint occupancy; logistics; ripple; season change; extended overhead; profit upon damages for delay; impact damages; or similar damages.

ARTICLE 14 **TIME**

14.1 Within *seven days* of executing the Agreement, the Contractor shall deliver any required bond to the Owner; no Progress Payments shall be due until the bond is delivered.

14.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, by unanticipated general labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties, delays caused by the Owner or its separate contractors, or any causes beyond the Contractor's control, or by other causes which may justify delay, then the Contract Time shall be extended by Change Order to the extent the critical path is affected. The Contractor (including Subcontractors) shall be entitled to damages for delay, the total limited to the liquidated rate of Subparagraph 2.3, only where the Owner's own actions or inactions were the actual, substantial cause of the delay and where the Contractor could not have reasonably avoided the delay by the exercise of due diligence. If a delay was caused by the Contractor, a Subcontractor of any tier, or anyone acting on behalf of any of them, the Contractor is not entitled to an increase in the Contract Time or in the Contract Sum.

14.3 THE TIMELY COMPLETION OF THIS PROJECT IS ESSENTIAL TO THE OWNER. The Owner will incur serious and substantial damages if Substantial Completion of the Work does not occur within the Contract Time; however, it may be difficult if not impossible to determine the amount of such damages. Consequently, this Agreement may include provisions for liquidated damages. The Owner's right to liquidated damages is not affected by partial completion, occupancy, or beneficial occupancy. If this Agreement does not contain an agreed amount for liquidated damages, the Owner may prove its actual damages.

ARTICLE 15 **PAYMENTS AND COMPLETION**

15.1 Progress Payments. Payments shall be made as provided in Articles 3 and 4 of this Agreement. If Progress payments are specified, they will be made monthly for Work duly approved and performed during the calendar month preceding the application according to the following procedure.

15.1.1 Draft Application. Within the first five days of each month, the Contractor shall submit to the Owner, for the Owner's approval, a report on the current status of the Work as compared to the Progress Schedule and a draft itemized AIA Application for Payment for Work performed during the prior calendar month. This shall not constitute a payment request. The Owner may request the Contractor to provide data

substantiating the Contractor's right to payment, such as copies of requisitions or invoices from Subcontractors.

15.1.2 Payment Request. The Contractor may submit to Owner a payment request in the agreed-upon amount, in the form of a notarized, itemized AIA Application for Payment for Work performed during the prior calendar month. Among other things, the Application shall state that prevailing wages have been paid in accordance with the prefiled statement(s) of intent to pay prevailing wages on file with the Owner and that all payments due Subcontractors from the Owner's prior payments have been made. The submission of this Application constitutes a certification that the Work is current on the progress schedule, unless otherwise noted on the Application. If the Contractor believes it is entitled to payment for Work performed during the prior calendar month in addition to the agreed-upon amount, the Contractor may submit to the Owner a separate written payment request specifying the exact additional amount due, the category in the Schedule of Values in which the payment is due, the specific Work for which the additional amount is due, and why the additional payment is due.

15.1.3 Payments to Subcontractors. No payment request shall include amounts the Contractor does not intend to pay to a Subcontractor. If, after making a request for payment but before paying a Subcontractor for its performance covered by the payment request, the Contractor discovers that part or all of the payment otherwise due to the Subcontractor is subject to withholding from the Subcontractor for unsatisfactory performance, the Contractor may withhold the amount as allowed under the subcontract, but it shall give the Subcontractor and the Owner written notice of the remedial actions that must be taken as soon as practicable after determining the cause for the withholding but before the due date for the Subcontractor payment, and pay the Subcontractor within *eight working days* after the Subcontractor satisfactorily completes the remedial action identified in the notice.

15.2 Prevailing Wages. Pursuant to RCW 39.12, the Contractor will not receive any payment until the Contractor and all Subcontractors have submitted a "Statement of Intent to Pay Prevailing Wage" to the Owner. The statement must have the approval of the Industrial Statistician of the Department of Labor and Industries before it is submitted to the Owner. The Contractor and the respective Subcontractors shall pay all fees required by the Department of Labor and Industries, including fees for the approval of the "Statement of Intent to Pay Prevailing Wages." Approved copies of the "Statement of Intent to Pay Prevailing Wages" must be posted where workers can easily read them.

15.3 Progress payments. Unless the Owner informs the Contractor that a payment will be withheld as provided in Section 15.4, the Owner shall make progress payments within 30 days of its receipt of the Application for Payment.

