CITY OF AUBURN WASHINGTON	**City Council Meeting** **November 16, 2015 - 7:00 PM** **Auburn City Hall** **AGENDA** Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.

I. **CALL TO ORDER**

A. **Pledge of Allegiance**

B. **Roll Call**

II. **ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS**

A. GIS Day in the City of Auburn
Mayor Backus to proclaim November 18, 2015 as GIS Day in the City of Auburn.

III. **APPOINTMENTS**

IV. **AGENDA MODIFICATIONS**

V. **CITIZEN INPUT, PUBLIC HEARINGS & CORRESPONDENCE**

A. **Public Hearings**

1. **Public Hearing No. 2 - 2015-2016 Mid Biennial Budget (Coleman)**
City Council to conduct a second public hearing to receive public comments and suggestions with regard to the proposed modifications to the 2015-2016 Biennial Budget.

B. **Audience Participation**
This is the place on the agenda where the public is invited to speak to the City Council on any issue. Those wishing to speak are reminded to sign in on the form provided.

C. **Correspondence**
There is no correspondence for Council review.

VI. **COUNCIL AD HOC COMMITTEE REPORTS**
Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendation to the City Council, if any.

VII. **CONSENT AGENDA**

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. **November 2, 2015 Meeting Minutes***

B. **Claims Vouchers (Coleman)**
Claims voucher numbers 436122 through 436309 in the amount of $3,713,905.94 and two wire transfers in the amount of $57,134.90 and dated November 16th, 2015.

C. **Payroll Vouchers (Coleman)**
Payroll check numbers 535976 through 536008 in the amount of $942,366.47, electronic deposit transmissions in the amount of $1,358,415.13 for a grand total of $2,300,781.60 for the period covering October 29, 2015 to November 11, 2015.

VIII. **UNFINISHED BUSINESS**

IX. **NEW BUSINESS**

X. **ORDINANCES**

A. **Ordinance No. 6570, First Reading* (Coleman)**
An Ordinance of the City Council of the City of Auburn, Washington, amending Ordinance No. 6533, the 2015-2016 Biennial Budget ordinance, as amended by Ordinance No. 6558 and Ordinance No. 6563, authorizing amendment to the City of Auburn 2015-2016 budget as set forth in Schedule "A" and Schedule "B"

(RECOMMENDED ACTION: City Council to introduce and adopt Ordinance No. 6570.)

B. **Ordinance No. 6571, First Reading* (Coleman)**
An Ordinance of the City Council of the City of Auburn, Washington, amending Ordinance No. 6533, the 2015-2016 Biennial Budget ordinance, as amended by Ordinance No. 6558, Ordinance No. 6563, and Ordinance No. 6570, authorizing amendment to the City of Auburn 2015-2016 Budget as set forth in Schedule "A" and Schedule "B"

(RECOMMENDED ACTION: City Council to introduce and adopt Ordinance No. 6571.)

C. **Ordinance No. 6577, Second Reading* (Coleman)**
An Ordinance of the City Council of the City of Auburn, Washington, establishing the levy for regular property taxes by the City of Auburn for collection in 2016 for general city operational purposes in the amount of $18,017,836.00

(RECOMMENDED ACTION: City Council adopt Ordinance No. 6577.)

D. **Ordinance No. 6578, Second Reading* (Coleman)**
An Ordinance of the City Council of the City of Auburn, Washington, establishing a substantial need for an increase above the rate of inflation to the levy for regular property taxes by the City of Auburn for collection in 2016 for general city operational purposes

(RECOMMENDED ACTION: City Council adopt Ordinance No. 6578.)

XI. RESOLUTIONS

A. **Resolution No. 5173* (Faber)**
A Resolution of the City Council of the City of Auburn, Washington authorizing the Mayor and City Clerk to execute an agreement between the City of Auburn and the Auburn Symphony Orchestra for tourism promotion services

(RECOMMENDED ACTION: City Council adopt Resolution No. 5173.)

B. **Resolution No. 5182* (Snyder)**
A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a service area agreement between the City of Auburn and Pierce County, establishing water utility service area boundaries

(RECOMMENDED ACTION: City Council adopt Resolution No. 5182.)

C. **Resolution No. 5183* (Coleman)**
A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a contract for banking services with Key Bank National Association

(RECOMMENDED ACTION: City Council adopt Resolution No. 5183.)

D. **Resolution No. 5184* (Lee)**
A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a Memorandum Of Understanding and negotiate and execute a lease agreement for a Lea Hill police substation

(RECOMMENDED ACTION: City Council adopt Resolution No. 5184.)

XII. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on their significant City-related activities since the last regular Council meeting.

A. **From the Council**

B. **From the Mayor**

XIII. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (http://www.auburnwa.gov), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.

*Denotes attachments included in the agenda packet.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Public Hearing No. 2 - 2015-2016 Mid Biennial Budget

Date:
November 10, 2015

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
$0

Administrative Recommendation:

City Council to conduct a second public hearing to receive public comments and suggestions with regard to the proposed modifications to the 2015-2016 Biennial Budget.

Background Summary:

This is the second public hearing held prior to the review of the 2015-2016 mid-biennial budget correction. The purpose of the correction is to evaluate and assess any changes needed to the budget for the remainder of the 2015-2016 biennium. The first public hearing was held on October 19, 2015. This public hearing provides an additional opportunity for any citizens to make comments or suggestions prior to publication of the mid-biennial correction.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: PH.1

AGENDA BILL APPROVAL FORM

Agenda Subject:
November 2, 2015 Meeting Minutes

Date:
November 9, 2015

Department:
Administration

Attachments:
11-02-2015 minutes

Budget Impact:
$0

Administrative Recommendation:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: November 16, 2015

Item Number: CA.A

CITY OF AUBURN WASHINGTON	**City Council Meeting** **November 2, 2015 - 7:00 PM** **Auburn City Hall** **MINUTES**

I. CALL TO ORDER

A. Pledge of Allegiance

Mayor Nancy Backus called the meeting to order at 7:00 p.m. in the Council Chambers located in Auburn City Hall, 25 West Main Street in Auburn, and led those in attendance in the Pledge of Allegiance.

B. Roll Call

City Councilmembers present: Deputy Mayor Holman, , Rich Wagner, Bill Peloza, Largo Wales, Wayne Osborne, Claude DaCorsi, and Yolanda Trout.

Department directors and staff members present included: City Attorney Daniel B. Heid, Director of Administration Dana Hinman, Chief of Police Bob Lee, Community Development and Public Works Director Kevin Snyder, Assistant Director of Engineering Services Ingrid Gaub, Network Services Manager Brian Garbarino, Parks, Arts and Recreation Director Daryl Faber, Finance Director Shelley Coleman, and Deputy City Clerk Shawn Campbell.

II. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

A. Introduction of the Public Affairs Research Consultants (PARC Resources)

Director Faber introduced Stan Foster from the Public Affairs Research Consultants (PARC). The City has contracted with PARC to create a feasibility study for the Auburn Avenue Theater. PARC has an expertise in developing a sustainable downtown arts program.

Mr. Foster thanked Council for hiring PARC. He complimented Park, Arts and Recreation staff for all of their help. The study will provide Council the information needed to make decisions for the downtown area in the future.

B. National Diabetes Awareness Day Proclamation

Mayor Backus to proclaim November 10th as National Diabetes Awareness Day in the City of Auburn

Mayor Backus declared November 10th as National Diabetes Awareness Day in the City of Auburn and presented the proclamation to Jason Berry, Executive Director of the Auburn Valley YMCA. Mr. Berry thanked the Mayor and Council for recognizing National Diabetes Awareness Day. He noted the Auburn YMCA is hosting the 10th annual Diabetes Prevention Symposium.

C. **Global Entrepreneurship Week Proclamation**
Mayor Backus to proclaim November 16th-20th as Global Entrepreneurship Week in the City of Auburn

Mayor Backus read and presented a proclamation declaring the week of November 16th-20th as Global Entrepreneurship Week in the City of Auburn.

Derek Enz, Mountainview High School DECA advisor, Amanda Enz and Emily Watling accepted the proclamation from Mayor Backus. Ms. Watling stated the DECA program's goal is to promote the idea of entrepreneurship to the citizens of Auburn.

D. **American Education Week Proclamation**
Mayor Backus to proclaim November 16th-20th as American Education Week in the City of Auburn

Mayor Backus read and presented a proclamation declaring the week of November 16th-20th as American Education Week in the City of Auburn to Carolyn Olson, Primary Representative on the Executive Board. Ms. Olson thanked the Mayor and Council for their support of education.

III. APPOINTMENTS

There was no appointment for Council consideration.

IV. AGENDA MODIFICATIONS

There was no agenda modification.

V. CITIZEN INPUT, PUBLIC HEARINGS & CORRESPONDENCE

A. Public Hearings

No public hearing was scheduled for this evening.

B. Audience Participation

This is the place on the agenda where the public is invited to speak to the City Council on any issue. Those wishing to speak are reminded to sign in on the form provided.

No audience members came forward to speak.

C. Correspondence

There was no correspondence for Council review.

VI. COUNCIL AD HOC COMMITTEE REPORTS

Council Ad Hoc Committee Chairs may report on the status of their ad hoc Council Committees' progress on assigned tasks and may give their recommendations to the City Council, if any.

Councilmember Wales reported on behalf of the Council ad hoc committee that reviews claims and payroll vouchers. Councilmember Wales reported Councilmember Osborne and she reviewed claims and payroll vouchers as presented on this evening's Consent Agenda, and the ad hoc committee recommends their approval.

VII. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. October 19, 2015 City Council Minutes

B. Claims Vouchers (Coleman)
Claims voucher numbers 435917 through 436121 in the amount of $3,566,501.06 and four wire transfers in the amount of $210,229.43 and dated November 2, 2015.

C. Payroll Vouchers (Coleman)
Payroll voucher numbers 535935 through 535975 in the amount of $323,447.97, electronic deposit transmissions in the amount of $1,384,623.24 for a grand total of $1,708,071.21 for the period covering October 15, 2015 to October 28, 2015.

D. Public Works Project No. CP1304 (Snyder)
City Council to approve final pay estimate No.4 to Contract No. 14-12 in the amount of $0.00 and accept construction of project No. CP1304 – 37th Street NW and B Street NW Pre-Signal

E. Call for Public Hearing (Coleman)
City Council to call for Public Hearing No. 2 for the Mid-Biennial Review and Modification of the 2015-2016 Biennial Budget to be held November 16, 2015

Deputy Mayor Holman moved and Councilmember Osborne seconded to approve the Consent Agenda.

The Consent Agenda includes minutes, claims vouchers, payroll vouchers, a Public Works Project and a request to call for public hearing on the mid-biennial budget review and modification.

MOTION CARRIED. 7-0

VIII. UNFINISHED BUSINESS

There was no unfinished business.

IX. NEW BUSINESS

A. SCORE Jail Update

Mayor Backus is the City's representative on the South Correctional Entity (SCORE) Board and presented a PowerPoint presentation on SCORE Jail statistics. The SCORE member cities include Auburn, Renton, Federal Way, Tukwila, Burien, SeaTac and Des Moines.

Mayor Backus reviewed SCORE Member City Billable Average Daily Population (ADP) for September, which was at 295 for member cities. Auburn's ADP in September was 63.

Mayor Backus reviewed Total ADP by Month and Year for September 2015. Contract agencies ADP in September 2015 was 353

compared to member cities ADP of 295.

Mayor Backus reviewed Auburn Billable ADP for 2013 to 2015, Total Bookings for Member and Contract Agencies, Member Bookings by Agency, Member Agency Bookings by Type, a breakout of contract inmates by agency, SCORE Contract Billable ADP 2014-2015, Male versus Female Bookings for 2015, and September 2015 Member Agency Arrests by Inmate's City of Residence.

X. ORDINANCES

A. Ordinance No. 6577, First Reading (Coleman)
An Ordinance of the City Council of the City of Auburn, Washington, establishing the levy for regular property taxes by the City of Auburn for collection in 2016 for general city operational purposes in the amount of $18,017,836.00

Councilmember Wales moved and Councilmember DaCorsi seconded to adopt Ordinance No. 6577.

Councilmember Wales stated the levy rate is based on information received from King County.

Director Coleman explained this levy allows the City to collect the 1% increase from property taxes and an additional $400,000.00.

B. Ordinance No. 6578, First Reading (Coleman)
An Ordinance of the City Council of the City of Auburn, Washington, establishing a substantial need for an increase above the rate of inflation to the levy for regular property taxes by the City of Auburn for collection in 2016 for general city operational purposes

Deputy Mayor Holman moved and Councilmember Trout seconded to adopt Ordinance No. 6578.

Councilmember Wales asked if funds collected from Ordinance No. 6578 are related to the funds collected from Ordinance No. 6577.

Director Coleman explained the two Ordinances give the City the authority to collect additional funds for different reasons. Declaring the special need allows the City to be able to bank the property tax capacity for future years.

XI. RESOLUTIONS

A. Resolution No. 5178 (Snyder)
A Resolution of the City Council of the City of Auburn, Washington, approving the submittal of the City's 2015 Comprehensive Water Plan to King County and the Washington State Department of Health for review and approval

Deputy Mayor Holman moved and Councilmember Peloza seconded to adopt Resolution No. 5178.

MOTION CARRIED. 7-0

B. Resolution No. 5180 (Hinman)

A Resolution of the City Council of the City of Auburn, Washington, approving the Lodging Tax Grant disbursement recommended by the Auburn Lodging Tax Advisory Committee and the Auburn Tourism Board

Councilmember Wales moved and Deputy Mayor Holman seconded to adopt Resolution No. 5180.

Councilmember Wales stated she is pleased with the variety and requested consideration be given to Hops and Crops in the next grant cycle.

MOTION CARRIED. 7-0

XII. MAYOR AND COUNCILMEMBER REPORTS

At this time the Mayor and City Council may report on their significant City-related activities since the last regular Council meeting.

A. From the Council

Councilmember Peloza reported he attended the South County Area Transportation Board meeting and the Water Resource Inventory Area 9 (WRIA 9) meeting.

Councilmember Trout reported she attended the "Evening with the Auburn Valley YMCA".

B. From the Mayor

Mayor Backus reported she attended the Seattle Metropolitan Chamber of Commerce Conference, the 2015 Auburn City Council Retreat and the Halloween Harvest Festival at Washington Elementary.

XIII. ADJOURNMENT

There being no further business to come before the Council, the meeting adjourned at 7:40 p.m.

APPROVED this 16th day of November, 2015.

NANCY BACKUS, MAYOR

Shawn Campbell, Deputy City Clerk

AGENDA BILL APPROVAL FORM

Agenda Subject:
Claims Vouchers

Date:
November 9, 2015

Department:
Administration

Attachments:
No Attachments Available

Budget Impact:
$0

Administrative Recommendation:

City Council to approve claims vouchers.

Background Summary:

Claims voucher numbers 436122 through 436309 in the amount of $3,713,905.94 and two wire transfers in the amount of $57,134.90 and dated November 16th, 2015.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: CA.B

AGENDA BILL APPROVAL FORM

Agenda Subject:
Payroll Vouchers

Date:
November 9, 2015

Department:
Finance

Attachments:
No Attachments Available

Budget Impact:
$0

Administrative Recommendation:

City Council to approve payroll vouchers.

Background Summary:

Payroll check numbers 535976 through 536008 in the amount of $942,366.47, electronic deposit transmissions in the amount of $1,358,415.13 for a grand total of $2,300,781.60 for the period covering October 29, 2015 to November 11, 2015.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: CA.C

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6570, First Reading

Date:
November 10, 2015

Department:
Finance

Attachments:
Memo
Ordinance 5170

Budget Impact:
$0

Administrative Recommendation:

City Council to introduce and adopt Ordinance No. 6570.

Background Summary:

Ordinance No. 6570 (Budget Amendment #3) amends the 2015-2016 Budget as presented in the attached transmittal memorandum and supporting attachments.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: ORD.A

CITY OF AUBURN WASHINGTON

Interoffice Memorandum

To: City Council

From: **Shelley Coleman, Finance Director**

CC: Nancy Backus, Mayor

Date: November 9, 2015

Re: Ordinance #6570 – 2015-2016 Budget Amendment #3

This amendment is the third budget amendment for the 2015-2016 biennium and the final amendment for calendar year 2015. All projects/programs are underway and a budget amendment is requested to ensure sufficient budget authority to meet anticipated expenditures by year end. Proposed amendments to the 2015 budget are as follows:

General Fund:

Parks Department	
• Tourism grants (Geocaching and Veteran's Day parade)	$ 10,000
• 4Culture grant for new light board	$ 3,500
• Mill Pond and PSE Walking Trail repairs	$ 21,000
Subtotal	$ 34,500
Human Resources Department	
• Increase charges from King County for District Court services	$ 336,400
Non-Departmental	
• Transfer cemetery debt service to the General Fund	$ 23,017
• Transfer excess from LID Guarantee Fund to the General Fund	$ 21,443
Subtotal	$ 44,460

Other Funds:

Hotel/Motel Tax Fund (F104)	
• Advertisements in Visit Seattle Visitor Guide and Travel Planners' Guide	$ 20,000
Arterial Streets Preservation Fund (F105)	
• Reflect Expected savings in annual Arterial Street Preservation program	($ 100,000)
LID Guarantee Fund (F249)	
• Close out LID 250 and transfer excess to General Fund	$ 20,994

LID 250 Fund (F250)

- Close out LID 250 $ 449

Capital Improvements Fund (F328)

- Purchase 41.5 acres of vacant land from PSE (per Resolution #5160) $ 92,955
- Demo of Liquidators building $ 35,000

Subtotal $ 127,955

Water Fund (F430)

- Replace cast iron main in conjunction with M St NE Storm Improvements $ 50,000

Cemetery Fund (F436)

- Transfer debt service to the General Fund ($ 23,017)

Facilities Fund (F505)

- Reverse BA#2 adj. moving budget from 2016 to 2015 for CH Atrium Repair ($ 300,000)

Council approval of proposed Ordinance 6570 would amend the 2015 budget as follows:

Table 1: 2015 Budget as Amended

2015 Budget as Amended	**$ 302,031,310**
Budget Amendment #3 (Ord #6570)	153,948
Budget as Amended	**$ 302,185,258**

Attachments:

- 1. Proposed Ordinance #6570 (budget adjustment #3)
- 2. Summary of proposed 2015 budget adjustments by fund and department (Schedule A)
- 3. Summary of approved changes to adopted 2015 budget by fund (Schedule B)

ORDINANCE NO. 6570

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING ORDINANCE NO. 6533, THE 2015-2016 BIENNIAL BUDGET ORDINANCE, AS AMENDED BY ORDINANCE NO. 6558 AND ORDINANCE NO. 6563, AUTHORIZING AMENDMENT TO THE CITY OF AUBURN 2015-2016 BUDGET AS SET FORTH IN SCHEDULE "A" AND SCHEDULE "B"

WHEREAS, the Auburn City Council at its regular meeting of December 1, 2014, adopted Ordinance No. 6533 which adopted the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the Auburn City Council at its regular meeting of April 6, 2015, adopted Ordinance No. 6558 (BA#1) which amended Ordinance No. 6533 which adopted the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the Auburn City Council at its regular meeting of July 6, 2015, adopted Ordinance No. 6563 (BA#2) which amended Ordinance No. 6558 which amended the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the City of Auburn deems it necessary to appropriate additional funds to the various funds of the 2015 budget as outlined in this Ordinance (BA#3); and

WHEREAS, this Ordinance has been approved by one more than the majority of all councilpersons in accordance with RCW 35A.34.200.

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

Section 1. Amendment of the 2015-2016 Biennial Budget. The 2015-2016 Biennial Budget of the City of Auburn is amended pursuant to Chapter 35A.34 RCW, to reflect the revenues and expenditures as shown on Schedule "A" attached hereto and incorporated herein by reference. The Mayor of the City of Auburn, Washington is hereby authorized to utilize revenue and expenditure amounts shown on said Schedule "A" and Schedule "B". A copy of said Schedule "A" and Schedule "B" is on file with the City Clerk and available for public inspection.

Section 2. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held to be invalid, the remainder of such code, ordinance or regulation or the application thereof to other person or circumstance shall not be affected.

Section 3. Implementation. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Danielle E. Daskam
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid
City Attorney

PUBLISHED:_____

Schedule A
Summary of 2015 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6570)

	Beg. Fund Balance	2015 Revenues	2015 Expenditures	Ending Fund Balance
General Fund (#001)				
2015 Amended Budget	19,360,131.89	58,822,400.78	64,663,126.24	13,519,406.43
Parks Department				
City of Auburn Tourism Grants (Geocaching and Veteran's Day Parade)	-	10,000.00	10,000.00	-
4Culture Grant for New Light Board	-	3,500.00	3,500.00	-
Mill Pond and PSE Walking Trail Repairs	-	25,600.00	25,600.00	-
Human Resources Department:				
Increase Charges from King County for District Court Services	-	-	336,400.00	(336,400.00)
Non-Departmental				
Transfer Cemetery Debt Service to the General Fund	-	-	23,017.00	(23,017.00)
Transfer Excess from LID Guaranty Fund to General Fund (per RCW 35.54.095)	-	21,443.24	-	21,443.24
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	60,543.24	398,517.00	(337,973.76)
Revised 2015 Budget - Fund 001	19,360,131.89	58,882,944.02	65,061,643.24	13,181,432.67
Hotel/Motel Tax Fund (#104)				
2015 Amended Budget	166,895.66	94,040.00	86,000.00	174,935.66
Advertisements in the Visit Seattle Visitor Guide and the Travel Planners' Guide	-	-	20,000.00	(20,000.00)
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	20,000.00	(20,000.00)
Revised 2015 Budget - Fund 104	166,895.66	94,040.00	106,000.00	154,935.66
Arterial Street Preservation Fund (#105)				
2015 Amended Budget	3,180,979.82	2,937,040.00	5,870,756.35	247,263.47
Reflect Expected Savings in Annual Arterial Street Preservation Program	-	-	(100,000.00)	100,000.00
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	(100,000.00)	100,000.00
Revised 2015 Budget - Fund 105	3,180,979.82	2,937,040.00	5,770,756.35	347,263.47

Schedule A
Summary of 2015 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6570)

	Beg. Fund Balance	2015 Revenues	2015 Expenditures	Ending Fund Balance
LID Guarantee Fund (#249)				
2015 Amended Budget	24,546.96	20.00	2,000.00	22,566.96
Close Out LID 250	-	449.41	-	449.41
Transfer Excess to General Fund (per RCW 35.54.095)	-	-	21,443.24	(21,443.24)
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	449.41	21,443.24	(20,993.83)
Revised 2015 Budget - Fund 249	24,546.96	469.41	23,443.24	1,573.13
LID 250 Fund (#250)				
2015 Amended Budget	449.41	-	-	449.41
Close Out LID 250	-	-	449.41	(449.41)
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	449.41	(449.41)
Revised 2015 Budget - Fund 250	449.41	-	449.41	-
Capital Improvements Fund (#328)				
2015 Amended Budget	9,680,897.36	3,359,630.48	6,341,296.00	6,699,231.84
Purchase of 41.5 Acres of Vacant Land from PSE (Resolution #5160 - July 2015)	-	92,955.00	92,955.00	-
Demolition of Liquidators Building	-	-	35,000.00	(35,000.00)
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	92,955.00	127,955.00	(35,000.00)
Revised 2015 Budget - Fund 328	9,680,897.36	3,452,585.48	6,469,251.00	6,664,231.84
Water Fund (#430)				
2015 Amended Budget	14,027,405.35	20,828,757.69	27,170,653.80	7,685,509.24
Replace Cast Iron Main in Conjunction with M St SE Storm Improvement Project	-	-	50,000.00	(50,000.00)
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	50,000.00	(50,000.00)
Revised 2015 Budget - Fund 430	14,027,405.35	20,828,757.69	27,220,653.80	7,635,509.24

Schedule A
Summary of 2015 Budget Adjustments by Fund
Budget Amendment #3 (Ordinance #6570)

	Beg. Fund Balance	2015 Revenues	2015 Expenditures	Ending Fund Balance
Cemetery Fund (#436)				
2015 Amended Budget	294,546.88	1,108,300.00	1,085,178.96	317,667.92
Transfer Cemetery Debt Service to the General Fund	-	-	(23,017.00)	23,017.00
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	(23,017.00)	23,017.00
Revised 2015 Budget - Fund 436	294,546.88	1,108,300.00	1,062,161.96	340,684.92
Facilities Fund (#505)				
2015 Amended Budget	2,408,711.64	3,638,820.00	4,382,369.00	1,665,162.64
Reverse BA#2 Adjustment Moving Budget from 2016 to 2015 for CH Atrium Repair	-	-	(300,000.00)	300,000.00
TOTAL BA#3 (Ordinance #6570 - Proposed)	-	-	(300,000.00)	300,000.00
Revised 2015 Budget - Fund 505	2,408,711.64	3,638,820.00	4,082,369.00	1,965,162.64
Grand Total - All Funds				
2015 Amended Budget	116,724,068.61	185,307,241.43	223,278,568.46	78,752,741.58
TOTAL BA#3 (Ordinance #6570)	-	153,947.65	195,347.65	(41,400.00)
Revised 2015 Budget	116,724,068.61	185,461,189.08	223,473,916.11	78,711,341.58
		302,185,257.69		302,185,257.69

Schedule B
2015 Appropriations by Fund

Fund	2015 Adopted Budget	BA#1 (Ord #6558)	BA#2 (Ord #6563)	BA#3 (Ord #6570)	Total Amendments	2015 Revised Budget
General Fund (#001)	73,360,404	507,174	4,314,954	60,543	4,882,672	78,243,076
Arterial Street Fund (#102)	15,463,434	6,508,221	738,892	-	7,247,114	22,710,548
Local Street Fund (#103)	2,948,568	770,053	76,856	-	846,909	3,795,477
Hotel Motel Fund (#104)	234,031	-	26,905	-	26,905	260,936
Arterial Street Preservation Fund (#105)	2,656,610	2,659,063	802,347	-	3,461,410	6,118,020
Drug Forfeiture Fund (#117)	602,505	-	34,416	-	34,416	636,921
Housing and Community Development Grant Fund (#119	477,371	-	17,533	-	17,533	494,904
Recreation Trails Fund (#120)	43,847	-	(761)	-	(761)	43,086
Business Improvement Area Fund (#121)	96,272	-	(9,841)	-	(9,841)	86,431
Cumulative Reserve Fund (#122)	6,896,304	-	1,517,482	-	1,517,482	8,413,786
Mitigation Fees Fund (#124)	6,200,854	770,213	(675,666)	-	94,547	6,295,401
1998 Library Fund (#229)	279,500	-	-	-	-	279,500
2010 Annex A&B Bond Debt Fund (#230)	1,695,917	-	-	-	-	1,695,917
2010 C&D Local Revitalization Debt Fund (#231)	594,637	-	-	-	-	594,637
LID Guarantee Fund (#249)	24,569	-	(2)	449	447	25,016
LID #250 (#250)	-	-	449	-	449	449
LID #350 (#275)	15,121	-	1,995	-	1,995	17,116
Golf Course Debt Service Fund (#237)	389,195	-	-	-	-	389,195
Municipal Park Construction Fund (#321)	1,047,236	3,800,987	78,465	-	3,879,452	4,926,688
Capital Improvements Fund (#328)	10,785,236	853,000	1,402,291	92,955	2,348,247	13,133,483
Local Revitalization Fund (#330)	229,620	329,450	(881)	-	328,569	558,189
Golf Course Debt Service Fund (#417)	-	-	-	-	-	-
Water Fund (#430)	23,685,082	8,855,102	2,315,979	-	11,171,081	34,856,163
Sewer Fund (#431)	18,779,904	1,819,579	731,883	-	2,551,462	21,331,366
Storm Drainage Fund (#432)	20,815,381	5,297,080	1,012,848	-	6,309,928	27,125,309
Sewer Metro Fund (#433)	18,549,048	-	(346,911)	-	(346,911)	18,202,137
Solid Waste Fund (#434)	15,619,881	1,250	218,393	-	219,643	15,839,524
Airport Fund (#435)	1,743,117	165,950	8,461	-	174,411	1,917,528
Cemetery Fund (#436)	1,205,055	-	197,792	-	197,792	1,402,847
Golf Course Fund (#437)	-	-	-	-	-	-
Insurance Fund (#501)	1,614,131	-	40,926	-	40,926	1,655,056
Workers Compensation Self Insurance Fund (#503)	983,100	-	317,004	-	317,004	1,300,104
Facilities Fund (#505)	5,185,047	213,800	648,685	-	862,485	6,047,532
Innovation and Technology Fund (#518)	8,024,125	855,639	394,683	-	1,250,322	9,274,447
Equipment Rental Fund (#550)	8,534,744	783,953	806,463	-	1,590,416	10,125,160
Fire Pension Fund (#611)	2,656,481	-	28,981	-	28,981	2,685,462
Cemetery Endowment Fund (#701)	1,697,864	-	5,984	-	5,984	1,703,848
Total	**253,134,187**	**34,190,517**	**14,706,606**	**153,948**	**49,051,071**	**302,185,258**

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6571, First Reading

Date:
November 10, 2015

Department:
Finance

Attachments:
Memo
Ord 6571
Schedule A
Schedule B

Budget Impact:
$0

Administrative Recommendation:

City Council to introduce and adopt Ordinance No. 6571, amending the 2016 budget.

Background Summary:

Ordinance No. 6571 (Budget Amendment #4) represents the fourth budget amendment for the 2015-2016 biennium and the first budget amendment for 2016. For details, see the attached transmittal memorandum and supporting materials.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: ORD.B

CITY OF AUBURN WASHINGTON

Interoffice Memorandum

To: City Council

From: **Shelley Coleman, Finance Director**

CC: Nancy Backus, Mayor

Date: November 9, 2015

Re: Ordinance #6571 – 2015-2016 Budget Amendment #4

The City's biennial 2015-2016 budget is approved by Council as two one-year appropriations. Budget Amendments #1 through #3 amended the budget for calendar year 2015. This amendment is the fourth budget amendment for the biennium and the first budget amendment for calendar year 2016. The purpose of this amendment is to 1) amend the 2016 budget for changes that occurred in 2015 for which there is an on-going fiscal impact; 2) to carry forward capital project budgets that are not anticipated to be completed in 2015; and 3) to establish budget spending authority for new programs and other changes in 2016. Proposed amendments to the 2016 budget are as follows:

Continuation of previously approved requests by Council. The following items (grouped by budget amendment) were previously approved by Council in 2015 and directly impact the 2016 budget. These include:

Budget Amendment #1, Ordinance #6558 (approved April 6, 2015)

• One-time budget adjustment for cp1412 – Community & Youth/Teen Center (moved from 2016 to 2015)	($ 3,200,000)
• Eliminate budget for photo enforcement program (ongoing cost reduction)	($ 600,000)
• Funding to repay interfund loan for the Airport Hangar Project (ongoing cost)	$ 40,102

Budget Amendment #2, Ordinance #6563 (approved July 6, 2015)

• Wage adjustments for non-benefitted part time employees (ongoing increase)	$ 52,875
• One-time adjustment for Police vehicle replacement (moved from 2016 to 2015)	($ 45,770)

Project Adjustments. This item includes requested project expenses that were previously approved in 2015 but will require carry forward to 2016 and increases of budget to align with the 2016-2020 Capital Facilities Plan (CFP) which is scheduled to be adopted in December. Please refer to the CFP for project revenue and expense budget changes in the Arterial Street Fund (#102), Arterial Street Preservation Fund (#105), Mitigation Fees Fund (#124), Parks Construction Fund (#321), Capital Improvements Fund (#328), Water Utility Fund (#430), Sewer Utility Fund (#431), Stormwater Utility Fund (#432), and the Equipment Rental Fund (#550).

Other Requests. Other items requested for funding in this budget amendment include:

Revenue Adjustments: Several revenue adjustments amending the 2016 budget are proposed as part of this budget adjustment. These adjustments include:

• Sales and Use Taxes	$ 500,000
• Property Taxes	$ 600,000
• Local Sales – Criminal Justice Tax	$ 150,000
• Criminal Justice High Crime Tax	($ 96,000)
• Electric and Natural Gas B&O Taxes	($ 545,000)
• Building and Plumbing Permit Revenues	$ 100,000
• Liquor Excise Tax	$ 50,000
• Revenues from the City of Algona for Services Provided	($ 30,000)
• Miscellaneous Revenues	$ 50,000
• Sales Tax from Construction	$ 160,000
• REET Revenues	$ 1,200,000

New staffing: The following new positions are being requested:

- Human Resources Coordinator, Human Resources Department (1.0FTE; $113,020): Funding is requested to hire a Human Resources Coordinator. The additional position will assist and coordinate in all functions of human resources.
- Parks Horticulturalist, Parks Department (1.0FTE; $100,681): Funding is requested to hire a second Horticulturalist to help keep up with the increased demands of six additional park spaces as well as numerous streets.
- Parks Special Events Coordinator (1.0FTE; $56,434 net cost): Funding is requested to hire a coordinator for Auburn Days, the Auburn Farmers Market, and private rentals, conferences, and other gatherings. The position will be partially funded from savings from the interim Farmers Market Manager position.
- Assistant Traffic Engineer, Public Works Department (1.0FTE, 138,514): This position would provide support to the Traffic Engineer and Street Systems Engineer, responding to increased workload caused by ADA design requirements, development review workload, and capital projects.
- Bicycle Officer, Police Department (1.0FTE, $122,140): Funding is requested for an additional bicycle officer to improve response times in the congested downtown corridor and to utilize the officer in a proactive function.
- Community Response Team Officer, Police Department (1.0FTE, $120,540): Funding is requested for a CRT Officer to increase collaboration between multi-family housing property owners/management and the City.
- Neighborhood Programs Coordinator, Administration Department (1.0FTE, $110,000 net cost): Funding is requested for a coordinator to manage Neighborhood Programs and to perform special projects at the direction of the Mayor. The position will be partially funded from savings.
- GIS Inventory Techs, Sewer and Storm Drainage Utilities (2.0FTE, $95,655 net cost): Funding is requested for two GIS inventory techs to support the Sewer and Storm Drainage utilities. These positions would be partially funded from savings in temporary help as well as a Department of Ecology Stormwater Capacity grant.
- Cemetery Office Assistant, Cemetery Fund (1.0FTE, $63,590 net cost): Funding is requested for an office assistant to improve customer service and internal controls of finances and office administration. The position will be partly funded from savings in temporary help.

Reserve Sales Tax Credit revenues ($1,500,000): This request would transfer $1.5 million from General Fund reserves to the Cumulative Reserve Fund. Transfer is for revenue stabilization purposes in 2018 and beyond when the credit will no longer be funded by the State.

King County District Court services ($336,400): Increase funding for District Court services as billed by King County.

Expenses and revenues related to the opening of the Auburn Community & Youth/Teen Center ($55,000 net cost): This represents the net cost associated with the operation of the facility for the period June 15 through December 31, 2016.

Cost Recovery Study – Development Fees ($50,000): Funding for a study to establish goals for the City's development-related fees.

SCORE contribution ($50,000): Increase funding for the City's contribution to SCORE to reflect increases in the SCORE budget.

Valley Communications charge ($265,000): Increase funding for the Valley Comm charge due to increased call volumes from the City of Auburn.

Police Department smart phones ($55,000): Funding is requested to pay for smart phone usage by the Police Department. These costs had been previously paid for by the Information & Technology Department but were not included in the 2015-2016 budget.

Transfer Cemetery debt service costs to the General Fund ($61,922): This change is needed to help keep the Cemetery Fund solvent over the long term.

Debt service costs on Public Works Trust Fund loans ($1,600): This change is needed to reflect increased debt service costs on outstanding PWTF loans in the Arterial Street Fund.

Transit partnerships with Pierce and King County ($110,000): This request would provide funding to ensure continuity of bus routes due to service cuts proposed by King County.

Tourism grants and advertising ($100,000): Add funding for new tourism grants and advertising.

Parks Maintenance budget ($200,000): Increase funding for professional services associated with root cutting and repairing asphalt damage affecting the park trail system.

Add budget for an outreach consultant ($75,000): Add funding for a consultant related to Low Impact Development.

Purchase of the King County Public Health building ($425,000): This represents the cost of purchasing the building from King County ($350,000) plus improvements and upgrades ($75,000).

Increase parking costs ($46,520): Increase funding for parking at the Stratford lot, per the recently signed agreement amending the existing parking agreement.

Council approval of proposed Ordinance 6571 would amend the 2016 budget as follows:

Table 2: 2016 Budget as Amended

2016 Budget as Adopted	**$ 240,237,155**
Budget Amendment #4 (Ord #6571)	13,912,960
Budget as Amended	**$254,150,115**

Attachments:

- 1. Proposed Ordinance #6571 (budget adjustment #4)
- 2. Summary of proposed 2016 budget adjustments by fund and department (Schedule A)
- 3. Summary of approved changes to the adopted 2016 budget by fund (Schedule B)

ORDINANCE NO. 6 5 7 1

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING ORDINANCE NO. 6533, THE 2015-2016 BIENNIAL BUDGET ORDINANCE, AS AMENDED BY ORDINANCE NO. 6558, ORDINANCE NO. 6563, AND ORDINANCE NO. 6570, AUTHORIZING AMENDMENT TO THE CITY OF AUBURN 2015-2016 BUDGET AS SET FORTH IN SCHEDULE "A" AND SCHEDULE "B"

WHEREAS, the Auburn City Council at its regular meeting of December 1, 2014, adopted Ordinance No. 6533 which adopted the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the Auburn City Council at its regular meeting of April 6, 2015, adopted Ordinance No. 6558 (BA#1) which amended Ordinance No. 6533 which adopted the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the Auburn City Council at its regular meeting of July 6, 2015, adopted Ordinance No. 6563 (BA#2) which amended Ordinance No. 6558 which amended the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the Auburn City Council at its regular meeting of December 7, 2015, adopted Ordinance No. 6570 (BA#3) which amended Ordinance No. 6563 which amended the City of Auburn 2015-2016 Biennial budget; and

WHEREAS, the City of Auburn deems it necessary to appropriate additional funds to the various funds of the 2016 budget as outlined in this Ordinance (BA#4); and

WHEREAS, this Ordinance has been approved by one more than the majority of all councilpersons in accordance with RCW 35A.34.200.

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

Section 1. Amendment of the 2015-2016 Biennial Budget. The 2015-2016 Biennial Budget of the City of Auburn is amended pursuant to Chapter 35A.34 RCW, to reflect the revenues and expenditures as shown on Schedule "A" attached hereto and incorporated herein by reference. The Mayor of the City of Auburn, Washington is hereby authorized to utilize revenue and expenditure amounts shown on said Schedule "A" and Schedule "B". A copy of said Schedule "A" and Schedule "B" is on file with the City Clerk and available for public inspection.

Section 2. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held to be invalid, the remainder of such code, ordinance or regulation or the application thereof to other person or circumstance shall not be affected.

Section 3. Implementation. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Danielle E. Daskam
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid
City Attorney

PUBLISHED:_____

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
General Fund (#001)	-			
2016 Adopted Budget	10,547,126.00	59,354,240.00	64,735,529.00	5,165,837.00
BA#4 (Ordinance #6571, Proposed):	2,634,306.56	359,000.00	2,496,746.10	496,560.46
General Fund Revenues:				
Adjust Beginning Fund Balance for Budget Amendments in 2015	2,634,306.56	-	-	2,634,306.56
Increase Sales Tax Revenues	-	500,000.00	-	500,000.00
Increase Property Tax Revenues	-	600,000.00	-	600,000.00
Increase Local Sales - Criminal Justice Tax Revenues	-	150,000.00	-	150,000.00
Eliminate Criminal Justice High Crime Tax Revenues for 2016	-	(96,000.00)	-	(96,000.00)
Reduce Electric & Natural Gas B&O Tax Revenues	-	(455,000.00)	-	(455,000.00)
Increase Building and Plumbing Permit Revenues	-	100,000.00	-	100,000.00
Increase Liquor Excise Tax Revenues	-	100,000.00	-	100,000.00
Reduce Revenues from the City of Algona for Services No Longer Provided	-	(30,000.00)	-	(30,000.00)
Increase Miscellaneous Revenues (mostly PCard rebates)	-	50,000.00	-	50,000.00
Operating Revenues for Community & Youth/Teen Center	-	40,000.00	-	40,000.00
Human Resources Department:				
Increase Charges from King County for District Court Services	-	-	336,400.00	(336,400.00)
New FTE – Human Resources Coordinator (88%)	-	-	99,457.60	(99,457.60)
Parks Department:				
Operating Costs for Community & Youth/Teen Center	-	-	95,000.00	(95,000.00)
New FTE – Parks Horticulturalist	-	-	100,681.00	(100,681.00)
New FTE – Recreation Specialist	-	-	56,434.00	(56,434.00)
Wage Adjustment for Non-Benefitted Part Time Employees (from BA#2)	-	-	44,135.00	(44,135.00)
Public Works Department				
New FTE – Assistant Traffic Engineer (30%)	-	-	45,053.00	(45,053.00)
Streets Department				
Adjust Budget for Reclassification of ER&R Supernumerary Position	-	-	(2,500.00)	2,500.00
Community Development Department:				
Cost Recovery Study – Development Fees	-	-	50,000.00	(50,000.00)
SCORE:				
Increase Auburn Contribution	-	-	50,000.00	(50,000.00)

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Police Department:				
Eliminate Budget for Photo Enforcement Program (from BA#1)	-	(600,000.00)	(600,000.00)	-
Increase Valley Communications Charge	-	-	265,000.00	(265,000.00)
Increase Budget for Smart Phones	-	-	55,000.00	(55,000.00)
New FTE – Bicycle Officer	-	-	122,140.00	(122,140.00)
New FTE – CRT Officer	-	-	120,540.00	(120,540.00)
Administration Department:				
New FTE – Neighborhood Programs/Special Projects Coordinator	-	-	110,000.00	(110,000.00)
Non-Departmental:				
Transfer Cemetery Debt Service to the GF (from BA#3)	-	-	61,922.00	(61,922.00)
Reserve Sales Tax Credit Revenues (Transfer to F122)	-	-	1,500,000.00	(1,500,000.00)
General Fund (multiple departments):				
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	(12,516.50)	12,516.50
Revised 2016 Budget - Fund 001	13,181,432.56	59,713,240.00	67,232,275.10	5,662,397.46
Arterial Street Fund (#102)				
2016 Adopted Budget	1,108,704.00	12,088,787.00	12,320,712.00	876,779.00
BA#4 (Ordinance #6571, Proposed):	920,324.35	2,781,537.00	3,450,392.00	251,469.35
Adjust Beginning Fund Balance for Budget Amendments in 2015	515,324.35	-	-	515,324.35
Adjust for Increased Debt Service Costs on PWTF Loan (Transfer in from F124)	-	1,600.00	1,600.00	-
New FTE – Assistant Traffic Engineer (10%)	-	-	13,355.00	(13,355.00)
Incr Budget for Transit Partnerships w/ King & Pierce Counties (T/F in from F328)	-	110,000.00	110,000.00	-
Adjust Grants per 2016 - 2021 CFP	-	265,573.00	265,573.00	-
Carry Forward Capital Projects per 2016 - 2021 CFP	405,000.00	-	405,000.00	-
Increase Budget for Capital Projects per 2016 - 2021 CFP (incl. T/F in from F124)	-	2,404,364.00	2,654,864.00	(250,500.00)
Revised 2016 Budget - Fund 102	2,029,028.35	14,870,324.00	15,771,104.00	1,128,248.35

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Local Street Fund (#103)				
2016 Adopted Budget	348,568.00	1,602,500.00	1,600,000.00	351,068.00
BA#4 (Ordinance #6571, Proposed):	76,856.12	160,000.00	40,053.00	196,803.12
Adjust Beginning Fund Balance for Budget Amendments in 2015	76,856.12	-	-	76,856.12
New FTE – Assistant Traffic Engineer (30%)	-	-	40,053.00	(40,053.00)
Increase Revenues from Sales Tax from Construction	-	160,000.00	-	160,000.00
Revised 2016 Budget - Fund 103	425,424.12	1,762,500.00	1,640,053.00	547,871.12
Hotel/Motel Tax Fund (#104)				
2016 Adopted Budget	148,031.00	94,940.00	86,000.00	156,971.00
BA#4 (Ordinance #6571, Proposed):	6,904.58	-	100,000.00	(93,095.42)
Adjust Beginning Fund Balance for Budget Amendments in 2015	6,904.58	-	-	6,904.58
New Grants and Advertising	-	-	100,000.00	(100,000.00)
Revised 2016 Budget - Fund 104	154,935.58	94,940.00	186,000.00	63,875.58
Arterial Street Preservation Fund (#105)				
2016 Adopted Budget	461,200.00	3,127,300.00	3,351,390.00	237,110.00
BA#4 (Ordinance #6571, Proposed):	(113,936.10)	(90,000.00)	(25,207.00)	(178,729.10)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(113,936.10)	-	-	(113,936.10)
Reduce Transfer for 37th St SE/A St SE Traffic Signals (Transfer out to F102)	-	-	(65,260.00)	65,260.00
Reduce Electric and Natural Gas B&O Tax Revenues	-	(90,000.00)	-	(90,000.00)
New FTE – Assistant Traffic Engineer (30%)	-	-	40,053.00	(40,053.00)
Revised 2016 Budget - Fund 105	347,263.90	3,037,300.00	3,326,183.00	58,380.90
Drug Forfeiture Fund (#117)				
2016 Adopted Budget	298,057.00	97,100.00	273,028.00	122,129.00
BA#4 (Ordinance #6571, Proposed):	34,415.95	-	-	34,415.95
Adjust Beginning Fund Balance for Budget Amendments in 2015	34,415.95	-	-	34,415.95
Revised 2016 Budget - Fund 117	332,472.95	97,100.00	273,028.00	156,544.95

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Housing & Comm Develop Fund (#119)				
2016 Adopted Budget	37,371.00	450,000.00	440,000.00	47,371.00
BA#4 (Ordinance #6571, Proposed):	17,533.21	-	-	17,533.21
Adjust Beginning Fund Balance for Budget Amendments in 2015	17,533.21	-	-	17,533.21
Revised 2016 Budget - Fund 119	54,904.21	450,000.00	440,000.00	64,904.21
Recreation Trails Fund (#120)				
2016 Adopted Budget	43,847.00	7,130.00	-	50,977.00
BA#4 (Ordinance #6571, Proposed):	(760.74)	-	-	(760.74)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(760.74)	-	-	(760.74)
Revised 2016 Budget - Fund 120	43,086.26	7,130.00	-	50,216.26
BIA Fund (#121)				
2016 Adopted Budget	41,272.00	55,060.00	55,000.00	41,332.00
BA#4 (Ordinance #6571, Proposed):	(9,841.37)	-	-	(9,841.37)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(9,841.37)	-	-	(9,841.37)
Revised 2016 Budget - Fund 121	31,430.63	55,060.00	55,000.00	31,490.63
Cumulative Reserve Fund (#122)				
2016 Adopted Budget	6,238,304.00	14,200.00	1,917,084.00	4,335,420.00
BA#4 (Ordinance #6571, Proposed):	1,517,482.23	1,500,000.00	-	3,017,482.23
Adjust Beginning Fund Balance for Budget Amendments in 2015	1,517,482.23	-	-	1,517,482.23
Reserve Annexation Sales Tax Credit Revenues (Transfer in from GF)	-	1,500,000.00	-	1,500,000.00
Revised 2016 Budget - Fund 122	7,755,786.23	1,514,200.00	1,917,084.00	7,352,902.23

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Mitigation Fees Fund (#124)				
2016 Adopted Budget	2,614,431.00	994,890.00	1,221,827.00	2,387,494.00
BA#4 (Ordinance #6571, Proposed):	801,664.48	-	875,100.00	(73,435.52)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(277,185.52)	-	-	(277,185.52)
Adjust for Increased Debt Service Costs on PWTF Loan	-	-	1,600.00	(1,600.00)
Increase Transfer of Impact Fees to Fund 102 per 2016 - 2021 CFP	-	-	334,650.00	(334,650.00)
Reduce Transfer of Impact Fees to Fund 102 per 2016 - 2021 CFP	-	-	(540,000.00)	540,000.00
Carry Forward Transfer of Impact Fees to Fund 102 per 2016 - 2021 CFP	1,078,850.00	-	1,078,850.00	-
Revised 2016 Budget - Fund 124	3,416,095.48	994,890.00	2,096,927.00	2,314,058.48
LID 350 Fund (#275)				
2016 Adopted Budget	7,874.00	7,256.00	7,246.00	7,884.00
BA#4 (Ordinance #6571, Proposed):	1,995.40	-	-	1,995.40
Adjust Beginning Fund Balance for Budget Amendments in 2015	1,995.40	-	-	1,995.40
Revised 2016 Budget - Fund 275	9,869.40	7,256.00	7,246.00	9,879.40
Parks Construction Fund (#321)				
2016 Adopted Budget	507,236.00	9,016,000.00	9,155,000.00	368,236.00
BA#4 (Ordinance #6571, Proposed):	28,166.33	(3,000,000.00)	(3,000,000.00)	28,166.33
Adjust Beginning Fund Balance for Budget Amendments in 2015	28,166.33	-	-	28,166.33
Adjust Budget for Auburn Comm & Youth/Teen Center (from BA#1) (T/F from F328)	-	(3,200,000.00)	(3,200,000.00)	-
Increase Budget for Root Cutting and Other Parks/Trails Safety Improvements	-	200,000.00	200,000.00	-
Revised 2016 Budget - Fund 321	535,402.33	6,016,000.00	6,155,000.00	396,402.33

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Capital Improvements Fund (#328)				
2016 Adopted Budget	8,627,868.00	1,756,036.00	5,561,324.00	4,822,580.00
BA#4 (Ordinance #6571, Proposed):	(1,963,636.22)	1,200,000.00	(1,255,000.00)	491,363.78
Adjust Beginning Fund Balance for Budget Amendments in 2015	(1,963,636.22)	-	-	(1,963,636.22)
Adj Budget for Auburn Community & Youth/Teen Center-from BA#1 (T/F to F321)	-	-	(2,200,000.00)	2,200,000.00
Adjust Budget for Expected REET Revenues	-	1,200,000.00	-	1,200,000.00
Transfer REET2 Funds to Fund 102 per 2016 - 2021 CFP	-	-	210,000.00	(210,000.00)
Purchase King County Public Health Building – REET1	-	-	425,000.00	(425,000.00)
Transfer Funds to F321 for Root Cutting and Parks/Trail Safety – REET2	-	-	200,000.00	(200,000.00)
T/F REET2 Funds for Transit Partnerships w/ King & Pierce Counties (T/F to F102)	-	-	110,000.00	(110,000.00)
Revised 2016 Budget - Fund 328	6,664,231.78	2,956,036.00	4,306,324.00	5,313,943.78
Local Revitalization Fund (#330)				
2016 Adopted Budget	-	-	-	-
BA#4 (Ordinance #6571, Proposed):	329,450.00	-	-	329,450.00
Adjust Beginning Fund Balance for Budget Amendments in 2015	329,450.00	-	-	329,450.00
Revised 2016 Budget - Fund 330	329,450.00	-	-	329,450.00
Water Fund (#430)				
2016 Adopted Budget	5,374,953.00	14,264,636.00	15,748,910.00	3,890,679.00
BA#4 (Ordinance #6571, Proposed):	510,045.51	3,050,000.00	2,572,199.18	987,846.33
Adjust Beginning Fund Balance for Budget Amendments in 2015	2,260,556.51	-	-	2,260,556.51
Adjust Budget Due to Reclassification of ER&R Supernumerary Position	-	-	(2,500.00)	2,500.00
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	5,689.38	(5,689.38)
Reduce W/C Balance for Debt Not Issued in 2015	(1,850,000.00)	-	(1,850,000.00)	-
2016 Debt for Capital Projects per 2016 - 2021 CFP	-	3,050,000.00	3,050,000.00	-
Carry Forward Capital Projects per 2016 - 2021 CFP	99,489.00	-	99,489.00	-
Increase Budget for Capital Projects per 2016 - 2021 CFP	-	-	1,265,000.00	(1,265,000.00)
New FTE – Human Resources Coordinator (4%)	-	-	4,520.80	(4,520.80)
Revised 2016 Budget - Fund 430	5,884,998.51	17,314,636.00	18,321,109.18	4,878,525.33

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Sewer Fund (#431)				
2016 Adopted Budget	8,825,703.00	8,171,011.00	9,793,077.00	7,203,637.00
BA#4 (Ordinance #6571, Proposed):	726,460.61	-	39,374.18	687,086.43
Adjust Beginning Fund Balance for Budget Amendments in 2015	726,460.61	-	-	726,460.61
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	5,689.38	(5,689.38)
New FTEs - Two GIS Inv Techs & Vehicle (partial funding; balance in Storm)	-	-	31,664.00	(31,664.00)
Adjust Budget Due to Reclassification of ER&R Supernumerary Position	-	-	(2,500.00)	2,500.00
New FTE – Human Resources Coordinator (4%)	-	-	4,520.80	(4,520.80)
Revised 2016 Budget - Fund 431	9,552,163.61	8,171,011.00	9,832,451.18	7,890,723.43
Storm Drainage Fund (#432)				
2016 Adopted Budget	7,781,286.00	9,576,161.00	9,784,730.00	7,572,717.00
BA#4 (Ordinance #6571, Proposed):	427,263.86	50,000.00	202,391.28	274,872.58
Adjust Beginning Fund Balance for Budget Amendments in 2015	427,263.86	-	-	427,263.86
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	11,379.48	(11,379.48)
Adjust Budget Due to Reclassification of ER&R Supernumerary Position	-	-	(2,500.00)	2,500.00
Add Budget for Outreach Consultant Related to Low Impact Development	-	-	75,000.00	(75,000.00)
New FTEs - Two GIS Inv Techs & Vehicle (partial funding; balance in Sewer)	-	50,000.00	113,991.00	(63,991.00)
New FTE – Human Resources Coordinator (4%)	-	-	4,520.80	(4,520.80)
Revised 2016 Budget - Fund 432	8,208,549.86	9,626,161.00	9,987,121.28	7,847,589.58
Sewer Metro Sub Fund (#433)				
2016 Adopted Budget	2,492,148.00	16,333,387.00	16,317,200.00	2,508,335.00
BA#4 (Ordinance #6571, Proposed):	(346,911.06)	-	-	(346,911.06)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(346,911.06)	-	-	(346,911.06)
Revised 2016 Budget - Fund 433	2,145,236.94	16,333,387.00	16,317,200.00	2,161,423.94

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Solid Waste Fund (#434)				
2016 Adopted Budget	2,858,461.00	13,427,400.00	13,040,602.00	3,245,259.00
BA#4 (Ordinance #6571, Proposed):	223,815.95	-	(5,689.62)	229,505.57
Adjust Beginning Fund Balance for Budget Amendments in 2015	223,815.95	-	-	223,815.95
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	(5,689.62)	5,689.62
Revised 2016 Budget - Fund 434	3,082,276.95	13,427,400.00	13,034,912.38	3,474,764.57
Airport Fund (#435)				
2016 Adopted Budget	292,109.00	881,900.00	826,807.00	347,202.00
BA#4 (Ordinance #6571, Proposed):	(18,273.67)	-	40,101.72	(58,375.39)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(18,273.67)	-	-	(18,273.67)
Funding for Repayment of Interfund Loan for Airport Hangar Project (from BA#1)	-	-	40,101.72	(40,101.72)
Revised 2016 Budget - Fund 435	273,835.33	881,900.00	866,908.72	288,826.61
Cemetery Fund (#436)				
2016 Adopted Budget	156,448.00	1,178,300.00	1,098,229.00	236,519.00
BA#4 (Ordinance #6571, Proposed):	184,237.35	-	8,131.94	176,105.41
Adjust Beginning Fund Balance for Budget Amendments in 2015	184,237.35	-	-	184,237.35
Wage Adjustment for Non-Benefitted Part Time Employees (from BA#2)	-	-	8,740.00	(8,740.00)
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	(2,276.06)	2,276.06
Transfer Cemetery Debt Service to the General Fund (from BA#3)	-	-	(61,922.00)	61,922.00
New FTE – Office Assistant	-	-	63,590.00	(63,590.00)
Revised 2016 Budget - Fund 436	340,685.35	1,178,300.00	1,106,360.94	412,624.41
Insurance Fund (#501)				
2016 Adopted Budget	1,395,231.00	1,000.00	218,900.00	1,177,331.00
BA#4 (Ordinance #6571, Proposed):	40,925.67	-	-	40,925.67
Adjust Beginning Fund Balance for Budget Amendments in 2015	40,925.67	-	-	40,925.67
Revised 2016 Budget - Fund 501	1,436,156.67	1,000.00	218,900.00	1,218,256.67

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Workers' Comp Fund (#503)				
2016 Adopted Budget	166,499.00	863,100.00	854,310.00	175,289.00
BA#4 (Ordinance #6571, Proposed):	317,003.80	-	-	317,003.80
Adjust Beginning Fund Balance for Budget Amendments in 2015	317,003.80	-	-	317,003.80
Revised 2016 Budget - Fund 503	483,502.80	863,100.00	854,310.00	492,292.80
Facilities Fund (#505)				
2016 Adopted Budget	1,346,478.00	3,598,400.00	3,797,528.00	1,147,350.00
BA#4 (Ordinance #6571, Proposed):	618,684.61	-	46,520.00	572,164.61
Adjust Beginning Fund Balance for Budget Amendments in 2015	618,684.61	-	-	618,684.61
Increase Parking Costs for Stratford Lot (rent and taxes)	-	-	46,520.00	(46,520.00)
Revised 2016 Budget - Fund 505	1,965,162.61	3,598,400.00	3,844,048.00	1,719,514.61
Innovation & Technology Fund (#518)				
2016 Adopted Budget	1,828,866.00	5,639,465.00	5,582,583.00	1,885,748.00
BA#4 (Ordinance #6571, Proposed):	394,683.07	10,000.00	-	404,683.07
Adjust Beginning Fund Balance for Budget Amendments in 2015	394,683.07	-	-	394,683.07
Computers & Phones for New FTEs	-	10,000.00	-	10,000.00
Revised 2016 Budget - Fund 518	2,223,549.07	5,649,465.00	5,582,583.00	2,290,431.07
Equipment Rental Fund (#550)				
2016 Adopted Budget	3,184,883.00	3,669,480.00	4,638,014.00	2,216,349.00
BA#4 (Ordinance #6571, Proposed):	491,597.94	37,000.00	(1,046.06)	529,644.00
Adjust Beginning Fund Balance for Budget Amendments in 2015	491,597.94	-	-	491,597.94
Adjust Budget for Police Vehicle Replcmnt Moved from 2016 to 2015 (from BA#2)	-	-	(45,770.00)	45,770.00
Reallocate Budget to Reflect Vacant Finance Position Move to CDPW (from BA#2)	-	-	(2,276.06)	2,276.06
Increase Due to Reclassification of ER&R Supernumerary Position	-	-	10,000.00	(10,000.00)
New Vehicle for GIS Inventory Techs (Sewer and Storm)	-	37,000.00	37,000.00	-
Revised 2016 Budget - Fund 550	3,676,480.94	3,706,480.00	4,636,967.94	2,745,993.00

Schedule A
Summary of 2016 Budget Adjustments by Fund
Budget Amendment #4 (Ordinance #6571)

	Beg. Fund Balance	2016 Revenues	2016 Expenditures	Ending Fund Balance
Fire Pension Fund (#611)				
2016 Adopted Budget	2,486,300.00	76,000.00	170,659.00	2,391,641.00
BA#4 (Ordinance #6571, Proposed):	28,980.88	-	-	28,980.88
Adjust Beginning Fund Balance for Budget Amendments in 2015	28,980.88	-	-	28,980.88
Revised 2016 Budget - Fund 611	2,515,280.88	76,000.00	170,659.00	2,420,621.88
Cemetery Endowment Fund (#701)				
2016 Adopted Budget	1,697,864.00	34,200.00	-	1,732,064.00
BA#4 (Ordinance #6571, Proposed):	(24,015.99)	-	-	(24,015.99)
Adjust Beginning Fund Balance for Budget Amendments in 2015	(24,015.99)	-	-	(24,015.99)
Revised 2016 Budget - Fund 701	1,673,848.01	34,200.00	-	1,708,048.01
Grand Total - All Funds				
2016 Adopted Budget	70,939,707.00	169,297,448.01	185,515,187.63	54,721,937.00
TOTAL BA#4 (Ordinance #6571)	7,855,423.31	6,057,537.00	5,584,066.72	8,328,893.59
Revised 2016 Budget	78,795,130.31	175,354,985.00	191,099,284.72	63,050,830.59
		254,150,115.31		254,150,115.31

Schedule B
2016 Appropriations by Fund

Fund	2016 Adopted Budget	BA#4 (Ord #6571)	Total Amendments	2016 Revised Budget
General Fund (#001)	69,901,366	2,993,307	2,993,307	72,894,673
Arterial Street Fund (#102)	13,197,491	3,701,861	3,701,861	16,899,352
Local Street Fund (#103)	1,951,068	236,856	236,856	2,187,924
Hotel Motel Fund (#104)	242,971	6,905	6,905	249,876
Arterial Street Preservation Fund (#105)	3,588,500	(203,936)	(203,936)	3,384,564
Drug Forfeiture Fund (#117)	395,157	34,416	34,416	429,573
Housing and Community Development Grant Fund (#119)	487,371	17,533	17,533	504,904
Recreation Trails Fund (#120)	50,977	(761)	(761)	50,216
Business Improvement Area Fund (#121)	96,332	(9,841)	(9,841)	86,491
Cumulative Reserve Fund (#122)	6,252,504	3,017,482	3,017,482	9,269,986
Mitigation Fees Fund (#124)	3,609,321	801,664	801,664	4,410,985
1998 Library Fund (#229)	285,100	-	-	285,100
2010 Annex A&B Bond Debt Fund (#230)	1,688,444	-	-	1,688,444
2010 C&D Local Revitalization Debt Fund (#231)	592,472	-	-	592,472
LID Guarantee Fund (#249)	22,589	-	-	22,589
LID #250 (#250)	-	-	-	-
LID #350 (#275)	15,130	1,995	1,995	17,125
Golf Course Debt Service Fund (#237)	351,553	-	-	351,553
Municipal Park Construction Fund (#321)	9,523,236	(2,971,834)	(2,971,834)	6,551,402
Capital Improvements Fund (#328)	10,383,904	(763,636)	(763,636)	9,620,268
Local Revitalization Fund (#330)	-	329,450	329,450	329,450
Golf Course Debt Service Fund (#417)	-	-	-	-
Water Fund (#430)	19,639,589	3,560,046	3,560,046	23,199,635
Sewer Fund (#431)	16,996,714	726,461	726,461	17,723,175
Storm Drainage Fund (#432)	17,357,447	477,264	477,264	17,834,711
Sewer Metro Fund (#433)	18,825,535	(346,911)	(346,911)	18,478,624
Solid Waste Fund (#434)	16,285,861	223,816	223,816	16,509,677
Airport Fund (#435)	1,174,009	(18,274)	(18,274)	1,155,735
Cemetery Fund (#436)	1,334,748	184,237	184,237	1,518,985
Golf Course Fund (#437)	-	-	-	-
Insurance Fund (#501)	1,396,231	40,926	40,926	1,437,157
Workers Compensation Self Insurance Fund (#503)	1,029,599	317,004	317,004	1,346,603
Facilities Fund (#505)	4,944,878	618,685	618,685	5,563,563
Innovation and Technology Fund (#518)	7,468,331	404,683	404,683	7,873,014
Equipment Rental Fund (#550)	6,854,363	528,598	528,598	7,382,961
Fire Pension Fund (#611)	2,562,300	28,981	28,981	2,591,281
Cemetery Endowment Fund (#701)	1,732,064	(24,016)	(24,016)	1,708,048
Total	**240,237,155**	**13,912,960**	**13,912,960**	**254,150,115**

CITY OF AUBURN WASHINGTON

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6577, Second Reading

Date:
November 4, 2015

Department:
Finance

Attachments:
Transmittal memo
Ord 6577

Budget Impact:
$0

Administrative Recommendation:

City Council to introduce and adopt Ordinance No. 6577, establishing the Property Tax levy for calendar year 2016.

