

Next Ord: 2004-22
Next Res: 1085-22

CITY COUNCIL AGENDA
January 26, 2022
6:00 PM
Sedro-Woolley Municipal Building
Council Chambers
325 Metcalf Street

- a. Call to Order**
- b. Pledge of Allegiance**
- c. Roll Call**
- d. Approval of Agenda**
- e. Consent Agenda**

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

- 1. Resolution 1081-21 Authorizing Investment of monies in the Local Government Investment Pool(LGIP)
- 2. Minutes from Regular City Council Meeting held January 12, 2022
- 3. Possible Bid Award - 2021 Flood Damage Fence Repairs
- 4. Finance - Claims Checks and Payroll Checks

- f. Introduction of Special Guests and Presentations**
- g. Staff Reports**
- h. Councilmember and Mayor's Report**
- i. Proclamation(s)**
- j. Public Comments**

Written comments or questions will be accepted by letter or via email at finance@ci.sedro-woolley.wa.us.

- k. Public Hearing(s)**
- l. Unfinished Business**
- m. New Business**

- 1. Electronic and Digital Signature Policy
- 2. 1st Read - Ordinance No. 2003-22 An amendment to SWMC Chapter 2.02 Mayor
- 3. 1st Read - Appoint Members to the Salary Commission

n. Information Only Items

- 1. Building and Planning Permit Review Status
- 2. 2020 Audit Results

- o. Good of the Order**
- p. Executive Session**
- q. Adjournment**

Next Meeting(s)February 2nd, 2022 Study Session)

The City of Sedro-Woolley assures that no person shall on the grounds of race, color, national origin, sex, age, disability, income, or Limited English Proficiency (LEP) as provided by Title VI of the Civil Right Act of 1964, Title II of the American with Disabilities Act of 1990, and related nondiscrimination authorities, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any City of Sedro-Woolley sponsored program or activity. The City of Sedro-Woolley will make every effort to ensure non-discrimination in all of its programs and activities, whether those programs and activities are federally funded or not.

Topic: Sedro-Woolley City Council Meeting

Join Zoom Meeting

<https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDlUQT09>

Meeting ID: 917 8685 0179

Passcode: 091845

OR One tap mobile

*+12532158782,,91786850179#,,,,*091845# US (Tacoma)*

*+16699006833,,91786850179#,,,,*091845# US (San Jose)*

OR Dial by your location

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

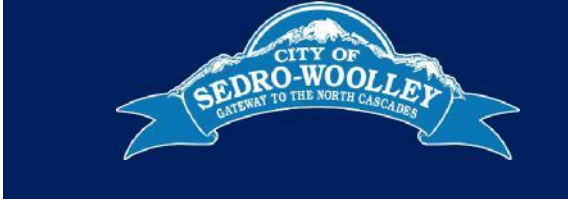
+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 917 8685 0179

Passcode: 091845



City of Sedro-Woolley City Council Agenda Item

Agenda
Item No.

Date: January 26, 2022

Subject: Resolution 1081-21 Authorizing
Investment of monies in the Local
Government Investment Pool(LGIP)

FROM:

Debbie Burton, Finance Director

RECOMMENDED ACTION:

Approve Resolution 1081-21 authorizing investment of monies in the Local Government Investment Pool(LGIP)

ISSUE:

Should the City Council approve Resolution 1081-21 authorizing investment of monies in the Local Government Investment Pool (LGIP)?

BACKGROUND/SUMMARY INFORMATION:

Due to the retirement of Doug Merriman, former Finance Director and City Administrator the Council is required to approve a new resolution authorizing investment in the State of Washington's Local Government Investment Pool(LGIP). This resolution names the Finance Director, Mayor or City Administrator as the authorized positions to make contributions or withdrawals to or from the LGIP on behalf of the City of Sedro-Woolley.

The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the WA State Treasurer. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to [RCW 43.250](#).

The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$15-26 billion pooled fund investment portfolio.

LGIP's investment objectives are, in priority order: 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives. LGIP offers 100% liquidity to its participants.

FISCAL IMPACT, IF APPROPRIATE:

N/A

ATTACHMENTS:

1. Resolution 1081-21 - Authorizing Investment in the Local Government Investment Pool
2. Authorization Form LGIP
3. City of Sedro-Woolley Investment Policy

RESOLUTION 1081-21

RESOLUTION AUTHORIZING INVESTMENT OF CITY OF SEDRO-WOOLLEY MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL

WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

WHEREAS, from time to time it may be advantageous to the authorized governmental entity, City of Sedro-Woolley, the “governmental entity”, to contribute funds available for investment in the LGIP; and

WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures; and

WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by the City Council, the “governing body” or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and

WHEREAS the governmental entity will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and

WHEREAS the governing body and any designee appointed by the governing body with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

WHEREAS, the governing body attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

NOW THEREFORE, BE IT RESOLVED that the governing body does hereby authorize the contribution and withdrawal of governmental entity monies in the LGIP in the manner prescribed by law, rule, and prospectus.

BE IT FURTHER RESOLVED that the governing body has approved the Local Government Investment Pool Transaction Authorization Form (Form) as completed by the, Finance Director and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

APPROVED AND ADOPTED this ____ day of January, 2022.

Julia Johnson, Mayor

ATTEST:

Debbie Burton, Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

LOCAL GOVERNMENT INVESTMENT POOL AUTHORIZATION FORM

Please fill out this form completely, including any existing information, as this form will **replace** the previous form.

Entity Name:
Mailing Address:

Statement Delivery Options:

E EMAIL: _____ E FAX: _____ E BOTH

Note: Statements can only be emailed to **ONE** address due to system restrictions

Bank account where funds will be wired when a withdrawal is requested.

(Note: Funds **will not be transferred to any account other than listed)**

Bank Name:
Branch Location:
Bank Routing Number:
Accounting Number:
Account Name:

ACH Authorization: E Yes E No

Account Type: E Checking E Savings ☐ General Ledger

By selecting "Yes" and by signing this form, I hereby authorize the WA Local Government Investment Pool to initiate credit entries to the account listed above. I acknowledge that the origination of ACH transactions to our account must comply with the provisions of U.S. law.

Persons authorized to make deposits and withdrawals for entity listed above.

Name:	Title:	Phone Number:	Signature:

Online TM\$ Access: ☐ Yes ☐ No

If you selected yes, please complete the online section on page 2

If you selected no, skip the online access section

TM\$ Online Web Access

Note: Only complete this section if anyone wishes to have online access. Each Full access LGIP person must also be listed on the Transaction Authorization Form. [Please do not fill out the greyed-out areas]

					Access Type:	
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name:	Add	Delete	Modify	No Chang	Full	View Only
Email:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OST Staff	
UserID	App Date
UserID	App Date
UserID	App Date
UserID	App Date
UserID	App Date
UserID	App Date

By signing below, I certify I am authorized to represent the institution/agency for the purpose of this transaction.

<i>(Authorized Signature)</i>	<i>(Title)</i>	<i>(Date)</i>
<i>(Print Authorized Name)</i>	<i>(E-mail address)</i>	<i>(Phone no.)</i>

Any changes to these instructions must be submitted in writing to the Office of the State Treasurer.

OFFICE OF THE STATE TREASURER
STACIASHE@TRE.WA.GOV
 PHONE: (360) 902-9017
 CELL: (360) 333-1238

Date Received: _____

Account Number: _____

OK'd by: _____

(For OST use only)

04/26/19

State of Washington)
 County of _____) ss.
 Signed or attested before me by _____ .
 Dated this ____ day of _____, 20__.

Signature of Notary

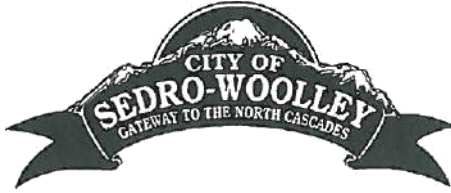
SEAL OR STAMP _____

Typed or printed name of Notary
 Notary Public in and for the State of Wash.

**CITY COUNCIL AGENDA
REGULAR MEETING**

APR 10 2019

**:00 P.M. COUNCIL CHAMBER.
AGENDA NO. e--- 5-**



CITY OF SEDRO-WOOLLEY

Sedro-Woolley Municipal
Building 325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-9922
Fax (360) 855-9923

Eron M. Berg
City Supervisor/City Attorney

MEMO TO: City Council

FROM: Doug Merriman, Ph.D, Finance Director

RE: Adoption of Resolution No. 1021-19: Investment Policy

DATE: April 10, 2019

AGENDA PLACEMENT: Consent

ISSUE: Seeking City Council adoption of Resolution No. 1021-19: Investment Policy

BACKGROUND: The City of Sedro-Woolley's investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The policy document itself serves as a communication tool for the staff, elected officials, the public, rating agencies, bondholders, and any other stakeholders on investment guidelines and priorities. The City's investment policy enhances the quality of decision making and demonstrates a commitment to the fiduciary care of public funds, making it the most important element in a public funds investment program.

The Government Finance Officers Association (GFOA) recommends that all governments establish a comprehensive written investment policy, which should be adopted by the governing body.

The proposed Investment Policy was submitted to, and has been reviewed and certified by, the Washington Public Treasurers Association investment policy review committee (WPTA).

RECOMMENDATION: A motion to adopt Resolution No. 1021-19.

RESOLUTION 1021-19

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR THE CITY OF SEDRO-WOOLLEY.

WHEREAS, on April 10, 2019, the City Council reviewed and adopted the City of Sedro-Woolley's Investment Policy; and

WHEREAS, it is necessary and in the best interest of the City to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy; and

WHEREAS, it is in the best interest of the City to organize and formalize investment related activities for the City; and

WHEREAS, the goal of an investment policy is to establish guidelines and best practice parameters for investing public funds in a manner which will provide the highest investment return and maximum security while meeting the daily cash flow demands and conforming to all Washington statutes governing the investment of public funds;

WHEREAS, a copy of the Investment Policy is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sedro-Woolley does hereby adopt the attached Investment Policy to formalize City policies and procedures used to meet the City financial goals in accordance with all laws and statutes governing the investment of public funds.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, State of Washington on this 10th day of April 2019.

Julia Johnson, Mayor

ATTEST:

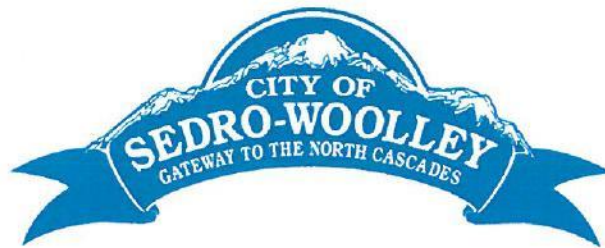
Finance Director

APPROVED AS TO FORM:

City Attorney

Exhibit A

CITY OF SEDRO-WOOLLEY



INVESTMENT POLICY

ADOPTED – APRIL 10, 2019

Table of Contents

I.	POLICY PURPOSE AND OVERVIEW	3
II.	SCOPE	3
III.	PRUDENCE	3
IV.	OBJECTIVES	4
V.	DELEGATION OF AUTHORITY	5
VI.	ETHICS AND CONFLICTS OF INTEREST	5
VII.	AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS	6
VIII.	AUTHORIZED AND STABLE INVESTMENTS	7
IX.	COLLATERALIZATION	9
X.	SAFEKEEPING AND CUSTODY	9
XI.	DIVERSIFICATION	10
XII.	SALE OF PORTFOLIO	11
XIII.	MATURITIES	11
XIV.	INTERNAL CONTROL	11
XV.	PERFORMANCE STANDARDS/BENCHMARK	12
XVI.	PROCEDURES	12
XVII.	REPORTING	12
XVIII.	INVESTMENT POLICY ADOPTION	13
XIX.	GLOSSARY	14

I. POLICY PURPOSE AND OVERVIEW

It is the policy of the City of Sedro-Woolley to invest public funds in a manner which will provide maximum security, while meeting daily cash flow demands, conforming to all state and local statutes governing the investment of public funds, while providing a market rate of return through budgetary and economic cycles.

II. SCOPE

This investment policy applies to all financial assets of the City of Sedro-Woolley and any junior taxing districts. These funds are accounted for in the City of Sedro-Woolley Comprehensive Annual Financial Report and include:

- 1) General Fund
- 2) Special Revenue Funds
- 3) Capital Projects Funds
- 4) Enterprise Funds
- 5) Trust and Agency Funds
- 6) Debt Service Funds (Unless prohibited by Bond indentures)
- 7) Any new fund created by City ordinance, unless specifically exempted

Should bond covenants be more restrictive than this policy, funds shall be invested in full compliance with those restrictions.

III. PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "**Prudent Person**" standard and shall be applied in the context of managing an overall portfolio under prevailing economic conditions at the moment of investment commitments. The Finance Director, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In determining whether an Investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the

investment of all funds over which the official had responsibility rather than a consideration as to the prudence of a single investment, and, whether the investment decision was consistent with the written investment policy of the entity.

IV. OBJECTIVES

The primary objectives, in priority order, of the City of Sedro-Woolley investment activities shall be:

Safety: Safety of principal is the foremost objective of the Finance Director's investment program. Investments of the City of Sedro-Woolley will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

The City shall seek to preserve principal by mitigating the two primary types of risk: 1) credit risk, and 2) market risk.

- 1) Credit Risk - Credit risk, the risk of loss due to failure of the issuer to meet scheduled interest or principal payments, shall be mitigated by investing only in securities issued by companies with credit ratings of at least an "A" category or better, or its equivalent, by a nationally recognized statistical rating organization (NRSRO).

If the credit rating of an investment held in the City's portfolio is downgraded below the minimum credit quality criteria of this policy, the Finance Director will immediately provide an evaluation of the increased risk and potential loss. The Finance Director shall determine a course of action and notify the City Council in writing as soon as practical.

- 2) Market Risk - Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with the City's expected cash flow draws or by investing such that the duration of the portfolio matches the duration of the respective cash flows.

Liquidity: The portfolio will remain sufficiently liquid to enable the City to meet all cash requirements that might reasonably be anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Return on Investment: The Investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the City's investment risk constraints and liquidity needs. Return on investments is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair rate of return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- 1) A security with declining credit may be sold early to minimize the loss of principal.
- 2) A security swap would improve the quality, yield, or target duration of the portfolio.
- 3) Liquidity needs of the portfolio require that the security be sold early.

V. DELEGATION OF AUTHORITY

- 1) RCW 39.35.030 authorizes Cities to invest excess funds. RCW 35A.42.010 authorizes the Finance Director to invest municipal funds on behalf of the City. Accordingly, the Finance Director is the designated investment officer for the City of Sedro-Woolley and is responsible for carrying out the objectives of this policy.
- 2) The Finance Director may appoint a staff member whose delegated responsibilities include initiating daily transactions between the City's Local Government Investment Pool (LGIP) account and the City's commercial bank account, based on liquidity and cash flow requirements of the city and its respective funds. Any such proposed delegation will be presented in writing to the Mayor and City Supervisor, to include information describing the scope of the delegated duties, as well as the specific internal controls to be implemented to ensure adequate safeguarding of City resources. In addition, the Finance Director shall establish written procedures for the operation of the investment program consistent with the investment policy.
- 3) No person may engage in an investment transaction except as provided under the terms of this policy without the express written consent of the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

VI. ETHICS AND CONFLICTS OF INTEREST

- 1) Investment officials will recognize that the investment portfolio is subject to public review and evaluation. The overall program will be designed and managed with a degree of professionalism that is worthy of the public trust.

- 2) Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program or may impair their ability to make impartial investment decisions. Investment officials shall disclose to the Mayor or City Supervisor any material financial interests in financial institutions that conduct business with the City of Sedro-Woolley, and they will further disclose any personal financial or investment positions that could be related to the performance of the City portfolio, particularly with regard to the timing of purchases and sales.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- 1) Selection of a primary bank for the City of Sedro-Woolley general banking services will be made by the Finance Director.
- 2) The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

As required by state law, (RCW 39.58), certificates of deposit will be purchased only from those institutions approved by the Washington Public Deposit Protection Commission (PDPC) as eligible for deposit of public funds. The Finance Director will annually adopt the eligibility list provided by the PDPC as the approved depository list.

The maximum amount placed with any one depository will not exceed the net worth of the institution as determined by the PDPC.

Qualified broker/dealers and financial institutions will be reviewed and selected by the Finance Director on a routine basis. All brokers/dealers and financial institutions who desire to do business with the City of Sedro-Woolley will supply the Finance Director with the following:

1. Annual audited financial statements.
 2. Proof of FINRA (Financial Industry Regulatory Authority) certification.
 3. Proof of registration with the State of Washington.
 4. A completed Broker/Dealer questionnaire and a certification of having read the City of Sedro-Woolley Investment Policy.
- 3) The Finance Director will conduct an annual review of the financial condition of the firms. A current audited financial statement is required to be on file for each financial institution and broker/dealer with whom the City invests.

- 4) While the Finance Director is responsible for purchasing investments authorized by this policy, the Finance Director is authorized to immediately remove any Broker/Dealer for:
 1. Recommending investments outside of the scope of the City's investment policy or the laws and regulations pertaining to municipal investments.
 2. For loss of FINRA Certification, or violation of rules or regulations established by FINRA.
 3. For violation of any of the established rules and procedures created by this policy.

Upon removal of a Broker/Dealer, the Director of Finance shall provide the Mayor a written report as to the reason of the removal. Broker/Dealers removed by the Finance Director may appeal his decision, within 10 days, by forwarding a written appeal to the City Supervisor.