15.4 Withheld Payments. Payments may be withheld on account of (1) defective Work not remedied, (2)

claims filed by third parties, (3) failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment or provide releases under Section 11.3.1, (4) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum, (5) damage to the Owner or another contractor, (6) reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay, or (7) failure to carry out the Work in accordance with the Contract Documents. When the Owner intends to withhold all or part of a payment for any of the foregoing reasons it will provide the Contractor, within *eight working days* after the Owner's receipt of the Application for Payment, written notification of the reasons that all or part of the payment is being withheld and what remedial actions the Contractor must take to receive the withheld amount.

15.5 Substantial Completion.

15.5.1 When the Contractor believes that the Work is Substantially Complete, it shall notify the Owner in writing. When the Owner agrees, the Owner will issue a Certificate of Substantial Completion. Substantial Completion is the stage in the progress of the Work when the construction is sufficiently complete, in accordance with the Contract Documents, so the Owner can fully utilize the Work (or the designated portion thereof) for the use for which it is intended. All Work other than incidental corrective or punchlist work and final cleaning shall have been completed. The Work is not Substantially Complete if all systems and parts affected by the Work are not usable or if utilities affected by the Work are not connected and operating normally. The fact that the Owner may use or occupy the Work or designated portion thereof does not indicate that the Work is Substantially Complete, nor does such occupation toll or change any liquidated damages due to the Owner.

15.5.2 Immediately before partial or complete occupancy, the Owner will schedule an inspection tour of the area to be occupied. A representative of the Owner, A/E and Contractor will jointly tour the area and record items still remaining to be finished and/or corrected. The Contractor shall supply and install any items missed by the inspection but required or necessary for Final Completion as a part of the Contract Sum, notwithstanding their not being recorded during the inspection tour.

15.6 Final Payment. Pursuant to RCW 60.28, completion of the Contract Work shall occur after the Contractor has notified the Owner in writing that the Work has been concluded and submits the items listed below to the Owner, any required occupancy permit has been issued, and the Owner's Board formally accepts the Project ("Final Acceptance"). Final Payment shall not become due until after Final Acceptance.

.1 An affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or its property might in any

way be responsible or encumbered, have been paid or otherwise satisfied,

.2 consent of surety to final payment,

.3 a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least *30 days* prior written notice has been given to the Owner,

.4 a written statement that the Contractor knows of no substantial reason why the insurance will not be renewable to cover the period required by the Contract Documents,

.5 other data establishing payment or satisfaction of or protection (satisfactory to the Owner) against all obligations, such as receipts, releases and waivers of liens arising out of the Agreement, satisfactorily demonstrating to the Owner that the claims of Subcontractors and laborers who have filed claims have been paid,

.6 pursuant to RCW 39.12.040, an "Affidavit of Wages Paid" from the Contractor and from each Subcontractor certified by the Industrial Statistician of the Department of Labor and Industries, with fees paid by the Contractor or Subcontractor,

.7 a certified statement that the Contractor has closed all necessary permits or otherwise met the requirements of all governing jurisdictions related to this Project (including, without limitation, city/county building departments, health districts and utility districts; attach a copy of each of these closed or signed-off permits),

.8 all warranties, guarantees, certificates, spare parts, specified excess material, and other documents or items required by the Contract Documents, and

.9 a hard copy of the "record" drawings and specifications, delivered in a clear, clean and legible condition.

If any Subcontractor of any tier refuses to furnish a release or waiver required by the Owner, the Owner may retain in the fund, account, or escrow funds such amount as to defray the cost of foreclosing the liens of such claims and to pay attorneys' fees, the total of which shall be no less than 150% of the claimed amount. If any such lien remains unsatisfied after all payments are made, the Contractor shall refund to the Owner all moneys that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

Final payment shall be made pursuant to RCW 60.28 after the Contractor has properly submitted certificates from the Department of Revenue, the Department of Labor and

Industries and, pursuant to RCW 50.24, a certificate from the Department of Employment Security.

15.7 Waivers.

15.7.1 Final Payment by the Owner. The making of final payment shall constitute a waiver of claims by the Owner except those arising from (1) liens, claims, security interests, or encumbrances arising out of the Agreement and unsettled; (2) failure of the Work to comply with the requirements of the Contract Documents; or (3) terms of warranties required by the Contract Documents or law.