Background Summary:

Attached is proposed Ordinance No. 6577, establishing the 2016 Property Tax Levy. The 2016 Property Tax Levy is based upon preliminary information from King County as of October 21, 2015 and represents an increase over the 2015 levy of 1% plus the increase new construction of $243,539, a refund levy of $19,850, and $400,000 to partially fund proposed new positions. These numbers are as of October 21, 2015. King County will not finalize the City's assessed valuation (AV), new construction, and refund levies until December. Therefore the levy is based upon preliminary information as it is scheduled for Council adoption on November 16, 2015. The following table summarizes the 2016 Property Tax levy:

Table 1. 2016 Property Tax Levy Calcuations

2015 property tax levy	$17,182,621
1% increase	171,826
Estimated new construction	243,539
Estimated refund levy	19,850
Additional levy for new staffing	400,000
Total Estimated property tax levy	$18,017,836

As of this date the County has preliminarily established the 2016 assessed valuation (including estimated new construction) for the City of Auburn at $8,481,017,506 which is a 3.2% increase over the 2015 level of $8,209,789,823. The City is estimating a final assessed value increase of 5% over the prior year or $8,620,279,314. The total

2016 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Reviewed by Council Committees:

Councilmember:		**Staff:**	Coleman
Meeting Date:	November 16, 2015	**Item Number:**	ORD.C

CITY OF AUBURN WASHINGTON

Interoffice Memorandum

To: City Council

From: **Shelley Coleman, Finance Director**

CC: Nancy Backus, Mayor

Date: November 2, 2015

Re: 2016 Property Tax Ordinance No. 6577

Attached is proposed Ordinance No. 6577, establishing the 2016 Property Tax Levy. The 2016 Property Tax Levy is based upon preliminary information from King County and represents an increase over the 2015 levy of 1%, plus an additional 2.3% for additional staffing. These increases do not include new construction, refund levies, or staff funding requests.

The estimated increase on new construction is $243,539. King County will not finalize the City's assessed valuation (AV) and new construction until December therefore the levy will be based upon preliminary information as it is scheduled for Council adoption on November 16, 2015. The following table summarizes the 2016 Property Tax levy:

Table 1. 2016 Property Tax Levy Calculations

2015 property tax levy		$ 17,182,621
1% increase		171,826
Estimated new construction		243,539
Refund levy		19,850
Additional levy for new staffing		400,000
Estimated Property Tax Levy		$ 18,017,836

As of this date the County has preliminarily established the 2016 assessed valuation (including estimated new construction) for the City of Auburn at $8,481,017,506 which is a 3.2% increase over the 2015 level of $8,209,789,823. However the City anticipates assessed value to end up 5% over 2015 at $8.62B

The total 2016 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Attachments:

- 1. Ordinance No. 6577

ORDINANCE NO. 6577

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, ESTABLISHING THE LEVY FOR REGULAR PROPERTY TAXES BY THE CITY OF AUBURN FOR COLLECTION IN 2016 FOR GENERAL CITY OPERATIONAL PURPOSES IN THE AMOUNT OF $18,017,836.00

WHEREAS, the City Council of the City of Auburn has met and considered its budget for the calendar year 2016; and

WHEREAS, pursuant to RCW 84.55.120 the City Council held public hearings on October 19, 2015 and November 16, 2015, after proper notice was given, to consider the City of Auburn's 2016 budget and the regular property tax levy to support it; and

WHEREAS, the City Council of the City of Auburn, after public hearing, and after duly considering all relevant evidence and testimony presented, has determined that the City of Auburn requires property tax revenue and any increase of new construction and improvements to property, any increase in the value of state-assessed property, annexations, and any refund levies in order to discharge the expected expenses and obligations of the City and in its best interest; and

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

Section 1. Regular property taxes for collection in the City of Auburn for the year 2016 are authorized in the amount of $18,017,836.00. Not

including the addition of new construction and improvements to property, any increases related to the value of state assessed property, and any refund levies available, the regular property tax levy for 2016 collection represents an increase from regular property taxes levied for collection in 2015 of $571,826 which is a 3.3% increase in revenue from the previous year.

Section 2. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of the Ordinance, as it being hereby expressly declared that this Ordinance and each section, subsection, sentence, clause or phrase hereof would have been prepared, proposed, adopted and approved and ratified irrespective of the fact that any one or more section, subsection, sentence, clause or phrase be declared invalid or unconstitutional.

Section 3. Implementation. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

_____
NANCY BACKUS
MAYOR

ATTEST:

_____
Danielle E. Daskam
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid
City Attorney

PUBLISHED: _____

AGENDA BILL APPROVAL FORM

Agenda Subject:
Ordinance No. 6578, Second Reading

Date:
November 9, 2015

Department:
Finance

Attachments:
Transmittal Memo
Ordinance 6578

Budget Impact:
$128,698.00

Administrative Recommendation:

City Council to introduce and adopt Ordinance No. 6578, establishing a substantial need to increase the Property Tax levy for calendar year 2016 above the rate of inflation.

Background Summary:

Attached is proposed Ordinance No. 6578, establishing a substantial need to increase the 2016 Property Tax Levy above the rate of inflation. The substantial needs cited for this ordinance are increases in labor, services and supply contracts which exceed 1% in 2016. Per King County, this resolution will allow the City to increase the statutory levy basis for the City from $19,963,800 to $20,340,533, or approximately $377,000. This will leave an estimated additional banked capacity of $2.322M based on this year's levy of $18,017,836 ($20,346,533 - $18,017,836 = $2,322,697).

Therefore, it is recommended that City Council adopt this ordinance to bank property tax capacity for future years.

Both Ordinance No. 6577 (the regular Property Tax Levy) and Ordinance No. 6578 will be reviewed by Council on November 2 (first reading) and on November 16 (final reading). Filing of the adopted ordinances will be made by December 1, as required by the County.

The total 2016 Property Tax Levy will be distributed to the General Fund to support general governmental operations.

Reviewed by Council Committees:

Councilmember:

Staff: Coleman

Meeting Date: November 16, 2015

Item Number: ORD.D

Interoffice Memorandum

To: City Council

From: **Shelley Coleman, Finance Director**

CC: Nancy Backus, Mayor

Date: November 2, 2015

Re: 2016 Substantial Need Ordinance No. 6578

Attached is proposed Ordinance No. 6578, establishing a substantial need to increase the 2016 Property Tax Levy above the rate of inflation. The substantial needs cited for this ordinance are increases in labor, services and supply contracts which exceed 1% in 2016. Per King County, this resolution will allow the City to increase the statutory levy basis for the City from $19,963,800 to $20,340,533, or approximately $377,000. This will leave an estimated additional banked capacity of $2.322M based on this year's levy of $18,017,836 ($20,346,533 - $18,017,836 = $2,322,697).

Therefore, it is recommended that City Council adopt this ordinance to bank property tax capacity for future years.

Both Ordinance No. 6577 (the regular Property Tax Levy) and Ordinance No. 6578 will be reviewed by Council on November 2 (first reading) and on November 16 (final reading). Filing of the adopted ordinances will be made by December 1, as required by the County.

Attachments:

- 1. Ordinance No. 6578

ORDINANCE NO. 6578

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, ESTABLISHING A SUBSTANTIAL NEED FOR AN INCREASE ABOVE THE RATE OF INFLATION TO THE LEVY FOR REGULAR PROPERTY TAXES BY THE CITY OF AUBURN FOR COLLECTION IN 2016 FOR GENERAL CITY OPERATIONAL PURPOSES

WHEREAS, the City Council of the City of Auburn has met and considered its budget for the calendar year 2016; and

WHEREAS, pursuant to RCW 84.55.120 the City Council held public hearings on October 19, 2015 and November 16, 2015, after proper notice was given, to consider the City of Auburn's 2016 budget and the regular property tax levy to support it; and

WHEREAS, the City Council of the City of Auburn, after public hearing, and after duly considering all relevant evidence and testimony presented, has determined that, due to increases in all labor contracts that exceed one percent in 2016 and increases in service and supply contracts that exceed one percent, the City of Auburn finds that there is a need to increase the regular property tax limit factor above the rate of inflation; and

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

Section 1. The regular property tax limit for the year 2016 shall be one percent (1%).

Section 2. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of the Ordinance, as it being hereby expressly declared that this Ordinance and each section, subsection, sentence, clause or phrase hereof would have been prepared, proposed, adopted and approved and ratified irrespective of the fact that any one or more section, subsection, sentence, clause or phrase be declared invalid or unconstitutional.

Section 3. Implementation. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. Effective Date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

_____

NANCY BACKUS
MAYOR

ATTEST:

_____
Danielle E. Daskam
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid
City Attorney

PUBLISHED: _____

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5173

Date:
November 10, 2015

Department:
Parks/Art and Recreation

Attachments:
Res 5173

Budget Impact:
$0

Administrative Recommendation:

City Council approve Resolution 5173

Background Summary:

A presentation was held at the November 2, 2015 City Council Study Session regarding the 2013-14 and 2014-15 performing art seasons and inclusion of the 2016 draft contract related to operating support for the Auburn Symphony Orchestra.

Reviewed by Council Committees:

Councilmember:

Staff: Faber

Meeting Date: November 16, 2015

Item Number: RES.A

RESOLUTION NO. 5173

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF AUBURN AND THE AUBURN SYMPHONY ORCHESTRA FOR TOURISM PROMOTION SERVICES

WHEREAS, the City is interested in promoting and marketing Auburn as a tourist Destination; and

WHEREAS, there are activities located and occurring within the corporate boundaries of the City the promotion of which would be beneficial to the City and to the residents and businesses of the City; and

WHEREAS one source of such activities is the Auburn Symphony Orchestra, the Service Provider, herein; and

WHEREAS, a program of advertising for such events would help to insure the success of such activities by informing people about them encouraging people to attend and attracting tourists to the City; and

WHEREAS, in order to advertise the City, attract visitors, and encourage tourism it would be advantageous for the City to contract with the Service Provider for promotional services in connection therewith.

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

Section 1. That the Mayor and City Clerk are hereby authorized to execute an Agreement between the City and the Auburn Symphony Orchestra for tourism

promotion services, which agreement shall be in substantial conformity with the agreement attached hereto as Exhibit A and incorporated herein by this reference.

Section 2. That the Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. That this Resolution shall take effect and be in full force upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2015.

CITY OF AUBURN

_____
NANCY BACKUS, MAYOR

ATTEST:

_____
Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid, City Attorney

CITY OF AUBURN and AUBURN SYMPHONY ORCHESTRA
CONTRACT FOR SERVICES

THIS CONTRACT is made and entered into on the _____ day of _____, 2015, by and between the CITY OF AUBURN, a municipal corporation of the State of Washington, hereinafter referred to as the "City," and the AUBURN SYMPHONY ORCHESTRA, a not-for-profit corporation organized pursuant to 26 U.S.C. 501 (C)(3), hereinafter referred to as the "Service Provider" or "ASO," on the following terms and conditions.

1. SCOPE OF SERVICES BY SERVICE PROVIDER The Service Provider shall engage, enrich and inspire our community through artistically vibrant performances; will uphold the highest artistic and professional standards; will present a broad range of repertoire; will serve a wide and diverse audience; and will provide quality educational experiences for all ages. Service Provider will provide classical music opportunities to area youth through reduced ticket prices to concerts as well as outreach to Auburn area schools. Service Provider will actively participate in community events and include City of Auburn logo in all applicable promotional materials. Service Provider will comply with requirements listed in Attachment 'A'.

2. TERM OF CONTRACT: The Term of this Contract shall be from January 1, 2016 through December 31, 2016.

3. COMPENSATION TO SERVICE PROVIDER:
    a. The parties understand that the Service Provider operates on a fiscal year that runs from July 1 through the following June 30, and that its concert season is consistent with its fiscal year. The City's fiscal year is from January 1 through the following December 31. The parties agree that the marketing services provided throughout the year are adequate consideration for the City to pay the Service Provider its full consideration due for the calendar year by the end of June each year in order to support the Service Provider's budget cycle.
    b. The total contract is for $75,000 per calendar year. For 2016, the first payment of $25,000.00 will be paid on January 31, 2016. The second payment of $25,000.00 will be paid on March 30, 2016. The third payment of $25,000.00 will be paid on June 1, 2016.
    c. Invoicing and Reports. The Service Provider will submit invoices and reports not later than 30 calendar days before payment is due. For each reporting period, the Service Provider will provide report outlining how the Service Provider met the performance measures set forth in this Agreement.

4. NON-APPROPRIATION OF FUNDS: If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to

make payments for Services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon the completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

5. RECORDS INSPECTION AND AUDIT: All compensation payments shall be subject to the adjustments for any amounts found upon audit or otherwise to have been improperly invoiced and all records and books of accounts pertaining to any work performed under this Contract shall be subject to inspection and audit by the City for a period of up to three 3 years from the final payment for work performed under this Contract.

6. CONTRACT ADMINISTRATION: This Contract shall be administered by Auburn Symphony Orchestra Manager Lee Valenta on behalf of the Service Provider and by Mayor or designee on behalf of the City. Any written notices required by terms of this Contract shall be served or mailed to the following addressees unless changed by written notice to the other party:

   If to the City: City of Auburn, 25 West Main Street, Auburn WA 98001
   If to the Service Provider: Auburn Symphony Orchestra, P.O. Box 2186, Auburn WA 98071

7. NOTICES: All notices or communications permitted or required to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the United States mail postage prepaid for mailing by certified mail return receipt requested and addressed if to a party of this Contract to the address set forth next to such party s signature at the end of this Contract or if to a person not a party to this Contract to the address designated by a party to this Contract in the foregoing manner Any party may change his or its address by giving notice in writing stating his or its new address to any other party all pursuant to the procedure set forth in this section of the Contract.

8. INSURANCE: The Service Provider shall be responsible for maintaining during the term of this Contract and at its sole cost and expense insurance coverages in amounts not less than the amounts set forth herein below. The Service Provider shall furnish evidence satisfactory to the City of all such policies during the term hereof the Service Provider shall take out and maintain in full force and effect the following insurance policies:

   a. Comprehensive general liability insurance including automobile and property damage insuring the City and the Service Provider against loss or liability for damages for personal injury death or property damage arising out of or in connection with the performance by the Service Provider of its obligations hereunder with minimum liability limits of $1,000,000.00 combined single limit for personal injury death or property damage in anyone occurrence.

   b. Such workmen s compensation and other similar insurance as may be required by law.

9. INDEMNIFICATION: The Service Provider shall indemnify and hold harmless the City and its officers agents and employees or any of them from any and all claims actions suits liability loss costs expenses and damages of any nature whatsoever by any reason of or arising out of the negligent act or omission of the Service Provider its officers agents employees or any of them relating to or arising out of the performance of this Contract. If a final judgment is rendered against the City its officers agents employees and or any of them or jointly against the City and the Service Provider and their respective officers agents and employees or any of them the Service Provider shall satisfy the same to the extent that such judgment was due to the Service Provider s negligent acts or omissions.

10. RESTRICTION AGAINST ASSIGNMENT: Service Provider shall not assign this Contract or any interest herein nor any money due or to become due hereunder without first obtaining the written consent of the City nor shall the Service Provider subcontract any part of the services to be performed hereunder without first obtaining the written consent of the City.

11. AMENDMENT MODIFICATION OR WAIVER: No amendment modification or waiver of any condition provision or term of this Contract shall be valid or of any effect unless made in writing signed by the party or parties to be bound or such party s or parties duly authorized representative s and specifying with particularity the nature and extent of such amendment modification or waiver Any waiver by any party of any default of the other party shall not effect or impair any right arising from any subsequent default Nothing herein shall limit the remedies or rights of the parties hereto under and pursuant to this Contract.

1. TERMINATION AND SUSPENSION: Either party may terminate this Contract upon Ninety (90) days written notice to the other party It is provided however that if the Service Provider has performed services pursuant to the Contract the Service Provider shall be compensated for such services in accordance with the rate of compensation provided herein.

13. PARTIES IN INTEREST: This Contract shall be binding upon and the benefits and obligations provided for herein shall inure to and bind the parties hereto and their respective successors and assigns provided that this section shall not be deemed to permit any transfer or assignment otherwise prohibited by this Contract This Contract is for the exclusive benefit of the parties hereto and it does not create a contractual relationship with or exist for the benefit of any third party including contractors sub contractors and their sureties.

14. COSTS TO PREVAILING PARTY: In the event of litigation or other legal action to enforce any rights responsibilities or obligations under this Contract the prevailing parties shall be entitled to receive its reasonable costs and attorney's fees.

15. APPLICABLE LAW: This Contract and the rights of the parties hereunder shall be governed by the interpreted in accordance with the laws of the State of Washington and venue for any action hereunder shall be King County State of Washington provided however that it is agreed and understood that any applicable statute of limitation shall commence no later than the substantial completion by the Service Provider of the services.

16. CAPTIONS HEADINGS AND TITLES: All captions headings or titles in the paragraphs or sections of this Contract are inserted for convenience of reference only and shall not constitute a part of this Contract or act as a limitation of the scope of the particular paragraph or sections to which they apply As used herein where appropriate the singular shall include the plural and vice versa and masculine feminine and neuter expressions shall be interchangeable Interpretation or construction of this Contract shall not be affected by any determination as to who is the drafter of this Contract this Contract having been drafted by mutual agreement of the parties.

17. SEVERABLE PROVISIONS: Each provision of this Contract is intended to be severable If any provision hereof is found by a court of competent jurisdiction to be illegal or invalid or not applicable to any person or circumstance for any reason whatsoever such illegality invalidity or non applicability shall not affect the legality or validity of the remainder of this Contract or its applicability to other persons or circumstances.

18. ENTIRE AGREEMENT: This Contract contains the entire understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements contracts and understandings between the parties with respect to such subject matter.

19. COUNTERPARTS: This Contract may be executed in multiple counterparts each of which shall be one and the same Contract and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed effective the day and year first set forth above:

AUBURN SYMPHONY ORCHESTRA

_____

Title:_____

Date:_____

CITY OF AUBURN

_____

Nancy Backus, Mayor

Date:_____

ATTEST:

_____

Danielle Daskam, City Clerk

APPROVED AS TO FORM:

_____

Daniel B. Heid, City Attorney

ATTACHMENT A
Scope of Services

Scope of Work:

1. Auburn Symphony Orchestra (ASO) will engage, enrich and inspire our community through artistically vibrant performances; will uphold the highest artistic and professional standards; will present a broad range of repertoire; will serve a wide and diverse audience; and will provide quality educational experiences for all ages.
2. ASO will produce, at the minimum, three full symphony programs, four chamber concerts, three summer concerts each performing arts season.
3. ASO will conduct outreach into Auburn public schools and offer reduced price student tickets.
4. Conduct outreach to new audiences through programming and marketing efforts.
5. Participate in community events and/or festivals through hosting a booth and/or partnering to present programming as part of the event program.

Service Provider Agrees to:

1. Credit the City of Auburn in all appropriate public announcements, programs, advertising, and other forms of notice relating to the activity and service covered under this agreement and produced by, for, and under the direction of the organization. Where possible, the City of Auburn logo should be used. If logo is not appropriate, ASO may list the funder as City of Auburn.
2. Provide access to members of the City Council and Auburn Arts Commission for purposes of evaluation to at least three performances each year.
3. Meet with the City Council, Arts Commission, or the Arts Coordinator once during the contract period, to provide information regarding programming and administration of the programs.
4. Provide the City of Auburn reports and data as outlined as part of the payment schedule.
5. Make available to the City of Auburn the service providers financial and other records, upon request, to determine compliance with this agreement.
6. Include City Council members and Arts Commissioners in their mailing list.

Payment Schedule

Phase I: To be completed by January 31, 2016. NTE $25,000.00 upon receipt or completion of the following:

- Full execution of this contract.
- Receipt of completed invoice.
- Receipt of schedule of activities and programming for 2015-16 performing arts season.

- Submission of all printed material and copies of paid advertisements completed between June 2015 and January 2016[1].
- Attendance reports for concerts; including zip code demographic summary of patrons and student discount tickets claimed, and tracking of new versus returning attendees.
- Outline summary of outreach activities and community participation efforts.
- Receipt of annual report from prior ASO fiscal year.
- Submission of marketing plan and budget for ASO 2015-2016 performing arts season.

Phase II: To be completed by March 30, 2016. NTE $25,000.00 upon receipt or completion of the following:

- Receipt of completed invoice.
- Submission of all printed material and copies or documentation of paid advertisements completed between January 2016 and March 2016.
- Attendance reports for ASO concerts; including zip code demographic summary of patrons and student discount tickets claimed, and tracking of new versus returning attendees.
- Outline summary of outreach activities and community participation efforts.

Phase III: To be completed by June 1, 2016. NTE $25,000.00 upon receipt or completion of the following:

- Receipt of completed invoice.
- Submission of all printed material and copies of paid advertisements completed between March 2016 and June 2016.
- Attendance reports for ASO concerts; including zip code demographic summary of patrons and student discount tickets claimed, and tracking of new versus returning attendees.
- Outline summary of outreach activities and community participation efforts.
- Summary of annual fundraiser.

[1] NOTE: While this Contract covers performances during 2015 and 2016, references are made to the ASO's 2014-2015 season, which includes periods covered in this Contract.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5182

Date:
November 9, 2015

Department:
CD & PW

Attachments:
Res 5182
Exhibit A - Standard Service Agreement

Budget Impact:
$0

Administrative Recommendation:

City Council adopt Resolution No. 5182.

Background Summary:

As part of the Comprehensive Water Plan update, Pierce County requested a revision to the service area boundary with Bonney Lake to match existing parcel lines. The original boundary was established before part of the Lakeland Hills area was platted, and followed quarter section lines. The new boundary line follows current parcel lines, and service to individual parcels did not change with the service area boundary revisions. The City of Auburn executed an agreement with the City of Bonney Lake in March 2015 to formalize this new boundary line. Pierce County approved the City of Auburn's Comprehensive Water Plan, pending City of Auburn execution of a new service area agreement with Pierce County, reflecting the revised boundary with Bonney Lake.

A short staff briefing will be provided at the Council meeting along with an exhibit showing the old and new boundary lines.

Resolution No. 5182 authorizes the Mayor to execute a service agreement establishing water utility service area boundaries between the City of Auburn and Pierce County.

Reviewed by Council Committees:

Councilmember:

Staff: Snyder

Meeting Date: November 16, 2015

Item Number: RES.B

RESOLUTION NO. 5 1 8 2

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE A SERVICE AREA AGREEMENT BETWEEN THE CITY OF AUBURN AND PIERCE COUNTY, ESTABLISHING WATER UTILITY SERVICE AREA BOUNDARIES

WHEREAS, the City of Auburn is a water purveyor located partly within Pierce County, Washington; and

WHEREAS, service area agreements are required by WAC 246-293-250 to help assure that water reserved for public water supply purposes will be utilized in the future in an efficient and planned manner; and

WHEREAS, in conformity with the requirements of WAC 246-293-250, the City of Auburn and Pierce County, Washington, have developed a water utility service area agreement establishing water utility service area boundaries, with terms acceptable to both entities.

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

Section 1. The Mayor is hereby authorized to execute a Service Agreement between the City of Auburn and Pierce County, which agreement shall be in substantial conformity with the agreement a copy of which is attached hereto, denominated as Exhibit A, incorporated herein by this reference.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. This Resolution shall be in full force and effect upon passage and signatures hereon.

DATED and SIGNED this ____ day of _____ 2015.

CITY OF AUBURN

_____
NANCY BACKUS, Mayor

ATTEST:

_____
Danielle E. Daskam,
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid,
City Attorney

RESOLUTION No. 5182

EXHIBIT A

STANDARD SERVICE AGREEMENT ESTABLISHING WATER UTILITY SERVICE AREA BOUNDARIES

City of Auburn
STANDARD SERVICE AGREEMENT ESTABLISHING WATER UTILITY SERVICE AREA BOUNDARIES

PREAMBLE

THIS AGREEMENT establishing water utility service area boundaries is entered into this day for purposes of identifying the external boundaries of the service area for which this water purveyor has assumed water service responsibility.

WHEREAS, service area agreements are required by WAC 246-293-250 to help assure that water reserved for public water supply purposes within Pierce county will be utilize din the future in an efficient and planned manner; and

WHEREAS, the designation of retail water service area and future service planning areas, together with the cooperation of other utilities, will help assure efficient planning to accommodate growth, avoid duplication f service, and facilitate the best use of resources; and

WHEREAS, the responsibilities applicable to water purveyors are outlined in the Pierce County Coordinated Water System Plan (CWSP) and by the adopted rules and regulations of the Washington State Department of Health (DOH); and

Whereas, IT IS NOT THE INTENT OF THIS Agreement to give new authority or responsibilities to the water purveyor or to the County or State regulatory agencies, in addition to those requirements imposed by law; and

NOW, THEREFORE, the undersigned party, having entered into this Agreement by its signature, concurs with and will abide by the following provisions:

Section 1. The terms used within the contract shall be as defined in the implementing regulations of Chapter 70.116 RCW, except as identified below.

A. Lead Agency shall mean the department or organization within Pierce County that has been designated by the Pierce County Executive as being administratively responsible for the coordination and filing of the Pierce County Water Service Area map, Standard Service Agreement Establishing Water Utility Service Area Boundaries, Agreements for Retail Service Areas, Utility Service Policies, and other administrative documents necessary for the implementation of the Pierce County CWSP.

B. Pierce County Coordinated Water System Plan (CWSP) shall mean the plan adopted by the Pierce County Council for public water systems within critical water supply service areas within Pierce County which identifies the present and future needs of the systems and sets forth means for meeting those needs in the most efficient manner possible.

C. Pierce County Water Service Area Map shall mean the map reference din this Agreement for the retail service area signed by the water purveyor, except as amended in accordance with the CWSP procedures and with the concurrence of the affected water purveyors.

D. Retail Service Area shall mean the designated geographical area within Pierce County in which the undersigned water purveyor assumes full responsibility for providing water service to individual customers.

E. Utility Service Policies shall mean those policies and conditions of service that area attached to the provision of water service for individual customers. The identified policies and conditions of service are those conditions incorporated within the water purveyor's water system improvement and expansion plans required under the provisions of the Public Water Systems Coordination Act and DOH.

Section 2. Lead Agency. The lead agency for administering the Pierce county Water Utility service area agreements shall be the Pierce County Department of Planning and Land Services unless otherwise established by the Pierce County Executive. The lead agency shall function only as a coordination center. The lead agency will maintain the original documents and will be responsible for updating the water system map and agreements as provided for in the CWSP.

Section 3. Authority. The authority for this Agreement is granted by the Public Water Systems Coordination Act of 1977, Chapter 70.116 RCW.

Section 4. Service Area Boundaries. The undersigned Water Purveyor acknowledges that the Pierce County Water Service Area Maps identifying its retail service area boundaries, dated July 28, 2015 and included as Attachment A to this Agreement, identify the water purveyor's present and future service area. The undersigned further acknowledges that there are no service area conflicts with an adjacent water utility or purveyor, or, if such a conflict exists, agrees that no new water service will be extended within disputed areas except as stipulate din an adjudication by DOH.

This Agreement shall apply to service areas existing as of August 1994, and to the service area boundaries identified in the above referenced maps, or as shown on current revisions thereof, provided that no revisions of service areas shown on these maps shall be made without prior written concurrence of the water utilities/purveyors involved and such written concurrence is filled with the Lead Agency. Revisions may also require an amendment to the purveyor's or utility's service plans.

Section 5. Boundary Adjustments. If, at some time in the future, it is in the best interest of the undersigned parties to make service area boundary adjustments, such modifications must be by written concurrence of all involved utilities and the proper legislative authority(ies), and must be noted an filed with the designated Pierce County lead agency and DOH. It is understood by the undersigned utility that it may decline to provide service within its designated service area boundary, but in that case, an applicant may be referred to other adjacent purveyors or utilities or a new utility may be created and the original service area boundary will be adjusted accordingly.

Section 6. System Extension Policies. The undersigned utility agrees that in order to expand its existing water service area, (other than by addition of retail customers to existing water mains), or to serve in the capacity of a pre-qualified satellite system management agency (SSMA), it shall have adopted design standards and Utility Service extension policies. The design standards shall meet or exceed the pierce County Water System Minimum Standards and Specifications.

A water utility anticipating expansion of retail service in unincorporated areas of Pierce County, or intending to operate as an SSMA, shall identify utility service policies in its updated water system plan. The undersigned utility agrees to identify, for information, its utility service policies or provide a copy of the updated water system plan to the Lead Agency prior to application for extension of its existing water system into new service areas within the unincorporated areas of Pierce County.

Municipalities further agree that if they identify a service area outside of their existing municipal corporate boundaries, the municipality will assume full responsibility for providing water service equivalent to the level of service provided for their customers inside the city limits with similar service requirements, and must also meet or exceed Pierce County's minimum design standards.

Section 7. Special Working Agreements. Special working agreements, if they exist and are relevant, between this water purveyor and any adjacent water purveyor shall be attached to this Agreement as Attachment B and incorporated herein by this reference.

Section 8. Compliance with the CWSP. Nothing in this Agreement shall waive any requirement of the state, federal, or local government regarding the provision of water service. This Agreement shall comply with the interlocal agreement requirement of the CWSP.

IN WITNESS WHEREOF, the undersigned party has executed this Agreement as of

_____
Date

_____
Water Purveyor

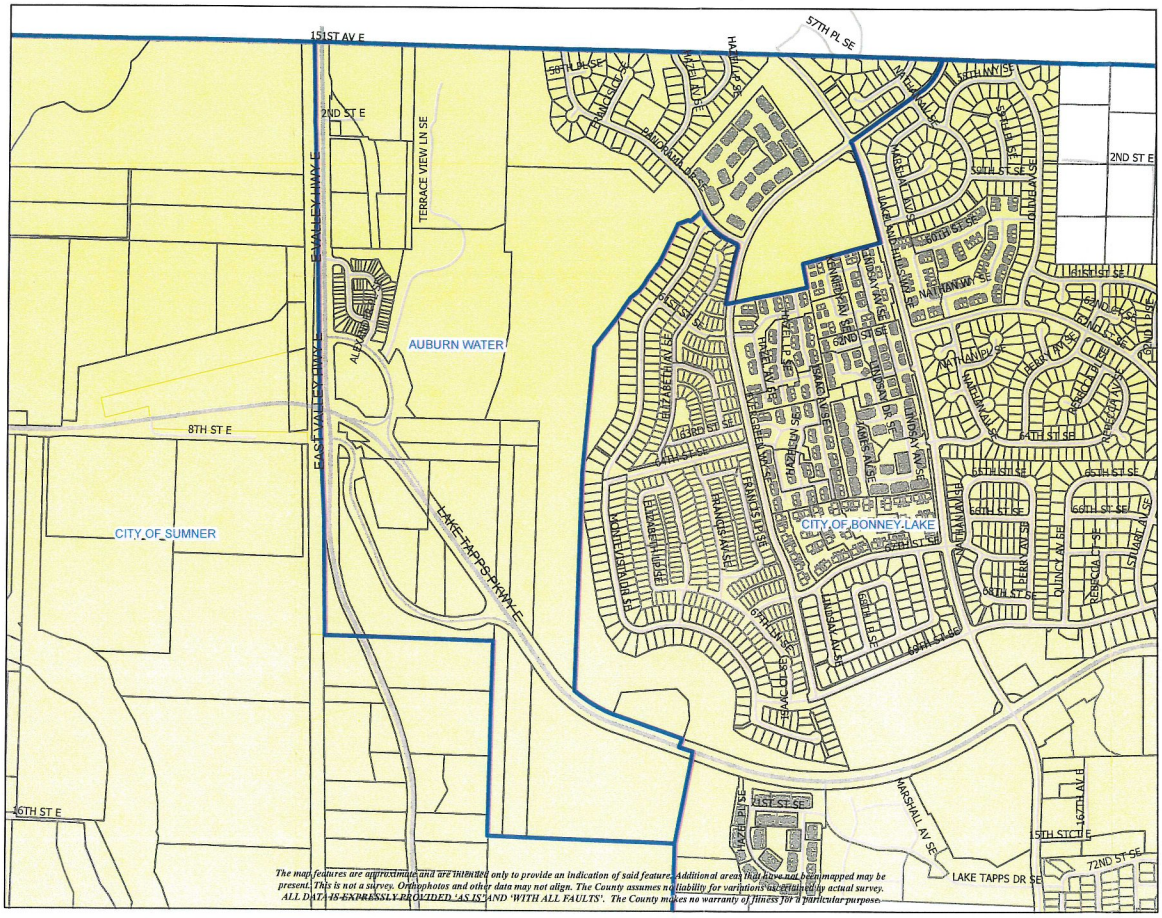
_____
Representative

_____
Title

Receipt Acknowledged:

_____
Pierce County Planning and Land Services Department

10/6/2015
Date



City of Auburn

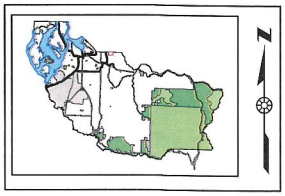
Water Purveyor Boundary

Retail Service Area (7/28/2015)

Incorporated Areas

Map Disclaimer: The map features are approximate and are intended only to provide an indication of said feature. Additional areas that have not been mapped may be present. This is not a survey. The County assumes no liability for variations ascertained by actual survey. ALL DATA IS EXPRESSLY PROVIDED 'AS IS' AND 'WITH ALL FAULTS'. The County makes no warranty of fitness for a particular purpose.

Scale 1:8,000



Pierce County
Geographic Information Services

Planning And Land Services

July 28, 2015

ATTACHMENT A

STANDARD SERVICE AGREEMENT
ATTACHMENT B

Utility shall include copies of separate agreement, relating to common service areas, transfer arrangements, special working agreements, and/or retail service agreements with adjacent utilities. These agreements will be included by reference in this Interlocal Agreement.

Interlocal Agreement Among the Cities of Auburn and Bonney Lake for Revision of Water District Boundaries
Agreement Between the Cities of Pacific and Auburn Relating to Urban Service Area Designation
Agreement Between the Cities of Sumner and Auburn Relating to Potential Annexation Area Designation

INTERLOCAL AGREEMENT AMONG THE CITIES OF AUBURN AND BONNEY LAKE FOR REVISION OF WATER DISTRICT BOUNDARIES

THIS INTERLOCAL AGREEMENT is made and entered into, pursuant to the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington, on the 7th day of April, 2015, by and among the CITY OF AUBURN ("COA")and the CITY OF BONNEY LAKE, municipal corporations of the State of Washington (collectively, the "Cities").

RECITALS:

1. **WHEREAS,** the Cities each own and operate public water systems pursuant to Chapter 70.119 RCW, are purveyors of potable water, and provide water services within the boundaries of the Cities' respective water service areas; and,

2. **WHEREAS,** the City of Auburn is presently revising and updating its six-year comprehensive water plan, as required by the state Department of Health pursuant to RCW 70.116 and WAC 246-290-100; and

3. **WHEREAS,** the Cities' respective water services areas adjoin and abut one another in the "Lakeland Hills South" area of Pierce County, where the Cities' water service areas are demarcated by an border or boundary line identified and described in service area agreement dated December 10, 1998 (approved by and appended to COA Res. No. 3018) ("Service Area Agreement"); and

4. **WHEREAS,** Cities' respective water rights and obligations had been the subject of litigation which was resolved amicably pursuant to settlement agreement between the Cities dated March 5, 1998 (approved by and appended to COA Res. No. 2925) (the "March 1998 Settlement Agreement"), the terms and conditions of which continue to apply to the Cities and shall be interpreted consistently with the change in boundary lines agreed upon herein; and

5. **WHEREAS,** on February 14, 2005, the Cities executed an addendum to the March 1998 Settlement Agreement, to revise the boundary relating to one tax parcel, which does not otherwise affect the March 1998 Settlement Agreement; and

6. **WHEREAS,** the Cities mutually desire to revise and adjust the border line separating their respective water service areas, presently described in Service Area Agreement, as amended by the February 14, 2005 addendum to the March 1998 Settlement Agreement.

NOW THEREFORE in consideration of their mutual covenants, conditions and promises, **THE CITIES DO HEREBY AGREE** as follows:

1. The boundary line between and separating the Cities' respective water service areas, previously established and described in Service Area Agreement, as amended by the

February 14, 2005 addendum to the March 1998 Settlement Agreement, is hereby revised and adjusted pursuant to the legal descriptions and surveyor's map attached hereto as Exhibit "A" and Exhibit "B", respectively; and

2. This revision of water service area boundary lines shall be effective immediately.

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

CITY OF AUBURN

John Holman, Deputy Mayor
for Nancy Backus 4-7-14

Nancy Backus, Mayor Date

Attest:

City Clerk

Approved as to Form:

Asst. City Atty 4-1-15

Daniel B. Heid, City Attorney Date

CITY OF BONNEY LAKE

5/2/15

Neil Johnson, Mayor Date

Attest:

City Clerk

Approved as to Form:

5/1/15

Kathleen Haggard, City Attorney Date

Exhibit "A"

Legal Description for Water Service Area

Legal description for the updated Auburn/Bonney Lake Water Service Areas of Section 6, Township 20 North, Range 5 East, W.M., in Pierce County, Washington to supersede and replace the description contained in Service Area Agreement dated December 10, 1998 (City of Auburn Resolution 3018);

A Line described as the border between the City of Auburn and Bonney Lake Water Service Areas more fully described as follows (using basis of bearings of Record of Survey recorded under Auditor's File Number 200102265002 and plat of Verona recorded under Auditor's File Number 200310145002 records of Pierce County):

Beginning at the South Quarter Corner of said Section 6, thence N 11°23'51" E a distance of 706.18 feet to the south line of Lot 4 of City of Auburn Short Plat SPL01-0007 recorded under Auditor's File Number 200211145001 records of said county;

Thence S 71°21'43" E along said south line a distance of 290.27 feet to the beginning of a curve to the left having a radius of 1940.00 feet;

Thence southeasterly 284.29 feet along said curve through a central angle of 08°23'46";

Thence S 83°10'43" E along said south line a distance of 73.72 feet to the beginning of a curve to the left having a radius of 1937.00 feet;

Thence easterly 463.31 feet along said curve feet through a central angle of 13°42'17" to the most southeasterly corner of said Lot 4;

Thence N 20°03'29" W along the east line of said Lot 4 a distance of 26.26 feet to the most southerly corner of Lot 62 of the plat of Verona recorded under Auditor's File Number 200310145002, records of said county;

Thence northwesterly and northerly along the southwesterly line of said plat of Verona the following courses and distances:

N 81°07'30" W a distance of 359.40 feet;
N 69°56'06" W a distance of 202.35 feet;
N 67°01'04" W a distance of 214.84 feet;
N 54°28'29" W a distance of 68.34 feet;
N 06°34'57" E a distance of 144.08 feet;
N 00°41'55" E a distance of 125.75 feet;
N 27°10'17" W a distance of 85.46 feet;
N 37°27'03" W a distance of 91.12 feet;
N 52°37'34" W a distance of 191.60 feet;
N 61°56'46" W a distance of 51.06 feet;
N 77°45'32" W a distance of 89.47 feet;
S 87°24'50" W a distance of 96.39 feet;

S 75°52'22" W a distance of 123.67 feet;
S 66°03'17" W a distance of 126.14 feet;
N 70°27'52" W a distance of 122.25 feet;
N 35°32'56" W a distance of 149.01 feet;
N 14°48'47" W a distance of 67.81 feet;
N 24°51'43" W a distance of 82.36 feet;
N 09°22'10" W a distance of 313.13 feet;
N 06°04'45" W a distance of 184.91 feet;
N 12°13'20" W a distance of 198.22 feet;
N 00°12'03" W a distance of 186.02 feet to the southwest corner of Lot 33 of Verona Division 2 recorded under Auditors File Number 200502175007, records of said county;

Thence along the westerly line of said plat of Verona Division 2 the following courses and distances:

N 00°12'03" W a distance of 76.43 feet;
N 11°19'16" E a distance of 94.45 feet;
N 34°03'49" E a distance of 361.98 feet;
N 15°33'17" E a distance of 93.08 feet;
N 00°29'31" E a distance of 443.26 feet;
N 03°22'34" W a distance of 148.01 feet;
N 34°01'25" E a distance of 159.32 feet;
N 49°38'41" E a distance of 74.88 feet;
N 40°40'05" E a distance of 51.82 feet;
N 32°41'03" E a distance of 101.58 feet;
N 38°36'53" E a distance of 82.95 feet;
N 27°59'38" E a distance of 62.43 feet;
N 26°06'34" E a distance of 277.03 feet;
N 73°07'14" E a distance of 30.00 feet;
S 58°56'19" E a distance of 45.00 feet;
N 49°08'11" E a distance of 99.74 feet to the most northerly corner of Tract A of said plat of Verona Division 2 and the southerly margin of Panorama Drive SE as described in Warranty Deed recorded under Auditor's File Number 200105040368, said corner being at a point of non-tangent curve to the left having a radius of 454.00 feet (the radius center bears N61°35'41"E);

Thence southeasterly 311.66 feet along said curve and said southerly margin through a central angle of 39°19'56";

Thence continuing along said southerly margin S 67°44'15" E a distance of 23.06 feet to the beginning of a curve to the right having a radius of 25.00 feet;

Thence southeasterly and southerly 37.96 feet along said curve through a central angle of 86°59'27", an arc length of 37.96 feet to the westerly margin of Evergreen Way SE as described in Warranty Deed recorded under Auditor's File Number 200105040368 and the beginning of a reverse curve to the left having a radius of 927.50 feet;

Thence southerly 140.60 feet along said curve and said westerly margin through a central angle of 08°41'08", an arc length of 140.60 feet;

Thence N 55°00'00" E along said southeasterly margin of Evergreen Way SE a distance of 166.23 feet to the beginning of a curve to the left having a radius of 430.00 feet;

Thence northeasterly 283.27 feet along said curve and said southeasterly margin through a central angle of 37°44'40" to the beginning of a compound curve to the left having a radius of 1030.00 feet;

Thence northeasterly 16.98 feet along said curve and said southeasterly margin through a central angle of 00°56'40" to the most northerly northwest corner of Lot 22 of said plat of Lakeland Division 1, Phase 2, and the north line of Section 6, Township 20 North, Range 5 East, W.M.;

Thence along last said north line S 88°34'43"E a distance of 808.02 feet to the northeast corner of Said Section 6 and the terminus of this line description.

The basis of bearings for this description is Record of Survey for Segregation prepared by Apex Engineering dated February 26, 2001 and recorded under Auditors File Number 200102265002, records of Pierce County, Washington.

O:\SURVEY\PROJECTS\ADM430-Water\Bonney Lake Water Service area\Legal Description Water Service Area 01-23-2015.docx

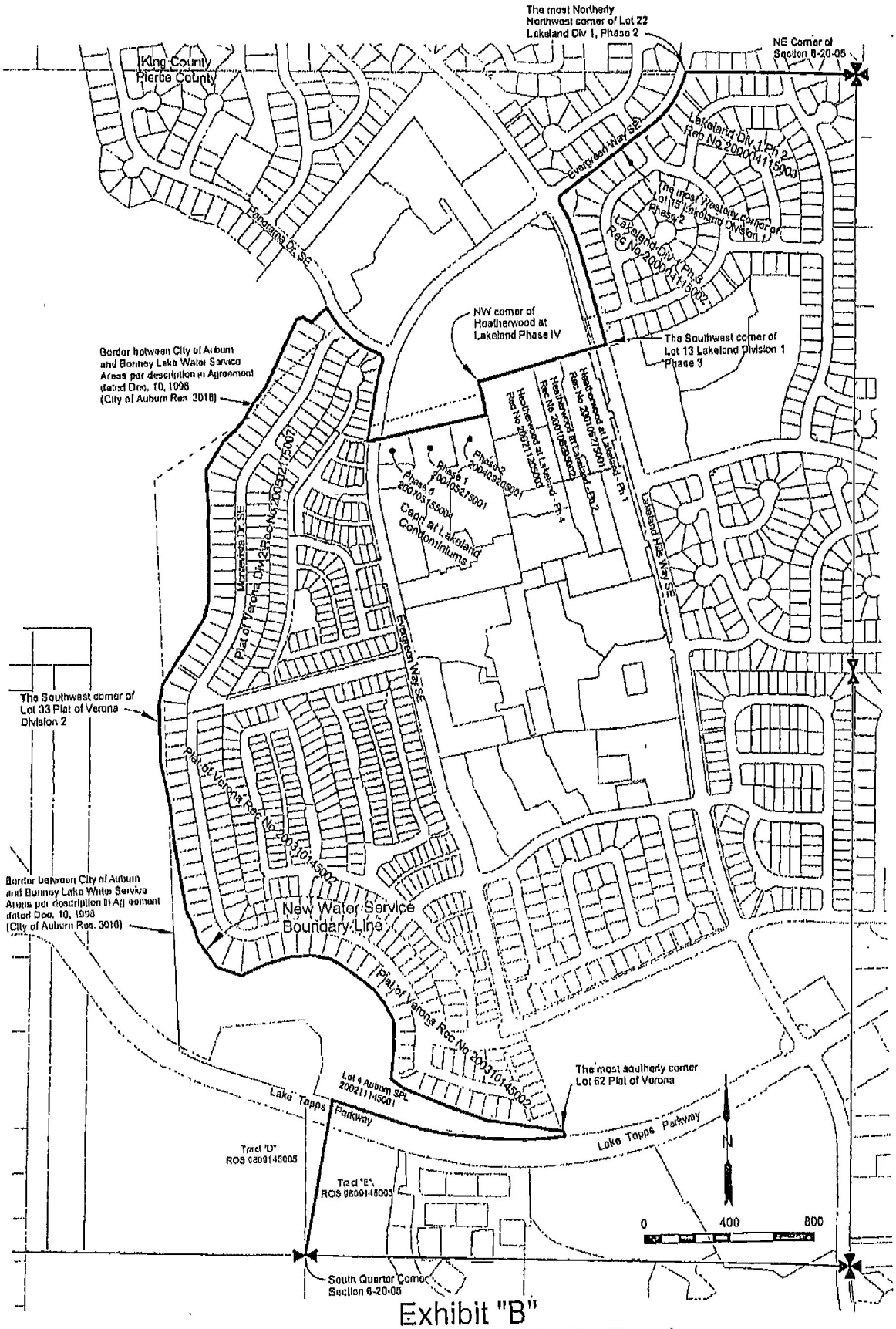


Exhibit "B"

Auburn-Bonney Lake Water Service Boundary

Map updated 01-23-2015

ORIGINAL

AN AGREEMENT BETWEEN THE CITIES OF PACIFIC AND AUBURN RELATING TO URBAN SERVICE AREA DESIGNATION

THIS IS AN AGREEMENT between the Cities of Pacific, a municipal corporation of the State of Washington ("Pacific"), and Auburn, a municipal corporation of the State of Washington ("Auburn"), hereinafter collectively referred to as the "Cities."

RECITALS

A. Pursuant to RCW 36.70A.110(2), the Washington State Growth Management Act of 1990 as amended requires each City within the County to propose the location of an urban growth area, and

B. The Pierce County Countywide Planning Policies adopted and approved by Resolution R92-86 on June 30, 1992 by the County Council and ratified by Cities within the County, establishes rules for designating City urban growth areas within the countywide urban growth boundary, and

C. The Pierce County Comprehensive Plan adopted and approved by Ordinance 94-82S by the County Council identifies an urban growth area overlap between the Cities of Auburn and Pacific.

D. It is in the public interest that the jurisdictions cooperate to designate logical and achievable urban growth area boundaries,

NOW THEREFORE, the Cities hereby agree:

1. PURPOSE.

The purpose of this agreement is to resolve the boundary overlap between the Cities of Auburn and Pacific.

2. DEFINITIONS.

Urban Service Area (USA): The incorporated urban area adjacent to a City, within which urban growth shall be encouraged and phased, and which is expected to annex to the city. Annexation is expected to occur sometime during the next 20 years at which time the city will provide services and utilities. Urban Service Area is another term for a City's Urban Growth Area.

Urban Growth Areas (UGA): Areas designated by the County within which urban growth shall be encouraged and phased and outside of which growth can occur only if it is not urban in nature. A City's Urban Growth Area is another term for its Urban Service Area.

