MEETING MINUTES FOR WORKSHOP & REGULAR COUNCIL MEETING

Council Chambers – 1300 First Street

September 16, 2026 at 7:00 PM

FLAG SALUTE - PLEDGE OF ALLEGIANCE

CALL TO ORDER - ROLL CALL

Mayor Springer calls the meeting to order; Councilmember Skinner takes Roll Call.

PRESENT: Councilmember Kim Skinner, Councilmember Jeremy Winn, Councilmember Justin Spargo Councilmember Steve Davis, Councilmember Sue Darcy

APPROVAL OF AGENDA

Councilmember Darcy moves to approve the agenda; Councilmember Skinner seconded.
Motion passed unanimously.

CONSENT AGENDA

Councilmember Skinner moves to approve the consent agenda; Councilmember Darcy seconded.
Motion passes

COUNCIL COMMENTS – No comments.

COMMITTEE REPORTS

Auditing & Finance – Councilmember Darcy states no meeting but will be scheduling one next week. Vouchers were reviewed.

Parks – Councilmember Winn states the meeting was cancelled due to illness; he then refers to Mayor Springer to speak on Volunteers who continue taking care of our parks. She speaks on each of the volunteers and what parks they have upkept, giving thanks and appreciation. Information about the Mill Creek Park Clean-up coming up on September 20th at 5pm. Councilmember Winn adds that the Parks Committee is continuing to work on the Comprehensive Parks Plan.

Public Safety – Councilmember Davis reports that the police chief stated our emergency calls are trending downward at the moment, the volume of traffic that travels through Cosmopolis daily, and possible traffic issues within the City if/when the bluff in Aberdeen has back-ups or other issues.

Public Works – Councilmember Darcy states PW is ramping up for the Fall season, gives reminder to citizens to rake up leaves that have fallen from their trees. Keep the storm drains clear of debris. Hydro-flushing begins in October, with Rural Water coming out to help with that project. The cemetery building has been painted and repaired with some trouble trees on the grounds needing to get quoted on pricing to have them removed before any damage occurs.

CITY OFFICIAL REPORTS

City Administrator – Jon Martin begins with appreciation to be part of the team. He speaks on the time constraints that staff encounter with many open items to be addressed. There has been a job offer for the Deputy Clerk position, unfortunately their current place of employment counter offered, and she decided to stay there, so interviews will begin again next Tuesday. One of the main time constraints in the office lately has been Public Records Requests, he spoke on ideas that can aid in this and moving forward to make this process easier. He touches on the Policy Handbook and updates that need to be made. Looking into engineering consulting companies, as this is a usual addition most cities have and would benefit Cosmopolis. He shares support of the Street Tree Plan Ordinance on the Agenda tonight, as well as being excited to be part of the Planning Commission meetings moving forward. This month's meeting was cancelled due to attendance, with next meeting planned for October 12th.

Police Chief Report – Chief Green reports of the bears in the community and the importance of not feeding them. With multiple reports of a female bear with two cubs seen on the Lions Club trail going towards Stevens Elementary school. Volunteers continue putting in hours patrolling the streets and he encourages anyone wanting to get involved to reach out to Aberdeen. Informs of lock-box program available for citizens so emergency medical services or police can securely enter a home during an emergency without forcing the door or breaking a window, more information can be located at the Aberdeen Police Department.

Fire Chief Report – Councilmember Skinner reads Chief McAbee's report as she was unavailable to attend the meeting. There have been 246 calls for service in 2026 so far, with 31 calls since the last Council Meeting. Two members have completed the Fire 2 Academy and are now Firefighter 2 status. CPR class opportunities will be coming soon for citizens, so watch for more information on that. In the process of interviewing and on-boarding 4 new volunteer applicants with 2 new volunteers already added. Station maintenance is continuing with great thanks for the generous donations that have made this possible.

