



City Council Meeting
January 3, 2017 - 7:00 PM
Auburn City Hall
AGENDA

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[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. Korean American Day Proclamation
Mayor Backus to proclaim January 13, 2017 as Korean American Day in the city of Auburn.

III. APPOINTMENTS

- A. Arts Commission Appointments

City Council confirm the following appointments to the Arts Commission. Each will be appointed to serve a three year term, expiring December 31, 2019:

Amy Sie
Kelley Kuhlman
Kenneth Greg Watson

(RECOMMENDED ACTION: City Council confirm the appointments.)

- B. Board and Commission Reappointments
City Council to confirm the following Board and Commission reappointments for three year terms ending December 31, 2019:

Arts Commission
Jan Jensen
Charlotte Gollnick
Cary Davidson
Donna Smart

Auburn Lodging Tax Advisory Committee
Bob Fraser
Chantelle Herburger
Satpal Sohal

Cemetery Board
Judi Roland
Warren Olson

Human Services Committee
Barbara Derda

Planning Commission
Ronald Copple
Joan Mason

Salary Commission
Ronald Beyersdorf

Urban Tree Board
Brooksie Hall
James Tourangeau

(RECOMMENDED ACTION: City Council confirm the appointments.)

IV. AGENDA MODIFICATIONS

V. CITIZEN INPUT, PUBLIC HEARINGS & CORRESPONDENCE

A. Public Hearings

No public hearing is 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.

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. Minutes of the December 19, 2016 City Council Meeting*

B. Claims Vouchers (Coleman)

2016 claims voucher numbers 441961 through 441965 and voucher numbers 441968 through 442161 in the amount of \$1,825,221.60 and four wire transfers in the amount of \$399,594.72 and dated January 3, 2017.

2017 claims voucher numbers 441966 through 441967 and voucher numbers 442162 through 442173 in the amount of \$109,171.66 and one wire transfer in the amount of \$440,807.04 and dated January 3, 2017.

C. **Payroll Vouchers (Coleman)**

Payroll check numbers 536999 through 537026 in the amount of \$747,604.90 and electronic deposit transmissions in the amount of \$1,397,459.98 for a grand total of \$2,145,064.88 for the period covering December 15, 2016 to December 28, 2016.

(RECOMMENDED ACTION: City Council approve the Consent Agenda.)

VIII. **UNFINISHED BUSINESS**

IX. **NEW BUSINESS**

X. **RESOLUTIONS**

A. **Resolution No. 5266* (Snyder)**

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to accept a grant from the Washington State Transportation Improvement Board for construction of the Auburn Way South (SR-164) Sidewalk Improvement Project

(RECOMMENDED ACTION: City Council adopt Resolution No. 5266.)

B. **Resolution No. 5267* (Roscoe)**

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a second addendum to the Public Defense Services contract between Cayce & Grove and the City of Auburn, providing for an extension thereof for one additional year

(RECOMMENDED ACTION: City Council adopt Resolution No. 5267.)

C. **Resolution No. 5269* (Roscoe)**

A Resolution of the City Council of the City of Auburn, Washington, approving and authorizing the Administrative Services Agreement between the City of Auburn and ICMA Retirement Corporation

(RECOMMENDED ACTION: City Council adopt Resolution No. 5269.)

XI. **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**

XII. **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:

Minutes of the December 19, 2016 City Council Meeting

Date:

December 28, 2016

Department:

Administration

Attachments:

[Minutes](#)

Budget Impact:

\$0

Administrative Recommendation:**Background Summary:****Reviewed by Council Committees:****Councilmember:****Staff:**

Meeting Date: January 3, 2017

Item Number: CA.A



City Council Meeting
December 19, 2016 - 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 Auburn City Hall Council Chambers located at 25 West Main Street in Auburn. Mayor Backus led those in attendance in the Pledge of Allegiance.

B. Roll Call

City Councilmembers present: Deputy Mayor Largo Wales, Bob Baggett, Claude DaCorsi, John Holman, Bill Peloza, Yolanda Trout-Manuel and Rich Wagner.

Mayor Nancy Backus was in attendance, and the following department directors and staff members were present: Innovation and Technology Director Paul Haugan, Parks, Arts and Recreation Director Daryl Faber, City Attorney Daniel B. Heid, Community Development and Public Works Director Kevin Snyder, Finance Director Shelley Coleman, Assistant Director of Engineering Services/City Engineer Ingrid Gaub, Police Chief Bob Lee, Director of Administration Dana Hinman, and Deputy City Clerk Shawn Campbell.

II. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

There was no announcement, proclamation or presentation.

III. APPOINTMENTS

A. Election of Deputy Mayor

Mayor Backus opened the floor for nominations for Deputy Mayor.

Councilmember Baggett nominated Councilmember Holman and Councilmember Wagner nominated Deputy Mayor Wales.

Councilmember Peloza spoke in favor of Deputy Mayor Wales continuing at Deputy Mayor. He stated she has done a good job in 2016, and there is no reason to change.

Councilmember Holman listed duties required of the Deputy Mayor and his qualifications for the position.

Councilmember Trout-Manuel spoke in support of Deputy Mayor Wales continuing as Deputy Mayor. She stated Deputy Mayor Wales has done a good job working with Mayor Backus.

Deputy Mayor Wales was elected Deputy Mayor by a vote of 5-2.

Councilmember Holman and Councilmember Baggett voted for Councilmember Holman.

IV. **AGENDA MODIFICATIONS**

Resolution No. 5262 was removed from the agenda, and Resolution No. 5265 was add to the agenda.

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

A. **Public Hearings**

There was no public hearing 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.

Adam Braun, 5207 Quincy Avenue SE, Auburn

Mr. Braun recommended not installing blue safety phones in City parks. He spoke of his experience as a college student and safety phones on campus. He stated it appeared that crime incidents were not deterred but moved a block away from the area where blue safety phones were installed. Mr. Braun suggested any funds allocated for the blue safety phone could be better spent.

Virginia Haugen, 2503 R Street SE, Auburn

Ms. Haugen spoke in favor of the City Council returning to the Council Committee system.

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 Baggett reported on behalf of the Finance ad hoc committee that reviews claims and payroll vouchers. Councilmember Baggett reported he and Councilmember Wagner reviewed the claims and payroll vouchers as presented and described on this evening's agenda and recommend City Council approval of the vouchers.

Councilmember Wagner reported on behalf of the ad hoc committee established to review the Council structure. He stated the ad hoc committee met on the December 16th to consolidate the proposals. The committee will bring a proposal back to full Council at the January 9, 2017 study session with an expected implementation date by the second quarter of 2017.

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. **Minutes of the December 5, 2016 City Council Meeting**

- B. Claims Vouchers (Coleman)
Claims voucher numbers 441770 through 441960, in the amount of \$3,722,435.24 and four wire transfers in the amount of \$626,130.32 and dated December 19th, 2016.
- C. Payroll Vouchers (Coleman)
Payroll check numbers 536965 through 536998 in the amount of \$575,283.89, electronic deposit transmissions in the amount of \$1,455,928.97 for a grand total of \$2,031,212.86 for the period covering December 1, 2016 to December 14, 2016.
- D. 2017 Annual On-Call Agreements (Snyder)
City Council to approve the Annual On-Call Professional Service Agreements for 2017
- E. Public Works Project No. CP1417 (Snyder)
City Council award Contract No. 16-04 to R.L. Alia on their low bid of \$264,514.50 plus Washington State sales tax of \$25,128.88 for a total contract price of \$289,643.38 for Project No. CP1417, West Hill Springs Improvements Project.

