

CITY COUNCIL WORKSHOP

**February 7, 2012
5:30 p.m.**

AGENDA

City of



“Where Dreams Can Soar”

*The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.
Website: www.ci.bonney-lake.wa.us*

*The City Council may act on items listed on this agenda, or by consensus give direction for future action.
The Council may also add and take action on other items not listed on this agenda.*

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. Call to Order: Mayor Neil Johnson

II. Roll Call:

Elected Officials: Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember James Rackley, and Councilmember Tom Watson.

III. Agenda Items:

Page 3

A. **Action: AB12-18 – Resolution 2185** – A Resolution Of The City Of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Execute An ICMA-RC Plan Adoption Agreement Establishing the Retirement Savings Program For The Bonney Lake Police Guild Law Enforcement And Support Staff Employees As Agreed Upon In The 2012–2014 Collective Bargaining Agreement.

Page 37

B. **Presentation / Discussion: AB12-19** –Authorizing Utility Bond and Preparation of Plans, Specifications and Contract Documents for the Proposed New Public Works Maintenance Building and to Proceed with Construction.

Page 49

C. **Council Open Discussion.**

D. **Review of Draft Minutes:** January 17, 2012 Council Workshop and January 24, 2012 Council Meeting.

Page 59

E. **Discussion:** AB12-03 – Resolution 2174 – Extension of the Term of the City Administrator’s Employment Agreement.

IV. Executive Session: Pursuant to RCW 42.30.110(b), the City Council may hold an executive session. The topic(s) and the session duration will be announced prior to the executive session.

V. Adjournment

For citizens with disabilities requesting translators or adaptive equipment for listening or other communication purposes, the City requests notification as soon as possible of the type of service or equipment needed.

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: ASD / Edvalson	Meeting/Workshop Date: 7 February 2012	Agenda Bill Number: AB12-18
Agenda Item Type: Resolution	Ordinance/Resolution Number: 2185	Councilmember Sponsor:

Agenda Subject: ICMA-RC Plan Adoption Agreement Establishing the Retirement Health Savings Program for the Bonney Lake Police Guild Law Enforcement and Support Staff Employees as Agreed Upon in the 2012-2014 Collective Bargaining Agreement.

Full Title/Motion: A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authoring The Mayor To Execute An ICMA-RC Plan Adoption Agreement Establishing The Retirement Health Savings Program For The Bonney Lake Police Guild Law Enforcement And Support Staff Employees As Agreed Upon In The 2012-2014 Collective Bargaining Agreement..

Administrative Recommendation: Approve.

Background Summary: The 2012-2014 Collective Bargaining Agreement between the City and the Bonney Lake Police Guild (Law Enforcement and Support Staff) establishes an ICMA-RC Retirement Health Saving Program. The program is scheduled to begin 1 March 2012.

Attachments: ICMA-RC Plan Adoption Agreements.

BUDGET INFORMATION

Budget Amount	Current Balance	Required Expenditure	Budget Balance
\$10,500		\$7,875	

Budget Explanation: The City budgeted for a full year of contribution to the program; however the Collective Bargaining Agreement wasn't agreed upon and approved by the Bonney Lake Police Guild and City Council until January 17, 2012. In order to establish the Retirement Health Savings Program, the Bonney Lake Police Guild has agreed to wait until 1 March 2012 for the City's matching contribution.

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review:	<i>Approvals:</i>	Yes	No
Date:	Chair/Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Forward to:	Consent Agenda:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Commission/Board Review:

Hearing Examiner Review:

COUNCIL ACTION

Workshop Date(s): 02/07/12	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS

Director: <i>HTE</i>	Mayor: <i>NHJ</i>	Date Reviewed by City Attorney: (if applicable):
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RESOLUTION NO. 2185

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, ADOPTS THE ICMA RETIREMENT CORPORATION'S VANTAGECARE RETIREMENT HEALTH SAVINGS PROGRAM AND AUTHORIZES THE MAYOR TO SIGN THE IMPLEMENTING AGREEMENTS IN SUPPORT OF THE 2012 – 2014 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE BONNEY LAKE POLICE GUILD FOR LAW ENFORCEMENT AND SUPPORT SERVICES.

WHEREAS, the City of Bonney Lake has entered into a collective bargaining agreement with the Bonney Lake Police Guild for Law Enforcement and Support Services; and

WHEREAS, the collective bargaining agreement provides for the implementation of a retiree health savings plan through the ICMA Retirement Corporation (ICMA-RC) for both the Guild's law enforcement and support services personnel; and

WHEREAS, the ICMA-RC VantageCare Retirement Health Savings Plan (the "Plan") is the vehicle best serving the needs of the City and Guild members.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Bonney Lake hereby adopts the ICMA Retirement Corporation's VantageCare Retirement Health Savings Program and authorizes the Mayor to execute all necessary agreements to implement the plan.

BE IT FURTHER RESOLVED, that the assets of the Plan shall be held in trust, with the City of Bonney Lake serving as trustee for the exclusive benefit of Plan participants and their survivors, and the assets of the Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the Plan; and that the City Council ratifies the executed Declaration of Trust of the ICMA-RC Integral Part Trust in the form of the trust provided by the City of Bonney Lake and as attached to this resolution.

Be It Further Resolved, that as ICMA-RC prefers that specific responsible individuals be named as coordinators and contacts for the Plan, the City hereby names Annette Maib or Jenna Richardson as coordinators and those responsible to receive necessary reports, notices, etc.

PASSED by the City Council this 7th day of February, 2012.

Neil Johnson Jr., Mayor

ATTEST:

Harwood T. Edvalson, City Clerk

APPROVED AS TO FORM:

James Dionne, City Attorney

I, hereby, certify that this is a true and correct copy of Resolution No. 2185 as approved by the City of Bonney Lake City Council at their regular meeting of February 7, 2012.

Harwood T. Edvalson, CMC



SUGGESTED RESOLUTION FOR ADOPTION

AND

SUGGESTED AFFIRMATIVE STATEMENT OF ADOPTION



SUGGESTED RESOLUTION FOR ADOPTION
and
SUGGESTED AFFIRMATIVE STATEMENT OF ADOPTION
SUGGESTED RESOLUTION FOR ADOPTION OF THE
VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN

Plan Number: 8 _____
 Name of Employer: City of Bonney Lake State: WA

Resolution of the above-named Employer (the "Employer"):

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the establishment of a retiree health savings plan for such employees serves the interests of the Employer by enabling it to provide reasonable security regarding such employees' health needs during retirement, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the establishment of the retiree health savings plan (the "Plan") serves the above objectives;

NOW, THEREFORE BE IT RESOLVED, that the Employer hereby adopts the Plan in the form of the ICMA Retirement Corporation's VantageCare Retirement Health Savings program.

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the following entity or individual serving as trustee (Select one):

- the Employer
- the following position within the Employer: _____
(insert title of individual acting as trustee)
- the following group or committee within the Employer: _____
(insert group or committee acting as trustee)
- the following third-party trustee: _____
(insert name of third-party trustee)

for the exclusive benefit of Plan participants and their survivors, and the assets of the Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the Plan. The Employer has executed the Declaration of Trust of the ICMA-RC Integral Part Trust in the form of: (Select one)

- The model trust made available by the ICMA Retirement Corporation
- The trust provided by the Employer (executed copy attached hereto).

BE IT FURTHER RESOLVED, that the Annette Maibor, Anna Richardson shall be the coordinator and contact for the Plan and shall receive necessary reports, notices, etc.

I, _____, Clerk of the _____ of _____, do hereby certify that the foregoing resolution, proposed by _____, was duly passed and adopted in the _____ of the _____ of _____, at a regular meeting thereof assembled this _____ day of _____, 20 _____, by the following vote:

AYES:
 NAYS:
 ABSENT:

(Seal) Clerk's Signature: _____
 Clerk's Title: _____



INSTRUCTIONS FOR COMPLETING THE EMPLOYER VANTAGECARE RETIREMENT HEALTH SAVINGS PLAN ADOPTION AGREEMENT

The Employer VantageCare Retirement Health Savings (RHS) Plan Adoption Agreement (pages II:23 through II:28) specifies the details of how your RHS Plan will operate. For example, the adoption agreement details employee eligibility requirements, sources of contributions, the level of contributions, vesting provisions (if any), the types of benefits that will be funded by the RHS Trust, and procedures to be followed in case of the death of the employee. The following instructions outline how the adoption agreement should be completed. Any questions regarding the adoption agreement can be directed to your ICMA-RC Retirement Plans Specialist. You may also wish to consult with your benefits counsel.

Plan Number

Please insert your RHS Plan number. The Plan number can be found on the front of your RHS Plan Administrative Services Agreement included with your RHS Plan adoption materials.

New Plan or Amendment to Existing Plan

Check the appropriate box to specify whether you are establishing a new RHS Plan or amending an existing Plan.

PLEASE NOTE

If you are amending an existing RHS Plan, please complete the entire Adoption Agreement, including items that are not being amended. When you send your amended document to us, please summarize the changes in your cover letter.

Employer Retirement Health Savings Plan Name

Enter the name of your RHS Plan (e.g., City of City name RHS Plan for General Employees).

I. Employer Name and State

Enter the official name of the employer sponsoring the RHS Plan (e.g. City of City name) and your State.

III. Effective Date of the Plan

Enter the date your RHS Plan will become effective.

The effective date determines the employees that may participate - employees that separate from service prior to the effective date may not participate.

IV. Welfare Plan

Enter the name(s) of the employee welfare benefit plan(s) that will be funded through the RHS Plan (e.g., City of City name Retiree Welfare Benefits Plan). If you do not already have a retiree welfare plan in place, a sample plan is provided in Section III of the booklet.

V. Eligible Groups, Participation and Participant Eligibility Requirements

A. Eligible Groups: This section is used to designate the employee group(s) that is covered under your RHS Plan. The coverage group specified in your adoption agreement should correspond to a group of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other documents in effect in your state or locality.

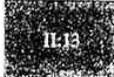
One Plan vs Multiple Plans: If you intend to provide different program features that must be administered differently by ICMA-RC for each group to different groups of employees, you must establish distinct RHS Plans and complete a separate adoption agreement for each group. Features that require separate plans are as follows:

- Vesting Schedule (Section VII.A.)
- Forfeiture Allocation Provision (Section VIII.)
- Permissible Medical Benefit Payments (Section X.)

PLEASE NOTE

You may want to establish separate RHS Plans even if separate plans are not required. For example, if you establish different benefit eligibility criteria in Section IX for different employee groups, you may want to establish separate plans for these groups in order to make plan administration simpler.

If the only difference in your plan is in the contribution structure (e.g., types of contributions or contribution limitations), you may include all employee groups in one plan or establish separate plans. Some employers prefer to keep employee groups separate for payroll processing or collective bargaining reasons.



Welfare Plan Nondiscrimination Rules:

Please note that if your RHS Plan covers any non-collectively bargained employees, AND if it provides for reimbursement of any medical expenses other than insurance premiums, the welfare plan nondiscrimination rules will apply. More information regarding these rules is available in the VantageCare RHS Plan Questions And Answers For Employers, the VantageCare RHS Plan Employer Manual, and the Summary of Welfare Plan Nondiscrimination Rules included in this package.

- B. Participation:** The RHS Plan requires participation of all employees in the covered group (Mandatory Participation). Employees may not opt out of participation as long as they are in the covered group(s) (current employees and future hires).
- C. Employee Eligibility:** If desired, you may specify a minimum period of service (e.g. 6 months) and/or minimum age (e.g. age 21) requirement. Employees that have not met these requirements may not join the plan under the Mandatory Participation.

VI. Contribution Sources and Amounts

This section defines the amount and types of contributions to your RHS Plan.

A. Definition of Earnings

The definition of Earnings specified in this section will be used for purposes of all contribution types included in your RHS Plan:

- » direct employer contributions made as a percentage of earnings
- » mandatory contributions of Employee compensation

B. Direct Employer Contributions and Mandatory Employee Contributions

You may choose to include the following contribution types in your RHS Plan:

- » direct employer contributions
- » mandatory contributions of Employee accumulated unused leave
- » mandatory contributions of Employee compensation, or

- » a combination of the above.

Employees that are mandatorily participating in the RHS Plan will receive these contributions.

1. Direct employer contributions

Direct employer contributions can be made as a

- » percentage of earnings
- » specific dollar amount each Plan year per participant, or
- » a discretionary amount to be determined each year.

Direct employer contributions may be contributed in a lump sum, each pay period, or under any schedule determined by the Employer.

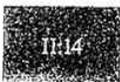
No FICA (Social Security and Medicare taxes) or federal income tax are payable at the time of contribution, and, if used for medical expenses of the participant, spouse or dependent, no FICA or federal income tax are payable at distribution. Where states follow federal income tax rules, state income taxes generally are not payable. Check with your state income tax department for additional information.

2. Mandatory Employee Compensation Contributions

Mandatory contributions of Employee compensation can be used as a way to share responsibility for funding your retirement health plan with your Employees.

You can establish a compensation contribution formula that best fits the needs of you and your covered Employees. For example, mandatory compensation contributions may take the form of either a reduction in salary (e.g., 1% of compensation is contributed to the Plan) or a decrease in the annual pay plan or merit increase (e.g., 1% of a 3% pay plan adjustment is contributed to the Plan). Mandatory contributions of Employee compensation are established by the Employer – **Employees may not choose whether or not to make these contributions and they may not revise the contribution amount.**

No FICA (Social Security and Medicare taxes) or federal income tax are payable at the time of contribution, and, if used for medical expenses of the participant, spouse or dependent, no



FICA or federal income tax are payable at distribution. Where states follow federal income tax rules, state income taxes generally are not payable. Check with your state income tax department for additional information.