Comprehensive Urban Growth Area Boundary (CUGA Boundary): The boundary marking the limit between the urban growth areas and other areas such as rural and resource area where urban growth is not permitted. The boundary shall be designated by the County in

consultation with the appropriate Cities, under the requirement of the Growth Management Act, as amended.

3. PUBLIC PROCESS.

The designation of USAs in Exhibit A (map) are of interest to a variety of affected parties, including property owners, area residents, the general public, special service districts and the municipalities.

4. RELATIONSHIP TO EXISTING LAWS AND STATUTES.

This Agreement in no way modifies nor supersedes existing laws and statues and is consistent with existing laws and statues. In meeting the commitments encompassed in this Agreement, all parties will comply with the requirements of the annexation statutes, Open Meetings Act, State Environmental Policy Act, Growth Management Act and the Pierce County Countywide Planning Policies.

5. RESPONSIBILITIES.

A. The Cities acknowledge the USA boundary as shown in Exhibit A. The City of Pacific urban service area boundary will not include any area shown in exhibit A.

B. The Cities will only annex territory within their designated USAs.

C. The Cities shall conduct a public involvement process that includes, but is not limited to workshops, surveys, or hearings in areas within the USA, prior to the inclusion of any additional areas within the USA.

6. AMENDMENTS.

A. A city which desires to modify the USA shall contact the other party to this Agreement to begin discussions regarding urban service area boundary amendments. The Cities agree to participate in such discussions when called. Either Party is authorized to call a meeting upon 30 days written notice.

B. The proposed modifications shall be supported by written evidence of a significant change in one of the criteria listed in paragraph 6D. Below. The Cities shall concur that the substantial change warrants an amendment to the original designated urban service area.

C. A public process shall be conducted regarding an amendment to an urban service area.

D. *Criteria for Designation of Potential Annexation Areas*

- Recognition of resident community identification.
- Financial and technical ability to provide municipal services.
- Creation of logical service areas (vehicular accessibility and utility construction).
- Recognition of physical boundaries.

Exhibit "A" Resolution No. 2763
Adopted 12/2/96

Bodies of water
Topographical features
Watersheds
Freeways

- Protection of critical/resource areas significant to a particular jurisdiction.
  Protection of critical areas
  Opportunities for urban separators
- Logical boundaries.
  Elimination of unincoporated islands
  No overlapping potential annexation areas

E. The proposed amended USA agreement shall be submitted to the respective legislative authorities for approval.

7. DURATION AND TERMINATION.

This Agreement is effective upon signature of both parties and shall continue in effect from year to year unless terminated by a six month written notice by one party to the others.

8. SEVERABILITY CLAUSE.

Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

9. INDEMNIFICATION.

A. The City of Pacific shall indemnify and hold harmless the City of Auburn and its officers, agents and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the City of Pacific, its officers, agents and employees, or any of them, in the performance of this Agreement. In the event that any such suit based upon such a claim, action, loss or damage is brought against the City of Auburn, the City of Pacific shall defend the same at its sole cost and expense; provided, that that the City of Auburn reserves the right to participate in such suit if any principle of governmental or public law is involved. If final judgment be rendered against the City of Auburn and its officers, agents and employees, or any of them, the City of Pacific shall satisfy the same, including all chargeable costs and attorney's fees.

B. In executing this Agreement, the City of Pacific does not assume liability or responsibility for, or in any way release, the City of Auburn from any liability or responsibility which arises in whole or in part from the existence or affect City of Auburn ordinances, rules or regulations. If any cause, claim, suit, action or administrative proceedings is commenced in which the enforceability and/or validity of any such City of Auburn ordinance, rule or regulation is at issue, the City of Auburn shall defend the same at its sole expense and if judgment is entered or damages are

awarded against the City of Pacific, the City of Auburn shall, satisfy the same, including all chargeable costs and attorney's fees.

C. The City of Auburn shall indemnify and hold harmless the City of Pacific and its officers, agents and employees, or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by reason of our arising out of any negligent act or omission of the City of Auburn, its officers, agents or employees or any of them, relating to or arising out of the performance of this Agreement. In the event that any suit based on such a claim, action, loss or damage is brought against the City of Pacific, the City of Auburn shall defend the same at its sole costs and expense; provided by the City of Auburn retains the right to participate in and suit of any principle of government law is involved; and if final judgment be rendered against the City of Pacific, and its officers, agents and employees, or any of them, the City of Auburn shall satisfy the same, including all chargeable costs and attorney's fees.

D. In executing this Agreement, the City of Auburn does not assume liability or responsibility for or in any way release the City of Pacific from any liability or responsibility which arises in whole or in part from the existence or affect City of Pacific ordinances, rules or regulations. If any cause, claim, suit, action or administrative proceedings is commenced in which the enforceability and/or validity of any such City of Pacific ordinance, rule or regulation is at issue, the City of Pacific shall defend the same at its sole expense and if judgment is entered or damages are awarded against the City of Auburn, the City of Pacific shall satisfy the same, including all chargeable costs and attorney's fees.

10. ADMINISTRATION.

This Agreement shall be administered by:

A. The Mayor of Pacific or the Mayor's designee, and

B. The Mayor of Auburn or the Mayor's designee.

Exhibit "A" Resolution No. 2763
Adopted 12/2/96

CITY OF PACIFIC

Cheryl Bertsch
Mayor ProTem
Date 11/12/96

Approved as to Form:

City Attorney

CITY OF AUBURN

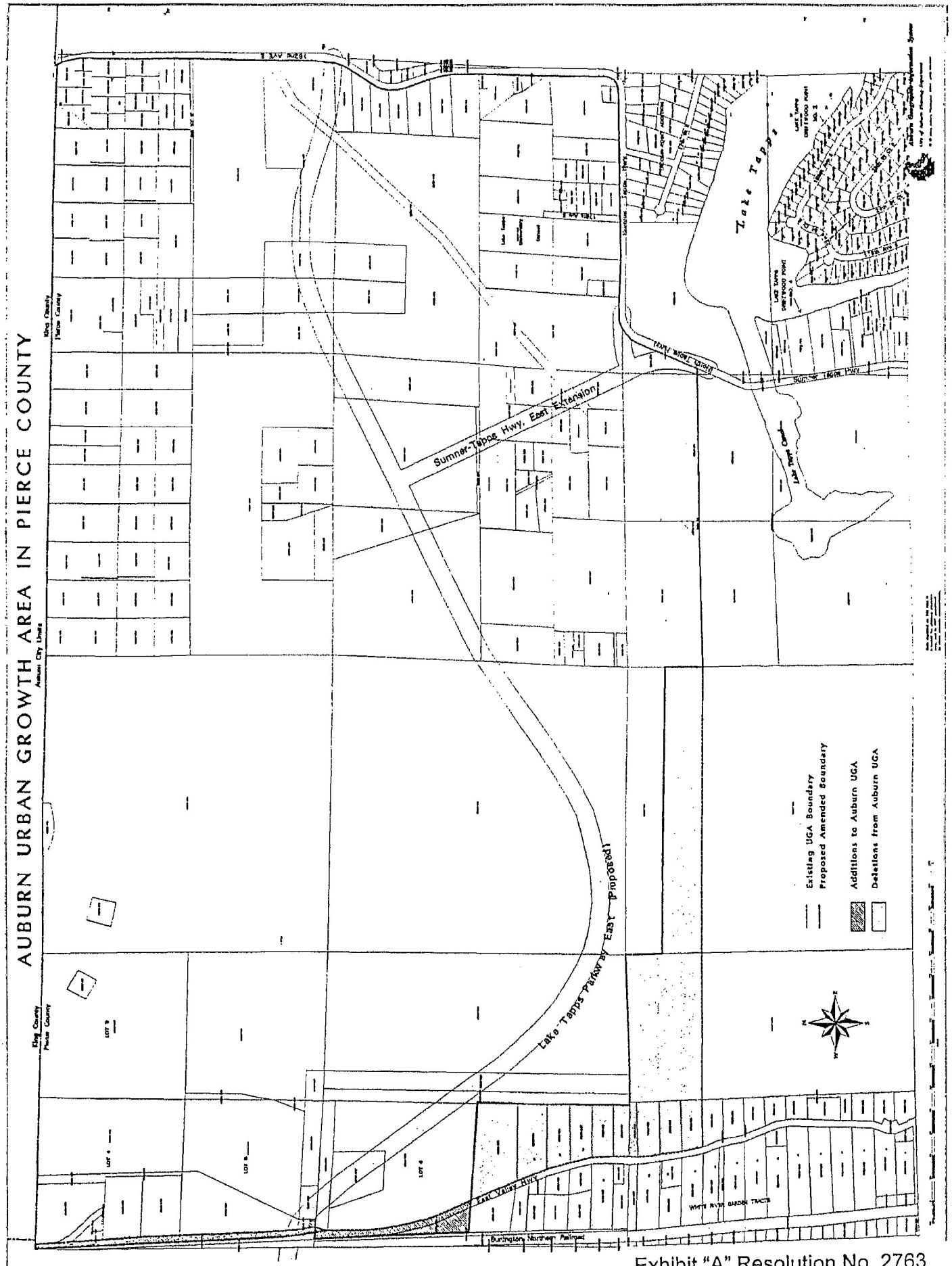
By Charles A. Booth
Charles A. Booth
Mayor

Date 12/5/96

Approved as to Form:

City Attorney

BHS\AGREEMT1


AUBURN URBAN GROWTH AREA IN PIERCE COUNTY
Lake Tapps
Sumner-Tapps Hwy. East Extension
Lake Tapps Parkway East (Proposed)
Existing UGA Boundary
Proposed Amended Boundary
Additions to Auburn UGA
Deletions from Auburn UGA
King County
Pierce County
Auburn City Limits
East Valley Hwy.
Burlington Northern Railroad

ORIGINAL

AN AGREEMENT BETWEEN THE CITIES OF SUMNER AND AUBURN RELATING TO POTENTIAL ANNEXATION AREA DESIGNATION

THIS AGREEMENT is entered into on this 16th day of JULY, 1996, by and between the City of Sumner, a municipal corporation of the State of Washington (hereinafter referred to as "Sumner") and the City of Auburn, a municipal corporation of the State of Washington (hereinafter referred to as "Auburn").

WHEREAS, pursuant to RCW 36.70A.110(2), the Washington State Growth Management Act of 1990 as amended, requires each city within Pierce County to propose the location of an urban growth area; and

WHEREAS, the King Countywide Planning Policies adopted and approved by Ordinance 10450 on July 6, 1992, by the King County Council and amended by Ordinance 11446 on July 19, 1994 and ratified by cities within King County, establish rules for designating potential annexation areas for cities within the countywide urban growth boundary; and

WHEREAS, King Countywide Planning Policy LU-31 states that each city shall designate a Potential Annexation Area (PAA) in collaboration with adjacent counties and cities and King County, and in consultation with residential groups in affected areas; and

WHEREAS, Pierce Countywide Planning Policies adopted and approved by Resolution No. R92-86 on June 30, 1992 by the Pierce County Council reestablish rules for designating urban growth areas for cities within Pierce County; and

WHEREAS, Pierce Countywide Planning Policy No. 1 on Urban Growth areas states "The County shall designate urban growth areas for the County and each municipality in the County based on consultations between the County and each municipality"; and

WHEREAS, the Pierce County Comprehensive Plan approved November 29, 1994 by the Pierce County Council establishes procedures for the adoption of Urban Service Areas (USA's) as a part of a Comprehensive Urban Growth Area (CUGA). The plan also adopts Urban Service Areas for the jurisdictions within Pierce County. The plan indicates an overlap of the USA's for the Cities of Auburn and Sumner in the general vicinity of an approved private development called Lakeland; and

WHEREAS, it is of mutual interest to Sumner and Auburn to resolve the overlaps between the Potential Annexation Areas in order to allow for continued land use and capital facility planning without threat of litigation or appeals; and

WHEREAS, in the spirit of cooperation and mutual understanding, Sumner and Auburn desire to address mutual interests, work together on issues of mutual benefit, and enter into agreements to work constructively on issues of concern; NOW THEREFORE,

Exhibit A Resolution No. 2762
August 5, 1996

In consideration of the mutual benefits, Sumner and Auburn hereby agree to the terms and conditions as set forth below:

SECTION 1. PURPOSE.

The purpose of this agreement is to confirm the decision made between Sumner and Auburn for the identification of Potential Annexation Area boundaries and Urban Service Areas.

SECTION 2. DEFINITIONS.

A. Potential Annexation Area (PAA): is a term used in the King Countywide Planning Polices meaning the incorporated urban area adjacent to a city, within which urban growth shall be encouraged and phased, and which is expected to annex to the city. Annexation is expected to occur sometime during the next twenty (20) years at which time the city will provide services and utilities. For purposes of this agreement, the term Potential Annexation Area is the same as Urban Service Area (USA) as applied in the Pierce County Comprehensive Plan.

B. Urban Growth Areas: means areas proposed by the Sumner and Auburn and designated by the county within which urban growth shall be encouraged and passed and outside of which growth can occur only if it is not urban in nature.

C. Urban Growth Boundary: means the boundary marking the limit between the urban growth areas and other areas such as rural and resource area where urban growth is not permitted. The boundary shall be designated by the county in consultation with Sumner and Auburn, under the requirements of the Growth Management Act.

SECTION 3. PUBLIC PROCESS.

The designation of PAAs in Exhibit A (map) attached hereto and by this reference made a part of this agreement are of interest to a variety of affected parties, including property owners, area residents, the general public, special service districts and the municipalities.

SECTION 4. RELATIONSHIP TO EXISTING LAWS AND STATUES.

This Agreement shall in no way modify nor supersede existing laws and statutes and is consistent with existing laws and statutes. In meeting the commitments encompassed in this Agreement, all parties shall comply with the requirements of the annexation statutes, Open Public Meetings Act, State Environmental Policy Act, Growth Management Act and Countywide Planning Policies for King and Pierce Counties.

SECTION 5. RESPONSIBILITIES.

A. Sumner and Auburn acknowledge the PAA boundary described in Exhibit A.

B. Sumner and Auburn shall only annex territory within their designated PAAs.

C. Sumner and Auburn shall conduct a public involvement process that includes, but is not limited to, workshops, surveys, or hearings in areas within the PAA prior to the inclusion of any additional areas within the PAA.

SECTION 6. JOINT PLANNING

Sumner and Auburn shall work cooperatively together in the planning and delivery of services to the respective PAA to the extent feasible as described below:

A. Sumner and Auburn shall initiate discussions between staff to review the feasibility of sharing the costs associated with the construction and operation of a water storage facility. Both cities shall also explore the possibility of shared water resources.

B. Sumner and Auburn shall work cooperatively on other issues of mutual concern which may arise including:
   1. Design, funding, and construction of the 8th Street Corridor from Lake Tapps to SR 167;
   2. Railroad traffic and the mitigation of increased rail activity on transportation;
   3. Mitigation of stormwater impacts to the valley;
   4. Modifications to the Mud Mountain Dam to reduce base flood levels;
   5. Joint fire services and operations such as training, hazardous spill response, mutual aide, and special operations;
   6. Bicycle and pedestrian trails connecting the Sumner and Auburn;
   7. Watershed planning and management related to the Stuck (White) River and its tributaries; and
   8. Joint planning and participation with Pierce County.

SECTION 7. AMENDMENTS.

A. A city which desires to modify the Potential Annexation Area shall contact the other party to this Agreement to begin discussions regarding potential annexation or boundary amendments. Sumner and Auburn agree to participate in such discussions when called. Either city is authorized to call a meeting upon providing the other city has at least a thirty (30) day written notice.

B. The proposed amendments shall be supported by written evidence of a significant change in one of the criteria listed in paragraph 7D below. Sumner and Auburn shall concur that the substantial change warrants an amendment to the original designated PAA.

C. A public process shall be conducted regarding an amendment to a potential annexation area as described in 5(c) above.

D. Criteria for Designation of Potential Annexation Areas

1. Recognition of resident community identification.
2. Financial and technical ability to provide municipal services.
3. Creation of logical service areas (vehicular accessibility and availability of utility service).
4. Recognition of physical boundaries.
   -bodies of water
   -topographical features
   -watersheds
   -freeways
5. Protection of critical/resource areas significant to a particular jurisdiction.
   -protection of critical areas
   -opportunities for urban separators
6. Logical boundaries.
   -elimination of unincorporated islands
   -no overlapping potential annexation areas

E. The proposed amended PAA agreement shall be submitted to the respective legislative authorities for approval.

SECTION 8. DURATION AND TERMINATION.

This Agreement shall be in effect upon signature of both parties and shall continue in effect from year to year unless terminated by a six month written notice by one party to the others.

SECTION 9. SEVERABILITY CLAUSE.

Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

SECTION 10 ADMINISTRATION.

This Agreement shall be administered by the Mayor of the City of Sumner and the City of Auburn, or their designees.

CITY OF SUMNER

Robert A. Moltke, Mayor

7-16-96
Date

Attest:

City Clerk

Approved as to form:

City Attorney

CITY OF AUBURN

Charles A. Booth, Mayor

August 5, 1996
Date

Attest:

City Clerk

Approved as to form:

City Attorney

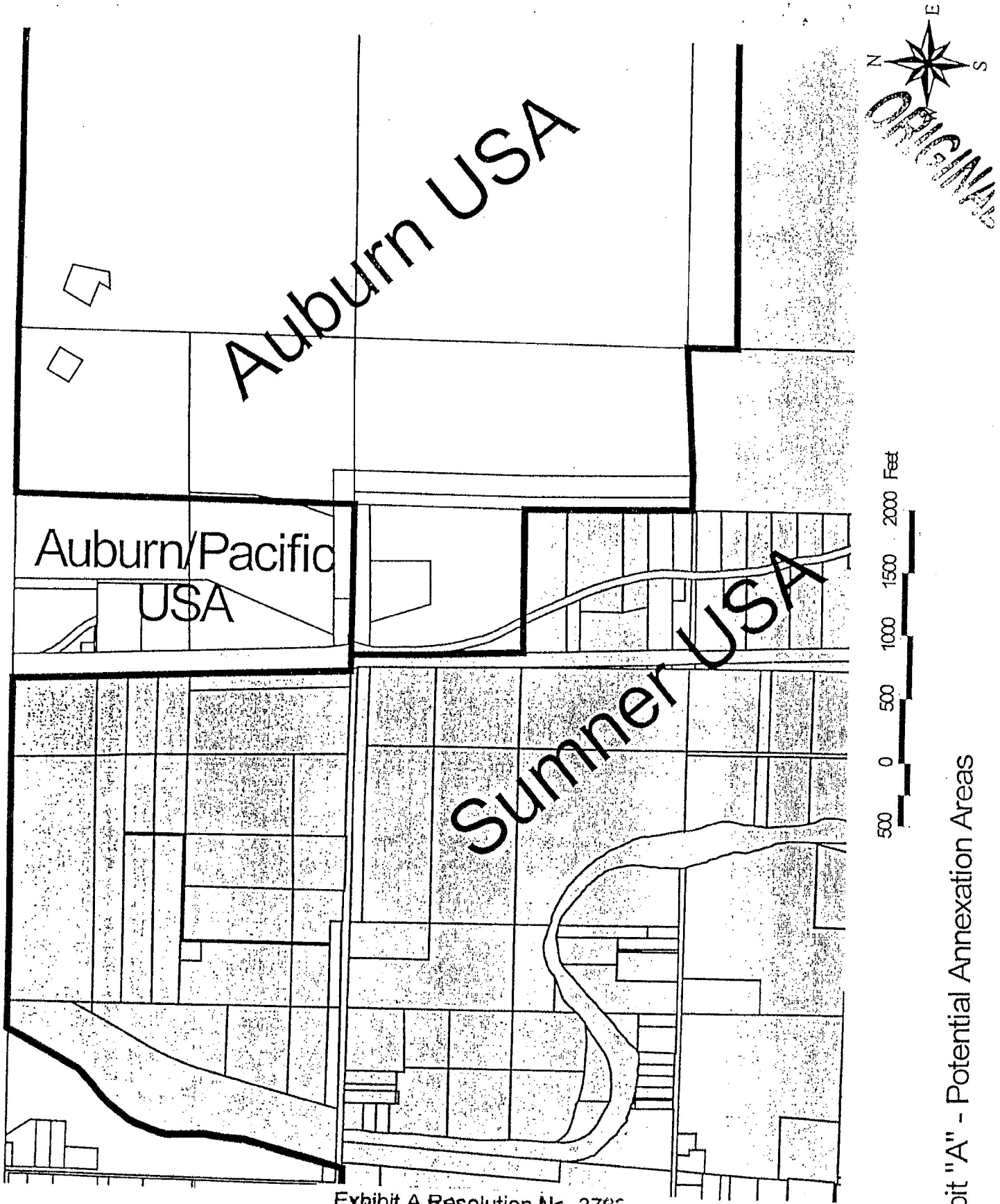


Exhibit "A" - Potential Annexation Areas

Exhibit A Resolution No. 2767
August 5, 1996

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5183

Date:
November 10, 2015

Department:
Finance

Attachments:
Exhibit A - Memo
Res 5183
Exhibit B - KeyBank Contract
RFP
Key Response to RFP

Budget Impact:
$0

Administrative Recommendation:

City Council to introduce and adopt Resolution No. 5183

Background Summary:

Resolution No. 5183 authorizes the Mayor to enter into a contract, exhibit "B", with Key Bank National Association for ongoing banking services.

The Finance department issued a Request for Proposal for citywide banking services with a submission deadline of March 10, 2015. The Finance department received responses from five institutions. Responses were evaluated based responsiveness to the RFP, ability to perform required services, fees, references, community presence, and interviews. Two banking firms moved forward to the interview process: Key Bank and US Bank. The Finance department found no significant differences between these two firms based on the RFP evaluation criteria.

The Finance department recommends awarding the banking services contract to Key Bank given their relatively low cost, the cost of converting systems and processes for the entire city if we were to select a different vendor, and Key Bank's history with the city.

The City's contract for banking services has expired. This contract covers a four year period and allows the City, at its sole option, to exercise a two year extension under the same terms and conditions of the original contract.

Reviewed by Council Committees:

Councilmember: **Staff:** Coleman

Interoffice Memorandum

To: Mayor Nancy Backus

From: Shelley Coleman, Finance Director

Date: November 10, 2015

Re: Contract Award Recommendation – Banking Services RFP

As you are aware, the Finance department issued a Request for Proposal for citywide banking services with a submission deadline of March 10, 2015. Each bank or credit union with a branch in Auburn was contacted to inquire about their interest in responding to the RFP. The Finance department received responses from five institutions: KeyBank, US Bank, Wells Fargo, Columbia Bank, and Timberland Bank.

Responses were evaluated based on the following criteria:

1. Responsiveness to the RFP
2. Ability to perform required services
3. Fees
4. References
5. Community presence
6. Interviews

Two banking firms moved forward to the interview process: KeyBank and US Bank. The Finance department found no significant differences between these two firms based on the RFP evaluation criteria.

The Finance department recommends awarding the banking services contract to KeyBank given their relatively low cost, the cost of converting systems and processes for the entire city if we were to select a different vendor, and KeyBank's history with the city.

During this process, we looked to maximize cost savings. To do this we compared costs in the following key areas:

Service	Service Provider Pre-RFP	Recommended Service Provider	New Contract Est. Annual Cost	Estimated Annual Savings
General Banking	KeyBank	KeyBank	$11,250	$3,300
Safekeeping (Investment) Services	Bank of New York Mellon	KeyBank	$450	$900
Merchant (Credit Card) Services	KeyBank via Elavon	KeyBank via Elavon	$100,000	$190,000
TOTAL			$111,700	$194,200

General Banking Services will remain consistent with our current services received through KeyBank which includes general account services, account reconciliation, online banking, wire transfers, imaging and ACH services.

Safekeeping (Investment) Services are currently provided by Bank of New York Mellon whose fees are largely based on a monthly flat amount. Based on the City's current investment activity, the City would recognize a savings of 67% by contracting for these services with KeyBank whose fee is based on a per item/transaction fee structure. The City could increase its investment activity by four times its current levels and breakeven.

Merchant (Credit Card) Services fee structure will change from a tiered-rate plus VISA/MasterCard interchange rates to a flat-rate of 0.10% of the transaction amount plus $0.08 per item plus VISA/MasterCard interchange rates. In addition, the Finance department recommends implementing a Service Fee program in the Permit Center in which the VISA/MasterCard interchange rates along with the flat-rate will be paid by the customer. The bank anticipates the rate to cover these charges to the customer will be approximately 3% of the transaction amount; however, will not be more than 4% as the maximum allowable rate set by VISA and MasterCard. This will result in savings of approximately $190,000.

Please let me know if there are any questions or comments. Thank you.

RESOLUTION NO. 5183

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR BANKING SERVICES WITH KEY BANK NATIONAL ASSOCIATION

WHEREAS, the City of Auburn is in need of an ongoing banking services relationship; and

WHEREAS, the Finance Director of the City has completed a competitive process to select a bank in order for the City to provide a range of banking services including the deposit of certain City funds, checking, safekeeping (Investment) services, and other services; and

WHEREAS, based on a comparison of the proposals received by the City, it has been determined that accepting the proposal submitted by Key Bank National Association would be most advantageous to the City as stated in the attached memo, marked as Exhibit "A".

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

Section 1. The Mayor is authorized to execute an agreement in substantial conformity with the Agreement attached hereto, marked as Exhibit "B" and incorporated herein by this reference.

Section 2. The Mayor is authorized to implement such administrative

procedures as may be necessary to carry out the directives of this legislation.

Section 3. This Resolution shall take effect and be in full force upon passage and signatures hereon.

Dated and signed this _____ day of _____, 2015.

CITY OF AUBURN

_____

NANCY BACKUS, MAYOR

ATTEST:

_____

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:

_____

Daniel B. Heid, City Attorney

Exhibit B
Res. 5183

Banking Services Contract

1. CONTRACTING PARTIES

This AGREEMENT is entered into by and between City of Auburn, hereinafter referred to as the "City," and KeyBank National Association, fully qualified under the terms and conditions outlined by the Washington Public Deposit Protection Commission and licensed to conduct business in the state of Washington, and hereinafter referred to as the "Bank".

2. SERVICES PROVIDED BY BANK

The City, acting by and through the Finance Department, issued a Request for Proposal (RFP), dated in January 21, 2015, for the purpose of obtaining proposals for providing banking services for the City of Auburn's Banking Services. KeyBank responded with a proposal dated March 10, 2015 (the "Proposal"). The RFP and the Proposal are attached hereto and incorporated by reference herein, are together with this document and its other attachments, referred to below as the "Agreement".

The City hereby awards to KeyBank National Association, the Agreement for Mandatory Service (Section 5) excluding Lockbox, hereinafter referred to as the "Service", as described in the RFP for the City of Auburn Banking Services and in the Proposal, attached hereto at the prices stated therein and subsequently modified and attached hereto.

Except as expressly provided herein, the provisions of the RFP shall provide the framework for the terms and conditions of this Contract, and the performance obligations and responsibilities of the Banking Services to be provided to the City shall be as described in the Proposal, Provided that in the case of any ambiguity or conflict in terms, the City reserves the right to determine how the ambiguity or conflict shall be resolved, so long as such determination is in conformity with language therein.

ADDITIONAL SERVICES

a. The bank agrees to meet with the City at a minimum on a quarterly basis to review account and discuss current or future opportunities.

b. Third-party merchant services are to include processor-managed Service Fee program, allowing for payment collection programs on behalf of City in the permitting division.

c. Investment Safekeeping as listed in Section 5 Optional Services, all other Optional services are excluded.

3. CONSIDERATION

In consideration whereof, the mutual promises made to each other, as hereinafter set forth, the parties further agree as follows:

Indemnification. The Bank shall defend indemnify and hold the City harmless from any and all actual liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel) which may be incurred by the City relating to or arising out of this Agreement or any Service Agreement(s) directly caused by the Bank's sole negligence, bad faith, or willful

misconduct; provided, however, that the City shall have no right to be indemnified hereunder for its own negligence, bad faith, or willful misconduct as determined by a court of competent jurisdiction.

The City shall defend indemnify and hold the Bank harmless from any and all liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel) which may be incurred by the Bank

relating to or arising out of this Agreement or any Service Agreement(s) caused by the City's sole negligence, bad faith, or willful misconduct; provided, however, that the Bank shall have no right to be indemnified hereunder for its own negligence, bad faith, or willful misconduct as determined by a court of competent jurisdiction.

Limitation of Liability; Disclaimer of Warranties. Except to the extent required by law, the Bank's duties and liabilities will be limited to those set forth herein. The Bank's liability shall be limited to actual damages sustained by City and only to the extent such damages are a direct result of the Bank's willful misconduct. The liability of the Bank in all these instances shall not exceed the recovery of funds erroneously processed or not processed. The Bank shall not be liable for damages caused by any act or omission of any third party, whether or not such party was chosen by the Bank, or for any charges imposed by any third party. In no event shall the Bank be liable for special, incidental, punitive or consequential loss or damage of any kind including, but not limited to, lost profits (whether or not the Bank has been advised of the possibility of such loss or damage). Bank shall have no liability hereunder to any third party. The Bank shall be relieved of liability where the Bank performs any Service in accordance with any Service Agreement(s), and the Bank may rely on the accuracy of any information set forth in the Service Agreement(s).

Bank hereby expressly disclaims all warranties, express or implied, including, but not limited to, any warranty of merchantability or fitness for a particular purpose.

City's Duty to Inspect. City must inspect all Service(s) performed and notify the Bank within thirty (30) days after receipt of the material containing the error or of a report or statement reflecting the error. Except to the extent required by law, failure to notify the Bank of errors within this time will relieve the Bank of any and all liability.

Financial Condition and Credit Limits. The City agrees to provide financial statements (the quality of which to be defined by the Bank) for any time period requested by the Bank. In the event the Service(s) selected by City result in unacceptable credit exposures to the Bank or affect the amount of capital required or expected to be maintained by the Bank or its parent under any law, regulation, guideline, or request from any central bank or governmental authority; or if the City fails to provide the Bank with any credit, financial or other information the Bank may require from time to time, the Bank may, in its discretion, immediately cancel the Services contemplated herein, or limit City's transaction volume or dollar amount.

Banking Services Contract (continued)

Any notice or demand which under this Agreement or applicable law must or may be given by the Bank, or City shall be in writing, properly addressed and, as an alternative to personal delivery, made by U.S. Mail,

if to the Bank, at:

KeyBank, National Association
Public Sector
Robbi M. Stedman
1301 5th Ave. 25th Floor
Seattle, WA 98101

if to the City, at:

City of Auburn
Shelley Coleman
Finance Director
25 West Main
Auburn, WA 98001-4998

The City and the Bank agree that the Agreement is the complete and exclusive statement between the parties that supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

4. PAYMENT FOR SERVICES

The Bank will be compensated for services performed in accordance with the current pricing schedule on the Banking Services RFP Attachment B, Bid Sheet Schedule. Prices for services not implemented at the time of the contract will be determined at the time the service is implemented.

The vendor will provide a monthly Bank Analysis Settlement Invoice detailing all fees. If the city objects to all or any portion of an invoice, it shall notify Bank and reserves the option to only pay that portion of the invoice not in dispute. In that event, the parties will immediately make every effort to settle the disputed portion.

5. TERM

This Agreement shall be for a period of four (4) years beginning _____ 1, 2015, after which initial four (4) year term, the City may choose to extend the Contract for an additional two (2) years. If the City chooses to extend the Contract, it shall notify the Bank of its decision to extend the Contract within 90 days of the initial expiration of the term of the Contract. At the end of the initial expiration of the term of the Contract, or the extension hereof, the City may choose to negotiate a renewal option or to request additional proposals.

6. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving 90 days notice to the Bank in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Bank pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Bank may complete such analyses and records as may be necessary to place its records in order. The Bank shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of

suspension or termination, not to exceed the compensation set forth above. Should the Bank desire to terminate this agreement, written notice of 90 days is required.

7. NONDISCRIMINATION

The Bank shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

8. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

Banking Services Contract (continued)

In Witness Whereof: The City and Bank have executed the Agreement as of the date and year written below.

APPROVED
City of Auburn, Washington

By: _____

Print Name: _____

Title:_____

Date:_____

APPROVED
KeyBank National Association

By: _____

Print Name:_____

Title: _____

Date:_____

ATTEST:

_____
Danielle E. Daskam
City Clerk

APPROVED as to form:

_____
Daniel B. Heid
City Attorney

ATTACHMENTS:
Attachment A: City of Auburn RFP
Attachment B: Key Bank Response to City of Auburn Request for Proposals, Bank Services

City of Auburn

Request of Proposal (RFP) for

Banking Services

City of Auburn
Finance Department
25 West Main
Auburn, WA 98001

I. PURPOSE OF REQUEST

The City of Auburn ("City") is requesting proposals for its primary banking services. The city is requesting proposals to assure that the City is receiving the best and most comprehensive level of banking services at competitive prices, as well as keeping pace with technology. The City's needs are outlined in the following Request for Proposal ("RFP").

II. PROPOSAL REVIEW TIMETABLE

The following timetable is an estimate and the actual dates may vary. This estimate is for planning purposes only. The City's goal is to implement a banking services agreement no later than August 2015.

• Issue RFP	February 2015
• Pre-RFP Conference – 10:00 a.m.	February 12, 2015
• Deadline for Questions	February 20, 2015
• Deadline for Submittal of Proposals - 4:00 p.m.	March 10, 2015
• Interview with Selected Firms	March/April 2015
• Preliminary Selection of Firm	April 2015
• Recommendation to City Council	by May 2015
• Implementation of Banking Services Agreement	no later than August 2015

III. MINIMUM QUALIFICATIONS

To be considered for selection, financial institutions must meet at least the following minimum qualifications:

A. Authority to offer banking services. Institution must hold a charter from either the United States Government or the State of Washington.

B. Access to the Federal Reserve System. Institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.

C. Legal Compliance. Institution must be in compliance with all applicable laws, rules, regulations, and ordinances of the City of Auburn, the State of Washington, and the United States.

D. Public Deposit Protection Act. Institution must be a Washington State qualified depository for public funds and must be in compliance with the Washington Public Deposit Protection Act (RCW 39.58).

E. Local banking office. Institution must have an established office or local branch within the City of Auburn.

IV. INSTRUCTIONS TO PROPOSERS

A. All proposals should be directed to:
City of Auburn
Attn: City Clerks
25 West Main Street
Auburn, WA 98001

B. All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: "RFP - Banking Services". All proposals must be received by March 10, 2015 at 4:00 p.m. Five (5) copies of the RFP must be presented. No faxed, e-mailed or telephone proposals will be accepted. Late proposals shall be returned unopened. Proposals received after the deadline will not be considered. Proposers accept all risks of late delivery, regardless of fault.

C. Proposals should be prepared simply and economically, providing a straight forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not required. Emphasis should be on completeness and clarity of content. Use recycled paper for responses and any printed or photocopied material created pursuant to a contract with the City whenever practicable. Use both sides of the paper for any submittal to the City whenever practicable.

D. Pre-RFP conference: The pre-RFP conference is optional. Questions regarding this RFP will be addressed at a pre-RFP conference held at 10:00 A.M. in City Hall Council Chambers on Thursday, February 12, 2015. No questions will be answered via the telephone or in person other than during the pre-RFP conference. However, questions may be submitted in writing to Janice Davies at jdavies@auburnwa.gov by February 20, 2015.

E. All proposals must include the following:

1. Responses to Banking Services Questions/Statements in section VIII.
2. Statement of Financial Institution Qualifications in section IX, signed and notarized.
3. Non-Collusion Affidavit Certificate in section X, signed and notarized.
4. A detailed schedule of costs by specified task using the RFP Sheet form in Attachment A. Volumes indicated on the RFP Sheet are estimates and actual quantities may vary. Costs not included on the RFP Sheet, but which the financial institution proposes to charge, must be individually itemized and thoroughly explained. RFP Sheets must be executed by an official of the firm in a position to commit the institution to provide the services in accordance with these terms and conditions.

V. SCOPE OF SERVICES

General Information

The City of Auburn is soliciting proposals for a primary banking relationship with a financial institution which operates an office within the city limits. The City will be contracting for the following general services for a four year period beginning no later August 2015 and ending four years later. At the City's option, a two year extension will be permitted with the same terms and conditions of the original contract or as amended.

The following is a listing of mandatory services the City requires of its financial institution:

- Demand deposit checking accounts;
- Nightly account balance sweep;
- Banking supplies;
- Interim financing and overdraft protection;
- Payroll direct deposit;
- Trust services;
- ACH debit services;
- On-line balance reporting;
- On-line stop-pays;
- ACH reporting;
- On-line wire transfers;
- Lock box service;
- Positive-Pay on Checking Accounts;
- Night depository services;
- On-line image retrieval;
- Automated vendor payment services (ACH);
- Account reconciliation processing (ARP);
- Excellent customer service & response; single point of contact.

Auburn utilizes a check system, as opposed to warrants. The City anticipates that proposed banking services will be compensated either by the credit earned on average collected balances or CD, or a fee for service basis, but is also willing to consider other options.

The following is a list of optional services the City may require:

- Check 21 or similar expedited payment options;
- Courier services;
- Armored car services;
- Credit/debit card services (Merchant services)
- Investment safekeeping services
- Purchasing cards

Services Required

Checking Accounts: The City currently utilizes two checking accounts: 1) the primary checking account, which includes accounts payable & payroll check processing; and 2) an advance travel account. The institution will furnish the City with additional checking accounts as needed. Currently, courier services deliver deposits to the institution's branch once each workday, for processing and credit to the City's account that day. NSF checks must be processed twice before

being returned to the City. The basic checking account services should at least:

- Provide month-end statements by the 10th day of the following month and provide statements to various auditors upon request;
- Provide electronic check image retrieval on CD monthly including necessary software;
- Provide individual and consolidated monthly account analysis for all accounts by the 15th day of the following month;
- Provide an on-line wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals;
- Provide an on-line computer balance reporting system, with information on collected, available and closing balances, as well as a detail of total debits and credits posted to the account for the previous day, by 7:00 a.m. each business day;
- Provide an on-line reporting system that shows current day ACH credits and debits, by 7:00 a.m. each business day. Currently the City receives property tax distributions daily through the ACH system and needs the current day information every morning to assist in making investment decisions;
- Provide deposit reporting by location via an auxiliary MICR field or other means;
- Provide Positive Pay feature with exception reporting/return of unknown items;
- Provide for on-line stop-pay, look-up and notification;
- Provide support in answering questions, troubleshooting problems and resolving issues in a prompt manner;
- Provide means to inquire about canceled checks and stop payment on checks upon proper authorization.

Nightly Sweep/Zero Balance: To supplement the City's daily major cash transfers to primary checking and travel advance accounts, sweep account structures to bank intra-day or overnight investment options should be utilized to ensure all minimal bank-held operating funds are invested at the highest possible rate. Bank sweep alternatives shall include only SEC registered US government and agency or prime money market funds. Sweeps are designed to also minimize collateral risk for the System by eliminating overnight deposits which otherwise must be collateralized.

Interim Financing and Overdraft Protection: The City may require short-term financing for a period not to exceed one (1) year in the form of short-term notes. This short-term financing could be secured by the anticipated revenue of City funds or sale of General Obligation, Revenue, or Local Improvement District bonds. The selected firm agrees to provide interim financing to the City on a prompt and competitive basis.

Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are times these situations will occur. It is anticipated these overdraft situations will not exceed $2 million, if and when they do occur.

Trust and Escrow Agent Services: The City may require trust and escrow agent services to hold letters of credit and other third party commercial documents. The institution will, in most cases, be required to take physical custody of these securities, notify the Parties of their expiration thirty days prior to termination of the agreement and accept renewal or replacement of instruments. The City may also require retainage accounts be maintained for contractors choosing to place retainage funds in an interest bearing account.

Banking Supplies: The financial institution will be required to provide a supply of coin rollers, locking bank bags, tamper proof plastic deposit bags, deposit slips, advance travel and other miscellaneous checks, and endorsement stamps for each location (see Attachment B for the number of endorsement stamps needed). The cost of such supplies shall be charged against the City's monthly analysis statement as supplies are furnished to the City.

ACH Debit Services: The City processes a direct debit batch four (4) times per month for the payment of both residential and commercial utility bills. As noted below, the City also processes direct deposits of payroll twice a month. Other miscellaneous ACH transactions such as debt service, excise tax, retirement fund transfers and federal tax payments flow through the account each month.

Direct Deposit for Payroll: Auburn offers and encourages direct payroll deposit for its employees. The City pays its employees semi-monthly on the 8th and 23rd. On an average payroll, 475 employees receive direct deposit, which generates approximately 580 transactions per pay period due to many employees having multiple bank account transfers.

Currently, the City transmits the payroll data to the institution via internet two working days prior to payday. Deposits must be made into the employees' account by 7:00 a.m. on payday. Any deviation from these time limits must be stated in the RFP. Any firm with less restrictive time requirements will be given favorable consideration.

The City from time to time may need to transmit the payroll data one day prior to the pay date. We are therefore requesting RFPs on both a one-day and two-day turnaround. We are interested in what the deadlines for transmission are for both situations.

Night Depository Services: The financial institution will provide the City with the ability to make 'night drop' deposits after hours. City staff will prepare a deposit slip and 'night drop' the deposit after hours, for deposit the next day. We currently use the tamper-resistant plastic bags for this function.

Data Equipment Compatibility: The City is interested in equipment and data compatibility and therefore requests the specifications needed for an automated wire transfer, ACH debit & credit, credit card, balance reporting and any other automated systems be included in this proposal. Any costs associated with automated data and equipment should be identified on the RFP Sheet form in Attachment A.

Miscellaneous Optional Services: In addition to the requirements listed above, the proposal shall identify proposed fees for the following services:

- Rapid processing/deposit options for checks such as Check 21;
- Armored car services;
- Courier services;
- Lockbox services;
- Payment of financial system upgrades and fees through the use of the bank analysis as this will enhance our banking/financial processing capabilities;
- Credit/Debit card services: If this optional service is selected to be provided by the financial institution it will provide the City with the ability to accept payment through the use of credit/debit cards. The City currently accepts MasterCard and Visa credit cards in person, over the phone and on-line for collection of recreation, utilities, permit fees and other fees. The City currently has multiple locations that accept credit cards, with the possibility of more locations in the future. The City will be credited daily for the gross

amount of the bank card transactions. Any sales discount fee or percentage proposed will be charged to the City's analysis statement at the end of each month as part of the activity charges.

- Investment Safekeeping Services: The institution may be required to provide safekeeping facilities and services for the City's investment securities. Required safekeeping services include (but are not limited to):
    - Receive/deliver securities on a delivery versus payment method;
    - Price securities to market;
    - Collect coupon bond interest;
    - Provide delivery confirmation on new security purchases;
    - Provide a monthly statement of holdings including fair market value of investments;
    - Register or transfer securities;
    - Verify holdings as of specific dates for audit purposes;
    - Credit the City's account for interest and principal payments on the day received;
    - Provide maturity and interest payment notices at least 5 days prior to payment date

  The City currently invests in U.S. Treasury and Agency securities that require safekeeping services. The City may invest in other securities allowed by Washington State Statute in the future. The selected firm will be required to comply with all State and Federal regulations regarding safekeeping of municipal securities.
- Purchasing Cards: The City is currently utilizing a purchasing card program under the State contract for making routine purchases in lieu of the normal requisition/purchase order mode of operations.
- Other services provided by your institution that would be beneficial to the City of Auburn, but have not specifically been addressed. Please itemize on the RFP Sheet form in Attachment A.

Services Not Provided: In the event that the primary proposing financial institution does not provide all requested services included in this RFP, the financial institution will submit as part of its proposal additional partners/providers whom do provide these services. It is the sole responsibility of the primary financial institution to secure and maintain the relationship with any additional providers. The primary financial institution, at the time of RFP submittal will identify all secondary providers.

Should the financial institution be unable to secure and provide the relationship, in certain instances such as the City's financial system software vendor or armored car services, the city may contract with independent service providers.

VI. TERMS AND CONDITIONS

A. The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.

B. The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.

C. The City reserves the right to award any contract to the next most qualified financial institution, if the successful financial institution does not execute a contract within 30

days of being notified of selection.

D. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.

E. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of the proposed contract is available for review (see attachment B). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.

F. The City shall not be responsible for any costs incurred by the financial institution in preparing, submitting or presenting its response to the RFP.

VII. RFP EVALUATION AND SELECTION PROCESS

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

A. Responsiveness to the RFP
The City will consider all the material submitted to determine whether the financial institution's offering is in compliance with the RFP documents.

B. Ability to Perform Required Services
The City will consider all the relevant material submitted by each financial institution, and other relevant material it may otherwise obtain, to determine whether the financial institution is capable of providing services of the type and scope specific to the RFP.

The following elements may be given consideration by the City in determining whether a financial institution is capable:

1. The ability and capacity of the financial institution and the skills, experience, and availability of the specific individuals to be assigned to the City to perform the services required (Section VIII);
2. The quality of performance by the financial institution on previous and similar contracts and such other information as may be secured and considered relevant by the City, including information on customer service and obtained from references provided (Section VIII);
3. The ability of the financial institution to present professional and innovative work; the skill of the financial institution as demonstrated by samples of similar work and/or references from similar organizations;
4. Strength and stability of the financial institution. The financial institution's financial standing amongst its peers and the associated credit quality ratings.

C. Fees
As described in Section IV E. 4.

D. References
As described in Section VIII B.

E. Community Presence
As described in Section VIII C.

F. Interviews and Site Visits
The City may conduct interviews and site visits as part of the final selection process.

G. Other Factors
Any other factors that the City believes would be in the City's best interest to consider which were not previously described.

H. Selection of Firm
Following the evaluation of RFPs received by firms submitting RFPs, in conformity here with, the staff committee shall select from among such RFPs the RFP that, in the opinion of the committee, best meets the needs of the City.

I. Banking Services Agreement
Following selection of an RFP, the City shall submit to the firm submitting the selected RFP an Agreement for banking services including the elements described herein. If the firm submitting the selected RFP and the committee cannot reach agreement on a banking services contract, the City shall evaluate the other RFPs received to determine if the firm submitting another RFP would be able to meet the city's needs and enter into a Banking Services Agreement.

J. Submittal of Banking Services Agreement to City Council
Once an acceptable Banking Services Agreement with a firm submitting the selected RFP has been drafted, it shall be presented to the Auburn City Council for its review and approval.

VIII. BANKING SERVICES QUESTIONS/STATEMENTS

Please provide your responses to the items below in the order presented.

A. Provide the names of individuals, with phone numbers and e-mail addresses, who will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal requirements.

B. Submit at least five (5) references (preferably from current local government customers) who can attest to the financial institution's experience as it relates to providing banking services. The references must include contact name, title, address, e-mail address, telephone number and services used.

C. Describe your institution's community participation/reinvestment program including your Community Reinvestment Act (CRA) rating.

D. Describe your institution's customer service philosophy and organizational structure and provide meaningful examples to illustrate.

E. Provide the following reports and information about your institution:
1. Analysis & bank statement
2. Safekeeping statement and receipts
3. Most recent financial statement
4. SEC and/or Moody's credit rating or comparable rating

F. Provide a funds availability schedule. Describe one day, two day availability and wire requirements.

G. Describe your Balance Reporting systems and availability.
1. What hardware/software does the bank use to deliver balance and transaction detail information?
2. What time is previous day information available for access by the customer?
3. What are the hours of access of the balance reporting system?
4. Does the bank provide current day information?
   a. How frequently is this information updated throughout the day?
   b. What transaction types are available on current day reports?
5. Describe the level of detail provided in previous and current day reports?
6. How many days of history can be accessed through the system?
7. In what format is information available?
8. Provide a sample printout of the daily on-line balance information.

H. ACH Services:
1. What is the recommended service delivery method (i.e. direct transmission, on-line, or other)?
   a. What are the hardware/software requirements?
   b. What training does the bank provide?
   c. Does the software offer the ability to manage security and access levels by user?
   d. What ACH report options are available?
   e. What controls are in place to protect against lost files and duplications of transmissions?
   f. Does the bank provide automatic file receipt acknowledgements? If so, how?
   g. Describe the role of any third-party processor used by the bank to provide this service?
2. What are the hours of operation of the ACH unit?
3. What are the bank's cut-off times for customer initiation of ACH transactions?
4. Describe the procedures used to verify accurate and secure receipt of transmissions.
5. Can the bank automatically redeposit items returned for insufficient or uncollected funds?
6. How does the bank handle file, batch, and item reversals and deletions?

I. Positive Pay
1. What is the recommended service delivery method (i.e. direct transmission, on-line, or other)?
   a. What are the hardware/software requirements?
2. What controls are in place to protect against lost files and duplications of transmissions?

3. Does the bank provide automatic file receipt acknowledgements? If so, how?
4. Describe the role of any third-party processor used by the bank to provide this service?
5. What is the bank's deadline for transmitting files/data?
6. What is the process for notifying the bank of a single check or small check run outside of the regular batch file?
7. How does the City notify the bank of voided and stop payment checks?
8. Does your bank have payee verification?
9. Is the positive pay service fully implemented at all bank branches?
10. How does the bank handle exception ("paid not issued") items?
    a. Does the bank offer a daily listing of exception items?
    b. Are there defaults available for each account to either automatically return or pay on exception items?
    c. What is the timeline for reporting exceptions to the city?
    d. How are exceptions reported to the city? Will an image be available?
    e. What is the timeline for the city to act on any exceptions?
    f. What are the hours of operation of this service unit?

J. Merchant Card Services:
1. Provide a funds availability schedule by card type. Is it negotiable?
2. What is the settlement deadline?
3. What daily and/or monthly reconciliation reports are available?
4. Do you offer recurring billing processing?

K. Payment of Fees. Respondents will need to provide information on the following:
1. The effective rate and formula used to calculate the service charge credit for collected fund balances;
2. The proposed method for setting rates on a compensating certificate of deposit;
3. A time frame proposed to pay any additional fees not offset by service charge credit;
4. Whether a service charge credit/debit can be carried forward to the next period;
5. The formula for any fees in the event of an overdraft;
6. Describe what constitutes a daylight and overnight overdraft situation.

L. Errors and Adjustments
1. Describe your adjustment process for resolving deposit discrepancies.
2. At what dollar amount do you write off discrepancies?
3. Do you adjust the deposit amount or process an adjusting debit or credit?
4. Describe the process to notify the City of deposit adjustments.

M. Describe how inquires requiring research and adjustments are handled by the institution. Are there established turn-around times for research and adjustment items? If yes, specify.

N. Describe NSF or Returned Items processing procedures, fees or other related services available. The City will require re-depositing 'NSF' or 'uncollected funds' returned items so that they may be presented a second time prior to being charged back.

O. Security/Protection Measures: What security features are in place to minimize the risk of unauthorized transactions?

P. Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.

Q. Discuss your use of the internet in providing services to your municipal/business customers.

R. Provide information on how your institution plans to keep your product line competitive. Describe what approach the bank is taking in the development of new services and what new services and/or features the bank plans to offer and within what time frame.

S. Disaster Recovery:
1. Describe your institution's formal disaster recovery plan.
2. How quickly will back-up facilities be activated?
3. Describe your institution's operating capabilities to assist the City in the event of a disaster or declared emergency.

T. Conversion Plan: Describe the conversion plan you would coordinate to ensure a smooth transition from the current provider. Please provide a sample of the conversion schedule.

U. List the address and hours of operation at your nearest branch office and also the hours of operation for non-branch services.

V. Discuss any special conditions, other fees, other services, or deviations from the requested scope.

W. Sample Reports: Please provide sample reports for the following services:

1. Bank Statements;
2. Monthly bank account analysis;
3. Daily on-line balance information print-out;
4. ACH report options;
5. Returned item(s) notification;
6. Monthly merchant services statement;
7. Merchant charge-back report.

IX. STATEMENT OF FINANCIAL INSTITUTION QUALIFICATIONS

Each financial institution submitting a proposal for items included in this document shall prepare and submit the following data along with their proposal:

1. Name of Financial Institution _____

2. Business Address _____

3. Business Phone _____Fax No. _____

4. E-mail address _____

5. How many years have you been in business under the present name? _____

6. General character of services provided by your institution: _____

_____

7. City of Auburn Business License Number: _____

8. State of Washington Sales Tax Registration Number: _____

9. Federal I.R.S. Identification Number: _____

10. I certify that the institution:
    - is capable of providing the services as outlined in this proposal,
    - will comply with the rules and regulations outlined by the Revised Code of Washington, Auburn Municipal Code, and the Washington Public Deposit Protection Commission, and other applicable laws and regulations.

City of Auburn
Banking Services

_____

Institution Name Authorized Signature

Sworn before me, this _____ day of, _____ 2015.

_____Notary Public
in and for the State of Washington

X. NON-COLLUSION AFFIDAVIT CERTIFICATE

State of Washington)
)ss
County of_____)

The undersigned, being duly sworn, deposes and say that the person, firm, association, co-partnership, or corporation herein named has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation and submission of a proposal to the Owner for consideration in the award of a contract on the improvement described as follows:

City of Auburn
Banking Services

_____

Institution Name Authorized Signature

Sworn before me, this _____ day of, _____ 2015.

_____Notary Public
in and for the State of Washington

XI. OTHER INFORMATION

For additional information or explanation of the contents or intent of these specifications, please e-mail your questions to Janice Davies, Accounting Manager, at jdavies@auburnwa.gov. An optional RFP conference will be held February 12, 2015 at 10:00 a.m. in the Council Chambers of the Auburn City Hall, 25 West Main Street, Auburn, Washington. Attached are directions for your convenience.

Attachment A
RFP Sheet

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
General Account Services:				
Account Maintenance		4		
Paper Credits		220		
Paper Checks/Debits Paid		513		
Deposited Item(checks)		2,004		
Deposited Items Returned		11		
Re-deposited Return Item		12		
Return Item Image		6		
Online Banking Returned Item Statement		1		
Lockbox Services				
PO Box Rental Fee		1		
Lockbox Items		4,429		
Lockbox Scannable Items		4,667		
Lockbox Unprocessable Items		64		
Lockbox Image Check Scan		8,927		
Lockbox Image Document Scan		3,181		
Lockbox Image Remit Scan		4,667		
Lockbox Remit Per Keystroke		116,287		
Lockbox Deposited Item Clearing		8,927		
Lockbox Online Image Base Fee		1		
Lockbox Data Transmission		21		
Account Reconciliation Services:				
Positive Pay Maintenance		2		
Positive Pay per item		506		
ARP Weekly Transmission Input		1		
ARP Manual Input (Add/Cancel Entry)		23		
File Confirmation		10		

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
On Line Banking:				
On Line Banking Current Day Account		1		
On Line Banking Current Day Detail Trx		187		
On Line Banking Prior Day Account		4		
On Line Banking Prior Day Detail Trx		974		
On Line Banking token Monthly Maint.		5		
On Line Banking Stop Payments Monthly Maint.		1		
On Line Banking Stop Payments-Per Stop		2		
On Line Banking Book Transfer-per Transfer		1		
Wire Transfers:				
Wires Monthly Client Maint.		1		
Incoming Domestic Wire		3		
Domestic Repeat Wire		4		
Image Services:				
Monthly Maintenance per account		2		
Image Per Item (CD Item Capture)		513		
Image CD-ROM Creation Fee		1		
ACH Service:				
ACH Monthly Maintenance		1		
ACH Process Run (Data Transmission)		11		
ACH Originating Credit Transfer		1,137		
ACH Originating Debit Transfer		975		
Incoming ACH Credit Item		15		
Incoming ACH Debit Item		163		
ACH Item Min Per File (<250)		6		
ACH Credit Addenda Info		20		
ACH Return Per Item		5		
ACH Return/Notification of Change via Email		10		
ACH Customer Activity Report (CAR)		1		

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
Coin & Currency Services:				
Cash Deposited per $100		1,209		
Mailed Receipts		34		
Cashier Checks		1		
Safekeeping (including reporting):				
Account Maintenance		1		
Interest Received		1		
Supplies:				
Overnight Overdraft Rate		$2 million		
Daylight Overdraft Rate		$2 million		
Short Term Financing Rate		$2 million		
Endorsement Stamps		10		
Coin Wrappers per 1000		as requested		
Deposit Slip Books (3 part carbonless)		as requested		
Plastic Bank Bags per 100		as requested		
Credit Cards:				
Merchant Card Transaction/$ Volume				
Cemetery Transactions		15		
Cemetery $ Volume		35,234		
Finance Net Transactions		875		Includes Counters Finance, P & R, Sr. Center, Clerks & Building
Finance Net $ Volume		290,590		Includes Counters Finance, P & R, Sr. Center, Clerks & Building
Utility Payments Transactions (est.)		60		
Utility Payments $ Volume (est.)		18,000		
Utility On-line Transactions (est.)		5,965		
Utility On-line $ Volume (est.)		1,053,998		
Merchant Account Set-up Fees				
Terminal Rental/purchase fees				
Merchant Acct. Support Package Fees				
Interchange Rates				
Your Bank Fee/Discount Rate				
Other Items Not Mentioned:				

Notes or Item Description:

Formulas:

Daylight Overdraft Formula

Overnight Overdraft Formula

Short-Term Financing Formula

FDIC Insurance Formula

Service Charge Credit Formula

The undersigned, an institution or firm maintaining branch/office operations within the city limits of Auburn, Washington, submits the following proposal for the City's banking services for the period August 1, 2015 through July 31, 2019:

Authorization:

Institution Name	Date
Mailing Address	Phone Number
City, State, Zip	Fax Number
By	Title
Contact Name (if different from above)	Contact Phone Number

Attachment B
Banking Services Agreement

BANKING SERVICES AGREEMENT PROVISIONS FOR THE CITY OF AUBURN

The City of Auburn, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____, (hereinafter the "Financial Institution", agree and contract as follows:

A. SERVICES BY FINANCIAL INSTITUTION

The Financial Institution shall perform the services outlined in this Agreement. The Financial Institution, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services. The Financial Institution shall perform the work diligently and completely and in accordance with professional standards of conduct and performance.