Councilmember DaCorsi moved and Councilmember Trout-Manuel seconded to approve the Consent Agenda.

The Consent Agenda includes minutes, claims vouchers and payroll vouchers, on call agreements and public works agreements.

Councilmember Pelosa requested Item F, Public Works Project No. CP1522 be removed from the consent agenda and considered separately.

MOTION CARRIED UNANIMOUSLY. 7-0

VIII. UNFINISHED BUSINESS

- A. Public Works Project No. CP1522 (Snyder)
City Council approve Change Order No. 1 in the amount of \$273,750.00 to Contract No. 16-19 for work on Project No. CP1522 – 30th Street NE Area Flooding, Phase 1B

Councilmember Pelosa asked about the funds allocated for pipeline repair. Assistant Director/City Engineer Gaub explained these funds are for any needed repair or replacements that come up through the year.

MOTION CARRIED UNANIMOUSLY. 7-0

IX. NEW BUSINESS

There was no new business.

X. ORDINANCES

There was no ordinance for Council consideration.

XI. RESOLUTIONS

- A. Resolution No. 5261 (Hinman)
A Resolution of the City Council of the City of Auburn, Washington, authorizing acceptance of a grant from the Washington State Military Department in the

amount of Forty-three Thousand Three Hundred fifteen dollars (\$43,315.00) from the United States Department of Homeland Security Emergency Management Performance Grant Program, and authorizing the Mayor to execute necessary agreements to accept and expend said funds

Deputy Mayor Wales moved and Councilmember Pelloza seconded to adopt Resolution No. 5261.

MOTION CARRIED UNANIMOUSLY. 7-0

B. Resolution No. 5263 (Snyder)

A Resolution of the City Council of the City of Auburn, Washington approving an Interlocal Agreement with the Auburn Transportation Benefit District to coordinate individual, joint and mutual rights and obligations pertaining to the operation, maintenance, construction and reconstruction of public transportation infrastructure within the boundaries of the City of Auburn and the Auburn Transportation Benefit District

Deputy Mayor Wales moved and Councilmember Baggett seconded to adopt Resolution No. 5263.

Councilmember Pelloza stated the Board of Directors of the Transportation Benefit District established a \$20 license tab fee. The City and the Transportation Benefit District will enter into an interlocal to coordinate the operation, maintenance, and construction for the infrastructure improvements paid for by the funds received from the fee.

Councilmember Wagner explained the State of Washington allows jurisdictions to create a Transportation Benefit District with separate funding opportunities from the City.

Deputy Mayor Wales stated she will not vote in support of the interlocal agreement. She believes 25% of the funds will go to administration of the projects. She believes the City should put the question before the voters.

MOTION CARRIED. 6-1 Deputy Mayor Wales voted no.

C. Resolution No. 5264 (Snyder)

A Resolution of the City Council of the City of Auburn, Washington adopting the Strategic Business Plan for the Auburn Municipal Airport

Deputy Mayor Wales moved and Councilmember DaCorsi seconded to adopt Resolution No. 5264.

MOTION CARRIED UNANIMOUSLY. 7-0

D. Resolution No. 5265

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a second addendum to the current services agreement with Aviation Management Group, LLC for the day to day operation and management of the Auburn Municipal Airport, providing for a ninety day extension thereof

Deputy Mayor Wales moved and Councilmember Baggett seconded to adopt Resolution No. 5265.

Deputy Mayor Wales stated this extension will allow the City and the management team at the airport time to ensure everyone's needs are met.

MOTION CARRIED UNANIMOUSLY. 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

Deputy Mayor Wales reminded it is the holiday season and a time for giving. She thanked the Auburn community for its year round generosity. Deputy Mayor Wales stated she was joined by Mayor Backus and Councilmember Trout-Manuel in working on a holiday giving program at Gildo Rey Elementary, which served 270 individuals.

Councilmember Pelosa reported he attended the Gildo Rey Elementary School with Mayor Backus to deliver warm coats to children as part of a Valley Regional Fire Authority giving program. Councilmember Pelosa also served as a Santa's helper for the Auburn Regional Fire Authority's "Shop with a Student" held at Auburn High School.

Councilmember Trout-Manuel reported on her participation at the holiday giving program at Gildo Rey Elementary School where families were provided with food and children were provided with gifts and clothing.

Councilmember Baggett reported he and Councilmember Pelosa participated in the Senior Center Coffee Hour.

Councilmember Holman reported he attended the Seattle-King County Economic Development Council meeting to receive the Council's fourth quarter report.

Councilmember Wagner reported he attended the Transportation Policy Board of the Puget Sound Regional Council, where discussion focused on alternative funding options to the gas tax, such as a road usage funding system. Councilmember Wagner also spoke regarding Auburn's Transportation Benefit District Board.

Councilmember DaCorsi reported on his attendance at the King County Regional Transit Committee meeting where the Committee adopted the Long Range Transit Service and Capital Plan.

B. From the Mayor

Mayor Backus reported the City has hired a firm to assist in the recruitment of police officers to better reflect the community as a whole.

Mayor Backus reported on the City Employees' Annual Giving Campaign and silent auction fund raiser.

Mayor Backus reported she met with the interim president of Green River College, Scott Morgan, and Auburn School District Superintendent Spicciati, to identify areas of focus that the Cities and Schools Forum will work together to achieve. Initially, the Cities and Schools Forum will focus on family wage jobs in the Auburn, Algona, and Pacific communities.

Mayor Backus stated she attended the farewell reception for Pierce County Executive Pat McCarthy, who was elected as Washington State Auditor.

Mayor Backus reported she attended Breakfast with Santa along with Councilmembers Pelosa and Baggett.

Mayor Backus reported on attendance at a meeting of the Business Improvement Area (BIA) businesses.

Mayor Backus also reported she attended Governor Inslee's budget presentation to support the Governor's effort to fund behavioral health and human services.

Mayor Backus welcomed Auburn's newest police officer, Joshua Kwake.

Mayor Backus spoke regarding the International Association of Fire Fighters Local 1352 toy giveaway that provided toys to 1,500 children during this holiday season.

Mayor Backus thanked John Theisen and Orion Industries for providing over 100 turkeys for the Gildo Rey Elementary School holiday giving program.

XIII. EXECUTIVE SESSION

At 8:02 p.m., Mayor Backus recessed the meeting to executive session for ten minutes in order to discuss pending or potential litigation pursuant to RCW 42.30.110(1)(i) and indicated action may follow the executive session. City Attorney Heid attended the executive session.

Mayor Backus reconvened the meeting at 8:12 p.m.

Deputy Mayor Wales moved and Councilmember Holman seconded, pursuant to the Mayor's recommendation, Finance Department employees be included in representation by counsel, Stradling, Yocca, Carlson and Rauth in the investigation of bond issues by the Securities and Exchange Commission.

MOTION CARRIED UNANIMOUSLY. 7-0

XIV. ADJOURNMENT

There being no further business to come before the Council, the meeting adjourned at 8:13 p.m.