MAYOR'S REPORT – Mayor Springer gives a brief report on the success of this year's Festival in the Park with all the new additions this year. Thankful for the involvement of Engine Company No. 1 – Dennis York Historical Fire Museum. Mill Creek Park Clean-up on September 20th, all are invited to get the park ready for Fall. Enjoy a potluck dinner at the end. Speaks of the EMS fee increase that she understands was a shock for citizens, gives further explanation for anyone who did not attend previous meetings/workshops. She talks about sidewalks in the City and plans moving forward to get certain problem areas repaired, hopeful for Grant funding in 2027. Public Works have been working on the maintenance at the retention pond up near Paisley Creek – as well as upcoming maintenance on Mill Creek Drive, more information to come for the closure for this work.

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NEW BUSINESS DISCUSSION

1. **Preliminary Revenue Estimates; 2027 General Fund –** CPA, Tara Dunford gives her report on the Preliminary Revenue Estimates for 2027 General Fund. (*Full report packet available under "Agenda Packet" on City Website)*
   Discussion: Councilmember Darcy questions if there is a report showing how much unpaid Property Taxes are owed in Cosmopolis; Tara states she can reach out to the County to request that. She also asks City Administrator Martin about garbage service within the city and how the city tracks who does/does not have service as well as Building Permit's and tracking around that. He responds these are both being worked on internally and will get that data for her.
2. **Library Levy Lid Lift; Timberland Regional Library –** Ariana Scott with Yes for Libraries gives her presentation on information for the Library Levy Lid Lift that will be voted on in November.
3. **Public Hearing for Resolution 2026-03; Transportation Improvement Plan (TIP) 2027-2033 –** Mayor Springer suspends the regular Council Meeting and opens the Public Hearing. This resolution adopts the Six-year Street Plan based on recommendations of the Cosmopolis Planning Commission, as required annually under RCW 35.77 and will supersede Resolution No. 2025-13. Admin Martin states no written comments have been received, Mayor Springer closes the Public Hearing – Resumes regular Council Meeting.
4. **Ordinance No. 1407 – Street Tree Plan –** Councilmember Winn gives quick overview of this Ordinance with what it currently says and what this Ordinance will update. Basically, giving authority to develop a plan to protect infrastructure and give guidelines on safe trees to plant in the parking strip areas/sidewalks. Councilmember Darcy questions about guidelines and are those needed before approving this Ordinance, Councilmember Winn clarifies this is just allowing the City the authority to create these guidelines to prevent unnecessary and timely maintenance for the Public Works department. Further discussion amongst Council, City Administrator and Mayor Springer.
5. **Ordinance No. 1408 – Change in Parking for Special Events** – Administrator Martin gives information on the need for temporary parking changes for special events in the city. With an upcoming cross-country meet this has brought the need for the addition to the code, as most cities have something similar already in place. Mayor Springer gives details of parking plans for this specific event. Councilmember Winn questions if there has been any movement on policies for Food Trucks within Cosmopolis, Mayor Springer states she will look into that.

PUBLIC COMMENTS – One citizen stated he does not agree with the Special Parking including Bell Drive, that for these types of events they should be advised to park along Stanford Drive as this is what has been done historically.

NEW BUSINESS – Council Action

1. **Vote to Approve Resolution 2026-03; Transportation Improvement Plan (TIP) 2027-2033 –** Councilmember Spargo moves to Approve Resolution 2026-03 Transportation Improvement Plan 2027-2033; Councilmember Darcy seconded.
   No discussion; motion passed unanimously.
2. **Vote to Approve Ordinance 1407 – Street Tree Plan –** Councilmember Davis moves to Approve Ordinance 1407 – Street Tree Plan; Councilmember Skinner seconded.
   No discussion; motion passed unanimously.

3. **Vote to Approve Ordinance 1408 – Parking for Special Events –** Councilmember Davis moves to Approve Ordinance 1408 – Parking for Special events; Councilmember Winn seconded.
   Discussion: Councilmember Winn adds this will be just as easy to vote out as it is to vote in if to many issues arise.
   Ayes; 4
   Nay; 1
   Motion passed

PUBLIC COMMENTS – One citizen spoke on feral cats in the city, with more litters being born constantly. He shares concerns for the cats themselves. Mayor Springer and Chief Green give information for Animal Control.

COUNCIL COMMENTS – Councilmember Davis commented on his previously spoken about request of creating a Policy Committee, he requests this be added to next month's Agenda for discussion.