B. COMPENSATION

1. The total compensation to be paid to the Financial Institution shall be detailed in Attachment A.

   The above fees include all labor, materials and expenses required for the completion of these services.

2. Payment to Financial Institution by the City in accordance with the above shall be the total compensation for all work performed under this agreement and supporting documents hereto as well as all subcontractor's fees and expenses, supervision, labor supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.

3. The Financial Institution shall be paid based on the acceptance of the proposed compensation.

4. The City shall have the right to withhold payment to the Financial Institution for any service not completed in a satisfactory manner until such time as the Financial Institution modifies such service to the satisfaction of the City.

5. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

3. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving forty-five (45) days notice to the financial institution in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Financial Institution pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Financial Institution may complete such analyses and records as may be necessary to place its records in order. The Financial Institution shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of suspension or termination, not to exceed the compensation set forth above. Should the Financial Institution desire to terminate this agreement, written notice of 180 days is required.

4. OWNERSHIP OF WORK PRODUCT

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this agreement or the project to which it relates, without written concurrence by the Financial Institution will be at the sole risk of the City.

5. GENERAL ADMINISTRATION AND MANAGEMENT

The Finance Director or Assistant Finance Director for the City of Auburn shall review and approve the Financial Institutions charges to the City under this Agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Financial Institution, and shall coordinate all communications with the Financial Institution from the City.

6. CONTRACT PERIOD

The Banking Services Agreement is to extend for a period of four years, beginning on _____1, 2015 with a two year option to renew the Agreement. The City in order to exercise its renewal option will need to do nothing. At the end of this period, the City may choose to negotiate a renewal option or to request additional proposals.

7. SUCCESSORS AND ASSIGNS

The Financial Institution shall not assign, transfer, convey, pledge, or otherwise dispose of this agreement or any part of this agreement without prior written consent of the City.

8. NONDISCRIMINATION

The Financial Institution shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational

qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

9. HOLD HARMLESS/INDEMNIFICATION

The Financial Institution agrees to indemnify, defend, and save harmless the City and its officers, agents, and employees, from any claim, real or imaginary, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015.

10. LIABILITY INSURANCE COVERAGE

The Financial Institution will, at the Financial Institution's sole expense, obtain and maintain during the life of this Agreement, policies of comprehensive general liability insurance, each with combined single limits of not less than $1,000,000 per occurrence. Any policy of required insurance on a claims-made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed. A failure to obtain and maintain such insurance or to file said certificates shall be a material breach of this Agreement.

11. COMPLIANCE WITH LAWS

The Financial Institution shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

12. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Financial Institution activities except as set forth in this Agreement.

13. INDEPENDENT CONTRACTOR

The Financial Institution is and shall be at all times during the term of this agreement an independent contractor.

14. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

15. ADDITIONAL WORK

The City may desire to have the Financial Institution perform other services in connection with the banking relationship other than provided for by the express intent of this contract. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental Agreement between the City and the Financial Institution.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

FINANCIAL INSTITUTION:

By: _____

Title: _____

Date: _____

CITY OF AUBURN:

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

_____
Auburn City Attorney

Date: _____

KeyBank
601 108th Avenue NE
Bellevue, WA 98004

March 10, 2015

City of Auburn
Attention: City Clerk
220 Fourth Avenue South
Kent, WA 98032
112 W. Jefferson Street, Room 206
Plymouth, IN 46563

Dear City Clerk,

On behalf of KeyBank National Association (Key), we thank you for this opportunity to present a proposal for Banking, Merchant and Lockbox services to the City of Auburn (the City). We take significant pride in our long-standing service to public sector entities across the country and look forward to continuing to serve you and your clients with innovative financial solutions customized to meet your needs.

Our proposal reflects considerable time and effort we have taken to understand your objectives. We believe a decision by the City to expand our 20+ year relationship will allow us to provide you with immediate and long term measurable benefits, including:

- ***Increased ECR to 0.40% to further off set your banking service fees***
- ***Three months banking services retention credit***
- ***A proposed convenience fee model for merchant services to reduce the fees assessed to the city.***
- Cutting-edge technology that ***significantly reduces*** the need for use of in-house **IT resources as we continue to deploy new services**

As a result of this unique blend of expertise, Key is well positioned to help the City meet the specific cash management goals and strategic objectives outlined in the RFP. We will accomplish this through cost-effective and integrated solutions that are designed to streamline, track and improve the cash flow and accounting functions of your business operations. Key's Public Sector and Treasury Services professionals are committed to ensuring you receive the highest level of customer service and will proactively explore ways to enhance the solutions that will ultimately help you make the best financial decisions for the City.

This commitment is evidenced by the following:

- The ***Phoenix-Hecht 2014 Treasury Management Monitor™ awarded Key ratings of "A+" or "A"*** across a comprehensive range of treasury management categories, including areas of customer service, overall relationship manager effectiveness, and products.
- American Customer Service Index (ACSI) survey results indicate that compared to the nation's largest banks in the survey, ***Key is one of only two that improved its overall customer satisfaction score for two consecutive years.***

We are proud of the quality and service we provide to our clients and enjoy our role as a preferred partner to the City of Auburn.

Thank you again for the opportunity to provide a quote and for your consideration of Key. Should you have any questions regarding our response to your RFP, please don't hesitate to reach out to us. We are the City's primary contacts and are both authorized to represent the bank.

Sincerely,

Robbi M. Stedman, VP
Senior Relationship Manager
Institutional Banking - Public Sector
KeyBanc Capital Markets
360-529-2714
Robbi_M_Stedman@Key.com

Michael D. Thomas, VP
Senior Treasury Advisor
Treasury Services – Public Sector
Enterprise Commercial Payments
206-689-5713
Michael_D_Thomas@KeyBank.com

KeyBank

Table of Contents

Executive Summary 2
Section III. Minimum Qualifications 8
Section V. Scope of Services 10
Section VIII. Banking Services Questions/Statements 59
Section IX. Statement of Bank Qualifications 93
Section X. Non-Collusion Affidavit Certificate 94
Attachment A – Bid Sheet 95
Appendix 105

- Premium Availability Schedule
- Premium KeyCapture Availability Schedule
- Sample Safekeeping Reports
  - Credit Advice
  - Maturity Notice
  - Custody Receipt
  - Activity Statement
  - Verification Statement w/Market Value
- KeyCorp Statement of Recoverability
- KeyCorp Statement of Security Controls
- Sample Implementation Plan
- Required Reports
  - Merchant Services Statement: *How to Read Your Statement Guide*
  - Sample Account Analysis Statement.
  - Sample Corporate Bank Statement.
  - MerchantConnect Service Level Comparison Guide.
  - Sample Intraday Report
  - ACH Customer Activity Report (CAR)
  - ACH Batches Sent Report
  - Sample Return Item Report
  - Convenience Service Fee Program
  - Durbin Provisions
- KeyCorp Form 10-K Financial Report *(Included as a separate CD attachment to the Appendix)*

Executive Summary

KeyCorp (NYSE: KEY), one of the nation's largest domestic bank holding companies with assets of $93.8 billion, provides: investment management; retail and commercial banking; retirement; consumer finance; healthcare; and investment banking products and services to individuals, corporations, and government and non-profit clients throughout the U.S.

Key overview

With roots dating back more than 160 years, Key is a fusion of many banking and financial companies. In 1994, two of its most prominent predecessors – Albany, New York-based KeyCorp and Cleveland, Ohio-based Society Corporation – merged and established headquarters in Downtown Cleveland. Since then, Key has continued to grow through numerous acquisitions, adding clients, locations and expertise.

Today, KeyCorp is governed by a board of directors under the leadership of CEO and Board Chairman Beth E. Mooney and is organized as follows:

- *Key Corporate Bank* – Includes those business units that operate from offices within and outside of Key's 14-state branch network. Its reach extends across the U.S. and to more than 30 countries. Corporate Banking includes: Public Sector, Real Estate Capital and Corporate Banking Services; Equipment Finance; and Institutional and Capital Markets.

- *Key Community Bank* – Includes the consumer and business banking organizations associated with the company's 14-state branch network. The branch network is organized into the following geographic regions: Great Lakes, Northeast, Northwest and Rocky Mountains.

Key at a Glance

Key Nationwide

- 13,590 employees
- 994 full service branches
- 1,287 ATMs

Key in Seattle-Cascades

- 852 employees
- 95 full service branches
- 109 ATMs

Counties Served

- Benton
- Chelan
- Grant
- Island
- King
- Lincoln
- Skagit
- San Juan
- Snohomish
- Stevens
- Whatcom
- Yakima

Main Street KeyBank Branch
1 East Main St.,
Auburn, WA 98002
253-833-8622

Key's commitment to the public sector

We are committed to helping our clients run their businesses better every day. Delivering effectively on this mission requires us to understand our clients and their needs at a very detailed level. The challenges you face in the constantly changing economic environment are often completely unlike those encountered in the corporate arena. Key's dedicated Public Sector Team understands these challenges, because we work with public organizations every day – exclusively.

We understand your goals and obligations, because we share your commitment to supporting the needs of the community you serve. And, our dedication to service is more than a philosophy. We make frequent, significant contributions, to a highly diverse range of organizations. It's just one of the many defining characteristics that set Key apart from other financial services providers. You can see it in our support of education, the arts, healthcare, and other vital services that serve our communities.

Key in the community

At Key, we are committed to our purpose of helping our clients and communities thrive. Our employees care about the communities where we live and do business, which is exemplified by the numerous ways we strive to make a difference.

neighbors make the difference

That commitment is clearly demonstrated each May when Key employees head into our communities across the country for the annual Neighbors Make the Difference Day. Yet, our community involvement reaches far beyond a single day.

Our economic development and community reinvestment activities consistently receive industry-leading ratings. In fact, Key earned its ***eighth consecutive "Outstanding" rating*** from the Office of the Comptroller of the Currency (OCC) on the Community Reinvestment Act (CRA) exam. ***Key is the only national bank among the 25 largest to achieve this distinction eight review periods in a row, since the Act's passage in 1977.***

Key's commitment to the community and social responsibility takes many forms — from charitable contributions to volunteerism and civic leadership — but in Key's long history of involvement in Greater Seattle, one thing is always consistent: we support programs and initiatives that focus on economic empowerment, workforce development, financial education, and cultural diversity. Our employees serve on nonprofit boards and volunteer for local organizations that improve the quality of life for all. Key's Community Development Banking group invests in creating success for individuals, small businesses, and neighborhoods in low- to moderate-income areas. And through sponsorships, we support the community by underwriting seminars, conferences, forums, art exhibitions, neighborhood capacity-building, and area colleges and universities that help define our region.

- Key's Seattle Market employees serve on 92 nonprofit boards and donate several thousand hours of volunteer time to assist these and other organizations each year.
- KeyCorp entered Washington State in July 1987 by acquiring Seattle Trust Savings Bank ($704.3 million in assets and 25 offices) and first Northwest Bancorporation ($108.9 million in assets and six offices).
- Key' contributed $850,000 to approximately 250 area nonprofits in 2013.
- Key partners with nonprofit organizations to provide financial education programs across our region.

Some of the community organizations that Key supports with philanthropy and sponsorships:

• American Red Cross	• Seattle Mariners
• ArtsFund	• United Way
• Boys and Girls Clubs	• University of Washington
• Broadway at the Paramount	• Washington State University
• Junior Achievement	• Wing Luke Asian Museum
• Low Income Housing Institute	• Youth Force, a program of Boys & Girls Clubs
• March of Dimes	• YWCA

Key's financial strength

Key's third quarter reflects solid core results, strong credit quality and disciplined capital management. Our reported results were negatively impacted by lower gains from principal investing and leveraged lease terminations as well as efficiency and pension charges. This also impacted Key's efficiency ratio which increased to an adjusted 66%. Here are some highlights of our results:

- **Key delivers on relationship-based strategy.**
  Core revenue trends were stable both quarter over quarter and year over year. Compared with the third quarter of 2013, average loans increased 5%, driven by growth in commercial, financial and agricultural loans (up 11%). Average loans compared to the second quarter of this year increased slightly, with loan growth strengthening late in the third quarter. The number of retail clients grew,

sales productivity improved across both the Community Bank and the Corporate Bank, and we saw positive momentum in several of our fee-based businesses where we've made significant investments. Key closed the acquisition of Pacific Crest Securities during the quarter, adding an important new industry vertical and underscoring our commitment to be the leading corporate and investment bank serving middle market clients.

- **Continuous improvement efforts further reduce core expenses.**
  Our continuous improvement efforts reduced third quarter expenses by 2% from the prior year. Core expenses were well controlled and continue to decrease. This is a direct reflection of the hard work that is being done across our organization. For example, several businesses are using Lean Six Sigma tools to streamline processes and drive greater operational efficiency and effectiveness. Cost savings gained from such projects not only enable future investments but help drive positive operating leverage.

- **Credit quality reflects strong risk management.**
  Key's asset quality remains strong – at historic levels - with net charge offs down 16% year over year and non-performing assets down 28% from prior year. This, along with high quality new originations, underscores that we remain disciplined with loan structure and our relationship focus.

- **Disciplined capital management benefits all shareholders.**
  Key repurchased $119 million common shares in accordance with our 2014 Capital Plan. At the same time, we maintained our strong, peer-leading capital position with estimated Tier 1 common equity of 11.26%. These actions position Key to have one of the highest shareholder payout ratios among our peers for the second consecutive year.

Key's comprehensive solution for the City

Key takes a holistic approach to receivables, payables, information management, and liquidity and funds management. We will continue to help you collect funds faster, reduce fraud, minimize payables outstanding, and optimize your bottom line through effective funds management. Based on our understanding of your RFP, and our valued relationship with the City, we recommend:

Account Services/Structure

Key will establish and maintain accounts as necessary to best accommodate the City's operations. Key will work closely with you and will continually consult on ways for the City to maximize daily cash positions and ensure cash is invested strategically as soon as possible.

To streamline and manage the flow of funds most effectively, we recommend that the City maintain a zero balance account (ZBA) structure. This creates disbursement efficiency and provides an excellent audit trail for debit and credit transactions.

Solution	Benefit
Demand Deposit Accounts	DDAs provide unlimited access to your cash and can be coupled with a wide range of cash management services, providing the City with both liquidity and funds management.
Zero Balance Accounts	With Key's ZBA solution, the City can link its checking accounts to a master account, centralizing cash for maximum use while maintaining the integrity of existing subsidiary accounts.

Receivables

We understand that accelerating cash flow through the above account structure is an essential element to realizing successful financial performance. This will be accomplished by managing effective solutions and processes that decrease collection cycle time and minimize collection float.

Solution	Benefit
Cash Processing	We offer a full range of depository services through our highly secure Tacoma cash vault and convenient branch locations – deposit processing, currency/coin verification for incoming deposits and preparation of outgoing coin and currency orders.
Night Deposit	We provide night depository services via our branch and cash vault locations. Cut-off times are dependent upon the branch or vault location. All Kent, WA KeyBank branches have night drop depositories.
Return Items	Key's returned payments solutions can increase the City's collection rates and decrease check fraud, including next-day notification with images and multiple check re-presentment formats.
Lockbox Processing	Our service offers an end-to-end receivables process, using Lean Six Sigma methodology to expedite the conversion of receipts into working cash. Key's information delivery channels provide up-to-date details to keep the City well informed.
Merchant Services	With Key Merchant Services, the City will be able to conveniently accept and process multiple payment types onsite – credit card, debit card, gift card and check

Payables

Integrated treasury solutions can enhance your organization's payment strategy. With Key's efficient, customizable paper and electronic payment services, the City will get the control it needs to successfully manage all payment functions, from the straight-forward to the complex.

Solution	Benefit
Key2Purchase Card	The Key2Purchase card program provides access to business expenses through standard and custom reporting, as well as real-time controls all through a centralized online platform.
ACH Transactions	With Key's ACH services, the City can easily automate any payment, from payroll, dividend and pension payments to expense account reimbursements and vendor payments. You can also pre-authorize debits, streamline repetitive transfers, and make federal and state tax payments.
Wire Transfers	Key's solution can help you manage wire transfers in a secure environment with same-day settlement. Wire transfers will be integrated with the City's broader accounts payable function through our online banking system and you can designate multiple user access levels and requirements.
Check Imaging	With quick access, our image offering acts as a strong complement to Key's account reconcilement service. Within seconds, the City can conveniently view, print and email its paid check images while archiving safely and efficiently.

Information Management

In addition to fraud protection, we know that accurate and convenient insight into daily funds management is essential to making well-informed and sound financial decisions. Key's suite of online tools feature customizable, user-friendly interfaces and robust security measures - all with 24/7/365 access.

Our secure environment provides the City with several layers of protection including, but not limited to: log-in, one-time passwords, access times, authorization limits, security questions, secondary authorizations, and integrated fraud management.

Solution	Benefit
Information Reporting	The City can monitor previous and current day account activity and quickly accesses the information needed to make critical business decisions and optimize cash – standard and customized reports, statements, research, and image retrieval.

Receivables	Our online tools allow you to accelerate cash posting, simplify exception management and payment collection services – return item management and ACH and wire collections.
Payables	Key's efficient and secure tools streamline payments processing and maximize cash – electronic funds transfers through ACH and wire; and check management to transfer funds and monitor cash flow.
Account Reconcilement Plan	In addition, Key offers a system that significantly reduces end-of-month activities. Our plans provide foundational reporting tools that work with a complete set of disbursement solutions.
Check Images	Within seconds, our online imaging solution allows you to easily search, view, download, and archive its check images. Short-term images are retained for 90 days and long-term images are retained for seven (7) years.
Fraud Prevention & Security	The City can protect its assets with tools to monitor, detect and prevent fraud –EPA, UPIC, dual controls, online security, and audit reporting.
KTT Mobile	KTT Mobile provides a convenient and secure way to approve payments, decision Positive Pay items and view account information with entitlements that you already have access in Key Total Treasury, by using your smartphone.

Fraud and Abuse Safeguards

The threat of fraud often centers on the continually evolving technologies used to conduct business and online banking. In the 2014 Association for Financial Professionals (AFP) Fraud and Control Survey, 71% of respondents said they had experienced attempted or actual payments fraud in 2012. For the safety of the City and all of our clients, Key is committed to investment in prevention and detection, using both technical and non-technical advancements.

With these statistics in mind, we offer the products and services below to mitigate such instances:

Solution	Benefit
Electronic Payment Authorization	In addition, our Electronic Payment Authorization service will enable you to identify, filter and block unauthorized debits, helping you safeguard checking accounts against loss.
Universal Payment Identification Code	An added layer of protection to Electronic Payment Authorization, Universal Payment Identification Codes will allow the City to receive electronic payments without exposing information that can leave you susceptible to fraud.
Positive Pay	Key offers three layers of positive pay to protect you. Positive Pay, Payee Positive Pay and Teller Positive Pay. Key is one of the only financial institutions to offer Payee Positive Pay review through the internet, through the teller line, and on your ARP reports. Payee Positive Pay is designed to safeguard you from fraud related to payee name alteration. Teller Line Positive Pay allows Key to stop fraudulent items from being presented at a Key branch location

Additional Services (Desired Options)

The following solutions are optional services the City is considering:

Funds Management

Key provides necessary and required services to assist the city in managing its funds.

Solution	Benefit
Investment Custody	We offer a full array of liquidity solutions through traditional bank deposit accounts, investment sweeps, money market accounts, and customized investment alternatives to help you achieve your short-term goals.

Safekeeping	Our Safekeeping Department provides custodial services for fixed income securities which include security delivery, distribution of principal and interest proceeds and 1099 reporting.

To further streamline and automate the City's processes, we would also like to recommend the following optional solutions, which are designed for easy integration with the above offerings.

Solution	Benefit
Check 21 – Remote Deposit	Key's online remote deposit capture system can help eliminate time consuming trips to the bank, improving the City's employee productivity while increasing potential for interest income. We offer one of the latest same-day deposit cut-off times (8:00 p.m. PT).
Merchant Services	With Key Merchant Services, the City will be able to conveniently accept and process multiple payment types onsite – credit card, debit card, gift card and check.
Key2Purchase Card	The Key2Purchase card program provides access to business expenses through standard and custom reporting, as well as real-time controls all through a centralized online platform.

In Conclusion

The recommendations presented in this proposal outline initial ideas to consider as a result of the information provided within the City's RFP. Upon contract award, we will work with you to further customize these offerings to best meet your specific financial needs.

Thank you and we look forward to collaborating with you.

KeyBank

Section III - Minimum Qualifications

To be considered for selection, financial institutions must meet at least the following minimum qualifications:

A. **Authority to offer banking services. Institution must hold a charter from either the United States Government or the State of Washington.**

Key is a federally chartered financial institution.

B. **Access to the Federal Reserve System. Institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.**

Key is a member of the Federal Reserve and has access to all its services.

C. **Legal Compliance. Institution must be in compliance with all applicable laws, rules, regulations, and ordinances of the City of Auburn, the State of Washington, and the United States.**

Key is in compliance with all applicable laws, rules, regulations, and ordinances of the City of Auburn, the State of Washington, and the United States.

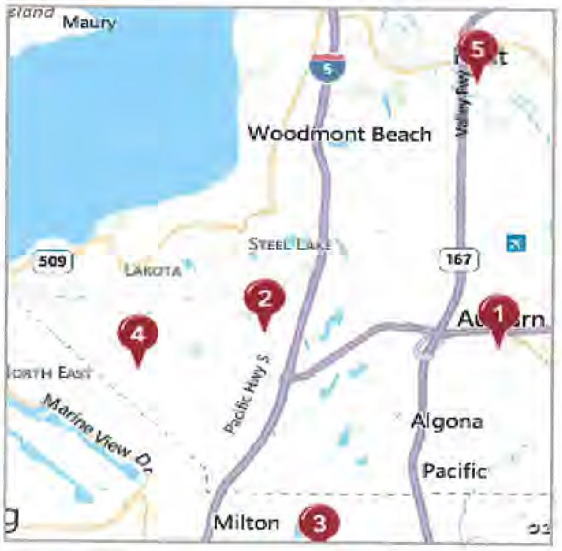
D. **Public Deposit Protection Act. Institution must be a Washington State qualified depository for public funds and must be in compliance with the Washington Public Deposit Protection Act (RCW 39.58).**

With nearly 156 local full-service branches and more than 1,490 employees in the area, Key is one of the largest public depositories in the State of Washington. Key also has three local headquarter offices in Seattle, Bellevue, and Tacoma and is approved by the PDPC as a qualified public depository in accordance with (Chapter 39.58 RCW).

E. **Local banking office. Institution must have an established office or local branch within the City of Auburn.**

Key has five branches located within five miles of the City.

1	Auburn Branch 0.0 miles away 1 East Main St Auburn, WA 98002 9 a.m. – 5 p.m., Mon-Thu 9 a.m. – 6 p.m., Fri
2	Federal Way Branch 3.9 miles away 32400 Pacific Hwy S Federal Way, WA 98003 253-838-1954 9 a.m. – 5 p.m., Mon-Thu 9 a.m. – 6 p.m., Fri 9 a.m. – 1 p.m., Sat
3	Kent East Hill 4.7 miles away 10304 SE 256th St Kent, WA 98030-6414 253-850-6930 9:00 a.m. – 5:00 p.m., Mon-Thu 9:00 a.m. – 6:00 p.m., Fri



	9:00 a.m. – 1:00 p.m., Sat
4	Edgewood Milton 5.1 miles away 1000 Meridian E Milton, WA 98354 253-927-2354 9:00 a.m. – 5:00 p.m., Mon-Thu 9:00 a.m. – 6:00 p.m., Fri
5	Kent Meeker Street 5.2 miles away 505 W Meeker St Kent, WA 98032 253-859-4080 9:00 a.m. – 5:00 p.m., Mon-Thu 9:00 a.m. – 6:00 p.m., Fri

KeyBank

Section V - Scope of Services

General Information

The City of Auburn is soliciting proposals for a primary banking relationship with a financial institution which operates an office within the city limits. The City will be contracting for the following general services for a four year period beginning no later August 2015 and ending four years later. At the City's option, a two year extension will be permitted with the same terms and conditions of the original contract or as amended.

The following is a listing of mandatory services the City requires of its financial institution:

- **Demand deposit checking accounts;**

  Key can provide *Demand Deposit Accounts (DDAs)* as necessary for the City's general account needs. The City will be able to issue checks, make deposits, and initiate electronic transactions such as ACH and wire.

- **Nightly account balance sweep;**

  Our *Automated Sweep Solutions* can ensure that the City's excess dollars are put to good use. And, if you're looking to minimize excess balances and maximize return on available funds, then our simple, cost-effective automated solutions offer the City simplified investing with idle funds each day and competitive returns without compromising stability or liquidity.

  In addition, Key can provide *Zero Balance Accounts (ZBAs)* to the City, which will allow you to link checking accounts to a master account, maximizing the availability of your funds. A ZBA will centralize the City's cash for maximum use in the general or other lead account (to be determined by the City).

- **Banking supplies;**

  We will with the City to provide banking supplies through our preferred third party vendor, Superior Press. Superior Press has been providing financial printing and banking supplies for more than 70 years.

- **Interim financing and overdraft protection;**

  Key Public Sector Group serves as a single, integrated idea source to help you meet your unique financial goals and objectives. Supported by the capital of one of the nation's leading financial institutions, we offer a complete spectrum of financing solutions designed to support public entities operating within a tax-exempt environment. Key will review all financing requests by the City and offer the City competitive rates to meet your financing options.

- **Payroll direct deposit;**

  Our *Direct Deposit Service* allows the City to pay its employees or retirees electronically using ACH, regardless of where the payee bank accounts are located. Employees are paid through direct deposit as long as they maintain a checking or savings account at an institution that is a member of the ACH network.

- **Trust services;**

  Key exited the trust services business due to the specialized nature of these offerings. We recommend that you stay with your current provider. However, we are happy to assist the City in establishing retainage accounts as necessary.

- **ACH debit services;**

  The City can continue to use Key's *ACH Service* to initiate debits and credits. In addition, we offer the ability for the City to originate direct deposit of payroll, vendor payables, and tax payments online through this service.

- **On-line balance reporting;**

  With *Key Total Treasury*, our 24-hour Internet-based delivery channel, the City can continue to initiate transactions and obtain accurate, comprehensive information reporting and account maintenance functions for all its information reporting and treasury management processes. This includes ACH, wire, and stop payment transactions and information.

- **On-line stop-pays;**

  The City has the ability to place and reverse *Stop Payments* online using Key Total Treasury. The stop payment system is available between 5:00 a.m. and 3:00 p.m. PT.

- **ACH reporting;**

  Key's ACH reporting tools, via Key Total Treasury, enable the City to efficiently manage the payables and receivables process, plus provide the ability to streamline information around transmissions, ACH returns, rejects, and other critical notifications.

- **On-line wire transfers;**

  Our online *Wire Transfer Services*, via Key Total Treasury, will continue to provide the City with a highly secure, electronic payment solution, including same-day settlement of both domestic and international transfers.

- **Lock box service;**

  Our service offers an end-to-end receivables process, using Lean Six Sigma methodology to expedite the conversion of receipts into working cash. Key's information delivery channels provide up-to-date details to keep the City well informed.

- **Positive-Pay on Checking Accounts;**

  The City can continue to use Key's multiple levels of *Positive Pay*, including Next Day, Teller Line, and Payee, to strengthen its audit controls by comparing items presented for payment against check issue information.

- **Night depository services;**

  The City will continue to have access to our Night Depository Services through your local branch as well as via branches, ATMs and cash vault locations throughout our network of offices.

- **On-line image retrieval;**

  Within seconds, our online imaging solution allows you to easily search, view, download, and archive its check images. Short-term images are retained for 90 days and long-term images are retained for seven (7) years.

- **Automated vendor payment services (ACH);**

The City can set Auto Recurring Transactions – recurring transactions that are set to occur automatically. With one single entry, transactions will occur at the frequency and interval programmed for as long as the system is programmed for that transaction.

- **Account reconciliation processing (ARP);**

  Key's *Full ARP Service* will continue to provide the City with an automated, electronic solution that contains detailed checking account information to facilitate a quicker and more efficient reconcilement each month. Our service expedites the City's internal reconciliation, streamlining back office processes.

- **Excellent customer service & response; single point of contact.**

  Key takes a long-term relationship approach to serving our clients, and we will continue to provide a high quality team in order to offer the City the best possible customer service. As one of Key's most valued relationships, we are able to offer our most compelling solution combining ***best in class pricing***, highly ***customized and innovative solutions***, a team of ***dedicated industry experts***, and ongoing "***white glove***" ***customer service delivered*** by dedicated local personnel.

  Your designated *Key Team* will continue to be available to the City for one-on-one meetings and service. In addition, our incomparable *Commercial and Business Banking Center* (CBBC) will continue to provide a centralized source for resolving issues.

  Debbie Rivetts, the City's Senior Client Manager will provide daily customer service for any banking questions, changes or needs. As the City's day-to-day contact Debbie will:
  - Serve as the liaison with our all internal processing groups;
  - Be a vital member of the implementation team to ensure smooth set-up of new services and users;
  - Respond to any questions the City might have about their services, accounts, or account analysis; and
  - Work closely with our ACH and Wire departments.

Auburn utilizes a check system, as opposed to warrants. The City anticipates that proposed banking services will be compensated either by the credit earned on average collected balances or CD, or a fee for service basis, but is also willing to consider other options.

Key will continue to provide the services listed above.

The following is a list of optional services the City may require:

- **Check 21 or similar expedited payment options;**

  Key Capture (Remote Deposit)
  With Key Capture, the City can make check deposits from the convenience of your office, whenever it fits your schedule. Expedite deposits, reduce float and simplify your deposit strategy.

  Key Capture eliminates daily bank runs and allows you to meet extended deposit deadlines. In addition, electronic deposit processing allows you to transmit deposits any time during the day – not just during deposit window hours. Key Capture supports a consolidated banking relationship and reduced banking fees – because your location(s) pose no barrier.

In order to use Key Capture, all you will need is a small desktop scanner, a PC, and a broadband Internet connection. Both consumer and business checks can be deposited electronically through Key Capture and up to 300 checks can be included in each deposit. You will simply enter the expected deposit amount, scan the checks, and balance the deposit, then electronically transmit the deposit to Key.

First, you will gather your checks and enter the expected dollar amount of your deposit.
Next, you will scan the items you wish to deposit. Key Capture will automatically read the dollar amount of each check and help you correct any items that are not legible.
Key Capture's duplicate detection and image quality tools will ensure the same check isn't deposited twice.

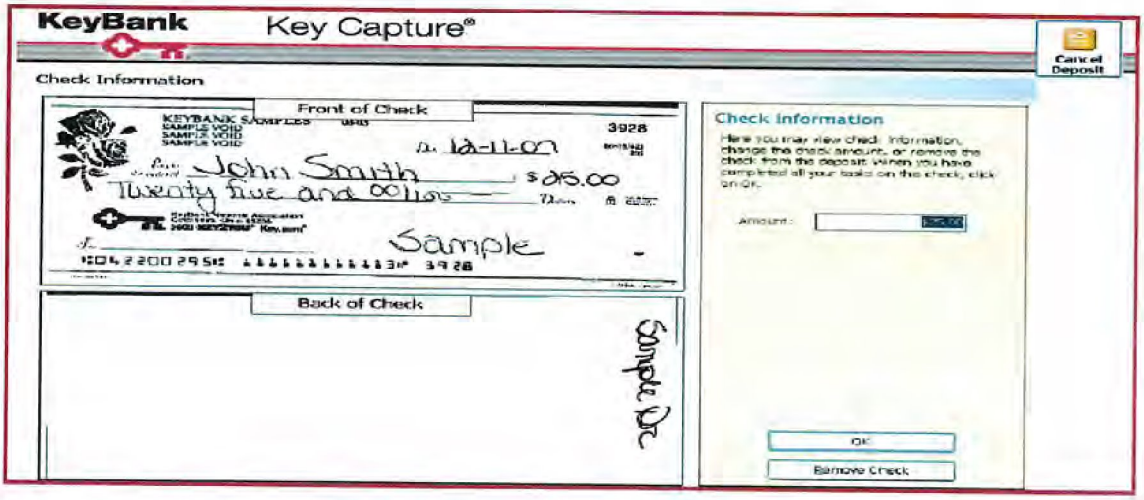
If you wish, you may key-enter transaction information for each check, such as invoice or customer number.

Once it is in balance with the dollar amount you entered at the beginning of the deposit, a virtual deposit ticket will be created. The deposit will then be securely submitted to Key for prompt ledger credit. Once your deposit is transmitted, the City may securely retain the original check for an amount of time you deem appropriate. After that, you can destroy the checks using your secure procedures for destroying sensitive documents.

Reporting
Key Capture will provide automatic acknowledgement that your files are received as expected, eliminating the need to double-check transmissions. This acknowledgement will appear on the Web application after the deposit has been transmitted.

In addition, Key Capture can also provide the City with daily e-mails that contain detailed information from each deposit. This file can be downloaded into a number of applications. Check images and deposit details are stored within Key Capture for a period of 45 calendar days. Key also offers an online long-term Deposit Image Archive (up to seven years).

The City will have the ability to view current and previous day deposit activity on Key Total Treasury, our 24-hour, Internet-based delivery channel. In addition, Key Capture features on-demand reporting access with real-time deposit details.



- **Courier services;**

  The City can use your existing armored courier service to make vault deliveries, or we can bid on

your behalf for services with our recommended vendors. Should you choose to use one of these couriers; the contract will be between the City and the vendor.

- **Armored car services;**

The City can use your existing armored courier service to make vault deliveries, or we can bid on your behalf for services with our recommended vendors. Should you choose to use one of these couriers; the contract will be between the City and the vendor.

- **Credit/debit card services (Merchant services)**

Merchant Processing

Key Merchant Services (KMS) delivers end-to-end payment processing services and state-of-the-art transaction processing products; and we handle every aspect of the service relationship – transaction processing account set up, risk and underwriting, funding and settlement, equipment deployment, chargeback management, reporting, and customer service. Our customers can also count on us to keep their payment processing compliant with changing payment industry security requirements.

Payment Cards supported:

- Visa®
- MasterCard®
- American Express®
- Discover®
- Diner's Club®
- JCB®
- Debit Cards (signature and PIN-based)
- Electronic Benefits Transfer (EBT)
- Petroleum Services including Fleet Cards
- Corporate Purchasing Cards
- Electronic Gift Cards (EGC)

Additional Services:

- Electronic Check Verification and Guarantee Service – Point of Purchase (POP), Accounts Receivable Conversion (ARC), Back Office Conversion (BOC), and in certain instances, Internet (WEB), Telephone (TEL), and Prearranged Payment and Deposit (PPD)
- Enterprise Billing Solutions – including Internet, CSR/Admin, IVR (English and Spanish), and Integrated Point of Sale
- Utility Programs
- Convenience Fee Models
- Bill Payment (Pinless Debit)
- Wireless Services
- Contactless Services
- No Signature Required Program Services

Debit Networks:

- Accel
- AFFN
- Alaska Option
- CU24
- Interlink
- Maestro
- NETS
- NYCE
- Pulse
- Shazam
- STAR

Key has partnered with Elavon, Inc., an industry rated third party payment processor. Elavon has built redundancy into its stratus transaction authorizing and processing systems, which regularly achieves 99.8% uptime and extends peace of mind during peak sales seasons.

- ***End-To-End Ownership*** – Elavon processes both front-end authorizations, back-end settlement, and all supporting operation functions in-between, so we have one source for all of your payment processing and service needs.
- ***Dedicated and experienced employees*** deliver products, services and support with an accuracy and clarity that is second to none in the retail payments processing industry. Our dedicated, knowledgeable 24-hour Customer Service team is able to answer any questions you may have regarding your processing.
- ***Flexibles Payment Options*** – You can count on Key Merchant Services to deliver value-added processing services like electronic gift cards and electronic check conversion.
- ***Connectivity*** – Our processing partner is not a one-size-fits-all processor. Our Solutions Implementation team will work with you to determine the best-suited and most cost-effective method for processing on our network.

Our processing environment uses a fault tolerant stratus infrastructure that provides the necessary redundancy required in this industry. The front end processing systems are comprised of load balanced Stratus V series computers. The system is designed to ensure system integrity and uninterrupted availability.

Online Merchant Services Reporting & Support Tools

Monitor your account around the clock from any web browser through Key Merchant Services' online account access tools. You can access all the information you need to manage your electronic

payment activity and obtain critical information that can have a big impact on your bottom line. Gain the benefits of real-time customer service, without having to pick up the phone.

Our reporting tools enable you to display recent deposits, view chargebacks and retrieval requests, access customer support and more in a convenient, secure environment.

Basic online account access is free to all Key Merchant Services customers. Your account comes with a single log-on to access information for a single Merchant location. You can view up to six months of past statements, chargeback and retrieval reporting, as well as batch reporting for up to 30 days of settled batch activity. You can also link to report sites for our Electronic Gift Card and Electronic Check Service Programs.

Enhanced information is available through the **premium access level** of ***MerchantConnect,*** our most comprehensive, versatile reporting solution. You can access a year's worth of reporting information on multiple MIDs and "drill down" into your data to view batches of transactions grouped by card type or batch reference number. Hierarchical reporting allows you to aggregate data from multiple locations.

Raw Data File Delivery
For large merchants with multiple distribution channels or complex reporting hierarchies that require specialized reporting capabilities, Key Merchant Services' ACS (Automated Customer Service) raw data reports provide detail which is easily exportable to external applications for additional data management and reporting.

With ACS, you can easily retrieve detailed reports with data for multiple locations, including transaction activity, statement detail, and card type history ACS offers a comprehensive list of available reports.

Custom Reports
For merchants with specific reporting requirements, Key Merchant Services offers a full roster of custom solutions. You can receive in-depth analysis of virtually any information that you might need, from any time period, in any format. Data can be summarized or detailed through a variety of hierarchies—from chain, to region, to store and to individual batch. Integration with enterprise systems eases overall accounting functions.

Security
We take the security of our data, systems, employees, and locations very seriously.
In order to safeguard the merchant and cardholder data both electronically and in hard copy, Key Merchant Services utilizes a combination of firewalls, intrusion detection systems, data loss prevention systems, data encryption, file integrity monitoring systems, access controls, patch management controls and physical security controls to ensure unauthorized users do not access systems or data.

Similarly, to monitor the network, we detect systems and monitor internet traffic, as well as network and host-based controls. Such controls are also used to monitor performance and stability.

We are subject annually to audits for: Statement of Accounting Standards 70 (SAS70); Sarbanes-Oxley; Gramm-Leach-Bliley (through the Office of the Comptroller of the Currency), and Payment Card Industry (PCI) compliance.

Our physical security procedures are monitored and audited by Visa, MasterCard and the Office of the Comptroller of the Currency (OCC/US Government) per standard banking/financial regulations.

Fraud Control
Protecting a business against fraud and other losses is becoming an increasing challenge. We have built extensive fraud monitoring and control features into our network, Elavon, its products and its operations. The network uses a robust set of risk management and fraud prevention tools via a

proprietary Advanced Risk Management System (ARMS). ARMS contains empirically derived scorecards that identify risk prior to and post merchant funding, in addition to a business rules-based engine that triggers merchant risk situations for review by investigative analysts. The ARMS system is designed to protect the network's financial exposure and, in turn, provides added protection for the network's merchants.

In addition to ARMS monitoring, the network has numerous other fraud control procedures and exception based reporting aimed at protecting the merchant and the network from exposure to losses. Additionally, the network can and does provide education for merchants on fraud trends and methods.

Customer Service and Support
In addition to your primary KeyBank Relationship contact, Key Merchant Services employs a focused and multi-pronged approach to strategic management of your merchant account relationship. Customized service level offerings are based on customer needs.

Key Merchant Services' customer support and help desk is there whenever you need it. For routine services, Key Merchant Services operates a call center for voice authorization and client assistance that is supported by a dedicated and well-trained staff of service professionals and is available 24 hours a day, 7 days a week. Further, if you have a special need, you may page a Client Support Specialist at any time. This individual will take care of your concerns personally or will refer you to a specialist.

- **Investment safekeeping services**

The KeyBank Safekeeping Department currently provides custodial services for fixed income securities, which include: Fed and DTC security delivery, distribution of principal and interest proceeds and 1099 reporting.

This service is currently provided to over 150 clients, of which nearly half are public/governmental entities. The remaining accounts consist of correspondent banks and corporations. Assets under custody totaled $1.7 billion as of 3/31/2013.

- **Purchasing cards**

Key is able to provide purchasing card payments for the City and associated vendors. ***Key2Purchase*** is a cost-neutral, one-card solution that streamlines the purchasing process by reducing or eliminating the time and expenses associated with purchase orders, check requests, petty cash, and other components of the purchasing cycle. It provides access to business expenses through standard and custom reporting, as well as real-time controls – all via a centralized online platform.

Our program includes a multipurpose commercial card solution with the flexibility to be used as a purchasing card, travel & expenditures (T&E) card, electronic AP card, or a combination of all card types.

- **Purchase or Vendor Card** – Purchase card designed for use by accounts payable departments to purchase general goods and services
- **Single Use Ghost Account** – A one-time use virtual account number provided to vendors for invoice payments
- **Employee T&E Card** – Corporate card designed for use by employees who frequently incur travel and entertainment expenses
- **Combination T&E and Purchase Card** – A customized program that combines the features and functionality of all cards into a single solution; all card types can be managed on the same platform

The Key2Purchase card program can fully support your traditional purchase and T&E capabilities, while also providing industry leading AP automation functionality, card management and transaction reporting.

- Key2Purchase.com provides real-time tools to manage spending, access, usage, fraud ,and audit reporting controls
- Transactions can be automatically mapped to financial codes by Account Number, Merchant Category Code (MCC), Merchant Name, etc.
- Increase operational efficiencies with automation and the integration of card data in ERP/accounting system
- Improve supplier relationships by accelerating payments with detailed remittance data
- Increase revenue with rebates based on spend volume
- Multiple payment options: Automated Clearing House (ACH), wire transfers, and online payments
- Real-time spend alerts
- Built-in online expense reporting and approvals for your T&E program
- Worldwide acceptance via MasterCard ®with: MasterRental® Insurance/CDW, Purchase Assurance, MasterAssist ® travel Assistance Services, and Extended Warranty Insurance

Our MasterCard branded commercial card program, works in conjunction with our web-based reporting tool, Key2Purchase.com. ***Key2Purchase.com*** is a web-based reporting system supported by the Encompass platform. Key has partnered with AOC Solutions and Hewlett-Packard to provide this industry-leading management platform that offers real-time card control, transaction reporting, cost allocation, workflow management and GL interface.

We work with AOC Solutions to provide the Key2Purchase.com Program Administration and Reporting System, using Hewlett-Packard as our processor. AOC has 11,000-plus clients today on our platform in various verticals (not limited to) from Fortune 500/1000, energy and utilities, healthcare, public sector, higher-education and non-profit.

Key will provide a standard file format which the City can use to format the AP file export from the City's existing AP platform. In the event the City cannot code to this file standard, Key will work with the City to create a custom AP file extract that works for both parties. Our platform supports a variety of standard core file formats or can accommodate the use of any custom layout.

Reporting

Key2Purchase.com is a web-based reporting system, fully hosted and available 24/7. Our ability to offer a single sign-on that supports distributive card, electronic payables, and T&E will allow the City to manage multiple programs all while ensuring roles- and permission-based logic. With our leading electronic payables technology, Key2Purchase allows for the most automatically reconciled program.

Key2Purchase.com provides a variety of standard reports that provide volume spend by merchant name, MCC, date, cardholder, etc., and the ability to create your own ad-hoc reports with the ***Report Wizard.*** Within the Report Wizard, all the data fields that make up a transaction, including Level 3 data, can be selected and used to pull meaningful information.

Our standard reports currently available include:

- ***Accounts Report*** – The Accounts Report shows accounts with credit limit, current balance, and current statement amounts. A sample Accounts Report is included in the Appendix for your review.
- ***Expense Log Report*** – The Expense Log Report shows transactions with financial code breakdowns by cardholder. A sample Expense Log Report is included in the Appendix for your review.

- ***Transactions Report*** – The Transactions report displays a list of transactions by card holder. A sample Transactions Report is included in the Appendix for your review.
- ***Transactions with Purchasing Detail Report*** – The Transactions with Purchasing Detail Report includes information provided in the Transactions Report, along with purchasing line item detail. A sample Transactions with Purchasing Detail Report is included in the Appendix for your review.
- ***Users Report*** – The Users Report provides basic user information. A sample Users Report is included in the Appendix for your review.
- ***Accounts Payable Merchants Report*** – This report displays basic information about Accounts Payable Merchants. A sample Accounts Payable Merchants Report is included in the Appendix for your review.
- ***Accounts Payable Reconciliation Report*** – The Accounts Payable Reconciliation Report review merchant logs by transaction posting date.
- ***Active Card Account Report*** – The Active Card Account Report displays all active cards.
- ***Merchant Logs Report*** – The Merchant Logs Report shows merchant logs with invoice detail and posted transactions.
- ***MCC Summary with Transactions Report*** – The MCC Summary with Transactions Report total transaction amounts summarized by the MCC assigned to each transaction. A sample MCC Summary with Transactions Report is included in the Appendix for your review.

Extensive reporting functions include standard and custom options and can yield valuable information to help monitor the City's spending, improve your relationships with suppliers through detailed remittance data, and help facilitate better pricing. The City will have control over T&E expense reporting, purchase card spending, transactions allocation, audit reporting needs, and the ability to update your financial system with GL extracts.

Key2Purchase solution offers multiple ways for the City to reconcile your expenses monthly using our online application, Key2Purchase.com. Users with the appropriate privileges assigned to their role can search for specific card accounts using the search options:

- Last Name
- First Name
- Account Number
- Hierarchy

Assigned users can also search for cards assigned to their user account, including proxy accounts.

Specific transactions on card accounts can be searched by period, billing cycle or custom date period. Multiple search criteria can be selected to further narrow transaction results. Up to 20 financial code segments are available to support allocation.

Reports can be generated from standard extracts (purchase card extracts) or the Report Wizard and exported in a number of formats (including Excel, CSV, etc.). Also available are custom extracts to provide all the data points you may need

Key2Purchase can provide GL and other types of extracts and file feeds into the City's ERP, typically via an FTP set-up. We have provided these types of files to numerous clients in various formats to accommodate a wide range of accounting software. We will work with you to identify the types of files or extracts you will need, as well as the frequency and delivery options available. In the event that the many standard file types we provide do not meet your needs, we offer custom file coding to support all unique file requirements.

Settlement Terms

Billing can be setup for corporate pay or individual pay. Payments can be prepaid or paid daily, weekly, bi-weekly and post cycle with 14 days grace.

Payment in full should be received and posted within 14 days after the billing cycle. Balance is

required to be paid in full each cycle.

Statements
Statements are available online via Key2Purchase.com, for both cardholder and central billing accounts. Statements are available the day after cycle ends. No physical mailing of statements is done.

Controls
Our program is 100% PCI compliant. To learn more about the PCI certification, process and requirements, please visit pcicomplianceguide.org.

In addition, stored data is encrypted based on leading industry standards. Web access is controlled through Secure Socket Layer (SSL) encryption.

Key2Purchase.com is a roles- and permissions-based application. Key will work with the City to assist in setting up the initial roles and associated permissions for the Program Administrator and management level personnel. In addition, Key will help define a cardholder role as well as other required roles that may be assigned by the City Program Administrators as needed.

The City will have full access to create unique or individual roles as needed, and the ability to assign permissions to each of the roles created, allowing complete customization of user access and functionality within the application. Your designated Relationship Manager and IT Lead will be available by phone, e-mail, or on-site visits to assist you with any additional set-ups, long after implementation is completed.

Key2Purchase.com allows Program Administrators to:

- **Create Card Profiles:**
  - Traveler
  - Sourcing
  - Admin
  - HR
- **Credit Limit Controls:**
  - Cycle Limit
  - Single Purchase Limit
  - Daily Limit
- **Transaction Controls:**
  - Transactions per Day
  - Transactions per Cycle

Key2Purchase reduces risk by providing extensive spending and usage controls for every cardholder.

Fraud Protection
We actively screen transaction activity for fraud patterns. The reporting capabilities within Key2Purchase.com allow Program Administrators to schedule reports that monitor transactions meeting conditional criteria such as transactions over a dollar limit, transactions by MCC, disputed transactions, cash advances, or monitoring of vendor ghost accounts. The scheduling of reports can be daily, weekly, or monthly and will be delivered via email. Transactions that have been disputed will be flagged within Key2Purchase.com, allowing Program Administrators the ability to report and monitor the resolution status separately from other charges, cash advances, and fees.

Liability
The Key2Purchase card solution is corporate liability program. The City will decide who receives a card, the credit limits on the card, and how the card should be used. The City is liable for all debt incurred on all cards and accounts. The City will be responsible for reporting lost/stolen cards immediately. The City will need to follow a dispute process for any transactions that are the result of a

lost or stolen card or account.

Cardholders and Program Administrators can contact our 24-hour customer service department to report a lost or stolen card. The replacement card will be sent to either the cardholder or the Program Administrator based on the rules set up for the program during the implementation process. Program Administrators also have the ability to close accounts through Key2Purchase.com.

The *MasterCard MasterCoverage Liability Protection Program* protects clients from fraudulent transactions and the association may assume the liability from the resulting loss.

With Key2Purchase, the City will have the ability to semi-customize cards by "Hot Stamping" information in the top right corner of the card for a $300.00 fee. This area of the card can be used for logos, seals, Tax Exempt ID numbers, or Organization names.

Services Required

Checking Accounts: The City currently utilizes two checking accounts: 1) the primary checking account, which includes accounts payable & payroll check processing; and 2) an advance travel account. The institution will furnish the City with additional checking accounts as needed. Currently, courier services deliver deposits to the institution's branch once each workday, for processing and credit to the City's account that day. NSF checks must be processed twice before being returned to the City. The basic checking account services should at least:

Key will continue to provide the checking accounts listed above, and additional accounts will be provided to the City as needed.

We will immediately credit the City's accounts for all on-us checks, incoming wire transfers, and U.S. Treasury checks. Deposits received at a Key branch by 4:30 p.m. PT, or before their posted closing time, will be processed for same-day ledger credit.

In addition, NSF checks will continue to be processed twice prior to being returned to the City. Images of returned items can be provided on the Returned Item Report on Key Total Treasury to allow the collection process to begin more rapidly. Key Total Treasury is the primary client tool to view return activity through the Return Item Reporting module of the Account Management tab. Another option is through a returned items transmission (BAI2 file). Both options include returns detail and front and back images of the returned items.

- **Provide month-end statements by the 10th day of the following month and provide statements to various auditors upon request;**

  Monthly bank statements will be available to the City online via the Information Reporting module of Key Total Treasury on the 1st business day after the statement cut-off date. Statements will remain available online for a rolling 24-month period and information will include: statement date; account number; summary of account activity for the statement period, including total additions, total subtractions, and ending balance; a list of all additions (deposits, etc.) to account, including totals; and a list of all subtractions (withdrawals, etc.) from account, including totals.

  Statements can also be sent via U.S. mail should the City require. A *Sample Monthly Bank Statement* has been included in the Appendix for your review.

- **Provide electronic check image retrieval on CD monthly including necessary software;**

  Key will continue to provide the City with CD containing check images, (mailed on the 10th business day of the month). The City can receive paid check images, reconcilement reports, and corporate bank statements through our consolidated CD check viewing service weekly. We can store reconcilement reports, corporate bank statements, and up to 20,000 check images on CD. You can search for checks using multiple criteria – paid date, check number, dollar amount, or serial/check number.

  Key has multi-channel lockbox image delivery options:
  - Images available on Key Total Treasury
  - Images available by direct file transmission
  - Images available via CD

  Multiple concurrent users can access images or remittance items through Key Total Treasury the same day as the deposit.

- **Provide individual and consolidated monthly account analysis for all accounts by the 15th day of the following month;**

  Key will promptly provide monthly Account Analysis to the City. Key's Account Analysis Service will provide a detailed description of all of the activity in the City's Key accounts.

The Account Analysis Statement will give itemized information on your accounts and balances, as well as a clear summary of maintenance fees and service charges. It will also summarize all of the Key Treasury services the City utilizes. The statements are warehoused a rolling 12-month period.

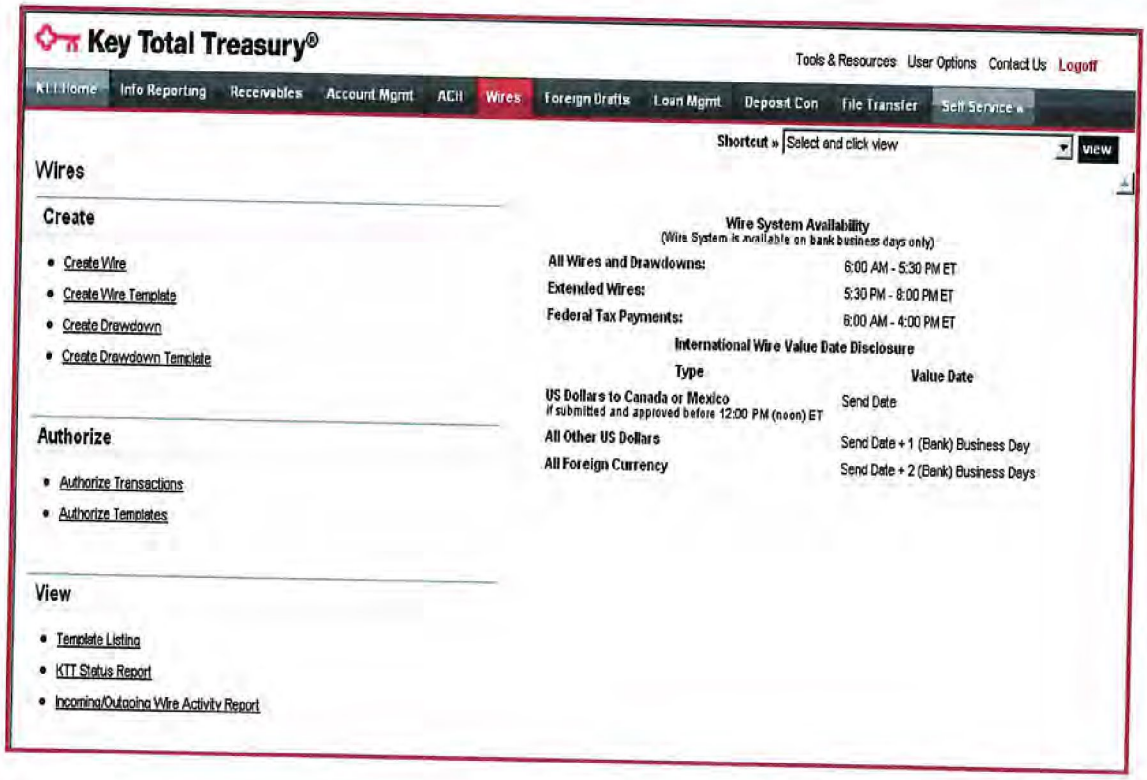
Analysis statements detailing the total service charges and any deficiencies, along with itemized information on account balances, service activity, and service charges, are available online via Key Total Treasury between the 3rd and 5th business day of the month. Account Analysis Statements are mailed the 5th business day of the month.