APPROVED this 3rd day of January, 2017.

NANCY BACKUS, MAYOR

Danielle Daskam, City Clerk



AGENDA BILL APPROVAL FORM

Agenda Subject:

Claims Vouchers

Date:

December 27, 2016

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

\$0

Administrative Recommendation:

City Council approve the claims vouchers.

Background Summary:

2016 claims voucher numbers 441961 through 441965 and voucher numbers 441968 through 442161 in the amount of \$1,825,221.60 and four wire transfers in the amount of \$399,594.72 and dated January 3, 2017.

2017 claims voucher numbers 441966 through 441967 and voucher numbers 442162 through 442173 in the amount of \$109,171.66 and one wire transfer in the amount of \$440,807.04 and dated January 3, 2017.

Reviewed by Council Committees:**Councilmember:****Staff:**

Coleman

Meeting Date: January 3, 2017

Item Number: CA.B



AGENDA BILL APPROVAL FORM

Agenda Subject:

Payroll Vouchers

Date:

December 27, 2016

Department:

Finance

Attachments:

No Attachments Available

Budget Impact:

\$0

Administrative Recommendation:

City Council approve payroll vouchers.

Background Summary:

Payroll check numbers 536999 through 537026 in the amount of \$747,604.90 and electronic deposit transmissions in the amount of \$1,397,459.98 for a grand total of \$2,145,064.88 for the period covering December 15, 2016 to December 28, 2016.

Reviewed by Council Committees:**Councilmember:****Staff:**

Coleman

Meeting Date: January 3, 2017

Item Number: CA.C



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5266

Date:

December 27, 2016

Department:

CD & PW

Attachments:

[Resolution No. 5266](#)

[Vicinity Map](#)

Budget Impact:

\$0

Administrative Recommendation:

City Council adopt Resolution No. 5266.

Background Summary:

Resolution No. 5266 authorizes the Mayor to accept the Washington State Transportation Improvement Board (TIB) grant of \$400,000.00 for the Auburn Way South (SR-164) Sidewalk Improvements project (Project) and authorizes the Mayor to execute any necessary agreements required by TIB for the Project, expending up to the total amount of the grant of \$400,000.00. The Auburn Way South (SR-164) Sidewalk Improvements project, consists of constructing a sidewalk on the north side of Auburn Way South from approximately 17th St SE to Muckleshoot Plaza, completing the gap that currently exists through this stretch of corridor.

The TIB grant requires the City to contribute any project funds needed in excess of the \$400,000.00 grant amount, or a minimum of 52% of the total project cost (whichever is greater). The preliminary project cost is estimated to be \$830,000.00. Therefore, the current estimated required City match amount is \$430,000.00. This project is currently listed in the Capital Facilities Plan for 2018 and 2019 and partially included in the 2018 approved budget. The grant requires that the design work begin in 2017 therefore, the grant revenue funds and required City matching funds for design will be included in a future budget amendment request in 2017 to move this project forward.

It is anticipated that this project will go to construction in 2018.

Matching funds for this project are available from the 102 Arterial Street Fund.

Reviewed by Council Committees:

Councilmember:

Staff:

Snyder

Meeting Date: January 3, 2017

Item Number: RES.A

RESOLUTION NO. 5 2 6 6

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO ACCEPT A GRANT FROM THE WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD FOR CONSTRUCTION OF THE AUBURN WAY SOUTH (SR-164) SIDEWALK IMPROVEMENTS PROJECT

WHEREAS, the City desires to improve the safety and efficiency of Auburn Way South; and

WHEREAS, the need for sidewalk improvements on Auburn Way South is recognized in Auburn's adopted Transportation Improvement Program; and

WHEREAS, adding sidewalks on the north side of Auburn Way South from 17th St SE to Muckleshoot Plaza will improve the safety and efficiency of Auburn Way South; and

WHEREAS, the City received a grant in the amount of \$400,000.00 from the Washington State Transportation Improvement Board (TIB) to assist in the design and construction of the Auburn Way South (SR-164) Sidewalk Improvements project (Project); and

WHEREAS, the TIB grant requires the City to contribute any project funds needed in excess of the \$400,000.00 grant amount, or a minimum of 52% of the total project costs, whichever is greater; and

WHEREAS, the required City matching funds and grant revenue funds will be included in a budget amendment request since the Project is currently not listed in the approved 2017 City budget; and

WHEREAS, the matching funds are available within the 102 Arterial Street fund;
and

WHEREAS, it is in the best interest of the City to use grant monies to finance capital improvements to the transportation system.

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

Section 1. That the Mayor is hereby authorized to accept the grant for \$400,000.00 for the Auburn Way South (SR-164) Sidewalk Improvements project. In addition, the Mayor is hereby authorized to execute any necessary agreements required by the Washington State Transportation Improvement Board for the Project, and to expend up to the total amount of the grant of \$400,000.00 in accordance with the City's budget and the grant agreement.

Section 2. That the Mayor is authorized to implement such other 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 _____, 2017.

CITY OF AUBURN

ATTEST:

Nancy Backus, Mayor

Danielle E. Daskam, City Clerk

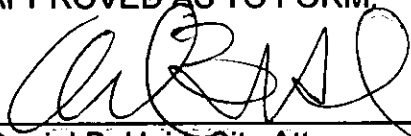
Resolution No. 5266

December 27, 2016

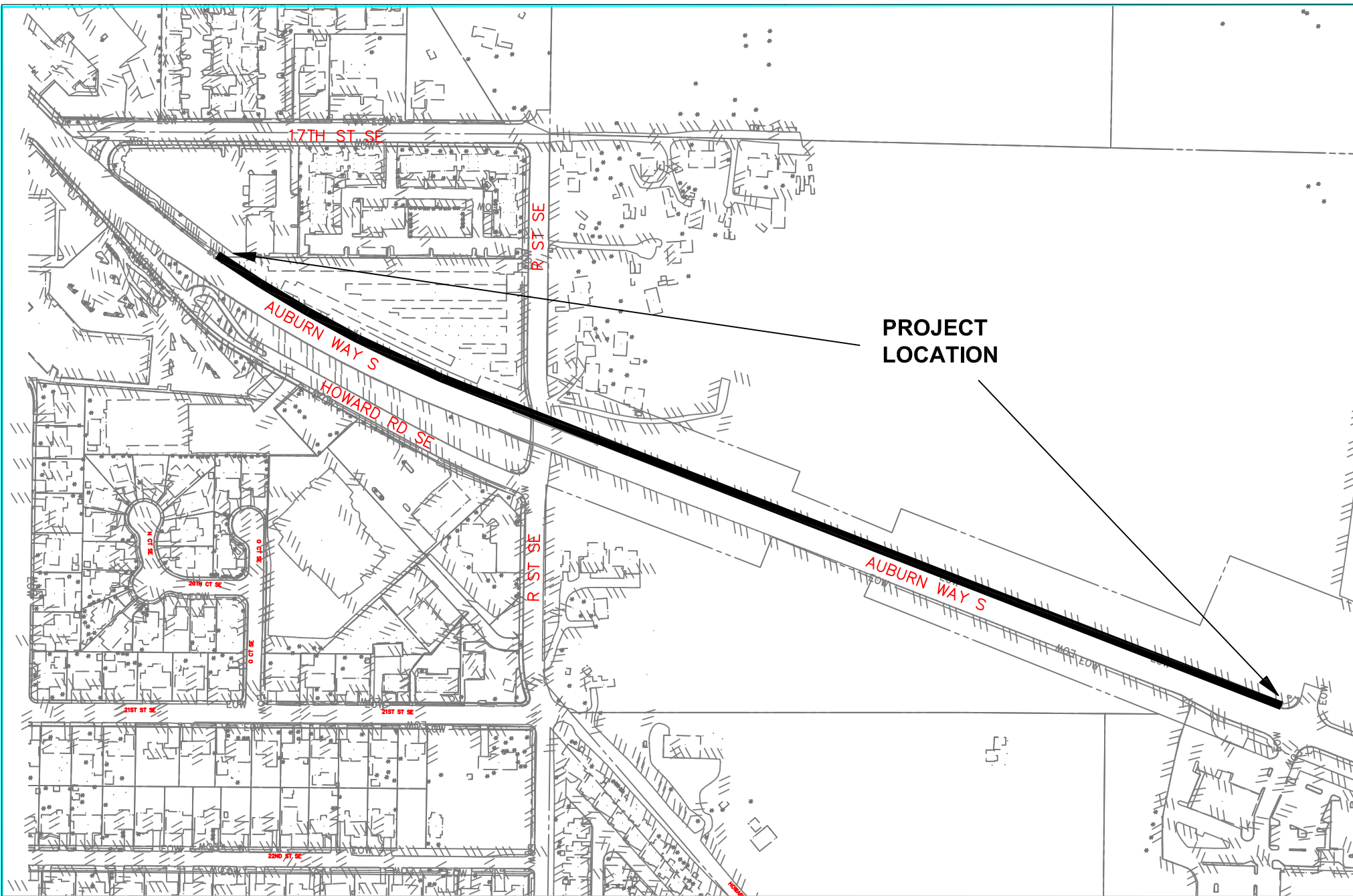
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RES.A