VIII. AUTHORIZED AND STABLE INVESTMENTS

The City of Sedro-Woolley is empowered by statute to invest in securities and investments authorized by state statute as defined in RCW 39.58, RCW 39.59, and RCW 43.250. Authorized investments include:

- 1) U.S. Treasury Obligations.
- 2) U.S. Government Agency obligations and U.S. Government Sponsored Enterprises (GSE's) which may include, but are not limited to the following: Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Tennessee Valley Authority (TVA).
- 3) Supranationals — Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the United States government as its largest shareholder.
- 4) Corporate Notes, purchased on the secondary market, provided that the policy adheres to the investment policies and procedures adopted by the Washington State Investment Board (WISB). A copy of the WISB investment policy can be found at: http://www.sib.wa.gov/information/bi_po.asp

- 5) Banker's Acceptances shall not be longer than six months duration. Investments in Banker's Acceptances must be in the top 30 banks in the United States, including all banks in the State of Washington as authorized by the Public Deposit Protection Commission. Further, within these limitations, investments may be made only in those banks whose other negotiable obligations are rated at least A-1, P-1, or F-1 (at the time of purchase) by at least two or more internationally recognized rating agencies such as Moody's or Standard and Poors.
- 6) Commercial Paper, purchased in the secondary market, provided that the policy adheres to the investment policies and procedures adopted by the Washington State Investment Board (WISB). A copy of the WISB investment policy can be found at: http://www.sib.wa.gov/information/bi_po.asp
- 7) Non-negotiable Certificates of Deposit of financial institutions which are qualified public depositories as defined by RCW 39.59 and in accordance with the restrictions therein.
- 8) Repurchase Agreements provided that a signed Master Repurchase Agreement shall be on file in the City of Sedro-Woolley Finance office for all financial institutions that enter into a repurchase agreement with the City. All repurchase agreements will be collateralized at a minimum of 102% of market value of principal and interest. The only eligible collateral for repurchase agreements will be direct obligations of the U.S. Treasury, U.S. Government Agency and/or U.S. Government instrumentality obligations. All securities shall be held in third party safekeeping. Third party safekeeping agreements must be entered into with a signed agreement between the safekeeping financial institution and the City of Sedro-Woolley Finance Director. All securities in a repurchase agreement shall be priced daily to reflect current market conditions for both principal and accrued interest. Securities shall be purchased from either primary dealers or from institutions that are members of the Washington Public Depository. Credit worthiness of the institution will also be considered.
- 9) Bonds of the State of Washington and any local government in the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
- 10) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
- ii) Washington State Local Government Investment Pool (LGIP). The City of Sedro-Woolley Finance Director will keep on file the most recent LGIP Investment Policy, prospectus and operations manual. This policy will be assessed for safety of funds on

deposit with the LGIP and risks associated with investment strategies. The LGIP prospectus states the following: a description of eligible securities; how interest and fees are calculated; how gains and losses are calculated; a description of how the securities are safeguarded, how often the securities are priced, and how often the program is audited; deposit and withdrawal restrictions; and information regarding how bond proceeds are accounted for in the LGIP.

12) And other investments authorized by law.

13) A signed master repurchase agreement in conformance with the Public Securities Association (PSA) model agreement and supplemented with the Finance Director's policy on repurchase agreements must be executed prior to entering into a repurchase agreement transaction.

IX. COLLATERALIZATION

Repurchase Agreements:

- 1) The collateral for repurchase agreements shall be U.S. Treasury or Agency securities with a term of maturity not to exceed the maximum maturity allowed by investment policy.
- 2) Mortgage-backed securities of any maturity will not be accepted as collateral.
- 3) In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at 102% of market value of principal and accrued interest.
- 4) Collateral is to be delivered to and held by the trust department of the bank with whom the Finance Director is currently using as the City's safekeeping custodian. Collateral held for repurchase agreements will be evidenced by safekeeping receipts provided to the Finance Director.
- 5) At a minimum, the value of the securities must be marked market on a weekly basis. Prevailing market conditions may dictate more frequent repricing at the discretion of the Finance Director.

X. SAFEKEEPING AND CUSTODY

- 1) Delivery vs. Payment: All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited with a third-party custodian prior to the release of funds.

- 2) Safekeeping: Securities will be held by an independent third-party custodian selected by the Finance Director. Safekeeping receipts will evidence all transactions.
- 3) CD's: Certificates of deposit will be held by the Finance Director.

XI. DIVERSIFICATION

It is the policy of the City of Sedro-Woolley to diversify its investment portfolio. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer or class of securities, all cash and cash equivalent assets in all funds shall be diversified by maturity, issuer and by the class of security. Diversification strategies shall be determined and revised periodically by the Finance Director for all funds. In establishing specific diversification strategies, the following constraints shall apply:

Type of Security	Percent of Portfolio
Washington State Local Government Investment Pool	100%
U.S. Treasury Obligations	100%
Federal Agency securities	90%
Public Fund Interest Bearing Investment Accounts	40%
Certificates of Deposit (CDs)	40%
Repurchase Agreements (Repos)	40% per Portfolio, 10% per Dealer
Bonds of State of Washington or any local government in the State of Washington	20% of Portfolio, 10% per Issuer
Bonds of other states or local governments of a state other than the State of Washington	15% of Portfolio, 10% per Issuer
Supranationals	10%
Banker's Acceptance (BA's)	10%
Commercial Paper & Corporate Notes Combined	10%

- 6) The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences.

XII. SALE OF PORTFOLIO

Any major changes in the Investment Strategy including the liquidation of the portfolio shall require a majority vote by the City Council.

XIII. MATURITIES

To the extent possible and to preclude sales of securities that could result in a loss, investments will be made to coincide with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as the Local Government Investment Pool, or other money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

- 1) To this extent, 20% of the portfolio, at the time of investment, will be comprised of investments maturing within a year.
- 2) Satisfying this requirement, remaining funds may be invested in authorized securities not to exceed five years in maturity, except when compatible with a specific fund's investment needs.
- 3) To ensure additional liquidity and provide for ongoing market opportunity the weighted average maturity and modified duration of the overall portfolio shall not exceed three years without the prior written approval of the Finance Director.

XIV. INTERNAL CONTROL

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets are protected from loss, theft or misuse. The Finance Director shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
 - Custodial Safekeeping
 - Avoidance of physical delivery securities

- Clear delegation of authority to subordinate staff members
 - Written confirmation of transactions for investments and wire transfers
 - Development of a wire transfer agreement with the lead bank and third-party custodian

XV. PERFORMANCE STANDARDS/BENCHMARK

The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio will be designed to obtain an average rate of return during budgetary and economic cycles, consistent with the investment objectives and cash flow needs.

A series of appropriate benchmarks shall be established against which performance shall be compared on a regular basis. The benchmark will be reflective of the actual securities being purchased and the risks undertaken. The benchmarks will have a similar weighted average maturity as the portfolio.

- 1) Average Rate of Return: The basis used by the Finance Director to determine whether or not an average rate of return is being achieved shall be the 2 year average of the 6-month Treasury Note. The Finance Director is charged with the responsibility of including a report on investment activity, returns, and benchmark comparisons in the City's Quarterly Financial Report presented to City Council.

XVI. PROCEDURES

Day-to-day procedures concerning investment management and accounting are outside the scope of this policy. As deemed necessary, the Finance Director will establish written procedures for the operation of the investment program consistent with this policy.

XVII. REPORTING

At least quarterly, a report will be submitted to the City Council for their review, summarizing the current position of the portfolio for the City of Sedro-Woolley's investment portfolio. The Finance Director shall report to the City Council current investment strategy being followed and recent economic conditions and market developments which have a bearing on this strategy. This management report will be prepared in a manner which will allow the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Asset allocation of types of securities
- Performance of portfolio and its appropriate benchmark(s)

- A listing of the credit ratings of holdings in the portfolio.

XVIII. INVESTMENT POLICY ADOPTION

The City of Sedro-Woolley investment policy shall be adopted by a majority vote of the City Council. The policy shall be reviewed on an annual basis and must have City Council approval of any modifications.

XIX. GLOSSARY

ACCRUED INTEREST - The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

AGENCY - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. (Also see FEDERAL AGENCY SECURITIES and GOVERNMENT SECURITY)

AMORTIZATION - In portfolio accounting, periodic charges made against interest income on premium bonds in anticipation of receipt of the call price at call or of par value at maturity.

ASSET - Available property, as for payment of debts

AVERAGE MATURITY - A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

BANKERS ACCEPTANCES (BAs) - Bankers Acceptances generally are created based on a letter of credit issued in a foreign trade transaction. They are used to finance the shipment of commodities between countries as well as the shipment of some specific goods within the United States. BAs are short-term, non-interest bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value. These notes trade at a rate equal to or slightly higher than Certificates of Deposit (CDs), depending on market supply and demand.

Bankers Acceptances are sold in amounts that vary from \$100,000 to \$5,000,000, or more, with maturities ranging from 30 - 270 days. They offer liquidity to the investor as it is possible to sell BAs prior to maturity at the current market price.

BANK WIRE - A virtually instantaneous electronic transfer of funds between two financial institutions.

BASIS POINT - A measure of an interest rate, i.e., 1/100 of 1 percent, or .0001.

BID - The indicated price at which a buyer is willing to purchase a security or commodity. When selling a security a bid is obtained. (See Offer)

BOND - A long-term debt security, or IOU, issued by a government or corporation that generally pays a stated rate of interest and returns the face value on the maturity date.

BOOK ENTRY SECURITIES - U.S. government and federal agency securities that do not exist in definitive (paper) form; they exist only in computerized files maintained by the Federal Reserve Bank.

BOOK VALUE - The amount at which an asset is carried on the books of the owner. The book value of an asset does not necessarily have a significant relationship to market value.

BROKER - A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

CERTIFICATES OF DEPOSIT - Certificates of Deposit, familiarly known as CDs, are certificates issued against funds deposited in a bank for a definite period of time and earning a specified rate of return. Certificates of Deposit bear rates of interest in line with money market rates current at the time of issuance.

COLLATERAL: Property (as securities) pledged by a borrower to protect the interest of the lender.

COMMERCIAL PAPER: An unsecured short-term promise to repay a fixed amount on a certain future date. Commercial paper usually matures from 2 to 270 days and is traded on a discount basis. This debt instrument, issued by banks, companies and other borrowers, uses only their credit ratings to back the security.

CORPORATE BOND/NOTE — A debt security issued by a corporation. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. Corporate bonds are considered higher risk than government bonds. As a result, interest rates are almost always higher, even for higher credit quality companies. Most corporate bonds have maturities greater than one year. Corporate debt that matures in less than one year is typically called commercial paper.

COMPETITIVE BID PROCESS - A process by which three or more institutions are contacted to obtain interest rates for specific securities.

CREDIT QUALITY - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

CREDIT RISK - The risk that another party to an investment transaction will not fulfill its obligations. Credit risk can be associated with the issuer of a security, a financial institution holding the entity's deposit, or a third party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one investment type or with any one party.

CUSTODIAN - An independent third party (usually bank or trust company) that holds securities in safekeeping as an agent for the city.

DEALER - A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEFEASE - To discharge the lien of an ordinance, resolution, or indenture relating to a bond issue, and in the process, render inoperative restrictions under which the issuer has been obliged to operate. Comment: Ordinarily an issuer may defease an indenture requirement by depositing with a trustee an amount sufficient to fully pay all amounts under a bond contract as they become due.

DELIVERY - The providing of a security in an acceptable form to the City or to an agent acting on behalf of the City and independent of the seller. Acceptable forms can be physical securities or the transfer of book entry securities. The important distinction is that the transfer accomplishes absolute ownership control by the City

DELIVERY VS PAYMENT - There are two methods of delivery of securities: Delivery vs. payment and delivery vs. receipt (also called free). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEPOSITARY - A person to whom something is entrusted, a depository.

DEPOSITORY BANK - A local bank used as the point of deposit for cash receipts.

DEPOSITORY INSURANCE - Insurance on deposits with financial institutions. For purposes of this policy statement, depository insurance includes: a) Federal depository insurance funds, such as those maintained by the Federal Deposit Insurance Corporation (FDIC) AND Federal Savings and Loan Insurance Corporation (FSLIC); and b) Public Deposit Protection Commission.

DISCOUNT - 1. (n.) selling below par; e.g., a \$1000 bond selling for \$900. 2. (v.) anticipating the effects of news on a security's value; e.g., "The market had already discounted the effect of the labor strike by bidding the company's stock down."

DIVERSIFICATION - Dividing available funds among a variety of securities and institutions so as to minimize market risk.

EFFECTIVE RATE - The yield you would receive on a debt security over a period of time taking into account any compounding effect.

FACE VALUE - The value of a bond stated on the bond certificate; thus, the redemption value at maturity. Most bonds have a face value, or par, of \$1,000.

FEDERAL AGENCY SECURITIES - Several government-sponsored agencies, in recent years, have issued short and long-term notes. Such notes typically are issued through dealers, mostly investment banking houses. These Federal government-sponsored agencies were established by the U.S. Congress to undertake various types of financing without tapping the public treasury. In order to do so, the agencies have been given the power to borrow money by issuing securities, generally under the authority of an act of Congress. These securities are highly acceptable and marketable for several reasons, mainly because they are exempt from state, municipal and local income taxes. Furthermore, agency securities must offer a higher yield than direct Treasury debt of the same maturity to find investors, partly because these securities are not direct obligations of the Treasury.

The main agency borrowing institutions are the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank System (FHLB), and the Federal Farm Credit Bank System (FFCB).

FEDERAL DEPOSIT INSURANCE (FDIC) - A Federal institution that insures bank deposits. The current limit is up to \$100,000 per depository account.

FEDERAL FARM CREDIT BANK - FFCB — The Farm Credit System is a nationwide network of borrower-owned lending institutions and specialized service organizations. Established by Congress in 1916 as the authority for certain predecessor entities, the System is the oldest of the Government-sponsored enterprises. Throughout its long history, the fundamental purpose of the System has remained the same: To provide American agriculture with sound and dependable credit at competitive interest rates. Currently, there are three Farm Credit Banks and one Agricultural Credit Bank providing funds and support services to approximately 78 locally owned Farm Credit Associations and numerous cooperatives nationwide. Approximately 40 percent of the real estate and non-real estate credit needs of U.S. agriculture are met by the System

FEDERAL FUNDS RATE - The rate of interest at which Fed Funds are traded between banks. Fed Funds are excess reserves held by banks that desire to invest or lend them to banks needing reserves. The particular rate is heavily influenced through the open market operations of the Federal Reserve Board. Also referred to as the "Fed Funds rate."

FEDERAL HOME LOAN BANK SYSTEM - FHLB — Created by the Federal Home Loan Bank Act of 1932 to increase the amount of funds available for lending institutions who provide mortgages and similar loan agreements to individuals. Having served its original objectives well, the FHLB system now primarily focuses on increasing the amount of loanable funds available for affordable housing and community development projects. It continues to have a material impact on housing and development financing offering funds to member institutions at rates that are usually lower than commercially competitive prices. The 11 banks of the FHLB Bank System are owned by over 7,300 regulated financial institutions from all 50 states, U.S. possessions, and territories.

FEDERAL HOME LOAN MORTGAGE CORPORATION - FHLMC (Freddie Mac) - is a stockholder-owned, government-sponsored enterprise chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle income Americans. FHLMC purchases, guarantees and securitizes mortgages to form mortgage-backed securities. The mortgage-backed securities that it issues tend to be very liquid and carry a credit rating close to that of U.S. Treasuries.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM - The central bank of the United States which has regulated credit in the economy since its inception in 1913. Includes the Federal Reserve Bank, 14 district banks and the member banks of the Federal Reserve, and is governed by the Federal Board.

FINANCIAL INSTITUTIONS - Establishments that include the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities.

FISCAL AGENCY - A financial institution that handles certain bond and coupon redemptions on behalf of the entity.

GINNIE MAES (GNMAs) - Mortgage securities issued and guaranteed, as to timely interest and principal payments, by the Government National Mortgage, an agency within the Department of Housing and Urban Development (HUD).

GOVERNMENT SECURITY - Any debt obligation issued by the U.S. government, its agencies or instrumentalities. Certain securities, such as Treasury bonds and GNMA's, are backed by the government as to both principal and interest payments. Other securities, such as those issued by the Federal Home Loan Mortgage Corporation, or Freddie Mac, are backed by the issuing agency.

HAIRCUT - This term describes the way brokers and clients protect themselves from market risk in doing repos. An entity wanting to finance the purchase of \$100 million in Treasury bonds may borrow just \$98 million of the money. The two percent difference between the amount of securities purchased and the amount of money borrowed is the haircut. Similarly, an entity looking to borrow \$100 million may need to provide, as collateral, Treasury securities with a market price equal to \$102 million.

LIQUIDATION - Conversion into cash.

LIQUIDITY - Refers to the ease and speed with which an asset can be converted into cash without a substantial loss in value.

LOSS - The excess of the cost or book value of an asset over selling price.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Finance Director for investment and reinvestment.

MARK-TO-MARKET - An adjustment in the valuation of a securities portfolio to reflect the current market values of the respective securities in the portfolio. This process is also used to ensure that margin accounts are in compliance with maintenance.

MARKETABILITY - Ability to sell large blocks of money market instruments quickly and at competitive prices.

MARKET RISK - The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline.

MARKET VALUE - The price at which a security is trading and could presumably be sold.

MASTER REPURCHASE AGREEMENT - An agreement between the investor and the dealer or financial institute. This agreement defines the nature of the transactions, identifies the relationship between the parties, establishes normal practices regarding ownership and custody of the collateral securities during the term of the investment, provides for remedies in the event of a default by either party and otherwise clarifies issues of ownership.