Councilmember Darcy moves to Adjourn the meeting; Councilmember Spargo seconded.

Meeting adjourned at 8:51PM.

Meeting recording available at www.cosmopoliswa.gov

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FRANCHISE

Between

CITY OF COSMOPOLIS, WASHINGTON

and

COAST COMMUNICATIONS COMPANY

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CABLE TELEVISION SYSTEM FRANCHISE

This Cable Television System Franchise ("Franchise") is entered into this _____ day of, 2026, by and between **CITY OF COSMOPOLIS, WASHINGTON** ("City of Cosmopolis"), and **COAST COMMUNICATIONS COMPANY** ("Grantee").

WHEREAS, the City of Cosmopolis is authorized to grant one or more nonexclusive Franchises to construct, operate and maintain a cable television system within the municipal boundaries of the City of Cosmopolis; and

WHEREAS, the City of Cosmopolis has considered the financial condition, technical ability and legal qualifications of Grantee; and

WHEREAS, the City of Cosmopolis, after such consideration, analysis and deliberation as are required by applicable law, has approved and found sufficient the financial, technical and legal qualifications of Grantee to provide cable television service within the City of Cosmopolis; and

WHEREAS, the Grantee is willing to accept this Franchise subject to such terms and conditions, and to abide by those terms and conditions; and

WHEREAS, the public has had adequate notice and opportunity to comment on Grantee's application to provide cable television service within the City of Cosmopolis;

NOW, THEREFORE, in consideration of the mutual promises made herein, the receipt and the adequacy of which is hereby acknowledged, the City of Cosmopolis and Grantee do hereby agree as follows:

SECTION 1. DEFINITIONS

For the purposes of this Franchise and all exhibits attached hereto, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory.

1.1 **"Access"** means the availability for noncommercial use by various agencies, institutions, organizations, groups and individuals in the community, including City of Cosmopolis and its designees, of the Cable System to acquire, create, receive, and distribute video, Cable Service, and signals as permitted under applicable law, including, but not limited to:

(A) **"Public Access"** which means Access where organizations, groups or individual members of the general public, on a nondiscriminatory basis, are the primary users;

(B) **"Educational Access"** which means Access where Schools are the primary users of programming and service;

(C) **"Governmental Access"** which means Access where governmental institutions or their designees are the primary users of programming and service.

1.2 "Access Channel" means any Channel, or portion thereof, designated for non-commercial Access purposes or otherwise made available to facilitate or transmit Access programming or service.

1.3 "Affiliate" when used in connection with Grantee means any corporation, Person or entity who owns or controls, is owned or controlled by, or is under common ownership or control with, Grantee.

1.4 "Basic Service" means any service tier which includes the retransmission of local television broadcast signals and Public, Educational and Governmental Access Channels, or as such service tier may be further defined by federal law.

1.5. "Cable Act" means the Cable Communications Policy Act of 1984 and the Cable Television Consumer Protection and Competition Act of 1992 and any amendments thereto, including those contained in the Telecommunications Act of 1996 as amended.

1.6 "Cable Grantee" means any Person or groups of Persons, including Grantee, who provide Cable Service over a Cable System and directly or through one or more Affiliates own a significant interest in such Cable System or who otherwise control or are responsible for, through any arrangement, the management and operation of such a Cable System.

1.7 "Cable Service" means the one-way transmission of video programming or other programming service to Subscribers, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.8 "Cable System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within a community, but such term does not include (1) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (2) a facility that serves Subscribers without using any public right-of-way; (3) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the federal Communications Act (47 U.S.C. 201 et seq.), except that such facility shall be considered a Cable System (other than for purposes of Section 621(c) (47 U.S.C. 541(c)) to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand service; (4) an open video system that complies with federal statutes; or (5) any facilities of any electric utility used solely for operating its electric utility systems.

1.9 "Channel" means a portion of the electromagnetic spectrum which is used in a Cable System and is capable of delivering a television Channel, as television Channel is defined by the FCC in other applicable regulations.