APPROVED AS TO FORM:



Daniel B. Heid, City Attorney





AGENDA BILL APPROVAL FORM

Agenda Subject:
Resolution No. 5267

Date:
December 27, 2016

Department:
Human Resources

Attachments:
[Resolution No. 5267 with agreement](#)

Budget Impact:
\$0

Administrative Recommendation:
City Council adopt Resolution No. 5267.

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff: Roscoe

Meeting Date: January 3, 2017

Item Number: RES.B

RESOLUTION NO. 5 2 6 7

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE A SECOND ADDENDUM TO THE PUBLIC DEFENSE SERVICES CONTRACT BETWEEN CAYCE & GROVE AND THE CITY OF AUBURN, PROVIDING FOR AN EXTENSION THEREOF FOR ONE ADDITIONAL YEAR

WHEREAS, the City of Auburn and Cayce & Grove entered into a contract for public defender services with the term of said Agreement expiring in early 2017; and

WHEREAS, in light of the thresholds for service set forth in state law and court cases, it is also appropriate that compensation be proportionally increased to address current work and case loads; and

WHEREAS, in light of the ongoing need for the services provided thereby, it is appropriate that the term be extended beyond its current expiration date; and

WHEREAS, the parties wish to extend the term of the agreement for an additional year beyond the current termination date.

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

Section 1. The Mayor is authorized to execute a Second Addendum to the Agreement for Public Defender services between Casey & Grove and the City of Auburn in conformity with the Addendum Number 2 appended hereto and 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.

SIGNED and DATED this _____ day of _____, 2016

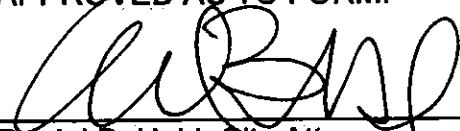
CITY OF AUBURN

Nancy Backus, Mayor

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:



Daniel B. Heid, City Attorney

ADDENDUM NO. 2

PUBLIC DEFENSE SERVICES CONTRACT BETWEEN CAYCE & GROVE AND THE CITY OF AUBURN

THIS ADDENDUM is made and entered into this ____ day of January, 2017, by and between The Law Offices of Cayce & Grove, (hereinafter referred to as "the PUBLIC DEFENDER") and the **CITY OF AUBURN**, a municipal corporation of the State of Washington (hereinafter referred to as the "CITY"), as an addendum to the Agreement between the parties for PUBLIC DEFENSE SERVICES executed on the 3rd day of June, 2013.

WHEREAS, the CITY, desires to continue to receive public defense services from the PUBLIC DEFENDER as set forth in that written Agreement entitled *PUBLIC DEFENSE SERVICES CONTRACT CITY OF AUBURN WASHINGTON* entered into on June, 3, 2013.

WHEREAS, the PUBLIC DEFENDER desires to continue to provide public defense services to the CITY,

WHEREAS, both parties agree to amend Section IV. of the *PUBLIC DEFENSE SERVICES CONTRACT CITY OF AUBURN WASHINGTON* to pay up to Five Hundred and Fifty Thousand Dollars (\$550,000.00) annually for the first two thousand and one hundred (2100) cases and agrees to pay Two Hundred and Twenty Dollars (\$220.00) per case for any case that exceeds the first two thousand one hundred (2100), and

WHEREAS, both parties desire to further amend Section V. of the *PUBLIC DEFENSE SERVICES CONTRACT CITY OF AUBURN WASHINGTON* to extend the term of the Agreement for an additional year effective January 1, 2017, and

NOW THEREFORE in consideration of their mutual covenants, conditions and promises, the PARTIES HERETO HEREBY AGREE as follows:

1. Compensation to the PUBLIC DEFENDER for public defense services beginning January 1, 2017 through December 31, 2017 shall be paid at the rate of paid at the rate of Forty Five Thousand Eight Hundred and Thirty Three Dollars and thirty Three Cents (\$45,833.33) per month and includes all appointed cases up to two thousand one hundred (2100) and the attendance at arraignments as courtesy counsel, and first appearance jail calendar. The City will be billed Two hundred and Twenty Dollars (\$220.00) per case for any appointed case above the first two thousand one hundred (2100) appointed cases. In addition, the CITY will pay for transcription costs required for the appeal, regardless of which party files the appeal.

All videotapes, CDs, audiotapes, video disks, photocopies, color copies of images, or other media associated with discovery shall be provided by the CITY at no cost to the PUBLIC DEFENDER.

The PUBLIC DEFENDER will submit an invoice no later than the 4th day of each

month. Pursuant to regular CITY policy regarding payment for services rendered, the CITY shall make payment to the PUBLIC DEFENDER on the first day following the first CITY Council meeting following the timely submittal of the PUBLIC DEFENDER report and invoice.

The PUBLIC DEFENDER agrees and understands that he/she is an independent contractor and not the agent or employee of the CITY. The manner and means of providing the professional services herein are under the sole control of the PUBLIC DEFENDER. The PUBLIC DEFENDER shall be solely responsible for reporting his/her hours, earnings, income tax, and social security to the applicable federal and state agencies. The PUBLIC DEFENDER understands that he/she is not entitled to any of the benefits provided by an employer to employees including, but not limited to, paid leave, health insurance coverage, retirement programs, and/or unemployment insurance.