MATURITY - The time when a security becomes due and at which time the principal and interest or final coupon payment is paid to the investor.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO) - A credit rating agency that issues credit ratings that the U. S Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

NET WORTH - A financial institutions available funds after their total liabilities have been deducted from their total assets.

OFFER - The indicated price at which a seller is willing to sell a security or commodity. (See BID) When buying a security an offer is obtained.

PAR VALUE - The nominal or face value of a debt security; that is, the value at maturity.

PORTFOLIO - Collection of securities held by an investor.

PREMIUM - The amount by which a bond sells above its par value.

PRIMARY DEALERS - A pre-approved bank, broker/dealer or other financial institution that is able to make business deals with the U.S. Federal Reserve, such as underwriting new government debt. These dealers must meet certain liquidity requirements as well as provide a valuable flow of information to the Fed about the state of the worldwide markets.

PRIME RATE - The interest rate a bank charges on loans to its most credit worthy customers. Frequently cited as a standard for general interest rate levels in the economy.

PRINCIPAL - An invested amount on which interest is charged or earned.

PRUDENCE - The ability to govern and discipline oneself by the use of reason. Shrewdness in the management of affairs. Able to use skill and good judgment in the use of resources.

PUBLIC FUND INTEREST BEARING INVESTMENT ACCOUNTS- Bank accounts with Qualified Public Depositories which pay a rate of interest on the balance maintained. Used in diversifying the investment portfolio and most commonly used as part of a liquidity portfolio.

QUALIFIED PUBLIC DEPOSITORY - A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated, for the benefit of the commission, eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

REGISTERED SECURITY - A security that has the name of the owner written on its face. A registered security cannot be negotiated except by the endorsement of the owner.

REPRICING - The revaluation of the market value of securities.

REPURCHASE AGREEMENT (REPO) - The Repo is a contractual transaction between an investor and an issuing financial institution (not a secured loan). The investor exchanges cash for temporary ownership of specific securities, with an agreement between the parties that on a future date, the financial institution will repurchase the securities at a prearranged price. An "Open Repo" does not have a specified repurchase date and the repurchase price is established by a formula computation.

REVERSE REPOS - The opposite of the transaction undertaken through a regular repurchase agreement. In a "reverse" the City initially owns securities and the bank or dealer temporarily exchanges cash for this collateral. This is, in effect, temporarily borrowing cash at a high interest rate and is also known as securities lending. Most typically, a Repo is initiated by the lender of funds. Reverses are used by dealers to borrow securities they have shorted.

SAFEKEEPING - A service to customers rendered by banks for a fee whereby all securities and valuables of all types and descriptions are held in the bank's vaults for protection, or in the case of book entry securities, are held and recorded in the customer's name and are inaccessible to anyone else.

SECURITIES - Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

SECURITIES AND EXCHANGE COMMISSION - (SEC) - A U.S. government agency that oversees securities transactions, activities of financial professionals and mutual fund trading to prevent fraud and intentional deception. The SEC consists of five commissioners who serve staggered five-year terms. No more than three of the commissioners may belong to the same political party.

SETTLEMENT DATES - The day on which payment is due for a securities purchase. For stocks and mutual funds bought through an investment dealer, settlement is normally five business days after the trade date. Bonds and options normally settle one business day after the trade date mutual fund shares purchased directly by mail or wire settle on the day payment is received.

SPREAD - (a) Difference between the best buying price and the best selling price for any given security. (b) Difference between yields on or prices of two securities of differing quality or differing maturities. (c) In underwriting, difference between price realized by the issuer and price paid by the investor.

STRIPPED TREASURIES - U.S. Treasury debt obligations in which coupons are removed by brokerage houses, creating zero-coupon bonds.

SUPRANATIONAL INSTITUTIONS (SUPRA'S) — An international organization, or union, whereby member states transcend national boundaries or interests to share in the decision making and vote on issues pertaining to the wider grouping. It is formed by two or more central governments through international treaties. The purpose for creating a supranational is to promote economic development for the member countries. The International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank (IADB), IFC (International Finance Corporation) and ADB (Asian Development Bank) are examples of supra's.

TRIPARTITE CUSTODIAN AGREEMENT - An agreement that occurs when a third party or custodian becomes a direct participant in a repurchase transaction. The custodian ensures that the

exchange occurs simultaneously and that appropriate safeguards are in place to protect the investor's interest in the underlying collateral.

THIRD-PARTY SAFEKEEPING - A safekeeping arrangement whereby the investor has full control over the securities being held and the dealer or bank investment department has no access to the securities being held.

TIME DEPOSIT - Interest-bearing deposit at a savings institution that has a specific maturity.

TREASURY BILLS - Treasury bills are short-term debt obligations of the U.S. Government. They offer maximum safety of principal since they are backed by the full faith and credit of the United States Government. Treasury bills, commonly called "T-Bills," account for the bulk of government financing, and are the major vehicle used by the Federal Reserve System in the money market to implement national monetary policy. T-Bills are sold in three, six, nine, and twelve-month bills. Because treasury bills are considered "risk-free," these instruments generally yield the lowest returns in the major money market instruments.

TREASURY NOTES AND BONDS - While T-Bills are sold at a discount rate that establishes the yield to maturity, all other marketable treasury obligations are coupon issued. These include Treasury Notes with maturities from one to ten years and Treasury Bonds with maturities of 10-30 years. The instruments are typically held by banks and savings and loan associations. Since Bills, Notes and Bonds are general obligations of the U.S. Government, and since the Federal Government has the lowest credit risk of all participants in the money market, its obligations generally offer a lower yield to the investor than do other securities of comparable maturities.

UNDERLYING SECURITIES - Securities transferred in accordance with a repurchase agreement. **VENDOR**

- A business or individual who provides a service or product at a cost.

WHEN-ISSUED TRADES - Typically, there is a lag between the time a new bond is announced and sold and the time it is actually issued. During this interval, the security trades "WI," "when, as, and if issued."

WI - When, as, and if issued. See When-issued trades.

YIELD - The rate at which an investment pays out interest or dividend income, expressed in percentage terms and calculated by dividing the amount paid by the price of the security and annualizing the result.

YIELD BASIS - Stated in terms of yield as opposed to price. As yield increases for a traded issue, price decreases and vice versa. Charts prepared on a yield basis appear exactly opposite of those prepared on a price basis.

YIELD SPREAD - The variation between yields on different types of debt securities; generally, a function of supply and demand, credit quality and expected interest rate fluctuations. Treasury bonds, for example, because they are so safe, will normally yield less than corporate bonds. Yields may also differ on similar securities with different maturities. Long-term debt, for example, carries more risk of market changes and issuer defaults than short-term debt and thus usually yields more.

ZERO-COUPON BONDS - Securities that do not pay interest but are instead sold at a deep discount from face value. They rise in price as the maturity date nears and are redeemed at face value upon maturity.



Agenda
Item No.

Date:

January 26, 2022

Subject:

Minutes from Regular City Council
Meeting held January 12, 2022

FROM:

Debbie Burton, Finance Director

RECOMMENDED ACTION:

Review only

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. City Council Minutes 01-12-2022

CITY OF SEDRO-WOOLLEY

Regular Meeting of the City Council
January 12, 2022– 6:00 P.M.

Call to Order

Mayor Julia Johnson called the meeting to order at 6:00 P.M.

Pledge of Allegiance

Roll Call: Present: Mayor Julia Johnson, Councilmember Brendan McGoffin, Councilmember JoEllen Kesti, Councilmember Sarah Diamond, Councilmember Glenn Allen, Councilmember Chuck Owen, Councilmember Joe Burns and Councilmember Nick Lavacca.

Approval of Agenda

Motion made by Councilmember Owen, seconded by Councilmember Burns to approve the agenda. Motion carried (7-0).

Consent Agenda

1. Finance - Claims Checks and Payroll Checks
2. Minutes from Regular City Council Meeting held on December 8, 2021
3. Minutes from City Council Work Session held on January 5, 2022
4. Ambulance Transport Fee Resolution
5. Approval of TIB Fuel Tax Agreement 8-2-126(013) - Township Street (SR9), John Liner Rd. Intersection Project
6. Approval of TIB Fuel Tax Grant Agreement 3-W--126(008)-1 Trail Road Overlay SR 20 to Cook Rd
7. Final Acceptance - Small Public Works Agreement No. 2021-PW-23 Award Construction, Inc.
8. Updated Bucko Development Agreement

Motion made by Councilmember McGoffin, seconded by Councilmember Owen to approve the consent agenda. Motion carried (7-0).

Introduction of Special Guests and Presentations

1. Rotary Club of Sedro-Woolley – Phil Brockman and Rich Weyrich announced the Rotary has dedicated funding for improvements to the Sound System at the Sedro-Woolley Community Center. Cost will be around \$28,000.00 and looking for a \$10,000 contribution from the city. Councilmember Owen made a motion to donate \$10,000.00 to the Rotary for the sound system improvements. Motion seconded by Councilmember Allen. Motion carried (7-0).

Staff Reports

Fire Chief Frank Wagner, Police Chief Lin Tucker, Planning Director John Coleman, IT Director Bill Chambers, Finance Director Debbie Burton, City Attorney Nikki Thompson, and City Administrator Charlie Bush, City Supervisor Doug Merriman gave updates for each of their respective departments.

Councilmember and Mayor's Reports

Councilmembers spoke of enthusiasm for upcoming committee assignments, the new cemetery software that is undergoing data migration from the old software, concerns about the semi-truck traffic cutting through town via Reed and Ferry streets, whether there is an anticipated opening date for the new behavioral health facility on Hwy 20 and many thanked the city crews for their hard work and dedication to keeping the streets clear during all of the recent snow. Mayor Johnson thanked Mark Freiberger, Director of Public Works, for all of his amazing work with recent presentations to state legislators, she spoke of the swearing in of Sedro-Woolley's newest police officer, Isaiah VanDam, she also advised that every ten years we go through redistricting and the city council wards might change. Additionally, she spoke of SCAT routes between Sedro-Woolley and Mount Vernon should be a lot quicker now and the route info is available on their website. Lastly, the mayor spoke of FEMA moving into the decommissioned library and possible future uses will be discussed in the future.

Public Comments

6:40 P.M.— Mayor Johnson opened the meeting for Public Comments.

6:40 P.M.— Public comments closed by Mayor Johnson.

Unfinished Business

1. Equitable Investment Resolution – 2nd Read – Will Honea, with Skagit County, spoke about the Resolution and explained this is pertaining to the Skagit River Valley. This is a 50 year license with Seattle City Light. Mr. Honea presented facts about Seattle City Light and the substandard efforts they have made in regards to salmon passage. Based research, it was discovered that Seattle City Light has been contributing 37 times less than the Pacific Northwest regional average for salmon recovery efforts. Local ratepayers are essentially paying 59 times more towards salmon recovery efforts than Seattle City Light contributes. With passage of this resolution, the City of Sedro-Woolley would stand in solidarity with other entities in Skagit County to support a healthier salmon habitat and passage in the Skagit River. A motion was made by Councilmember Lavacca and seconded by Councilmember Diamond to approve Resolution 1085-22 to commit to the regional equity of the salmon investment in the Skagit River. Motion carried (7-0).

Information Only Items

1. 2022 Transportation Impact Fee Rate Update
2. Fire Department Monthly Data December 2021

Adjournment

The meeting adjourned at 7:12 P.M.

NOTES Burton, Finance Director

APPROVED [Signature], Mayor



Agenda
Item No.

Date: January 26, 2022

Subject: Possible Bid Award - 2021 Flood
Damage Fence Repairs

FROM:

Mark A. Freiburger, Director of Public Works

RECOMMENDED ACTION:

Award Contract 2022-PW-03 2021 Flood Damage Fence Repairs to Northwind Fence Co. in the amount of \$75,516.00 (including Sales Tax)?

ISSUE:

Should council award Contract 2022-P W- 03 2021 Flood Damage Fence Repairs to Northwind Fence Co. in the amount of \$75,516.00 (including Sales Tax)?

BACKGROUND/SUMMARY INFORMATION:

During the November 12, 2021 flood event, the city's Riverfront Park and the Fire Training Site experienced flood damage to the chain link fencing and gravel surfacing. The city has applied for FEMA disaster assistance for the repairs. In order to get the sites back in to operation, Staff proposes to perform the repairs using the first half of the combined Real Estate Excise Tax (REET) funds (Funds 301 AND 302). If FEMA funds are awarded, the REET funds will be reimbursed.

The city closed bids for the Fence Repair project on December 30, 2021, with three bids received. The low bid was from Northwind Fence Co. of Conway, WA in the amount of \$75,516.00 including sales tax. A copy of the bid tabulation is attached. Northwind Fence is well known to the city, having performed several recent contracts including one in 2021 for the Northern State Cemetery Fencing Project. Staff recommends award of this project to Northwind Fence Co.

FISCAL IMPACT, IF APPROPRIATE:

Fund 301 First 1/4% REET and Fund 302 Second 1/4% REET estimated combined 2022 BFB is \$1,243,610. An additional \$235,659 in REET revenue received during 2021 in excess of budget will increase this to \$1,479,269. 50% of these funds are reserved for planned Arterial Road projects, leaving \$739,644 available. Additional REET revenues beyond budget are also expected in 2022. We have also applied for FEMA disaster relief funds totaling \$202,183 to cover the cost of the contract work plus city force labor and equipment. A separate agreement with P&P Excavating totaling \$23,350 will cover the gravel surfacing repair work. This will be issued under the Director's authority.

ATTACHMENTS:

1. 2021 Flood Damage Fence Repairs Bid Tabulation



CITY OF SEDRO-WOOLLEY
2021 Flood Damaged Fence Repairs
PRELIMINARY BID TABULATION
Bid Opening: December 30 , 2021, 2:00PM

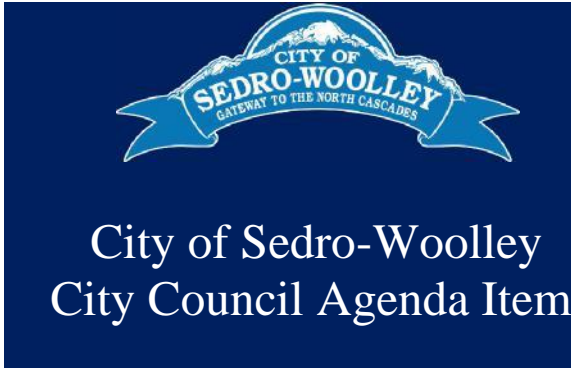
Recorded By: M. Freiburger, PE

Contractor Name:				Northwind Fence Co. Conway, WA		JAG Corp Tulalip, WA		JTI Commercial Svcs Everson, WA	
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL
	Schedule A								
1	4' Fencing	850.00	LF	23.50	19,975.00	24.44	20,774.00	18.91	16,073.50
2	5' Fencing	700.00	LF	24.50	17,150.00	27.55	19,285.00	21.05	14,735.00
3	6' Fencing	150.00	LF	26.50	3,975.00	50.21	7,531.50	37.74	5,661.00
4	6' fencing with Brown Privacy Slats	375.00	LF	32.00	12,000.00	33.18	12,442.50	39.17	14,688.75
	SUBTOTAL SCHEDULE A				53,100.00		60,033.00		51,158.25
	Schedule B								
1	7x33 Baseball Dugout w/4" PCC floor & Green Privacy Slats	1.00	LS	7,000.00	7,000.00	7,000.00	7,605.00	13,120.00	13,120.00
2	40x6 Baseball Backstop	1.00	LS	3,000.00	3,000.00	3,000.00	4,680.00	5,743.00	5,743.00
3	40x15 Baseball Backstop	1.00	LS	4,000.00	4,000.00	4,000.00	8,775.00	11,154.00	11,154.00
4	5' tall Double Swing Gate 10' Opening	1.00	LS	1,000.00	1,000.00	1,000.00	1,053.00	1,251.00	1,251.00
5	6' tall Double Swing Gate 20' Opening	1.00	LS	1,500.00	1,500.00	1,500.00	1,191.06	1,447.00	1,447.00
	SUBTOTAL SCHEDULE B				16,500.00		23,304.06		32,715.00
	SUBTOTAL ALL				69,600.00		83,337.06		83,873.25
	WASHINGTON STATE SALES TAX AT 8.5% - Included				5,916.00		7,083.65		7,129.23
	TOTAL				75,516.00		90,420.71		91,002.48

Bidder Position
Statement of Bidder's Qualifications
Certificate of Compliance with Wage Payment Statutes
MRSC - Registered
Addendum No. 1 Acknowledged
Corrections Made to Calculations

NOTES

1	2	3
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
Yes	Yes	Yes
No	Yes	No



Agenda
Item No.
Date: January 26, 2022
Subject: Finance - Claims Checks and
Payroll Checks

FROM:

Debbie Burton, Finance Director

RECOMMENDED ACTION:

Review Only

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

Claims Checks #196906 through #196990, plus EFTs for December 31, 2021 and Claims Checks #196991 through #197053, plus EFTs for January 26, 2022. Payroll Checks #60590 through 60601, plus EFT's.

FISCAL IMPACT, IF APPROPRIATE:

Claims Checks, plus EFTs for December 31, 2021 total \$395,391.03 and Claims Checks, plus EFTs for January 26, 2022 total \$106,007.28. Payroll Checks, plus EFT's total \$394,393.82.