3. Mandatory Employee Leave Contributions

Mandatory contributions of Employee leave can be used as a way to share responsibility for funding your retirement health plan with your Employees.

You can establish an unused leave contribution formula that best fits the needs of you and your covered Employees. For example, you might require all accumulated leave in excess of a certain number of hours to be contributed to the RHS Plan on an annual basis. Mandatory contributions of Employee accrued leave are established by the Employer -- *Employees may not choose whether or not to make these contributions and they may not revise the contribution amount.*

No FICA (Social Security and Medicare taxes) or federal income tax are payable at the time of contribution, and, if used for medical expenses of the participant, spouse or dependent, no FICA or federal income tax are payable at distribution. Where states follow federal income tax rules, state income taxes generally are not payable. Check with your state income tax department for additional information.

C. Limits on Contributions

This section is used to establish an overall limitation on total contributions to each individual participant's RHS account, if you wish to do so. While this is not a requirement of the program, you may do so to ensure that the RHS Plan does not provide benefits in excess of reasonable benefits normally provided by such a welfare plan. You may wish to speak with your benefits counsel.

You may limit total contributions to a specific percentage of earnings (as defined in this section) or a specific dollar amount. If you choose to place an overall limit on contributions, at the end of each Plan year, you will test total contributions from all sources (direct employer and mandatory employee) against your limit for each participant account. Contributions in excess of the limitation should be returned to the Participant as compensation or leave as the case may be, and the Participant's Form W-2 should be adjusted accordingly for the year the compensation is returned.

Limits on each individual type of contribution (e.g., mandatory employee) are established within sections VI.A. and B.

PLEASE NOTE
Direct employer contributions made as a percentage of earnings, mandatory contributions of employee compensation that are made as a percentage of earnings or a discretionary amount that varies from Employee to Employee, as well as mandatory contributions of accumulated leave may subject to the plan to welfare plan nondiscrimination testing on non-insurance benefits paid. See the discussion in the VantageCare RHS Plan Questions and Answers For Employers and the VantageCare RHS Employer Manual, or contact your benefits counsel. RHS reimbursements that are considered to be "discriminatory" under these rules are reportable as taxable income to the retiree. See the VantageCare RHS Employer Manual for information on tax reporting of these payments.

RECORDKEEPING OF CONTRIBUTION TYPES
Note that the IRS considers direct employer contributions and mandatory accrued leave and mandatory compensation contributions, to be employer contributions. In other words, *all contributions are considered to be employer contributions.* However, ICMA-RC will recordkeep the direct employer contributions as a distinct source for participant reporting purposes. All other types of employee contributions -- mandatory accrued leave and mandatory employee compensation -- will be combined and shown as employee pre-tax contributions on participant statements.
The VantageCare RHS Employer Manual includes directions on how to report your contribution detail properly via EZLink.



VII. Vesting for Direct Employer Contributions

A. Vesting Schedule

You may place a vesting schedule on Direct Employer Contributions (Section VI.A.1). There is no minimum or maximum vesting period for RHS Plans. Examples of vesting schedules include:

- » 100% immediate vesting
- » cliff vesting (e.g., 100% vesting after 5 years of service)
- » graduated vesting (e.g., 10% vesting for each year of service with 100% vesting after 10 years)
- » vesting at retirement or some other specified event.

The RHS Plan default is 100% vesting for Direct Employer Contributions.

ICMA-RC will calculate vesting for each participant account if you choose a vesting schedule based on years of service. If you choose vesting at retirement or some other specified event, you will notify ICMA-RC via EZLink when 100% vesting occurs.

Mandatory employee contributions are always 100% vested.

B. Vesting Upon Certain Events

A participant's Direct Employer Contributions will automatically become 100% vested upon the Participant's

- » death
- » disability (as defined in Section IX.C)
- » retirement (as defined in Section VII.B.), and
- » attainment of benefit eligibility (as determined in Section IX).

You must define "retirement" for vesting purposes in this section.

PLEASE NOTE

If you establish benefit eligibility as separation from service, participants will become 100% vested in their Direct Employer Contributions immediately upon separation regardless of their years of service. If you do not wish for full vesting to occur at separation, you should establish benefit eligibility as an event other than separation (e.g., separation and a specific age, or one month after separation from service).

C. Rehired Employees

If an RHS participating Employee separates from service and is then rehired into a group covered by the same RHS Plan, the service completed prior to the Employee's first separation will not count for vesting purposes. The account balance, including any Direct Employer Contributions that were contributed prior to the first separation, will be subject to vesting as if the employee had no accumulated service.

VIII. Forfeiture Provisions

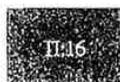
All RHS plans must contain a forfeiture provision, even if there is no vesting schedule on Direct Employer Contributions.

The forfeiture provision you specify in this section may be used in two situations:

- » Your RHS plan includes direct employer contributions subject to vesting: when a participant separates from service prior to attaining full vesting, the nonvested assets will be forfeited and used as you direct in this Section.
- » Upon the death of a participant: If there are no surviving spouse or dependents, remaining assets will revert to your RHS Trust to be utilized as you direct in this Section. Note that as long as there is a surviving spouse or dependent, no forfeiture will occur.

There are four forfeiture allocation methods:

- » Forfeited amounts will be used to offset your direct employer contributions for the next and succeeding contribution cycles until the forfeitures are depleted.
- » Forfeited amounts will be reallocated on an equal dollar basis among remaining plan participants.



- » Forfeited amounts will be reallocated among remaining plan participants based on account balances.
- » Forfeited amounts will revert to the employer to be used for any purpose. It is anticipated that few employers will choose this option, in order that RHS assets will continue to be used for the intended purpose of the RHS Plan for remaining participants.

Regardless of which forfeiture allocation method you choose, you must inform ICMA-RC at the time you wish to use the forfeited funds as outlined in the VantageCare RHS Employer Manual.

IX. Eligibility Requirements to Receive Medical Benefit Payments from the VantageCare Retirement Health Savings Plan

A. General Benefit Eligibility

This section defines your primary benefit eligibility provision(s). You may designate eligibility at:

- » Retirement (as defined in this Section or in Section VII.B).
- » Separation from service, with restrictions defined by the employer, if desired (e.g., separation from service and attainment of age 55). If no restrictions are desired, write "N/A" or "None" in the blank.
- » Attainment of a certain age.
- » A combination of retirement and a certain age.
- » Retirement or a certain age.

B. Termination Prior to General Benefit Eligibility

Use this section to specify benefit eligibility criteria for Employees that separate from service prior to attaining the general benefit eligibility you have selected in Section A. For example, if your general benefit eligibility criterion requires Employees to "retire" before they become eligible for benefits, you may have some Employees that separate from service prior to "retirement"; in this situation, you need to designate a specific time for those early-separating Employees to become eligible for benefits. You might specify immediate eligibility or a certain age (e.g. age 65 or the retirement age provided under your general pension program). If you do not specify benefit eligibility criteria in Section B., Employees that

leave employment prior to attainment of your general benefit eligibility may never attain benefit eligibility, and their account will not be available for use until the Employee's death.

C. Benefit Eligibility at Disability

Your RHS-participating Employees will automatically become eligible for medical benefit payments if they are disabled according to the definition chosen in this section. In all cases, you must notify ICMA-RC via EZLink when a participant is disabled under the definition you provide in this Section.

D. Benefit Eligibility at Death

Upon the death of the participating Employee, the surviving spouse and dependents will automatically become eligible for tax-free medical expense reimbursement. If there are no surviving spouse or dependents, the account balance will revert to the Employer's RHS Trust to be reallocated as forfeitures under Section VIII. See Section XI.

X. Permissible Medical Benefit Payments

This section is used to designate the medical expenses that will qualify for reimbursement under your RHS Plan. You may offer reimbursement for all qualifying medical expenses as defined in Internal Revenue Code Section 213 (i.e. medical costs that would otherwise be deductible to the Employee on his or her individual income tax return) other than (i) direct long-term care expenses, and (ii) expenses paid after December 31, 2010, for medicines or drugs which are not prescribed drugs (other than insulin).

Alternatively, you may allow reimbursement of only specific types of medical expenses. For example, reimbursements may be made available only for health insurance premiums, COBRA premiums, Medicare supplemental insurance premiums, dental insurance premiums, out-of-pocket medical costs, qualified long-term care insurance, etc. You may allow reimbursement for only one benefit, or for any combination of qualifying medical costs. Information about what constitutes a qualifying medical expense can be found in IRS Publication 502, Medical and Dental Expenses (available on the IRS Web site at <http://www.irs.gov/>).



Note: Under current IRS rules for programs such as the RHS Plan, direct long-term care expenses are not an allowable expense. However, qualifying long term care insurance premiums are an allowable expense.

PLEASE NOTE

Each of the medical expense types listed in the second check box is included in "All Medical Expenses" (the first check box). If you intend to include all qualifying medical expenses in your Plan's reimbursement rules, you should check the first box, rather than checking every item in the second check box.

PLEASE NOTE

If you include any non-insurance expenses as permissible medical benefit payments, you may need to perform welfare plan nondiscrimination testing. See the discussion in the *VantageCare RHS Plan Questions and Answers For Employers* and the *VantageCare RHS Employer Manual* or contact your benefits counsel.

XI. Benefits After the Death of the Participant

This section defines the treatment of the participant's account balance at death.

A. Surviving Spouse and/or Surviving Dependents

Upon the death of the participant, the surviving spouse and/or surviving eligible dependents are immediately eligible to maintain the account and utilize it only for the purpose of reimbursing eligible medical benefits.

When a participant dies, ICMA-RC must be notified by the filing of the *VantageCare RHS Plan Decedent Information Form*. ICMA-RC will create a new account in the name of the spouse or the oldest dependent (if there is no spouse) and move all funds into Dreyfus Cash Management fund* (or another default investment fund named by the Employer). The transferee may move the money into other investments once the new account has been established.

If the deceased participant's account balance is not fully depleted upon the death of the surviving

spouse, remaining dependents may continue to use the account. Upon the death of all eligible dependents, the account balance will revert to the Employer's RHS Trust to be reallocated as forfeitures under Section VIII.

B. No Surviving Spouse or Dependents

If there are no surviving spouse or dependents, the account balance will revert to the Employer's RHS Trust to be reallocated as forfeitures under Section VIII.

When a participant dies, ICMA-RC must be notified by the filing of the *VantageCare RHS Plan Decedent Information Form*.

XII. Other Provisions

This section defines other provisions of the RHS Plan, including:

- » RHS Plan administration must be accomplished via ICMA-RC's EZLink System.
- » RHS Plan fee payment.
- » Definition of dependent.
- » Employer responsibilities for tax reporting and remittance for payments deemed taxable under the nondiscrimination rules.

XIII. Employer Acknowledgements

- A. This section acknowledges that the Employer understands the significance of completing the Adoption Agreement properly to safeguard the tax-free status of the contributions and distributions from the Plan.
- B. If you have policies or procedures (such as Memoranda of Understanding or Personnel Policies) referenced in this document that you wish to be a part of this plan, you should check the box in this section, indicating that you are attaching these documents as part of your Employer Signature Plan.

After you have completed the Adoption Agreement, it should be signed and returned to ICMA-RC with the other documents outlined in *VantageCare RHS Plan Adoption Materials* above.

**An investment in the Dreyfus Cash Management money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. You may visit us at www.icmarc.org or call 800-669-7400 to obtain a prospectus that contains this and other information about the fund. Read the prospectus carefully before investing.*



PLEASE NOTE

The information in this Booklet takes into account only the federal tax rules related to ICMA-RC's VantageCare Retirement Health Savings Plan. Prior to implementing an RHS plan, the employer is responsible for determining that there are no state or local laws that would prohibit it from offering the plan to its employees. The employer must also determine that the options it selects in the VantageCare Retirement Health Savings Plan Adoption Agreement fall within state/local requirements. Employer is responsible for determining that the investments selected for the RHS plan fall within state/local requirements.





DECLARATION OF TRUST OF THE

NAME OF EMPLOYER

INTEGRAL PART TRUST



**DECLARATION OF TRUST OF THE
NAME OF EMPLOYER
INTEGRAL PART TRUST**

Declaration of Trust made as of the _____ day of _____, 20____, by and between
the City of Bonney Lake _____, WA _____ a Municipal Government
(Name of Employer) (State) (Type of Entity)
(hereinafter referred to as the "Employer") and ICMA-RC _____ or its designee (hereinafter referred to as the "Trustee").
(Name or Title of Trustee)

RECITALS

WHEREAS, the Employer is a political subdivision of the State of Washington _____ exempt from
(State)
federal income tax under the Internal Revenue Code of 1986; and

WHEREAS, the Employer provides for the security and welfare of its eligible employees (hereinafter referred to as
"Participants"), their Spouses and Dependents by the maintenance of one or more post-retirement welfare benefit plans,
programs or arrangements which provide for life, sickness, medical, disability, severance and other similar benefits through
insurance and self-funded reimbursement plans (collectively the "Plan"); and

WHEREAS, it is an essential function and integral part of the exempt activities of the Employer to assist Participants,
their Spouses and Dependents by making contributions to and accumulating assets in the trust, a segregated fund, for post-
retirement welfare benefits under the Plan; and

WHEREAS, the authority to conduct the general operation and administration of the Plan is vested in the Employer or its designee,
who has the authority and shall be subject to the duties with respect to the trust specified in this Declaration of Trust; and

WHEREAS, the Employer wishes to establish this trust to hold assets and income of the Plan for the exclusive benefit of Plan
Participants, their Spouses and Dependents;

NOW, THEREFORE, the parties hereto do hereby establish this trust, by executing the

Declaration of Trust of the City of Bonney Lake _____ Integral Part Trust (hereinafter referred to as the
(Name of Employer)
"Trust"), and agree that the following constitute the Declaration of Trust (hereinafter referred to as the "Declaration"):



ARTICLE I

Definitions

1.1 Definitions. For the purposes of this Declaration, the following terms shall have the respective meanings set forth below unless otherwise expressly provided.