2. Section V. of the Public Defense Services Contract entered into June 3, 2013 is amended to read as follows:

"This Agreement shall remain in full force and effect from January 1, 2017, through December 31, 2017. This Agreement may be annually extended or renewed under the terms of this Agreement, or as modified by a written addendum to the Agreement of both parties, at the conclusion of the term of this Agreement. Such Agreement shall be in writing, upon Agreement of both Parties.

ITEM FOUR REMAINING TERMS UNCHANGED: That all other provisions of the Agreement between the parties for Public Defender Services executed on the 3rd day of June 2013, shall remain unchanged, and in full force and effect.

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

LAW OFFICES OF CAYCE & GROVE

CITY OF AUBURN

By: _____
Its: _____

By: _____
Nancy Backus, Mayor

Attest:

Attest:

By: _____
Its: _____

By: _____
Danielle E. Daskam, City Clerk

Approved as to form:

Approved as to form:

Attorney for Cayce & Grove

Daniel B. Heid, City Attorney

TRICIA GROVE

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AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5269

Date:

December 29, 2016

Department:

Human Resources

Attachments:

[Resolution No. 5269](#)

Budget Impact:

\$0

Administrative Recommendation:

City Council adopt Resolution No. 5269.

Background Summary:

The City has recently reduced the number of deferred compensation providers to two plan providers to more reasonably manage administrative responsibilities and minimize costs to employees. After an extensive request for proposal process, ICMA Retirement Corporation was chosen as one of the two deferred compensation plan providers. (The other provider is the Washington State Deferred Comp Plan.)

Resolution No. 5269 approves the Administrative Services Agreement between the City and ICMA Retirement Corporation.

Reviewed by Council Committees:**Councilmember:****Staff:**

Roscoe

Meeting Date: January 3, 2017

Item Number: RES.C

RESOLUTION NO. 5269

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
AUBURN, WASHINGTON, APPROVING AND AUTHORIZING
THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN
THE CITY OF AUBURN AND ICMA RETIREMENT
CORPORATION**

WHEREAS, the City of Auburn currently has in place an employee deferred compensation plan which allows employees to voluntarily set aside and invest a portion of their income to supplement their retirement income; and

WHEREAS, under the current program, a number of different deferred compensation plans are available to City employees; and

WHEREAS, because of the current multiple deferred compensation plan providers, the City's responsibility to manage and administer the deferred compensation services is compounded and overly burdensome; and

WHEREAS, in order to more reasonably manage deferred compensation administrative responsibilities, the City sought to seek, in addition to the state deferred compensation program, a single deferred compensation program provider, with the intention of making sure that the City's administrative duties are more reasonably managed and the costs to the employees are minimized; and

WHEREAS, in order to accomplish this goal, the City requested proposals from a variety of potential service providers of deferred compensation programs, and, based upon a comparison of the proposals submitted, has selected ICMA Retirement Corporation (ICMA-RC) as its service provider, whereby ICMA would act as an investment advisor for Vantage Trust Company (which offers a series of separate funds for investment in deferred compensation plans), for costs and under circumstances advantageous to the City and to participating employees.

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

Resolution No. 5269
December 29, 2016
Page 1

Section 1. The Mayor is hereby authorized to execute an Administrative Services Agreement between the City of Auburn and ICMA-RC, in substantial conformity with the Agreement attached hereto, marked as Exhibit "A" and incorporated herein by this reference

Section 2. The Mayor is hereby authorized to implement such administrative procedures and execute such other documents and agreements 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 signature hereon.

SIGNED and DATED this _____ day of _____, 2017

CITY OF AUBURN

Nancy Backus, Mayor

ATTEST:

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:



Daniel B. Heid, City Attorney

EXHIBIT "A" TO RESOLUTION NO. 5269

ADMINISTRATIVE SERVICES AGREEMENT

Between

ICMA Retirement Corporation

and

City of Auburn

Type: 457

Account #:302102

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement"), made as of the day of , 2016 between the International City Management Association Retirement Corporation ("ICMA-RC"), a nonprofit corporation organized and existing under the laws of the State of Delaware, and the City of Auburn ("Employer"), a City organized and existing under the laws of the State of Washington with an office at 25 West Main Street, Auburn, Washington 98001, acting through and by its Committee as identified in Resolution 4775 and as established by Ordinance No. 3644 of the City of Auburn, collectively referred to as the "Parties".

WHEREAS, the Employer has in place a deferred compensation plan ("Plan") which allows employees to voluntarily set aside and invest portions of their current income on an after-tax or pre-tax basis to meet their future financial requirements and supplement their retirement income; and

WHEREAS, the Committee having sought Request For Proposals ("RFP") for full administration of the city's deferred compensation services, investment management, recordkeeping/administration, communication/education and custodial/trustee services (hereinafter collectively referred to as "Plan Services"); and;

WHEREAS, VantageTrust is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326; which provides for the commingled investment of retirement funds held by various state and local governmental units for their employees; and

WHEREAS, ICMA-RC acts as investment adviser to VantageTrust Company, LLC, the Trustee of VantageTrust;

WHEREAS, ICMA-RC has designed, and VantageTrust offers, a series of separate funds (the "Funds") for the investment of plan assets as referenced in VantageTrust's principal disclosure document, "Making Sound Investment Decisions: A Retirement Investment Guide" and the accompanying VantageTrust Fund Fees and Expenses document ("Retirement Investment Guide"). The VT PLUS Fund is one such VantageTrust Fund;

WHEREAS, the Funds, including the VT PLUS Fund, are available only to public employers and only through VantageTrust and ICMA-RC;

WHEREAS, in addition to serving as investment adviser to VantageTrust, ICMA-RC provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment

alternatives, account maintenance, account recordkeeping, investment and tax reporting, transaction processing, benefit disbursement, and asset management;

WHEREAS, after thorough review of the responses to the RFP, the Employer accepts ICMA-RC's Proposal and awards to ICMA-RC the contract to perform the Plan Services;

NOW THEREFORE, in consideration of the premises set forth herein, and the promises contained hereinafter, the parties agree as follows:

AGREEMENTS

1. **Appointment of ICMA-RC**

Employer hereby appoints ICMA-RC as Administrator of the Plan to perform all nondiscretionary functions necessary for the administration of the Plan. The functions to be performed by ICMA-RC shall be those set forth herein and as identified in Exhibit A to this Agreement.

2. **Adoption of VantageTrust for Investments in the VT PLUS Fund**

The Employer shall adopt the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the Plan within VantageTrust. Employer agrees that the investment, management, and distribution of amounts deposited in VantageTrust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the Retirement Investment Guide or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. **Employer Duty to Furnish Information**

Employer agrees to furnish to ICMA-RC on a timely basis such information as is necessary for ICMA-RC to carry out its responsibilities as Administrator of the Plan, including information needed to allocate individual participant accounts to Funds in VantageTrust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify ICMA-RC in a timely manner regarding changes in staff as it relates to various roles. This is to be completed through the online EZLink employer contact options. ICMA-RC shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and ICMA-RC shall not be responsible for any error arising from its reliance on such information. ICMA-RC will provide reports, statements and account information to the Employer through EZLink, the online plan administrative tool.

Employer is required to send in contributions through EZLink, the online plan administration tool provided by ICMA-RC. Alternative electronic methods may be allowed, but must be approved by ICMA-RC for use. Contributions may not be sent through paper submittal documents.