ATTACHMENTS:

1. Claims Check Register for 01-26-22
2. Claims Check Register for 12-31-21

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:55:34 Date: 01/20/2022

01/26/2022 To: 01/26/2022

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
522	01/26/2022	Claims	2		EFT Comcast	71.95	
					101 - 576 8047 020 - Senior Center	71.95	
523	01/26/2022	Claims	2		EFT NW Fiber LLC, dba Ziplly Fiber	1,102.21	
					001 - 512 5042 020 - Telephone	50.38	
					001 - 513 1042 020 - Telephone	75.56	
					001 - 514 2342 020 - Telephone	75.56	
					001 - 515 3142 001 - Telephone	33.58	
					001 - 518 8042 020 - Telephone	25.19	
					001 - 521 2042 020 - Telephone	251.88	
					001 - 522 2042 020 - Telephone	201.11	
					001 - 522 2042 020 - Telephone	92.36	
					001 - 524 2042 020 - Telephone	25.19	
					401 - 535 8042 020 - Telephone	67.17	
					412 - 537 8042 020 - Telephone	33.58	
					103 - 542 3042 020 - Telephone	8.40	
					001 - 558 6042 020 - Telephone	25.19	
					101 - 576 8042 020 - Telephone	16.79	
					101 - 576 8047 010 - Community Center	61.50	
					001 - 595 1042 020 - Telephone	58.77	
524	01/26/2022	Claims	2	196991	A Clean Carpet Company	524.00	
					101 - 576 8048 500 - Contracted Heavy Duty Cleanin	300.00	
					101 - 576 8048 500 - Contracted Heavy Duty Cleanin	224.00	
525	01/26/2022	Claims	2	196992	AWC - Employee Benefit Trust	2,970.00	
					001 - 521 2027 000 - Retired Medical	2,970.00	
526	01/26/2022	Claims	2	196993	AWC	8,834.00	
					001 - 514 2349 040 - AWC Dues	8,834.00	
527	01/26/2022	Claims	2	196994	Aramark Uniform & Career Apparel Group	55.98	
					001 - 514 2341 000 - State Auditing	27.98	
					401 - 535 8049 000 - Laundry	14.20	
					102 - 536 2049 030 - Misc-laundry	1.04	
					412 - 537 8049 000 - Misc-Laundry	3.97	
					103 - 542 3049 000 - Misc-Laundry	8.79	
528	01/26/2022	Claims	2	196995	Berg Vault Company	2,180.00	
					102 - 536 2034 000 - Liners	2,180.00	
529	01/26/2022	Claims	2	196996	Brown & Caldwell	2,181.50	
					401 - 594 3563 000 - Engineering Services	2,181.50	
530	01/26/2022	Claims	2	196997	C.Hlth130, dba Cardinal Health 112 LLC	455.96	
					001 - 522 2131 000 - Operating Supplies - Medical	80.05	
					001 - 522 2131 000 - Operating Supplies - Medical	196.98	
					001 - 522 2131 000 - Operating Supplies - Medical	178.93	
531	01/26/2022	Claims	2	196998	Carl's Towing	546.57	
					001 - 521 2041 001 - Professional Services	546.57	
532	01/26/2022	Claims	2	196999	Central Welding Supply	170.16	
					001 - 522 2131 000 - Operating Supplies - Medical	170.16	
533	01/26/2022	Claims	2	197000	Consolidated Electrical Dist., Inc.	484.49	
					103 - 542 3031 000 - Operating Supplies	3.63	
					101 - 576 8048 016 - City Hall	480.86	
534	01/26/2022	Claims	2	197001	DMCMA Treasurer	150.00	
					001 - 512 5049 000 - Tuition/Registration	150.00	
535	01/26/2022	Claims	2	197002	E & E Lumber, Inc.	513.21	

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:55:34 Date: 01/20/2022

01/26/2022 To: 01/26/2022

Page: 2

Trans Date	Type	Acct #	Chk # Claimant	Amount Memo
		001 - 521 20 31 002 - Office/Operating Supplies	86.41	
		401 - 535 50 48 050 - Maint Of General Equip	3.48	
		401 - 535 80 31 010 - Operating Supplies	15.91	
		401 - 535 80 31 010 - Operating Supplies	15.61	
		101 - 576 80 31 006 - Operating Sup - City Hall	49.45	
		101 - 576 80 48 004 - Community Center	59.39	
		101 - 576 80 48 016 - City Hall	246.49	
		101 - 576 80 48 016 - City Hall	36.47	
536	01/26/2022 Claims	2	197003 Edge Analytical Inc	838.00
		401 - 535 80 41 000 - Professional Services	52.00	
		401 - 535 80 41 000 - Professional Services	52.00	
		401 - 535 80 41 000 - Professional Services	630.00	
		401 - 535 80 41 000 - Professional Services	52.00	
		401 - 535 80 41 000 - Professional Services	52.00	
537	01/26/2022 Claims	2	197004 Enterprise Office Systems, Inc.	109.72
		001 - 512 50 31 000 - Supplies	97.61	
		001 - 514 23 31 000 - Supplies	12.11	
538	01/26/2022 Claims	2	197005 Fastenal Company	863.63
		401 - 535 80 31 010 - Operating Supplies	345.01	
		401 - 535 80 35 000 - Small Tools & Minor Equip	376.08	
		401 - 535 80 35 010 - Safety Equipment	142.54	
539	01/26/2022 Claims	2	197006 Ferguson US Holdings, Inc	40.53
		101 - 576 80 48 016 - City Hall	40.53	
540	01/26/2022 Claims	2	197007 Galls Parent Holdings, LLC	164.03
		001 - 522 20 26 000 - Uniforms	164.03	
541	01/26/2022 Claims	2	197008 Gear Guy, LLC	182.60
		001 - 522 20 48 000 - Repairs/Maint-Equip	10.56	
		001 - 522 20 48 000 - Repairs/Maint-Equip	172.04	
542	01/26/2022 Claims	2	197009 Richard Lance George	1,782.00
		001 - 521 20 27 000 - Retired Medical	1,782.00	
543	01/26/2022 Claims	2	197010 IWorQ Systems Inc.	3,000.00
		001 - 594 24 64 000 - Office Equipment	1,000.00	
		001 - 594 58 64 000 - Office Equipment	1,000.00	
		001 - 595 10 49 020 - Software Licenses/Support	1,000.00	
544	01/26/2022 Claims	2	197011 Mariah Johnson	100.00
		101 - 582 10 01 101 - Community Center Deposit Ref	100.00	
545	01/26/2022 Claims	2	197012 Knox Associates	3,659.82
		501 - 594 22 64 501 - Vehicles - Fire	3,659.82	
546	01/26/2022 Claims	2	197013 Lenz Enterprises, Inc	581.74
		412 - 537 60 47 021 - Curbside Yard Waste Disposal	581.74	
547	01/26/2022 Claims	2	197014 Lexipol, LLC	9,249.00
		001 - 521 20 41 001 - Professional Services	9,249.00	
548	01/26/2022 Claims	2	197015 Lil John Sanitary Services Inc.	271.25
		101 - 576 80 48 005 - Senior Center	271.25	
549	01/26/2022 Claims	2	197016 Loggers And Contractors	99.93
		401 - 535 50 48 050 - Maint Of General Equip	65.06	
		401 - 535 50 48 050 - Maint Of General Equip	34.87	
550	01/26/2022 Claims	2	197017 Lou's Gloves Inc.	438.00
		401 - 535 80 31 010 - Operating Supplies	438.00	
551	01/26/2022 Claims	2	197018 Louis Auto Glass, Inc.	291.22

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:55:34 Date: 01/20/2022

01/26/2022 To: 01/26/2022

Page: 3

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
			103 - 542 30 48 010 - Repair/Maintenance-Equip			291.22	
552	01/26/2022	Claims	2	197019	Austin McCombs	110.00	
			001 - 521 40 43 000 - Travel			60.00	
			001 - 521 40 43 000 - Travel			50.00	
553	01/26/2022	Claims	2	197020	McKesson Medical Surgical, Inc.	602.25	
			001 - 522 21 31 000 - Operating Supplies - Medical			152.65	
			001 - 522 21 31 000 - Operating Supplies - Medical			449.60	
554	01/26/2022	Claims	2	197021	McLoughlin & Eardley Corp	75.91	
			501 - 594 22 64 501 - Vehicles - Fire			75.91	
555	01/26/2022	Claims	2	197022	Motor Trucks International	2,506.95	
			401 - 535 80 48 000 - Repair/Maintenance-Equip			1,405.82	
			412 - 537 50 48 000 - Repairs/maint-equip			979.29	
			501 - 548 30 31 000 - Operating Supplies			121.84	
556	01/26/2022	Claims	2	197023	Municipal Emergency Services Inc	1,613.72	
			001 - 522 20 31 000 - Operating Supplies			1,613.72	
557	01/26/2022	Claims	2	197024	Walter E Nelson Co. of N. WA	2,802.74	
			101 - 576 80 31 001 - Operating Sup - Riverfront			649.22	
			101 - 576 80 31 006 - Operating Sup - City Hall			2,153.52	
558	01/26/2022	Claims	2	197025	NC Machinery	137.98	
			412 - 537 50 48 000 - Repairs/maint-equip			73.96	
			103 - 542 30 48 010 - Repair/Maintenance-Equip			64.02	
559	01/26/2022	Claims	2	197026	Nelson Dist, Inc. dba Nelson Petroleum	2,552.11	
			501 - 548 30 31 000 - Operating Supplies			708.40	
			501 - 548 30 31 000 - Operating Supplies			1,843.71	
560	01/26/2022	Claims	2	197027	Northwest Clean Air Agency	4,161.50	
			001 - 553 70 41 000 - NW Air Pollution			4,161.50	
561	01/26/2022	Claims	2	197028	Office Depot Inc.	93.26	
			001 - 524 20 31 000 - Off/Oper Supps & Books			23.27	
			001 - 524 20 31 000 - Off/Oper Supps & Books			7.82	
			001 - 558 60 31 000 - Supplies/Books			23.27	
			001 - 558 60 31 000 - Supplies/Books			7.82	
			001 - 595 10 31 000 - Supplies			23.27	
			001 - 595 10 31 000 - Supplies			7.81	
562	01/26/2022	Claims	2	197029	Pacific Air Control	1,717.28	
			401 - 535 50 48 060 - Maintenance Of Buildings			1,141.39	
			401 - 535 50 48 060 - Maintenance Of Buildings			575.89	
563	01/26/2022	Claims	2	197030	Protek, Inc. dba	298.17	
			001 - 521 20 48 010 - Repair & Maint - Auto			80.16	
			001 - 521 20 48 010 - Repair & Maint - Auto			80.16	
			101 - 576 80 48 021 - Equipment			137.85	
564	01/26/2022	Claims	2	197031	Ricoh USA, Inc	231.08	
			001 - 514 23 45 000 - Operating Rentals/Leases			231.08	
565	01/26/2022	Claims	2	197032	SAR Enterprises, Inc.	3,147.15	
			501 - 594 21 64 501 - Vehicles - Police			3,147.15	
566	01/26/2022	Claims	2	197033	SBA Structures, LLC	552.65	
			001 - 591 28 70 001 - Lease - SBA			276.32	
			401 - 591 28 70 401 - Lease - SBA			276.33	
567	01/26/2022	Claims	2	197034	Sedro-Woolley Auto Parts Inc	1,365.32	
			001 - 521 20 48 010 - Repair & Maint - Auto			4.68	

CHECK REGISTER

City Of Sedro-Woolley

Time:

07:55:34 Date: 01/20/2022

01/26/2022 To: 01/26/2022

Page: 4

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
			401 - 535 50	48 010	- Maintenance Of Lines	1.93	
			401 - 535 50	48 040	- Maintenance Of Vehicles	137.55	
			401 - 535 50	48 040	- Maintenance Of Vehicles	10.85	
			401 - 535 50	48 040	- Maintenance Of Vehicles	1.93	
			401 - 535 50	48 040	- Maintenance Of Vehicles	28.76	
			401 - 535 80	48 000	- Repair/Maintenance-Equip	169.25	
			401 - 535 80	48 000	- Repair/Maintenance-Equip	-23.87	
			102 - 536 20	31 010	- Operating Supplies	74.27	
			412 - 537 50	48 000	- Repairs/maint-equip	9.22	
			412 - 537 50	48 000	- Repairs/maint-equip	33.73	
			412 - 537 50	48 000	- Repairs/maint-equip	114.63	
			412 - 537 50	48 000	- Repairs/maint-equip	62.05	
			412 - 537 50	48 000	- Repairs/maint-equip	5.42	
			412 - 537 50	48 000	- Repairs/maint-equip	200.96	
			412 - 537 50	48 000	- Repairs/maint-equip	16.27	Unit 521
			412 - 537 80	31 000	- Operating Supplies	31.43	
			412 - 537 80	31 000	- Operating Supplies	4.87	
			412 - 537 80	31 000	- Operating Supplies	323.40	
			412 - 537 80	31 000	- Operating Supplies	26.65	
			103 - 542 30	31 000	- Operating Supplies	25.16	
			103 - 542 30	31 000	- Operating Supplies	5.47	
			103 - 542 30	31 000	- Operating Supplies	24.09	
			103 - 542 30	31 000	- Operating Supplies	27.50	
			103 - 542 30	31 000	- Operating Supplies	15.38	
			103 - 542 30	31 000	- Operating Supplies	10.60	
			103 - 542 30	31 000	- Operating Supplies	5.99	
			103 - 542 30	31 000	- Operating Supplies	17.15	
568	01/26/2022	Claims	2	197035	Sedro-Woolley Rotary Foundation	10,000.00	
			115 - 575 50	42 000	- SW Rotary Support	10,000.00	
569	01/26/2022	Claims	2	197036	Skagit Cnty District Court	4,663.75	
			001 - 512 50	41 001	- District Court Surcharge	4,663.75	
570	01/26/2022	Claims	2	197037	Skagit Council Of Governments	8,666.00	
			104 - 544 40	41 000	- Transportation Plan Update	8,666.00	2022 dues
571	01/26/2022	Claims	2	197038	Skagit Farmers Supply	415.28	
			401 - 535 80	31 010	- Operating Supplies	65.05	
			401 - 535 80	31 010	- Operating Supplies	60.68	
			401 - 535 80	31 010	- Operating Supplies	12.99	
			401 - 535 80	31 010	- Operating Supplies	40.63	
			401 - 535 80	31 010	- Operating Supplies	86.73	
			401 - 535 80	31 010	- Operating Supplies	149.20	
572	01/26/2022	Claims	2	197039	PNG Media LLC, dba Skagit Valley Herald	78.05	
			001 - 524 20	31 000	- Off/Oper Supps & Books	26.02	
			001 - 558 60	31 000	- Supplies/Books	26.02	
			001 - 595 10	31 000	- Supplies	26.01	
573	01/26/2022	Claims	2	197040	Smarsh Inc.		
			001 - 518 80	41 000	- Professional Services	-550.57	
			001 - 518 80	41 000	- Professional Services	-76.60	
			001 - 518 80	41 000	- Professional Services	-18.41	
			001 - 518 80	41 000	- Professional Services	2,146.44	
574	01/26/2022	Claims	2	197041	Casey Sousa	86.80	
			401 - 535 80	35 010	- Safety Equipment	86.80	
575	01/26/2022	Claims	2	197042	TK Elevator Corporation		
			101 - 576 80	48 016	- City Hall	1,172.57	
576	01/26/2022	Claims	2	197043	Paul Taylor	3,564.00	

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:55:34 Date: 01/20/2022

01/26/2022 To: 01/26/2022

Page: 5

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
			001 - 521 20 27 000 - Retired Medical			3,564.00	
577	01/26/2022	Claims	2	197044	WAFD Ins Grp Inc dba Thomas & Assoc	50.00	
			001 - 521 20 31 010 - Printing/Publications			50.00	
578	01/26/2022	Claims	2	197045	UniFirst Corp.	589.89	
			001 - 522 20 26 000 - Uniforms			294.89	
			001 - 522 20 26 000 - Uniforms			295.00	
579	01/26/2022	Claims	2	197046	VendNovation LLC	1,303.20	
			001 - 522 21 31 010 - Office Supplies			1,303.20 2/22 to 01/23	
580	01/26/2022	Claims	2	197047	WA St Dept of Enterprise Svcs.	400.00	
			001 - 521 20 49 010 - Dues/Subscriptions			400.00	
581	01/26/2022	Claims	2	197048	WA St Dept of L & I	140.90	
			101 - 576 80 48 016 - City Hall			140.90	
582	01/26/2022	Claims	2	197049	WA St Dept of Prof Licen	294.00	
			001 - 521 20 41 040 - Intergov Svc-Gun Permits			294.00	
583	01/26/2022	Claims	2	197050	WA St Patrol	26.50	
			001 - 521 20 41 040 - Intergov Svc-Gun Permits			26.50	
584	01/26/2022	Claims	2	197051	Woods Acquisition Corp	258.25	
			001 - 522 20 31 000 - Operating Supplies			152.02	
			102 - 536 20 48 040 - Repair/Maint-Equip & Bldg			106.23	
585	01/26/2022	Claims	2	197052	World Kinect Energy Services, dba	8,522.36	
			412 - 537 80 32 000 - Auto Fuel/Diesel			2,505.74	
			412 - 537 80 32 000 - Auto Fuel/Diesel			604.14	
			412 - 537 80 32 000 - Auto Fuel/Diesel			2,915.21	
			412 - 537 80 32 000 - Auto Fuel/Diesel			2,497.27	
586	01/26/2022	Claims	2	197053	Zoll Medical Corporation	395.30	
			001 - 522 21 35 011 - EMS Minor Equipment			395.30	
			001 Current Expense Fund			48,913.90	
			101 Parks & Facilities Fund			6,212.74	
			102 Cemetery Fund			2,361.54	
			103 Street Fund			507.40	
			104 Arterial Street Fund			8,666.00	
			115 City Council Strategic Reserve			10,000.00	
			401 Sewer Operations Fund			8,765.34	
			412 Solid Waste Operations Fund			11,023.53	
			501 Equipment Replacement Fund			9,556.83	
						106,007.28	Claims:
						106,007.28	