1.10 "Designated Access Provider" means the entity or entities designated by the City of Cosmopolis to manage or co-manage Public, Educational or Governmental use Channels and facilities. The City of Cosmopolis may be a Designated Access Provider.

1.11 "FCC" means the Federal Communications Commission.

1.12 "Franchise" means the non-exclusive and revocable authorization or renewal thereof for the construction or operation of a Cable System such as is granted by this Franchise, whether such authorization is designated as a Franchise, license, resolution, contract, certificate, Franchise or otherwise.

1.13 "Franchise Area" means the area within the jurisdictional boundaries of the City of Cosmopolis and includes all City of Cosmopolis roads and streets in Townships 17 Range 9 West of the Willamette Meridian.

1.14 "Gross Subscriber Revenues" means all amounts derived by Grantee in whatever form and from all sources, from the operation of Grantee's Cable System to provide Cable Service within the Franchise Area. "Gross Subscriber Revenues" shall include all amounts for all Cable services including, but not limited to, Basic, expanded basic and premium services. "Gross Subscriber Revenues" shall not include bad debt, sales taxes, or other taxes and fees that are collected by Grantee on behalf of, and for payment to, the local, state or federal government.

1.15 "Leased Access Channel" means any Channel commercially available for programming for a fee or charge by Grantee to members of the general public.

1.16 "Person" means any individual, natural Person, sole proprietorship, partnership, association, or corporation, or any other form of entity or organization.

1.17 "School" means any accredited K-12 educational institution, public or private, but not including home schools.

1.18 "Street" means each of the following which have been dedicated to the public or are hereafter dedicated to the public and maintained under public authority or by others and located within the Franchise Area: Streets, roadways, highways, avenues, lanes, alleys, sidewalks, easements, rights-of-way and similar public property and areas. This does not include parks or other city owned municipal property.

1.19 "Subscriber" means any Person who elects to subscribe to, for any purpose, Cable Service provided by Grantee by means of, or in connection with, the Cable System, and whose premises are physically wired and lawfully activated to receive Cable Service from Grantee's Cable System.

(A) "**Commercial Subscriber"** means any Subscriber other than Residential Subscriber.
(B) "**Residential Subscriber"** means any Person who receives Cable Service delivered to single or multiple dwelling units, excluding such multiple dwelling units billed on a bulk-billing basis.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

(A) The City of Cosmopolis hereby grants to Grantee a nonexclusive and revocable authorization to make reasonable and lawful use of the Streets within the Franchise Area to construct, operate, maintain, reconstruct, and repair a Cable System for the purpose of providing Internet, phone and Cable Services.

(B) This Franchise is intended to convey limited rights and interests only as to those Streets in which the City of Cosmopolis has an actual interest. It is not a warranty of title or interest in any right-of-way; it does not provide the Grantee any interest in any particular location within the right-of-way; and it does not confer rights other than as expressly provided in the grant hereof. This Franchise does not deprive the City of Cosmopolis of any powers, rights or privileges it now has, or may later acquire in the future, to use, perform work on or to regulate the use of and to control the City of Cosmopolis's Streets covered by this Franchise, including without limitation the right to perform work on its roadways, right-of-way or appurtenant drainage facilities, including constructing, altering, paving, widening, grading, or excavating thereof. Grantee shall not perform any excavation, digging or construction or placing of infrastructure such as poles, lines, cabinets, etc. without first obtaining right-of-way permits from the City of Cosmopolis

(C) This Franchise is subject to the general lawful police power of City of Cosmopolis affecting matters of municipal concern and not merely existing contractual rights of Grantee. Nothing in this Franchise shall be deemed to waive the requirements of the other codes and ordinances of general applicability enacted, or hereafter enacted, by City of Cosmopolis.

(D) This Franchise authorizes Grantee to engage in providing Cable Service, as that term is defined in 47 U.S.C. Sec. 522(6), as amended. This Franchise shall not be interpreted to prevent the City of Cosmopolis from imposing additional conditions for use of the rights-of-way should Grantee provide service other than Cable Service as described herein. However, this Franchise shall not be read as a concession by Grantee that it needs authorization to provide service other than Cable Service described herein.