15.7.2 Final Payment to Contractor. Acceptance of final payment by the Contractor shall constitute a waiver of Claims except those previously made in writing and identified in writing as unsettled on the final Application for Payment.

15.7.3 Change Orders. The execution of a Change Order shall constitute a waiver of Claims by the Contractor arising out of the Work to be performed or deleted pursuant to the Change Order, except as specifically described in the Change Order. If the Contractor adds to a Change Order or any other document a reservation of rights that has not been initialed by the Owner, all the amounts previously agreed shall be considered disputed and not yet payable unless the costs are re-negotiated or the reservation is withdrawn or changed in a manner satisfactory to and initialed by the Owner. If the Owner makes payment for a Change Order or an Application for Payment that contains a reservation of rights that has not been initialed by the Owner, and if the Contractor negotiates the check for such payment, then the reservation of rights shall be deemed waived, withdrawn, and of no effect.

15.8 Retainage.

15.8.1 Progress Payments:

.1 Pursuant to RCW 60.28, the Owner will reserve 5% from the moneys the Contractor earns on estimates during the progress of the Work, to be retained as a trust fund for the protection and payment of the claims of any person arising under the Agreement and the state with respect to taxes imposed pursuant to Title 82 RCW which may be due from the Contractor.

.2 The moneys reserved may, at the option of the Contractor, be (1) retained in a fund by the Owner until *45 days* following Final Acceptance; or (2) deposited by the Owner in an interest-bearing account in a bank, mutual savings bank, or savings and loan association, not subject to withdrawal until *45 days* following Final Acceptance, with interest to the Contractor; or (3) placed in escrow with a bank or trust company until *45 days* following the Final Acceptance, by the Owner's joint check to the bank or trust company and the Contractor, to be converted into bonds and securities chosen by the Contractor, approved by the Owner, and held in escrow, with interest on the bonds and securities paid to the Contractor as it accrues.

.3 If moneys are retained from the Contractor, it may retain payment of not more than 5% from the moneys earned by any Subcontractor, provided that the Contractor pays interest to the Subcontractor at the same interest rate it receives from its reserved funds.

15.9 Warranty of Title. The Contractor warrants and guarantees that title to Work, materials and equipment covered by an Application for Payment, whether incorporated in the Project or not, will pass to the Owner no later than the time of payment, free and clear of liens.

ARTICLE 16

PROTECTION OF PERSONS AND PROPERTY

16.1 The Contractor shall be solely responsible for, and neither the Owner nor the A/E shall have responsibility for, all aspects of safety, including initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Agreement. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to (1) employees on the Work and other persons who may be affected thereby; (2) the Work and materials and equipment to be incorporated therein; and (3) other property at the site or adjacent thereto.

16.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury, or loss. The Contractor shall promptly remedy damage and loss to property at the site caused in whole or in part by the Contractor, a Subcontractor of any tier, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except for damage or loss attributable to acts or omissions of the Owner or A/E or by anyone for whose acts any of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Paragraph 10.12.

16.3 The Contractor shall not be required to perform without consent any Work relating to asbestos or polychlorinated biphenyl ("PCB") unless specifically required by the Contract Documents.

16.4 The Contractor shall bear the risk of any loss, damage or destruction of its own property, including without limitation its tools, trailers and equipment, whether rented or owned, to the extent that they will not be incorporated in the Work. Any insurance provided by the Owner will not cover any such loss, damage or destruction.

ARTICLE 17
INSURANCE AND BONDS

17.1 Contractor's Liability Insurance.

17.1.1 The Contractor shall purchase from and maintain during the life of this Agreement, at its own cost in a company or companies admitted to do business in the State of Washington, possessing a Best's policy holder's rating of A- or better and a financial rating of no less than VII, and reasonably acceptable to the Owner, an occurrence-based Commercial General Liability Insurance Policy which shall provide bodily injury and property damage liability on the Contractor's operations, including its Subcontractors of any tier; owned, non-owned and hired vehicles; and on work the Contractor may subcontract or sublet to others; and on the indemnity provisions of this Agreement. This insurance will name the Owner and their employees as additional insureds per Additional Insured Owner's (Form B) for Work performed under this Agreement. The Contractor's policy shall be designated primary coverage for both defense and indemnity, and any Owner policies excess. Such limits of liability insurance shall have per project general aggregate provisions and shall not be less than the following:

- .1 \$1,000,000 Combined Single Limit protection for both bodily injury and property damage liability per occurrence and \$2,000,000 general aggregate;
- .2 \$1,000,000 per accident for bodily injury liability including sickness, disease or death and property damage liability because of damage to or destruction of property of others, including loss of use thereof arising out of the operation of automobiles.
- .3 \$1,000,000 for personal injury liability coverage included and defined in the Commercial General Liability insurance policy for damages which are sustained by (1) a person as a result of an offense directly or indirectly related to employment of such person by the Contractor, or (2) by another person.
- .4 \$1,000,000 for claims involving blanket contractual liability insurance (included and defined in the Commercial General Liability Insurance Policy) applicable to the Contractor's obligations under Paragraph 10.12.
- .5 In addition, the Contractor shall maintain a true umbrella policy that provides excess limits over the primary layer, in an amount not less than \$2,000,000.

17.1.2 The insurance described above shall include coverage for underground, collapse and explosion exposures.

17.1.3 In addition, the Contractor shall purchase and maintain insurance for claims under workers' compensation (industrial insurance), disability benefit and other similar employee benefit acts in the State statutory amount and Employer's Liability with coverage of at least \$250,000/\$500,000.

17.1.4 Before commencing the Work or exposure to loss can occur, and, in any event, within *ten days* after the Owner has issued its notice of intent to award contract, the Contractor shall furnish the Owner with Certificates of Insurance, in duplicate, as evidence of all insurance required by the Contract Documents.

17.1.5 Coverage shall be maintained without interruption from the date of commencement of the Work until the date of Final Acceptance, except for any coverage required to be maintained after Final Acceptance. Completed operations coverage shall remain in force for three years after Final Acceptance.

17.1.6 If the Owner is damaged by the failure of the Contractor to maintain any of the above insurance or to so notify the Owner, then the Contractor shall bear all costs properly attributable thereto. THE OWNER MAY WITHHOLD PAYMENT PENDING RECEIPT OF ALL CERTIFICATES OF INSURANCE. Failure to withhold payment shall not constitute a waiver.

17.1.7 The Owner's specification or approval of the insurance in this Agreement or of its amount shall not relieve or decrease the liability of the Contractor under the Contract Documents or otherwise. Coverages are the minimum to be provided and are not limitations of liability under the Contract, indemnification, or applicable law provisions. The Contractor may, at its expense, purchase larger coverage amounts or additional insurance.

17.2 Property Insurance.

17.2.1 The requirements for property insurance are addressed in Article 6 above.

17.3 Waivers of Subrogation.

17.3.1 The Owner and the Contractor waive all rights against each other and any of their subcontractors of any tier, the A/E, their consultants, separate contractors described in Article 12 (if any), and any of their respective agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Articles 6 and 17.2 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner do not waive their subrogation rights to the extent of the Owner's property insurance on structures or portions of structures that do not comprise the Work. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

17.4 Payment and Performance Bond.

17.4.1 The Contractor is required to submit a bond secured from a surety company licensed to do business in the

State of Washington. The Contractor shall pay for a surety bond in the full amount of the Contract Sum plus sales tax, pursuant to RCW 39.08. Within *seven days* of entering into the Agreement, the Contractor shall deliver two copies of the bond to the Owner and one copy to the A/E. The price of the bond will be added to the total contract amount to be paid by the Owner. THE OWNER MAY DECLINE TO ENTER INTO THE CONTRACT IF EVIDENCE OF BONDABILITY IS NOT RECEIVED, AND THE CLIENT MAY WITHHOLD ITS NOTICE TO PROCEED AND/OR WITHHOLD PAYMENT TO THE CONTRACTOR UNTIL SUCH SURETY BOND IS RECEIVED.

**ARTICLE 18
CORRECTION OF WORK**

18.1 The Contractor shall promptly and within at least *fourteen (14) days* of notice from the Owner correct Work rejected or failing to conform to the requirements of the Contract Documents at any time through a period of one year from the date of Substantial Completion of the Agreement or by terms of a longer manufacturer’s warranty or an applicable special warranty required by the Contract Documents. The provisions of this Article apply to Work done by Subcontractors of any tier as well as to Work done by direct employees of the Contractor.

18.2 If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents or fails to carry out the Work in accordance with the Contract Documents, the Owner, by a written order, may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

18.3 Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the time period of one year as described above relates only to the specific obligation of the Contractor to correct the Work and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor’s liability with respect to the Contractor’s obligations other than specifically to correct the Work.