CHECK REGISTER

Trans Date	Type	Acct #	Chk #	Claimant	Amount	Memo
------------	------	--------	-------	----------	--------	------

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

Finance Director

Date

Finance Committee Member

Date

Finance Committee Member

Date

Finance Committee Member

Date

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 1

Trans Date	Type	Acct #	Chk # Claimant	Amount Memo
12177 12/31/2021	Claims	2	EFT NW Fiber LLC, dba Ziply Fiber	1,711.40
			001 - 512 50 42 020 - Telephone	102.68
			001 - 513 10 42 020 - Telephone	154.03
			001 - 514 23 42 020 - Telephone	154.03
			001 - 515 31 42 001 - Telephone	68.46
			001 - 518 80 42 020 - Telephone	51.34
			001 - 521 20 42 020 - Telephone	513.42
			001 - 522 20 42 020 - Telephone	188.25
			001 - 524 20 42 020 - Telephone	51.34
			401 - 535 80 42 020 - Telephone	136.91
			412 - 537 80 42 020 - Telephone	68.46
			103 - 542 30 42 020 - Telephone	17.11
			001 - 558 60 42 020 - Telephone	51.34
			101 - 576 80 42 020 - Telephone	34.23
			001 - 595 10 42 020 - Telephone	119.80
12212 12/31/2021	Claims	2	EFT Public Utility Dis No1	37.39
			101 - 576 80 47 000 - Riverfront	37.39
12213 12/31/2021	Claims	2	EFT Public Utility Dis No1	43.53
			101 - 576 80 47 053 - Other Utilities	43.53
12214 12/31/2021	Claims	2	EFT Public Utility Dis No1	97.43
			102 - 536 20 47 000 - Public Utilities	97.43
12215 12/31/2021	Claims	2	EFT Public Utility Dis No1	37.39
			101 - 576 80 47 000 - Riverfront	37.39
12216 12/31/2021	Claims	2	EFT Public Utility Dis No1	253.54
			101 - 576 80 47 000 - Riverfront	253.54
12217 12/31/2021	Claims	2	EFT Public Utility Dis No1	86.82
			412 - 537 80 47 000 - Public Utilities	86.82
12218 12/31/2021	Claims	2	EFT Public Utility Dis No1	235.13
			401 - 535 80 47 000 - Public Utilities	235.13
12219 12/31/2021	Claims	2	EFT Public Utility Dis No1	74.54
			103 - 542 63 47 000 - Public Utilities	74.54
12220 12/31/2021	Claims	2	EFT Public Utility Dis No1	382.44
			101 - 576 80 47 070 - City Hall	382.44
12221 12/31/2021	Claims	2	EFT Public Utility Dis No1	356.88
			101 - 576 80 47 053 - Other Utilities	356.88
12222 12/31/2021	Claims	2	EFT Public Utility Dis No1	148.20
			101 - 576 80 47 051 - Bingham / Memorial	148.20
12223 12/31/2021	Claims	2	EFT Public Utility Dis No1	33.98
			101 - 576 80 47 070 - City Hall	33.98
12224 12/31/2021	Claims	2	EFT Public Utility Dis No1	142.06
			101 - 576 80 47 050 - Hammer Square	142.06
12225 12/31/2021	Claims	2	EFT Public Utility Dis No1	37.39
			401 - 535 80 47 000 - Public Utilities	37.39
12226 12/31/2021	Claims	2	EFT Public Utility Dis No1	37.39
			001 - 521 20 47 000 - Public Utilities	37.39
12227 12/31/2021	Claims	2	EFT Public Utility Dis No1	62.27
			401 - 535 80 47 000 - Public Utilities	62.27
12228 12/31/2021	Claims	2	EFT Public Utility Dis No1	62.27
			401 - 535 80 47 000 - Public Utilities	62.27

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
12229	12/31/2021	Claims	2	EFT	Public Utility Dis No1	198.30	
			101 - 576 80 47	000 - Riverfront		198.30	
12230	12/31/2021	Claims	2	EFT	Public Utility Dis No1	37.39	
			101 - 576 80 47	040 - Train		37.39	
12231	12/31/2021	Claims	2	EFT	Public Utility Dis No1	246.64	
			101 - 576 80 47	010 - Community Center		246.64	
12232	12/31/2021	Claims	2	EFT	Public Utility Dis No1	328.13	
			101 - 576 80 47	020 - Senior Center		328.13	
12233	12/31/2021	Claims	2	EFT	Public Utility Dis No1	75.37	
			101 - 576 80 47	053 - Other Utilities		75.37	
12234	12/31/2021	Claims	2	EFT	Public Utility Dis No1	174.99	
			001 - 522 50 47	000 - Public Utilities		174.99	
12235	12/31/2021	Claims	2	EFT	Public Utility Dis No1	75.37	
			001 - 522 50 47	000 - Public Utilities		75.37	
12236	12/31/2021	Claims	2	EFT	Public Utility Dis No1	67.96	
			001 - 522 50 47	000 - Public Utilities		67.96	
12237	12/31/2021	Claims	2	EFT	Puget Sound Energy	10,118.30	
			103 - 542 63 47	000 - Public Utilities		10,118.30	11-2-21 thru 12/2/21
12238	12/31/2021	Claims	2	EFT	US Bank -- Purchase Cards	15,689.96	
			001 - 512 50 31	000 - Supplies		65.09	
			001 - 512 50 31	000 - Supplies		61.27	
			001 - 512 50 41	000 - Professional Services		27.11	
			001 - 513 10 41	000 - Professional Services-Other		27.11	
			001 - 513 10 49	010 - Dues & Subscriptions		1,203.00	
			001 - 514 23 31	000 - Supplies		26.95	
			001 - 514 23 31	000 - Supplies		31.45	
			001 - 514 23 31	000 - Supplies		29.28	
			001 - 514 23 31	000 - Supplies		110.63	
			001 - 514 23 49	030 - Misc-Tuition/Registration		25.00	
			001 - 518 80 41	000 - Professional Services		2.03	
			001 - 518 80 41	000 - Professional Services		903.92	
			001 - 518 80 49	000 - Software Maint & Support		27.11	
			001 - 518 80 49	000 - Software Maint & Support		27.11	
			001 - 521 20 31	002 - Office/Operating Supplies		48.82	
			001 - 521 20 31	002 - Office/Operating Supplies		49.86	
			001 - 521 20 31	002 - Office/Operating Supplies		57.69	
			001 - 521 20 31	002 - Office/Operating Supplies		17.34	
			001 - 521 20 31	002 - Office/Operating Supplies		26.04	
			001 - 521 20 31	002 - Office/Operating Supplies		22.41	
			001 - 521 20 31	002 - Office/Operating Supplies		9.76	
			001 - 521 20 31	002 - Office/Operating Supplies		12.49	
			001 - 521 20 31	002 - Office/Operating Supplies		15.36	
			001 - 521 20 31	002 - Office/Operating Supplies		108.95	
			001 - 521 20 31	002 - Office/Operating Supplies		43.36	
			001 - 521 20 48	010 - Repair & Maint - Auto		42.73	
			001 - 521 20 48	010 - Repair & Maint - Auto		100.00	
			001 - 521 40 43	000 - Travel		-685.88	
			001 - 522 20 26	000 - Uniforms		336.30	
			001 - 522 20 26	000 - Uniforms		336.30	
			001 - 522 20 26	000 - Uniforms		-336.30	
			001 - 522 20 31	000 - Operating Supplies		224.55	
			001 - 522 20 31	000 - Operating Supplies		314.64	
			001 - 522 20 31	000 - Operating Supplies		400.00	
			001 - 522 20 31	010 - Office Supplies		33.38	
			001 - 522 20 35	000 - Small Tools & Minor Equip		486.07	
			001 - 522 20 41	000 - Professional Services		27.10	

CHECK REGISTER

City Of Sedro-Woolley

Time:

07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 3

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
		001 - 522 20	41 030 - Investigation			55.00	
		001 - 522 20	48 000 - Repairs/Maint-Equip			402.44	
		001 - 522 20	49 010 - Misc-Dues			1,260.00	
		001 - 522 21	31 010 - Office Supplies			76.54	
		001 - 522 21	31 010 - Office Supplies			177.97	
		001 - 522 21	31 010 - Office Supplies			599.97	
		001 - 522 21	35 011 - EMS Minor Equipment			1,526.61	
		001 - 522 50	48 030 - Repair/Maint-Station			66.35	
		425 - 531 50	49 000 - Tuition/Training			200.00	
		401 - 535 80	35 000 - Small Tools & Minor Equip			54.22	
		401 - 535 80	35 000 - Small Tools & Minor Equip			83.76	
		401 - 535 80	49 030 - Misc-Tuition/Registration			100.00	
		412 - 537 80	31 000 - Operating Supplies			186.05	
		412 - 537 80	31 000 - Operating Supplies			27.11	
		412 - 537 80	31 000 - Operating Supplies			106.77	
		412 - 537 80	31 000 - Operating Supplies			123.74	
		412 - 537 80	31 000 - Operating Supplies			19.54	
		412 - 537 80	31 000 - Operating Supplies			18.45	
		001 - 558 60	49 010 - Dues/Subscript/Membership			27.11	
		001 - 594 18	64 001 - Network Hardware			173.56	
		001 - 594 18	64 001 - Network Hardware			3,254.90	
		001 - 594 18	64 001 - Network Hardware			325.49	
		001 - 594 21	64 000 - Machinery & Equipment			13.65	
		501 - 594 21	64 501 - Equip & Vehicles - Police			1,368.34	
		401 - 594 35	64 001 - Portable Equipment			484.42	
		401 - 594 35	64 001 - Portable Equipment			672.84	
		001 - 595 10	49 020 - Software Licenses/Support			27.10	
12239	12/31/2021	Claims	2		EFT WA St Dept of Revenue	19,419.92	
		425 - 362 50	00 425 - Land Rents, Leases			-318.68	
		425 - 531 50	44 000 - Taxes & Assessments			1,277.02	
		401 - 535 80	31 010 - Operating Supplies			86.63	
		401 - 535 80	44 010 - Taxes & Assessments			7,081.42	
		102 - 536 20	44 010 - Taxes And Assessments			114.25	
		106 - 536 30	44 010 - Taxes and Assessments			3.50	
		412 - 537 80	44 001 - Taxes & Assessments			10,274.61	
		101 - 576 80	44 010 - Taxes And Assessments			25.81	
		635 - 589 30	01 635 - Sales Tax Remittance			238.00	
12240	12/31/2021	Claims	2		196906 A WorkSAFE Service, Inc.		
		001 - 522 20	41 010 - Prof Service-Medical Exams			165.00	
		001 - 524 20	31 000 - Off/Oper Supps & Books			55.00	
12241	12/31/2021	Claims	2		196907 Rick Severson, dba ATV Signs		
		412 - 537 80	31 000 - Operating Supplies			1,280.30	
12242	12/31/2021	Claims	2		196908 Allelujah Business Systems		
		401 - 535 50	48 010 - Maintenance Of Lines			124.38	
12243	12/31/2021	Claims	2		196909 Beaver Lake Quarry		
		401 - 535 50	48 010 - Maintenance Of Lines			1,051.04	
		103 - 542 30	48 002 - Crushed Aggregate			640.39	
12244	12/31/2021	Claims	2		196910 Bishop Contracting LLC	24,304.00	
		001 - 594 22	61 000 - Fire Station 2.75			24,304.00	Retainage bond #65568455
12245	12/31/2021	Claims	2		196911 Boulder Park Inc	7,250.21	
		401 - 535 80	35 020 - Solids Handling			7,250.21	
12246	12/31/2021	Claims	2		196912 Brickyard Park	2,514.92	
		001 - 345 83	00 003 - Building Review Fees			-1,355.74	Rcpt56948 &56697
		001 - 345 83	00 003 - Building Review Fees			-1,159.18	Rcpt56947 & 56696
12247	12/31/2021	Claims	2		196913 Capital Industries Inc		
		412 - 537 80	34 000 - Containers - Garbage			1,725.16	

CHECK REGISTER

City Of Sedro-Woolley

Time:

07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 4

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
12248	12/31/2021	Claims		2	196914 Carl's Towing		
		001 - 521 20	41 001 - Professional Services			225.68	
12249	12/31/2021	Claims	2	196915	Carletti Architects Ps	13,381.28	
		505 - 594 35	60 010 - Const - WWTP Lab/Ops Bldg			3,785.98	WWTP
		505 - 594 48	60 010 - Const - PW Building			9,595.30	SW/Fleet/Ops
12250	12/31/2021	Claims	2	196916	Cascade Natural Gas Corp	8,134.50	
		001 - 521 20	47 000 - Public Utilities			124.43	
		001 - 522 50	47 000 - Public Utilities			548.21	
		401 - 535 80	47 000 - Public Utilities			978.63	
		401 - 535 80	47 000 - Public Utilities			31.66	
		401 - 535 80	47 000 - Public Utilities			36.72	
		412 - 537 80	47 000 - Public Utilities			865.53	
		103 - 542 63	47 000 - Public Utilities			165.05	
		101 - 576 80	47 010 - Community Center			508.33	
		101 - 576 80	47 020 - Senior Center			781.10	
		101 - 576 80	47 050 - Hammer Square			71.81	
		101 - 576 80	47 052 - Bingham Caretaker			138.05	
		101 - 576 80	47 053 - Other Utilities			287.15	
		101 - 576 80	47 070 - City Hall			1,008.27	
		101 - 576 80	47 070 - City Hall			2,589.56	
12251	12/31/2021	Claims	2	196917	City of Sedro-Woolley	99.93	
		305 - 572 20	47 305 - Libraries - Utility Services			86.75	
		101 - 576 80	47 053 - Other Utilities			13.18	
12252	12/31/2021	Claims		2	196918 Consolidated Electrical Dist., Inc.		
		401 - 535 50	48 050 - Maint Of General Equip			54.16	
		101 - 576 80	48 001 - Riverfront			97.55	
12253	12/31/2021	Claims	2	196919	Dahlstedt Family Properties, LLC	4,550.00	
		412 - 537 80	34 001 - Containers - Recycling			4,550.00	
12254	12/31/2021	Claims	2	196920	Databar, Inc	5,850.75	
		425 - 531 50	42 010 - Postage			470.56	
		425 - 531 50	42 010 - Postage			243.06	
		425 - 531 50	42 010 - Postage			103.69	
		401 - 535 80	42 015 - Postage			1,709.44	
		401 - 535 80	42 015 - Postage			1,698.88	
		412 - 537 80	42 010 - Postage			815.27	
		412 - 537 80	42 010 - Postage			809.85	
12255	12/31/2021	Claims		2	196921 E & E Lumber, Inc.		
		401 - 535 50	48 050 - Maint Of General Equip			11.37	
		401 - 535 50	48 050 - Maint Of General Equip			41.56	
		401 - 535 50	48 050 - Maint Of General Equip			2.48	
		412 - 537 80	31 000 - Operating Supplies			26.26	
		412 - 537 80	31 000 - Operating Supplies			767.52	
		412 - 537 80	31 000 - Operating Supplies			32.65	
		103 - 542 30	31 000 - Operating Supplies			30.78	
		103 - 542 30	31 000 - Operating Supplies			57.28	
		101 - 576 80	31 006 - Operating Sup - City Hall			31.87	
		101 - 576 80	31 009 - Operating Sup - Bingham Park			20.70	
		101 - 576 80	48 005 - Senior Center			21.85	
12256	12/31/2021	Claims		2	196922 Edge Analytical Inc		
		401 - 535 80	41 000 - Professional Services			52.00	
		401 - 535 80	41 000 - Professional Services			52.00	
		401 - 535 80	41 000 - Professional Services			52.00	
		401 - 535 80	41 000 - Professional Services			52.00	
		401 - 535 80	41 000 - Professional Services			52.00	