- (a) **"Account"** means the individual recordkeeping account maintained under the Plan to record the interest of a Participant in the Plan in accordance with Section 7.3.
- (b) **"Administrator"** means the Employer or the entity designated by the Employer to carry out administrative services as are necessary to implement the Plan.
- (c) **"Beneficiary"** means the Spouse and Dependents, who will receive any benefits payable hereunder in the event of the Participant's death. In the case where there is no Spouse or Dependents, any amount of contributions, plus accrued earnings thereon, remaining in the Account must, under the terms of the Plan, be returned to the Trust.
- (d) **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.
- (e) **"Dependent"** means (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.
- (f) **"Investment Fund"** means any separate investment option or vehicle selected by the Employer in which all or a portion of the Trust assets may be separately invested as herein provided. The Trustee shall not be required to select any Investment Fund.
- (g) **"Nonforfeitable Interest"** means the interest of the Participant or the Participant's Spouse and Dependent (whichever is applicable) in the percentage of Participant's Employer's contribution which has vested pursuant to the vesting schedule specified in the Employer's Plan. A Participant shall, at all times, have a one hundred percent (100%) Nonforfeitable Interest in the Participant's own contributions.
- (h) **"Spouse"** means the Participant's lawful spouse as determined under the laws of the state in which the Participant has his primary place of residence.
- (i) **"Trust"** means the trust established by this Declaration.
- (j) **"Trustee"** means the Employer or the person or persons appointed by the Employer to serve in that capacity.

ARTICLE II

Establishment of Trust

2.1 The Trust is hereby established as of the date set forth above for the exclusive benefit of Participants, their Spouses and Dependents.



ARTICLE III

Construction

- 3.1 This Trust and its validity, construction and effect shall be governed by the laws of the State of Washington.
- 3.2 Pronouns and other similar words used herein in the masculine gender shall be read as the feminine gender where appropriate, and the singular form of words shall be read as the plural where appropriate.
- 3.3 If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions, and such provisions shall be construed to effectuate the purpose of this Trust.

ARTICLE IV

Benefits

- 4.1 **Benefits.** This Trust may provide benefits to the Participant, the Participant's Spouse and Dependents pursuant to the terms of the Plan.
- 4.2 **Form of Benefits.** This Trust may provide benefits by cash payment. This Trust may reimburse the Participant, his Spouse and Dependents for insurance premiums or other payments expended for permissible benefits described under the Plan. This trust may reimburse the Employer, or the Administrator for insurance premiums.

ARTICLE V

General Duties

- 5.1 It shall be the duty of the Trustee to hold title to assets held in respect of the Plan in the Trustee's name as directed by the Employer or its designees in writing. The Trustee shall not be under any duty to compute the amount of contributions to be paid by the Employer or to take any steps to collect such amounts as may be due to be held in trust under the Plan. The Trustee shall not be responsible for the custody, investment, safekeeping or disposition of any assets comprising the Trust, to the extent such functions are performed by the Employer or the Administrator, or both.
- 5.2 It shall be the duty of the Employer, subject to the provisions of the Plan, to pay over to the Administrator or other person designated hereunder from time to time the Employer's contributions and Participants' contributions under the Plan and to inform the Trustee in writing as to the identity and value of the assets titled in the Trustee's name hereunder and to keep accurate books and records with respect to the Participants of the Plan.

ARTICLE VI

Investments

- 6.1 The Employer may appoint one or more investment managers to manage and control all or part of the assets of the Trust and the Employer shall notify the Trustee in writing of any such appointment.
- 6.2 The Trustee shall not have any discretion or authority with regard to the investment of the Trust and shall act solely as a directed Trustee of the assets of which it holds title. To the extent directed by the Employer (or Participants or their Spouses and Dependents to the extent provided herein) the Trustee is authorized and empowered with the following powers, rights and duties, each of which the Trustee shall exercise in a nondiscretionary manner:



- (a) To cause stocks, bonds, securities, or other investments to be registered in its name as Trustee or in the name of a nominee, or to take and keep the same unregistered;
 - (b) To employ such agents and legal counsel as it deems advisable or proper in connection with its duties and to pay such agents and legal counsel a reasonable fee. The Trustee shall not be liable for the acts of such agents and counsel or for the acts done in good faith and in reliance upon the advice of such agents and legal counsel, provided it has used reasonable care in selecting such agents and legal counsel;
 - (c) To exercise where applicable and appropriate any rights of ownership in any contracts of insurance in which any part of the Trust may be invested and to pay the premiums thereon; and
 - (d) At the direction of the Employer (or Participants, their Spouses, their Dependents, or the investment manager, as the case may be) to sell, write options on, convey or transfer, invest and reinvest any part thereof in each and every kind of property, whether real, personal or mixed, tangible or intangible, whether income or non-income producing and wherever situated, including but not limited to, time deposits (including time deposits in the Trustee or its affiliates, or any successor thereto, if the deposits bear a reasonable rate of interest), shares of common and preferred stock, mortgages, bonds, leases, notes, debentures, equipment or collateral trust certificates, rights, warrants, convertible or exchangeable securities and other corporate, individual or government securities or obligations, annuity, retirement or other insurance contracts, mutual funds (including funds for which the Trustee or its affiliates serve as investment advisor, custodian or in a similar or related capacity), or in units of any other common, collective or commingled trust fund.
- 6.3 Notwithstanding anything to the contrary herein, the assets of the Plan shall be held by the Trustee as title holder only. Persons holding custody or possession of assets titled to the Trust shall include the Employer, the Administrator, the investment manager, and any agents and subagents, but not the Trustee. The Trustee shall not be responsible or liable for any loss or expense which may arise from or result from compliance with any direction from the Employer, the Administrator, the investment manager, or such agents to take title to any assets nor shall the Trustee be responsible or liable for any loss or expense which may result from the Trustee's refusal or failure to comply with any direction to hold title, except if the same shall involve or result from the Trustee's negligence or intentional misconduct. The Trustee may refuse to comply with any direction from the Employer, the Administrator, the investment manager, or such agents in the event that the Trustee, in its sole and absolute discretion, deems such direction illegal.
- 6.4 The Employer hereby indemnifies and holds the Trustee harmless from any and all actions, claims, demands, liabilities, losses, damages or reasonable expenses of whatsoever kind and nature in connection with or arising out of (i) any action taken or omitted in good faith by the Trustee in accordance with the directions of the Employer or its agents and subagents hereunder, or (ii) any disbursements of any part of the Trust made by the Trustee in accordance with the directions of the Employer, or (iii) any action taken by or omitted in good faith by the Trustee with respect to an investment managed by an investment manager in accordance with any direction of the investment manager or any inaction with respect to any such investment in the absence of directions from the investment manager. Notwithstanding anything to the contrary herein, the Employer shall have no responsibility to the Trustee under the foregoing indemnification if the Trustee fails negligently, intentionally or recklessly to perform any of the duties undertaken by it under the provisions of this Trust.
- 6.5 Notwithstanding anything to the contrary herein, the Employer or, if so designated by the Employer, the Administrator and the investment manager or another agent of the Employer, will be responsible for valuing all assets so acquired for all purposes of the Trust and of holding, investing, trading and disposing of the same. The Employer will indemnify and hold the Trustee harmless against any and all claims, actions, demands, liabilities, losses, damages, or expenses of whatsoever kind and nature, which arise from or are related to any use of such valuation by the Trustee or holding, trading, or disposition of such assets.



- 6.6 The Trustee shall and hereby does indemnify and hold harmless the Employer from any and all actions, claims, demands, liabilities, losses, damages and reasonable expenses of whatsoever kind and nature in connection with or arising out of (a) the Trustee's failure to follow the directions of the Employer, the Administrator, the investment manager, or agents thereof, except as permitted by the last sentence of Section 6.3 above; (b) any disbursements made without the direction of the Employer, the Administrator, the investment manager or agents thereof; and (c) the Trustee's negligence, willful misconduct, or recklessness with respect to the Trustee's duties under this Declaration.

ARTICLE VII

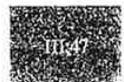
Contributions

- 7.1 **Employer Contributions.** The Employer shall contribute to the Trust such amounts as specified in the Plan or by resolution.
- 7.2 **Accrued Leave.** Contributions up to an amount equal to the value of accrued sick leave, vacation leave, or other type of accrued leave, as permitted under the Plan. The Employer's Plan must provide a formula for determining the value of the Participant's contribution of accrued leave. The Employer's Plan must contain a forfeiture provision that will prevent Participants from receiving the accrued leave in cash in lieu of a contribution to the Trust.
- 7.3 **Accounts.** Employer contributions, including mandatory Participant contributions, and contributions of accrued leave, all investment income and realized and unrealized gains and losses, and forfeitures allocable thereto will be deposited into an Account in the name of the Participant for the exclusive benefit of the Participant, his Spouse and Dependents. The assets in each Participant's Account may be invested in Investment Funds as directed by the Participant (or, after the Participant's death, by the Spouse or Dependents) or the Employer, as required under the Plan, from among the Investment Funds selected by the Employer.
- 7.4 **Receipt of Contributions.** The Employer or, if so designated by the Employer, the Administrator or investment manager or another agent of the Employer, shall receive all contributions paid or delivered to it hereunder and shall hold, invest, reinvest and administer such contributions pursuant to this Declaration, without distinction between principal and income. The Trustee shall not be responsible for the calculation or collection of any contribution under the Plan, but shall hold title to property received in respect of the Plan in the Trustee's name as directed by the Employer or its designee pursuant to this Declaration.
- 7.5 No amount in any Account maintained under this Trust shall be subject to transfer, assignment, or alienation, whether voluntary or involuntary, in favor of any creditor, transferee, or assignee of the Employer, the Trustee, any Participant, his Spouse, or Dependent.
- 7.6 Upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE VIII

Other Plans

If the Employer hereafter adopts one or more other plans providing life, sickness, accident, medical, disability, severance, or other benefits and designates the Trust hereby created as part of such other plan, the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer shall, subject to the terms of this Declaration, accept and hold hereunder contributions to such other plans. In that event (a) the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, may commingle for investment purposes the contributions received under such other plan or plans with the contributions previously received by the Trust, but the books and records of the Employer or, if so designated by the Employer, the Administrator or an investment manager or another agent of the Employer, shall at all times show the portion of the Trust Fund allocable to each plan; (b) the



term "Plan" as used herein shall be deemed to refer separately to each other plan; and (c) the term "Employer" as used herein shall be deemed to refer to the person or group of persons which have been designated by the terms of such other plans as having the authority to control and manage the operation and administration of such other plan.

ARTICLE IX

Disbursements and Expenses

- 9.1 The Employer or its designee shall make such payments from the Trust at such time to such persons and in such amounts as shall be authorized by the provisions of the Plan provided, however, that no payment shall be made, either during the existence of or upon the discontinuance of the Plan (subject to Section 7.6), which would cause any part of the Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants, their Spouses and Dependents pursuant to the provisions of the Plan.
- 9.2 All payments of benefits under the Plan shall be made exclusively from the assets of the Accounts of the Participants to whom or to whose Spouse or Dependents such payments are to be made, and no person shall be entitled to look to any other source for such payments.
- 9.3 The Employer, Trustee and Administrator may be reimbursed for expenses reasonably incurred by them in the administration of the Trust. All such expenses, including, without limitation, reasonable fees of accountants and legal counsel to the extent not otherwise reimbursed, shall constitute a charge against and shall be paid from the Trust upon the direction of the Employer.

ARTICLE X

Accounting

- 10.1 The Trustee shall not be required to keep accounts of the investments, receipts, disbursements, and other transactions of the Trust, except as necessary to perform its title-holding function hereunder. All accounts, books, and records relating thereto shall be maintained by the Employer or its designee.
- 10.2 As promptly as possible following the close of each year, the Trustee shall file with the Employer a written account setting forth assets titled to the Trust as reported to the Trustee by the Employer or its designee.

ARTICLE XI

Miscellaneous Provisions

- 11.1 Neither the Trustee nor any affiliate thereof shall be required to give any bond or to qualify before, be appointed by, or account to any court of law in the exercise of its powers hereunder.
- 11.2 No person transferring title or receiving a transfer of title from the Trustee shall be obligated to look to the propriety of the acts of the Trustee in connection therewith.
- 11.3 The Employer may engage the Trustee as its agent in the performance of any duties required of the Employer under the Plan, but such agency shall not be deemed to increase the responsibility or liability of the Trustee under this Declaration.
- 11.4 The Employer shall have the right at all reasonable times during the term of this Declaration and for three (3) years after the termination of this Declaration to examine, audit, inspect, review, extract information from, and copy all books, records, accounts, and other documents of the Trustee relating to this Declaration and the Trustees' performance hereunder.



ARTICLE XII

Amendment and Termination

12.1 The Employer reserves the right to alter, amend, or (subject to Section 9.1) terminate this Declaration at any time for any reason without the consent of the Trustee or any other person, provided that no amendment affecting the rights, duties, or responsibilities of the Trustee shall be adopted without the execution of the Trustee to the amendment. Any such amendment shall become effective as of the date provided in the amendment, if requiring the Trustee's execution, or on delivery of the amendment to the Trustee, if the Trustee's execution is not required.