To the extent Employer selects third-party funds that do not have fund profile information provided to ICMA-RC through our electronic data feeds from external sources (such as Morningstar) or third party fund providers, the Employer is responsible for providing to ICMA-RC timely fund investment updates for disclosure to Plan participants. Such updates may be provided to ICMA-RC through the Employer's investment consultant or other designated representative.

Failure to provide timely fund profile update information, including the source of the information, may result in a lack of fund information for participants, as ICMA-RC will remove outdated fund profile information from the systems that provide fund information to Plan participants.

4. Certain Representations and Warranties

ICMA-RC represents and warrants to Employer that:

- (a) ICMA-RC is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of ICMA-RC to serve as investment adviser to VantageTrust is dependent upon the continued willingness of VantageTrust for ICMA-RC to serve in that capacity.
- (b) ICMA-RC is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.
- (c) ICMA-RC shall maintain and administer the Plan in accordance with the requirements for eligible deferred compensation plans under Section 457 of the Internal Revenue Code and other applicable federal law; provided, however, that ICMA-RC shall not be responsible for the eligible status of the Plan in the event that the Employer directs ICMA-RC to administer the Plan or disburse assets in a manner inconsistent with the requirements of Section 457 or otherwise causes the Plan not to be carried out in accordance with its terms. Further, in the event that the Employer uses its own customized plan document, ICMA-RC shall not be responsible for the eligible status of the Plan to the extent affected by terms in the Employer's plan document that differ from those in ICMA-RC's standard plan document. ICMA-RC shall not be responsible for monitoring state or local law or for administering the Plan in compliance with local or state requirements unless Employer notifies ICMA-RC of any such local or state requirements.

Employer represents and warrants to ICMA-RC that:

- (d) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (e) Employer understands and agrees that ICMA-RC's sole function under this Agreement is to act as recordkeeper and to provide administrative, investment or other services at the direction of Plan participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, ICMA-RC does not render investment advice at the Plan level, is not the Plan Administrator or Plan Sponsor as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the Plan and its related trust. ICMA-RC does not perform any service under this Agreement that might cause ICMA-RC to be treated as a "fiduciary" of the Plan under applicable law, except, and only, to the extent that ICMA-RC provides investment advisory services to individual participants enrolled in Guided Pathways.
- (f) Employer affirms that it intends to retain Mesirow Financial Investment Management ("Mesirow") to provide fiduciary services to the Plan.
- (g) Employer acknowledges and agrees that ICMA-RC does not assume any responsibility with respect to the selection or retention of the Plan's investment options. Employer shall have exclusive responsibility for the Plan's investment options, including the selection of the applicable mutual fund share class.
- (h) Employer acknowledges that certain such services to be performed by ICMA-RC under this Agreement may be performed by an affiliate or agent of ICMA-RC pursuant to one or more other contractual arrangements or relationships, and that ICMA-RC reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer.
- (i) Employer acknowledges that it has received ICMA-RC's Fee Disclosure Statement, prepared in substantial conformance with ERISA regulations regarding the disclosure of fees to plan sponsors.

- (j) Employer approves the use of its Plan in ICMA-RC external media, publications and materials. Examples include press releases announcements and inclusion of the general plan information in request for proposal responses.

5. Participation in Certain Proceedings

The Employer hereby authorizes ICMA-RC to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Plan. Unless Employer notifies ICMA-RC otherwise, Employer consents to the disbursement by ICMA-RC of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

6. Compensation and Payment

- (a) **Participant Fees.** Plan participant accounts shall be assessed an asset-based fee to cover the costs of record-keeping and other services provided by ICMA-RC, and other costs associated with the Plans as directed by the Employer. The Employer shall work with ICMA-RC to determine the appropriate amount of the gross asset-based fee to be charged to participant accounts, which may be increased or decreased from time to time at the direction of the Employer. As of the signing of this agreement the participant fee shall be 0.175%
- (b) **Revenue Requirement.** ICMA-RC shall receive total annual aggregate recordkeeping revenue of 0.155% (15.5 basis points or "bps") of Plan assets under ICMA-RC's administration for providing recordkeeping and other services to the Plans. Should the Plan retain Mesriow to provide fiduciary services, ICMA-RC shall receive total annual aggregate recordkeeping revenue of 0.175% (17.5 basis points or "bps") of Plan assets under ICMA-RC's administration for providing recordkeeping and other services to the Plans. One (1) bps is equal to 0.01% of all Plan assets. Such revenue shall be deducted by ICMA-RC from amounts collected through the application of the asset-based fee described in Section 6(a) prior to allocation of any participant level asset-based fees to the Administrative Allowance Account described in Section 6(d) below.
- (c) **Compensation for Management Services to VantageTrust and Payments from Third-Party Mutual Funds.** Employer acknowledges that, in addition to amounts payable under this Agreement, ICMA-RC receives fees from VantageTrust for investment advisory services and plan and participant services furnished to VantageTrust. In addition, to the extent that third party mutual funds are included in the investment line-up for the Plan, ICMA-RC receives administrative fees from its third party

mutual fund settlement and clearing agent for providing administrative and other services based on assets invested in third party mutual funds; such administrative fees come from payments made by third party mutual funds to the settlement and clearing agent.

- (d) **Administrative Allowance Account.** Amounts collected through the application of the asset-based fee described in Section 6(a) above in excess of the revenue specified in Section 6(b) shall be held in an Administrative Allowance Account, maintained as a Plan asset by ICMA-RC. Each quarter ICMA-RC shall produce a report that shows: the amounts collected from participant accounts as asset-based fees; the methodology used in the calculation of the fees collected from participant accounts; the calculation used to determine the amount of revenue collected by ICMA-RC during the period prior to allocation of the remaining asset-based fees to the Administrative Allowance Account; and the amount allocated to the Administrative Allowance Account. Employer understands that the Plan administrative allowance is to be used only to pay for reasonable plan administrative expenses of the Plan or allocated to Plan participants at the instruction of the Employer.
- (e) **Revenue Received From Investment Options.** Neither ICMA-RC nor the Employer shall retain recordkeeping revenue received directly from investment options made available under the Plans. ICMA-RC shall be compensated from fees collected from participant accounts through the application of the asset-based fee described in Section 6(a). In the event that any Plan investment options do generate direct recordkeeping revenue to ICMA-RC, ICMA-RC shall reduce the asset-based fee charged against the assets invested in the investment option in question by the same amount, resulting in an outcome that would be similar to the investment option in question not paying any recordkeeping revenue, after the administration fee is assessed.
- (f) **Redemption Fees.** Redemption fees imposed by outside mutual funds in which Plan assets are invested are collected and paid to the mutual fund by ICMA-RC. ICMA-RC remits 100% of redemption fees back to the specific mutual fund to which redemption fees apply. These redemption fees and the individual mutual fund's policy with respect to redemption fees are specified in the prospectus for the individual mutual fund and referenced in the Retirement Investment Guide.
- (g) **Payment Procedures.** All payments to ICMA-RC pursuant to this Section 6 shall be paid out of Plan participant accounts pursuant to Sections 6(a) and 6(b) above to the extent not paid by the Employer. In the event that the Employer agrees to pay amounts owed pursuant to this Section 6 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets.