Information contained in your statement will include your average ledger balance, average float, average collected balance, the total depository and treasury management services used the total of all service charges for your relationship, and a client history that provides a summary of your balances and service charge activity.

If the City requires an additional means of receiving account analysis statements, they can be sent to you as an electronic 822 file. Electronic 822 files can be sent via direct file transmission or Key Total Treasury.

- **Provide an on-line wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals;**

Key Total Treasury's Wire module will provide the City with the ability to create, approve, and initiate drawdown requests and one-time or repetitive wire transfers from the convenience of its own computers through easy-to-use templates continuing to provide the City with online access to a highly secure electronic payment solution.



As an added layer of security, the City's authorized users will be manually added to the Key Total Treasury wire template access as necessary for wire template changes. The City will be able to view templates online for audit purposes.

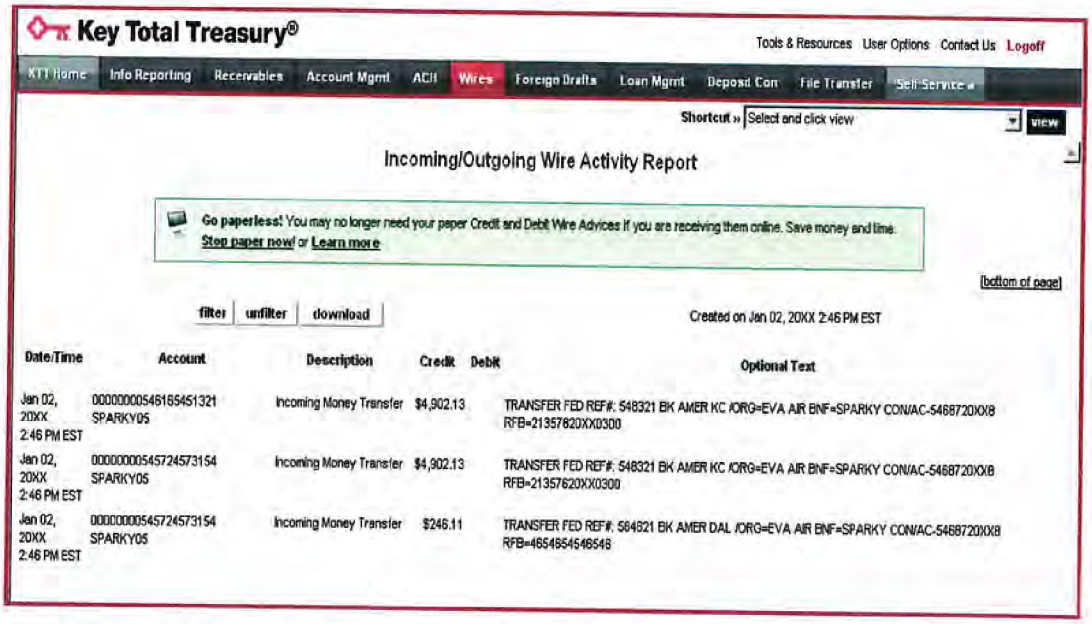
In addition, should the City decide to use our KTT Mobile service, it will provide you with the ability to view, authorize, or void wire transactions and templates based on existing company entitlements.

Cut-Off Times and Reporting Options

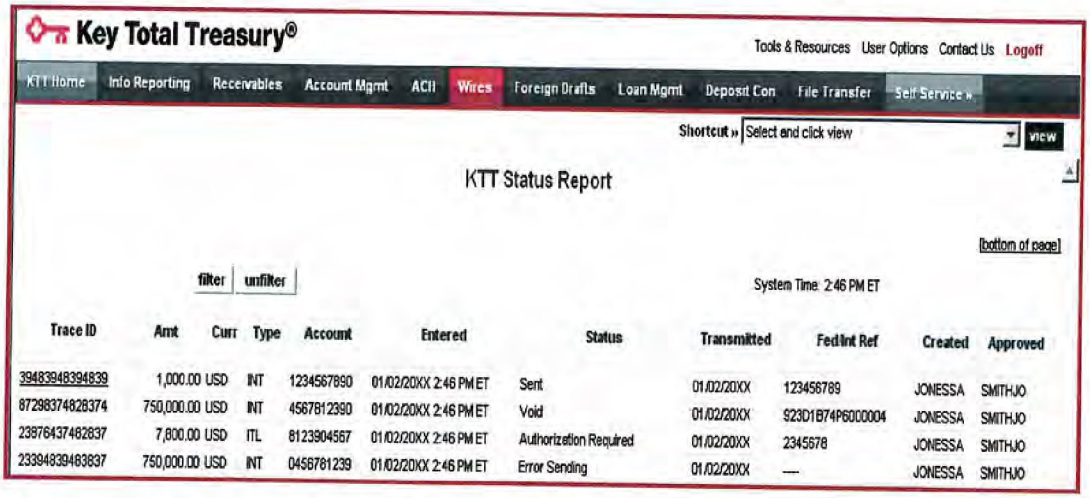
All wire initiation, regardless of type or method used, has a cut-off time of 2:30 p.m. PT. Wire transactions update approximately every 15 minutes, 5:00 a.m. – 4:00 p.m. PT and the following reporting options are available to the City:

- *Email Notifications* – The type of email notification you receive will vary, based on the type of services you use and the level of authorization available to each user. When a wire matches the City's preferences, an email notification is generated. Examples of email notifications are incoming wire notification, outgoing wire notification, and wire approval pending notification.

- *Incoming/Outgoing Wire Activity Report* – This report provides real-time information for all wires. It is available for 14 calendar days and can be downloaded or filtered based on account number, date, type code, debits or credits and dollar amount.

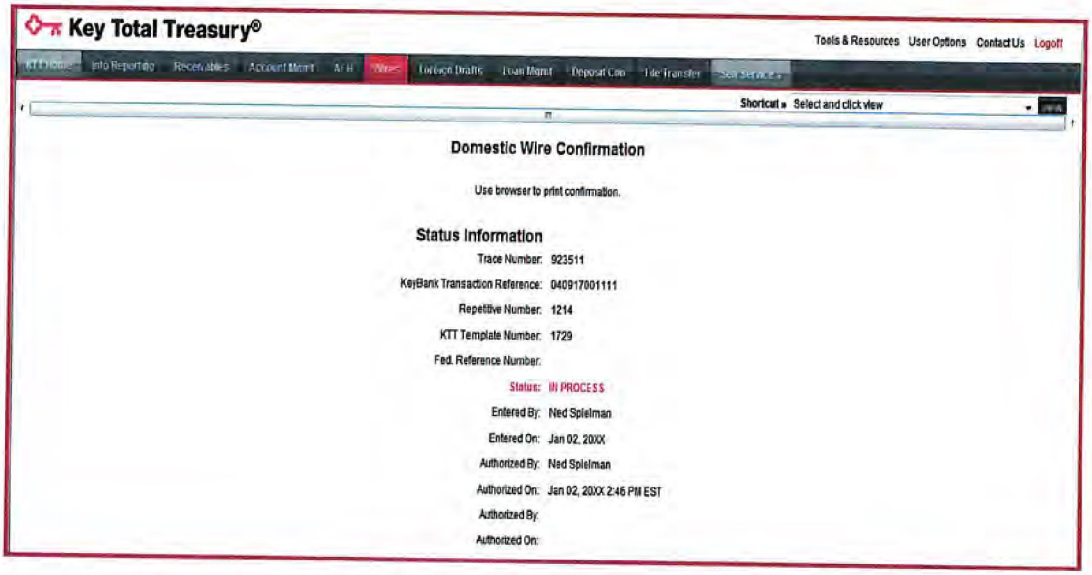


- *Status Report* – This report provides the status of all wires initiated online via Key Total Treasury the current day, including: Trace ID, Amount, Currency, Type, Date/Time Entered, Status, Date Transmitted, Fed Reference Number, and Who Created and Approved Transactions. Information is retained for 12 months and can be conveniently downloaded as needed. It includes reference numbers, times, and other descriptive information.



Trace ID	Amt	Curr	Type	Account	Entered	Status	Transmitted	FedInt Ref	Created	Approved
39483948394839	1,000.00	USD	INT	1234567890	01/02/20XX 2:46 PM ET	Sent	01/02/20XX	123456789	JONESSA	SMITHJO
87298374828374	750,000.00	USD	INT	4567812390	01/02/20XX 2:46 PM ET	Void	01/02/20XX	923D1B74P6000004	JONESSA	SMITHJO
23976437462837	7,800.00	USD	ITL	8123904567	01/02/20XX 2:46 PM ET	Authorization Required	01/02/20XX	2345678	JONESSA	SMITHJO
23394839483837	750,000.00	USD	INT	0456781239	01/02/20XX 2:46 PM ET	Error Sending	01/02/20XX	—	JONESSA	SMITHJO

- *Wire Confirmation Report* – We can also provide the City with a Wire Confirmation, which offers the following information: Amount, Date, Time, Trace ID, Key Transaction Reference number, Template Number, Fed Reference Number, Status, Who Entered, Who Authorized, the City's information and the recipient's information.

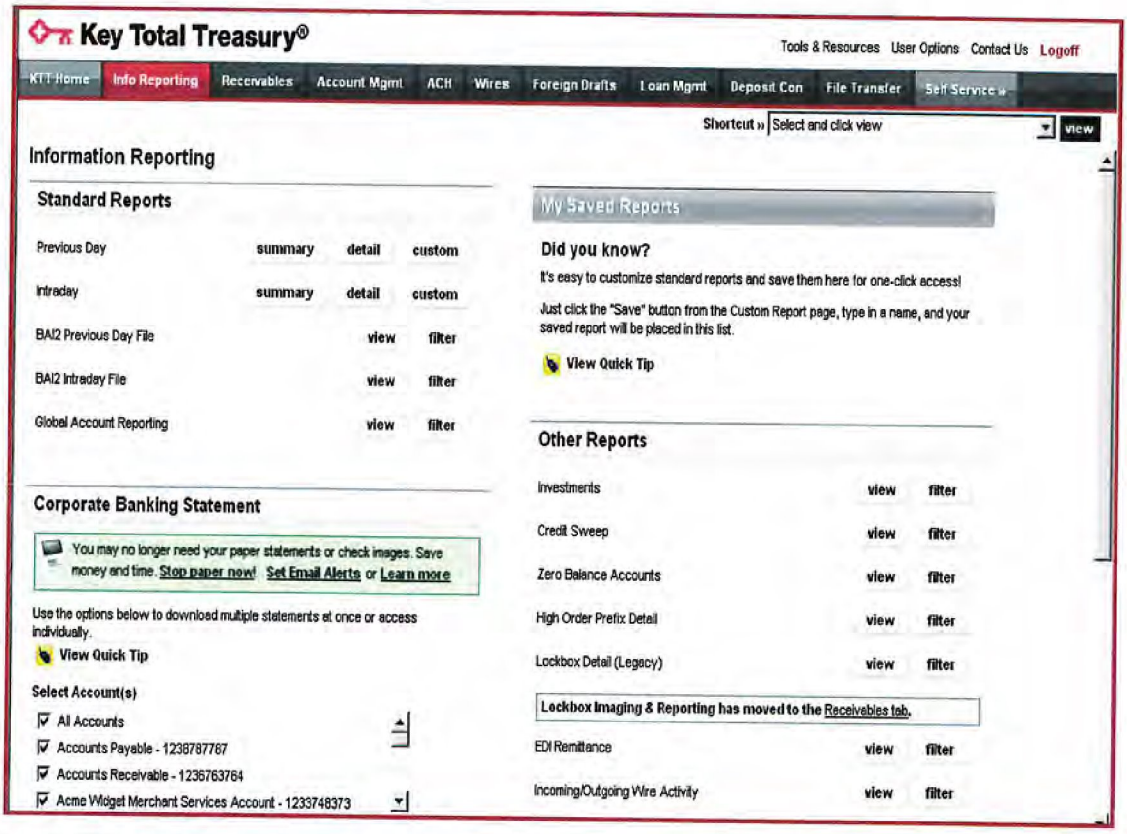


- **Provide an on-line computer balance reporting system, with information on collected, available and closing balances, as well as a detail of total debits and credits posted to the account for the previous day, by 7:00 a.m. each business day;**

  Key Total Treasury offers a full range of balance reporting capabilities through its Information Reporting module which allows the City to access both prior and current day information. Key Total Treasury provides account information including activity detail, collected balances, float, and available and closing balances seven days a week, before 7:00 a.m. PT.

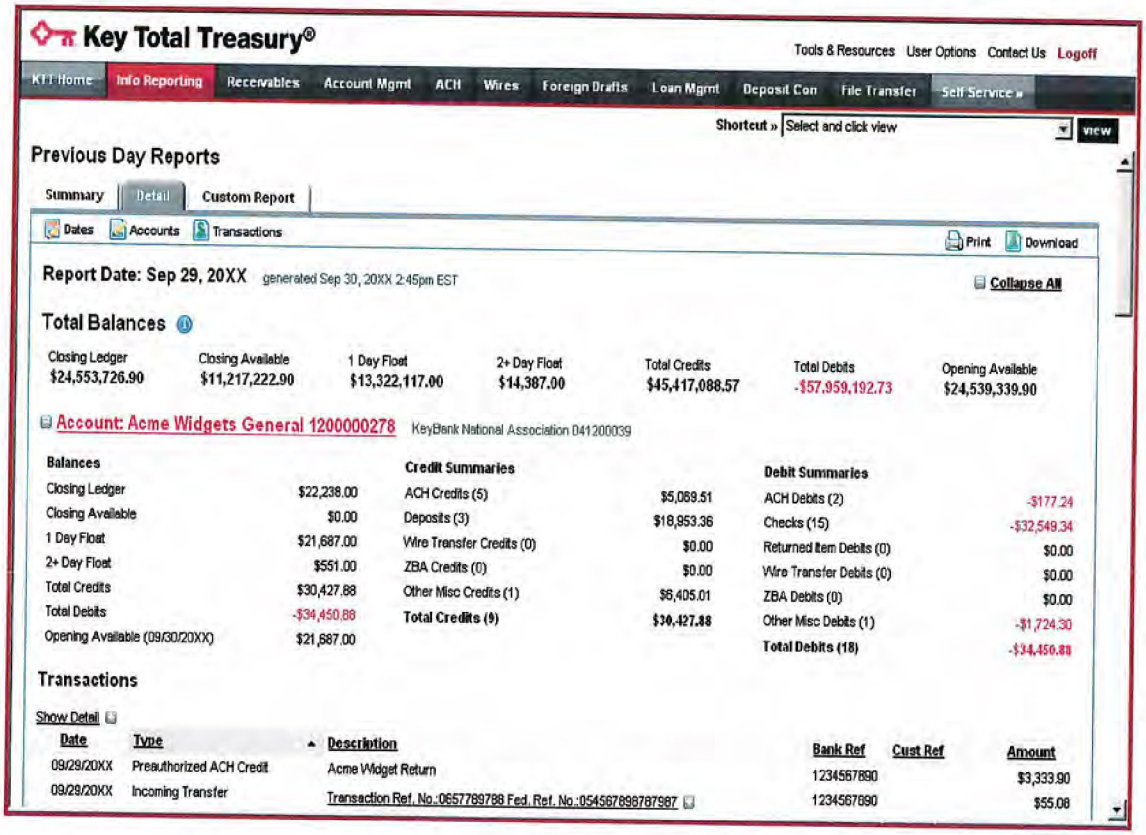
  Our reports are available for retrieval as human-readable formatted reports and/or as downloads. You can download in a CSV format to load into spreadsheets and/or a BAI2 format. The City can view or download standard and specialized reports and statements, access current and previous day

balance information, and save reporting criteria to create reports (in Excel or other formats). PDFs will also be made available to the City.



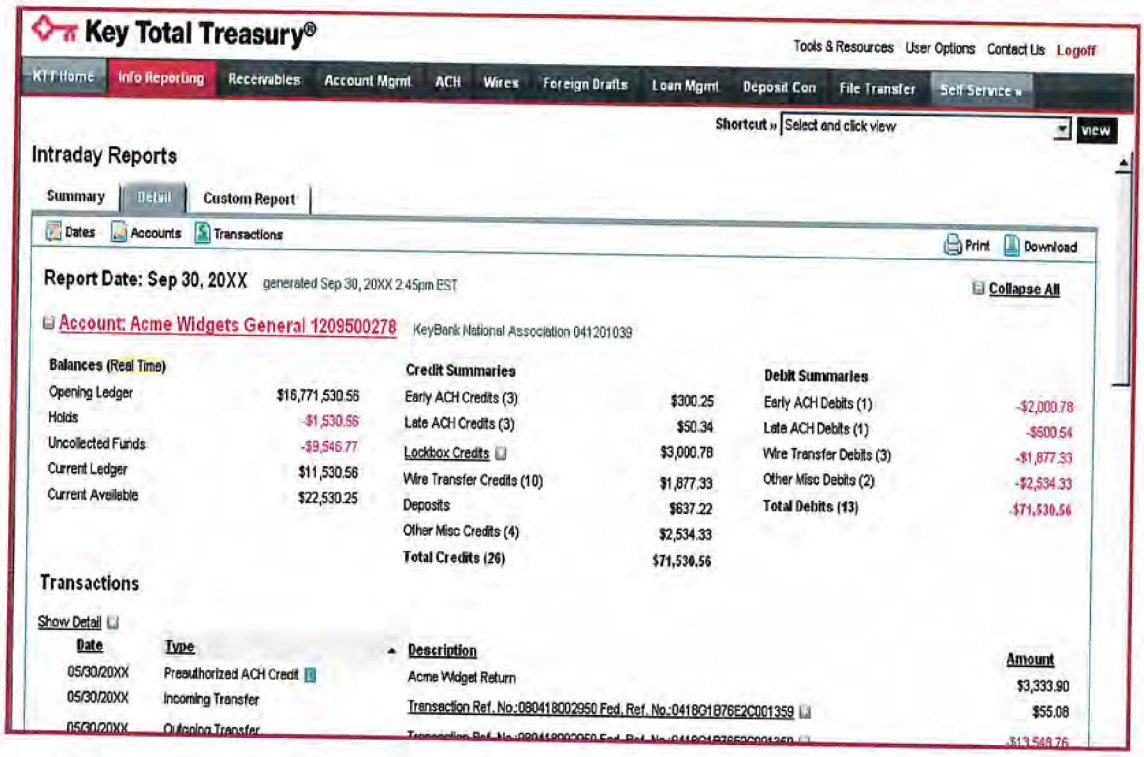
Previous Day Report
This report includes daily balances, transaction detail, and balance history information. The Previous Day Report displays prior day account status, account summary information, and detailed account transactions that include descriptions and reference information.

Detailed information includes: Closing Ledger Balance, Closing Available Balance, Opening Available Balance, One-Day Float and Two-Plus-Day Float, Total Credits (amount), and Total Debits (amount).



Intraday Report
This report displays current day account status, account summary information, and detailed account transactions (descriptions and reference information). It includes controlled disbursement, lockbox, ACH, and wire transfer.

Real-time data is available: Opening Ledger Balance, Holds (amount), Current Ledger Balance, and Current Available Balance.



- **Provide an on-line reporting system that shows current day ACH credits and debits, by 7:00 a.m. each business day. Currently the City receives property tax distributions daily through the ACH system and needs the current day information every morning to assist in making investment decisions;**

  Our KTT Intraday and Current Day Reports are available each business day and display current day account status, account summary information, and detailed account transactions that include descriptions and reference information. Available information includes: controlled disbursement, lockbox, ACH, and wire transactions. The report also shows summary only or summary and detail information depending on the level of service requested.

  ACH credits and debits are available on the current day reports. ACH transactions update at 5:00 a.m., 9:00 a.m., and 1:00 p.m. PT

- **Provide deposit reporting by location via an auxiliary MICR field or other means;**

  Key accommodates auxiliary MICR field and report location/transaction information via deposit reconciliation reports. The auxiliary field can be up to 10 characters long.

- **Provide Positive Pay feature with exception reporting/return of unknown items;**

  The City will continue to have Positive Pay, our fraud detection tool that detects unauthorized check activity. This unauthorized check activity will be presented to the City on Key Total Treasury for review and allows the City to either Pay or Return the check.

  There are two types of Positive Pay:

- **Bank Match**
  Key matches the checks presented on the City's account against the check issue file provided by the City. Options include:
  - Same Day Positive Pay
  - Next Day Positive Pay
  - Payee Name Verification is available for Same Day and Next Day Positive Pay.

- **Client Match (Reverse Positive Pay)**
  The City matches the information from the checks presented against your check register, or by using your AP system. Options include:
  - Payment Protection Report via Key Total Treasury

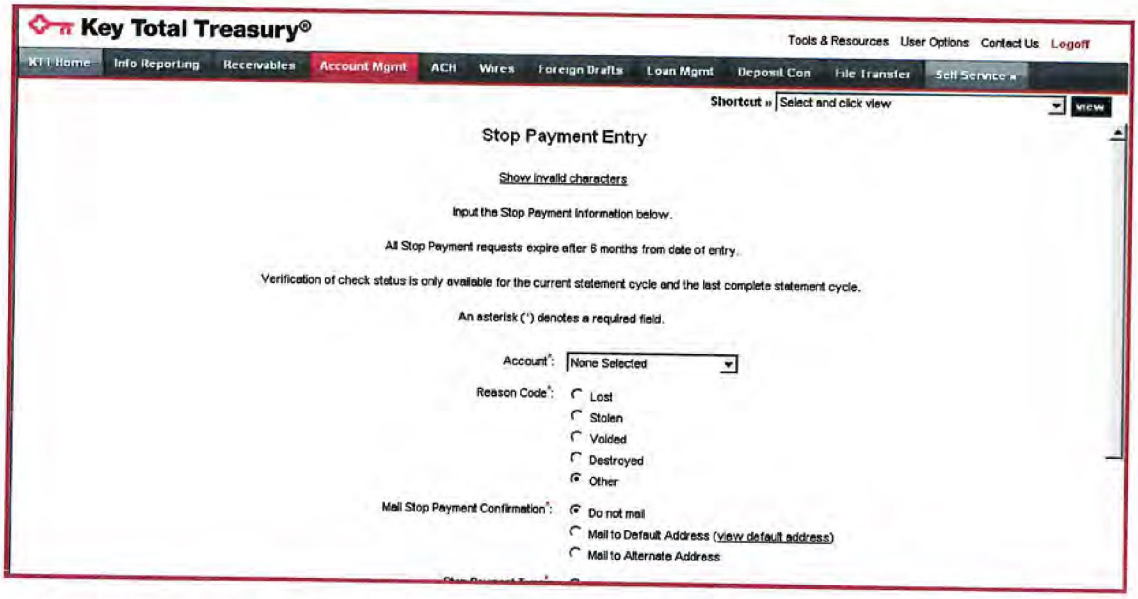
  Issue File Transmissions received during the business day update our Teller system every half hour to support Teller Positive Pay and Teller Payee review. Our Teller Line Positive Pay functionality allows all valid ARP files, as well as any manually keyed items in the Check Issuance Maintenance Module of Key Total Treasury, to feed to branch teller lines in 30 minutes. The Check Issue Maintenance Module in Key Total Treasury ensures that any manually issued items can be keyed prior to disbursement to the payee should that payee go to a Key branch to cash the check.

  We will continue to handle the City's files through the following process:

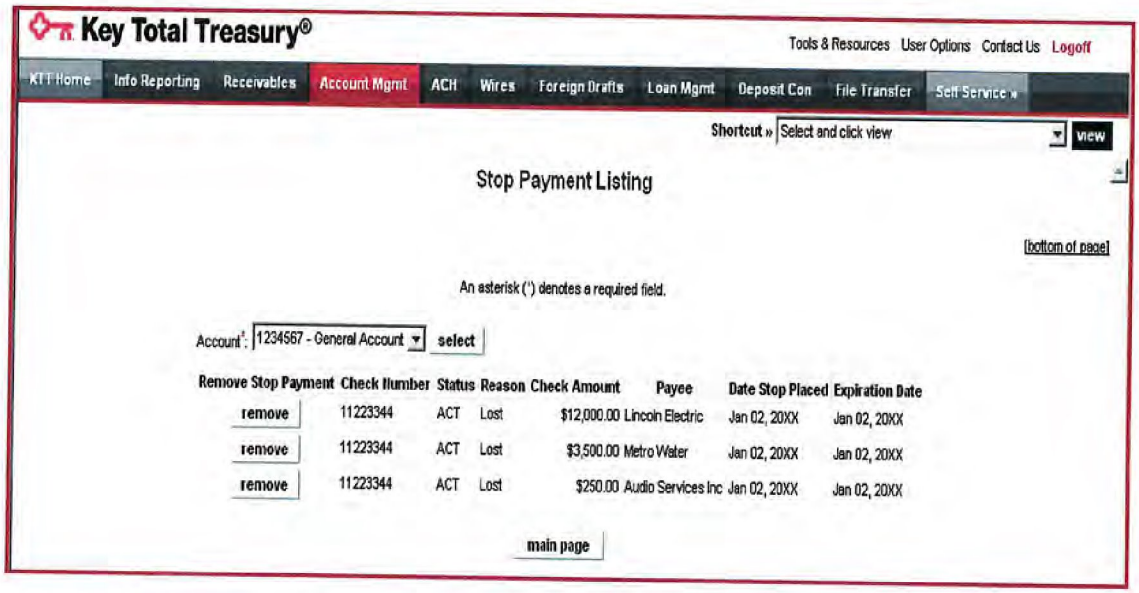
  - The City will transmit to Key the account numbers, serial numbers, dollar amount, and, as an option, payee name information as checks are issued. This information will be added to our account reconcilement system.
  - As checks are presented to Key for payment, the information will be read and compared to the issue file from the City. We'll compare four criteria in the daily verification of checks presented for payment:
    - Serial number not on issue file
    - Conflicting dollar amount
    - Duplicate presentment
    - Cancel/Void on file
  - Optional criteria are also available for an advanced level of service:
    - Payee name
    - Stale-dated items
    - Exceeds dollar limits
  - Checks presented to Key that do not match the City's issue information will be reported through Key Total Treasury for review and payment disposition.
  - The City will be able to view images of Positive Pay "exceptions" via Key Total Treasury the same day.

- **Provide for on-line stop-pay, look-up and notification;**

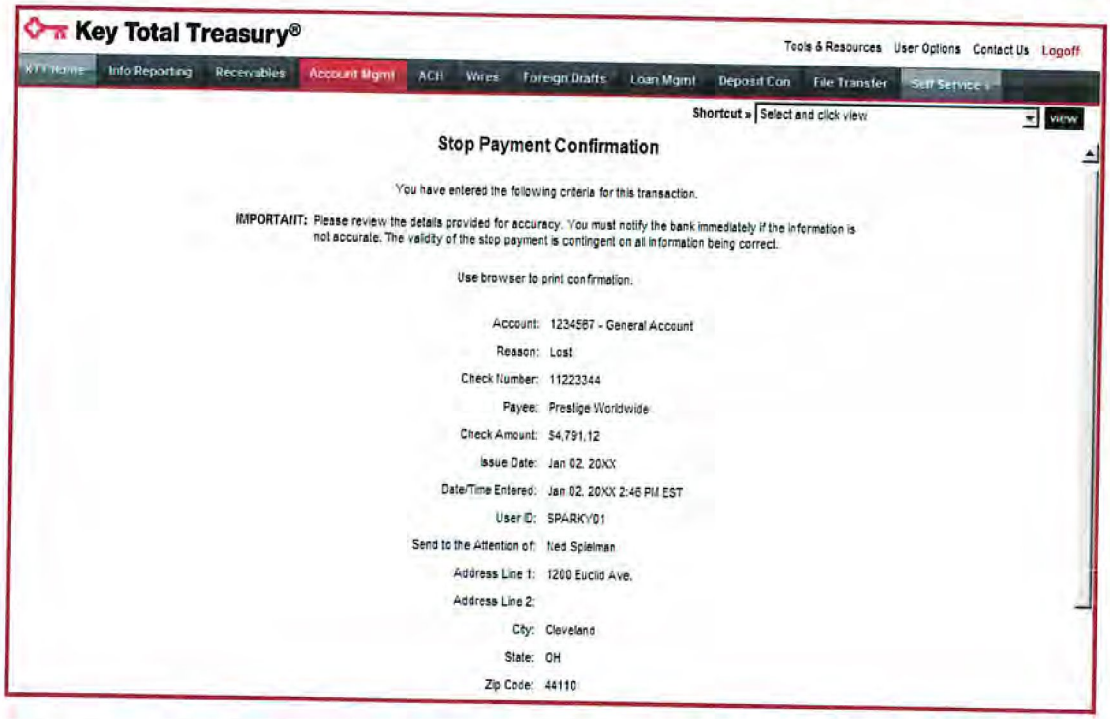
  The City may continue to place stop payments online through Key Total Treasury's Account Management Module, providing the advantage of real-time access or can stops can be placed manually through the Commercial and Business Banking Center.



The stop payment system is available 5:00 a.m. – 3:00 p.m. PT. For same-day action, our stop payment deadline is 3:00 p.m. PT. Stop payments submitted through Key Total Treasury prior to 3:00 p.m. PT will be updated in real-time.



Once the stop is approved then submitted, you will receive a Stop Payment Confirmation. If any information is incorrect, remove the stop payment entry from the stop payment listing screen. Key Total Treasury will provide a stop payment history log to help you manage stop payment orders by their expiration date.



As an alternative option, Key's Commercial and Business Banking Center operates as an extension of your Key Team to provide fast, accurate answers and solutions for routine questions and issues; e.g., how-to questions, balance inquiries, adjustments, research requests, etc. CBBC representatives can be reached at 800-539-9039 and are available from 5:00 a.m. to 5:00 p.m. PT. They go through extensive training and have state-of-the-art workstations, enabling them to answer your questions quickly and efficiently.

Key's ultimate goal is to provide resolutions as quickly and accurately as possible, ***answering 90% of all inquiries on the first call and to answer all others within 24 hours. We have met our response time goals over 95% continually.***

With this in mind, we have established service level agreements, which define the turnaround time for all research and adjustment items (based on the nature of the request). The turnaround time is generally 24 hours. However, there may be occasions where additional time is needed for research. When necessary, the request can be flagged as a "rush" to reduce turnaround time. All time sensitive issues are given top priority until resolution is complete.

- **Provide support in answering questions, troubleshooting problems and resolving issues in a prompt manner;**

Key takes a long-term relationship approach to serving clients, and we will provide a high quality team in order to offer the City the best possible customer service. Your designated Key Team will be available for one-on-one meetings and service as needed or requested, providing a personal hands-on approach from implementation through the ongoing management of the relationship.

The City's Relationship Manager, Robbi Stedman will coordinate all aspects of the relationship to ensure that the City receives high quality service. She is responsible for insuring that the contract requirements are met and for educating the City about new products and services available to meet your changing needs.

The City's Senior Treasury Advisor, Michael Thomas will be your day-to-day contact for questions

and support. He is responsible for implementation processes as well as providing support to the City in tailoring its treasury management products and services to produce the most beneficial results. Michael will continue to act as a liaison between the City and the appropriate operation areas of the bank. Michael is supported by Melissa Greenough.

Debbie Rivetts, the City's Senior Client Manager will provide daily customer service for any banking questions, changes or needs. As the City's day-to-day contact Debbie will:

- Serve as the liaison with our all internal processing groups;
- Be a vital member of the implementation team to ensure smooth set-up of new services and users;
- Respond to any questions the City might have about their services, accounts, or account analysis; and
- Work closely with our ACH and Wire departments.

Le-Hoa Vu, the City's Sales Associate, will:

- Correct encoding errors and deposit adjustments;
- Assist in fraud affidavits and ACH returns; and
- Provide copies of deposit or warrant items.

- **Provide means to inquire about canceled checks and stop payment on checks upon proper authorization.**

  A City authorized user can research canceled checks and stop payments online vie Key Total Treasury. The City can view, print and download and paid check or return item images. Debbie Rivetts, Senior Client Manager or Melissa Greenough will to assist the City.

  For additional assistance, the City may contact our Commercial and Business Banking Center toll free at 800-821-2829 on weekdays, 5:00 a.m. – 6:00 p.m. PT.

Nightly Sweep/Zero Balance: To supplement the City's daily major cash transfers to primary checking and travel advance accounts, sweep account structures to bank intra-day or overnight investment options should be utilized to ensure all minimal bank-held operating funds are invested at the highest possible rate. Bank sweep alternatives shall include only SEC registered US government and agency or prime money market funds. Sweeps are designed to also minimize collateral risk for the System by eliminating overnight deposits which otherwise must be collateralized.

Given the current rate environment, Key does not recommend a sweep account, rather paying fees via balances/ECR. As a long standing partner with the City, we will ensure investment options are provided to the City when the rate environment changes.

Interim Financing and Overdraft Protection: The City may require short-term financing for a period not to exceed one (1) year in the form of short-term notes. This short-term financing could be secured by the anticipated revenue of City funds or sale of General Obligation, Revenue, or Local Improvement District bonds. The selected firm agrees to provide interim financing to the City on a prompt and competitive basis.

Key Public Sector Group serves as a single, integrated idea source to help you meet your unique financial goals and objectives. Supported by the capital of one of the nation's leading financial institutions, we offer a complete spectrum of financing solutions designed to support public entities operating within a tax-exempt environment. Key will review all financing requests by the City and offer the City competitive rates to meet your financing options.

Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are times these situations will occur. It is anticipated these overdraft situations will not exceed $2 million, if and when they do occur.

Key does not currently charge for daylight overdrafts. In the event the City is trying to release a wire payment which will cause a daylight overdraft, Key's wire room will attempt to contact Key's credit team to obtain approval before releasing the wire, or the City may be contacted to verify that adequate funds are anticipated.

Key also does not charge for overdraft fees. However, the bank does charge for the use of uncollected funds. The uncollected funds rate is based on the bank's prime rate. The uncollected funds charge calculation is as follows:

Uncollected Funds Charge =
(Uncollected Funds Rate divided by 100) x [(Number of Negative Days)(Average Daily Negative Collected Balance)/ (Number of days in the year)].

Key's current prime rate is **3.25%**; *(as of 02.23.15)*

Trust and Escrow Agent Services: The City may require trust and escrow agent services to hold letters of credit and other third party commercial documents. The institution will, in most cases, be required to take physical custody of these securities, notify the Parties of their expiration thirty days prior to termination of the agreement and accept renewal or replacement of instruments. The City may also require retainage accounts be maintained for contractors choosing to place retainage funds in an interest bearing account.

Key exited the trust services business due to the specialized nature of these offerings. We recommend that you stay with your current provider. However, we are happy to assist the City in establishing retainage accounts as necessary.

Banking Supplies: The financial institution will be required to provide a supply of coin rollers, locking bank bags, tamper proof plastic deposit bags, deposit slips, advance travel and other miscellaneous checks, and endorsement stamps for each location (see Attachment B for the number of endorsement stamps needed). The cost of such supplies shall be charged against the City's monthly analysis statement as supplies are furnished to the City.

Key will continue working with the City to provide the above described banking supplies.

Key will offer three months banking services credit to offset the costs of banking supplies.

Key recommends that the City secure banking supplies by order through our preferred vendor, Superior Press to ensure quality standards are met. Superior Press has been providing financial printing and banking supplies for more than 70 years. They are the leaders in the banking services and supply industry, offering "one stop shopping" for deposit and check printing, cash vault items, plastic currency bags, endorsement stamps, and image scanner deployment services.

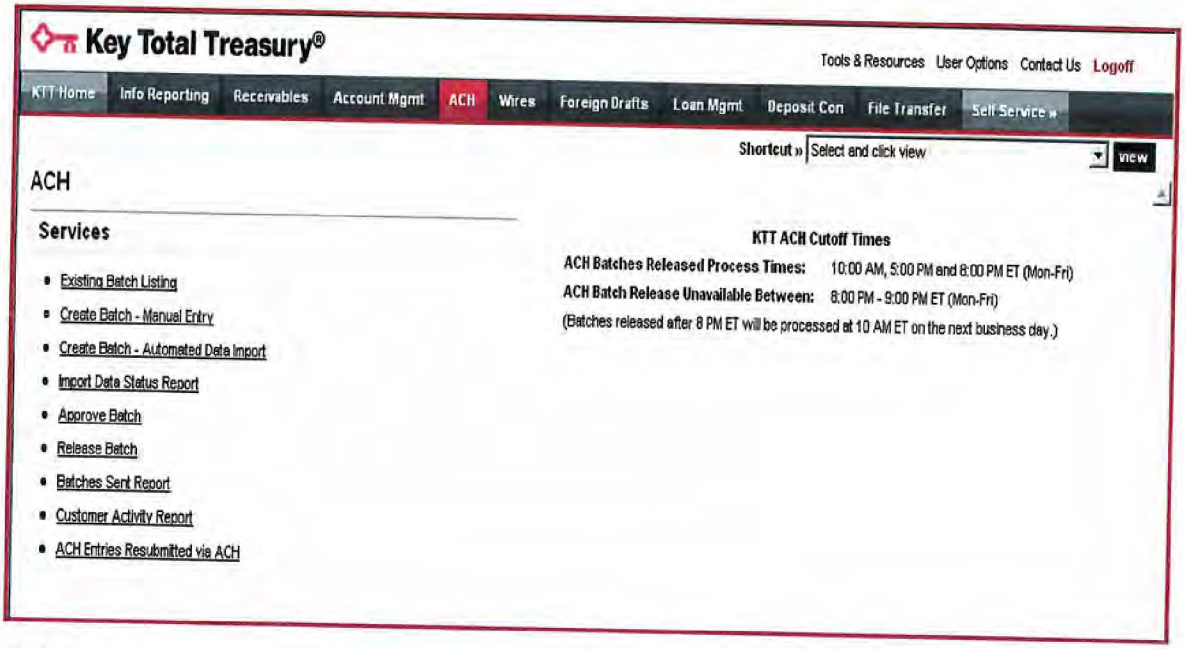
If the City desires, Key can charge the cost of banking supplies against the City's monthly account analysis.

ACH Debit Services: The City processes a direct debit batch four (4) times per month for the payment of both residential and commercial utility bills. As noted below, the City also processes direct deposits of payroll twice a month. Other miscellaneous ACH transactions such as debt service, excise tax, retirement fund transfers and federal tax payments flow through the account each month.

ACH Module

Key can accept and process ACH files from the City via direct transmission in the NACHA format, or online through Key Total Treasury's File Transfer and ACH modules.

The ACH module will allow you to initiate debit and credit ACH transactions through an easy-to-use, integrated set of internet-based tools. If you have proprietary software capable of creating compatible ACH files, you can upload the file directly into the website template, following a set of step-by-step instructions

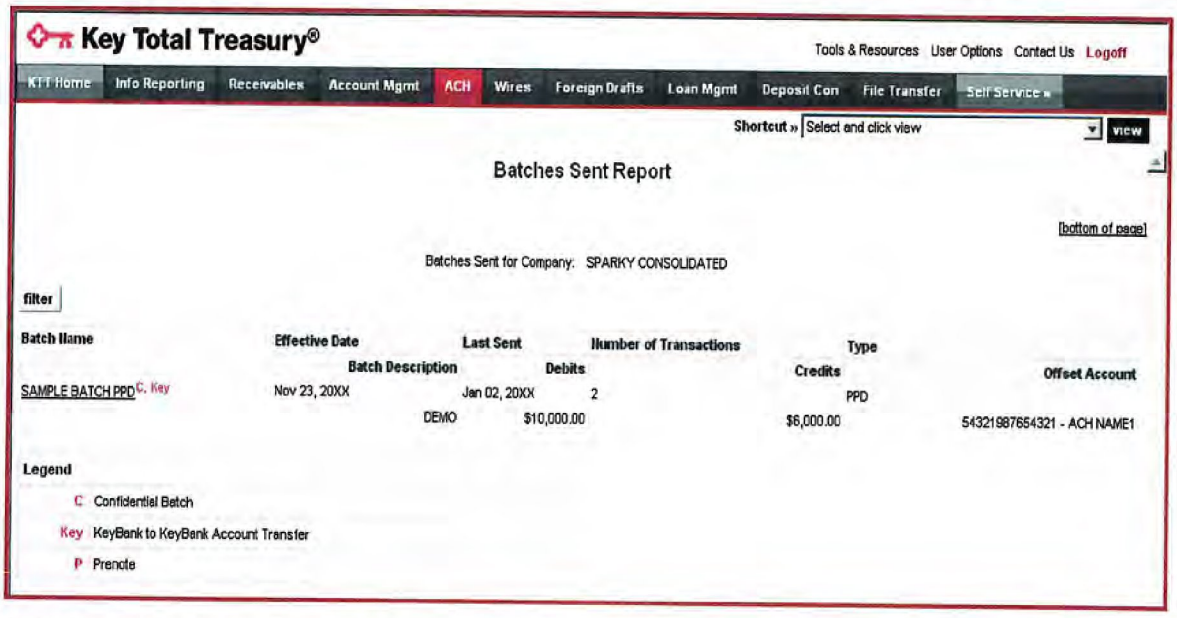


ACH Reports

The following options are available:

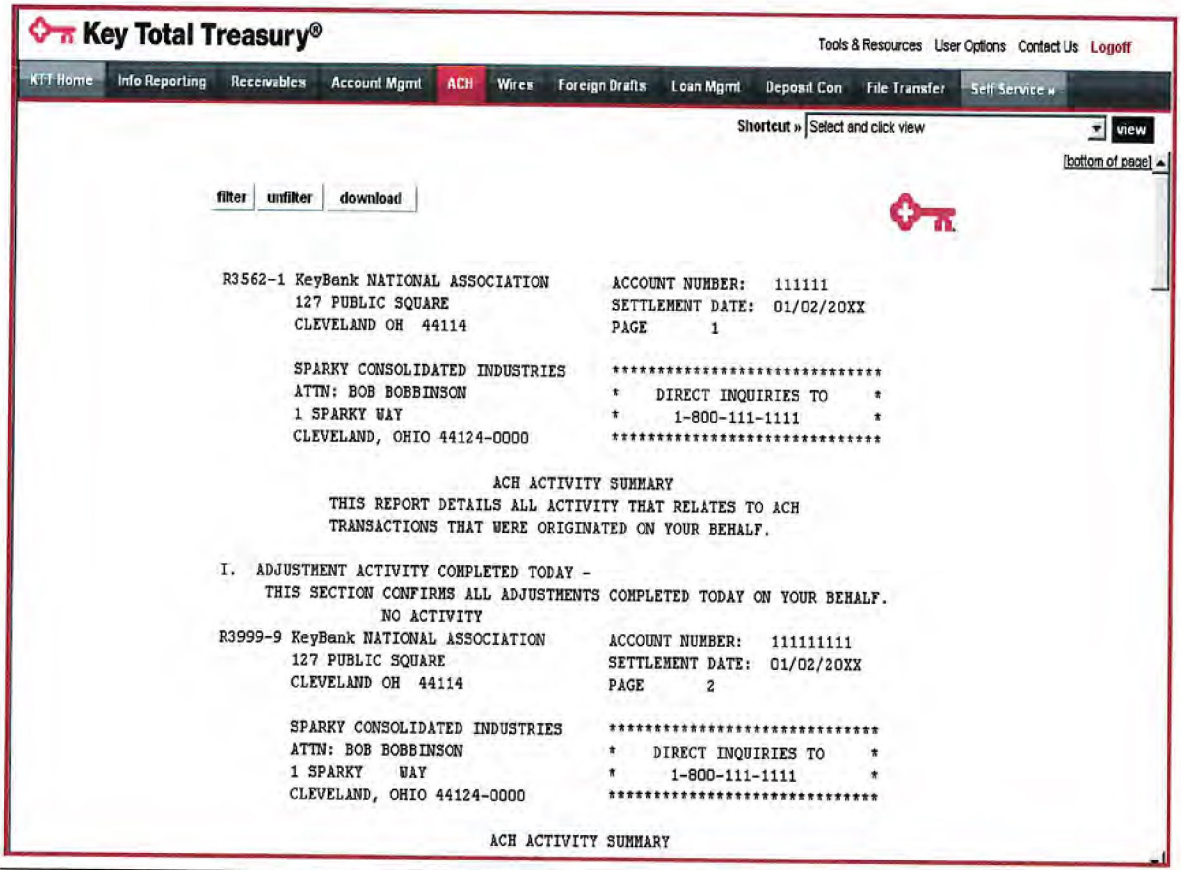
ACH Batches Sent Report

You can view batches that have been sent via Key Total Treasury within the last 12 months.



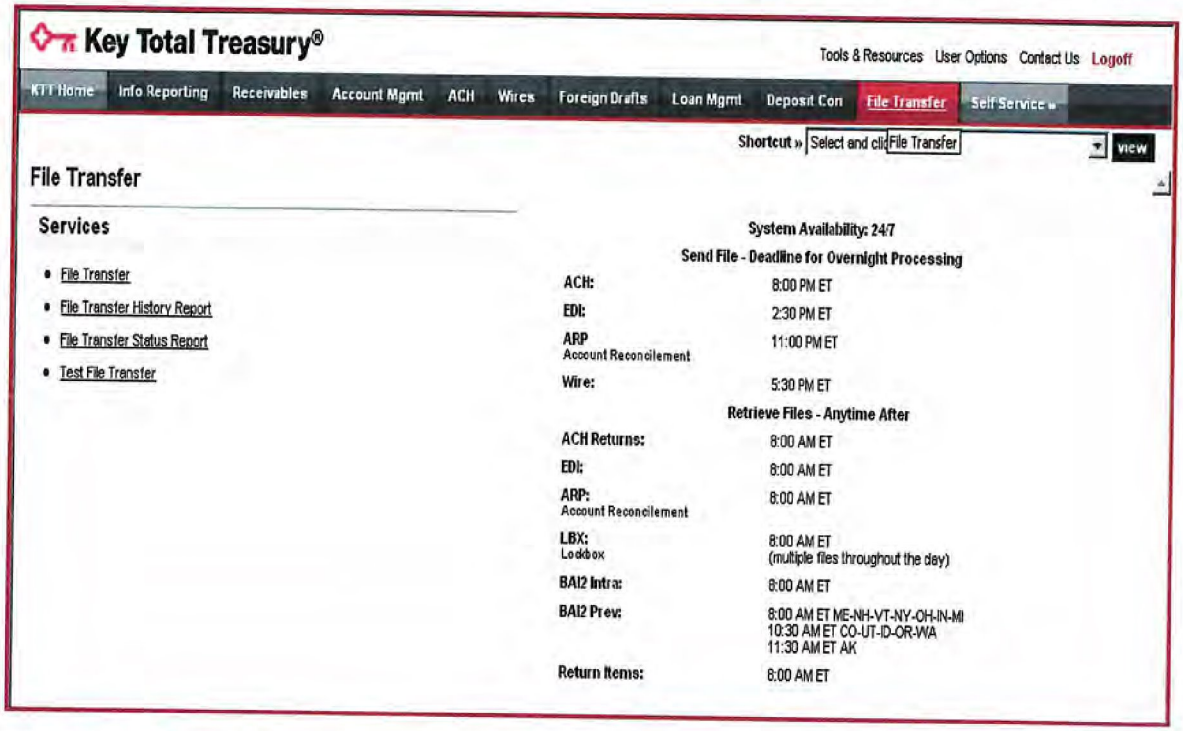
ACH Customer Activity Report (CAR)

This report provides information on all ACH transactions originated from your Key accounts. You will receive a report every day for which there is ACH activity, such as transactions initiated, adjustments, notifications of change (NOC), etc.



File Transfer (Direct Transmission) Module

Key Total Treasury also offers the City the ability to easily transfer files to and from the bank, safely and securely, without needing technical knowledge of transmissions. This module provides a simple, attended or unattended method for processing and/or retrieving files from a designated Key mailbox.



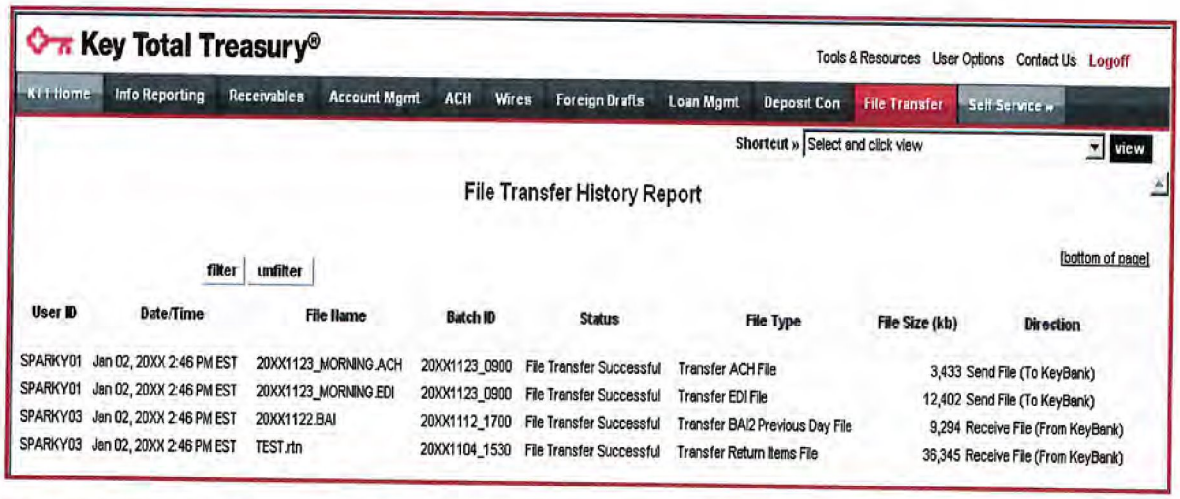
File Transfer Reports

The following options are available:

Status Report

This report shows files that have not been picked up as well as retrieved. You can view the status of inbound/outbound files through 60 days prior to them being retrieved.

History Report
This report shows all files that have been sent and received through the File Transfer module for a rolling12 months.



Direct Deposit for Payroll: Auburn offers and encourages direct payroll deposit for its employees. The City pays its employees semi-monthly on the 8th and 23rd. On an average payroll, 475 employees receive direct deposit, which generates approximately 580 transactions per pay period due to many employees having multiple bank account transfers.

Key can provide payroll Direct Deposit Service to its' employees.

Direct Deposit Service

With our direct deposit service the City can pay its employees electronically using ACH, regardless of where payee accounts are located. Individuals will be paid by as long as they maintain a checking/savings account at an institution that's a member of the ACH network.

The City will be able to transmit its semi-monthly payment files to Key via direct transmission in the NACHA format, or online through Key Total Treasury's File Transfer and ACH modules. Key Total

Treasury's ACH module offers the ability to initiate debit and credit ACH transactions through an easy-to-use, integrated set of internet-based tools. If the City has proprietary software capable of creating compatible ACH files, you can upload the file directly into the website template, using step-by-step instructions.

Once you've created or imported an ACH batch with transactions, you simply update the dollar amounts if they have changed, and set the effective payment date. Then, at least one day prior to the settlement date (same-day for Key-to Key-transactions), you will approve and release the batch.

Key Total Treasury File Transfer Module
Should the City choose; it will also have the ability to easily transfer files to and from the bank through Key Total Treasury's File Transfer module. To retrieve a file, select that option, choose a file type, and then save the file on your PC. When sending files through Key Total Treasury, our system sends it on to the appropriate back-end system.

Direct Transmission
Key offers both attended and unattended file delivery services, providing a simple and secure method for processing and/or retrieving files from a designated mailbox at Key. Encryption is required for all file transfer protocol (FTP) with Key.

Via Direct Transmission and Key Total Treasury File Transfer Module
All transmission channels are available 24 hours a day, seven days a week. However, Key requires that an ACH file sent in through Direct File Origination or web-based file transfer be received no later than 6:00 p.m. PT one business day prior to the file settlement date. Sending your file in by 11:00 a.m. PT will provide an opportunity for making minor changes to your file (if necessary) while still meeting the deadline.

When using our secure direct transmission or Key Total Treasury's File Transfer module, the City's information is protected with multi-factor authentication, Secured Socket Layering and 128-bit encryption. Encryption is required for all transfer protocols with Key, and we will only set up authenticated and encrypted FTP connections.

We prefer that clients connect to our FTP server to place/retrieve files. This gives us greater control over the connection. The options for encrypting FTP traffic are TLS or PGP. We also offer sFTP and AS2/AS3 protocols.

Via Key Total Treasury ACH Module
Key requires that a file sent in through the ACH module be received no later than 5:00 p.m. PT, one business day prior to the file settlement date. However, Key (like NACHA) recommends that you originate payroll and other credit files two business days prior to settlement. While most files settle without incident with a one-day origination window, two-day origination provides the safety that an origination's delay or a posting delay at the receiving financial institution will not impact the recipient.

You must fund disbursements for ACH originated items by the close of business on the effective date of the transactions. The funds must be in the account prior to the end-of-day processing (typically 2:00 p.m. PT).

Each night, Key will collect all data that has been entered and moves the funds via ACH. The total deposits will be credited to your concentration account at Key and any disbursement entries from the concentration account will be credited to the specified depository accounts for next-day payment.

All deposit transfers received Monday through Friday by 5:00 p.m. PT, excluding Sundays and holidays, will be posted to your account the same day. We also offer the option of weekend processing, through which your locations can report deposits through Sunday at 2:00 p.m. PT.

When using Key Total Treasury, our ACH Direct offering delivers self-service ACH management and fraud prevention payment and reporting. Available online via our ACH Direct offering is our Electronic Payment Authorization service, which will provide the City with the ACH Debit filter options it needs.

In addition, the City can also utilize our Key2Payroll Card service for employees who do not have direct deposit.

Key2Payroll - Prepaid Payroll Cards

City employees' money is automatically loaded onto a MasterCard branded prepaid card. After the initial mailing and activation, cards are reloaded electronically for subsequent payments.

City employees can use the Key2Payroll card just like a debit card to:

- Make purchases
- Check balances, transactions, and 60 day transaction history via Key2Payrollcom
- Withdraw cash

Cardholders will have access to live customer service or automated account information by phone at 1-866-295-2955. In addition, Key can block lost or stolen cards, preserving unused funds. Funds on lost, stolen or damaged cards are protected.

Transaction Monitoring

With our Prepaid Debit card programs, the City will have the security of near real-time monitoring 24 hours a day, seven days a week, 365 days per year. Transaction monitoring provides the ability to react quickly to new fraud trends. Our parameter-based systems leverage neural network scores plus rules-based strategies.

Suspected fraud can result in a variety of actions based on the situation. Actions can range from awareness and monitoring, to transaction blocking or card replacement. If a cardholder is impacted by suspected fraud and requires action against their account to temporarily block transactions until verified, replace their card, or reimburse funds, they are contacted by our Operations group at the phone number listed on their account.

If Key is unable to reach the cardholder after multiple attempts, a letter will be sent to the cardholder at the address listed on their account. Card replacement is free of charge and canceling the existing card ensures the funds cannot be accessed by the fraudulent party.