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 5

Trans Date	Type	Acct #	Chk # Claimant	Amount Memo
12257 12/31/2021	Claims	2 196923	Ekrem Hardware	9.74
		101 - 576 80 48 005 - Senior Center		9.74
12258 12/31/2021	Claims	2 196924	Enterprise Office Systems, Inc.	75.91
		001 - 524 20 31 000 - Off/Oper Supps & Books		25.31
		001 - 558 60 31 000 - Supplies/Books		25.30
		001 - 595 10 31 000 - Supplies		25.30
12259 12/31/2021	Claims	2 196925	Fastenal Company	674.03
		401 - 535 50 48 050 - Maint Of General Equip		402.25
		412 - 537 80 31 000 - Operating Supplies		13.81
		412 - 537 80 31 000 - Operating Supplies		257.97
12260 12/31/2021	Claims	2 196926	Federal Certified Hearing	45.00
		001 - 524 20 31 000 - Off/Oper Supps & Books		45.00
12261 12/31/2021	Claims	2 196927	Ferguson US Holdings, Inc	368.60
		401 - 535 50 48 020 - Maint Of Pumping Equip		368.60
12262 12/31/2021	Claims	2 196928	Ruben Fortuna	240.00
		001 - 521 20 28 000 - Employee Wellness		240.00
12263 12/31/2021	Claims	2 196929	Galls Parent Holdings, LLC	1,822.80
		001 - 522 20 26 000 - Uniforms		26.04
		001 - 522 20 26 000 - Uniforms		1,796.76
12264 12/31/2021	Claims	2 196930	Geo-Test Services, Inc.	3,708.50
		505 - 594 35 60 010 - Const - WWTP Lab/Ops Bldg		1,854.25
		505 - 594 48 60 010 - Const - PW Building		1,854.25
12265 12/31/2021	Claims	2 196931	P Gilbert dba Gilbert&Gilbert Law, Inc.	4,000.00
		001 - 515 31 41 000 - Legal - Professional Services		4,000.00
12266 12/31/2021	Claims	2 196932	Hach Company	120.95
		401 - 535 80 31 010 - Operating Supplies		-607.28
		401 - 535 80 31 010 - Operating Supplies		422.94
		401 - 535 80 31 010 - Operating Supplies		305.29
12267 12/31/2021	Claims	2 196933	Humane Society Of Skagit	280.00
		001 - 521 20 41 021 - Humane Society		280.00
12268 12/31/2021	Claims	2 196934	ICONIX Waterworks (US) Inc	52.79
		401 - 535 50 48 050 - Maint Of General Equip		52.79
12269 12/31/2021	Claims	2 196935	Leo Jacobs	150.00
		412 - 537 80 31 000 - Operating Supplies		150.00
12270 12/31/2021	Claims	2 196936	Knox Associates	461.56
		001 - 522 21 35 011 - EMS Minor Equipment		461.56
12271 12/31/2021	Claims	2 196937	The Language Exchange, Inc	768.75
		001 - 512 50 41 040 - Language Interpreter		742.50
		001 - 521 20 41 001 - Professional Services		26.25
12272 12/31/2021	Claims	2 196938	Les Schwab Tire Center	5,562.51
		401 - 535 50 48 040 - Maintenance Of Vehicles	1,414.07 Unit 403	
		412 - 537 50 48 000 - Repairs/maint-equip		870.03
		412 - 537 50 48 000 - Repairs/maint-equip		2,507.29
		412 - 537 50 48 000 - Repairs/maint-equip		392.75
		101 - 576 80 48 021 - Equipment		351.26 Parks trailer
		101 - 576 80 48 021 - Equipment		27.11 Unit 133 - tube install
12273 12/31/2021	Claims	2 196939	Lisa Pearson	63.24
		001 - 517 90 43 001 - Employee Recognition		63.24

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 6

Trans Date	Type	Acct #	Chk # Claimant	Amount Memo
12274 12/31/2021	Claims	2 196940	NW Center Svcs, Inc dba Lithtex NW	906.12
			001 - 514 23 31 000 - Supplies	499.10
			412 - 537 80 41 000 - Professional Services	193.75
			412 - 537 80 41 000 - Professional Services	213.27
12275 12/31/2021	Claims	2 196941	William R McCann	1,220.00
			001 - 512 50 41 000 - Professional Services	1,220.00
12276 12/31/2021	Claims	2 196942	Nicole McGowan	60.00
			001 - 524 20 28 000 - Employee Wellness	60.00
12277 12/31/2021	Claims	2 196943	Jack Moore	22,980.19
			001 - 524 20 41 000 - Professional Services	22,980.19
12278 12/31/2021	Claims	2 196944	Motorola Solutions	4,399.74
			501 - 594 21 64 501 - Equip & Vehicles - Police	-753.14
			501 - 594 22 64 501 - Vehicles - Fire	5,152.88
12279 12/31/2021	Claims	2 196945	Nelson Dist, Inc. dba Nelson Petroleum	96.79
			412 - 537 80 31 000 - Operating Supplies	96.79
12280 12/31/2021	Claims	2 196946	Teresa Nesheim	349.18
			001 - 514 23 41 011 - Professional Services	349.18 12/14/21, 12/28/21 & 1/3/22
12281 12/31/2021	Claims	2 196947	North Hill Resources Inc	570.00
			412 - 537 60 47 020 - Site Yard Waste Disposal	570.00
12282 12/31/2021	Claims	2 196948	Oliver-Hammer, Inc	623.83
			001 - 524 20 31 000 - Off/Oper Supps & Books	238.68
			412 - 537 80 31 000 - Operating Supplies	162.75
			101 - 576 80 35 010 - Safety Equipment	222.40
12283 12/31/2021	Claims	2 196949	P & P Excavating, LLC	5,364.35
			401 - 535 50 48 010 - Maintenance Of Lines	5,364.35
12284 12/31/2021	Claims	2 196950	Pacific Air Control	1,092.86
			001 - 522 50 48 020 - Repair/Maint-Garage	787.43
			102 - 536 20 48 030 - Repair/Maintenance-Land	305.43
12285 12/31/2021	Claims	2 196951	Protek, Inc. dba	74.37
			001 - 521 20 48 010 - Repair & Maint - Auto	74.37 #265
12286 12/31/2021	Claims	2 196952	Public Safety Testing, Inc	325.00
			001 - 521 20 41 001 - Professional Services	200.00
			001 - 522 20 41 000 - Professional Services	125.00
12287 12/31/2021	Claims	2 196953	Red's Mobile 24-Hour Truck & Equip Repai	2,195.23
			412 - 537 50 48 000 - Repairs/maint-equip	2,195.23
12288 12/31/2021	Claims	2 196954	Colleen Rhay, dba Rhay Design, LLC	2,250.00
			001 - 513 10 42 000 - Communication	2,250.00 Winter 2022 magazine
12289 12/31/2021	Claims	2 196955	Rick's Refrigeration Inc	144.00
			412 - 537 60 47 011 - Site Recycling Disposal	144.00
12290 12/31/2021	Claims	2 196956	Ricoh USA, Inc	324.95
			001 - 514 23 31 000 - Supplies	78.78
			001 - 518 80 41 000 - Professional Services	62.18
			001 - 524 20 31 000 - Off/Oper Supps & Books	61.33
			001 - 558 60 31 000 - Supplies/Books	61.33
			001 - 595 10 31 000 - Supplies	61.33

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 7

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
12291	12/31/2021	Claims	2	196957	Ricoh USA, Inc	463.85	
					001 - 524 20 31	000 - Off/Oper Supps & Books	76.95
					001 - 524 20 31	000 - Off/Oper Supps & Books	77.67
					001 - 558 60 31	000 - Supplies/Books	76.95
					001 - 558 60 31	000 - Supplies/Books	77.65
					001 - 595 10 31	000 - Supplies	76.96
					001 - 595 10 31	000 - Supplies	77.67
12292	12/31/2021	Claims	2	196958	Brent Schiefelbein	330.00	
					101 - 576 80 28	000 - Employee Wellness	330.00
12293	12/31/2021	Claims	2	196959	Sedro-Woolley Auto Parts Inc	97.75	
					401 - 535 50 48	050 - Maint Of General Equip	1.86
					401 - 535 50 48	050 - Maint Of General Equip	8.32
					412 - 537 80 31	000 - Operating Supplies	75.94
					412 - 537 80 31	000 - Operating Supplies	11.63
12294	12/31/2021	Claims	2	196960	Sedro-Woolley School Dist	31,898.00	
					001 - 518 65 40	001 - Impact Fee Distribution (schoo	31,898.00 2021-Q4
12295	12/31/2021	Claims	2	196961	Semrau Engineering & Surveying	5,750.00	
					104 - 595 10 63	077 - Eng-SR20 Cascade Trail Phase	5,750.00
12296	12/31/2021	Claims	2	196962	Skagit Cnty Auditor	4,412.25	
					001 - 514 40 41	000 - Election Costs	4,412.25
12297	12/31/2021	Claims	2	196963	Skagit Cnty Auditor	7,307.00	
					001 - 514 90 41	000 - Voter Registration Costs	7,307.00 2nd half 2021 VotrReg
12298	12/31/2021	Claims	2	196964	Skagit Cnty Dept of Emerg Mgmt	5,430.10	
					001 - 525 10 41	000 - Dept Of Emerg Management	5,430.10
12299	12/31/2021	Claims	2	196965	Skagit Cnty Dist. Probation	1,830.30	
					001 - 512 50 41	020 - Municipal Court Prob.	1,830.30
12300	12/31/2021	Claims	2	196966	Skagit Cnty Public Health	5,342.25	
					001 - 569 00 41	000 - Skagit Senior Services	5,342.25
12301	12/31/2021	Claims	2	196967	Skagit Cnty Public Works	100,341.84	
					412 - 537 60 47	000 - Solid Waste Disposal	67,721.11
					103 - 542 64 31	004 - Street Sign Materials	344.70
					425 - 594 31 63	000 - Collection System	9,056.90
					104 - 595 30 48	001 - Arterial Maintenance	21,072.37
					103 - 595 30 63	020 - Resurfacing Projects	2,146.76
12302	12/31/2021	Claims	2	196968	Skagit Cnty Treasurer	69.60	
					001 - 589 30 00	001 - DO NOT USE - Crime Victim &	69.60
12303	12/31/2021	Claims	2	196969	Skagit Conservation District	903.97	
					425 - 531 50 41	002 - Contracted Services	903.97
12304	12/31/2021	Claims	2	196970	Skagit Council Of Governments	1,293.84	
					001 - 558 60 41	050 - SCOG	1,293.84
12305	12/31/2021	Claims	2	196971	Skagit Farmers Supply	237.99	
					001 - 522 50 48	020 - Repair/Maint-Garage	3.03
					401 - 535 80 35	000 - Small Tools & Minor Equip	49.35
					412 - 537 80 31	000 - Operating Supplies	134.98
					103 - 542 30 31	000 - Operating Supplies	50.63
12306	12/31/2021	Claims	2	196972	PNG Media LLC, dba Skagit Publishing	64.56	
					001 - 511 60 31	001 - Legal Publications	21.52
					001 - 511 60 31	001 - Legal Publications	21.52

CHECK REGISTER

City Of Sedro-Woolley

Time: 07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 8

Trans Date	Type	Acct #	Chk # Claimant	Amount Memo
		001 - 511 60 31 001 - Legal Publications		21.52
12307 12/31/2021	Claims	2	196973 Skagit Regional Health	158.00
		001 - 522 20 41 010 - Prof Service-Medical Exams		158.00
12308 12/31/2021	Claims	2	196974 Sound Law Center	1,942.50
		001 - 558 60 41 001 - Professional Svcs-Reimb		1,942.50
12309 12/31/2021	Claims	2	196975 Springbrook Holding Company LLC	375.00
		001 - 514 23 41 011 - Professional Services		375.00
12310 12/31/2021	Claims	2	196976 Staples, Inc.	138.94
		401 - 535 80 31 000 - Office Supplies		138.94
12311 12/31/2021	Claims	2	196977 State Auditor's Office	2,488.20
		001 - 514 23 41 000 - State Auditing		2,488.20
12312 12/31/2021	Claims	2	196978 Systems Design West, LLC	3,251.92
		001 - 522 21 41 000 - EMS Professional Services-Sys		3,251.92
12313 12/31/2021	Claims	2	196979 Transportation Solutions, Inc.	786.37
		104 - 595 10 63 076 - Eng-SR20/SR9-Township Int Im		786.37
12314 12/31/2021	Claims	2	196980 Uline, Inc.	3,730.14
		412 - 537 80 31 000 - Operating Supplies		1,709.56
		412 - 537 80 31 000 - Operating Supplies		73.28
		101 - 576 80 48 014 - Winnie Houser Park		1,932.65
		101 - 576 80 48 016 - City Hall		14.65
12315 12/31/2021	Claims	2	196981 Universal Field Services, Inc.	35.02
		104 - 595 20 63 082 - RW Trail Road Extension		35.02
12316 12/31/2021	Claims	2	196982 Util Underground Loc Ctr	183.26
		401 - 535 80 41 000 - Professional Services		183.26
12317 12/31/2021	Claims	2	196983 Vac-Tank Western Svcs	555.00
		401 - 535 50 48 010 - Maintenance Of Lines		555.00 State St
12318 12/31/2021	Claims	2	196984 WA St Off of Treasurer	8,393.35
		001 - 558 60 49 020 - Filing/Recording Fees		2,245.50
		635 - 586 30 00 635 - State Court Fees Remittance		4,018.35
		635 - 589 30 04 635 - State Surcharge/Building Code		2,129.50
12319 12/31/2021	Claims	2	196985 Nathan Walsh	102.12
		401 - 535 80 49 010 - Misc-Dues/Subscriptions		102.12
12320 12/31/2021	Claims	2	196986 Weed, Graafstra & Assoc. Inc.	8,138.50
		PS		
		001 - 515 41 41 000 - Ext Legal-City Attorney		
				6,780.00
		001 - 515 45 41 000 - Legal - Litigation		8,073.90
		001 - 522 20 26 000 - Uniforms		3,583.65
		001 - 522 21 49 000 - Miscellaneous		4,490.25
12322 12/31/2021	Claims	2	196988 Carrie Weyand	102.12
		401 - 535 80 49 010 - Misc-Dues/Subscriptions		102.12
12323 12/31/2021	Claims	2	196989 Woods Acquisition Corp	175.64
		412 - 537 50 48 000 - Repairs/maint-equip		74.87 Unit 524
		412 - 537 50 48 000 - Repairs/maint-equip		46.52
		101 - 576 80 32 000 - Auto Fuel/Diesel		54.25
12324 12/31/2021	Claims	2	196990 World Kinect Energy Services,	6,525.81

CHECK REGISTER

City Of Sedro-Woolley

Time:

07:57:41 Date: 00/00/0000

12/31/2021 To: 12/31/2021

Page: 9

Trans	Date	Type	Acct #	Chk #	Amount	Memo
		001 - 518 20	32 000 - Auto Fuel		42.55	
		001 - 518 20	32 000 - Auto Fuel		44.55	
		001 - 521 20	32 000 - Auto Fuel		3,205.21	
		425 - 531 50	32 000 - Vehicle Fuel		94.82	
		425 - 531 50	32 000 - Vehicle Fuel		234.77	
		401 - 535 80	32 000 - Auto Fuel/Diesel		182.49	
		412 - 537 80	32 000 - Auto Fuel/Diesel		1,496.54	
		412 - 537 80	32 000 - Auto Fuel/Diesel		152.77	
		412 - 537 80	32 000 - Auto Fuel/Diesel		46.68	Unit 525
		103 - 542 30	32 000 - Auto Fuel/Diesel		329.17	
		103 - 542 30	32 000 - Auto Fuel/Diesel		168.66	
		101 - 576 80	32 000 - Auto Fuel/Diesel		527.60	
					<hr/>	
		001	Current Expense Fund		166,939.13	
		101	Parks & Facilities Fund		11,420.36	
		102	Cemetery Fund		517.11	
		103	Street Fund		14,143.37	
		104	Arterial Street Fund		27,643.76	
		106	Cemetery Endowment Fund		3.50	
		305	Library Construction Fund		86.75	
		401	Sewer Operations Fund		31,394.26	
		412	Solid Waste Operations Fund		101,095.61	
		425	Stormwater Operations		12,903.47	
		501	Equipment Replacement Fund		5,768.08	
		505	Public Works Facility Fund		17,089.78	
		635	Custodial Fund		6,385.85	
					<hr/>	
					Claims:	395,391.03
					* Transaction Has Mixed Revenue And Expense Accounts	395,391.03

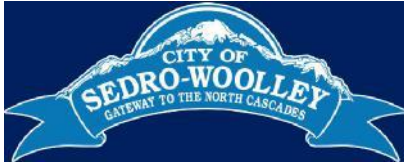
CERTIFICATION: I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment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

Finance Director Date

Finance Committee Member Date

Finance Committee Member Date

Finance Committee Member Date



Agenda
Item No.

Date: January 26, 2022
Subject: Electronic and Digital Signature Policy

FROM:

Debbie Burton, Finance Director

RECOMMENDED ACTION:

Approve Resolution 1085-22- Electronic and Digital Signature Policy

ISSUE:

Should the Council approve proposed electronic and digital signature policy?

BACKGROUND/SUMMARY INFORMATION:

State law has codified the authority to execute documents remotely. Streamlining processes that require wet signatures and replacing them with electronic signatures, when practicable, is consistent with the intent of State law to promote electronic transactions and remove barriers that might prevent the use of electronic transactions by governmental entities. By transitioning to a policy of executing documents remotely, the City will reduce its reliance on paper-based transactions and will further improve information security and sharing. Further, such transition will facilitate more efficient approval of and access to documents and reduce costs and environmental impact and continue to promote social distancing during the COVID-19 pandemic.

FISCAL IMPACT, IF APPROPRIATE:

N/A

ATTACHMENTS:

1. Resolution 1085-22 - Electronic and Digital Signature Policy
2. Electronic and Digital Signature Policy

RESOLUTION NO. 1085-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLEY, WASHINGTON, AUTHORIZING THE USE OF ELECTRONIC AND DIGITAL SIGNATURES IN THE CITY OF SEDRO-WOOLLEY; AND ADOPTING AN ELECTRONIC AND DIGITAL SIGNATURE POLICY.