12.2 Upon termination of this Declaration and upon the satisfaction of all liabilities under the Plan to provide such benefits, any amount of Employer contributions, plus accrued earnings thereon, remaining in such separate Accounts must, under the terms of the Plan, be returned to the Employer.

ARTICLE XIII

Successor Trustees

13.1 The Employer reserves the right to discharge the Trustee for any or no reason, at any time by giving ninety (90) days' advance written notice.

13.2 The Trustee reserves the right to resign at any time by giving ninety (90) days' advance written notice to the Employer.

13.3 In the event of discharge or resignation of the Trustee, the Employer may appoint a successor Trustee who shall succeed to all rights, duties, and responsibilities of the former Trustee under this Declaration, and the terminated Trustee shall be deemed discharged of all duties under this Declaration and responsibilities for the Trust.

ARTICLE XIV

Limited Effect of Plan and Trust

Neither the establishment of the Plan and the Trust or any modification thereof, the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustee, the Administrator, the Employer or any officer or employee thereof, except as may otherwise be expressly provided in the Plan or in this Declaration.



ARTICLE XV

Protective Clause

Neither the Administrator, the Employer, nor the Trustee shall be responsible for the validity of any contract of insurance or other arrangement maintained in connection with the Plan, or for the failure on the part of the insurer or provider to make payments provided by such contract, or for the action of any person which may delay payment or render a contract void or unenforceable in whole or in part.

IN WITNESS WHEREOF, the Employer and the Trustee have executed this Declaration by their respective duly authorized officers, as of the date first hereinabove mentioned.

EMPLOYER:

By: _____ Title: _____

TRUSTEE(S):

By: _____ Title: _____

By: _____ Title: _____

By: _____ Title: _____



Support & Law Enforcement



**EMPLOYER VANTAGECARE
RETIREMENT HEALTH SAVINGS (RHS) PLAN
ADOPTION AGREEMENT**



EMPLOYER VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN ADOPTION AGREEMENT

Plan Number: 8 _____ Check one: New Plan Amendment to Existing Plan

Employer Retirement Health Savings Plan Name:

I. Employer Name: City of Bonney Lake State: WA

II. The Employer hereby attests that it is a unit of a state or local government or an agency or instrumentality of one or more units of a state or local government.

III. Effective Date of the Plan: 3/1/2012

IV. The Employer intends to utilize the Trust to fund only welfare benefits pursuant to the following welfare benefit plan(s) established by the Employer: _____

V. Eligible Groups, Participation and Participant Eligibility Requirements

A. Eligible Groups

The following group or groups of Employees are eligible to participate in the VantageCare Retirement Health Savings Plan (check all applicable boxes):

- All Employees
- All Full-Time Employees
- Non-Union Employees
- Public Safety Employees – Police
- Public Safety Employees – Firefighters
- General Employees
- Collectively-Bargained Employees (Specify unit(s)) Bonney Lake Police Guild - Support Staff
- Other (specify group(s)) _____

The Employee group(s) specified must correspond to a group(s) of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other documents or provisions in effect in the state or locality of the Employer.

B. Participation

Mandatory Participation: All Employees in the covered group(s) are required to participate in the Plan and shall receive contributions pursuant to Section VI.

If the Employer's underlying welfare benefit plan or funding under this VantageCare Retirement Health Savings Plan is in whole or part a non-collectively bargained, self-insured plan, the nondiscrimination requirements of Internal Revenue Code (IRC) Section 105(h) will apply. These rules may impose taxation on the benefits received by highly compensated individuals if the Plan discriminates in favor of highly compensated individuals in terms of eligibility or benefits. The Employer should discuss these rules with appropriate counsel.

C. Participant Eligibility Requirements

1. Minimum service: The minimum period of service required for participation is N/A (write N/A if no minimum service is required).
2. Minimum age: The minimum age required for eligibility to participate is N/A (write N/A if no minimum age is required).



VI. Contribution Sources and Amounts

A. Definition of Earnings

The definition of Earnings will apply to all RHS Contribution Features that reference "Earnings", including Direct Employer Contributions (Section VI.B.1.) and Mandatory Employee Compensation Contributions (Section VI.B.2).

Definition of earnings: Direct Employer Contributions and Mandatory Employee Contributions

B. Direct Employer Contributions and Mandatory Contributions

1. Direct Employer Contributions

The Employer shall contribute on behalf of each Participant

- _____ % of Earnings
- \$ 600 each Plan Year
- A discretionary amount to be determined each Plan Year
- Other (describe): _____

2. Mandatory Employee Compensation Contributions

The Employer will make mandatory contributions of Employee compensation as follows:

- Reduction in Salary - _____ % of Earnings or \$ 600.00 will be contributed for the Plan Year.
- Decreased Merit or Pay Plan Adjustment - All or a portion of the Employees' annual merit or pay plan adjustment will be contributed as follows:

An Employee shall not have the right to discontinue or vary the rate of Mandatory Contributions of Employee Compensation.

3. Mandatory Employee Leave Contributions

The Employer will make mandatory contributions of accrued leave as follows (provide formula for determining Mandatory Employee Leave contributions):

- Accrued Sick Leave _____
- Accrued Vacation Leave _____
- Other (specify type of leave) Accrued _____ Leave

An Employee shall not have the right to discontinue or vary the rate of mandatory leave contributions.

C. Limits on Total Contributions (check one box)

The total contribution by the Employer on behalf of each Participant (including Direct Employer and Mandatory Employee Contributions) for each Plan Year shall not exceed the following limit(s) below. Limits on individual contribution types are defined within the appropriate section above.



There is no Plan-defined limit on the percentage or dollar amount of earnings that may be contributed.

_____ % of earnings*

*Definition of earnings: Same as Section VI.A. Other

\$ 1200.00 for the Plan year.

See Section V.B. for a discussion of nondiscrimination rules that may apply to non-collectively bargained self-insured Plans.

VII. Vesting for Direct Employer Contributions

A. Vesting Schedule (check one box)

The account is 100% vested at all times.

The following vesting schedule shall apply to Direct Employer Contributions as outlined in Section VI.B.1.:

Years of Service Completed	Vesting Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

B. The account will become 100% vested upon the death, disability, retirement*, or attainment of benefit eligibility (as outlined in Section IX) by a Participant.

*Definition of retirement (check one box):

Retirement as defined in the primary retirement plan of the Employer

Separation from service

Other _____

C. Any period of service by a Participant prior to a rehire of the Participant by the Employer shall not count toward the vesting schedule outlined in A above.

VIII. Forfeiture Provisions

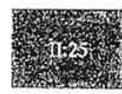
Upon separation from the service of the Employer prior to attainment of benefit eligibility (as outlined in Section IX), or upon reversion to the Trust of a Participant's account assets remaining upon the participant's death (as outlined in Section XI), a Participant's non-vested funds shall (check one box):

Remain in the Trust to be reallocated among all remaining Employees participating in the Plan as Direct Employer Contributions for the next and succeeding contribution cycle(s).

Remain in the Trust to be reallocated on an equal dollar basis among all Plan Participants.

Remain in the Trust to be reallocated among all Plan Participants based upon Participant account balances.

Revert to the Employer.



IX. Eligibility Requirements to Receive Medical Benefit Payments from the VantageCare Retirement Health Savings Plan

A. A Participant is eligible to receive benefits:

At retirement only (also complete Section B.)

Definition of retirement:

Same as Section VII.B.

Other _____

At separation from service with the following restrictions

No restrictions

Other _____

At age _____ only

At retirement and age 65 (also complete section B)

Definition of retirement:

Same as Section VII.B.

Other _____

At retirement or age _____

Definition of retirement:

Same as Section VII.B.

Other Upon eligibility for Washington State PERS 2/3 retirement which is at age 65 and either in service or separation of service

Other, specified as follows (also complete Section B if applicable): _____

B. Termination prior to general benefit eligibility: In the case where the general benefit eligibility as outlined in Section IX.A includes a retirement component, a Participant who separates from the service of the Employer prior to retirement will be eligible to receive benefits:

Immediately upon separation from service.

At age 65

C. A Participant that becomes totally and permanently disabled

as defined by the Social Security Administration

as defined by the Employer's primary retirement plan

other as defined by WA State PERS 2/3 / DRS definition

will become immediately eligible to receive medical benefit payments from his/her VantageCare Retirement Health Savings Plan account.

D. Upon the death of the Participant, benefits shall become payable as outlined in Section XI.



X. Permissible Medical Benefit Payments

Benefits eligible for reimbursement consist of:

- All Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin).
- The following Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin). Select only the expenses you wish to cover under the VantageCare Retirement Health Savings Plan:
 - Medical Insurance Premiums
 - Medical Out-of-Pocket Expenses*
 - Medicare Part B Insurance Premiums
 - Medicare Part D Insurance Premiums
 - Medicare Supplemental Insurance Premiums
 - Prescription Drug Insurance Premiums
 - COBRA Insurance Premiums
 - Dental Insurance Premiums
 - Dental Out-of-Pocket Expenses*
 - Vision Insurance Premiums
 - Vision Out-of-Pocket Expenses*
 - Qualified Long-Term Care Insurance Premiums
 - Non-Prescription medications allowed under IRS guidance*
 - Other qualifying medical expenses (describe)*

* See Section V.A. for a discussion of nondiscrimination rules which may apply to non-collectively bargained, self-insured Plans.

XI. Benefits After the Death of the Participant

In the event of a Participant's death, the following shall apply:

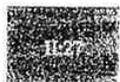
A. Surviving Spouse and/or Surviving Dependents

The surviving spouse and/or surviving eligible dependents (as defined in Section XII.D.) of the deceased Participant are immediately eligible to maintain the account and utilize it to fund eligible medical benefits specified in Section X above.

Upon notification of a Participant's death, the Participant's account balance will be transferred into Dreyfus Cash Management fund* (or another fund selected by the Employer). The account balance may be reallocated by the surviving spouse or dependents.

**An investment in the Dreyfus Cash Management money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. You may visit us at www.icmarc.org or call 800-669-7400 to obtain a prospectus that contains this and other information about the fund. Read the prospectus carefully before investing.*

If a Participant's account balance has not been fully utilized upon the death of the eligible spouse, the account balance may continue to be utilized to pay benefits of eligible dependents. Upon the death of all eligible dependents, the account will revert to the Plan to be applied as specified in Section VIII.



B. No Surviving Spouse or Surviving Dependents

If there are no living spouse or dependents at the time of death of the Participant, the account will revert to the Plan to be applied as specified in Section VIII.

XII. The Plan will operate according to the following provisions:

A. Employer Responsibilities

- 1. The Employer will submit all VantageCare Retirement Health Savings Plan contribution data via electronic submission.
- 2. The Employer will submit all VantageCare Retirement Health Savings Plan Participant status updates or personal information updates via electronic submission. This includes but is not limited to termination notification and benefit eligibility notification.

B. Participant account administration and asset-based fees will be paid through the redemption of Participant account shares, unless agreed upon otherwise in the Administrative Services Agreement.

C. Assignment of benefits is not permitted. Benefits will be paid only to the Participant, his/her Survivors, the Employer, or an insurance provider (as allowed by the claims administrator). Payments to a third-party payee (e.g., medical service provider) are not permitted with the exception of reimbursement to the Employer or insurance provider (as allowed by the claims administrator).

D. An eligible dependent is (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

E. The Employer will be responsible for withholding, reporting and remitting any applicable taxes for payments which are deemed to be discriminatory under IRC Section 105(h), as outlined in the VantageCare Retirement Health Savings Plan Employer Manual.

XIII. Employer Acknowledgements

A. The Employer hereby acknowledges it understands that failure to properly fill out this Employer VantageCare Retirement Health Savings Plan Adoption Agreement may result in the loss of tax exemption of the Trust and/or loss of tax-deferred status for Employer contributions.

B. Check this box if you are including supporting documents that include plan provisions.

EMPLOYER SIGNATURE

By: _____

Date: _____

Title: _____

Attest: _____

Date: _____

Title: _____

Accepted: VANTAGEPOINT TRANSFER AGENTS, LLC

Assistant Secretary, ICMA-RC



EMPLOYER VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN ADOPTION AGREEMENT

Plan Number: 8 _____ Check one: New Plan Amendment to Existing Plan

Employer Retirement Health Savings Plan Name:

I. Employer Name: City of Bonney Lake State: WA

II. The Employer hereby attests that it is a unit of a state or local government or an agency or instrumentality of one or more units of a state or local government.

III. Effective Date of the Plan: 3.2.2012

IV. The Employer intends to utilize the Trust to fund only welfare benefits pursuant to the following welfare benefit plan(s) established by the Employer: City of Bonney Lake

V. Eligible Groups, Participation and Participant Eligibility Requirements

A. Eligible Groups

The following group or groups of Employees are eligible to participate in the VantageCare Retirement Health Savings Plan (check all applicable boxes):

- All Employees
- All Full-Time Employees
- Non-Union Employees
- Public Safety Employees – Police
- Public Safety Employees – Firefighters
- General Employees
- Collectively-Bargained Employees (Specify unit(s)) Bonney Lake Police Guild - Law Enforcement
- Other (specify group(s)) _____

The Employee group(s) specified must correspond to a group(s) of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other documents or provisions in effect in the state or locality of the Employer.

B. Participation

Mandatory Participation: All Employees in the covered group(s) are required to participate in the Plan and shall receive contributions pursuant to Section VI.