(E) Grantee promises and guarantees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate or joint venture or partner of the Grantee directly involved in the offering of Cable Service in the Franchise Area, or directly

involved in the management or operation of the Cable System in the Franchise Area will also comply with the terms and conditions of this Franchise.

(F) Grantee's rights and obligations as established by this Franchise shall extend to any property annexed by City of Cosmopolis during the term of this Franchise.

2.2 Use of Public Streets and Ways

Subject to City of Cosmopolis's supervision and control, Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, and along the public Streets, including rights-of-way and public easements within the Franchise Area such wires, cables, conductors, ducts, conduits, vaults, amplifiers, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable System for the provision of Cable Service within the Franchise Area. Grantee shall not perform any excavation, digging or construction or placing of infrastructure such as poles, lines, cabinets, etc. without first obtaining right-of-way permits from the City of Cosmopolis

Grantee shall comply with all applicable construction codes, laws, ordinances, regulations and procedures, now in effect or enacted hereafter, and must obtain any and all necessary permits from the Public Works Department prior to commencing any construction activities. Grantee, through this Franchise, is granted extensive and valuable rights to operate its Cable System for profit using City of Cosmopolis's public rights-of-way and public utility easements within the Franchise Area in compliance with all applicable City of Cosmopolis construction codes and procedures. As trustee for the public, City of Cosmopolis is entitled to fair compensation to be paid for these valuable rights throughout the term of this Franchise.

2.3 Duration

The term of this Franchise and all rights, privileges, obligations and restrictions pertaining thereto shall be for ten (15) years from the effective date of this Franchise, unless extended or terminated sooner as hereinafter provided.

2.4 Effective Date

The effective date of this Franchise shall be on _____, 2026, unless Grantee fails to file an unconditional written acceptance of this Franchise and post the security required hereunder within thirty (30) days of approval of this Franchise by the Board of City of Cosmopolis Commissioners, in which event this Franchise shall be null and void, and any and all rights of Grantee to own or operate a Cable System within the Franchise Area under this Franchise are hereby terminated.

2.5 Franchise Nonexclusive

This Franchise shall be nonexclusive, and is subject to all prior rights, interests, agreements, permits, easements or licenses granted by City of Cosmopolis to any Person to use

any Street, right-of-way, easement, or property for any purpose whatsoever, including the right of City of Cosmopolis to use same for any purpose it deems fit, including the same or similar purposes allowed Grantee hereunder. City of Cosmopolis may at any time grant authorization to use the public rights-of-way for any purpose not incompatible with Grantee's authority under this Franchise and for such additional Franchises for Cable Systems as City of Cosmopolis deems appropriate, upon such terms and conditions as City of Cosmopolis deems appropriate.

2.6 Grant of Other Franchises

(A) In the event the City of Cosmopolis enters into a Franchise, permit, license, authorization, or other agreement of any kind with any other Person or entity other than the Grantee to enter into the City of Cosmopolis's public ways for the purpose of constructing or operating a Cable System or providing Cable Service to any part of the Franchise Area, in which the Grantee is actually providing Cable Service under the terms and conditions of this Franchise or is required to extend Cable Service to under the provisions of Section 13.2 of this Franchise, the material provisions thereof shall be reasonably comparable to those contained herein, in order that one Grantee not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law.

(B) If the City of Cosmopolis grants a Franchise to a third party for service to an area that Grantee is not actually serving or required to extend service to, and which has material provisions that are not reasonably comparable to those contained herein, City of Cosmopolis shall offer Grantee a Franchise to serve the same area under terms and conditions that are reasonably comparable to those set forth in the Franchise entered into with the third party.

2.7 Police Powers

Grantee's rights hereunder are subject to the lawful police powers of City of Cosmopolis to adopt and enforce ordinances necessary to the safety, health, and welfare of the public, and Grantee agrees to comply with all applicable laws and ordinances enacted, or hereafter enacted, by City of Cosmopolis or any other legally-constituted governmental unit having lawful jurisdiction over the subject matter hereof.