WHEREAS, in Chapter 19.360 RCW, the Washington State Legislature, to the extent not already authorized by federal or state law, authorized electronic dealings for governmental affairs and established the implementation framework for electronic governmental affairs and governmental transactions; and

WHEREAS, in March 2020, through Engrossed Substitute Senate Bill 602\$ (“ESSB 6028”), the Washington State Legislature repealed Chapter 19.360 RCW and adopted the Uniform Electronic Transactions Act, which is intended to facilitate use of electronic transactions consistent with other applicable law, and to bring consistency to reasonable practices concerning electronic transactions and with the continued expansion of those practices; and

WHEREAS, ESSB 6028 took effect on June 1 1, 2020; and

WHEREAS, ESSB 6028 defines an “electronic signature” as “an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record”; and

WHEREAS, ESSB 6028 defines an “electronic record” as “a record created, generated, sent, communicated, received, or stored by electronic means”; and

WHEREAS, ESSB 6028 provides that “[a] record or signature may not be denied legal effect or enforceability solely because it is in electronic form; a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation; if a law requires a record to be in writing, an electronic record satisfies the law; and if a law requires a signature, an electronic signature satisfies the law”; and

WHEREAS, the method and process for electronic submissions and the use of electronic signatures must be established by ordinance, resolution, policy, or rule; and

WHEREAS, to promote social distancing during the COVID-19 pandemic, and to increase the effectiveness and efficiency of the City of Sedro-Woolley’s business processes, the City desires to leverage technology solutions which are in compliance with the Uniform Electronic Transactions Act to apply authenticated electronic signatures to legally enforceable electronic records as allowed by ESSB 6028.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEDRO_WOOLLEY, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The foregoing recitals are incorporated and fully made a part of this Resolution.

Section 2. The City Council finds it to be in the public interest to allow the use of electronic records and electronic signatures for City business to the fullest extent allowed by law.

Section 3. The City Council hereby adopts the Electronic and Digital Signature Policy attached hereto as Exhibit “A”.

Section 4. This resolution and policy shall take effect immediately.

APPROVED AND ADOPTED this ____ day of January, 2022.

Julia Johnson, Mayor

ATTEST:

Debbie Burton, Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

Title: Electronic and Digital Signature	Policy Number: 2022-1
Reference(s): RCW WA ESSB 6028 -- Uniform Electronic Transactions Act 15 U.S.C. Ch. 96 -- Electronic Signatures in Global and National Commerce Act WA Senate Bill 5641 -- Notary Laws RCW 42.45.280 -- Electronic Records Notary Public Proclamation 20-27, as amended or extended -- Proclamation Amending Electronic Notary Proclamation 20-05	Effective Date: Supersedes: None
Approved By: _____	Revised Date:

PURPOSE:

Providing an authentic and efficient process for the use of electronic and digital signatures

PHILOSOPHY:

The intent of this policy is to promote efficiency, conserve public resources, decrease the City's reliance on paper-based transactions, and streamline signature processes.

DEFINITIONS:

Electronic Signature: An electronic symbol applied to a document with the intent of having the symbol act as a signature.

Digital Signature: A type of electronic signature with increased certification and trust used for agreements between the City and parties outside the City and for agreements within the City as required by departments.

Record: Data that is imprinted on a document that can be retrieved in accordance with local agency retention, preservation, destruction, and disclosure policies.

Wet Signature: A signature created in person when the signer physically marks a document.

Notary: An individual with the authorization to execute specific legal formalities, such as witnessing signatures on documents.

Remote Notarization: A form of notarization where the signer appears before the notary at the time of notarization using audio-visual technology, as opposed to being in the room physically.

POLICY:

This policy provides guidelines for the use of electronic signatures and remote notarizations and will determine the scope of the City's use of electronic signature platforms and the video conferencing for recording notarization.

A. RESPONSIBILITIES

It is the responsibility of all City employees, elected officials and volunteers to ensure that they adhere to the electronic signature and remote notary policies outlined in this document to provide reasonable assurance of authenticity and accuracy when using electronic documents.

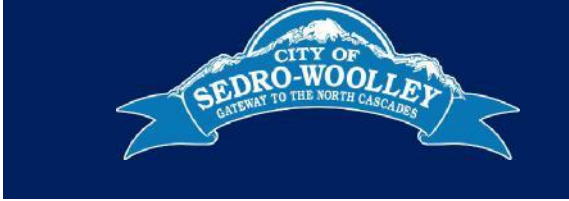
B. ELECTRONIC SIGNATURES

1. The City recognizes electronic signatures as legally binding and equivalent in nature to wet signatures.
2. The City authorizes the IT Director to select an electronic signature platform, to be utilized in applying digital signatures to City documents.
3. The digital signature platform is authorized to apply electronic signatures to any contracts and other documents to which the City is a party, including but not limited to the City Council or Committee actions or meeting minutes, resolutions and ordinances adopted or passed by the Council, and claim vouchers approved by the Council.
4. Electronic Digital signatures may be used on City records requiring execution by a third party.
5. Electronic signatures may be applied using other electronic signature tools, for documents such as internal documents.
6. Electronic Signatures may not be applied using another employee's name. Any employee or official applying an electronic signature shall use his or her own name.
7. This policy does not impact the use or legitimacy of wet signatures.
8. A limited number of individuals are permitted to route documents for signatures between the City and outside organizations. The Mayor or designee determines who may use this tool for signatures that bind the City.

C. REMOTE NOTARIZATION

1. The City recognizes remote notarization as legally binding and equivalent in nature to electronic notarization and physical notarization.
2. City authorizes the use of the remote notarization platform, in conjunction with an audio-visual platform to notarize City documents.
3. The remote notarization platform and the audio-visual platform, are authorized to remotely notarize any contracts to which the City is a party.
4. Per RCW 42.45.280, a remotely located individual must personally appear for the notarial act using communication technology and must be identified by the notary public using at least two forms of valid identification.
5. A notary public must have an electronic notary endorsement and remote online notary authority (RON) prior to performing remote notarial acts.
6. A notary public must retain an audio-visual recording of the notarial act as outlined in RCW 42.45.280.

0. Per WAC 308-30-220, the maximum fee that a notary may charge for witnessing or attesting to a signature, taking an acknowledgement or a verification upon oath or affirmation, certifying or attesting a copy, administering an oath or affirmation or certifying that an event has occurred or an act has been performed is \$10.
1. This policy does not impact the use or legitimacy of electronic or physical notarization.



City of Sedro-Woolley City Council Agenda Item

Agenda
Item No.

Date: January 26, 2022

Subject: 1st Read - Ordinance No. 2003-22
An amendment to SWMC Chapter
2.02 Mayor

FROM:

Charlie Bush, City Administrator

RECOMMENDED ACTION:

1st Read: A motion to adopt Ordinance No. 2003-22

ISSUE:

This agenda item is to present a proposed amendment to SWMC Chapter 2.02 to update the duties, roles, and powers of the office of Mayor.

BACKGROUND/SUMMARY INFORMATION:

SWMC Chapter 2.02 Mayor - Currently, Chapter 2.02 Mayor contains two sentences which only address setting the Mayor's salary. Absent are the narratives regarding the duties and authority functions of the office of the Mayor as established by RCW 35A.12.090. Exhibit A to Ordinance No. 2003-22 provides clarity as to the functions of the Mayor's role through use of the following categories:

2.02.010 Salary.

2.02.020 Powers and duties generally.

2.02.030 Appointment of appointive officers.

2.02.040 Oath, affidavit and signature powers.

2.02.050 Ordinance powers and duties.

2.02.060 Supervisory and administrative powers.

2.02.070 Investigative powers.

2.02.080 Meeting coordination duties

FISCAL IMPACT, IF APPROPRIATE:

There is no fiscal impact to this action.

ATTACHMENTS:

1. Ordinance No. 2003-22 An amendment to SWMC Chapter 2.02 Mayor
2. Ordinance No. 2003-22 Exhibit A

ORDINANCE NO. ____-22

**AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY AMENDING
CHAPTER 2.02 “MAYOR” OF THE SEDRO-WOOLLEY MUNICIPAL CODE
BY REPEALING AND REPLACING CHAPTER 2.02 “MAYOR”.**

WHEREAS, the Sedro-Woolley Administrative and Personnel Code has not been updated in many years; and

WHEREAS, the existing codes do not provide adequate and up to date descriptions of the roles of various roles within the City’s administration.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON DO HEREBY ORDAIN THAT:

SECTION 1.

Chapter 2.02 “Mayor” of the Sedro-Woolley Municipal Code is repealed in its entirety and replaced with Chapter 2.02 “Mayor” as outlined in Exhibit A, hereto attached.

SECTION 2.

If any section, sentence, clause, or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any section, sentence, clause, or phrase of this Ordinance.

SECTION 3.

Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after publication.

Passed by the City Council of the City of Sedro-Woolley this 26th day of January, 2022.

Approved by the Mayor of the City of Sedro-Woolley this 26th day of January, 2022.

Julia Johnson, Mayor

ATTEST/AUTHENTICATED

Debbie Burton, Finance Director

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

EXHIBIT “A”
Chapter 2.02 Mayor

- 2.02.010** Salary.
- 2.02.020** Powers and duties generally.
- 2.02.030** Appointment of appointive officers.
- 2.02.040** Oath, affidavit and signature powers.
- 2.02.050** Ordinance powers and duties.
- 2.02.060** Supervisory and administrative powers.
- 2.02.070** Investigative powers.
- 2.02.080** Meeting coordination duties

For statutory provision on the duties and authority of the mayor of a code city, see RCW 35A.12.100; for provisions on appointment and removal of officers, see RCW 35A.12.090; for provisions on code city budgets, see Ch. 35A.33 RCW.

2.02.010 Salary.

The salaries for the mayor shall be as established by the salary commission as set forth in Chapter 2.41 - Salary Commission.

2.02.020 Powers and duties generally.

A. The mayor shall be the chief executive of the city, in charge of all departments and employees, with authority to designate assistants and department heads, officers, and employees, and to enter into employment contracts with such individuals, and to appoint and remove members of various city boards and commissions, subject to the provisions of any applicable state law, ordinance or regulation, including the classified civil service and subject to confirmation by the council, where required, in the case of any members of boards and commissions. Council confirmation shall be required for the appointment of all department heads. The mayor may appoint and remove an executive assistant to the mayor, if so provided by ordinance or charter.

B. The mayor shall see that all laws and ordinances are faithfully enforced and that law and order is maintained in the city, and shall have general supervision of the administration of city government and all city interests.

C. The mayor shall also be authorized to negotiate the terms of and/or award contracts falling within the scope of the mayor’s authority pursuant to SWMC 3.76.010, as it currently exists or as it may be amended hereafter. Contracts that fall within the scope of the mayor’s authority pursuant to SWMC 3.76.010 may, but are not required to be, taken to the city council for approval as a part of the city council consent agenda or may, but are not required to be, taken to the city council for information. All official bonds and bonds of contractors with the city shall be submitted to the mayor or such person as the mayor may designate for approval or disapproval. The mayor shall see that all contracts and agreements made with the city or for its

use and benefit are faithfully kept and performed, and to this end the mayor may cause any legal proceedings to be instituted and prosecuted in the name of the city, subject to approval by majority vote of the council. The mayor shall also be authorized to negotiate agreements and execute all documents necessary to complete the acquisition of real property and the relocation of inhabitants required to complete city projects falling within the scope of the mayor's authority.

D. The mayor shall preside over all meetings of the city council, when present, but shall have a vote only in the case of a tie in the votes of the council members and only with respect to matters other than the passage of any ordinance, grant or revocation of franchise or license, or any resolution for the payment of money.

E. The mayor shall report to the council concerning the affairs of the city and its financial and other needs, and shall make recommendations for council consideration and action.

F. The mayor shall prepare and submit to the council a proposed budget, as required by Chapter 35A.33 RCW and to keep the council fully advised of the financial condition of the city and its future needs.

G. The mayor shall have the power to veto ordinances passed by the council and submitted to the mayor as provided in RCW 35A.12.130, but such veto may be overridden by the vote of a majority of all council members plus one more vote.

H. The mayor shall be the official and ceremonial head of the city and shall represent the city on ceremonial occasions, except that when illness or other duties prevent the mayor's attendance at an official function and no mayor pro tem has been appointed by the council, a member of the council or some other suitable person may be designated by the mayor to represent the city on such occasion.

2.02.030 Appointment of appointive officers.

A. The mayor shall appoint, and at their pleasure may remove, all city appointive officers, subject to the provisions of any applicable law, rule or regulation pertaining to civil service, state law or city ordinances. This appointive authority applies to acting, interim and permanent appointive officers of those departments and divisions listed in this title.

B. The mayor shall also have the authority to make temporary assignments of positions, including but not limited to deputy police chief, or equivalent positions.

C. It is provided, however, that appointment or termination of the city attorney shall be subject to confirmation by a majority of the members of the city council.

2.02.040 Oath, affidavit and signature powers.

The mayor and the mayor pro tem shall have power to administer oaths and affirmations, take affidavits and certify them. The mayor, or the mayor pro tem when acting as mayor, shall sign all conveyances made by the city and all instruments which require the city seal.

2.02.050 Ordinance powers and duties.

Every ordinance which passes the council, in order to become valid, must be presented to the mayor. If the mayor approves it the mayor shall sign it, but if not, the mayor shall return it with written objections to be entered at large upon the journal and proceed to a reconsideration

thereof. If, upon reconsideration, five members of the council voting upon a call of yeas and nays favor its passage, the ordinance shall become valid notwithstanding the mayor's veto. If the mayor fails for 10 days to either approve or veto an ordinance, it shall become valid without mayoral approval.

2.02.060 Supervisory and administrative powers.

The mayor shall have general supervision over the several departments of the city government and over all its interests. Except as otherwise provided for by ordinance or state law, city administrative officers shall be responsible to the mayor for the efficient and economical conduct of their respective departments and offices. Where necessary the mayor will initiate programs designed to bring work up to proper standards and levels of performance. The mayor shall also have general administrative authority provided by state statutes, city ordinances and as not in conflict with state law.

2.02.070 Investigative powers.

The mayor shall have the power to investigate and to examine or inquire into the affairs or operation of any city department, division, bureau or office; and when so authorized by the council, the mayor shall have power to employ consultants and professional counsel to aid in such investigations, examinations or inquiries if money has been budgeted therefor in the year in which they are employed or if an emergency ordinance has appropriated the necessary funds for such personnel.

2.02.080 Meeting coordination duties.

The mayor or the mayor's designee shall be responsible for the preparation of agendas for the meetings of the council and of the various boards, commissions and committees of the city, and for including in those agendas the items and issues forwarded by the city council and/or or by the ad hoc committees designated to act on behalf of the city council, and for including in those agendas the items and issues proposed by the mayor and city administration, for consideration by the council. The mayor or the mayor's designee shall also be responsible for publishing notices for meetings and for public hearings for the meetings of the council and the various boards, commissions and committees of the city, and for setting the dates and times for said public hearings, except in those instances when setting dates and times for public hearings is required by statute to be done through council resolution.



Agenda
Item No.
Date: January 26, 2022
Subject: 1st Read - Appoint Members to the
Salary Commission

FROM:

Debbie Burton, Finance Director

RECOMMENDED ACTION:

1st Read - Confirm Mayors appointments to the Salary Commission

ISSUE:

Should the Council confirm Mayors recommended Salary Commission members?

BACKGROUND/SUMMARY INFORMATION:

On November 10, 2021 the City Council adopted Ordinance 1995-21 establishing a salary commission to review and set the salaries of elected officials. The Mayor is recommending the following to serve on the commission:

Phil Brockman, Retired, Former Superintendent of the SWSD

Tim Lehr, Attorney and partner in Stiles/Lehr Law Firm

Rebecca Skrinde, Executive Director of Helping Hands Food Bank and Solution Center

Fred Osterhaut, Owner and Manager of Eastwood Plumbing

Becky Taft, Branch Manager at Banner Bank

The six year terms will begin on April 1st and end on March 31st. The initial members of the salary commission will be appointed for staggered terms as follows: (a) two members for a period of six years; (b) two members for a period of five years; (c) one member for a period of four years. Initial member terms will be determined at the first meeting of the commission.

FISCAL IMPACT, IF APPROPRIATE:

Budgeted salaries of elected officials may change based on the commissions recommendations.

ATTACHMENTS:

1. Ordinance 1995-21 Salary Commission

ORDINANCE NO. 1995-21

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY AMENDING THE SEDRO-WOOLLEY MUNICIPAL CODE TO ADD AN INDEPENDENT SALARY COMMISSION UNDER TITLE 2 – ADMINISTRATION AND PERSONNEL AS CHAPTER 2.41 – SALARY COMMISSION.

WHEREAS, the City Council has expressed interest in creating a salary commission to review and set the salaries of elected officials; and

WHEREAS, RCW 35.21.015 provides authority for cities to create salary commissions; and

WHEREAS, the Sedro-Woolley Municipal Code does not yet contain a process for the appointment and administration of a salary commission.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON DO HEREBY ORDAIN THAT:

SECTION 1. – Title 2 Amended

There is hereby added a new Chapter 2.41 to the Sedro-Woolley Municipal Code which shall have the title and sections listed in Exhibit A.

SECTION 2. - Severability

If any section, sentence, clause, or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any section, sentence, clause, or phrase of this Ordinance.

SECTION 3. – Effective Date

This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after publication.

Passed by the City Council of the City of Sedro-Woolley this ____ day of _____, 2021.
Approved by the Mayor of the City of Sedro-Woolley this ____ day of _____, 2021.

Julia Johnson, Mayor

ATTEST/AUTHENTICATED

Debbie Burton, Finance Director

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

EXHIBIT A

TITLE 2 ADMINISTRATION AND PERSONNEL

Chapter 2.41 – SALARY COMMISSION

Sections:

- 2.41.005 Purpose.
- 2.41.010 Created – Membership, appointment, compensation, term.
- 2.41.020 Vacancies.
- 2.41.030 Removal.
- 2.41.040 Duties.
- 2.41.050 Referendum.