If the Employer's underlying welfare benefit plan or funding under this VantageCare Retirement Health Savings Plan is in whole or part a non-collectively bargained, self-insured plan, the nondiscrimination requirements of Internal Revenue Code (IRC) Section 105(h) will apply. These rules may impose taxation on the benefits received by highly compensated individuals if the Plan discriminates in favor of highly compensated individuals in terms of eligibility or benefits. The Employer should discuss these rules with appropriate counsel.

C. Participant Eligibility Requirements

1. Minimum service: The minimum period of service required for participation is _____ (write N/A if no minimum service is required). N/A for Lateral Hires; 18 months for Entry Hires
2. Minimum age: The minimum age required for eligibility to participate is _____ (write N/A if no minimum age is required).



VI. Contribution Sources and Amounts

A. Definition of Earnings

The definition of Earnings will apply to all RHS Contribution Features that reference "Earnings", including Direct Employer Contributions (Section VI.B.1.) and Mandatory Employee Compensation Contributions (Section VI.B.2).

Definition of earnings: Direct Employer Contributions and Mandatory Employee Contributions

B. Direct Employer Contributions and Mandatory Contributions

1. Direct Employer Contributions

The Employer shall contribute on behalf of each Participant

- _____ % of Earnings
- \$ 600.00 each Plan Year
- A discretionary amount to be determined each Plan Year
- Other (describe): _____

2. Mandatory Employee Compensation Contributions

The Employer will make mandatory contributions of Employee compensation as follows:

- Reduction in Salary - _____ % of Earnings or \$ 600.00 will be contributed for the Plan Year.
- Decreased Merit or Pay Plan Adjustment - All or a portion of the Employees' annual merit or pay plan adjustment will be contributed as follows:

An Employee shall not have the right to discontinue or vary the rate of Mandatory Contributions of Employee Compensation.

3. Mandatory Employee Leave Contributions

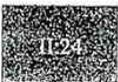
The Employer will make mandatory contributions of accrued leave as follows (provide formula for determining Mandatory Employee Leave contributions):

- Accrued Sick Leave _____
- Accrued Vacation Leave _____
- Other (specify type of leave) Accrued _____ Leave

An Employee shall not have the right to discontinue or vary the rate of mandatory leave contributions.

C. Limits on Total Contributions (check one box)

The total contribution by the Employer on behalf of each Participant (including Direct Employer and Mandatory Employee Contributions) for each Plan Year shall not exceed the following limit(s) below. Limits on individual contribution types are defined within the appropriate section above.



- There is no Plan-defined limit on the percentage or dollar amount of earnings that may be contributed.
- _____ % of earnings*
- *Definition of earnings: Same as Section VI.A. Other
- \$ 1200.00 for the Plan year.

See Section V.B. for a discussion of nondiscrimination rules that may apply to non-collectively bargained self-insured Plans.

VII. Vesting for Direct Employer Contributions

A. Vesting Schedule (check one box)

- The account is 100% vested at all times.
- The following vesting schedule shall apply to Direct Employer Contributions as outlined in Section VI.B.1.:

Years of Service Completed	Vesting Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

- B. The account will become 100% vested upon the death, disability, retirement*, or attainment of benefit eligibility (as outlined in Section IX) by a Participant.**

*Definition of retirement (check one box):

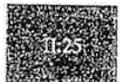
- Retirement as defined in the primary retirement plan of the Employer
- Separation from service
- Other _____

- C. Any period of service by a Participant prior to a rehire of the Participant by the Employer shall not count toward the vesting schedule outlined in A above.**

VIII. Forfeiture Provisions

Upon separation from the service of the Employer prior to attainment of benefit eligibility (as outlined in Section IX), or upon reversion to the Trust of a Participant's account assets remaining upon the participant's death (as outlined in Section XI), a Participant's non-vested funds shall (check one box):

- Remain in the Trust to be reallocated among all remaining Employees participating in the Plan as Direct Employer Contributions for the next and succeeding contribution cycle(s).
- Remain in the Trust to be reallocated on an equal dollar basis among all Plan Participants.
- Remain in the Trust to be reallocated among all Plan Participants based upon Participant account balances.
- Revert to the Employer.



IX. Eligibility Requirements to Receive Medical Benefit Payments from the VantageCare Retirement Health Savings Plan

A. A Participant is eligible to receive benefits:

- At retirement only (also complete Section B.)
Definition of retirement:
 Same as Section VII.B.
 Other _____
- At separation from service with the following restrictions:
 No restrictions
 Other _____
- At age _____ only
- At retirement and age _____ (also complete section B)
Definition of retirement:
 Same as Section VII.B.
 Other _____
- At retirement or age 53
Definition of retirement:
 Same as Section VII.B.
 Other Upon Eligibility for WA State LEOPF retirement which is at age 53 and either in service or separation of service.
- Other, specified as follows (also complete Section B if applicable): _____

B. Termination prior to general benefit eligibility: In the case where the general benefit eligibility as outlined in Section IX.A includes a retirement component, a Participant who separates from the service of the Employer prior to retirement will be eligible to receive benefits:

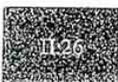
- Immediately upon separation from service.
- At age 53

C. A Participant that becomes totally and permanently disabled

- as defined by the Social Security Administration
- as defined by the Employer's primary retirement plan
- other _____

will become immediately eligible to receive medical benefit payments from his/her VantageCare Retirement Health Savings Plan account.

D. Upon the death of the Participant, benefits shall become payable as outlined in Section XI.



X. Permissible Medical Benefit Payments

Benefits eligible for reimbursement consist of:

- All Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin).
- The following Medical Expenses eligible under IRC Section 213* other than (i) direct long-term care expenses, and (ii) expenses for medicines or drugs which are not prescribed drugs (other than insulin). Select only the expenses you wish to cover under the VantageCare Retirement Health Savings Plan:
 - Medical Insurance Premiums
 - Medical Out-of-Pocket Expenses*
 - Medicare Part B Insurance Premiums
 - Medicare Part D Insurance Premiums
 - Medicare Supplemental Insurance Premiums
 - Prescription Drug Insurance Premiums
 - COBRA Insurance Premiums
 - Dental Insurance Premiums
 - Dental Out-of-Pocket Expenses*
 - Vision Insurance Premiums
 - Vision Out-of-Pocket Expenses*
 - Qualified Long-Term Care Insurance Premiums
 - Non-Prescription medications allowed under IRS guidance*
 - Other qualifying medical expenses (describe)*

** See Section V.A. for a discussion of nondiscrimination rules which may apply to non-collectively bargained, self-insured Plans.*

XI. Benefits After the Death of the Participant

In the event of a Participant's death, the following shall apply:

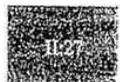
A. Surviving Spouse and/or Surviving Dependents

The surviving spouse and/or surviving eligible dependents (as defined in Section XII.D.) of the deceased Participant are immediately eligible to maintain the account and utilize it to fund eligible medical benefits specified in Section X above.

Upon notification of a Participant's death, the Participant's account balance will be transferred into Dreyfus Cash Management fund* (or another fund selected by the Employer). The account balance may be reallocated by the surviving spouse or dependents.

**An investment in the Dreyfus Cash Management money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. You may visit us at www.icmare.org or call 800-669-7400 to obtain a prospectus that contains this and other information about the fund. Read the prospectus carefully before investing.*

If a Participant's account balance has not been fully utilized upon the death of the eligible spouse, the account balance may continue to be utilized to pay benefits of eligible dependents. Upon the death of all eligible dependents, the account will revert to the Plan to be applied as specified in Section VIII.



B. No Surviving Spouse or Surviving Dependents

If there are no living spouse or dependents at the time of death of the Participant, the account will revert to the Plan to be applied as specified in Section VIII.

XII. The Plan will operate according to the following provisions:

A. Employer Responsibilities

- 1. The Employer will submit all VantageCare Retirement Health Savings Plan contribution data via electronic submission.
- 2. The Employer will submit all VantageCare Retirement Health Savings Plan Participant status updates or personal information updates via electronic submission. This includes but is not limited to termination notification and benefit eligibility notification.

B. Participant account administration and asset-based fees will be paid through the redemption of Participant account shares, unless agreed upon otherwise in the Administrative Services Agreement.

C. Assignment of benefits is not permitted. Benefits will be paid only to the Participant, his/her Survivors, the Employer, or an insurance provider (as allowed by the claims administrator). Payments to a third-party payee (e.g., medical service provider) are not permitted with the exception of reimbursement to the Employer or insurance provider (as allowed by the claims administrator).

D. An eligible dependent is (a) the Participant's lawful spouse, (b) the Participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as clarified by Internal Revenue Service Notice 2004-79.

E. The Employer will be responsible for withholding, reporting and remitting any applicable taxes for payments which are deemed to be discriminatory under IRC Section 105(h), as outlined in the VantageCare Retirement Health Savings Plan Employer Manual.

XIII. Employer Acknowledgements

A. The Employer hereby acknowledges it understands that failure to properly fill out this Employer VantageCare Retirement Health Savings Plan Adoption Agreement may result in the loss of tax exemption of the Trust and/or loss of tax-deferred status for Employer contributions.

B. Check this box if you are including supporting documents that include plan provisions.

EMPLOYER SIGNATURE

By: _____ Date: _____

Title: _____

Attest: _____ Date: _____

Title: _____

Accepted: VANTAGEPOINT TRANSFER AGENTS, LLC

Assistant Secretary, ICMA-RC



City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 7 February 2012	Agenda Bill Number: AB12-19
Agenda Item Type: Motion	Ordinance/Resolution Number:	Councilmember Sponsor:

Agenda Subject: New Public Works Maintenance Center

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Administration To Proceed With The Necessary Paperwork To Authorize A Utility Bond And Preparation Of Plans, Specifications, And Contract Documents For The Proposed New Public Works Maintenance Building, And To Proceed With Construction.

Administrative Recommendation: Approve design to move forward to authorize a utility bond and preparation of plans, specifications, and contract documents.

Background Summary: In 2007 the City convened a working group to consult with ARC Architects on a number of alternative site plans for the proposed new maintenance building complex at the 96th Street Water Tank site. In 2009 the final site plan and schematics were prepared. Due to the cost of the project, a value engineering process was undertaken to determine ways to reduce alternative features. The project was then put on hold pending annexation into the City and accumulation of funding. In December of 2011, the proposed Admin. wing was redrawn to include the PW administrative and engineering staff, rather than having them move into the JC as originally planned. It is recommended that the current Council reapprove the site plan, authorize utility bonds for the balance of funding needed, and proceed with the site and utility work, followed by construction. Complete P,S&E in 2012, site preparation/utility installation in late 2012-2013, and construction in 2013-2014.

Attachments: Site Plans, Renderings, and Cost/Financing Information

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	Finance Committee Date: 6/10/08; 24 June 2008	Approvals: Chair/Councilmember NAME <input type="checkbox"/> <input type="checkbox"/> Councilmember NAME <input type="checkbox"/> <input type="checkbox"/> Councilmember NAME <input type="checkbox"/> <input type="checkbox"/>	Yes No <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Forward to:	Consent	<input type="checkbox"/> Yes <input type="checkbox"/> No
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): October 14, 2008	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS

**Public Works Maintenance Facility
Draft Financing Plan**

2/1/2012

Accumulated Set Asides in CIP	5,100,000	
2012 Water Contribution (SDC)	1,000,000	
2012 Sewer Contribution (SDC)	1,000,000	
2012 Stormwater Contribution (SDC)	100,000	
Total	7,200,000	
Estimated Project Cost	13,200,000	
Financed by Utility Bonds	6,000,000	
Annual Debt Service - 30 Yr. \$6M Bond	386,000	
Water Share		212,300
Sewer Share		135,100
Stormwater Share		38,600
Fund Balances (Dec 31, 2011)		
Water Fund	15,068,937	
Sewer Fund	7,307,655	
Stormwater Fund	842,925	

City of Bonney Lake

30-Year Option A: Finance \$6,000,000 Level Debt Solution
Assume Rating of "A1"

30-Year Option B: Finance \$6,000,000 Interest First 3 Years
Assume Rating of "A1"

30-Year Option C: Finance \$6,000,000 Interest First 5 Years
Assume Rating of "A1"

Year Ending	The Bonds			Annual Debt Service (\$)
	Principal (\$)	Interest (\$)	Debt Service (\$)	
2010	70,000	123,183	193,183	
2011	140,000	245,994	385,994	
2012	140,000	244,748	384,748	
2013	140,000	243,068	383,068	
2014	145,000	240,884	385,884	
2015	145,000	237,984	382,984	
2016	150,000	234,475	384,475	
2017	155,000	230,380	385,380	
2018	160,000	225,715	385,715	
2019	165,000	220,563	385,563	
2020	170,000	215,019	385,019	
2021	175,000	209,103	384,103	
2022	180,000	202,855	382,855	
2023	190,000	196,249	386,249	
2024	195,000	189,124	384,124	
2025	205,000	181,636	386,636	
2026	210,000	173,600	383,600	
2027	220,000	165,200	385,200	
2028	230,000	156,224	386,224	
2029	240,000	146,679	386,679	
2030	250,000	136,575	386,575	
2031	260,000	125,900	385,900	
2032	270,000	114,616	384,616	
2033	280,000	102,736	382,736	
2034	295,000	90,276	385,276	
2035	310,000	77,001	387,001	
2036	320,000	62,927	382,927	
2037	335,000	48,303	383,303	
2038	350,000	32,927	382,927	
2039	365,000	16,827	381,827	
Totals	\$ 6,460,000	\$ 4,890,768	\$ 11,350,768	

Est. Average Interest Rate (1): 4.24%
Est. Average Annual Payment: \$378,259

Par Amount less Reserve Fund less Costs = Net Proceeds for project.
Net Proceeds for Project: \$6,000,000
Estimated Reserve Fund Deposit: \$387,001
Est. Total Financing Costs: \$72,999
Total Par Amount of Bonds: \$6,460,000