Benefits to the City and City Employees

Employer

- Dispersing funds via prepaid cards ensures on-time delivery of recurring benefits, at a fraction of the cost of a check
  - The cost of issuing "check" for payroll is $6 to $8 per FTE per month versus less than $0.50 for prepaid cards
- Reduced handling cost on every payment
- Reduced fraud possibilities
- Eliminate most voided checks and stop payments
  - After initial mailing, cards are electronically reloaded, avoiding stop payments (lost, stolen & returned checks)
- Improved cash flow and cash control
  - No mail time delay provides on-time payment (similar to ACH direct deposit)
  - Daily reconciliation along with other weekly and monthly reporting provided

Employee

- Consumers that do not have a bank/checking account cannot use ACH direct deposit, thus receive a check in which they pay **2% to 10% at check cashing** companies to "cash their check"
- Reduces fraud and lost monies
  - Removes the insecurity of handling cash until the next pay period
  - Unlike checks, funds on lost, stolen, or damaged cards are protected.
- Cardholders will have the ability to track spend via internet, email and texting (optional)
- Funds are immediately available to employee – no time delay for check clearance
- Funds can be withdrawn over the counter from a Key branch teller
- Cards are accepted at ATMs worldwide. Free access surcharge-free ATM network and Key's ATM network
- The card can be used to make purchases at millions of merchants as well as for e-commerce (online) wherever MasterCard is accepted
- Key can block lost or stolen cards preserving unused funds while electronically shifting monies to newly mailed card
- Cardholder website for balance inquiries, statements, and other customer service functions. No charge to cardholders for website usage
- IVR and live agent, bi-lingual (English & Spanish), customer service

Currently, the City transmits the payroll data to the institution via internet two working days prior to payday. Deposits must be made into the employees' account by 7:00 a.m. on payday. Any deviation from these time limits must be stated in the RFP. Any firm with less restrictive time requirements will be given favorable consideration.

The City from time to time may need to transmit the payroll data one day prior to the pay date. We are therefore requesting RFPs on both a one-day and two-day turnaround. We are interested in what the deadlines for transmission are for both situations.

As your current direct deposit services provider, Key is able to accommodate the City's transmission requirements.

Night Depository Services: The financial institution will provide the City with the ability to make 'night drop' deposits after hours. City staff will prepare a deposit slip and 'night drop' the deposit after hours, for deposit the next day. We currently use the tamper-resistant plastic bags for this function.

The City can drop off deposits during the day or after hours to a secure, vaulted receptacle for deposit the next day. Bags are processed under dual control and stored securely in a locked vault until they are processed.

Data Equipment Compatibility: The City is interested in equipment and data compatibility and therefore requests the specifications needed for an automated wire transfer, ACH debit & credit, credit card, balance reporting and any other automated systems be included in this proposal. Any costs associated with automated data and equipment should be identified on the RFP Sheet form in Attachment A.

Key does not require any specialized hardware or software for our direct transmission, file translation and Key Total Treasury platform.

Key Total Treasury is a web-based system, so there's no need to use special hardware or software. The City will have access to Key Total Treasury from any internet-enabled PC.

For optimal performance, we advise that you use only versions of browsers and operating systems that are currently supported by the manufacturer. This does not mean that older versions of browsers and operating systems will not work with Key Total Treasury. It means that they may not work as well, or as efficiently, or certain functions may not operate as intended.

Processor:	486 or higher
RAM:	32 MB or higher
Communication Method:	36.6 or higher
Must support:	128-bit Secure Socket Layer (SSL) Encryption
Secure Port:	443; Non-secure Port: 80
Adobe:	Statement viewing only. Need 6.0.1 or higher

Key Total Treasury is designed to work with Microsoft Windows 98, NT 4.0 or greater and the application is coded in WebSphere 7.0 using Java language with a database type of DB2 connected via JDBC and stored procedures.

Miscellaneous Optional Services: In addition to the requirements listed above, the proposal shall identify proposed fees for the following services:

- **Rapid processing/deposit options for checks such as Check 21;**

  As one of the first banks to take advantage of the new Check 21 law, we were provided the opportunity to develop the most comprehensive and customizable remote deposit system on the market. We began offering our Key Capture solution in June 2005, and ***our clients rate us a 9.56 on a 10-point scale for overall client satisfaction.*** In addition, the Phoenix-Hecht 2013 Treasury Management Monitor™ awarded Key an "A+" rating for overall features and capabilities of its remote deposit solution.

  As detailed previously in this RFP, our remote deposit solution Key Capture will simplifying your deposits. Key Capture offers easy-to-use, real-time reporting options to help you quickly verify and integrate your deposit activity.

  - Convenience – deposit right from your office whenever you need to
  - Increased deposit preparation efficiency – Key Capture creates a virtual endorsement on the check images, eliminating the step of signing each check
  - Cost savings – avoid time-consuming trips to the bank and eliminate courier fees
  - Improved cash flow – deposit until 8:00 p.m. PT for same-day ledger credit
  - Quick and efficient deposit research – Key Capture's advanced Item-Level Searching allows you to isolate an individual item or a range of items and images, to help you find what you are looking for
  - Detailed reporting options – easy-to-use searching and reporting tools place important information and deposited images at your fingertips for up to 45 days. On-demand reporting

capabilities allow you to easily prepare and export vital information and check images for integration
- Automatic concentration of funds – your funds are deposited at Key, where they can quickly be put to work for you

- **Armored car services;**

  As previously noted, the City can use your existing armored courier service to make vault deliveries, or we can bid on your behalf for services with our recommended vendors. Should you choose to use one of these couriers; the contract will be between the City and the vendor.

- **Courier services;**

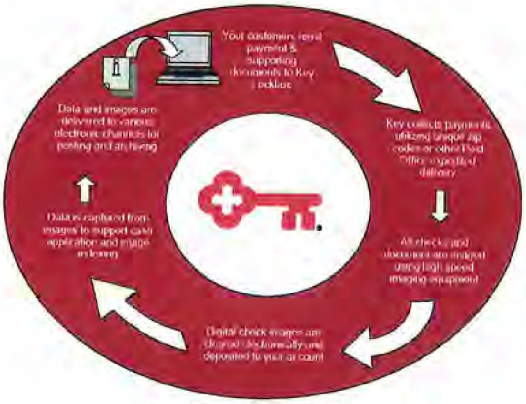
  As previously noted, the City can use your existing armored courier service to make vault deliveries, or we can bid on your behalf for services with our recommended vendors. Should you choose to use one of these couriers; the contract will be between the City and the vendor.

- **Lockbox services;**

  For 40+ years, Key has been providing state-of-the-art lockbox processing to its clients across the country, offering both wholesale and wholetail lockbox and optical character recognition (OCR) scannable capabilities.

  Key's ***Lockbox Services*** Department delivers a quality receivables process, flexible information, and superior customer service in addition to the float advantages customary to lockbox. Key's lockbox can process Wholesale Lockbox, which is customarily business-to-business payments, containing business checks, stubs, invoices as well as a combination of any of these. Wholetail Lockbox is also available and is typically described as consumer-to-business payments containing personal sized checks with a scannable OCR coupon. Envelopes may contain more than one payment or may come in with or without additional documents.

  The very nature of lockbox processing with Key accelerates the collection of payments (mail float), enhances availability of funds (check float), ensures timely processing of these payments (processing float), and deposit information (receivables float). With Key lockbox we can assist you in reducing the receivables cycle time.



Lockbox Workflow

The very nature of lockbox processing with Key accelerates the collection of payments (mail float), enhances availability of funds (check float), ensures timely processing of these payments (processing float), and deposit information (receivables float). With Key lockbox we can assist you in reducing the receivables cycle time.

Wholesale Image Lockbox Processing

Extraction and Registration

After USPS and express mail deliveries are sorted by client, they are allocated to team members for mail extraction. Assigned specialists process the contents of the envelope following customer specific instructions on their workstation. Acceptable payees are reviewed and any special instructions or unique processing is performed along with a negotiability review of the checks. The contents are now placed into a batch of work based on the special instructions. The batch is assigned a unique ID number using a control ticket then registered to a particular client's lockbox.

Controls: Processing instructions are displayed as the lockbox is pulled up and the contents are reviewed. Recent changes to instructions are highlighted to bring them to the operator's attention.

Image Capture

Control tickets, checks, and documents within a transaction are fed into state-of-the-art high speed image capture equipment, IBML ITRAC III scanners. The scanner has the capability to image both the front and back of the documents, lift the MICR, legal amount and courtesy amount from the check.

Controls: The scanner reads the unique ID number to identify what client is being processed, automatically loading client specific for capture settings. Once the batch is captured it is automatically monitored by the system using the agreed upon service level agreement to ensure timely processing of all clients work.

Note: For non-image clients, checks and documents are separated prior to image capture. Check are fed into high-speed imaging devices, NCR's iTran 180's to capture check images and MICR line data for float assignment and electronic clearing. Documents are forwarded to our mail out area and staged to be later matched with check image copies and mailed back to the client per their instruction. (See description of Mail Out below)

Check Amount and MICR Data Validation

The Item Processing functionality for Wholesale items is performed using the images and MICR data captured in the previous step. Numeric amounts of the legible checks are automatically read by the system through the use of CAR (Courtesy Amount Recognition) and LAR (Legal Amount Recognition) technologies. If CAR and LAR cannot read a check, the check will be sent to the Payment Entry queue in the system where a specialist will view a full image of the check and be prompted to enter in the check amount.

Controls: In order to provide accuracy during our deposit process the following are executed:

- A check must have dual amount validation prior to deposit
- During image capture, the courtesy and legal amount of the check are read. If these amounts do not match, the item will be presented electronically to a Lockbox Specialist who will verify the proper check amount for deposit
- During MICR repair, the system presents to an operator any check images which routing and transit numbers could not be read from MICR. The operator can repair the MICR line from the image, ensuring the float assigned is based on an accurate routing and transit number.

Check Processing and Image Clearing

The checks will be assigned availability based on the encode time and availability schedules, and then released to the check clearing process for deposit and collection. All check items in US. Dollars are cleared electronically via image exchange. This allows Key to provide accelerated availability to depository accounts. Volume counts are automatically captured as the remittance documents and checks are processed.

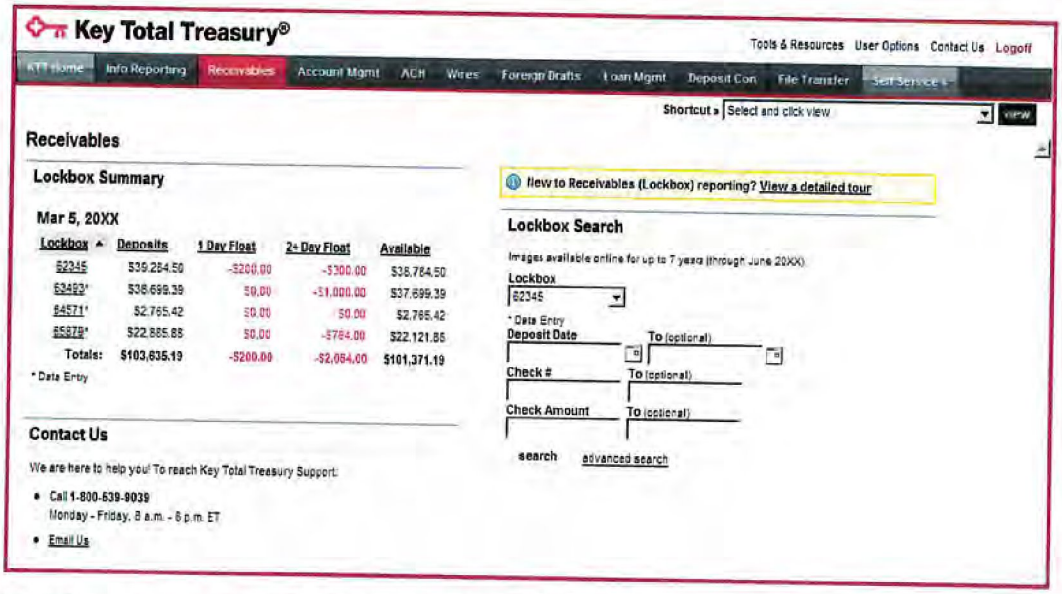
Data Entry
For transmission and information reporting purposes, clients may request data entry of information to be included in their transmission. Key can provide standard information including payor, check number, invoice number, address, etc. The data entry module provides customized screens displayed to the operator, which mirror the invoices or documentation available for input to improve the accuracy of data captured. Operators will enter lockbox and batch number into the system to begin the data entry process. Data can be captured from either the check or the invoice/documentation received in the transaction.

Controls: Data edits such as look-up, check digit algorithms, balancing, etc. can be applied to any field. All required fields must be completed for a document or transaction before the next item can be started.

Transmission (if required)
Any data and or images captured during processing is delivered to an output server where it is formatted and delivered electronically per a client's required instruction and file layout/format.

Controls: The system contains all information required for formatting and delivery of the files, including the schedule for delivery (seven-year image archive, to mirror what is stated below).

Online Image and Data Delivery
All images and captured data (MICR and or data entered information) is sent to archive servers where they are held online and accessible through Key Total Treasury's Receivable module for seven years. A client may also request a CD or DVD of images and data to be delivered on a daily, weekly or monthly basis.



Mail Out – With or Without Re-association (if required)
Check images are automatically printed for clients who request check images to be mailed back to their offices. Re-association is mainly offered to non-image clients who require check copies and original documents returned to their offices in the mail. Check image copies are matched up to original documents. A report containing Deposit Summary can be included in a client package or on-line using Key Total Treasury.

Controls: Batch tickets containing lockbox specific information are used to re-associate the documents with the check copies. The images are reviewed by Lockbox Specialists prior to mail out. Batches are subsequently archived by the system for research purposes.

Key images all checks for clearing and during that process captures MICR from the check to be used in balancing, clearing, and downstream reporting back to our clients. Additionally we provide standard data capture information including payor, check number, invoice number, address, etc. The data entry module provides customized screens displayed to the operator, which mirror the invoices or documentation available for input to improve the accuracy of data captured. Operators will enter lockbox and batch number into the system to begin the data entry process. Data can be captured from either the check or the invoice/documentation received in the transaction.

Optionally, if OCR scanning is required, images are captured of both the check and scannable coupon. MICR and OCR scanlines are read by software and any applicable edits are run against the scanline data. Our equipment performs controls to recognize the OCR scanline to prevent the capture of invalid documents belonging to other companies. It also uses software to validate the OCR characters read.

Our standard transmission format is BAI, and eight different record types are used. However you may use modified record formats; therefore, the record field definitions are typical, not definitive. Typical formats include: fixed width, delimited, BAI, and EDI 823. In addition to check MICR information, files can include data captured via OCR and/or keystroke data entry. Key will work with you to customize your data transmission and design a file that is compatible with your A/R System.

Standard Transmission
Your transmission file may contain detail and summary information as follows:

- *Detail Information* – This includes, but is not limited to: keyed data (e.g. payor name, check date, customer number, invoice number, invoice date, gross amount, discount amount, invoice net amount, and invoice difference) and check information.

- *Summary/Batch Information* – This includes, but is not limited to: Lockbox number, batch number, check count, invoice count, total dollar amount of checks in the batch, total amounts for invoices in the batch, and the invoice difference.

Bulk File Transmission (with Images)
Key's Bulk File transmission is also available the same day as items are deposited. This will allow you to retrieve and integrate Lockbox image files along with the data captured for those transactions. Images can be included with the data transmission or transmitted separately with another data/index file (fixed width or XML). Images can include checks only, remittance documents only, both, or all documents (including any correspondence up to 8.5" x 14.")

The completed image transmission files contain the index file and single tiff (item level images) or multi-tiff (transaction level images). The index file contains information used to match the tiff images from the zip file. The image files can be named in any format that can include Lockbox number, batch number and deposit date. The Images and the Index files will be zipped in a single entity. SFTP with TLS is the mechanism followed.

The index file is used to reference the individual tiff images from the zip file. It contains various fields that can be used to "search" for a specific image including Lockbox number, deposit date, batch number, several sequencing fields, and optional key data. Key provides its Lockbox images in Tiff Group IV format.

We will work closely with you to set up and implement image file transmission as well as test the file and the file transfer to ensure all of your requirements and needs are being met.

Lockbox Differentiators
The most critical element that differentiates Key's service from other lockbox providers is the high priority we place on providing superior client service and quality processing.

Our network consistently has top rated sites, and the ***Phoenix-Hecht 2014 Treasury Management Monitor™ awarded Key "A+" ratings in wholesale lockbox for:***

- Accuracy of processing and reporting
- Overall features and capabilities

In addition, the most recent McKinsey benchmark studies highlight several areas where Key excels.

- According to a recent study, ***Key is an industry leader in lockbox due to its use of lean work cells (based on Lean Six Sigma methodology),*** training and evaluation processes, as well as how it leverages incentives.
- With regard to check processes, the study results concluded that Key employs an optimal check image strategy for its infrastructure. ***Key is one of only three banks that have achieved 99% image clearing with outgoing returns.***

- **Payment of financial system upgrades and fees through the use of the bank analysis as this will enhance our banking/financial processing capabilities;**

  In general, the City can only use earnings credit to offset checking account maintenance fees and eligible service charges. It is not Key's policy to pay for financial system upgrades through the use of account analysis.

- **<u>Credit/Debit card services:</u> If this optional service is selected to be provided by the financial institution it will provide the City with the ability to accept payment through the use of credit/debit cards. The City currently accepts MasterCard and Visa credit cards in person, over the phone and on-line for collection of recreation, utilities, permit fees and other fees. The City currently has multiple locations that accept credit cards, with the possibility of more locations in the future. The City will be credited daily for the gross amount of the bank card transactions. Any sales discount fee or percentage proposed will be charged to the City's analysis statement at the end of each month as part of the activity charges.**

  Merchant Processing
  Key Merchant Services (KMS) delivers end-to-end payment processing services and state-of-the-art transaction processing products; and we handle every aspect of the service relationship – transaction processing account set up, risk and underwriting, funding and settlement, equipment deployment, chargeback management, reporting, and customer service. Our customers can also count on us to keep their payment processing compliant with changing payment industry security requirements.

Payment Cards supported:

- Visa®
- MasterCard®
- American Express®
- Discover®
- Diner's Club®
- JCB®
- Debit Cards (signature and PIN-based)
- Electronic Benefits Transfer (EBT)
- Petroleum Services including Fleet Cards
- Corporate Purchasing Cards
- Electronic Gift Cards (EGC)

Additional Services:

- Electronic Check Verification and Guarantee Service – Point of Purchase (POP), Accounts Receivable Conversion (ARC), Back Office Conversion (BOC), and in certain instances, Internet (WEB), Telephone (TEL), and Prearranged Payment and Deposit (PPD)
- Enterprise Billing Solutions – including Internet, CSR/Admin, IVR (English and Spanish), and Integrated Point of Sale
- Utility Programs
- Convenience Fee Models
- Bill Payment (Pinless Debit)
- Wireless Services
- Contactless Services
- No Signature Required Program Services

Debit Networks:

- Accel
- AFFN
- Alaska Option
- CU24
- Interlink
- Maestro
- NETS
- NYCE
- Pulse
- Shazam
- STAR

Key has partnered with Elavon, Inc., an industry rated third party payment processor. Elavon has built redundancy into its stratus transaction authorizing and processing systems, which regularly achieves 99.8% uptime and extends peace of mind during peak sales seasons.

- ***End-To-End Ownership*** – Elavon processes both front-end authorizations, back-end settlement, and all supporting operation functions in-between, so we have one source for all of your payment processing and service needs.
- ***Dedicated and experienced employees*** deliver products, services and support with an accuracy and clarity that is second to none in the retail payments processing industry. Our dedicated, knowledgeable 24-hour Customer Service team is able to answer any questions you may have regarding your processing.
- ***Flexibles Payment Options*** – You can count on Key Merchant Services to deliver value-added processing services like electronic gift cards and electronic check conversion.
- ***Connectivity*** – Our processing partner is not a one-size-fits-all processor. Our Solutions Implementation team will work with you to determine the best-suited and most cost-effective method for processing on our network.

Our processing environment uses a fault tolerant stratus infrastructure that provides the necessary redundancy required in this industry. The front end processing systems are comprised of load balanced Stratus V series computers. The system is designed to ensure system integrity and uninterrupted availability.

Online Merchant Services Reporting & Support Tools
Monitor your account around the clock from any web browser through Key Merchant Services' online account access tools. You can access all the information you need to manage your electronic payment activity and obtain critical information that can have a big impact on your bottom line. Gain the benefits of real-time customer service, without having to pick up the phone.

Our reporting tools enable you to display recent deposits, view chargebacks and retrieval requests, access customer support and more in a convenient, secure environment.

Basic online account access is free to all Key Merchant Services customers. Your account comes with a single log-on to access information for a single Merchant location. You can view up to six months of past statements, chargeback and retrieval reporting, as well as batch reporting for up to 30 days of settled batch activity. You can also link to report sites for our Electronic Gift Card and Electronic Check Service Programs.

Enhanced information is available through the **premium access level** of ***MerchantConnect***, our most comprehensive, versatile reporting solution. You can access a year's worth of reporting information on multiple MIDs and "drill down" into your data to view batches of transactions grouped by card type or batch reference number. Hierarchical reporting allows you to aggregate data from multiple locations.

Raw Data File Delivery
For large merchants with multiple distribution channels or complex reporting hierarchies that require specialized reporting capabilities, Key Merchant Services' ACS (Automated Customer Service) raw data reports provide detail which is easily exportable to external applications for additional data management and reporting.

With ACS, you can easily retrieve detailed reports with data for multiple locations, including transaction activity, statement detail, and card type history ACS offers a comprehensive list of available reports.

Custom Reports
For merchants with specific reporting requirements, Key Merchant Services offers a full roster of custom solutions. You can receive in-depth analysis of virtually any information that you might need,

from any time period, in any format. Data can be summarized or detailed through a variety of hierarchies—from chain, to region, to store and to individual batch. Integration with enterprise systems eases overall accounting functions.

Security
We take the security of our data, systems, employees, and locations very seriously.
In order to safeguard the merchant and cardholder data both electronically and in hard copy, Key Merchant Services utilizes a combination of firewalls, intrusion detection systems, data loss prevention systems, data encryption, file integrity monitoring systems, access controls, patch management controls and physical security controls to ensure unauthorized users do not access systems or data.

Similarly, to monitor the network, we detect systems and monitor internet traffic, as well as network and host-based controls. Such controls are also used to monitor performance and stability.

We are subject annually to audits for: Statement of Accounting Standards 70 (SAS70); Sarbanes-Oxley; Gramm-Leach-Bliley (through the Office of the Comptroller of the Currency), and Payment Card Industry (PCI) compliance.

Our physical security procedures are monitored and audited by Visa, MasterCard and the Office of the Comptroller of the Currency (OCC/US Government) per standard banking/financial regulations.

Fraud Control
Protecting a business against fraud and other losses is becoming an increasing challenge. We have built extensive fraud monitoring and control features into our network, Elavon, its products and its operations. The network uses a robust set of risk management and fraud prevention tools via a proprietary Advanced Risk Management System (ARMS). ARMS contains empirically derived scorecards that identify risk prior to and post merchant funding, in addition to a business rules-based engine that triggers merchant risk situations for review by investigative analysts. The ARMS system is designed to protect the network's financial exposure and, in turn, provides added protection for the network's merchants.

In addition to ARMS monitoring, the network has numerous other fraud control procedures and exception based reporting aimed at protecting the merchant and the network from exposure to losses. Additionally, the network can and does provide education for merchants on fraud trends and methods.

Customer Service and Support
In addition to your primary KeyBank Relationship contact, Key Merchant Services employs a focused and multi-pronged approach to strategic management of your merchant account relationship. Customized service level offerings are based on customer needs.

Key Merchant Services' customer support and help desk is there whenever you need it. For routine services, Key Merchant Services operates a call center for voice authorization and client assistance that is supported by a dedicated and well-trained staff of service professionals and is available 24 hours a day, 7 days a week. Further, if you have a special need, you may page a Client Support Specialist at any time. This individual will take care of your concerns personally or will refer you to a specialist.

- **<u>Investment Safekeeping Services:</u> The institution may be required to provide safekeeping facilities and services for the City's investment securities. Required safekeeping services include (but are not limited to):**
  - **Receive/deliver securities on a delivery versus payment method;**
  - **Price securities to market;**
  - **Collect coupon bond interest;**
  - **Provide delivery confirmation on new security purchases;**

- **Provide a monthly statement of holdings including fair market value of investments;**
- **Register or transfer securities;**
- **Verify holdings as of specific dates for audit purposes;**
- **Credit the City's account for interest and principal payments on the day received;**
- **Provide maturity and interest payment notices at least 5 days prior to payment date**

The City currently invests in U.S. Treasury and Agency securities that require safekeeping services. The City may invest in other securities allowed by Washington State Statute in the future. The selected firm will be required to comply with all State and Federal regulations regarding safekeeping of municipal securities.

Safekeeping Overview

The KeyBank Safekeeping Department currently provides custodial services for fixed income securities, which include: Fed and DTC security delivery, distribution of principal and interest proceeds and 1099 reporting.

This service is currently provided to over 150 clients, of which nearly half are public/governmental entities. The remaining accounts consist of correspondent banks and corporations. Assets under custody totaled $1.7 billion as of 3/31/2013.

Department Staff

Key's Safekeeping Department is located in Cleveland, Ohio and has one full time Analyst and one manager with a combined 20 years of banking experience. The Analyst is responsible for handling trade settlements as well as principal and interest payments received for safekeeping accounts. Staff is available during the hours of 8:30 a.m. to 5:30 p.m. ET (5:30 a.m. to 2:30 p.m. PT). Backup support is fully trained in each of the Department's functions to ensure staff coverage at all times.

Securities Accepted

The Safekeeping Department currently utilizes the custodian services with the Federal Reserve Bank (FRB), Depository Trust & Clearing Corporation (DTCC) and the Bank of New York (BONY). This diverse group of custodians allows us to accept fixed income securities. For example, this includes government and mortgage-backed securities (FRB), and corporate and municipal securities (DTCC). Key Safekeeping cannot hold equities or mutual funds for Safekeeping customers.

Transaction Settlement

Written trade or delivery instructions are accepted only from authorized persons via fax or e-mail into a shared mailbox. This means your trade instructions receive immediate attention, even when backup personnel are handling the activity. For ***any*** trade discrepancy, customers will be verbally contacted prior to our acceptance of the trade. Starting at 2:00 P.M. ET (11:00 a.m. PT), Key will notify a customer if an expected security has not been received (failed trade). The cut-off for delivery instructions is 1:00 P.M. ET (10:00 a.m. PT). All trades are settled on a delivery versus payment basis unless otherwise indicated. Successful transactions are confirmed with a Safekeeping receipt that is mailed next day.

Principal and Interest Payments

Safekeeping principal and interest payments can be credited to your KeyBank checking account paid by wire, by check or forwarded to KeyBank Capital Markets for reinvestment if you maintain a brokerage account as well.

Advices and Notifications

A Safekeeping receipt is sent for each security deposited to your account. For securities held in the account, principal and interest credit advices are mailed or e-mailed on payable date. Maturity notices are mailed ten days prior to maturity date.

Statement – Standard
Statements are available by mail or e-mail on a monthly, quarterly or semi-annual basis. Key offers the *Account Verification Statement* that provides a list of securities held at month-end. This statement includes CUSIP, security description, interest rate, and maturity date, date of acquisition, receipt number, original par, current par and market value. This report is standard reporting for all Key safekeeping accounts. Key can provide a duplicate copy of this statement mailed to a different address per your request at no additional cost to you.

Statement – Additional
Upon request, Key offers an *Activity Statement* that provides account activity information for Custody Holdings. The Custody Holdings section provides a list of all assets held in your safekeeping account.

Billing
Key has a flexible billing process, which can be tailored to meet your individual needs. Safekeeping billing can be done on a monthly, quarterly or semi-annual basis. Several methods of payment are also available. Safekeeping fees can be directly debited from your KeyBank Checking Account, applied to your account analysis or paid by check or wire transfer.

Key is in compliance with all State and Federal regulations regarding safekeeping of municipal securities.

- **Purchasing Cards: The City is currently utilizing a purchasing card program under the State contract for making routine purchases in lieu of the normal requisition/purchase order mode of operations.**

As previously noted Key is able to provide purchasing card payments for the City and associated vendors. ***Key2Purchase*** is a cost-neutral, one-card solution that streamlines the purchasing process by reducing or eliminating the time and expenses associated with purchase orders, check requests, petty cash, and other components of the purchasing cycle. It provides access to business expenses through standard and custom reporting, as well as real-time controls – all via a centralized online platform.

Our program includes a multipurpose commercial card solution with the flexibility to be used as a purchasing card, travel & expenditures (T&E) card, electronic AP card, or a combination of all card types.

- **Purchase or Vendor Card** – Purchase card designed for use by accounts payable departments to purchase general goods and services
- **Single Use Ghost Account** – A one-time use virtual account number provided to vendors for invoice payments
- **Employee T&E Card** – Corporate card designed for use by employees who frequently incur travel and entertainment expenses
- **Combination T&E and Purchase Card** – A customized program that combines the features and functionality of all cards into a single solution; all card types can be managed on the same platform

The Key2Purchase card program can fully support your traditional purchase and T&E capabilities, while also providing industry leading AP automation functionality, card management and transaction reporting.

- Key2Purchase.com provides real-time tools to manage spending, access, usage, fraud ,and audit reporting controls

- Transactions can be automatically mapped to financial codes by Account Number, Merchant Category Code (MCC), Merchant Name, etc.
- Increase operational efficiencies with automation and the integration of card data in ERP/accounting system
- Improve supplier relationships by accelerating payments with detailed remittance data
- Increase revenue with rebates based on spend volume
- Multiple payment options: Automated Clearing House (ACH), wire transfers, and online payments
- Real-time spend alerts
- Built-in online expense reporting and approvals for your T&E program
- Worldwide acceptance via MasterCard ®with: MasterRental® Insurance/CDW, Purchase Assurance, MasterAssist ® travel Assistance Services, and Extended Warranty Insurance

Our MasterCard branded commercial card program, works in conjunction with our web-based reporting tool, Key2Purchase.com. ***Key2Purchase.com*** is a web-based reporting system supported by the Encompass platform. Key has partnered with AOC Solutions and Hewlett-Packard to provide this industry-leading management platform that offers real-time card control, transaction reporting, cost allocation, workflow management and GL interface.

We work with AOC Solutions to provide the Key2Purchase.com Program Administration and Reporting System, using Hewlett-Packard as our processor. AOC has 11,000-plus clients today on our platform in various verticals (not limited to) from Fortune 500/1000, energy and utilities, healthcare, public sector, higher-education and non-profit.

Key will provide a standard file format which the City can use to format the AP file export from the City's existing AP platform. In the event the City cannot code to this file standard, Key will work with the City to create a custom AP file extract that works for both parties. Our platform supports a variety of standard core file formats or can accommodate the use of any custom layout.

Reporting

Key2Purchase.com is a web-based reporting system, fully hosted and available 24/7. Our ability to offer a single sign-on that supports distributive card, electronic payables, and T&E will allow the City to manage multiple programs all while ensuring roles- and permission-based logic. With our leading electronic payables technology, Key2Purchase allows for the most automatically reconciled program.

Key2Purchase.com provides a variety of standard reports that provide volume spend by merchant name, MCC, date, cardholder, etc., and the ability to create your own ad-hoc reports with the ***Report Wizard.*** Within the Report Wizard, all the data fields that make up a transaction, including Level 3 data, can be selected and used to pull meaningful information.

Our standard reports currently available include:

- ***Accounts Report*** – The Accounts Report shows accounts with credit limit, current balance, and current statement amounts. A sample Accounts Report is included in the Appendix for your review.
- ***Expense Log Report*** – The Expense Log Report shows transactions with financial code breakdowns by cardholder. A sample Expense Log Report is included in the Appendix for your review.
- ***Transactions Report*** – The Transactions report displays a list of transactions by card holder. A sample Transactions Report is included in the Appendix for your review.
- ***Transactions with Purchasing Detail Report*** – The Transactions with Purchasing Detail Report includes information provided in the Transactions Report, along with purchasing line item detail. A sample Transactions with Purchasing Detail Report is included in the Appendix for your review.

- ***Users Report*** – The Users Report provides basic user information. A sample Users Report is included in the Appendix for your review.
- ***Accounts Payable Merchants Report*** – This report displays basic information about Accounts Payable Merchants. A sample Accounts Payable Merchants Report is included in the Appendix for your review.
- ***Accounts Payable Reconciliation Report*** – The Accounts Payable Reconciliation Report review merchant logs by transaction posting date.
- ***Active Card Account Report*** – The Active Card Account Report displays all active cards.
- ***Merchant Logs Report*** – The Merchant Logs Report shows merchant logs with invoice detail and posted transactions.

- ***MCC Summary with Transactions Report*** – The MCC Summary with Transactions Report total transaction amounts summarized by the MCC assigned to each transaction. A sample MCC Summary with Transactions Report is included in the Appendix for your review.

Extensive reporting functions include standard and custom options and can yield valuable information to help monitor the City's spending, improve your relationships with suppliers through detailed remittance data, and help facilitate better pricing. The City will have control over T&E expense reporting, purchase card spending, transactions allocation, audit reporting needs, and the ability to update your financial system with GL extracts.

Key2Purchase solution offers multiple ways for the City to reconcile your expenses monthly using our online application, Key2Purchase.com. Users with the appropriate privileges assigned to their role can search for specific card accounts using the search options:

- Last Name
- First Name
- Account Number
- Hierarchy

Assigned users can also search for cards assigned to their user account, including proxy accounts.

Specific transactions on card accounts can be searched by period, billing cycle or custom date period. Multiple search criteria can be selected to further narrow transaction results. Up to 20 financial code segments are available to support allocation.

Reports can be generated from standard extracts (purchase card extracts) or the Report Wizard and exported in a number of formats (including Excel, CSV, etc.). Also available are custom extracts to provide all the data points you may need

Key2Purchase can provide GL and other types of extracts and file feeds into the City's ERP, typically via an FTP set-up. We have provided these types of files to numerous clients in various formats to accommodate a wide range of accounting software. We will work with you to identify the types of files or extracts you will need, as well as the frequency and delivery options available. In the event that the many standard file types we provide do not meet your needs, we offer custom file coding to support all unique file requirements.

Settlement Terms
Billing can be setup for corporate pay or individual pay. Payments can be prepaid or paid daily, weekly, bi-weekly and post cycle with 14 days grace.

Payment in full should be received and posted within 14 days after the billing cycle. Balance is required to be paid in full each cycle.

Statements
Statements are available online via Key2Purchase.com, for both cardholder and central billing

accounts. Statements are available the day after cycle ends. No physical mailing of statements is done.

Controls
Our program is 100% PCI compliant. To learn more about the PCI certification, process and requirements, please visit pcicomplianceguide.org.

In addition, stored data is encrypted based on leading industry standards. Web access is controlled through Secure Socket Layer (SSL) encryption.

Key2Purchase.com is a roles- and permissions-based application. Key will work with the City to assist in setting up the initial roles and associated permissions for the Program Administrator and management level personnel. In addition, Key will help define a cardholder role as well as other required roles that may be assigned by the City Program Administrators as needed.

The City will have full access to create unique or individual roles as needed, and the ability to assign permissions to each of the roles created, allowing complete customization of user access and functionality within the application. Your designated Relationship Manager and IT Lead will be available by phone, e-mail, or on-site visits to assist you with any additional set-ups, long after implementation is completed.

Key2Purchase.com allows Program Administrators to:

- **Create Card Profiles:**
  - Traveler
  - Sourcing
  - Admin
  - HR
- **Credit Limit Controls:**
  - Cycle Limit
  - Single Purchase Limit
  - Daily Limit
- **Transaction Controls:**
  - Transactions per Day
  - Transactions per Cycle

Key2Purchase reduces risk by providing extensive spending and usage controls for every cardholder.

Fraud Protection
We actively screen transaction activity for fraud patterns. The reporting capabilities within Key2Purchase.com allow Program Administrators to schedule reports that monitor transactions meeting conditional criteria such as transactions over a dollar limit, transactions by MCC, disputed transactions, cash advances, or monitoring of vendor ghost accounts. The scheduling of reports can be daily, weekly, or monthly and will be delivered via email. Transactions that have been disputed will be flagged within Key2Purchase.com, allowing Program Administrators the ability to report and monitor the resolution status separately from other charges, cash advances, and fees.

Liability
The Key2Purchase card solution is corporate liability program. The City will decide who receives a card, the credit limits on the card, and how the card should be used. The City is liable for all debt incurred on all cards and accounts. The City will be responsible for reporting lost/stolen cards immediately. The City will need to follow a dispute process for any transactions that are the result of a lost or stolen card or account.

Cardholders and Program Administrators can contact our 24-hour customer service department to report a lost or stolen card. The replacement card will be sent to either the cardholder or the Program Administrator based on the rules set up for the program during the implementation process. Program Administrators also have the ability to close accounts through Key2Purchase.com.

The *MasterCard MasterCoverage Liability Protection Program* protects clients from fraudulent transactions and the association may assume the liability from the resulting loss.

With Key2Purchase, the City will have the ability to semi-customize cards by "Hot Stamping" information in the top right corner of the card for a $300.00 fee. This area of the card can be used for logos, seals, Tax Exempt ID numbers, or Organization names.

- **Other services provided by your institution that would be beneficial to the City of Auburn, but have not specifically been addressed. Please itemize on the RFP Sheet form in Attachment A.**

Key2Payroll Prepaid Debit Card

Key2Payroll is your secure, low-cost alternative to payroll checks for City employees that do not have direct deposit. Your employees' money is automatically loaded onto reloadable MasterCard prepaid debit cards that are globally accepted.

Issuance

- Cards are issued by KeyBank
- The City has two options for card distribution – mailing direct to individual employee households or instant issue cards on-site to employees.

Loads

- ACH Funding by the City; nearly the exact same process as ACH Direct Deposit
- Cards can only be loaded by the City (single source load)

After the initial mailing and activation, cards are reloaded electronically for subsequent payments. Employees can then use them just like a debit card – to make purchases check balances, and withdraw cash. It is not only convenient for your employees, it also saves them money by eliminating the high fees associated with check-cashing facilities.

Key2Payroll Employer Toolkit

Our Key2Payroll Toolkit makes it easy to launch a payroll card program. The ready-to-go resources, available in English and Spanish, were created to help you educate your employees about Key2Payroll card benefits and encourage their participation in the program.

Cardholder Enrollment

Key allows for two options for the employee:

- Log in with unique username and password via secure portal to enter necessary cardholder information
- Batch file upload through spreadsheet template

Cardholder Account & Card Production

- Upon receipt of enrollment file, Key creates an electronic deposit account "EDA" for each cardholder, where funding is directed.
- Simultaneously, (if not issuing an instant cad), an electronic file is submitted to Key's card production facility to fulfil and mail cards to each cardholder household.

Funding

- All funds will be prefunded via ACH into the City's DDA (funding account)
- Loading funds is electronic, simple and cost effective for recurring payments

Activation

- Cardholders will receive a card packet, shipped to their home, or provided at time of instant issuance; outlining the program; how to access funds, fee disclosures, as well as the card itself.
- Cardholders can activate their cards by calling the toll-free Customer Service phone number 24/7/365 using the automated IVR, in English or Spanish.
- During activation, cardholders are prompted to select a four digit PIN used for ATM and PIN-based merchant transactions.

Card Usage

- Immediately upon activation, cardholders can access their funds at ATMs, withdraw money from a teller-assisted withdrawal at a MasterCard member bank branch, or purchase goods at retailers and online.
- Access to cash is low cost, safe & convenient at MasterCard member bank branches, ATMs or cash back with purchases at retailers where MasterCard is accepted.

Support

- Cardholder: 24 X 7 X 365 domestic live agent and IVR support in English or Spanish, along with a secure and convenient cardholder website providing balance information, transaction activity, text or email alerts, and online bill pay functionality.
- City: Domestic program management from Key with secure and easy to use internet applications that allow you to enroll, maintain, and search on cardholder information and access program reports.

Cardholders will receive a Key2Payroll Card Packet shipped to their home or provided at the time of instant issuance. The card packet outlines the program, card activation instructions; how to access funds, cardholder terms and conditions, a schedule of card fee disclosures, as well as their Key2Payroll card.

If a card is lost or stolen, employees would contact KeyBank's enrollment 24x7x365 domestic cardholder customer service center. After successfully answering unique security questions, KeyBank will immediately shut down usage of the card. Because funds are associated to the account rather than the card, the money is not lost or transferred to another card. The card is the access vehicle to the account and associated funds. By cancelling the original card, access to the funds is prevented. A new card associated to the account will be embossed, fulfilled and shipped via first class USPS mail to the cardholder's household. Upon request of a cardholder, the card can be expedited (overnight shipping).

Funds already paid would only be accessed by the replacement card and subject to shipping timelines selected. Funds that haven't been paid could be provided via a new account with an instant issue card. The City would simply enroll the employee in another account and provide a card from stock on-site. Payment to that account would be through ACH and provided same day if necessary.

Reports

The standard reports available to the City are:

- New Account Report: Provides details around all newly opened accounts on a given day.
- Instant Issue Card Summary: Lists all instant issue cards opened on a given day.
- Card Never Activated: List of cards that have not been activated.

Standard reports are available to client directly through Key Total Treasury.

Statements

Employees have access to their full transaction history through the cardholder website www.key2payroll.com free of charge. If the employee would like a paper statement, they can elect to receive monthly paper statements mailed and posted to the cardholder website for a nominal monthly fee.

Employees can access their account to inquire on their balance and transaction activity through the toll-free Customer Service phone number at no charge. The domestic, bi-lingual (English and Spanish) Customer Service Representatives and Interactive Voice Response (IVR) application are available 24/7/365 at no charge by calling 1-866-295-2955.

Employees can also access the secure and convenient cardholder website at www.key2payroll.com to do the following:

- Change your PIN
- Check your balance
- View card transactions
- Online bill payment
- Request paper statements
- Update your contact information and address
- Sign up for email or text message alerts

KTT Mobile

As previously noted, Key recommends KTT Mobile, if the City wants 24/7 remote accessibility.

KTT Mobile offers a select group of functionality tailored for Key Total Treasury users. All features use existing entitlements, so you will have access to mobile functionality if you have it in Key Total Treasury. KTT Mobile's features are targeted for approvals on the go and account information optimized for your mobile device.

Setup and manage access to KTT Mobile for:

- Positive Pay decisioning
- ACH Approvals/Release
- Wire Transaction and Template Approval
- Self-service Approvals and Password Resets
- Account Information

Access your Intraday and Previous Day reports optimized for your mobile device. Search for transactions, save common searches, and filter long lists easily.

View Intraday and Previous Day Account Summaries and Details, Search Transactions, and execute Book Transfers.

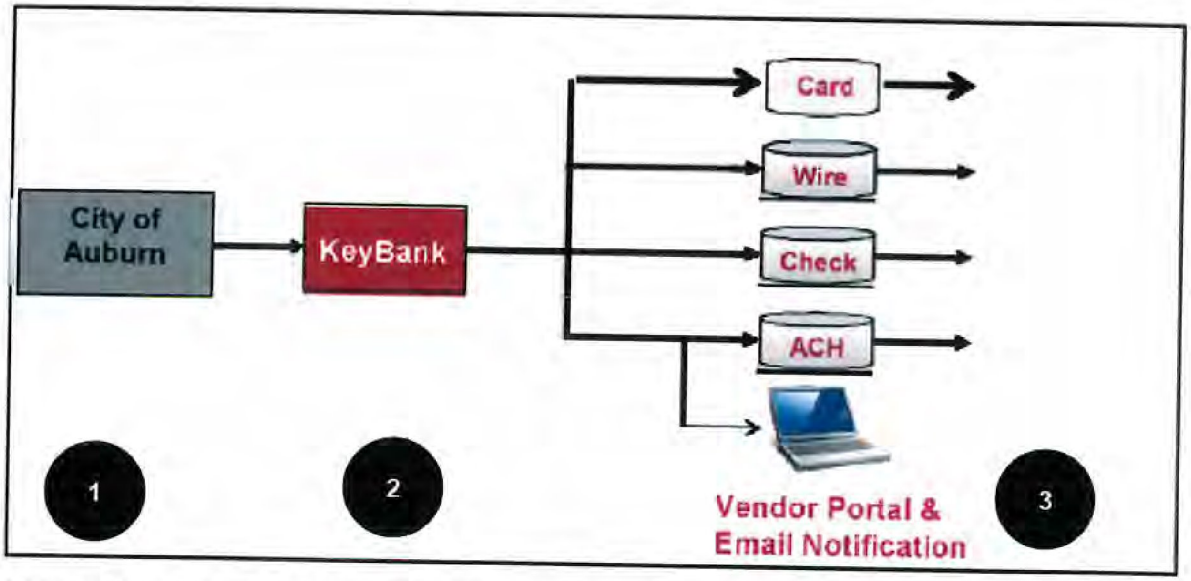
Please visit our Key Total Treasury Mobile demo at the following link:
https://www.key.com/gen/html/ktt-mobile.html

Consolidated Payables

The City can realize significant benefits by streamlining the company's approach to making payments. Key's ***Consolidated Payables*** solution helps to:

- Reduce the number of files needed to initiate payments;
- Improve the security and timing of those payments; and
- Leverage Key's help to transition check payments to electronic alternatives for your vendor payments.

The City will be able to submit a single payment file containing any combination of check, ACH, wire, and/or card payments directly from your treasury systems, ERP, or accounting package, or by easily uploading a file to the ***Consolidated Payables Online Portal***.



Additional features such as approval workflows, email notifications and a searchable payments archive allow you to further streamline the payables process.

How it works:

1. The City submits combined payment files to Key directly from your ERP or treasury management systems, or upload payment files using a secure online portal, in any electronic format your system supports.
2. Once submitted, authorized users can then leverage our online portal to review, approve, and release payment files for processing.
3. Key will then separate your payment data in the approved file; we format check, ACH, wire and even card payments data, while retaining the associated remittance information for each payment.
   - Once payments are separated and formatted, electronic payments (ACH, wire and/or card) will be initiated, check payments will be printed and mailed (when check outsourcing services are used), and check issue information (for services such as ARP and Positive Pay) will be recorded.
   - Emailed notifications are available to help verify the accuracy and completion of all files processed.
   - Extensive reporting and data extract options provide quick and easy reference details for all processed payment files.
   - The City may also choose to leverage Consolidated Payables to deliver emailed remittance details to your vendors as well as provide vendors with detailed remittance access within the vendor portal.

Consolidated Payables Vendor Portal Overview

Key understands that the goal of moving payments from paper to electronic is front and center in the

minds of many of our clients. More than simply offering electronic payment options like ACH, card and wire alternatives, Key believes it is equally important to provide the tools and services that help our clients turn the goal of electronic payments into a reality.

As part of our Consolidated Payables solution, Key can work with the City to design a comprehensive campaign to evaluate vendors for different payment options, reach out to them with targeted messaging, and help enroll those vendors to receive electronic payments. In addition, Key provides specialized services to help reduce the hurdles to electronic payment adoption while delivering value added services that benefit you and your vendors:

- Key can help develop a plan to shift payments from paper to electronic options.
- For card and/or ACH transactions, Key can help identify candidates for card and/or ACH payments, and help deliver targeted messages (email or standard mail) to vendors to drive enrollment in Card and/or ACH.
- For check outsourcing, Key can help create targeted messaging to check recipients to outline the value of electronic payments, and providing a call to action to enroll in card and/or ACH.
- For Consolidated Payables clients, the ability to email payment advices and post remittance details to a dedicated Vendor Portal helps vendors complete their payment reconcilement; reducing a significant barrier to card and ACH adoption while at the same time reducing phone calls to clients related to current and past payment details.

These services, provided as part of a comprehensive electronic payments strategy, can help reduce payment costs and capitalize on the efficiency of electronic payment alternatives.

Integrated Receivables

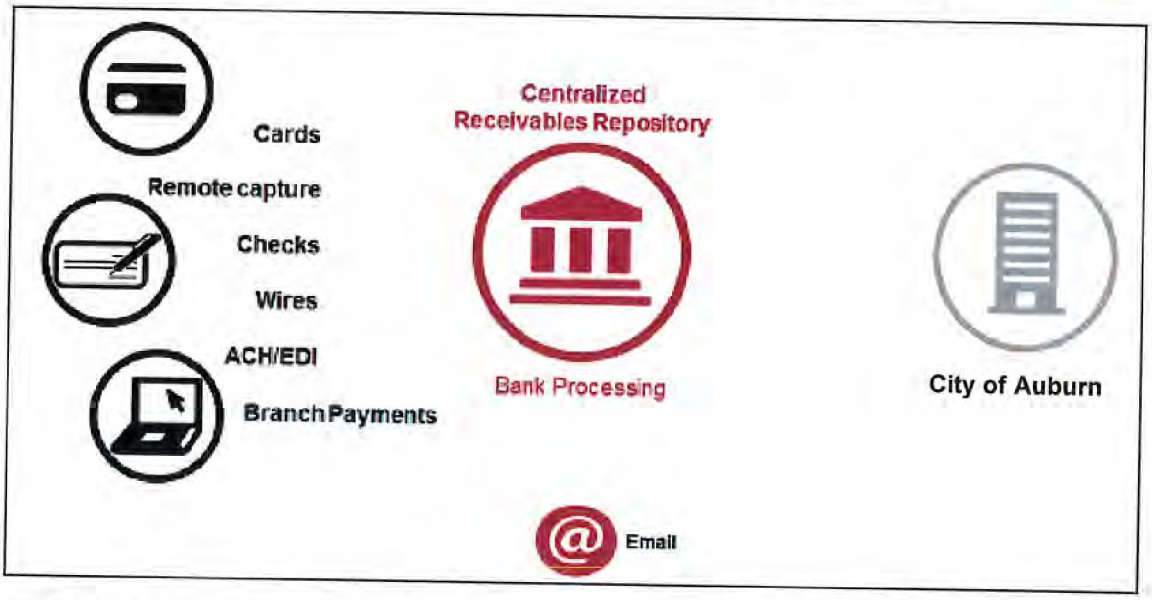
While accepting multiple types of payments is vital to performing the City's business, relying on multiple methods of receiving data can significantly impact the time it takes to post your receivables. To improve the City's overall accounts receivables processing, Key offers an ***Integrated Receivables*** solution that will provide a single file that will let you easily post multiple payment types at once.

The file will consist of all lockbox, ACH and wire payments, which you can load directly into your accounts receivable system. If in the future, the City chooses to add either KeyPay or Bill Pay Consolidator to its treasury services, these payments can be integrated into the file as well. This promotes straight through receivable processing from one file, and the City can specify whether you receive BAI or flat files.

File frequency and delivery times are as follows:

- Once a day – By 8:59 p.m. PT
- Four (4) times a day – 5:00 a.m., 9:00 a.m.,12:00 p.m. & 4:00 p.m. PT
- Every fifteen minutes – 6300 a.m. to 4:00 p.m. PT

The following diagram provides a high level overview of the work flow:



File Delivery
Direct file transmission via:
SFTP + Secure File Transfer Protocol
FTP w/PGP = File Transfer Protocol with PGP
FTP w/TLS = File Transfer Protocol with TLS
AS2

Posting all payment types at once, in a single file, leads to increased cash application performance and fewer errors, exceptions, and unauthorized payment discounts.

Services Not Provided: In the event that the primary proposing financial institution does not provide all requested services included in this RFP, the financial institution will submit as part of its proposal additional partners/providers whom do provide these services. It is the sole responsibility of the primary financial institution to secure and maintain the relationship with any additional providers. The primary financial institution, at the time of RFP submittal will identify all secondary providers.

Should the financial institution be unable to secure and provide the relationship, in certain instances such as the City's financial system software vendor or armored car services, the city may contract with independent service providers.

Key acknowledges and understands.

Section VIII. Banking Services Questions/Statements

Please provide your responses to the items below in the order presented.

A. Provide the names of individuals, with phone numbers and e-mail addresses, who will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal requirements.

Because we place a premium on relationships, we have developed the 1Key Client Experience. 1Key defines our operating behavior – our commitment to deepening client relationships, providing comprehensive services, and meeting the needs of individuals and institutions. With this in mind, we assigned the City with a dedicated team to serve your needs. This same team will be your contacts throughout your banking relationship with Key.

Your Key Team

Your Key Team members are dedicated to maintaining a close relationship with the City. They will provide you with a personal and hands-on approach, beginning with implementation of any new services and lasting throughout the relationship.

Each team member is familiar with the City's proposed banking relationship with Key. As such, in the event that one of your main contacts is not available, the other qualified members of your Key Team are ready to step in seamlessly and assist you. The City's Key Team members are as follows:

Contact	Expertise/Role	Address/Phone/Email
Robbi Stedman	Vice President Senior Relationship Manager Public Sector - West KeyBanc Capital Markets	1301 5th Avenue Seattle, WA 98101 Phone: 206-3436970 Fax: 866-785-9277 Robbi.Stedman@Key.com
Michael Thomas	Vice President, Western Region Public Sector Cards and Payments Enterprise Commercial Payments KeyBank	1301 5th Avenue Seattle, WA 98101 Phone: 206-689-5713 Fax: 866-785-9277 Michael_D_Thomas@KeyBank.com
Debbie Rivetts	Vice President, Senior Client Manager Public Sector Cards and Payments Enterprise Commercial Payments KeyBank	1301 5th Avenue, 25th Floor Seattle, WA 98101 Phone: 206-343-6961 Fax: 866-785-9277 Debbie_A_Rivetts@KeyBank.com
Le-Hoa Vu	Sales Associate Public Sector KeyBanc Capital Markets	1301 5th Avenue, 25th Floor Seattle, WA 98101 Phone: 206-343-6963 Fax: 866-785-9277 Le-Hoa_Vu@Key.com

Robbi Stedman will continue to be the primary contact for the City's account management, along with the partnership of Michael Thomas. They will work with you collaboratively to ensure your complete satisfaction with the relationship, as well as act as trusted advisors in helping you accomplish your financial objectives. Robbi will make certain that all contract requirements are met and educate you about new solutions and services that are available to meet your changing needs.

With more than 16 years of experience providing treasury management solutions, Michael will work with you to tailor your cash management solutions and services to produce the most beneficial results for the City, meeting both your current and future financial needs. He will serve as your payments

advisor and will be supported by Debbie Rivetts. Debbie will be your day-to-day contact and participate in the implementation of any new services.

Debbie's responsibilities include daily customer service for any questions, changes or needs related to the relationship. She has extensive expertise with government entities in the State of Washington and understands the unique needs of the public sector. This includes personnel and their roles, the City's account structure and related services. Debbie has worked exclusively with public sector clients since 2000 and truly makes a difference by delivering professional and timely solutions to our clients.

Roles and Responsibilities

- Robbi's responsibilities for the City will include:
  - Serving as the City's relationship manager and primary point of contact;
  - Maintaining oversight of Key's entire City relationship; and
  - Ensuring the depth of Key's capabilities is available to the City.

- Michael's responsibilities for the City will include:
  - Serving as the City's Treasury Services expert, keeping you apprised of industry changes and product development;
  - Tailoring Key's cash management solutions to meet the City's current and future needs; and
  - Overseeing the implementation of new services and enhancements to the City's relationship.

- Debbie's responsibilities for the City will include daily customer service for any banking questions, changes or needs. As the City's day-to-day contact Debbie will:
  - Serve as the liaison with our all internal processing groups;
  - Be a vital member of the implementation team to ensure smooth set-up of new services and users;
  - Respond to any questions the City might have about their services, accounts, or account analysis; and
  - Work closely with our ACH and Wire departments.

- Le-Hoa's responsibilities for the City will include:
  - Correcting encoding errors and deposit adjustments;
  - Assisting in fraud affidavits and ACH returns; and
  - Providing copies of deposit or warrant items.

B. Submit at least five (5) references (preferably from current local government customers) who can attest to the financial institution's experience as it relates to providing banking services. The references must include contact name, title, address, e-mail address, telephone number and services used.

Key serves more than 1,100 public sector clients nationwide and views the public sector as a special line of business with unique requirements. As such, we maintain a group of dedicated, highly specialized professionals trained to serve its needs.

These individuals, many of whom have extensive backgrounds in public service, understand the opportunities and challenges you face in the constantly changing environment of government. They can satisfy the most simple to the most complex situations by providing you with a variety of creative solutions and services.