2.8 Relations to Other Provisions of Law

This Franchise and all rights and privileges granted under the Franchise are subject to, and the Grantee must exercise all rights in accordance with, applicable law, as amended over the Franchise term. However, this Franchise is a contract, subject only to the City of Cosmopolis's exercise of its police and other powers and applicable law. This Franchise does not confer rights or immunities upon the Grantee other than as expressly provided herein. In the case of any conflict between the express terms of this Franchise and the express terms of any ordinance of general application enacted pursuant to the City of Cosmopolis's police power, the ordinance shall govern. Grantee does not waive its right to challenge the lawfulness of a particular

enactment, including on the grounds that a particular action is an unconstitutional impairment of contractual rights. The Franchise issued and the Franchise fees paid hereunder are not in lieu of any other required permit, authorization, fee, charge or tax, unless expressly stated herein.

2.9 Effect of Acceptance

By accepting the Franchise, the Grantee: (1) acknowledges and accepts the City of Cosmopolis's legal right to issue and enforce the Franchise; (2) agrees that it will not oppose the City of Cosmopolis's intervening in any proceeding affecting the Cable System; (3) accepts and agrees to comply with each and every provision of this Franchise; and (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

SECTION 3. FRANCHISE FEE AND FINANCIAL CONTROLS

3.1 Franchise Fee

As compensation for the benefits and privileges granted under this Franchise and in consideration of permission to use City of Cosmopolis's Streets, Grantee shall pay as a Franchise fee to City of Cosmopolis, throughout the duration of this Franchise, an amount equal to five percent (5%) of Grantee's Gross Subscriber Revenues derived from the operation of the Cable System to provide Cable Service in the Franchise Area. The Franchise fees are in addition to all other fees, assessments, taxes or payments of general applicability that the Grantee may be required to pay under any federal, state or local law. This Franchise and the Franchise fees paid hereunder are not in lieu of any other generally applicable required permit, authorization, fee, charge or tax.

3.2 Payments

Grantee's Franchise fee payments to City of Cosmopolis shall be computed semiannually on June 30 and December 31. Each semiannual payment shall be due and payable no later than thirty (30) days after the last day of the preceding semiannual calendar period.

3.3 Acceptance of Payment and Recomputation

No acceptance of any payment shall be construed as an accord by City of Cosmopolis that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim City of Cosmopolis may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Semiannual Franchise Fee Reports

Each payment shall be accompanied by a report to City of Cosmopolis, containing an accurate statement in summarized form.

3.5 Audits

Upon thirty (30) days' prior written notice, City of Cosmopolis shall have the right to conduct an independent audit of Grantee's records reasonably related to the administration or enforcement of this Franchise, in accordance with generally accepted accounting principles. The City of Cosmopolis may hire an independent certified public accountant to audit the Grantee's financial records, in which case the Grantee shall provide all necessary records to the certified public accountant. If the audit shows that Franchisee fees have been underpaid by ten percent (10%) or more, Grantee shall pay the cost of the audit in an amount not to exceed five thousand dollars ($5,000) per year being audited.

3.6 Additional Commitments Not Franchise Fees

No term or condition in this Franchise shall in any way modify or affect Grantee's obligation to pay Franchise fees to City of Cosmopolis. Although the total sum of Franchise fee payments and additional commitments set forth elsewhere in this Franchise may total more than five percent (5%) of Grantee's Gross Subscriber Revenues in any 12-month period, Grantee agrees that the additional commitments herein are not Franchise fees as defined under any federal law, nor are they to be offset or credited against any Franchise fee payments due to City of Cosmopolis.

3.7 Costs of Publication

Grantee shall pay the reasonable cost of newspaper notices and publication pertaining to this Franchise and any amendments thereto, as such notice or publication is reasonably required by City of Cosmopolis or applicable law.

3.8 Tax Liability

Payment of the Franchise fees under this Franchise shall not exempt Grantee from the payment of any generally applicable license, permit fee or other generally applicable fee, tax or charge on the business, occupation, property or income of Grantee that may be imposed by City of Cosmopolis.