(1) Preliminary and subject to change

Year Ending	The Bonds			Annual Debt Service (\$)
	Principal (\$)	Interest (\$)	Debt Service (\$)	
2010	\$ -	128,948	128,948	
2011	-	257,895	257,895	
2012	-	257,895	257,895	
2013	150,000	257,895	407,895	
2014	155,000	255,555	410,555	
2015	155,000	252,455	407,455	
2016	160,000	248,704	408,704	
2017	165,000	244,336	409,336	
2018	170,000	239,370	409,370	
2019	175,000	233,896	408,896	
2020	180,000	228,016	408,016	
2021	185,000	221,752	406,752	
2022	195,000	215,147	410,147	
2023	200,000	207,991	407,991	
2024	205,000	200,491	405,491	
2025	215,000	192,619	407,619	
2026	225,000	184,191	409,191	
2027	235,000	175,191	410,191	
2028	240,000	165,603	405,603	
2029	255,000	155,643	410,643	
2030	265,000	144,907	409,907	
2031	275,000	133,592	408,592	
2032	285,000	121,657	406,657	
2033	300,000	109,117	409,117	
2034	310,000	95,767	405,767	
2035	325,000	81,817	406,817	
2036	340,000	67,062	407,062	
2037	355,000	51,524	406,524	
2038	375,000	35,229	410,229	
2039	390,000	17,979	407,979	
Totals	\$ 6,485,000	\$ 5,182,235	\$ 11,667,235	

Est. Average Interest Rate (1): 4.25%
Est. Average Annual Payment: \$388,908

Par Amount less Reserve Fund less Costs = Net Proceeds for project.
Net Proceeds for Project: \$6,000,000
Estimated Reserve Fund Deposit: \$410,643
Est. Total Financing Costs: \$74,338
Total Par Amount of Bonds: \$6,485,000

(1) Preliminary and subject to change

Year Ending	The Bonds			Annual Debt Service (\$)
	Principal (\$)	Interest (\$)	Debt Service (\$)	
2010	\$ -	132,886	132,886	
2011	-	265,772	265,772	
2012	-	265,772	265,772	
2013	-	265,772	265,772	
2014	-	265,772	265,772	
2015	165,000	265,772	430,772	
2016	170,000	261,779	431,779	
2017	170,000	257,138	427,138	
2018	175,000	252,021	427,021	
2019	185,000	246,386	431,386	
2020	190,000	240,170	430,170	
2021	195,000	233,558	428,558	
2022	205,000	226,596	431,596	
2023	210,000	219,073	429,073	
2024	220,000	211,198	431,198	
2025	225,000	202,750	427,750	
2026	235,000	193,930	428,930	
2027	245,000	184,530	429,530	
2028	255,000	174,534	429,534	
2029	265,000	163,951	428,951	
2030	275,000	152,795	427,795	
2031	290,000	141,052	431,052	
2032	300,000	128,466	428,466	
2033	315,000	115,266	430,266	
2034	330,000	101,249	431,249	
2035	345,000	86,399	431,399	
2036	360,000	70,736	430,736	
2037	375,000	54,284	429,284	
2038	395,000	37,071	432,071	
2039	410,000	18,901	428,901	
Totals	\$ 6,505,000	\$ 5,435,568	\$ 11,940,568	

Est. Average Interest Rate (1): 4.28%
Est. Average Annual Payment: \$398,019

Par Amount less Reserve Fund less Costs = Net Proceeds for project.
Net Proceeds for Project: \$6,000,000
Estimated Reserve Fund Deposit: \$432,071
Est. Total Financing Costs: \$72,929
Total Par Amount of Bonds: \$6,505,000

(1) Preliminary and subject to change

bonney lake public works:
site plan



bonney lake public works: administration wing plan

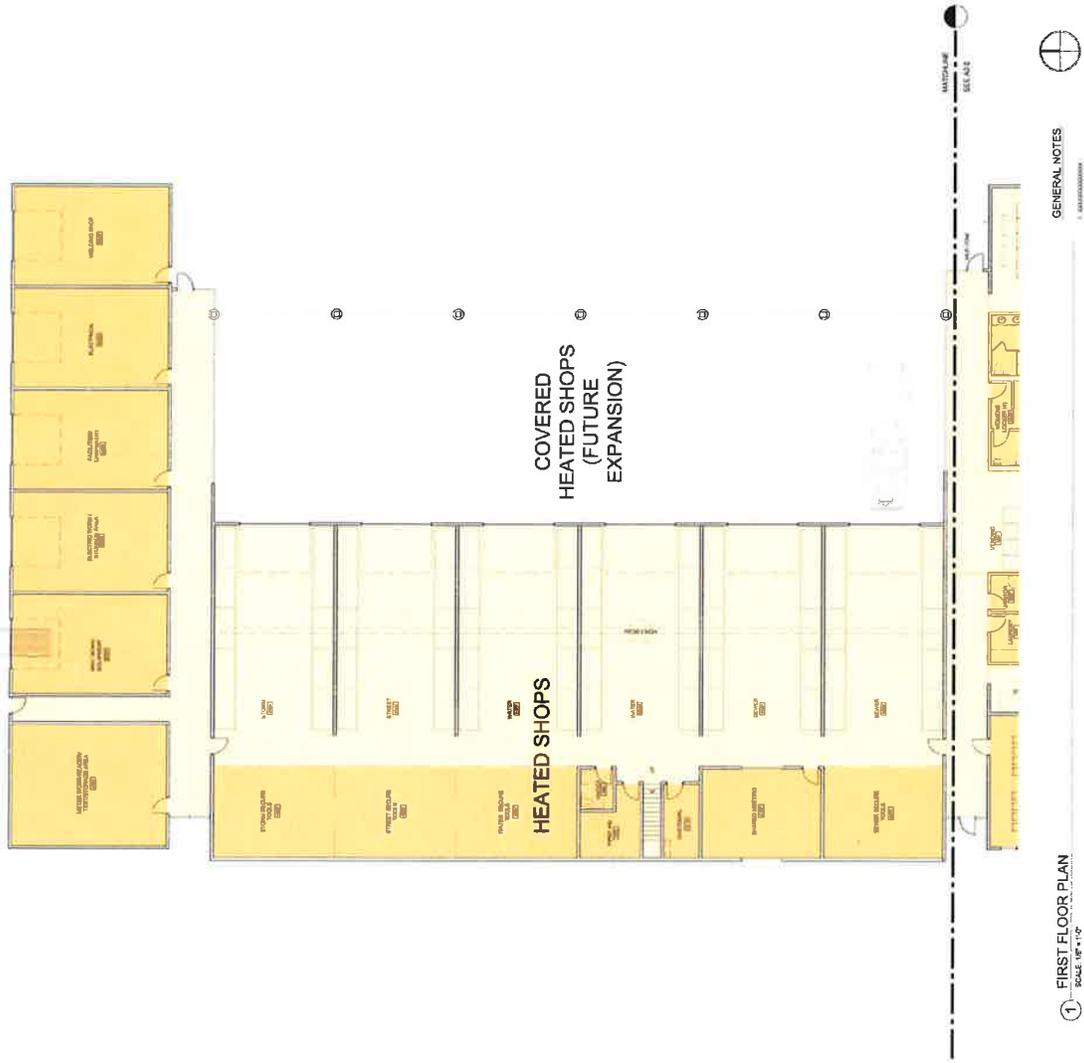


GENERIC
JANUARY

1 BLDG A - FIRST FLOOR PLAN
SCALE 1/8" = 1'-0"

 **Bonney Lake Public Works - Administration Wing Plan**
January 26th, 2010

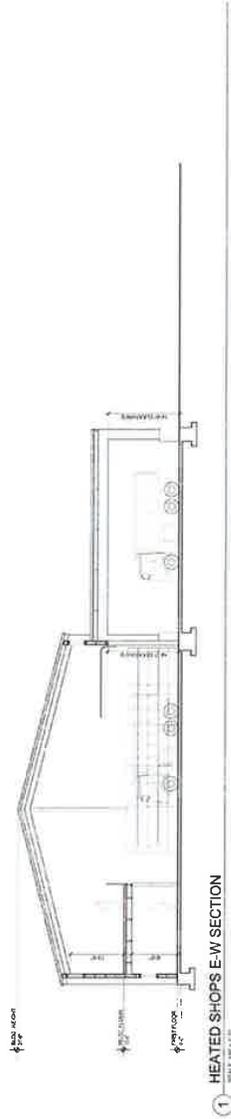
bonney lake public works:
heated shops plan



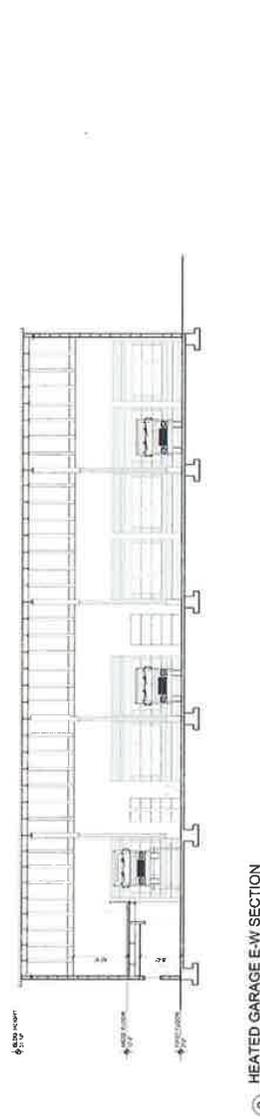
Bonney Lake Public Works - Heated Shops Plan
January 26th, 2010



bonney lake public works:
administration wing plan



1 HEATED SHOPS E-W SECTION
SCALE 1/8" = 1'-0"

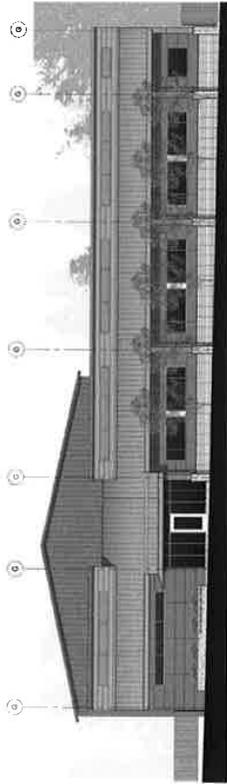


2 HEATED GARAGE E-W SECTION
SCALE 1/8" = 1'-0"

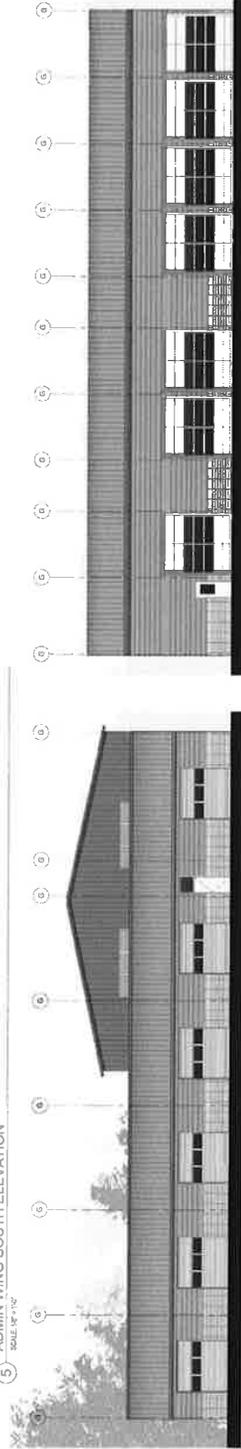
Bonney Lake Public Works - Building Section
January 26th, 2010



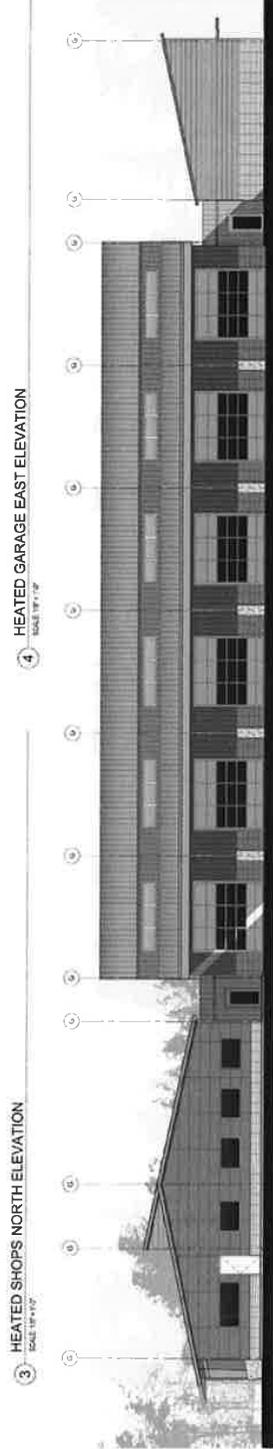
bonney lake public works:
exterior elevations