Key's public sector experience is further evidenced by the following references, which have needs similar to those of the City:

REFERENCES	
1. City of Redmond	
Contact Name	Kelley Wood
Title	Treasury Manager
Address	15670 NE 85th Street; Redmond, WA 98073
Phone	425-556-2161
Email	kwood@redmond.gov
2. City of Federal Way	
Contact Name	Ade Ariwoola
Title	Finance Director
Address	33325 8th Avenue; Federal Way, WA 98063
Phone	253-835-2520
Email	ade.ariwoola@cityoffederalway.com
3. City of Yakima	
Contact Name	Mary Moore
Title	Financial Services Officer
Address	129 North 2nd Street; Yakima, WA 98901
Phone	509-575-6024
Email	mary.moore@yakimawa.gov
4. City of Westminster	
Contact Name	Rachel Price
Title	Financial Analyst
Address	4800 West 92nd Avenue; Westminster, CO 80030
Phone	303-658-2441
Email	rprice@cityofwestminster.us
5. City of Littleton	
Contact Name	Doug Farmen
Title	Finance Director
Address	2255 West Berry Avenue; Littleton, CO
Phone	303-795-3781
Email	dfarmen@littletongov.org

C. Describe your institution's community participation/reinvestment program including your Community Reinvestment Act (CRA) rating.

Key has consistently received an '*Outstanding*' rating for its compliance with the Community Reinvestment Act. Fewer than 10% of financial institutions in the United States are awarded the *outstanding* rating, which is based on an institution's level of lending, investments, and service within the low- and moderate-income communities in which we have a market presence.

Key is the ***only U.S. national bank among the 25 largest*** to be rated **Outstanding** by the OCC for eight consecutive review periods, since the Act's passage in 1977. CEO Beth Mooney stated, *"It's a testament to the character of our people and our commitment to serving all markets in our footprint."*

Community Reinvestment Act (CRA) Rating for State of Washington: **Outstanding**

The lending test is rated: **Outstanding**
The investment test is rated: **High Satisfactory**
The service test is rated: **Outstanding**

Major factors that support this rating include:

- Excellent Lending Test performance based adequate lending activity and good geographic and borrower distributions. In addition, CD lending has a significantly positive impact that elevates Key's overall lending performance rating to Outstanding.
- Good Investment Test performance based on a good volume of quality investments that are responsive to the identified needs in the assessment area.
- Excellent Service Test performance based on excellent branch distribution. The bank also provides a good level of CD services.

Key's commitment to the community and social responsibility takes many forms — from charitable contributions to volunteerism and civic leadership — but in Key's long history of involvement in Greater Seattle, one thing is always consistent: we support programs and initiatives that focus on economic empowerment, workforce development, financial education, and cultural diversity. Our employees serve on nonprofit boards and volunteer for local organizations that improve the quality of life for all. Key's Community Development Banking group invests in creating success for individuals, small businesses, and neighborhoods in low- to moderate-income areas. And through sponsorships, we support the community by underwriting seminars, conferences, forums, art exhibitions, neighborhood capacity- building, and area colleges and universities that help define our region.

Community Reinvestment Act (CRA) Rating for Washington: ***Outstanding***

D. Describe your institution's customer service philosophy and organizational structure and provide meaningful examples to illustrate.

As your trusted advisor, Key places a premium on relationships; that's why we developed the 1Key Client Experience. 1Key defines our operating behavior – our commitment to deepening client relationships, providing comprehensive services, and meeting the needs of individuals and institutions. We place a high priority on customer satisfaction and have established customer satisfaction goals. To ensure that we are meeting your expectations, we periodically perform extensive surveys. Results from the studies are used to:

- Evaluate and trend current performance and satisfaction levels for each Key core service
- Identify any changes in key drivers of overall satisfaction
- Measure outcomes of actions taken and benchmark service performance
- Identify strengths and opportunities for product enhancements that influence customer satisfaction

The Commercial and Business Banking Internet Team, supporting Key Total Treasury (Commercial Online Delivery Channel) and Treasury Services is a fully integrated contact center comprised of services professionals dedicated to proving service excellence and real time system support for, navigation, education, troubleshooting, error resolution and product support for Cash Management Services. The team consists of professionals with an expansive and robust knowledge base of Key's products, systems, and services with a focus of "Once Stop Shop" philosophy.

With a Key Team of professionals, the City will continue to be provided with a personal, hands-on approach, from the implementation of new products through the ongoing management of your relationship. Key is fully committed to providing exceptional customer service. This commitment is evidenced by the following:

- The ***Phoenix-Hecht 2014 Treasury Management Monitor™ awarded Key ratings of "A+" or "A***

across a comprehensive range of treasury management categories, including areas of customer service, overall relationship manager effectiveness, and products.

- American Customer Service Index (ACSI) survey results indicate that compared to the nation's largest banks in the survey, ***Key is one of only two that improved its overall customer satisfaction score for two consecutive years.***

These results are significant to the City because not only do they underscore our capabilities and dedication to customer service, they also position Key to compete on a different level, often with larger banks.

E. Provide the following reports and information about your institution:

1. Analysis & bank statement

Please refer to the Appendix for a Sample Account Analysis and a Sample Corporate Bank Statement.

2. Safekeeping statement and receipts

Please refer to the Appendix for a sample safekeeping statement and receipt.

3. Most recent financial statement

The most recent financial statement will be included as a separate CD attachment to the Appendix.

4. SEC and/or Moody's credit rating or comparable rating

Rating Summary – KeyBank NA

Moody's

Category	Rating
Watch	Stable
Long-Term	A3
Short-Term	P-2

MOODY'S INVESTORS SERVICE

Standard & Poor's

Category	Rating
Outlook	Stable
Long-Term	A-
Short-Term	A-2

STANDARD & POOR'S RATINGS SERVICES

F. Provide a funds availability schedule. Describe one day, two day availability and wire requirements.

We are pleased to offer the City our *Premium Availability Schedule* for depository services and our *Key Capture Availability Schedule*, both of which are included in the Appendix to review.

G. Describe your Balance Reporting systems and availability.

With state-of-the-art security, Key Total Treasury, our 24-hour Internet-based delivery channel provides a single point of access for the City to perform all its treasury management functions. With the click of a button, the City can initiate transactions, download reports, manage accounts, and make payment decisions.

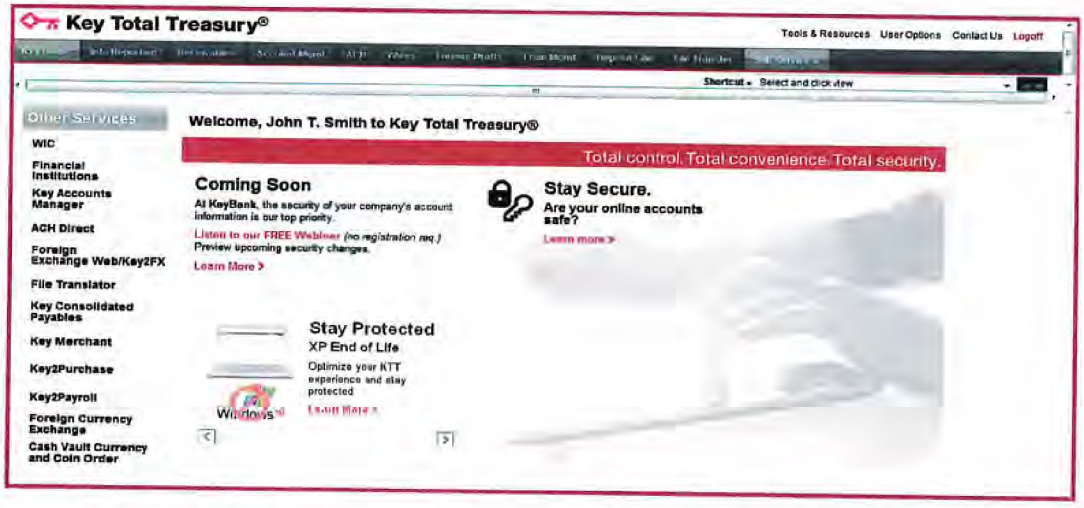
Key Total Treasury is a modular system in which the City can choose the modules needed to create a customized application.

- View or download standard and specialized reports as well as customer statements with *Information Reporting*.
- Use *ACH* to initiate or import electronic transactions, such as tax payments and payroll, through a user-friendly front end.
- Initiate one-time and repetitive *Wire Transfers* and drawdown requests with real-time reporting.
- Customize *Account Management* tools such as stop payments, check images, positive pay, and return item reporting to manage accounts and reduce fraud.
- Transfer files safely and securely to and from the bank using *File Transfer*.
- Perform the most routine maintenance requests at your convenience with *Self Service*.

Key Total Treasury offers a full range of balance reporting capabilities, which allows the City to access both prior and current day information. The City has access to real-time information, eliminating the use of multiple programs.

1. **What hardware/software does the bank use to deliver balance and transaction detail information?**

   Key Total Treasury is a first class online channel with an easy-to-use client design, customizable reporting, and all the treasury services you need to support your business needs. It provides a single point of access to initiate payables, manage your receivables, and control fraud.



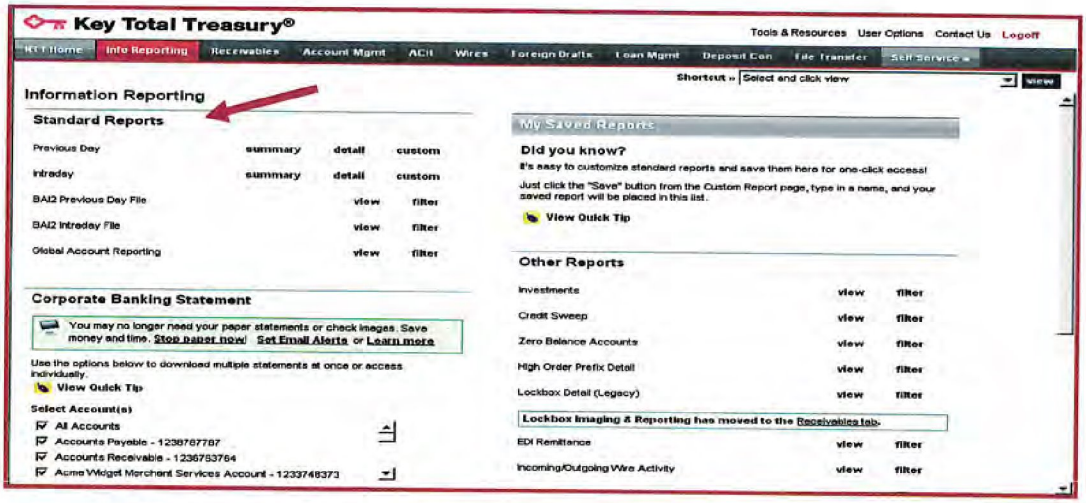
Since Key Total Treasury is a Web-based system, there's no need to use special software or hardware. It supports an unlimited number of users, and the system can be accessed at any time, from any Internet-capable PC. It also provides access to real-time information and eliminates the use of multiple programs.

The City will be able to monitor account activity and quickly access the information needed to make critical business decisions and optimize cash – standard and customized reports, statements, to do research and image retrieval. Key can also provide daily BAI2 files of current day incoming Fedwire and ACH activity posting to the City's accounts via the secure FTP method. In addition to the daily data files, daily transaction reporting will be available through Key Total Treasury's Information Reporting module.

Account(s) Balances and Transactional Information Via Total Treasury Information Reporting Module

The City will have online access to a full range of balance and transaction reporting capabilities through Key Total Treasury's Information Reporting module. On demand, you can view or download standard and specialized reports, access current and previous day balance

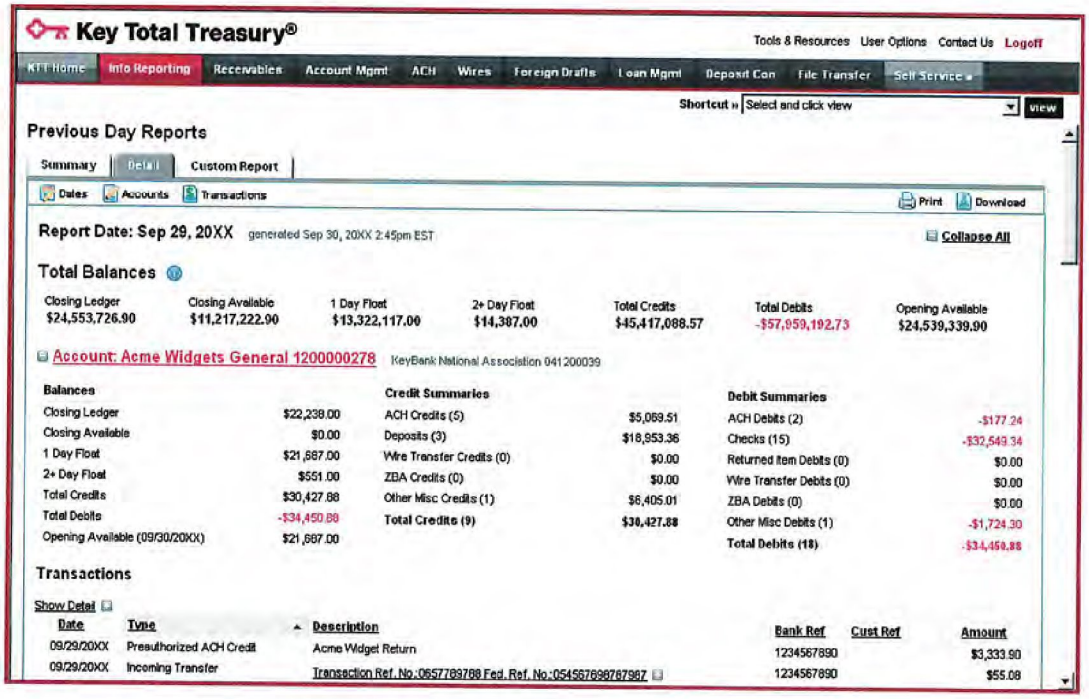
information, and save reporting criteria to create reports that are customized for your unique system and needs.



Previous and intraday information will have the option of "summary only" or "summary and detail" information, depending on the level of service you request.

Previous Day Report

This report includes daily balances, transaction detail, and balance history information. It will display prior day account status, account summary information, and detailed account transactions that include descriptions and reference information.



Detailed information includes:

- Closing Ledger Balance

- Closing Available Balance
- Opening Available Balance
- One-Day Float and Two-Plus-Day Float
- Total Credits (amount)
- Total Debits (amount)

2. **What time is previous day information available for access by the customer?**

   Previous day information is accessible by 5:00 a.m. PT.

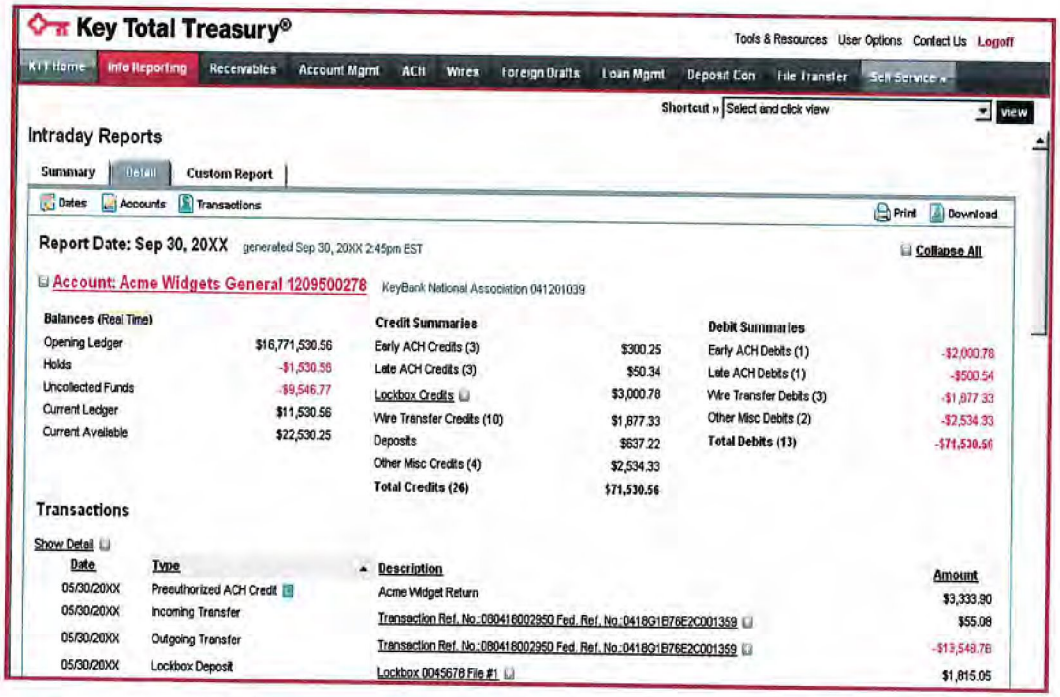
3. **What are the hours of access of the balance reporting system?**

   The system can be accessed at any time, from any Internet-capable PC. It also provides access to real-time information

4. **Does the bank provide current day information?**

   Yes. The City will be able to access intraday information via Key Total Treasury.

Intraday Report
This report displays current day account status, account summary information, and detailed account transactions (descriptions and reference information). It includes branch and vault deposits, ACH, and wire transfer.



Real-time data includes:

- Opening Ledger Balance
- Holds (amount)
- Current Ledger Balance
- Current Available Balance

a. How frequently is this information updated throughout the day?

This depends on the type of data the City would like to view. All times are reflected in PT.

- Wire transactions update approximately every 15 minutes, 6:00 a.m. – 4:00 p.m.
- ACH transactions update at 5:00 a.m., 9:00 a.m., and 1:00 p.m.
- Controlled disbursement has a single presentment time based on location of account – OH, NY, and ME is 9:30 a.m.; UT is 11:30 a.m.; and AK 1:30 p.m. (All times are reflected in ET)
- Lockbox has several loads throughout the day based on where and how your lockbox is set up.

b. What transaction types are available on current day reports?

The following Transaction types are reported:

- Wires
- ACH
- Lockbox
- CDA
- Remote Deposit (Key Capture)

5. Describe the level of detail provided in previous and current day reports?

Previous and intraday information will have the option of "summary only" or "summary and detail" information, depending on the level of service the City requests.

Summary Reports
These reports display an aggregate view of your account balances.

- Previous Day summary information includes
  - Closing Ledger Balance
  - Closing Available Balance
  - 1 Day Float
  - 2+ Day Float
  - Total Credits (amount)
  - Total Debits (amount)
  - Opening Available Balance
- Intraday summary information contains:
  - Opening Ledger Balance*
  - Total Credits (amount)
  - Total Debits (amount)
  - Holds*
  - Uncollected Funds*
  - Current Ledger Balance*
  - Current Available Balance*

**Denotes real-time data*

Detailed Reports

These reports provide an aggregate view of your account balances, as well as comprehensive transaction information that contains descriptions and associated reference information for incoming credits and debits.

6. **How many days of history can be accessed through the system?**

   Previous Day and Intraday reports are both available for 180 days.

7. **In what format is information available?**

   The following download options are available with little or no manipulation required:

   - For previous day that includes: Comma Delimited (CSV), Tab Delimited (TXT), Excel (XLS), PDF, QuickBooks, Open Financial Exchange (OFX), and BAI2.
   - For intraday that includes: Comma Delimited (CSV), Tab Delimited (TXT), Excel (XLS), and PDF.

8. **Provide a sample printout of the daily on-line balance information.**

   Please refer to the Appendix to review a *Sample Previous Day Report* and a *Sample Intraday Report*.

H. ACH Services:

1. **What is the recommended service delivery method (i.e. direct transmission, online, or other)?**

   Key recommends that the City continue with its current delivery method of Key Total Treasury's ACH File or Transfer Modules.

   Key is both a sending and receiving bank on the ACH system and has been one of the top ACH origination banks in the country for several years. You will be able to complete the following transactions types via direct transmission and the ACH and File Transfer modules of Key Total Treasury, our 24-hour internet-based delivery channel:

   - Payroll and direct deposit
   - Vendor payments
   - State tax payments
   - Federal tax payments
   - Pension payments
   - Child support deductions
   - Expense account reimbursements
   - Electronic fund transfers
   - Repetitive transfers
   - Cash concentration
   - Pre-authorized debits
   - Corporate trade payments

Direct Transmission

Key offers both attended and unattended file delivery services, providing a simple and secure method for processing and/or retrieving files from a designated mailbox at Key. There are two standard methods used to send and/or retrieve data:

- Encrypted File Transfer
- Key Total Treasury web-Based File Transfer

All transmission channels are available 24 hours a day, seven days a week. However, Key requires that an ACH file sent in through Direct File Origination or web-based file transfer be received no later than 6:00 p.m. PT one business day prior to the file settlement date. Sending

your file in by 11:00 a.m. PT will provide an opportunity for making minor changes to your file (if necessary) while still meeting the deadline.

Key Total Treasury File Transfer Module

In addition, through the File Transfer module, you can easily transfer files to and from the bank. To retrieve a file, you'll simply click on that option, choose a file type, and then save the file on your PC or LAN. When sending files through Key Total Treasury, our system will send it on to the appropriate back-end system.

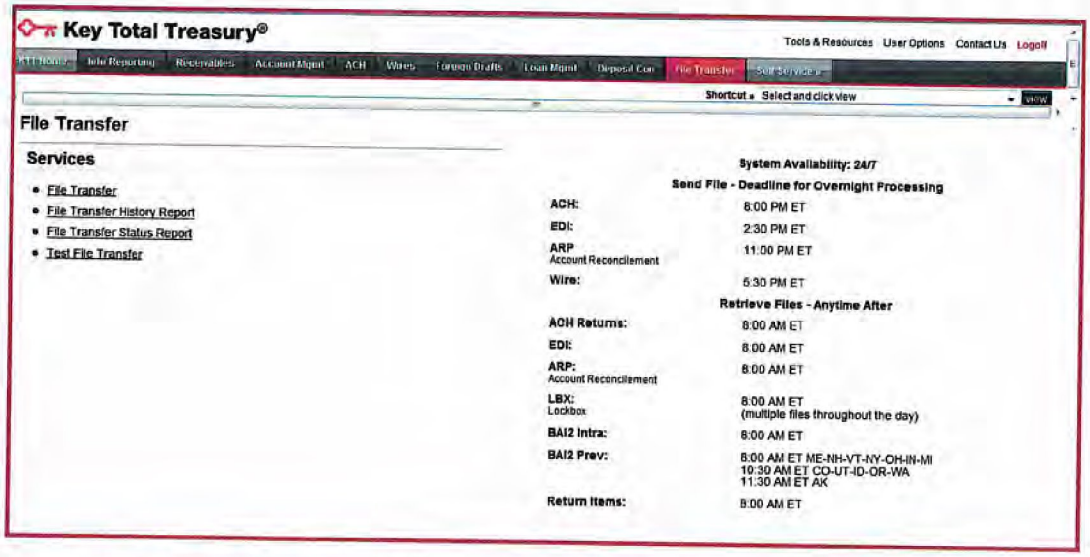
The following are standard methods that we employ to send and/or retrieve data:

- Web-Based File Transfer
- Encrypted File Transfer

Encryption is required for all file transfer protocol (FTP) with Key, and we provide two encryption options:

- FTP with Pretty Good Privacy (PGP) encryption (signing optional)
- FTP/Transport Layer Security (TLS)

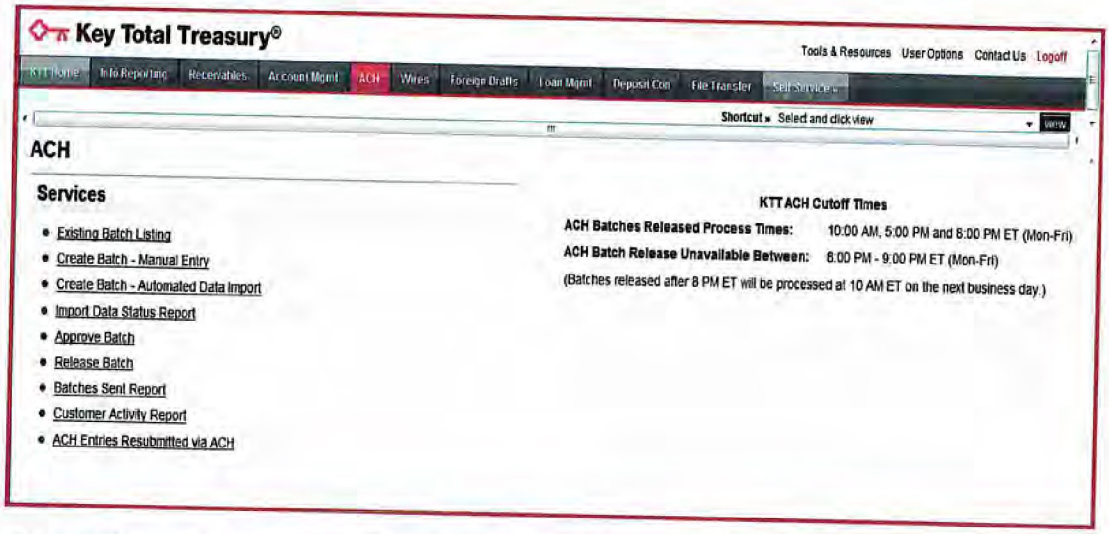
You will be required to input file totals. You can do so through PassKey, Key's voice response unit for capturing ACH file totals. However, we recommend using our state-of-the-art ACH Direct offering, described later in this response.



Key requires that an ACH file sent in through direct transmission or file transfer capabilities be received no later than 6:00 p.m. PT, one business day prior to the file settlement date. However, Key recommends that files be sent by 11:00 a.m. PT, which will provide an opportunity for making minor changes to the file (should it become necessary) and still have it ready to originate by 6:00 p.m. PT for next business day settlement.

Key Total Treasury ACH Module

The ACH module will allow you to initiate ACH transactions through an easy-to-use, integrated set of Internet-based tools. If you have proprietary software capable of creating compatible ACH files, you can upload the file directly into the web site template, following a set of step-by-step instructions.



Once you've created or imported an ACH batch with transactions, you'll simply update the dollar amounts if they have changed, and set the effective payment date. Then, at least one day prior to the settlement date (two days lead-time for direct deposit of payroll, same-day for Key-to-Key transactions), you'll approve and release the batch.

Key requires that a file sent in through the ACH module be received no later than 5:00 p.m. PT, one business day prior to the file settlement date. However, Key (like NACHA) recommends that you originate payroll and other credit files two business days prior to settlement. While most files settle without incident with a one-day origination window, two-day origination provides the safety that an originations delay or a posting delay at the receiving financial institution will not impact the recipient.

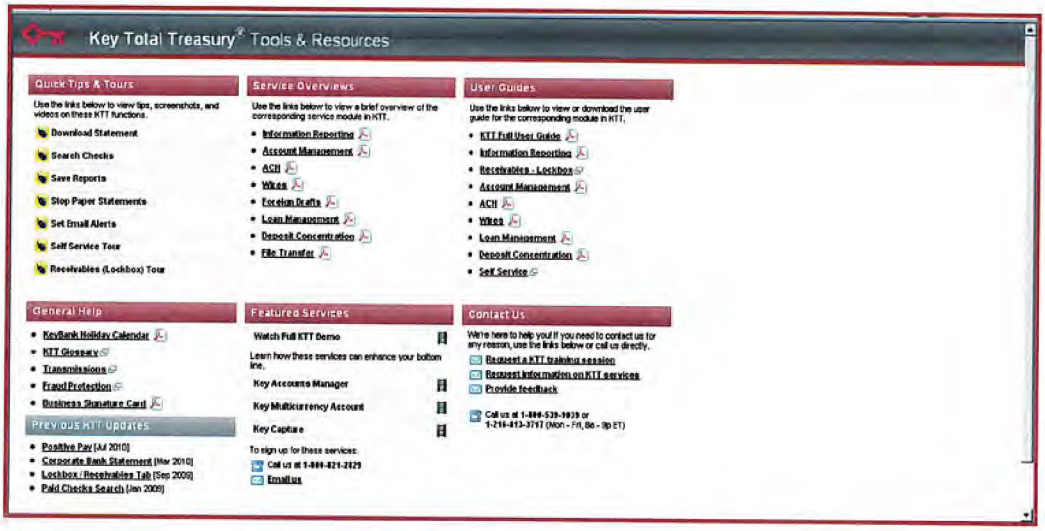
a. What are the hardware/software requirements?

Key Total Treasury is a web-based system, so there's no need to use special software. Authorized City users can access Key Total Treasury from any internet-enabled PC. For optimal performance and security reasons, we advise clients that they should use only versions of browsers and operating systems that are currently supported by the manufacturer. It is very important to maintain and review your systems and keep up with recommended updates to protect your company and to make sure you are getting an optimal Key Total Treasury user experience. This does not mean that older versions of browsers and operating systems will not work with Key Total Treasury; it means that they may not work as well, or as efficiently, or certain functions may not operate as intended.

b. What training does the bank provide?

Our support includes training, technical assistance, and onsite visits as required or requested. User manuals are also provided with some services.

In addition, for Key Total Treasury, help screens, drop down menus, and a special Tools and Resources feature provide all of the necessary information to set up repetitive templates.

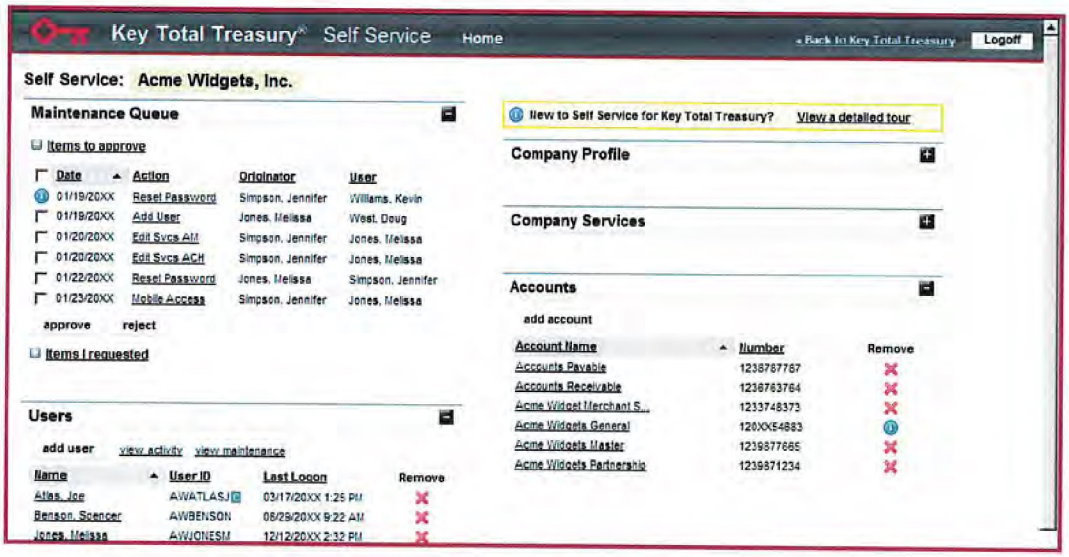


Your dedicated Key Team members will work with you to provide assistance as needed. We also encourage you to use our first-class Commercial and Business Banking Center for routine questions and issues after normal business hours. The Commercial and Business Banking Center acts as an extension of your Key Team, and our Specialized Services Group goes through six weeks of specialized training in order to respond to your questions. They are equipped to handle the specific business needs of Key's designated gaming clients and can be reached toll free at 800-539-3713, weekdays, 6:00 a.m. – 6:00 p.m. PT.

c. Does the software offer the ability to manage security and access levels by user?

Security Levels and User Access

With our Self Service tool, you will be able set authorities for Key Total Treasury at company and/or user levels and control the services and individual accounts that users can view. Your administrator will be able to: reset user passwords; edit user access times; change the services users can access; and remove users from Key Total Treasury.



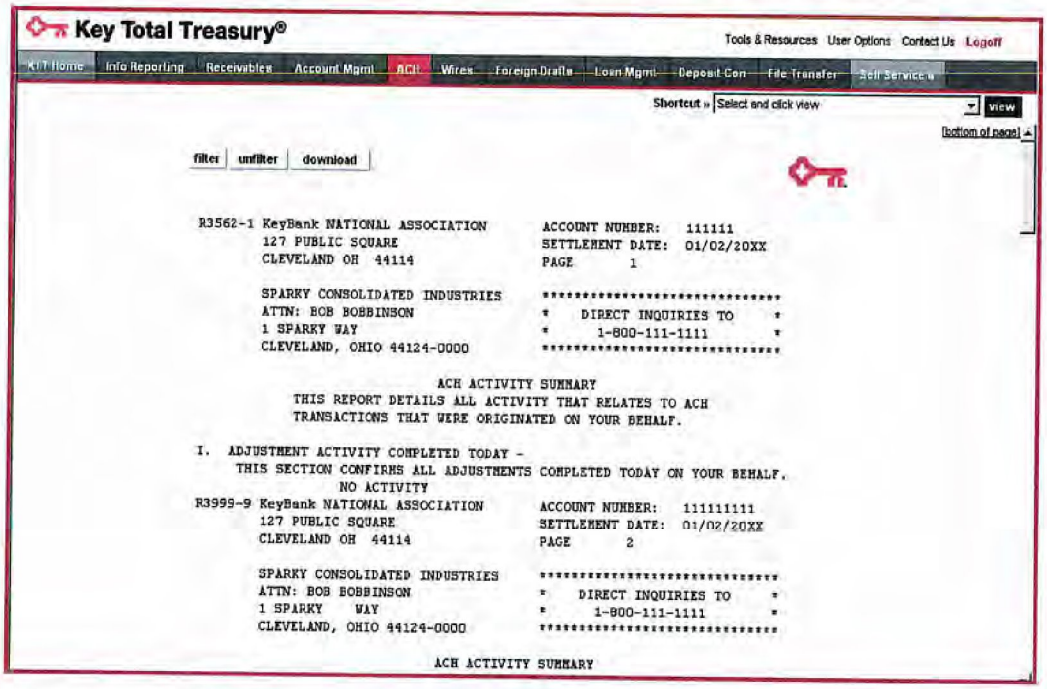
Log-on IDs have access control as part of their function, and there are four ways you can limit or control access of specific users:

- Control the functions/information a user may access.
- Control the transaction amounts a user is capable of producing.
- Control the time of day at which a user is allowed to log on.
- Control the days of the week the user is allowed to log on.

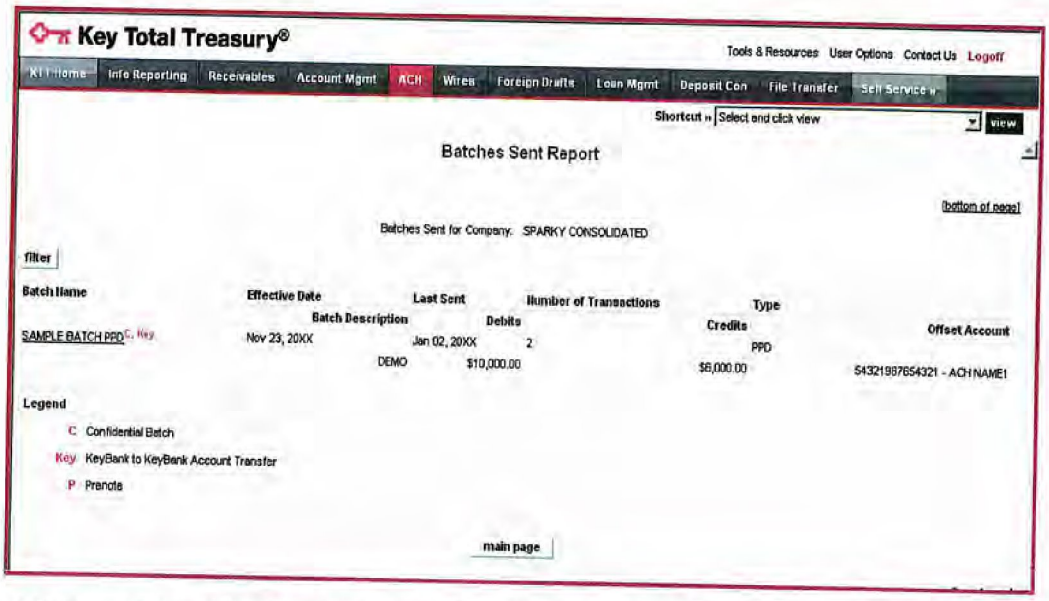
d. What ACH report options are available?

Key Total Treasury provides an ACH Customer Activity Report, with summary and detail of batches on the system, as well as reports on batches sent. Our reports are available for retrieval as human-readable formatted reports and/or as downloads. You can download in a comma separated variable (CSV) format to load into spreadsheets and/or a BAI2 format.

ACH Customer Activity Report (CAR) – Provides information on all ACH transactions originated from your Key accounts. You receive a report every day for which there is ACH activity, such as transactions initiated, adjustments, notifications of change (NOC), etc.



ACH Batches Sent Report – Allows you to view batches that have been sent via Key Total Treasury within the last 12 months.



e. What controls are in place to protect against lost files and duplications of transmissions?

Our ACH PEP+ software houses schedules of originations for all our ACH origination clients. Our ACH Operations area will call the originator if a file has not been received on a scheduled origination date. If the originator has not previously contacted us, we will also call the originator if we receive an unexpected, additional, or duplicate file. Key uses file control totals for edit checking and also systematically inspects for duplicate files.

f. Does the bank provide automatic file receipt acknowledgements? If so, how?

Yes. Key provides email notifications for ACH batches pending for release originations online via Key Total Treasury. Clients can receive email notification of "new" ACH batches pending release on an hourly basis. Multiple batches eligible for release during the same hour will be aggregated into one email. These emails are sent between 5:00 a.m. and 4:00 p.m. PT.

Clients can also receive email notification on summary of "all" ACH batches pending release for the entire day each morning. Email notifications will be generated with all accumulative batches awaiting release that have an effective date greater than or equal to that of the current day's date. This email will be sent once a day, shortly after 5:00 a.m. PT.

Through our KTT Mobile offering, we now also offer mobile alerts for ACH batches that need approval and clients may also approve them via a mobile device if they are away from their office.

Direct Transmission clients can receive emails confirming file receipt and that files have been processed successfully.

g. Describe the role of any third-party processor used by the bank to provide this service?

Third-party processing is not used for this service. The ACH process is handled entirely in-house.

2. What are the hours of operation of the ACH unit?

The ACH Operations unit is available 5:00 a.m. – 8:00 p.m. PT, Monday through Friday.

3. **What are the bank's cut-off times for customer initiation of ACH transactions?**

Key requires that an ACH file sent in through *Direct File Origination* or *web-based file transfer* be received no later than 6:00 p.m. PT one business day prior to the file settlement date. Sending your file in by 11:00 a.m. PT will provide an opportunity for making minor changes to your file (if necessary) while still meeting the deadline.

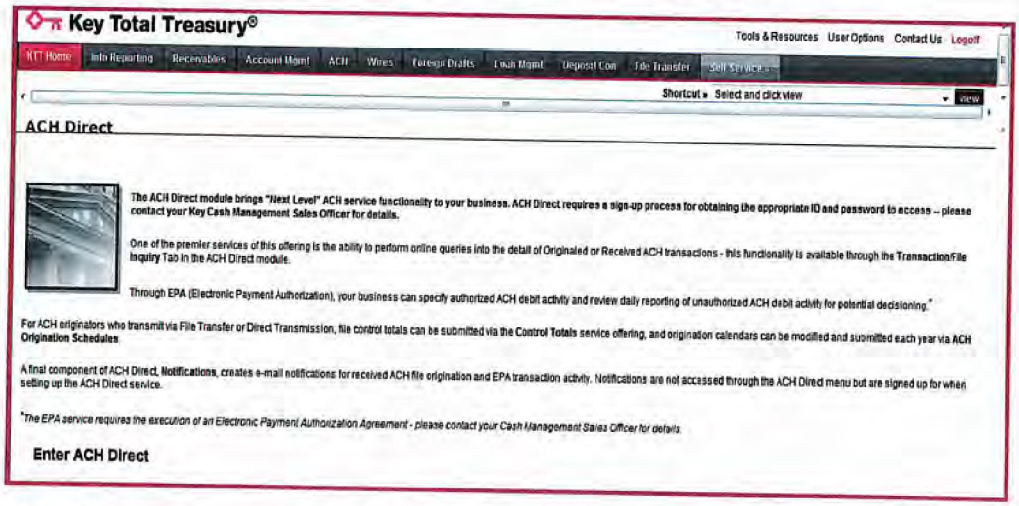
Key requires that an ACH file sent in through *direct transmission* or *file transfer* capabilities be received no later than 6:00 p.m. PT, one business day prior to the file settlement date. However, Key recommends that files be sent by 11:00 a.m. PT, which will provide an opportunity for making minor changes to the file (should it become necessary) and still have it ready to originate by 6:00 p.m. PT for next business day settlement.

All transmission channels are available 24 hours a day, seven days a week.

4. **Describe the procedures used to verify accurate and secure receipt of transmissions.**

The procedures used to verify accurate and secure receipt of transmissions include the following:

- Each client has a unique transmission ID and password to transmit data to the Key. Control totals are included in the file trailer record of the ACH file. Key offers four methods by which the client can submit control totals:
    - The client calls, uses touch tone phone to a secure VRU system and inputs control totals to ACH Operations.
    - The client also has an option of entering this information online via ACH Direct, which delivers self-service ACH management and fraud prevention tools, and is available online via Key Total Treasury – our 24-hour internet-based delivery channel.



    - The client emails controls totals to a secure email inbox in a prescribed format
    - The client can transmit control totals (in a separate file transmission) directly from their computer system.

- The ACH Operations area compares totals that were called in to the actual file that was received. The client will be called if these totals do not match.

- We also keep a calendar of scheduled origination dates for all of our origination clients. This calendar is programmed into our ACH software. If a file is not received on a day for which an origination was scheduled, the client is contacted. Likewise, if we receive an unscheduled file and were not previously notified by the client that an unscheduled transmission was coming, the client is contacted.

Alternative methods for delivering ACH files in the event of disaster are available. Should such a situation arise, we will work with you to determine options that are best for your organization.

5. Can the bank automatically redeposit items returned for insufficient or uncollected funds?

Yes. Key can automatically redeposit ACH items returned for insufficient or uncollected funds. An item can be represented twice. The redeposited entry is not reflected on the customer's account—only the final return (if applicable) is reflected. We also offer conversion of NSF checks into ACH Returned Check Presentment (RCK) for up to two re-presentments.

ACH RCK Rules

- Consumer checks only/entry must be for the face amount of the check only
- Must be less than $250
- Dated 180 days or less from the date the entry is being transmitted
- No written authorization required—notice or signage posted
- Limit of three total presentments (including the first one via paper)
- Consumer may dispute for 60 days
- Check laws and ACH rules apply
- Clients must be notified in advance

Re-Presentment Options

Option 1
- Original deposit
- Paper redeposit
- One RCK presentment

Option 2
- Original deposit
- RCK 1st presentment
- RCK 2nd presentment

6. How does the bank handle file, batch, and item reversals and deletions?

Reversals and deletions (of files, batches, or individual transactions) can be originated via a direct transmission, file transfer, or through the existing batch listing in the ACH module of Key Total Treasury.

I. Positive Pay

1. What is the recommended service delivery method (i.e. direct transmission, online, or other)?

Key recommends that the City continue its current delivery method.

Key provides one of the deepest and most technically advanced Positive Pay services in the industry. Positive Pay is widely used and is recognized in the industry as a valuable tool in the overall fraud detection and prevention arsenal. Which service you select is dependent on your technical capability in terms of ability to send an issue file to Key as well as the resources available within your company to manage the associated daily process.

Positive Pay in conjunction with Full Reconciliation Services offers proactive robust management of your account. Positive Pay can also be used stand alone, i.e. without Full Reconciliation.

a. What are the hardware/software requirements?

Key Total Treasury is a web-based system, so there's no need to use special software. Authorized City users can access Key Total Treasury from any internet-enabled PC. For optimal performance and security reasons, we advise clients that they should use only versions of browsers and operating systems that are currently supported by the manufacturer. It is very important to maintain and review your systems and keep up with recommended updates to protect your company and to make sure you are getting an optimal Key Total Treasury user experience. This does not mean that older versions of browsers and operating systems will not work with Key Total Treasury; it means that they may not work as well, or as efficiently, or certain functions may not operate as intended.

2. What controls are in place to protect against lost files and duplications of transmissions?

We have back-up and index strategies in place within Key Total Treasury to prevent file loss, duplicate transmissions, and acceptance of duplicate returns. In the event that we receive notification of a duplicate transmission, we have compensating controls in place to back out the file.

In addition, the Daily Audit Listing Report allows the City to confirm the contents of the files Key received from the City the prior day.

3. **Does the bank provide automatic file receipt acknowledgements? If so, how?**

   Yes. An electronic confirmation (on-screen message) is provided when files are transmitted via Key Total Treasury's File Transfer module. An email notification if provided for files transmitted via one of our secure Direct Transmission options (i.e. FTP, sFTP, AS2).

   Please Note: The file confirmation on Key Total Treasury is a confirmation of Connectivity. Actual file data cannot be validated until the file updates into the reconciliation software during Key's nightly batch processing. Any client that is sending a transmission file needs to view the Daily Audit Listing Report on Key Total Treasury's Account Management module to validate the accuracy of their file and that the issues have been loaded. This PDF is available at 8:00 a.m. the following day.

4. **Describe the role of any third-party processor used by the bank to provide this service?**

   Key does not outsource any of the proposed Positive Pay services.

5. **What is the bank's deadline for transmitting files/data?**

   The City should submit your issued check file prior to your distribution of checks. Our suggested best practice for clients is to have the file to us by 8:00 P.M. PT on the day prior to the physical distribution of checks. This includes manually issued checks.

6. **What is the process for notifying the bank of a single check or small check run outside of the regular batch file?**

   We offer the option to type Adds and Cancel entries on our Key Total Treasury Internet site. These Adds and Cancel entries update our Teller Positive Pay/Payee system every ½ hour.

7. **How does the City notify the bank of voided and stop payment checks?**

   The City can notify Key of voided and stop payments online via Key Total Treasury. Voids and cancels may also be sent on the check issue files.

   Stop payments may be placed online through Key Total Treasury's Account Management Module, providing the advantage of real-time access or can be placed manually through the Commercial and Business Banking Center.

   The stop payment system is available 5:00 a.m. – 3:00 p.m. PT. For same-day action, our stop payment deadline is 3:00 p.m. PT. Stop payments submitted through Key Total Treasury prior to 3:00 p.m. PT will be updated in real-time.

   Once the stop is approved then submitted, you will receive a Stop Payment Confirmation. If any information is incorrect, remove the stop payment entry from the stop payment listing screen. Key Total Treasury will provide a stop payment history log to help you manage stop payment orders by their expiration date.

8. **Does your bank have payee verification?**

   Yes. Payee Name Verification is available for Same Day and Next Day Positive Pay.

9. **Is the positive pay service fully implemented at all bank branches?**

   Yes. For bank-matched services (Same Day and Next Day Positive Pay) teller verification is automatically turned on.

10. How does the bank handle exception ("paid not issued") items?

Payments that match the original check issue information pay as scheduled. For payments that do not match the check issue information, known as "exception" or "suspect" items, Key operations perform a secondary visual inspection of each payment. This process, called scrubbing, is in place to ensure the identified suspect items are truly suspicious in nature, ensuring the City is not impacted by false-positive activity associated to inaccurate reads or MICR encoding errors.

Items that are truly determined to be "exceptions" or "suspects" are presented to the City for a payment approval or a stop/return payment request through Key Total Treasury. The City can elect to pay the suspicious item or return the payment. Any checks issued by the City that are improperly converted to an ACH debit by the bank of first deposit will also be rejected on Key Total Treasury's daily positive pay mismatch report, allowing the City to either pay the debit or return it.

Approved PNIs are added to the City's issue file upon receipt of the check Issue information. The City can type Adds and Cancels on our Key Total Treasury site to support any PNI checks. Key Total Treasury Adds and Cancels entries update our ARP System real-time and our Teller Positive Pay/Payee service every 30 minutes.

a. Does the bank offer a daily listing of exception items?

The daily Positive Pay Report will list all potentially fraudulent items that do not match the check-issue file. Information will include check image, description, issued date, check number, sequence number, present amount, and payee data. Detailed data will include:

- Check Not On Issue File
- Conflicting Dollar Amount
- Duplicate Presentment
- Void/Cancel On File
- E-check ACH Debit
- Optional: Stale Dated Item; Exceeds Dollar Limit; and Payee Name Conflict

The City will review suspect items and decide if they appear to be fraudulent. If you issue checks from a Key CDA, you will also be able to view electronic images of checks to inspect signatures, check stock, and payee names.

Depending on the level of service you choose, the City can either stop fraudulent payments before they post to your account or return them for credit if they've already posted.

b. Are there defaults available for each account to either automatically return or pay on exception items?

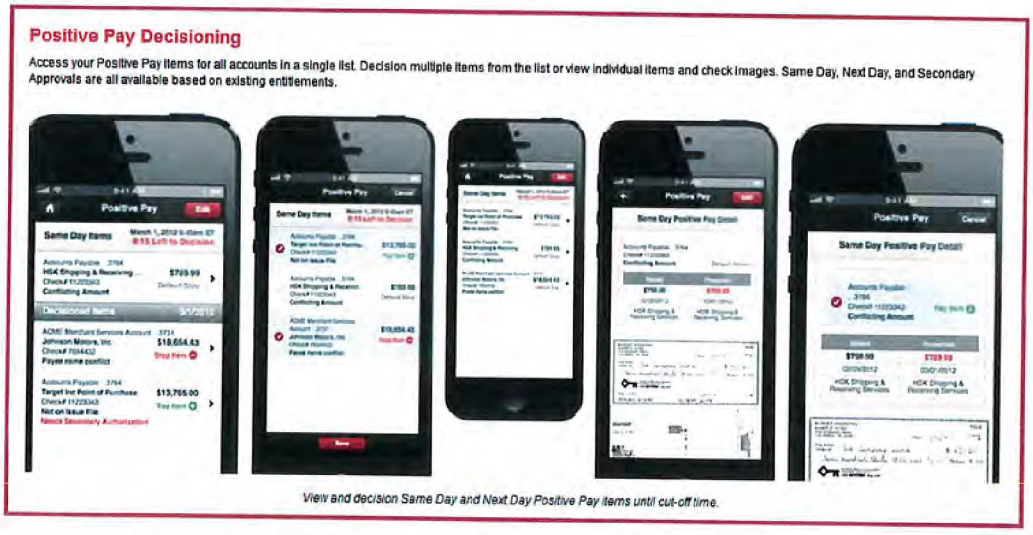
Key can accommodate setting either an automatic "pay all" or "return all" default on each separate account.

The default disposition decision is made by the City. The City has until 2:00 p.m. PT to change the automatic default on a rejecting item. The default decision you chose at implementation will be applied to any exception items not decisioned by the deadline.

In addition, the City can apply a high-dollar threshold to the Return-All 'Exception' option.

In 2013, Key introduced ***KTT Mobile***, an alternative on-the-go option for making decisions on your exception items. You can decision multiple items from the list, or view individual items

and check images. Same Day, Next Day, and Secondary Approvals are available based on your existing Key Total Treasury entitlements.

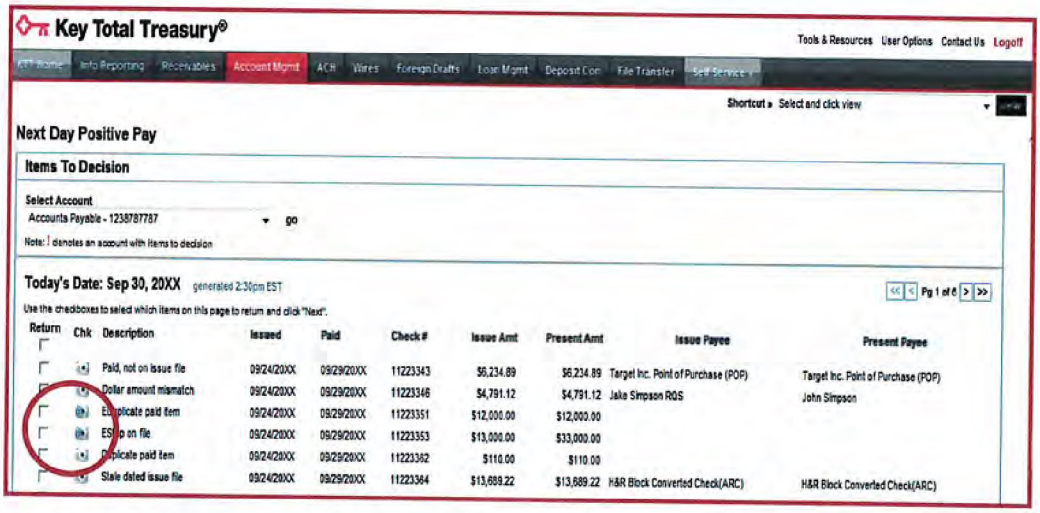


c. What is the timeline for reporting exceptions to the city?

Our deadline for notifying you is 10:30 a.m. local time (LT) for Next Day Positive Pay. Local time is defined by where the account is located within Key.

d. How are exceptions reported to the city? Will an image be available?

Positive Pay same day exception reporting for a CDA account is available for decisioning via Key Total Treasury and KTT mobile at noon Local Time. Each check exception presented via Positive Pay includes an icon to click to see the image and a check box to stop a same day item or to return a next day item.



e. What is the timeline for the city to act on any exceptions?

Clients utilizing Same Day Positive Pay in conjunction with a CDA account need to have their exception items decisioned by 3:00 p.m. PT. The default decision you chose at implementation will be applied to any exception items not decisioned by 3:00 p.m.

Next Day Positive Pay decisions need to be made by 2:00 p.m. Local Time.

f. What are the hours of operation of this service unit?

Support for Key Total Treasury is available from 5:00 a.m. PT until 5:00 p.m. PT. In addition, Key has a 24-hour technical support hotline, which can be reached by calling 800-457-8257.

J. Merchant Card Services:

1. Provide a funds availability schedule by card type. Is it negotiable?

Next Day Funding:
KeyBank, through its processor Elavon is generally able to deposit Visa, MasterCard and Discover funds the next business day provided that the requestor maintains its designated bank accounts with Member. Otherwise, the timing of such deposits is outside of KeyBank, through its processor Elavon's control, but generally occurs within 2 to 3 business days after processing.

2. What is the settlement deadline?

The deadline is 10:00 p.m. ET (7:00 p.m. PT) for next-day funding.

3. What daily and/or monthly reconciliation reports are available?

Our merchant billing statements are designed to facilitate ease in the reconciliation of transactions and to provide management reporting information.

We offer a variety of statement types, each containing varying levels of detail.

- MerchantConnect – Online Reporting Tool
  MerchantConnect supports delivery of authorization, settlement, chargeback, interchange qualification, adjustment/reject and additional reporting via online tool for viewing and/or exporting. Premium level allows you to view a year's worth of reporting information on multiple MIDs and "drill down" into your data to view batches of transactions grouped by card type or batch reference number. Hierarchical reporting allows you to aggregate data from multiple locations.

- Automated Customer Service (ACS) – SFTP file
  ACS supports delivery of authorization, settlement, chargeback, adjustment/reject and additional reporting via raw data files. For large customers with multiple distribution channels or complex reporting hierarchies that require specialized reporting capabilities, KeyBank, through its processor Elavon's ACS raw data reports provide detail which is easily importable to external applications for additional data management and reporting.

- Billing Statements
  Images of statements are available within reporting solutions and/or via hard copy, at merchant and/or corporate (chain) levels.

4. Do you offer recurring billing processing?

Yes. Recurring billing processing options are available through Key.

K. Payment of Fees. Respondents will need to provide information on the following:

Key's standard method for payment of fees is to direct debit the demand deposit account of your choice on a monthly basis for the previous month's charges. We will also invoice your company if requested. We do not at this time offer payment of fees through ACH.

1. **The effective rate and formula used to calculate the service charge credit for collected fund balances;**

   Key's ECR (earnings credit rate) is administratively managed, based on a review of interest rates for various short-term instruments including U.S. Treasury Bills, Fed Funds, LIBOR, and other short-term investments. Historical and forward rate trends and the competitive environment are considered when establishing the rate.

   The ECR is subject to change on a monthly basis and is tiered based on average monthly collected balances with more favorable rates associated with significant balance levels. The Earnings Credit Allowance (ECA) calculation is as follows:

   - Earnings Credit Rate divided by 100 (to create decimal)
   - Equals the Earnings Credit Allowance truncated at 2 decimals
   - Divided by days in year (365) and truncated at 5 decimals
   - Multiplied by the Balance Available to Support Services
   - Multiplied by days in month (31)

2. **The proposed method for setting rates on a compensating certificate of deposit;**

   Key does not offer a compensating balance certificate of deposit.