2.41.005 Purpose.

The purpose of this chapter is to utilize [RCW 35.21.015](#) which authorizes the city to establish through ordinance an independent salary commission given authority to set the salary of the members of City Council and of other elected city officials, and provides that the commission's action fixing such salaries shall supersede any provision in a city ordinance related to fixing salaries.

2.41.010 Created – Membership, appointment, compensation, term.

- (1) There is created a salary commission for the city. The commission shall consist of five members, to be appointed by the mayor with the approval of the city council.
- (2) Not less than three shall be residents of Sedro-Woolley, the other two may be owners of business located within the city.
- (3) A member of the commission shall serve for a six-year term without compensation. The initial members shall be appointed for staggered terms.
- (4) Three members of such commission shall constitute a quorum and the vote of any three members of such commission concurring shall be sufficient for the decisions of all matters and the transaction of all business.
- (5) A member of the commission shall not be an officer, official, or employee of the city or an immediate family member of an officer, official, or employee of the city. For purposes of this section, "immediate family members" means the parents, spouse, siblings, children, or dependent relatives of an officer, official, or employee of the city, whether or not living in the household of the officer, official, or employee.

2.41.020 Vacancies.

In the event of a vacant spot in office of commissioner, the mayor shall appoint, subject to the city council's approval, a person to serve the unexpired portion of the term of the expired position.

2.41.030 Removal.

A member of the commission shall only be removed from office for cause of incapacity, incompetence, neglect of duty, or malfeasance in office, or for a disqualifying change of residence.

2.41.040 Duties.

(1) The independent salary commission shall have the duty, at such intervals as determined by the commission, to review the salaries paid by the city to each elected city official. If after such review the commission determines that the salary of any elected official should be increased or decreased, the commission shall file a written salary schedule with the city clerk indicating the increase or decrease in salary.

(2) Any increase or decrease in salary established by the commission shall become effective and incorporated into the city budget without further action of the city council or the commission.

(3) Salary increases established by the commission shall be effective as to all city elected officials, regardless of their terms of office.

(4) Salary decreases established by the commission shall become effective as to incumbent city elected officials at the commencement of their next subsequent terms of office. Article XI Section 8 of the State Constitution prohibits salary decreases during the current term.

2.41.050 Referendum.

Any salary increase or decreases established by the independent salary commission pursuant to this chapter shall be subject to referendum petition by voters of the city, in the same manner as a city ordinance, upon filing of a referendum petition with the city clerk within 30 days after filing of a salary schedule by the commission. In the event of the filing of a valid referendum petition, the salary increase or decrease shall not go into effect until approved by a vote of the people. Referendum measures under this section shall be submitted to the voters of the city at the next following general or municipal election occurring 30 or more days after the petition is filed, and shall otherwise be governed by the provisions of the State Constitution and the laws generally applicable to referendum measures.



Agenda Item No. _____

Date: January 26, 2022

Subject: Building Permit and Planning Permit
Review Status

FROM:

John Coleman, AICP, Planning Director

RECOMMENDED ACTION:

Review only

ISSUE:

This status sheet shows the active Building and Planning permits. This information is being provided for your review and no action is required.

Please let me know if you have any questions.

ATTACHMENTS:

1. Permit Tracking Data

APPLIED BUILDING PERMITS

X = COMPLETE R = REVISIONS RECEIVED

W = WAITING FOR RESPONSE

NO ENTRY = INITIAL REVIEW NOT COMPLETE

APPL. DATE	PERMIT #	NAME	ADDRESS		REVIEW		COMMENTS	house sign ordered
			PARCEL #	BLDG	PLNG	ENGR		
1/28/2021	2021-062	BYK Construction	820 Trail Road	X	R		New Mixed Use Bldg. Submitted new drawings 7/19/21. Contact Paul about 6" parapets.	x
3/19/2021	2021-124	BYK Construction	100 State Street	W	W		Mixed use above existing grocery store	
10/4/2021	2021-426	Cook Road Apartments	711 Cook Road Bldg. 1	W	W		New 4-Plex	x
10/4/2021	2021-425	Cook Road Apartments	713 Cook Road Bldg. 2	W	W		New 4-Plex	x
10/4/2021	2021-424	Cook Road Apartments	715 Cook Road Bldg. 3	W	W		New 4-Plex	x
10/4/2021	2021-423	Cook Road Apartments	717 Cook Road Bldg. 4	W	W		New 4-Plex	x
10/4/2021	2021-422	Cook Road Apartments	720 Cook road Bldg. 5	W	W		New 4-Plex	x
10/4/2021	2021-421	Cook Road Apartments	723 Cook Road Bldg. 6	W	W		New 4-Plex	x
10/4/2021	2021-420	Cook Road Apartments	725 Cook Road Bldg. 7	W	W		New 4-Plex	x
11/22/2021	2021-498	Brickyard Park LLC	741 Parkland Loop	X	X		New Single Family Residence. Approved, waiting for applicant to pick up permit	x
11/22/2021	2021-499	Brickyard Park LLC	739 Parkland Loop		W		New Single Family Residence. Needs gable window on east. Needs dressing up on south side.	x
12/3/2021	2021-509	Skagit Design	1222 Independence BLVD	W	X		New Single Family	x
12/3/2021	2021-515	BYK Construction	753 Parkland Loop		X		New Single Family	x
12/8/2021	2021-523	BYK Construction	755 Parkland Loop	X	X		New Single Family	x
12/17/2021	2021-539	BYK Construction	118 N Trail Road		X		New Single Family	x
12/17/2021	2021-518	BYK Construction	120 N Trail Road		X		New Single Family	x
12/17/2021	2021-540	BYK Construction	124 N Trail Road		X		New Single Family	x
12/17/2021	2021-401	BYK Construction	710 Parkland Loop		X		New Single Family	x
12/17/2021	2021-541	BYK Construction	707 Parkland Loop		X		New Single Family	x
12/17/2021	2021-542	BYK Construction	712 & 714 Parkland Loop		X		New Duplex.	x
1/12/2022	2022-007	BYK Construction	126 N Trail Road		X		New Single Family	x
1/12/2022	2022-008	BYK Construction	128 N Trail Road				New Single Family	x
1/12/2022	2022-009	BYK Construction	130 N Trail Road				New Single Family	x
1/14/2022	2022-010	BYK Construction	132 N Trail Road				New Single Family	

APPLIED PLANNING/ ENGINEERING PERMITS

X = COMPLETE

R = REVISIONS RECEIVED

W = WAITING FOR RESPONSE

NO ENTRY = INTIAL REVIEW NOT COMPLETE

W/R = Waiting for Comment period to end

APPL. RECEIVED	APPL. COMPLET	PERMIT #	NAME	ADDRESS/ PARCEL #	REVIEW		COMMENTS
					PLNG	ENGR	
6/8/2017	6/12/2017	2017-181	Josh Anderson	564 Cook and 530 Cook BLA	W	X	BLA Paid 6-12-17. sent review letter 6-16-17.
2/14/2019		2019-042	Double Barrel BBQ-Jim Lee	108 West Moore St	W	NA	Waiver. PAID. Sent review letter 3-15-19. Needs a site plan
7/1/2019	7/11/2019	2019-183	AA Spruce Investments LLC	201 Garden of Eden Rd	X	X	Short plat application for 4 Lots, 6 units. Preliminary short plat approval issued 1/22/21. Approval expires 1/21/24. Applicant may submit civil plans and building permits. Waiting for applicant to complete site work and request final plat approval.
10/10/2019	10/15/2019	2019-370	BYK Construction	100 State Street	W	NA	BLA, Sent Review Letter 1/2/20. Planning comment letter sent 7/29/20
10/11/2019	3/12/2020	2019-375	RJ Group	N. Township to Portobello Avenue	W	W	201- lot PRD located between Portobello Ave and N Township St. SEPA MDNS with comment period issued 5/18/20, comment period over 6/1/20, new materials requested 6/30/20, materials received 8/5/20. Third Party wetland review report received 9/10/20, Planning comments (including report) sent 9/15/20. Waiting on revisions from applicant.
4/9/2020	4/21/2020	2020-096	Lindboom Construction	709 W Jones Rd	X	X	Short Plat application for a 4 lot, 6 unit subdivision. Two lots are duplex lots. Preliminary plat approval issued 11-30-21. Approval expires 11-29-24. Applicant may submit civil plans and building permits. Waiting for applicant to complete site work and request final plat approval.
12/11/2020		2020-352	Ginger Pennington	Parcel # P113969	X	X	Conditional Use Permit for a multi-family development in the industrial zone. Notice of Decision (approved with conditions) issued 12-2821. Applicant may submit civil plans and building permits. Approval expires 12-27-26. Waiting for applicant to complete site work and request final plat approval.
1/29/2021	1/29/2021	2021-065	Seth and Sam Stakkeland	863 Cook Road	W	X	BLA to eliminate a boundary line and combine two residential 15 parcels to allow for a multi-family development. Approved 1-12-22 and taken for recording same day.Waiting for applicant to record BLA documents.

2/10/2021		ADU-2021-078	Christina and Derek Schmidt	826 Jameson Street	W	NA	ADU Application. Converting existing garge into an ADU. Application fees paid. Planning review letter sent 4/2/21.
2/4/2021	2/22/2021	2021-067	Sarah Bucko	F&S Grade Road through to Cook Roa	W	W	Long plat application for 65 new residential lots. DA final approved 1-12-22. HEX Public hearing 112-22. Awaiting HEX Recommendation.
3/4/2021	4/30/2021	2021-109	Bob Ruby	1288 N. Fruitdale Road	W	W	Long plat and PRD application for a 95 lot PRD at golf course. Letter of complete app sent 4/30/21. Third party wetland review required significant wetland study to be done. Awaiting applicant's revised wetland study.
5/5/2021	5/5/2021	2021194	Jack Moore	402 Burrows Lane	R	NA	BLA - Revisions requested 5/5/21. Revised materials received 1/12/22.
7/9/2021	7/9/2021	2021-303	Renee Strouf (Davis)	735 Jameson Street	W	NA	Boundary line adjustment. Sent review comments via email 7-23-21 JC.
1/19/2022	1/19/2022	2022-016	Monte Petersen	528 F & S Grade Rd.			Short plat application for 4 lots, 4 units.



Agenda
Item No.
Date:
Subject:

January 26, 2022

2020 Audit Results

FROM:

Debbie Burton

RECOMMENDED ACTION:

N/A

ISSUE:

N/A

BACKGROUND/SUMMARY INFORMATION:

N/A

FISCAL IMPACT, IF APPROPRIATE:

N/A

ATTACHMENTS:

1. Audit Report for 2020



Exit Conference: City of Sedro-Woolley

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Financial statement for January 1, 2020 through December 31, 2020 – see draft report.

Audit Highlights

As the current health pandemic continues we again performed the majority of the audit remotely. We greatly appreciate the City's collaboration and communication as we navigated the best ways to approach the necessary audit procedures with the health and safety of everyone in mind.

Communications required by audit standards

In relation to our financial statement audit report, we would like to bring to your attention:

- There were no material misstatements in the financial statements corrected by management during the audit.
- Uncorrected misstatements in the audited financial statements are listed below. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.

Fund Resources and Uses Arising from Cash Transactions.	<p>The City accumulates money for future asset purchases from various funds and reports them as transfers into internal service funds, then when assets are purchased recognizes the purchase in the internal service fund. However, since the purchased asset is owned by the original enterprise or capital purchase fund the expense should be recorded there.</p> <p>There is no impact on the City's ending cash balance but this difference in reporting approach results two overstatements in Fund 501: transfer activity of \$1,031,000 and capital expenditures of \$722,498.</p>
---	---

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations received from management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$8,000 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2022 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement

The estimated cost for the next audit based on current rates is \$37,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

These estimates are based on timely access to financial information and no significant audit reporting issues. The estimated cost and completion date may change if unforeseen issues arise or if significant audit issues are identified necessitating additional audit work.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, Kelly.Collins@sao.wa.gov

Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6411 Tina.Watkins@sao.wa.gov

Deena Garza, Audit Manager (360) 676-2165 or Deena.Garza@sao.wa.gov

Scott Hylton, CPA, Audit Lead (360) 676-2165 or Scott.Hylton@sao.wa.gov

Shana Grove, Audit Lead (360) 594-0607 or Shana.Grove@sao.wa.gov



Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Financial Statements Audit Report

City of Sedro-Woolley

For the period January 1, 2020 through December 31, 2020

Published (Inserted by OS)

Report No. 1029769



Find out what's new at SAO
by scanning this code with
your smartphone's camera



**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Council
City of Sedro-Woolley
Sedro Woolley, Washington

Report on Financial Statements

Please find attached our report on the City of Sedro-Woolley's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....4

Independent Auditor's Report on the Financial Statements 6

Financial Section 9

About the State Auditor's Office 10

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Sedro-Woolley January 1, 2020 through December 31, 2020

Council
City of Sedro-Woolley
Sedro Woolley, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Sedro-Woolley, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 19, 2022.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As discussed in Note 8 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

January 19, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

City of Sedro-Woolley January 1, 2020 through December 31, 2020

Council
City of Sedro-Woolley
Sedro Woolley, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Sedro-Woolley, for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Sedro-Woolley has prepared these financial statements to meet the financial reporting requirements of state law using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Sedro-Woolley, and its changes in cash and investments, for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Sedro-Woolley, as of December 31, 2020, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Matters of Emphasis

As discussed in Note 8 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

January 19, 2022

FINANCIAL SECTION

City of Sedro-Woolley January 1, 2020 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2020
Notes to Financial Statements – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

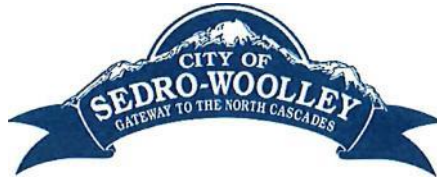
We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov



**City of Sedro-Woolley
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661**

January 19, 2022

Office of the Washington State Auditor
11 Bellwether Way, Suite 211
Bellingham, WA 98225

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of the City of Sedro-Woolley for the period from January 1, 2020 through December 31, 2020. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available all relevant and requested information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.

- . Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
 - a. Related party relationships and transactions.
 - b. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
- 2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
- 3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
- 4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
- 6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
- 7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
- 8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
- 9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records, notwithstanding immaterial uncorrected items referenced below.

Additional representations related to the financial statements:

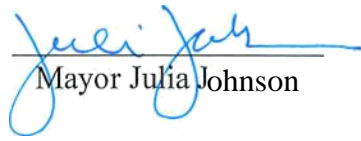
- 10. We acknowledge our responsibility for fair presentation of the financial statements and believe financial statements are fairly presented in accordance with the *Budgeting, Accounting and Reporting Standards Manual* (BARS Manual), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
- 11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.

12. The financial statements properly classify all funds and activities.
13. Revenues are appropriately classified by fund and account in accordance with the BARS Manual.
14. Expenses are appropriately classified by fund and account, and allocations have been made on a reasonable basis.
15. Ending cash and investments are properly classified as nonspendable, restricted, committed, assigned, and unassigned.
16. Significant assumptions we used in making accounting estimates are reasonable.
17. The following have been properly classified, reported and disclosed in the financial statements. as applicable:
 - a. Interfund, internal, and intra-entity activity and balances.
 - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - c. Joint ventures and other related organizations.
 - d. Guarantees under which the government is contingently liable.
 - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
 - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements and other loss contingencies.
18. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
19. We acknowledge our responsibility to include all necessary and applicable disclosures required by the BARS Manual, including:
 - a. Description of the basis of accounting, summary of significant accounting policies and how this differs from Generally Accepted Accounting Principles (GAAP).
 - b. Disclosures similar to those required by GAAP to the extent they are applicable to items reported in the financial statements.
 - c. Any additional disclosures beyond those specifically required by the BARS Manual that may be necessary for the statements to be fairly presented.

20. We acknowledge our responsibility for reporting supplementary information the Schedule of Liabilities in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
21. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
22. We believe the effects of uncorrected financial statement misstatements summarized below are not material, both individually and in the aggregate, to the financial statements taken as a whole.

Fund Resources and Uses Arising from Cash Transactions.	<p>The City accumulates money for future asset purchases from various funds and reports them as transfers into internal service funds, then when assets are purchased recognizes the purchase in the internal service fund. However, since the purchased asset is owned by the original enterprise or capital purchase fund the expense should be recorded there.</p> <p>There is no impact on the City's ending cash balance but this difference in reporting approach results two overstatements in Fund 501: transfer activity of \$1,031,000 and capital expenditures of \$722,498.</p>
---	---

23. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.
24. We considered the qualifications of the WA Office of the State Actuary (OSA) to create an electronic tool for determining the City's liability for LEOFF 1 other post-employment benefits (OPEB) under the GASB 75 alternative method and agree with the results of the electronic tool, which are reflected in financial statement amounts and disclosures. In using the tool, we input correct and complete information into the electronic spreadsheet, and did not enter any inaccurate information with respect to the amounts or assumptions, or modify cells in the OSA spreadsheet, in an attempt to change the outcome of the calculation. Further, we are not aware of any other external matters that would have had an impact on the appropriateness of using the alternative method or assumptions used by the OSA's tool. We confirm that we are a LEOFF 1 employer and we had fewer than 100 plan members (active and retired) as of the beginning of the reporting period and are, therefore, eligible to use the tool.



Mayor Julia Johnson



Finance Director Debbie Burton