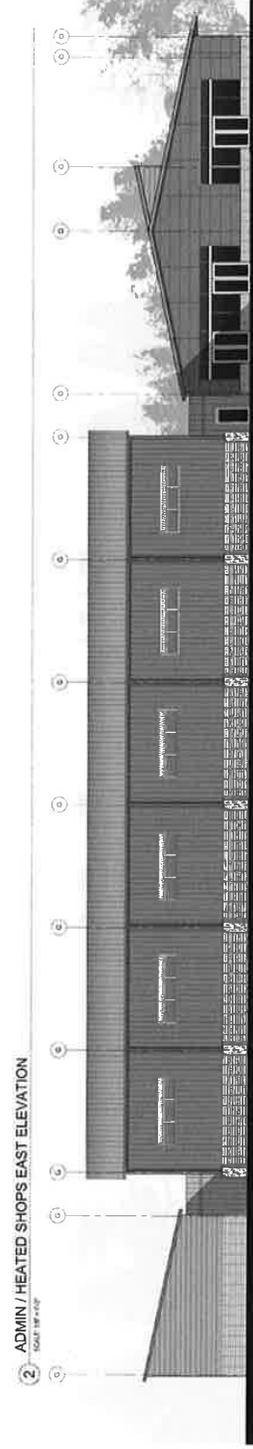
5 ADMIN WING SOUTH ELEVATION
SCALE 1/8" = 1'-0"



3 HEATED SHOPS NORTH ELEVATION
SCALE 1/8" = 1'-0"



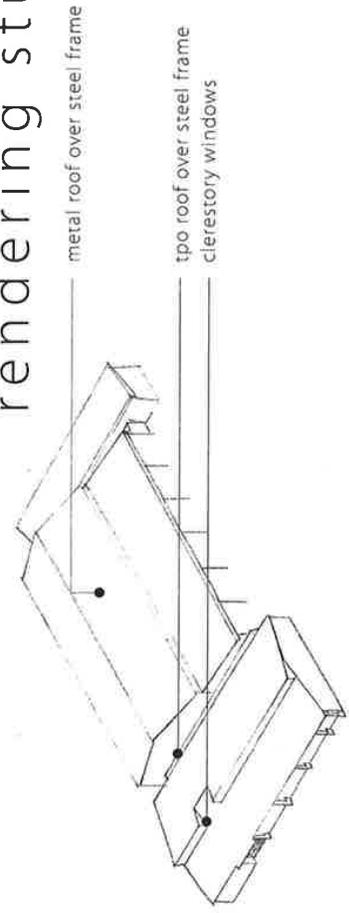
4 HEATED GARAGE EAST ELEVATION
SCALE 1/8" = 1'-0"



2 ADMIN / HEATED SHOPS EAST ELEVATION
SCALE 1/8" = 1'-0"

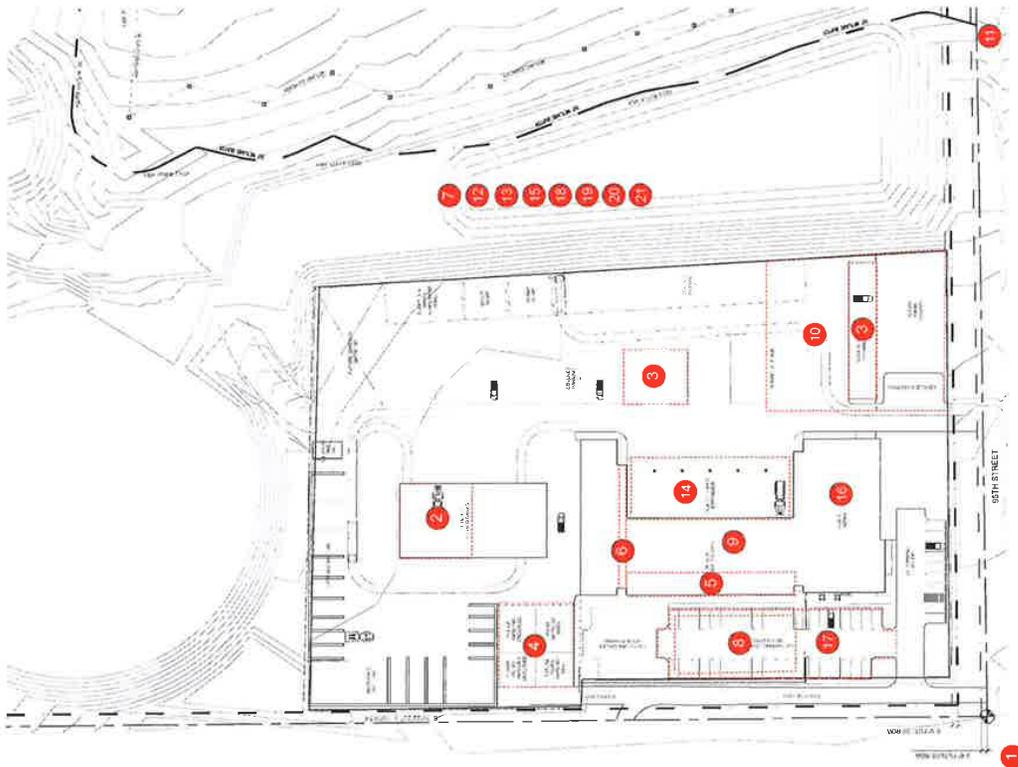
ARC
Bonney Lake Public Works - Exterior Elevations
January 26th, 2010

bonney lake public works:
rendering study



ARC
January 26th, 2010

Bonney Lake Public Works - Rendering Study



Bonney Lake Public Works Facilities
 Schematic Design Estimate

2008 SD Estimate
 \$3,673,024
 \$1,187,798
 \$4,860,822
 \$1,948,476

Add Cost not in Pre-Design to SD Estimate
 \$1,665,229 (to be used elsewhere from Pre-Design 2007)
 New Estimate
 \$6,526,051
 Over Estimating

Callout	Item	Location	Description	Cost Savings
1	Remove Off-Site Sewer from scope	Site	City of Bonney Lake to pull work related to off-site sewer out of the project. The City of Bonney Lake will be responsible for the street and make this work part of redeveloping 56th to where they would incur costs relative to parcel area effected by sewer installations separate from this project.	\$508,246
2	Reduce Heated Garage parking bays to covered parking w/ a/s	Heated Garage Building	City of Bonney Lake to provide parking in the Heated Garage building for Snow Plow / Salters, Street Sweepers, Water Spray, and other vehicles. This will allow for more efficient use of the building. Portable Patching, and Vector Trucks to covered parking w/ a/s for miscable heaters.	\$297,281
3	Remove covered supports for all midsize truck and car parking area	Site	Remove covered supports for all midsize truck and car parking area. This will allow for more efficient use of the building.	\$500,505
4	City of Bonney Lake to pull work related to Police Impound Yards from project scope. Locating the impound yards at another location.	Site	City of Bonney Lake to pull work related to Police Impound Yards from project scope. Locating the impound yards at another location.	\$1,219,158
5	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$141,800
6	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$117,128
7	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$123,155
8	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$300,652
9	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$524,229
10	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$176,105
11	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$63,000
12	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$100,000
13	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$25,000
14	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$22,200
15	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$150,000
16	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$50,000
17	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$55,200
18	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$2
19	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$0
20	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$0
21	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	Heated Shops Building	Remove Mechanical and Electrical work from Heated Shops Building, but design Mechanical and Electrical work for Heated Shops Building at the Heated Shops Building.	\$0

SD Estimate Total
 \$14,650,476
 \$3,015,462
 Revised Estimate
 \$11,635,014
 2007 Pre-Design Estimate
 \$9,482,243
 over budget compared to Pre-Design 2007
 \$2,142,771

Bonney Lake Public Works - Value Engineering List



January 26th, 2010

CITY COUNCIL WORKSHOP

**January 17, 2012
5:30 P.M.**

DRAFT MINUTES

City of



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the workshop to order at 5:31p.m.

II. ROLL CALL:

Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Neil Johnson Jr., elected officials attending were Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Interim Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne, and Administrative Specialist II Shawn Campbell.

III. AGENDA ITEMS:

A. Action: AB12-12 – Resolution 2181 – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Sign The 2012 – 2014 Collective Bargaining Agreement Between The City And The Bonney Lake Police Guild For Law Enforcement And Support Services.

Councilmember Rackley moved to approve Resolution 2181. Councilmember Lewis seconded the motion.

Mayor Johnson thanked everyone who participated in the negotiations. He said he liked that we were doing more of the negotiations in-house and relying less on the City Attorney’s office.

Resolution 2181 approved 7-0.

B. Action: AB12-13 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Requesting The Park Board To Make A Recommendation On Whether To Make A Portion Of Viking Park An Official Dog Park.

Councilmember Hamilton moved to approve motion AB12-13. Councilmember Watson seconded the motion.

Mayor Johnson said the interim dog park has had a very positive reception. He said he has heard a few complaints from neighbors. He said it is his experience that residents often are not happy when a park goes into their neighborhood. City Administrator Morrison said in 2010 the City announced the opening of the dog park on an interim basis. He said he received inquiries frequently about when and if the park is going to become permanent. He said this motion only refers the issue to the Park Board for a recommendation.

Councilmember Rackley questioned the word “permanent”. City Administrator Morrison said a better word would be regular. Councilmember McKibbin said he would like to see more than one Dog Park. He said they may need a larger one with additional parking. He questioned why the Council would send the issue back to the Park Board because they recommended not opening the dog park originally. City Administrator Morrison said five of the seven Park Board members are new and they have not had an opportunity to weigh in on this issue. Councilmember Lewis asked for information on the cost to the City for the dog park. He said the issue should go back to the Park board for their input, and it would be good to have them look at all the advantages and disadvantages of making this park permanent. Mayor Johnson said the City will be able to figure out the City funds spent on the Dog Park but the value of volunteer hours and time will be more difficult. He said the City will need help to figure out how many volunteer hours have been put in at the Dog Park. Councilmember Hamilton said the public has spoken about the popularity of the Dog Park. He said it is highly used and he does not want to put any restrictions on developing a larger park in the future. He said he is concerned if the Council sends the issue back to the Park Board and does not take their advice there will be conflict between the Council and the Park Board. He agreed the issue should go back to the Park Board for review. He said the City has a lot more information and citizen input than when it originally went to the Park Board. Mayor Johnson said this may not need to go back to the Park Board for a recommendation because the Council is finishing an action not starting one. He said if the Council is looking to develop a new dog park then it would need to go to the Park Board for a recommendation. Councilmember Minton-Davis said a board needs meaningful work to do but if the Council has already made up their mind on the issue it should not be sent back to the Park Board. She said the park should be made an official park.

Councilmember Rackley moved to remove the word “permanent” from the agenda bill background summary, and add the word “official”.

Motion approved 7-0.

Deputy Mayor Swatman said it is important to have boards and to listen to their opinions. He said he believes this property is designated for use as a park. He said it would be more appropriate to ask the Park Board to discuss what to do with the City’s other properties and look at adding additional dog parks. City Administrator Morrison said the staff report that is presented to the Park Board could state the Council’s desire for the park to become official.

Councilmember Lewis moved to table AB12-13 to the January 24, 2012 Council Meeting. Councilmember Rackley seconded the motion.

Motion approved 7-0.

C. Council Open Discussion:

Litter: Councilmember Rackley discussed the free newspapers that are left in driveways and along streets all around town. He said if the resident does not pick up the paper it becomes litter. He said the residents have not subscribed to the paper and the publisher should not be able to leave them in the street. He suggested if papers are not retrieved in a timely fashion, the newspaper should be required to retrieve them. Community Development Director Vodopich said newspapers are permitted by state law to drop their publications off in the City. He said the distributor of a publication that is left in the pink bags have been asked to not deliver inside City limits.

Relay for Life: Councilmember Minton-Davis discussed the 2012 Relay for Life event. She said the kickoff event is scheduled for February 9, 2012 at 5:30pm at the Midtown Grill in Bonney Lake. She added that Mayor Johnson is going to be the guest speaker.

Snow Removal: Councilmember Lewis complimented the Public Works crew on a great job keeping the City streets clear. Public Works Director Grigsby said they added a plow on the front of the Kubota tractor to clear the sidewalks.

D. **Review of Draft Minutes:** January 3, 2012 Council Workshop and January 10, 2012 Council Meeting.

Councilmember Minton-Davis requested that the January 3, 2012 minutes be amended on p.3 to “~~school~~ City does hang”. The corrected minutes were forwarded to the January 24, 2012 Meeting for action.

E. **Discussion:** Options and Logistics for Council Planning Retreat – February 25, 2012.

City Administrator Morrison read the survey results from the Council interest survey he had sent. Councilmembers discussed the different options for the retreat. Councilmember Rackley suggested selecting the most important items, and the administration can give a brief update on the other items. Mayor Johnson said the retreat is for strategic planning. City Administrator Morrison said he would create a draft agenda for the next workshop for Council approval. Deputy Mayor Swatman said the agenda can have many items and each item can have a time limit, and the Council will have to stop discussions at the end of the allotted time. Councilmember Hamilton asked if this would be a decision making session. Councilmember McKibbin said the retreat is for educational purposes. He said it helps get new councilmembers up to speed and to decide on goals for the coming year.

IV. EXECUTIVE SESSION:

Pursuant to RCW 42.30.110(1)(i) the Council adjourned to an executive session with the City Attorney at 6:30 p.m. for 15 minutes to discuss potential litigation. The Council returned to chambers at 6:45 p.m. No action was taken.

V. ADJOURNMENT:

At 6:45 p.m., Councilmember Lewis moved to adjourn the Council Meeting. Councilmember Watson seconded the motion.

Motion to adjourn approved 7-0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the January 17, 2012 Workshop: None

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CITY COUNCIL MEETING

January 24, 2012
7:00 P.M.

DRAFT MINUTES



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:00 p.m.

A. Flag Salute: Mayor Johnson led the audience in the Pledge of Allegiance.

B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Interim Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:

1. Announcements: None.

2. Appointments:

a. **AB12-24** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Confirming The Mayor’s Appointment Of Jaime Trejo As A Member Of The Park Board With A Term Expiring April 2014.