**ARTICLE 19
MISCELLANEOUS PROVISIONS**

19.1 Applicable Law. The Agreement shall be governed by the laws of the State of Washington, without regard to its choice of law provisions.

19.2 Statutes. The Contractor shall abide by the provisions of all applicable Washington statutes. The statutes referenced in the Contract Documents are not meant to be a complete list and should not be relied upon as such.

19.3 Contractor Registration and Related Requirements. Pursuant to RCW 39.06, the Contractor shall

be registered or licensed as required by the laws of the State of Washington, including but not limited to RCW 18.27. The Contractor shall: have a current state unified business identifier number; have industrial insurance coverage for the Contractor's employees working in Washington as required in Title 51 RCW; have an employment security department number as required in Title 50 RCW; have a state excise tax registration number as required in Title 82 RCW, and; not be disqualified from bidding on any public works contract under RCW 39.06.010 (unregistered or unlicensed contractors) or RCW 39.12.065(3) (prevailing wage violations).

19.4 Law Against Discrimination. Contractor shall comply with pertinent statutory provisions relating to public works of RCW 49.60.

19.5 Provisions for Aged and Handicapped Persons. Contractor shall comply with pertinent statutory provisions relating to public works of RCW 70.92.

19.6 Safety Standards. Contractor shall comply with pertinent provisions of Chapter 296-155 WAC, “Safety Standards for Construction Work.”

19.7 Unemployment Compensation. Pursuant to RCW 50.24 in general and RCW 50.24.130 in particular, the Contractor shall pay contributions for wages for personal services performed under this Agreement or arrange for a bond acceptable to the commissioner.

19.8 Drug-Free Workplace. The Contractor and all Subcontractors shall fully comply with all applicable federal, state, and local laws and regulations regarding drug-free workplace, including the Drug-Free Workplace Act of 1988. Any person not fit for duty for any reason, including the use of alcohol, controlled substances, or drugs, shall immediately be removed from the Work.

19.9 Tobacco-Free Environment. Smoking or use of any kind of lighted pipe, cigar, cigarette or any other lighted smoking equipment, material or smokeless tobacco products is prohibited on all Owner property.

19.10 Asbestos Removal. To the extent this Project involves asbestos removal, the Contractor shall comply with RCW 49.26 and any provisions of the Washington Administrative Code promulgated thereunder.

19.11 Assignment. The Contractor shall not let, delegate duties under, assign or transfer this Agreement, or any interest in it or part of it, without the prior written consent of the Owner.

**ARTICLE 20
TERMINATION OF THE CONTRACT**

20.1 Termination for Cause by Contractor. If the Owner fails to make payment for a period of *60 days* through no fault of the Contractor, the Contractor may, upon *seven additional days’* written notice to the Owner, terminate

the Agreement and recover from the Owner payment for all Work properly executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including Fees applicable thereto.

20.2 Termination for Cause by Owner. The Owner may, upon *seven days'* written notice to the Contractor, terminate (without prejudice to any right or remedy of the Owner) the whole or any portion of the Work for cause, including but not limited to the following circumstances:

- .1 the Contractor fails to prosecute the Work or any portion thereof with sufficient diligence to ensure the Completion of the Work within the Contract Time;
- .2 the Contractor is in material default of or materially breaches any provisions of this Agreement;
- .3 the Contractor is adjudged bankrupt, makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of its insolvency;
- .4 the Contractor fails to supply a sufficient number of properly skilled workers or proper materials;
- .5 the Contractor fails to make prompt payment to Subcontractors or for materials or labor;
- .6 the Contractor materially disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; or
- .7 the Contractor fails to comply with the provisions of RCW 28A.400.330 by permitting a worker on the Project having contact with children who has been convicted of or pled guilty to a felony crime involving children as described in Paragraph 10.3.

20.3 Termination for Convenience by Owner. The Owner may, at any time upon *seven days'* written notice to the Contractor, terminate (without prejudice to any right or remedy of the Owner) the whole or any portion of the Work for the convenience of the Owner. The Owner shall be liable to Contractor only for those costs reimbursable to Contractor in accordance with the following:

- .1 The amount due under Articles 4 of this Agreement for the performance of the Work terminated;
- .2 Other pre-approved costs, consistent with Paragraph 13.2, necessary and reasonably incurred in connection with the termination of Work.