3.9 Payment on Termination

If this Franchise terminates for any reason, the Grantee shall file with the City of Cosmopolis within ninety (90) calendar days of the date of the termination, a financial statement,

certified by an independent certified public accountant, showing the Gross Subscriber Revenues received by the Grantee since the end of the previous fiscal year. The City of Cosmopolis reserves the right to satisfy any remaining financial obligations of the Grantee to the City of Cosmopolis by utilizing the funds available in security provided by the Grantee.

SECTION 4. ADMINISTRATION AND REGULATION

4.1 Authority

City of Cosmopolis is vested with the power and right to regulate the exercise of the privileges permitted by this Franchise in the public interest, and to delegate its administrative power to the extent permitted under state and local law, to any agent, in its sole discretion.

4.2 Filing of Rates and Charges

(A) Throughout the term of this Franchise, Grantee shall maintain on file with City of Cosmopolis a complete schedule of applicable rates and charges for Cable Service provided under this Franchise. Nothing in this subsection shall be construed to require Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns provided that Grantee shall make reasonable efforts to notify City of Cosmopolis in writing in advance of such promotions.

(B) Grantee shall provide upon request from City of Cosmopolis a complete schedule of current rates and charges. The schedule shall include a description of the price, terms and conditions established by Grantee for Leased Access Channels.

4.3 Time Limits Strictly Construed

Whenever this Franchise sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a violation of this Franchise and sufficient grounds for City of Cosmopolis to invoke any relevant provision of this Franchise. However, in the event that Grantee is prevented or delayed in the performance of any of its obligations under this Franchise by reason beyond the reasonable control of Grantee, such as acts of God (for example, floods, tornadoes, earthquakes or unusually severe weather conditions), Grantee's performance shall be excused during the force majeure occurrence and Grantee thereafter shall, under the circumstances, promptly perform the affected obligations under this Franchise or procure a substitute for such obligation which is satisfactory to City of Cosmopolis.

SECTION 5. FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Insurance Requirements

(A) General Requirement. Grantee must have adequate insurance during the entire term of this Franchise to protect against claims for injuries to Persons or damages to property which in any way relate to, arise from, or are connected with this Franchise or involve Grantee, its agents, representatives, contractors, subcontractors and their employees.

(B) Initial Insurance Limits. Grantee must keep insurance in effect in accordance with the minimum insurance limits herein set forth by the City of Cosmopolis from time to time. The Grantee shall obtain policies for the following initial minimum insurance limits:

(1) Commercial General Liability: One-million dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage, and for those policies with aggregate limits, a one-and-one-half million dollars ($1,500,000) aggregate limit;

(2) Automobile Liability: One-million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage; and

(3) Employer's Liability: One-million dollars ($1,000,000).

5.2 Deductibles

Any deductible applicable for any policy of insurance required by this section shall not in any way limit Grantee's liability to the City of Cosmopolis.

(A) Endorsements.

(1) All policies shall contain, or shall be endorsed so that:

(a) The City of Cosmopolis, its officers, officials, employees, and agents are to be covered as, and have the rights of, additional insureds with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Franchise or applicable law, or in the construction, operation or repair, or ownership of its Cable System;

(b) The Grantee's insurance coverage shall be primary insurance with respect to the City of Cosmopolis, its officers, officials, employees, and agents. Any insurance or self-insurance maintained by the City of Cosmopolis, its officers, officials, employees, and agents shall be in excess of the Grantee's insurance and shall not contribute to it; and

(c) Grantee's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

(2) All policies shall contain, or shall be endorsed so that:

(a) The policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, nor shall the intention not to renew be stated by the insurance company except after thirty (30) days prior written notice, return receipt requested, has been given to the City of Cosmopolis risk manager.

(B) Acceptability of Insurers. The insurance obtained by Grantee shall be placed with insurers with a Best's rating of no less than "A."

(C) Verification of Coverage. The Grantee shall furnish the City of Cosmopolis with certificates of insurance and endorsements or a copy of the page of the policy reflecting blanket additional insured status. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on standard forms or such forms as are consistent with standard industry practices, and are to be received and approved by the City of Cosmopolis prior to the commencement of activities associated with this Franchise. The Grantee hereby warrants that its insurance policies satisfy the requirements of this Franchise and City of Cosmopolis laws.