Councilmember Rackley moved to approve motion AB12-24.

Councilmember Lewis seconded the motion.

Motion approved 7 – 0.

Mayor Johnson asked the Council to consider amending the agenda to add an appointment to the Planning Commission.

Councilmember Lewis moved to amend the agenda to add AB12-14, Ratifying The Mayor’s Appointment Of Dennis Poulsen As A Member Of The Planning Commission With A Term Expiring April 2013, to the current agenda. Deputy Mayor Swatman seconded the motion.

Motion to amend the agenda approved 7 – 0.

b. **AB12-14** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Ratifying The Mayor’s Appointment Of Dennis Poulsen As A Member Of The Planning Commission With A Term Expiring April 2013.

**Councilmember Watson moved to approve motion AB12-14.
Councilmember Lewis seconded the motion.**

Mayor Johnson said Mr. Poulsen served on the Commission in the past, but moved out of Bonney Lake a few years ago. Now that he has moved back to the City he wants to serve on the commission again.

Motion approved 7 – 0.

3. Presentations: None.

D. Agenda Modifications:

Councilmember McKibbin moved to modify the agenda to move Community Development Issues item A., B., and C. to the Consent Agenda as items D., E., and F. Councilmember Rackley seconded the motion.

Motion approved 7 – 0.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings: None.

B. Citizen Comments:

Dan Decker, 20401 70th St E, Bonney Lake, said Councilmembers are first and foremost citizens of the city, and they have the right to ask questions of City staff members and should feel free to do so. He said councilmembers also have the right to make comments during citizen comments at Council Meetings if they have something to say. He said he has found the City's use of purchasing cards (p-cards) very interesting.

Mr. Decker said he heard that the Senior Center was opened as a warming center during the storm, but was closed at midnight so people would have to leave. He said this closure happened a day earlier than was posted, and this issue should be reviewed.

Councilmember Rackley said in his opinion councilmembers do not have an absolute right to ask questions of directors, and they should not abuse staff time. Administrative Services Director/City Clerk Edvalson explained that the Senior Center was opened as a warming center on Thursday and remained open until midnight on Friday night. He said the warming center was closed because there was no one there to serve. The City decided if there were no clients the center would close at midnight, but if there had been clients at the center, staff were available on-call to come and work until the warming center was no longer needed. He said one resident stayed overnight on Thursday night, but otherwise all other residents had all left the center earlier on Friday. He said the warming center served about twenty citizens during the two days.

Chief Jerry Thorsen, East Pierce Fire & Rescue, shared information from the Fire Department about the storm response. He said the department started planning on Tuesday, and went into high gear on Wednesday and Thursday. He said they called in

additional staff for a medic unit and volunteer engines. The Emergency Operations Center was partially activated Thursday and Friday. Chief Thorsen thanked Public Works Director Dan Grigsby and Interim Police Chief Dana Powers, who helped staff the EOC and provided an important link between the fire department and other first responders. He said the City's Public Works crews did a phenomenal job keeping the streets cleared. He also thanked the City for opening a warming shelter, which gave local residents a place to go. He said he is not aware of any injuries due to fallen power lines or trees, though there was one house fire due to a wood stove.

Mayor Johnson asked staff for their reports. Interim Chief Powers said the Police Department put its all-wheel drive vehicles in use and assisted the Public Works and Fire Departments throughout the storms. She said that most people stayed home, so there were fewer accidents and stranded vehicles, and the response went well overall.

Director Grigsby said the Public Works department put plows on its trucks and the Kubota tractor to clear streets on Tuesday. Street and sewer crews have been working around the clock to clear streets and keep grinder pumps and booster pump stations running on generator power during the power outages. He said the EOC provided excellent coordination during the storm, and when the City's cell and land lines were not working the Police Department helped provide a radio to Public Works for communication. He said after trees were cleared, crews went back out to clear the storm drains of debris and slush to prevent flooding.

Mayor Johnson said the teams did a good job from what he saw on the streets and heard from phone and scanner traffic. He said one issue the City found was that staff needed a better way to contact employees more efficiently to let them know the status of City offices and whether to report. Councilmember Watson said he was glad to see the City's Facebook page kept current for citizens to find information. He said it's important to make more people aware of these resources.

- C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS

- A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening and forwarded two resolutions to the next Council meeting. The resolutions are to approve agreements with the Bonney Lake Community Resources group for concessions at Allan Yorke Park and to continue to operate the Community Garden. He said last week he wasn't able to get the vouchers sent to Councilmembers in advance of the Finance Committee meeting, but he would do so in the future.
- B. Community Development Committee: Councilmember McKibbin said the committee met on January 17th and forwarded three items which are now on the Consent Agenda.
- C. Public Safety Committee: Councilmember Hamilton said the committee has not met since the last regular Council meeting.
- D. Other Reports:

Pierce Transit: Mayor Johnson said he attended the Public Transportation Improvement Conference at Pierce Transit on Monday, January 23rd. He said Sumner may choose to

opt out of the transit area, but that would impact the City of Auburn's eligibility for transit service. He said the City of Dupont has also requested to be drawn out. Bonney Lake is unofficially drawn out, but the Council will need to take action in the future to officially decide whether to be kept in the transit area or not. He said the next conference and public hearings will be held in February. He said it is important that Bonney Lake residents provide input on whether they want to stay in the transit area and receive transit services. Councilmember Hamilton confirmed that if Bonney Lake is drawn out of the service map, Buckley would also have to be drawn out if there can be no 'islands' of service. Mayor Johnson said this is the same issue the City of Auburn faces if Sumner leaves the benefit area, and there will probably be a lot of negotiations as the process moves forward.

IV. CONSENT AGENDA:

- A. **Approval of Corrected Minutes:** January 3, 2012 Council Workshop and January 10, 2012 Council Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers:** Accounts Payable checks/vouchers #62756 thru 62786 (including wire transfer #20120103) in the amount of \$275,829.72 out of the 2011 budget; Accounts Payable checks/vouchers #62787 thru 62790 in the amount of \$421,139.45 out of the 2012 budget; Accounts Payable wire transfer #20111217 in the amount of \$32,010.54 out of the 2011 budget; Accounts Payable checks/vouchers #62791 thru 62856 (including wire transfer #20120116) in the amount of \$746,106.75 out of the 2011 budget; Accounts Payable checks/vouchers #62857 thru 62869 in the amount of \$26,631.58 out of the 2012 budget for a grand total of \$1,501,718.04.
VOIDED CHECKS: 62674 – Written for wrong amount. Replace with check number 62780. 62627 – Written for wrong amount. Replace with check number 62785.
- C. **Approval of Payroll:** Payroll for January 1– 15th, 2011 for checks 30216-30240 including Direct Deposits and Electronic Transfers in the amount of \$418,469.07.
- D. **AB12-07 – Resolution 2177** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Schedule 74 Cost Share Agreement Between Puget Sound Energy And The City Of Bonney Lake To Design The Underground Puget Sound Energy Utilities Within The Main Street And SR 410 Intersection Improvements Project Limits. *Moved from Community Development Issues, Item A.*
- E. **AB12-08 – Resolution 2175** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Amendment To The Contract With Shea, Carr & Jewel, Inc. For The Design Effort Of The Main Street And SR 410 Intersection Improvements And The Pedestrian Pathway From Main Street To 192nd Avenue. *Moved from Community Development Issues, Item B.*
- F. **AB12-11 – Resolution 2180** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With Parametrix Engineering For The Design And Programming Effort Of Communications Between The Prairie Ridge Booster Pump Station And The Public Works Central SCADA Computer. *Moved from Community Development Issues, Item C.*

Councilmember Rackley moved to approve the Consent Agenda. Councilmember Lewis seconded the motion.

Consent Agenda approved 7 – 0.

V. FINANCE COMMITTEE ISSUES: None.

VI. COMMUNITY DEVELOPMENT ISSUES:

- A. ~~**AB12-07—Resolution 2177**~~—A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Schedule 74 Cost Share Agreement Between Puget Sound Energy And The City Of Bonney Lake To Design The Underground Puget Sound Energy Utilities Within The Main Street And SR 410 Intersection Improvements Project Limits. *Moved to Consent Agenda, Item D.*
- B. ~~**AB12-08—Resolution 2175**~~—A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Amendment To The Contract With Shea, Carr & Jewel, Inc. For The Design Effort Of The Main Street And SR 410 Intersection Improvements And The Pedestrian Pathway From Main Street To 192nd Avenue. *Moved to Consent Agenda, Item E.*
- C. ~~**AB12-11—Resolution 2180**~~—A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With Parametrix Engineering For The Design And Programming Effort Of Communications Between The Prairie Ridge Booster Pump Station And The Public Works Central SCADA Computer. *Moved to Consent Agenda, Item F.*

VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

VIII. FULL COUNCIL ISSUES: None.

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT:

At 7:29 p.m., Deputy Mayor Swatman moved to adjourn the Council Meeting. Councilmember Rackley seconded the motion.

Motion to adjourn approved 7 – 0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the January 24, 2012 Meeting: *None.*

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 7 February 2012	Agenda Bill Number: AB12-003
Agenda Item Type: Resolution	Ordinance/Resolution Number: 2174	Councilmember Sponsor:

Agenda Subject: Extension of the Term of the City Administrator's Employment Agreement

Full Title/Motion: A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Sign An Extension Of The City Administrator's Employment Agreement.

Administrative Recommendation: Approve

Background Summary: The current employment agreement with City Administrator Don Morrison expires May 31, 2012. Mayor Johnson would like to retain the services of the City Administrator Morrison through the remainder of his current term in order to provide continuity of City operations, retain the institutional knowledge Don has acquired, and continue efforts to achieve the goals the mayor and council have established. The Mayor and City Administrator are content to extend the term only, with no changes proposed to the salary schedule, benefits, or other conditions of employment. After reviewing a variety of term options (attached), the Finance Committee concurred to support an extension through March 31st of 2014. That would be 3 months beyond the current term of Mayor Johnson. A three month extension beyond the end of the Mayors term would allow some time for a new mayor (if there is a change) to determine how he/she wanted to proceed. The Mayor and Administration had originally proposed a new four (4) year term.

Attachments: Resolution No. 2174; Optional Terms

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation:			

COMMITTEE, BOARD & COMMISSION REVIEW											
Council Committee Review:	Finance Committee Date: 10 January 2012	<i>Approvals:</i> Chair/Councilmember Dan Swatman Councilmember Mark Hamilton Councilmember James Rackley	<table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Yes</td> <td style="text-align: left;">No</td> </tr> <tr> <td style="text-align: right;"><input checked="" type="checkbox"/></td> <td style="text-align: left;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: right;"><input checked="" type="checkbox"/></td> <td style="text-align: left;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: right;"><input checked="" type="checkbox"/></td> <td style="text-align: left;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	Forward to: Council Workshop	Consent	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								
Agenda:											
Commission/Board Review:											
Hearing Examiner Review:											

COUNCIL ACTION	
Workshop Date(s): February 7, 2012	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director:	Mayor:	Date Reviewed

RESOLUTION NO. 2174

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO EXTEND THE TERM OF THE EMPLOYMENT AGREEMENT OF THE CITY ADMINISTRATOR.

WHEREAS, the Mayor would like to retain the services of the City Administrator through the remainder of his current term and a little beyond; and

WHEREAS, the City Administrator Morrison would like to have the term of the employment agreement extended, and

WHEREAS, both parties are content to continue the employment agreement under the same general provisions and conditions as previously agreed; and

WHEREAS, the majority of the City Council concurs with this recommendation;

Now therefore, be it resolved;

The City Council of the City of Bonney Lake, Washington does hereby authorize the Mayor to amend the term of the City Administrator's employment agreement to read as follows:

Section 2. Term. A. EMPLOYEE shall be retained as City Administrator of the City of Bonney Lake for a period extending through March 31, 2014.

PASSED by the City Council this ____ day of February, 2012.

Neil Johnson, Mayor

ATTEST:

Harwood T. Edvalson, CMC
City Clerk

APPROVED AS TO FORM:

James Dionne, City Attorney

Current City Administrator Agreement Language:

Section 2. Term. A. EMPLOYEE shall be retained as City Administrator of the City of Bonney Lake for a four (4) year period, commencing June 1 2008, and extending through May 31, 2012.

B. On or about November 2011, the CITY and EMPLOYEE shall attempt to re-negotiate the terms of this agreement if each party desires to continue such employment. This agreement shall terminate May 31, 2012 unless each party agrees to extend the term of this Agreement before its expiration date.

Optional Terms Discussed:

Option 1: **(Originally proposed to Finance Committee by Mayor and City Administrator):** EMPLOYEE shall be retained as City Administrator of the City of Bonney Lake for an additional period extending through June 30, 2016. (This would take City Administrator to his retirement date)

Option 2: EMPLOYEE shall be retained as City Administrator of the City of Bonney Lake for an additional period extending through June 30, 2014.

Option 3: EMPLOYEE shall be retained as City Administrator of the City of Bonney Lake for a an additional period extending through June 30, 2014. Thereafter, this Agreement shall automatically be renewed for an additional one (1) year term unless notice that the Agreement shall terminate is given by the Mayor in writing at least six (6) months before the expiration date.

Option 4: This agreement shall continue in full force and effect for an indefinite term until such time as either party terminates the Agreement under the provisions set forth in the Section 3 entitled "Suspension and Termination". Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Mayor to terminate the services of EMPLOYEE at any time, subject only to the terms of this agreement.

Option 5: The term of this Agreement shall follow the term(s) of Mayor Neil Johnson, and shall terminate at such time as Mayor Johnson is no longer the Mayor of the City of Bonney Lake.