3. **A time frame proposed to pay any additional fees not offset by service charge credit;**

   Key offers multiple options for analysis cycle dates: Monthly, Quarterly, Semi-annual and Annual. Key will work with the City to choose a cycle date that meets your needs.

4. **Whether a service charge credit/debit can be carried forward to the next period;**

   Key does not expressly carry forward excess balances from one period to the next. In certain cases, non-monthly billing periods may be extended. For non-monthly billing periods, the excess earnings credit calculated is aggregated for the total cycle and netted against the fees incurred during that cycle.

5. **The formula for any fees in the event of an overdraft;**

   Overdraft fees are waived to analysis or charged directly to the overdrawn account. The bank does charge for the use of uncollected funds. The uncollected funds rate is based on the bank's prime rate. Fees for overdrafts and uncollected funds charges cannot be covered by compensating balances.

   The uncollected funds charge calculation is as follows:

   Uncollected Funds Charge* =
   (Uncollected Funds Rate divided by 100) x [(Number of Negative Days) (Average Daily Negative Collected Balance)/ (Number of days in the year)]

*This number is not rounded. Uncollected funds charge is truncated after three decimal places.

6. Describe what constitutes a daylight and overnight overdraft situation.

Key does not currently charge for daylight overdrafts. In the event the City is trying to release a wire payment which will cause a daylight overdraft, Key's wire room will attempt to contact Key's credit team to obtain approval before releasing the wire, or the City may be contacted to verify that adequate funds are anticipated.

A ledger (overnight) overdraft will occur when there are not adequate funds to cover checks clearing during overnight processing. Your Relationship Manager, Matt Zehnder, will monitor overdrafts on a daily basis and contact the City to verify that adequate funds are anticipated. Key may directly charge the overdrawn account with an overdraft fee.

L. Errors and Adjustments

1. Describe your adjustment process for resolving deposit discrepancies.

If you provide duplicate deposit tickets, they will be validated and returned to the identified location through the U.S. Postal Service. Any adjustment notification advice and supplemental documentation will be sent with the duplicate deposit tickets. Key will also provide a courtesy telephone call for adjustments over a defined threshold amount.

2. At what dollar amount do you write off discrepancies?

We write off discrepancies of $10 or less in our vaults and our branch night drop deposits.

3. Do you adjust the deposit amount or process an adjusting debit or credit?

Yes. We process an adjusting debit or credit for all discrepancies.

4. Describe the process to notify the City of deposit adjustments.

For cash vault deposits, envelope processing is available when multiple deposits are placed in a bag. The vault monitors each deposit. Any deposit discrepancies are communicated to the City, including specific deposits and corresponding envelopes with an error. Envelope processing incurs a separate fee.

Key will provide a memo to the client detailing the deposit adjustment, including the deposit bag number and denomination breakdown.

M. Describe how inquires requiring research and adjustments are handled by the institution. Are there established turn-around times for research and adjustment items? If yes, specify.

In addition to your Key Team, we encourage you to use our first-class Commercial Business Banking Center for specific questions regarding reconciliation reporting issues. The Commercial Business Banking Center acts as an extension of your Key Team and handles routine questions and issues; (how-to questions, balance inquiries, adjustments, research requests, etc.) that may arise outside of normal business hours. The Commercial Business Banking Center can be reached toll free at 800-821-2829, weekdays 5:00 a.m. – 6:00 p.m. PT.

Key's goal is to provide resolutions as quickly and accurately as possible. With this in mind, we have established service level agreements (SLAs), which define the turnaround time for all research and adjustment items (based on the nature of the request). However, there may be occasions where additional time is needed for research. When necessary, the request can be

flagged as a "rush" to reduce turnaround time. All time sensitive issues are given top priority until resolution is complete.

Key has consistently received high marks for responding to clients' requests, providing prompt follow-up, responding quickly to problems or inquiries, and being accessible when needed, consistently meeting or exceeding most established response times more than 95% of the time.

N. Describe NSF or Returned Items processing procedures, fees or other related services available. The City will require re-depositing 'NSF' or 'uncollected funds' returned items so that they may be presented a second time prior to being charged back.

Key's ACH system can automatically retry qualifying returns if directed by the City. These returns will only be debited to your accounts in the event they are returned a second time. The City may receive a report of returns being presented a second time on a daily basis if desired.

O. Security/Protection Measures: What security features are in place to minimize the risk of unauthorized transactions?

Key leverages preventative and detective controls, including an increasing emphasis on risk analytics, while ensuring our security and fraud capabilities are aligned to optimize an end to end approach to managing fraud risk and creating business value for our clients.

The City can protect its assets with tools to monitor, detect and prevent fraud – EPA, UPIC, dual controls, online security, and audit reporting. Key places a very high priority on fraud prevention. All of our security procedures are designed to prevent fraud, whether by our clients' employees, Key employees or third party interlopers.

Encryption

When the City's information is traveling over the internet to Key, it will be encrypted with the highest level of encryption technology available. Encryption is required for all transfer protocols with Key, and we will only set up authenticated and encrypted FTP connections.

When using our secure direct transmission and Key Total Treasury File Transfer module, the City's information is protected with multi-factor authentication, Secured Socket Layering and 128-bit encryption.

We prefer that trading partners connect to our FTP server to place/retrieve files. This gives us greater control over the connection. Key supports the following encrypted file transfer:

- FTP with PGP (Pretty Good Privacy)
- FTP with TLS (Transport Layer Security
- sFTP
- AS2/AS3

Key's recent Key Total Treasury multi-factor authentication security upgrade provides clients the option of using "Out-of-Band" Voice Phone Call, Mobile Text Message (SMS), or Tokens (Hardware or Mobile Software App) to receive a One-Time Authorization Code when accessing ACH and Self Service modules. The one-time password will enhance security via a password that is sent to the end user each time they log in, and may only be used once, to decrease the risk associated with keystroke monitoring malware and time delay associated with token.

In addition, Key Total Treasury's secure environment will provide the City with several layers of protection: some of these are visible and other types of monitoring occur on the backend at the bank. These layers include but are not limited to: log-in, one-time passwords, access times, authorization limits, security questions, secondary authorizations, and integrated fraud management.

Other security features include mandatory emails sent to users when user credentials have been modified, such as password resets, security question updates, and email address changes.

Setting Authorities and User Access

The City will be able set authorities for Key Total Treasury at company and/or user levels and control the services and individual accounts that users can view through the Self Service module. Your administrator can: reset user passwords; update user names, telephone numbers, and email addresses; edit user access times; change the services users can access; and remove users from Key Total Treasury.

In addition, should the City decide to use our KTT Mobile service, it will provide you with the ability to:

- Approve added users;
- Execute password resets; and
- Access account management and ACH services.

Product Security Features

We strongly recommend that the City to use our dual authorization capabilities for both ACH and wire transactions initiated via our web portal. Your administrator can make updates or changes to user assignments through Self Service. Separation of duties is one of the best fraud prevention techniques available. If the City's direct deposit ACH transactions are to be sent via direct transmission. Key recommends the City initiate a control total verification process to further safeguard against a potential fraudulent event.

ACH Security

Our ACH Direct service, accessible online via Key Total Treasury, delivers self-service ACH management and fraud prevention payment and reporting. This includes our Electronic Payment Authorization service, which provides the City with the Debit block and filter options it needs.

Electronic Payment Authorization

With EPA service, the City can either authorize specific ACH debits or block all ACH debits. Key compares the City's originating ACH ID number to the authorizations you have on file to determine whether or not to accept incoming ACH debits to your account(s). Debit entries matching the authorizations on file are paid; all others are returned. The City can receive a report of unmatched debits to verify that they should be returned via email.

You can choose the level of protection that fits the City's requirements, including:

- Blocking and returning all ACH debits
- Paying only pre-approved ACH debits from vendors and other billers and automatically returning all other items
- Paying only pre-approved ACH debits from vendors and other billers and receiving a report of exception items that you can pay or return as desired
- Allowing ACH eChecks to be blocked, pre-approved for payment, or reported as exception items

Universal Payment Identification Code

For an additional layer to your EPA protection, the City can accept ACH credits securely with UPICs. UPICs are secure bank account identifiers that allow you to receive electronic credit payments without divulging the City's sensitive banking information. UPICs safely mask your account information, allowing you to advertise it to promote your ability to accept electronic payments.

Wire Security

Wire initiation is controlled by security questions, one-time passwords, personal identification numbers (PINs) and repetitive line numbers for repetitive wires. Approval and release are controlled through secondary authorization from the use of passwords and an approval function. The following approval options are available to the City:

- Ability to indicate number of approvers for wires up to a maximum of two
- Ability to indicate threshold at which dual authorization is required
- Ability to assign approval limits to specific users
- Ability to create approval routing hierarchy based on dollar amounts

Positive Pay

Key is one of the elite Positive Pay providers in the U.S. offering Same Day, Next Day, Payee, Reverse, and Teller Payee Positive Pay. Payee names are compared to your issue files, and exceptions are reported to you in our Same Day and Next Day Positive Pay reports. Please note that with this service the City must use Key's routing/transit number and account numbers.

Payee Positive Pay

Key is one of the only financial institutions to offer Payee Positive Pay review through the internet, through the teller line, and on your ARP reports. Key was also the first bank to offer comprehensive e-check (checks converted to electronic/ACH transactions) reporting and the only bank to include Payee names on the report.

As part of Key's Positive Pay services, the City will benefit from fraud detection at our Key branch teller line with Teller Positive Pay and Teller Payee, reducing check fraud at all points of check presentment.

Having both Same Day and Next Day Positive Pay service levels allows two days to review "suspect" items for pay and return decisions. (Note: Same Day positive pay requires a controlled disbursement account. The State Treasurer's approval for a controlled disbursement point is required).

- Payee Positive Pay provides an additional layer of fraud detection by identifying Payee Name alterations, allowing you to optimize fraud control.
- You are protected from loss of funds with Same Day dishonored checks returned prior to posting.
- Same Day Positive Pay allows you to stop the payment of exception checks prior to account posting, reducing fraud from entering your account. Items paid can still be returned via Next Day.
- Internet delivery of Positive Pay reports and images of exception checks allows quick access from any of your office locations.

Teller Line Positive Pay

Key also offers fraud protection at the branch level with our Teller Positive Pay. Every Key branch is able to stop items presented for payment with Same Day, Next Day and Payee Positive Pay Services.

Tellers can view issue information when checks are presented for payment and then stop payment if they appear to be fraudulent. Some banks do not screen checks presented at their teller lines for Positive Pay; if they do, payee names are not verified. This presents a potential "hole" in their Positive Pay protection, which could result in losses to the City.

With our IntraDay Teller Positive Pay updates, if a payee wishes to cash a check at one of our Key branches the same business day the City physically distributes the check; Key must first receive the corresponding check issue data. Specifically, if you submit your check issuance file via Key Total Treasury's File Transfer module or add a check issue record via the Account

Management module, the check issue data must be received by Key 15 minutes before the payee would attempt to cash the check at a Key branch.

If the City submits a check issuance file via transmission using File Transfer Protocol (FTP), the check issue data must be received by Key 15 minutes before the payee would attempt to cash the check at a Key branch.

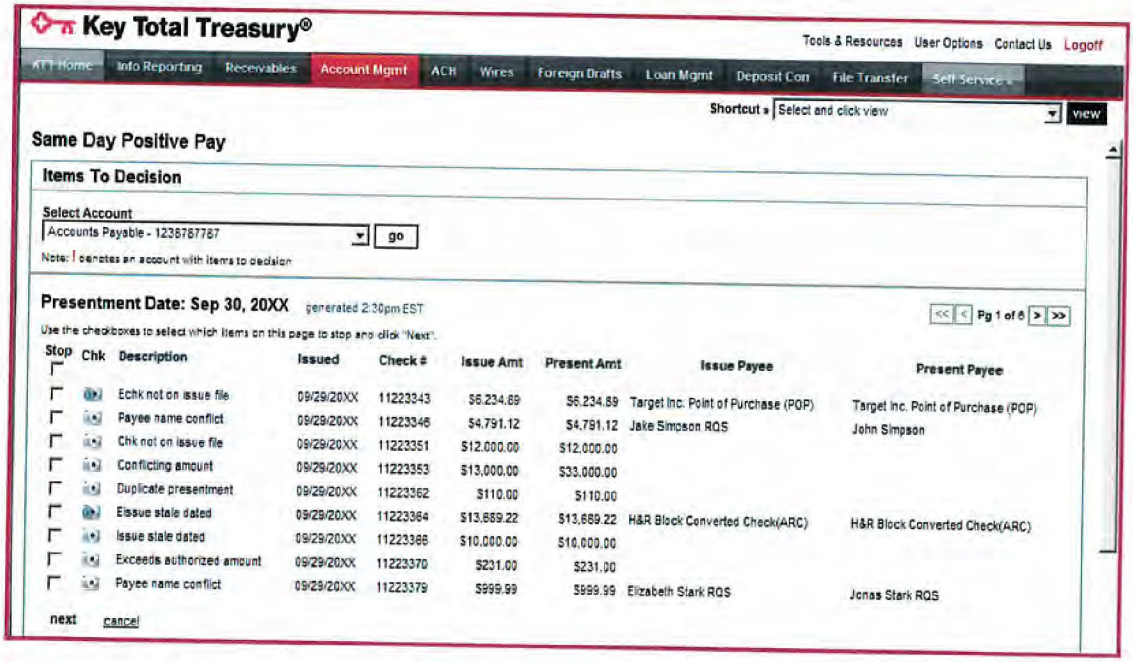
Next Day Positive Pay

Next Day Positive Pay allows the City to review and make payment decisions about suspicious transactions one day after they post to your account. You can also choose either to pay items or return them for credit. The City has an assigned account reconciliation specialist who works with incoming warrants. This person verifies encoding errors and duplicate presentments to ensure a clean account reconcilement report is provided to the City.

The daily Positive Pay Report lists all potentially fraudulent items that do not match the check-issue file. Information includes check image, description, issued date, check number, sequence number, presentment amount, and payee data.

Detailed data includes:

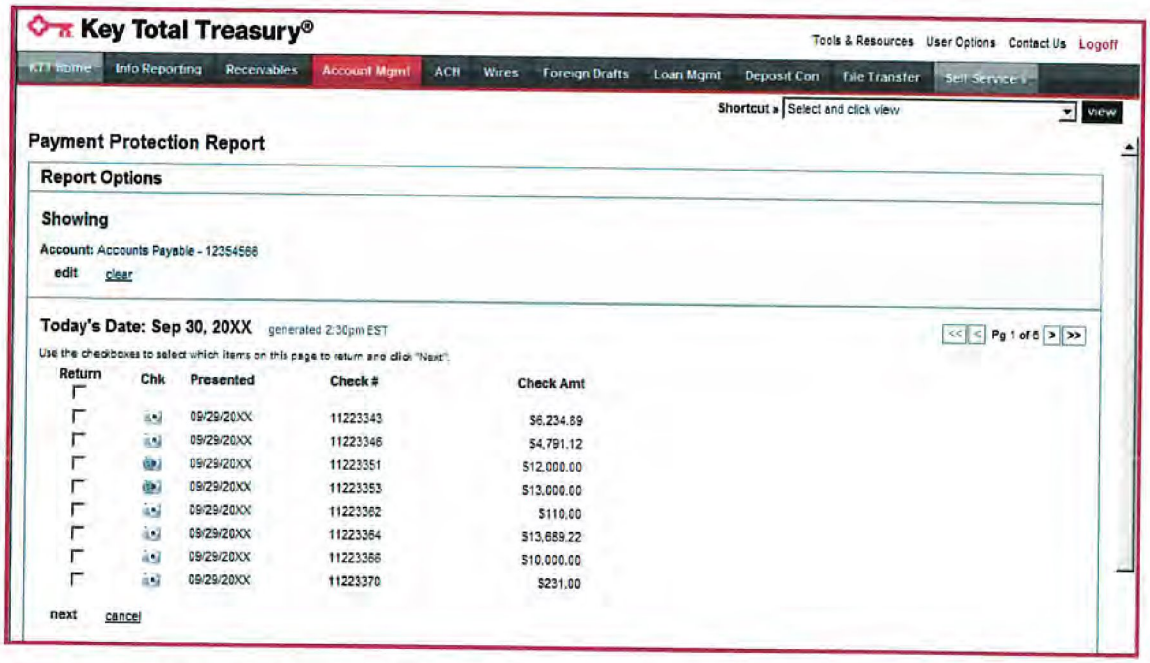
- Check Not On Issue File
- Conflicting Dollar Amount
- Duplicate Presentment
- Void/Cancel On File
- E-check ACH Debit
- Optional: Stale Dated Item; Exceeds Dollar Limit; and Payee Name Conflict



Client Match (Reverse) Positive Pay

Client Match (some time referred to as Reverse) Positive Pay is utilized on your smaller accounts, such as your petty cash account. This service is available to help the City fight check fraud by using Key Total Treasury to review essential information about each payment. Also known as Client Match Positive Pay, this simple, yet highly effective solution is easy to use.

Each check presented against the City's Key account gets listed as a paid item in the daily Payment Protection Report. You'll review the list of paid items and check images to verify dollar amounts, payee names and authorized signors.



Check-number and check-amount filter options will make it easy to find individual items. If a transaction appears to be fraudulent, you'll simply select the return option to have the check amount credited to the City's account.

P. Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.

Key recommends the following services to the City, which have been discussed in detail, earlier in this RFP response:

- **Consolidated Payables**
  The City will be able to submit a single payment file containing any combination of check, ACH, wire, and/or card payments directly from your treasury systems, ERP, or accounting package, or by easily uploading a file to the ***Consolidated Payables Online Portal***.

- **Integrated Receivables**
  While accepting multiple types of payments is vital to performing the City's business, relying on multiple methods of receiving data can significantly impact the time it takes to post your receivables. To improve the City's overall accounts receivables processing, Key offers an ***Integrated Receivables*** solution that will provide a single file that will let you easily post multiple payment types at once.

  The file will consist of all lockbox, ACH and wire payments, which you can load directly into your accounts receivable system.

- **KTT Mobile**
  This mobile platform is optimized for the mobile web, allowing the City to access the Key Total Treasury site from any mobile phone or tablet that is equipped with a mobile browser and internet connection.

- Approve pending wire transfers and ACH transactions
- Review both account summary and detail information, search transactions, and execute book transfers
- Make decisions on suspect positive pay items
- Initiate domestic and international wire templates
- Approve and edit user capabilities and reset user passwords.

Q. Discuss your use of the internet in providing services to your municipal/business customers.

Information reporting has been an integral part of Key's cash management services since the early 1980s. Key Total Treasury, available seven days a week and 24 hours a day, has been offered since 1998. Approximately 6,750 corporate clients use our corporate information reporting services.

Key Total Treasury is a module-based system that allows clients to pick and choose which services they would like to utilize. Over 75% of our clients use Information Reporting, including Previous Day and Intraday reports; 30% send ACH and wire payments; 15% use our Receivables module for their lockbox reporting; and 35% are using our Self Service administrative tool.

The most critical element that differentiates Key's service from other providers is the high priority we place on providing superior client service and quality processing. Key maximizes the value of information reporting services to you through the following:

- Key was one of the first banks to offer a comprehensive, Internet-based information reporting system. We have continued to develop and enhance Key Total Treasury to meet our clients' needs.
- We have a dedicated Client Services Group for our KTT Internet product.
- We are committed to very high quality client service for all treasury management services.
- Key has a Product Development team dedicated to the continuous enhancement of treasury management products and services. Product Development is continually reviewing our offerings as well as those of our competitors in order to provide the best products and services for our clients.

Key Total Treasury's Internet Information Reporting Module provides the following capabilities:

- Previous Day Reporting
- Intraday Reporting (lockbox, ACH, wire transfer)
- BAI2 Download
- Global Balance Reporting
- ACH Activity Report
- EDI Remittance Reporting
- Lockbox Detail Reporting
- DDA Statements and Account Analysis Statements
- Long and Short Term Images of Paid Checks
- Key Capture Deposit Check Images

Key Total Treasury also has eight other modules available including:

- ACH Initiation and Reporting
- Electronic Wire Transfer Initiation and Reporting
- Account Management (check inquiry, stop payments, check photocopy requests, account to account transfer, pending stop list, check images, next day positive)
- Foreign Drafts

- File Transfer
- Self Service
- Loan Management
- ACH Direct

R. Provide information on how your institution plans to keep your product line competitive. Describe what approach the bank is taking in the development of new services and what new services and/or features the bank plans to offer and within what time frame.

Our clients' success is the foundation of Key's strategy. Without it, we cannot continue to broaden relationships while developing innovative solutions that allow our clients to run their businesses better every day.

Key has an aggressive strategy for its electronic banking and information reporting services in both the short- and long-term. We have an ongoing, flexible process for adopting our product development initiatives for electronic banking and information reporting services to meet market needs.

Key's approach is to internally design and install core systems and products where feasible and selectively use third party vendors where strategically important. We have an ongoing, flexible process for adopting our product development initiatives to meet market needs.

Formal product plans are updated annually and reviewed with senior management and all internal partners. Execution to business plans is reviewed monthly, where senior management monitors progress and provides resources to remove roadblocks. It is also during these monthly reviews that business cases for new product ideas are introduced and prioritized for development.

For new product enhancement decisions, particular emphasis is placed on client and sales input. This process of regularly reviewing our business plans provides flexibility in re-prioritizing development to meet market needs as they arise.

Execution to this strategy requires a coordinated team approach among internal bank partners, including Sales, Marketing, Product Development, Operations, and IT. A strong project management culture and process holds the business owner accountable for the overall direction of development and all internal/external partners accountable for results.

Our vision for the next two to five years is to invest in the development of client solutions that will deliver completely electronic forms of payment and settlement, in recognition of the profound and rapid change in traditional payment methods.

Key is in the process of refreshing its internet ACH platform in order to ensure that we maintain our industry acclaimed user experience. As part of that we will be adding the ability to originate international ACH transactions (IATs).

Key is continually evaluating client demand for additional functionality:

Our current roadmap includes:

- Upgrading current clients with Key Total Treasury multi-factor authentication security to provide clients the option of using "Out-of-Band" Voice Phone Call, Mobile Text Message (SMS), or Tokens (Hardware or Mobile Software App) to receive the One-Time Authorization Code when accessing ACH, Wire, Foreign Drafts or Self Service modules. (2014-2015)

- Key is in the process of refreshing its internet ACH platform in order to ensure that we maintain our industry acclaimed user experience. As part of that we will be adding the ability to originate international ACH transactions (IATs).

Clients who use SWIFT FIN MT messaging for either the "bank to bank" or SWIFT for Corporates options will be able to receive a SWIFT FIN MT 942 message type. The MT 942 message type is an "interim transaction report." (2014)

- Key will replace the current Key Total Treasury File Transfer module with our File Management web portal. This will allow Key to provide the new functionality such validations for inbound ARP, ACH and Wire files; email notifications for inbound/outbound files; and data translation for clients who cannot send or receive product files in our standard formats. (2015)

- Upgrade the existing legacy Key Total Treasury Wire module with a new best-in-class module that has a new user interface and new feature-rich functions. (2015)

- We will be upgrading ACH Direct in early April 2015. Clients will get a new, more modern interface and it will also allow us to roll out a flexible dual authorization capability for EPA (Electronic Payment Authorization), once we have finished the initial implementation.
- The Key Total Treasury Message Center & Notification Platform will give clients the ability to create and manage notifications within KTT. Existing messages will be enhanced to include additional information and new messages will be added as well. (3Q & 4Q 2015)

- Our Key Capture vendor will be providing three new enhancements to our remote deposit capture service offering, Key Capture.(2015)

S. Disaster Recovery:

1. Describe your institution's formal disaster recovery plan.

Key maintains a comprehensive Corporate Continuity & Recovery Program to ensure that the bank has the capability to recover information assets and business processes lost or interrupted as a result of an unexpected business disruption.

For detailed information on our emergency preparedness and disaster recovery, please refer to the Appendix to review our *KeyCorp Statement of Recoverability* and *KeyCorp Statement of Security Controls.*

2. How quickly will back-up facilities be activated?

Key's hot site can be brought up within four hours in the event of an emergency. Our hot site is fully redundant with our production sites, and Key can occupy the site for at least 30 days.

3. Describe your institution's operating capabilities to assist the City in the event of a disaster or declared emergency.

Key will be happy to discuss any and all contingency plans with you. In the event that the City cannot operate from its own facility, your Key Team will strive to help you quickly resume operations by providing support and access to the full resources and capabilities of a national bank.

T. Conversion Plan: Describe the conversion plan you would coordinate to ensure a smooth transition from the current provider. Please provide a sample of the conversion schedule.

Your Key Team will ensure that the conversion and implementation of new banking services is organized and efficient in both delivery and communication.

In order to ensure the conversion is completely successful, we propose the following project management and training strategy:

- Conduct initial planning session to establish timelines and plan.
- Appoint project management team.
- Verify products and services to be implemented.
- Identify staff responsibilities and schedule training.
- Conduct weekly status meetings.
- Maintain project plan to track completion of tasks and timelines.

Please refer to the attached *Sample Implementation Plan*, which we will customize to your unique needs upon contract award.

U. List the address and hours of operation at your nearest branch office and also the hours of operation for non-branch services.

The City will continue to use its local branch for depository services.

1 East Main
Auburn, WA 98001
253-833-8622

- Safe Deposit Boxes, Night Deposit, ATM
- 9:00 a.m.-5:00 p.m. M-TH; 9:00 a.m.–6:00 p.m. FRI
- Tai Nguyen, Branch Manager

Commercial Business Banking Center:
1-800-821-2829
5:00 a.m. – 6:00 p.m. PT

V. Discuss any special conditions, other fees, other services, or deviations from the requested scope.

As it pertains to the City's lockbox processing, our lockbox Manager has suggested changes to your processing rules. By doing so we would be reducing the data entry volume associated with these valid OCR coupons and any image volume associated with the check stub for all one to one payments.

Following are two suggestions to drastically reduce keystrokes; thus the City will see significant reduction of lockbox monthly fees.

- Any payment received with a single payment coupon and a check with stub, we will discard the stub and process the one to one payment in the main box.
- Any payment received with multiple payment coupons and a check with stub, we will continue to image the check stub with the payment in the shadow box.

W. Sample Reports: Please provide sample reports for the following services:

1. Bank Statements;

Please refer to the Required Reports Section of the Appendix to review the *Sample Corporate Bank Statement.*

2. Monthly bank account analysis;

Please refer to the Required Reports Section of the Appendix to review the *Sample Account Analysis Statement.*

3. **Daily on-line balance information print-out;**

   Please refer to the Required Reports Section of the Appendix to review the *Sample Intraday Report.*

4. **ACH report options;**

   Key Total Treasury provides an ACH Customer Activity Report, with summary and detail of batches on the system, as well as reports on batches sent. Our reports are available for retrieval as human-readable formatted reports and/or as downloads. You can download in a comma separated variable (CSV) format to load into spreadsheets and/or a BAI2 format.

   Please refer to the Required Reports Section of the Appendix to review the following ACH Reports:

   - *ACH Customer Activity Report (CAR)*
   - *ACH Batches Sent Report*

5. **Returned item(s) notification;**

   Key reports return activity the Customer Activity Report (CAR) that is viewed on Key Total Treasury or received via transmission. The City will be able to view return items, advices and images (front and back) online via the Image Research Center of Key Total Treasury's Account Management module. abs are used to provide access to three distinct functions: defining search criteria, viewing results data and viewing images. You will simply select the desired image/report type.

   Please refer to the Required Reports Section of the Appendix to review a *Sample Return Item Report.*

6. **Monthly merchant services statement;**

   Please refer to the Required Reports Section of the Appendix to review the Key Merchant Services: *"How to Read Your Statement Guide".*

7. **Merchant charge-back report.**

   Please refer to the Required Reports Section of the Appendix to review the *MerchantConnect Service Level Comparison Guide.*

Section IX. Statement of Financial Institution Qualifications

IX. STATEMENT OF BANK QUALIFICATIONS

Each financial institution submitting a proposal for items included in this document shall prepare and submit the following data along with their proposal:

1. Name of Financial Institution KeyBank N.A.
2. Business Address 1301 5th Avenue, Seattle WA 98101
3. Business Phone 206-689-5713 Fax No. 425-709-4547
4. E-mail address Michael_D_Thomas@KeyBank.com.
5. How many years have you been in business under the present name? Seattle Trust, 1905; KeyBank, 1985
6. General character of services provided by your institution: Banking and Financial Services
7. City of Auburn Business License Number: _____
8. State of Washington Sales Tax Registration Number: 601 814 791
9. Federal I.R.S. Identification Number: 34-0797057
10. I certify that the institution:
    - is capable of providing the services as outlined in this proposal,
    - will comply with the rules and regulations outlined by the Revised Code of Washington, Kent Municipal Code, and the Washington Public Deposit Protection Commission, and other applicable laws and regulations.

City of Auburn
Banking Services

KeyBank N.A.

Institution Name

Authorized Signature

ERICA ANN SLATT
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
AUGUST 1, 2016

Sworn before me, this 4th day of, March 2015

Erica ann Slatt

Notary Public
in and for the State of Washington

Section X. Non-Collusion Affidavit Certificate

State of Washington)
)ss
County of King)

The undersigned, being duly sworn, deposes and say that the person, firm, association, co-partnership, or corporation herein named has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation and submission of a proposal to the Owner for consideration in the award of a contract on the improvement described as follows:

City of Auburn
Banking Services

KeyBank N.A.

Institution Name

Authorized Signature

Sworn before me, this 4 day of March 2015

ERICA ANN SLATT
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
AUGUST 1, 2016

Erica ann Slatt

Notary Public
in and for the State of Washington

Attachment A – Bid Sheet

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
General Account Services:				
Account Maintenance	5.00	4	20.00	
Paper Credits	.15	220	33.00	
Paper Checks/Debits Paid	.06	513	30.78	
Deposited Item(checks)	.04	2,004	80.16	
Deposited Items Returned	1.75	11	19.25	
Re-deposited Return Item	1.00	12	12.00	
Return Item Image	2.00	6	12.00	
Online Banking Returned Item Statement	10.00	1	10.00	
Lockbox Services				
PO Box Rental Fee	1.00	1	1.00	
Lockbox Items	.19	4,429	841.51	
Lockbox Scannable Items	.19	4,667	886.73	
Lockbox Unprocessable Items	0.00	64	0.00	
Lockbox Image Check Scan	.05	8,927	446.35	
Lockbox Image Document Scan	.05	3,181	159.05	
Lockbox Image Remit Scan	.05	4,667	233.35	
Lockbox Remit Per Keystroke	.007	116,287	814.01	
Lockbox Deposited Item Clearing	.04	8,927	357.08	
Lockbox Online Image Base Fee	0.00	1	0.00	
Lockbox Data Transmission	1.00	21	21.00	
Account Reconciliation Services:				
Positive Pay Maintenance	10.00	2	20.00	
Positive Pay per item	.06	506	30.36	
ARP Weekly Transmission Input	25.00	1	25.00	Fee Charged per File
ARP Manual Input (Add/Cancel Entry)	0.00	23	0.00	
File Confirmation		10		

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
On Line Banking:				
On Line Banking Current Day Account	15.00	1	15.00	
On Line Banking Current Day Detail Trx	.05	187	9.35	
On Line Banking Prior Day Account	15.00	4	60.00	
On Line Banking Prior Day Detail Trx	.05	974	48.70	
On Line Banking token Monthly Maint.	0.00	5	0.00	Key does not charge
On Line Banking Stop Payments Monthly Maint.	15.00	1	15.00	Account Management Monthly Fee
On Line Banking Stop Payments-Per Stop	5.00	2	10.00	
On Line Banking Book Transfer-per Transfer	0.00	1	0.00	
Wire Transfers:				
Wires Monthly Client Maint.	15.00	1	15.00	
Incoming Domestic Wire	6.00	3	18.00	
Domestic Repeat Wire	6.00	4	24.00	
Image Services:				
Monthly Maintenance per account	0.00	2	0.00	
Image Per Item (CD Item Capture)	.02	513	10.26	
Image CD-ROM Creation Fee	15.00	1	15.00	
ACH Service:				
ACH Monthly Maintenance	25.00	1	25.00	
ACH Process Run (Data Transmission)	5.00	11	55.00	File
ACH Originating Credit Transfer	.06	1,137	68.22	
ACH Originating Debit Transfer	.06	975	58.50	
Incoming ACH Credit Item	.06	15	0.90	
Incoming ACH Debit Item	.06	163	9.78	
ACH Item Min Per File (<250)	0.00	6	0.00	
ACH Credit Addenda Info	.03	20	0.60	
ACH Return Per Item	1.50	5	7.50	
ACH Return/Notification of Change via Email	1.00	10	10.00	
ACH Customer Activity Report (CAR)	5.00	1	5.00	

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
Coin & Currency Services:				
Cash Deposited per $100	.00095	1,209	114.86	Charge per dollar instead of per 100
Mailed Receipts	N/A	34		Next day Loomis synergy with deposit details
Cashier Checks	8.00	1		
Safekeeping (including reporting):				
Account Maintenance		1		See Safekeeping Fee Schedule
Interest Received		1		See Safekeeping Fee Schedule
Supplies:				
Overnight Overdraft Rate	3.25%	$2 million		
Daylight Overdraft Rate	N/A	$2 million		
Short Term Financing Rate		$2 million		
Endorsement Stamps		10		3rd Party
Coin Wrappers per 1000		as requested		
Deposit Slip Books (3 part carbonless)		as requested		3rd Party
Plastic Bank Bags per 100		as requested		3rd Party
Credit Cards:				
Merchant Card Transaction/$ Volume				
Cemetery Transactions		15		
Cemetery $ Volume		35,234		
Finance Net Transactions		875		Includes Counters Finance, P & R, Sr. Center, Clerks & Building
Finance Net $ Volume		290,590		Includes Counters Finance, P & R, Sr. Center, Clerks & Building
Utility Payments Transactions (est.)		60		
Utility Payments $ Volume (est.)		18,000		
Utility On-line Transactions (est.)		5,965		
Utility On-line $ Volume (est.)		1,053,998		
Merchant Account Set-up Fees				
Terminal Rental/purchase fees				
Merchant Acct. Support Package Fees				
Interchange Rates				
Your Bank Fee/Discount Rate				

Other Items Not Mentioned:				
ZBA Concentration Account	10.00			
ZBA Subsidiary Accounts	10.00			
Canadian Deposited Items	1.50			
Online Banking EDI Remittance	15.00			

Safekeeping Fee Schedule

KeyBank National Association

Deposits to an account (other than a security purchased through Key or KBCM)	.....$20.00 per item
Withdrawals from an account (other than a security redemption through Key or KBCM)	.....$20.00 per item
Each Pledge and/or release of a security used as collateral	.....$10.00 per item
Maintenance Charge – Based upon the number of receipts held	.....$ 2.00 per item (monthly)

Your Safekeeping account may be subject to the recovery of incidental out of pocket expenses such as postage, redemption and/or registration fees assessed by other processing institutions. While the situations that prompt these fees may occur infrequently, we want to inform you that the charges will be automatically deducted from your account or directly billed to you at the time of the transaction.

Fees Subject to Change

Key2Purchase Rebate Schedule

Custom Rebate Table	
Spend	**BPS**
$ -	0.00%
$ 1,000,000	1.20%
$ 2,000,000	1.30%
$ 3,000,000	1.40%
$ 4,000,000	1.45%
$ 5,000,000	1.55%
$ 6,000,000	1.60%
$ 7,000,000	1.60%
$ 8,000,000	1.60%
$ 9,000,000	1.60%
$ 10,000,000	1.63%

Key Merchant Services Schedule

SCHEDULE A - SCHEDULE OF FEES

If this schedule is inclusive of exception pricing on any fees or service, written approval of final pricing included herein must be attached for legal review. Primary documentation should be a P&L model including the final pricing, reviewed and signed by the Pricing and Profitability team. If Safe-T Suite pricing is included, see Section VII, C., a signed Schedule L must be included. If Professional Services pricing is included, a separate Statement of Work and Professional Services Agreement must be included. Various forms of written approval will be accepted, but must be approved by appropriate parties within the applicable professional services groups as outlined in the pricing guidelines for these products.

I. ASSUMPTIONS / Merchant PROFILE

Legal Entity Name	THE CITY OF AUBURN
Business Segment	Services_Education
Category Description	Colleges, Univ, Pre-Schools, Junior Colleges
MCC	8220
Multiple MCCs?	Yes
Locations	1000

	Annual Volume	Avg. Ticket	Annual Transactions
VISA	$ 3,720,000	$ 106.00	37,736
MasterCard	$ 3,740,000	$ 106.00	13,764
Discover	$ 780,000	$ 106.00	2,132
UnionPay			0
American Express			0
JCB & Diners			0
PIN-Debit			0
Checks			0
EBT			0
Total	$ 8,000,000	$ 106.00	43,647

II. TERM

Initial Term of: 3 Year(s) with (REQUIRED): Year(s) Renewal Term

Early Termination Fee Options (Choose One):

Percentage of Settlement: The early termination fee is equal to the sum of (i) the settlement fee percentage multiplied by total Transaction volume during the 12 month period immediately prior to the termination; and (ii) sum of the monetary authorization and settlement per item fees multiplied by total Transaction count during the 12 month period immediately following termination. The result from the calculation in the previous sentence is then multiplied by the number of years in the Initial Term, multiplied by a factor of one hundredth (0.01), and then multiplied by the number of months remaining in the Initial Term, based on the month of termination notification.

Annual Volume	$ 5,000,000
Settle Fee %	0.100%
Settle Fee $	
Annual Transactions	43,647
Auth Fee $	$0.0000
Initial Term	3
Factor	0.01

Estimated Early Term Fee: $378 x number of months remaining in the Initial Term

III. ACCOUNT IMPLEMENTATION & MAINTENANCE FEES

	Merchant Fee	Application	Comments
Account Set-Up & Implementation Fee	$ -	0	N/A
Application Fee	$ -	0	N/A
Rush Fee	$ -		N/A
Monthly Statement Fee	$ 5.00	0	PER MONTH/MID
Supply Fee	$ -		POS PAPER
Terminal reprogram Fee (per unit)	$ -		Existing compatible POS terminals
Frame Relay			
Class 2610xm Router	$ -		N/A
Monthly Fee @	$ -		N/A
Wireless Service			
Activation Fee	$ 20.00		PER UNIT
Monthly Fee	$ 10.00		PER UNIT
Onsite Training	$ -		N/A
Research Fee	$ -		N/A
Other Fee	$ -		N/A

IV. CARD PROCESSING FEES

Billing Method: Gross

Interchange, assessments, and dues will be assessed on all Visa, MasterCard, Discover, and UnionPay settled volume.

Servicer may adjust Merchant's pricing if (i) Merchant's annualized Visa/MasterCard/Discover/UnionPay average ticket or volume varies from projections by more than twenty percent (20%), or (ii) Merchants Visa/MasterCard/Discover/UnionPay average ticket or volume for any month falls below fifty percent (50%) of such Visa/MasterCard/Discover/UnionPay average ticket or volume during the same month of the previous calendar year.

OR **Pass-Through**

All Visa, MasterCard, Discover, UnionPay, and debit network authorization and interchange fees, assessments, dues and other fees and charges are passed to Merchant at cost. Servicer Transaction processing fees include:

	%	Per Item ($)
Visa	0.1000%	$ -
MasterCard	0.1000%	$ -
Discover	0.1000%	$ -
UnionPay	0.1000%	$ -
PIN-Debit	0.0000%	$ -

V. AUTHORIZATION FEES - Servicer

	TOTAL
Telecom Method	
Additional Fee for Telecom	$ -

	Per Authorization Fee	
Visa	$ 0.0300	
MasterCard	$ 0.0300	
Discover	$ 0.0300	
UnionPay	$ 0.0300	
PIN Debit	$ 0.0300	
American Express	$ 0.0300	
Diners	$ 0.0300	
JCB	$ 0.0300	
EBT	$ 0.0300	
Other Card Type	N/A	N/A
Frame Relay	$ 0.0300	TBD
Dial Back-Up for Frame Relay	$ -	
Voice (VRU) Authorization	$ -	
Voice Authorization with Address Verification	$ 0.7300	
Operator-Assist Authorization	$ 0.9000	
Bank Referral Authorization	$ 1.2500	
	$ 4.0000	

VII. OTHER TRANSACTION FEES

	Per Transaction Fee
Bill Payment (PIN-Less Debit)	$ -
PIN Debit Flat Rate (per settled transaction) [Debit Network Switch Fee is billed separately - per authorization]	$ -
ACH Fee (per occurrence)	$ -
ACH Fee (per occurrence)	$ -
ACH Returned Item Fee (per occurrence)	$ -
FedWire Settlement (per occurrence, where available)	$ -
Fee(s) required: CFO Approval	
Chargeback Fee (per occurrence)	$ 15.00
Monthly Minimum (per location)	$ 20.00
Monthly Minimum Start Date to be the Effective Date of the PCFA	
Other Fee	
3Delta - Level 3 Solutions	$ -
Setup Fee	$ 150.00
Other Setup Fee	$ -
Monthly Fee	$ 30.00
Per Transaction Fee	$ 0.15
Other Fee	N/A

VIII. SERVICES

A. Reporting

Merchant Connect Basic		
Setup Fee		WAIVED
Monthly Fee		WAIVED
Merchant Connect Premium		
Setup Fee		$ -
Monthly Fee	1 User	$ 10.00
	2-5 Users	$ 10.00
	6-10 Users	$ 10.00
	11+ Users	$ 10.00
OCM Setup Fee		$ -
Monthly Maintenance Fee	1-5 Users	$ 10.00
	6-10 Users	$ 10.00
	11+ Users	$ 10.00
ACS Reporting		
Setup Fee (per MID)		$ 5.00
Monthly Fee		$ 20.00
Customized Reporting		
Setup Fee		TBD
Monthly Fee		TBD
PIN-Debit BIN Reporting		
Setup Fee (per MID)		TBD
Monthly Fee		TBD

B. Terminal Networks & Gateways

C. Security

D. Professional Services

E. Equipment/Software

Equipment Type	Purchase Price/Unit	Monthly Fee	Application
VERIFONE VX820 DMV	$ 495	$ -	PER UNIT
verifone vx820 emv - pinpad	$ 335	$ -	PER UNIT
INGENICO ICT220 - DMV	$ 749	$ -	PER UNIT
Ingenico pinpad ipp320	$ 220	$ -	PER UNIT
readyprint t20 receipt printer	$ 160	$ -	PER UNIT
Virtual Merchant	$ -	$ 7.00	PER MID

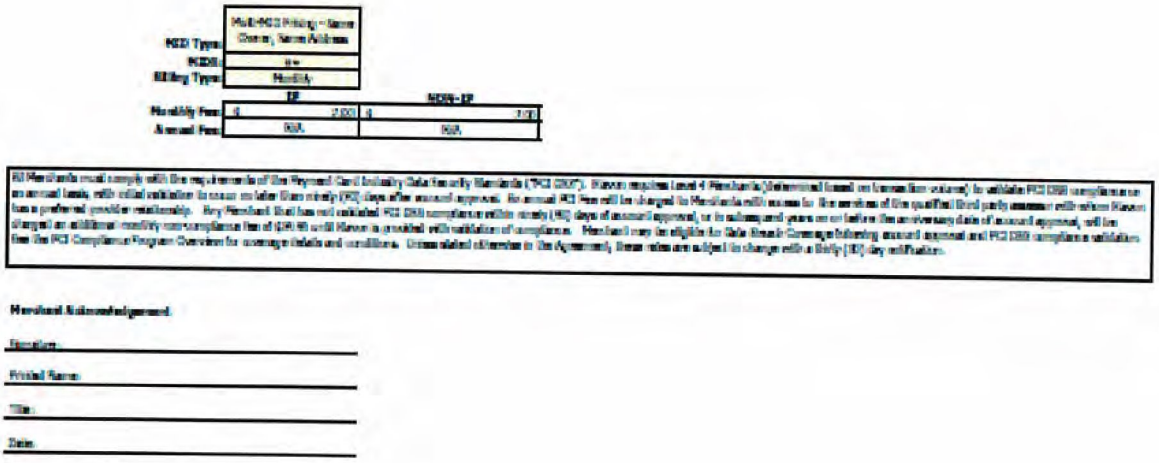
Notes: 1) Shipping and handling fees are included in the equipment price. 2) All newly purchased equipment from Servicer is warranted for one year from date of purchase. Servicer will replace defective equipment. Merchant will pay a $35/unit swap fee for the shipping and handling of the replacement equipment. After the first year, Merchant will be quoted a new equipment cost based on market pricing. 3)Merchant owned equipment is not warranted by Servicer, but Merchant may purchase new equipment at market pricing from Servicer. 4)See additional pricing sheet as needed.

VIII. VALUE ADDED PRODUCTS

IX. PCI

Channel: Direct

Start Date:



Please refer to the Appendix to review the following Merchant Services information documents:

- *Convenience Service Fee Program*
- *Durbin Provisions*

Notes or Item Description:

- Increased ECR to 0.40% to further off set your banking service fees
- Three months banking services retention credit

Formulas:

Daylight Overdraft Formula
Key does not charge for daylight overdrafts.

Overnight Overdraft Formula
Overdraft fees are waived to analysis or charged directly to the overdrawn account. The bank does charge for the use of uncollected funds. The uncollected funds rate is based on the bank's prime rate. Fees for overdrafts and uncollected funds charges cannot be covered by compensating balances.

The uncollected funds charge calculation is as follows:

Uncollected Funds Charge* =
(Uncollected Funds Rate divided by 100) x [(Number of Negative Days) (Average Daily Negative Collected Balance)/ (Number of days in the year)]

Short-Term Financing Formula
Key will work with the City to establish short-term financing should the need arise.

FDIC Insurance Formula
Key does not charge for FDIC insurance.

Service Charge Credit Formula
Key's ECR (earnings credit rate) is administratively managed, based on a review of interest rates for various short-term instruments including U.S. Treasury Bills, Fed Funds, LIBOR, and other short-term investments. Historical and forward rate trends and the competitive environment are considered when establishing the rate.

The ECR is subject to change on a monthly basis and is tiered based on average monthly collected balances with more favorable rates associated with significant balance levels. The Earnings Credit Allowance (ECA) calculation is as follows:

- Earnings Credit Rate divided by 100 (to create decimal)
- Equals the Earnings Credit Allowance truncated at 2 decimals
- Divided by days in year (365) and truncated at 5 decimals
- Multiplied by the Balance Available to Support Services
- Multiplied by days in month (31)

AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5184

Date:
November 6, 2015

Department:
Administration

Attachments:
Res 5184

Budget Impact:
$10

Administrative Recommendation:

Recommend Council Adopt Resolution No. 5184

Background Summary:

In response to requests by the residence of the Lea Hill area, the owners of The Seasons at Lea Hill and the affiliated owners of the Promenade development have agreed to lease to the City of Auburn approximately 1,800 square feet of office space located within The Seasons at Lea Hill development for use as a Police Substation at a rate of one dollar ($1.00) per year for a ten (10) year term. A floor plan layout along with identified premises improvements, both acceptable to the Auburn Police, has been submitted to the City. Under this proposal, the owners of The Seasons at Lea Hill will bear the full cost of the build-out improvements. The owners will also bear the cost of all utilities including: water, sewer, electricity, garbage within reasonable use as well as the maintaining of the exterior of the premises and the HVAC system. The City's responsibilities would be, in addition to the $1.00 per year rent, telephone, cable, internet, security improvements and alarm monitoring, providing janitorial services to the Substation premises, maintaining the interior of the premises, including fixtures and supplying furniture and office equipment for the premises. The Substation is expected to be ready for occupancy by March 1, 2016.

Reviewed by Council Committees:

Councilmember:

Staff: Lee

Meeting Date: November 16, 2015

Item Number: RES.D

RESOLUTION NO. 5184

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING AND NEGOTIATE AND EXECUTE A LEASE AGREEMENT FOR A LEA HILL POLICE SUBSTATION

WHEREAS, the City of Auburn is interested in having a police substation located in the Lea Hill region of the City; and

WHEREAS, residents of Lea Hill have also requested that a police substation be located in their neighborhood; and

WHEREAS, the owners of The Seasons at Lea Hill and adjacent properties have offered to make available suitable premises and improvements for a police substation in their commercial/residential complex.

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

Section 1. The Mayor is hereby authorized to execute the Memorandum of Understanding - Police Substation at The Seasons, a copy of which is attached hereto, denominated as Exhibit A, incorporated herein by this reference, and to negotiate and execute a lease agreement between the City of Auburn and Escalon LLC in conformity with the terms set forth in said Memorandum of Understanding.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. This Resolution shall be in full force and effect upon passage and signatures hereon.

DATED and SIGNED this ____ day of _____ 2015.

CITY OF AUBURN

_____
NANCY BACKUS, Mayor

ATTEST:

_____
Danielle E. Daskam,
City Clerk

APPROVED AS TO FORM:

_____
Daniel B. Heid,
City Attorney

Exhibit "A"

HNN
performance matters

Real Estate Assets
- investment management services
- professional property management

Memorandum of Understanding – Police Substation at The Seasons

September 4, 2015

Residents of the Lea Hill area of the city of Auburn have requested that the ownership of the Seasons at Lea Hill development and the affiliated ownership of the Promenade development cooperatively work with the city of Auburn to provide a police substation in the Lea Hill area.

At a neighborhood meeting in August of 2014, the Promenade ownership group provided a verbal confirmation to the city of Auburn that a space for a police substation would be provided at The Seasons. Ownership representative Phil Nored met with the Auburn Police on several occasions. As of September 4, 2015, a draft space plan has been approved by the Auburn Police and Phil Nored has retained a design firm to prepare permit drawings and provide guidance through the permitting process and to develop specifications and solicit bids for the build-out of the interior of the space. The goal is to have the substation open in March 2016. The city has been provided with a draft of a 10-yr lease on an 1,800 square foot space at a cost of $1 per year. Other information and understandings are summarized below:

1. Landlord (Escalon, LLC) will pay for the interior build-out of the space (see attached floor plan) to be approved and finalized with Tenant (city of Auburn). On the attached floor plan, the Landlord provided build-out will include the reception desk area, the storage behind the reception desk, and the long counter in the "open office" and any other "built in" furnishings that are attached to the wall. The Landlord will also provide the refrigerator.

2. Tenant will be responsible for all personal furnishings. On the attached floor plan, this would include, for example, chairs and tables, miscellaneous appliances in kitchen (microwave, coffee, etc..) Tenant will be responsible for cameras and other security improvements above and beyond typical commercial door lock hardware and any special network wiring needs to facilitate communication for the police substation.

3. Landlord will be responsible for, oversee, and pay for all design, payment and performance of the work in the space. The finishes in the space will meet a basic requirement of a Class B commercial space build-out.

4. Landlord will pay for electricity, water, sewer, and trash utility costs. Tenant is responsible for telephone, Internet, cable service, alarm monitoring, etc... Tenant is responsible for janitorial service to the space.

5. Tenant is responsible for scheduling of the use of the conference facility and facilitating any front office business hours.

6. Both Landlord and Tenant may immediately promote, advertise, and otherwise announce that a police substation will open at the Seasons in the early spring of 2016.

Acknowledged and Agreed:

LANDLORD:	**TENANT:**
ESCALON, LLC	**City of Auburn, Washington**
Signature	Signature
BY: _____	BY: Nancy Backus
ITS: _____	ITS: Mayor

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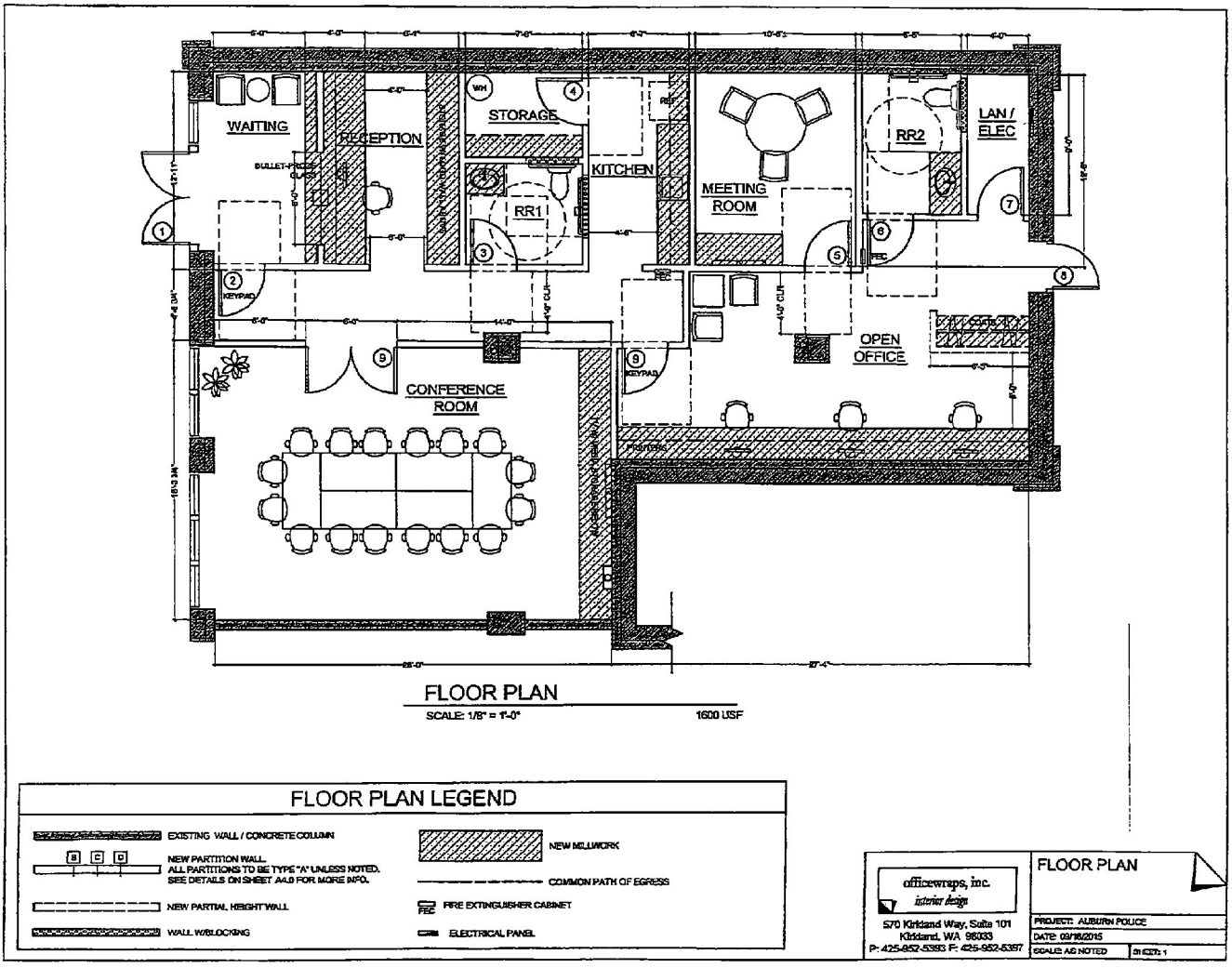
WAITING
RECEPTION
STORAGE
KITCHEN
RR1
MEETING ROOM
RR2
LAN / ELEC
OPEN OFFICE
CONFERENCE ROOM
KEYPAD
FEC
WH
RF
FLOOR PLAN
SCALE: 1/8" = 1'-0"
1600 USF
FLOOR PLAN LEGEND
EXISTING WALL / CONCRETE COLUMN
NEW PARTITION WALL
ALL PARTITIONS TO BE TYPE "A" UNLESS NOTED.
SEE DETAILS ON SHEET A4.0 FOR MORE INFO.
NEW PARTIAL HEIGHT WALL
WALL W/BLOCKING
NEW MILLWORK
COMMON PATH OF EGRESS
FIRE EXTINGUISHER CABINET
ELECTRICAL PANEL
officewraps, inc.
interior design
570 Kirkland Way, Suite 101
Kirkland, WA 98033
P: 425-822-5393 F: 425-822-5397
FLOOR PLAN
PROJECT: AUBURN POLICE
DATE: 03/16/2015
SCALE: AS NOTED