The total sum to be paid to the Contractor under this Paragraph 20.3 shall not exceed the Contract Sum as reduced by the amount of payments otherwise made.

20.4 Effects of Termination.

20.4.1 Unless the Owner directs otherwise, after receipt of a Notice of Termination from the Owner pursuant to Paragraph 20.2 or 20.3, the Contractor shall promptly:

- .1 stop Work under the Agreement on the date and as specified in the Notice of Termination;
- .2 place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of any portion of the Work that is not terminated;
- .3 procure cancellation of all orders and subcontracts, upon terms acceptable to the Owner, to the extent that they relate to the performance of Work terminated;
- .4 assign to the Owner all of the right, title and interest of the Contractor under all orders and subcontracts, in which case the Owner shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- .5 with the Owner's approval, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts not assigned to the Owner;
- .6 transfer title and deliver to the entity or entities designated by the Owner the fabricated or unfabricated parts, Work in process, partially completed supplies and equipment, materials, parts, tools, dies, jigs and other fixtures, completed Work, supplies and other material produced as part of, or acquired in connection with the performance of, the Work terminated, and the completed or partially completed plans, drawings, information and other property related to the Work;
- .7 use its best efforts to sell any property of the types referred to in Subparagraph 20.4.1.6. The Contractor may acquire any such property under the conditions prescribed by and at a price or prices approved by the Owner, and the proceeds of any such transfer or disposition may be applied in reduction of any payments to be made by the Owner to the Contractor;
- .8 take such action as may be necessary or as directed by the Owner to preserve and protect the Work and property related to this Project in the possession of the Contractor in which the Owner has an interest; and
- .9 continue performance only to the extent not terminated.

20.4.2 In arriving at any amount due the Contractor after termination, the following deductions shall be made:

- .1 all unliquidated advance or other prior payments on account made to the Contractor applicable to the terminated portion of the Agreement;

.2 any claim which the Owner may have against the Contractor;

.3 an amount necessary to protect the Owner against outstanding or potential liens or claims; and

.4 the agreed price for or the proceeds of sale of any materials, supplies or other things acquired by the Contractor or sold, pursuant to the provisions of Subparagraph 20.4.1.7, and not otherwise recovered by or credited to the Owner.

20.4.3 If (and only if) the termination pursuant to Paragraph 20.3 is partial, the Contractor may file a Claim for an equitable adjustment of the price or prices specified in the Agreement relating to the continued portion of the Agreement. The Contractor must assert any Claim for an equitable adjustment under this subparagraph within *twenty-one days* from the effective date of the Termination.

20.4.4 The Contractor shall refund to the Owner any amounts the Owner paid to the Contractor in excess of costs reimbursable under Paragraph 20.3.

20.4.5 The damages and relief from termination by the Owner specifically provided in Article 20 shall be the Contractor's sole entitlement in the event of termination.

20.4.6 When this Agreement refers to a termination, it is understood that the termination is of this Agreement, the Purchase Order, and all related contract documents.

End of Section



Peninsula Metropolitan Park District

RESOLUTION NO. R2021-028

A RESOLUTION OF PENMET PARKS AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN THE CONTRACT WITH MB ELECTRIC TO REPLACE WIRING AT SEHMELE HOMESTEAD PARK

WHEREAS, theft of wiring at Sehmel Homestead Park damaged the exterior lighting system so it is inoperable; and

WHEREAS, the District has obtained a bid to replace the wiring and repair the exterior lighting system; and

WHEREAS, the theft is an insurable loss, and the District's insurance company has agreed the scope of work and the majority of the associated bid amount are approved expenses related to the claim; and

WHEREAS, the District's attorney has reviewed the contract;

NOW, THEREFORE BE IT

RESOLVED, by the Board of Park Commissioners that the Executive Director is authorized to sign the Contract for Work Awarded from the Small Works Roster with MB Electric to repair the lighting system at Sehmel Homestead Park for an amount not to exceed TWENTY-ONE THOUSAND SIX HUNDRED DOLLARS (\$21,600.00), inclusive of Washington State Sales Tax, in substantially the form attached as Exhibit "A".

The foregoing resolution was adopted at a regular meeting of the Board of Park Commissioners of the Peninsula Metropolitan Park District held on September 21, 2021.

President

Clerk
Peninsula Metropolitan Park District Commission

Attest