The compensation and payment set forth in this Section 6 are contingent upon the Employer's use of ICMA-RC's EZLink system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement.

The compensation and payment set forth in this Section 6 is further contingent upon the transfer of all assets of the Plan(s) from the prior recordkeeper(s) for the Plan(s) to ICMA-RC's administration in the approximate amount of \$8.0 million. The transfer of assets does not include any of the participant assets that are invested in the Washington State Deferred Compensation Plan. Employer further acknowledges and agrees that compensation and payment under this Agreement shall be subject to re-negotiation in the event that there is a material difference between the assets and/or participants transferred to ICMA-RC and the information provided from the Employer in the Request for Proposal.

The compensation and payment in this Section 6 will take effect in the calendar quarterly following receipt of all assets of the Plan's prior recordkeeper and the receipt of one fully executed copy of this Administrative Services Agreement based upon the following schedule:

- Assets and Agreement received by February 20 – Effective April
- Assets and Agreement received by May 20 – Effective July
- Assets and Agreement received by August 20 – Effective October
- Assets and Agreement received by December 20 – Effective February

7. Contribution Remittance

Employer understands that amounts invested through VantageTrust are to be remitted directly to VantageTrust in accordance with instructions provided to Employer by ICMA-RC and are not to be remitted to ICMA-RC. In the event that any check or wire transfer is incorrectly labeled or transferred to ICMA-RC, ICMA-RC may return it to Employer with proper instructions.

8. Indemnification/Insurance

- (a) ICMA-RC covenants and agrees to indemnify and hold the Employer and their employees, officials, representatives, volunteers, and agents harmless, from and against any and all costs, expenses, attorney's fees, losses, damages, and liabilities incurred or suffered directly or indirectly from or attributable to any claim for damages arising out of or incident to the performance or nonperformance of the Agreement by ICMA-RC, or the acts or omissions of the officers, agents, employees, contractors, subcontractors, licensees or invitees of ICMA-RC. ICMA-RC expressly understands and agrees that any insurance protection required of ICMA-RC, or otherwise provided by ICMA-RC, shall in no way limit the

responsibility to indemnify the Employer as hereinabove provided. ICMA-RC's obligation to indemnify and hold harmless Employer's employees or other individuals shall not apply to the extent the applicable claims involve such persons acting in the capacity as a holder of an account administered by ICMA-RC.

Employer acknowledges that ICMA-RC is not responsible for investment performance of any authorized investment options under the Plan. ICMA-RC also shall not be responsible for any acts or omissions of any person with respect to the Plan or its related trust, other than ICMA-RC (including its employees, officers, representatives, and agents) in connection with the administration of the Plan.

The Employer covenants and agrees to indemnify and hold ICMA-RC and its employees, officers, representatives, and agents harmless, from and against any and all costs, expenses, attorney's fees, losses, damages, and liabilities incurred or suffered directly or indirectly from or attributable to any claim for damages arising out of or incident to the performance or nonperformance of the Agreement by the Employer, or the acts or omissions of the officers, agents, officials and employees of the Employer.

- (b) ICMA-RC shall maintain at its own expense without reimbursement from or compensation by the Employer, during the term of this Agreement, insurance coverage which will satisfactorily insure against claims and liabilities which could arise in connection of this Agreement. All policies required herein are to be on a primary non-contributory basis with respect to any insurance or self-insurance programs carried or administered by the Employer except for Professional Liability. The insurance coverage required is as follows:
 - A. Commercial General Liability Insurance: ICMA-RC is required to provide Commercial General Liability (CGL) insurance on an occurrence form with limits not less than \$10,000,000 Combined Single Limit per Occurrence and \$10,000,000 in the Aggregate not excluding premise operations, independent contractors, products and completed operations.
 - B. Errors and Omissions/Professional Liability: \$1,000,000 combined single limit per occurrence, unless included in subsection A. The general aggregate limit shall be \$1,000,000. The insurance shall be maintained in effect during the term of the contract. If the insurance is written on a claims-made form, ICMA-RC shall provide insurance for a period of two years after final payment of this Agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this Agreement.
 - C. Fidelity Bond: ICMA-RC agrees to maintain a fidelity bond of not

less than \$10,000,000 per single incident protecting against ICMA-RC employee dishonesty and embezzlement.

- D. Commercial general/automobile liability insurance shall not be less than \$1,000,000 combined single limit bodily injury and property damage per occurrence.
- E. Worker's compensation and employer's liability insurance shall be provided for all employees who work in Washington, per Washington State Statutes, and who are performing work under this Agreement.
- F. Certificate(s) of insurance as described in this section shall be provided by ICMA-RC or their insurance companies or their agents. The City shall be named as an additional insured on the policies specified in paragraph A for the work specified in this Agreement. Certificates of insurance, acceptable in form and content, will be delivered to:

City of Auburn
Human Resources and Risk Management Department
25 West Main St
Auburn, WA 98001

- G. There shall be no cancellation or material change of the insurance coverage, or intent not to renew the insurance coverage as specified in this Agreement, without ten (10) days prior written notice to the Employer in the case of non-payment of premium or thirty (30) days prior written notice to the Employer for all other changes or cancellation reasons. Notice of cancellation, material change in coverage, or intent not to renew will be delivered to the address designated in paragraph F of this section. Cancellation or material change in issuance coverage without written authorization by the City is a material breach of this Agreement, and subjects this Agreement to termination for cause.
- H. Upon renewal or change in policies during this Agreement, certificates of insurance shall be delivered to the address designated in paragraph F of this section.

9. Term

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement ("Inception Date"). The term of this Agreement will commence on the Inception Date and extend five years from the date of completion and reconciliation of the transition of assets of the Plan from the prior record keeper to

ICMA-RC. This Agreement will be renewed automatically for each succeeding year unless written notice of termination is provided by either party to the other no less than 60 days before the end of such Agreement year. The Employer understands and acknowledges that, in the event the Employer terminates this Agreement (or replaces the VT PLUS Fund as an investment option in its investment line-up), ICMA-RC retains full discretion to release Plan assets invested in the VT PLUS Fund in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the Employer that it has made a final and binding selection of a replacement for ICMA-RC as administrator of the Plan (or a replacement investment option for the VT PLUS Fund).

10. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by Employer and ICMA-RC.
- (b) ICMA-RC may modify this agreement by providing 60 days' advance written notice to the Employer prior to the effective date of such proposed modification. Such modification shall become effective unless, within the 60-day notice period, the Employer notifies ICMA-RC in writing that it objects to such modification. The foregoing permission to modify shall not apply to (a) the general scope of services, (b) the compensation terms, (c) the duration of the Agreement, or (d) the insurance or indemnification provisions
- (c) The parties agree that enhancements may be made to administrative and operations services under this Agreement. The Employer will be notified of enhancements through the Employer Bulletin, quarterly statements, electronic messages or special mailings. Likewise, if there are any reductions in fees, these will be announced through the Employer Bulletin, quarterly statement, electronic messages or special mailing.

11. Notices

All notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

ICMA-RC: Legal Department, ICMA Retirement Corporation, 777
North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240
Facsimile: (202) 962-4601

Employer: at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

12. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

13. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

14. Incorporation of Schedules

All Schedules (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

16. Legal

Neither ICMA-RC nor its counsel can provide the Employer or the Committee with legal or tax advice. Subject to the foregoing ICMA-RC will:

- a) To the extent the Employer adopts the ICMA-RC model 457 deferred compensation plan document, provide appropriate personnel, to assist the Committee in: (i) maintaining the Plan; (ii) updating the Plan document, including amendments thereto, and any attendant agreements; and (iii) securing all required approvals of the Plan from federal government agencies, if applicable.
- b) Act as a resource for questions regarding Plan design, regulatory and other ongoing issues.

- c) Keep the Committee/Employer informed on changes forthcoming in legislation affecting or relating to the Plan and any other matter which could materially impact on the Plan.
- d) Prepare and file any required IRS documentation with respect to disbursements from the Plan, including forms 1099-R.

17. Standard of Performance

ICMA-RC will serve the Employer and the Plan as a nondiscretionary provider of bundled administrative and record keeping services and will not be exercising any discretionary control or authority over the Plan or Plan assets. ICMA-RC holds itself out as possessing greater knowledge and skill than the average person with respect to Plan Services and shall perform all Plan Services for the Employer as professionals in defined contribution/deferred compensation administration and recordkeeping. As a nondiscretionary provider, ICMA-RC is not a plan fiduciary, but will adhere to the prudent man standard of care and will follow industry standards and exercise proper due diligence in performing Plan Services.

ICMA-RC must assure that all Plan Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. ICMA-RC will provide copies of any such licenses upon request. ICMA-RC remains responsible for the professional and technical accuracy of all Plan Services or Deliverables furnished, whether by ICMA-RC or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Employer and delivered in a timely manner consistent with the requirements of this Agreement.

If ICMA-RC fails to comply with the foregoing standards, ICMA-RC must perform again, at its own expense, all Plan Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptances or payment for any of the Plan Services by the Employer does not relieve ICMA-RC of its responsibility for the professional skill and care and technical accuracy of its Plan Services and Deliverables. This provision in no way limits the Employer's rights against ICMA-RC either under this Agreement, at law or in equity.

- (a) Personnel
 - 1. Adequate Staffing

ICMA-RC must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned to perform the Plan Services. ICMA-RC must include among its staff the Key Personnel and positions as identified below. Any revisions to staffing will not fall below minimum required levels as outlined in the Agreement unless prior

approval is granted by the Employer. If the Employer fails to object to the revision within thirty (30) days after receiving the notice, then the revision will be considered accepted by the Employer.

2. Key Personnel

ICMA-RC will not reassign or replace Key Personnel without the prior consultation with the Employer. "Key Personnel" means those job titles and the persons assigned to those positions in accordance with the provisions of this Section 17(a). The Employer may at any time in writing notify ICMA-RC that the Employer will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice ICMA-RC will immediately suspend the services of the key person or persons and will consult with the Employer with regard to appropriate remedies.

(b). Document Disaster Recovery Plan / Data Processing Center

ICMA-RC shall maintain the security and availability of all client data. ICMA-RC's will maintain a contracted data storage and disaster recovery facility certified to federal (National Archives and Records Administration and Department of Defense) standards for physical security and be up to the most stringent industry standard for infrastructure resiliency. ICMA-RC's recovery network shall be engineered to eliminate single points of failure and assure continuous, robust connectivity for participant access at all times.

(c). Loss of Power/ Natural Disaster

ICMA-RC will maintain sufficient resources to power ICMA-RC's building in the event of an interruption of electrical-utility service.

ICMA-RC's disaster recovery plan is designed to ensure the reconstruction of participant records and the uninterrupted flow of reports and information to the Employer, Committee, Participants, and investment providers in the event that primary electronic data processing records are lost or damaged. To the extent feasible, records will be restored within 48 hours of a disaster.

Plan number 302102

In Witness Whereof, the parties hereto certify that they have read and understand this Agreement and all Schedules attached hereto and have caused this Agreement to be executed by their duly authorized officers as of the Inception Date first above written.

CITY OF AUBURN

By _____
Signature/Date

By _____
Name and Title (Please Print)

INTERNATIONAL CITY MANAGEMENT
ASSOCIATION RETIREMENT CORPORATION

By _____
Erica McFarquhar
Assistant Secretary

Please return an executed copy of the Agreement either:

- (a) Electronically to PlanAdoptionServices@icmarc.org, or
- (b) In paper form to ICMA-RC
ATTN: PLAN ADOPTION SERVICES
777 North Capitol Street NE
Suite 600
Washington DC 20002-4240

Exhibit A

Administrative Services

The administrative services to be performed by ICMA-RC under this Agreement shall be as follows:

- (a) Participant enrollment services, including providing a welcome package and enrollment kit containing instructions and notices necessary to implement the Plan's administration. Employees will enroll online or through a paper form. ICMA-RC will provide an enrollment link through the general ICMA-RC web site. Employer will also make available the online enrollment link in their Intranet site or via email to new employees. Employer can also enroll employees through EZLink.
- (b) Establishment of participant accounts for each employee participating in the Plan for whom ICMA-RC receives appropriate enrollment instructions. ICMA-RC is not responsible for determining if such Plan participants are eligible under the terms of the Plan.
- (c) Allocation in accordance with participant directions received in good order of individual participant accounts to investment funds offered under the Plan.
- (d) Maintenance of individual accounts for participants reflecting amounts deferred, income, gain or loss credited, and amounts distributed as benefits.
- (e) Maintenance of records for all participants for whom participant accounts have been established. These files shall include enrollment instructions (provided to ICMA-RC through Account Access or EZLink), beneficiary designation instructions and all other documents concerning each participant's account.
- (f) Provision of periodic reports to the Employer through EZLink. Participants will have access to account information through Investor Services, Voice Response System, Account Access and through quarterly statements that can be delivered electronically through Account Access or by postal service.
- (g) Communication to participants of information regarding their rights and elections under the Plan.
- (h) Making available Investor Services Representatives through a toll-free telephone number from 8:30 a.m. to 9:00 p.m. Eastern Time, Monday through Friday (excluding holidays and days on which the securities markets or ICMA-RC are closed for business (including emergency closings), to assist participants.
- (i) Making available access to ICMA-RC's web site, to allow participants to access certain account information and initiate plan transactions at any

time. Account access is normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance. The scheduled maintenance window is outlined at <https://harper1.icmarc.org/login.jsp>

- (j) Distribution of benefits as agent for the Employer in accordance with terms of the Plan. Participants who have separated from service can request distributions through Account Access or via form.
- (k) Upon approval by the Employer that a domestic relations order is an acceptable qualified domestic relations order under the terms of the Plan, ICMA-RC will establish a separate account record for the alternate payee and provide for the investment and distribution of assets held there under.
- (m) Guided Pathways – Participant Advice and Guidance may be made available through a third party vendor on the terms specified on ICMA-RC's website.
- (n) ICMA-RC will determine appropriate delivery method (electronic and/or print) for plan sponsor/participant communications and education based on a number of factors (audience, effectiveness, etc.).
- (o) ICMA-RC will separately agree on the steps for the conversion process:
- (p) ICMA-RC will make available ten (10) full days of on-site service for the Employer's employees. These may include both group sessions and individual meetings as directed by the Employer. Eight (8) full days will be provided by our Retirement Plans Specialist, two (2) full days by a CERTIFIED FINANCIAL PLANNER™ professional.