5.3 Indemnification

(A) Scope of Indemnity. Grantee shall, at its sole cost and expense, indemnify, hold harmless, and defend the City of Cosmopolis and its officers, boards, commissions, agents, and employees against any and all claims, including, but not limited to, third party claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the construction, operation or repair of its Cable System regardless of whether the act or omission complained of is authorized, allowed, or prohibited by this Franchise provided, however, the Grantee will not be obligated to indemnify City of Cosmopolis should City of Cosmopolis intervene in any proceeding regarding the grant of this Franchise pursuant to Section 2.9 of this Franchise. Without limiting in any way the Grantee's obligation to indemnify the City of Cosmopolis and its officers, boards, commissions, agents, and employees, as set forth above, this indemnity provision also includes damages and liabilities such as:

(1) To Persons or property, in any way arising out of or through the acts or omissions of the Grantee, its contractors, subcontractors and their officers, employees, or agents, or to which the Grantee's negligence shall in any way contribute;

(2) Arising out of any claim for invasion of the right of privacy; for defamation of any Person, firm or corporation; for the violation or infringement of any copyright, trademark, trade name, service mark, or patent; for a failure by the

Grantee to secure consents from the owners or authorized distributors of programs to be delivered by the Cable System; or for violation of any other right of any Person;

(3) Arising out of Grantee's failure to comply with the provisions of any federal, state or local statute, ordinance, rule or regulation applicable to the Grantee with respect to any aspect of its business to which this Franchise applies; and

(4) Arising from any third party suit, action or litigation, whether brought by a competitor to Grantee or by any other Person or entity, whether such Person or entity does or does not have standing to bring such suit, action or litigation if such action (1) challenges the authority of the City of Cosmopolis to issue this Franchise to Grantee; or (2) alleges that, in issuing this Franchise to Grantee, the City of Cosmopolis has acted in a disparate or discriminatory manner.

(B) Duty to Give Notice and Tender Defense. The City of Cosmopolis shall give the Grantee written notice within ten (10) days of receipt by the City of Cosmopolis, of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section. In the event any such claim arises, the City of Cosmopolis or any other indemnified party shall tender the defense thereof to the Grantee and the Grantee shall have the obligation and duty to defend, settle or compromise any claims arising thereunder, and the City of Cosmopolis shall cooperate fully therein. Grantee shall reimburse reasonable attorneys' fees and costs incurred by the City of Cosmopolis during the thirty (30) day period in which the Grantee accepts or declines tender. In the event that the Grantee declines defense of the claim in violation of Section 5.3, the City of Cosmopolis may defend such claim and seek recovery from Grantee its expenses for reasonable attorneys' fees and disbursements, including expert witness fees, incurred by City of Cosmopolis for defense and in seeking such recovery.

(C) Indemnity Obligations. The Grantee agrees that all Grantee's indemnity obligations under Section 5.3 shall survive the completion, termination, or expiration of this Franchise Agreement.

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

The City of Cosmopolis hereby adopts the customer service standards set forth in Part 76, §76.309, 76.1602, 76.1603, 76.1619 of the FCC's rules and regulations, as amended. The Grantee shall comply in all respects with the customer service requirements established by the FCC.

6.2 Subscriber Privacy

Grantee will comply with privacy rights of Subscribers in accordance with federal, state and local law.

6.3 Emergency Broadcast

In accordance with the provisions of FCC Regulations, as such provisions may from time to time be amended, EAS activation will be maintained in compliance with the FCC approved Washington State EAS plan and the Local Area EAS plan that applies to City of Cosmopolis.

SECTION 7. REPORTS AND RECORDS

7.1 Open Records

Grantee shall manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to City of Cosmopolis. City of Cosmopolis shall have access to, and the right to inspect, any books and records of Grantee that are necessary to the administration or enforcement of the terms of this Franchise. City of Cosmopolis may, in writing, request copies of any such records or books and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One copy of all reports and records required under this or any other Section shall be furnished to City of Cosmopolis at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may request, in writing within ten (10) days, that City of Cosmopolis inspect them at one of Grantee's local area offices. If any books or records of Grantee are not kept in a local area office and not made available in copies to City of Cosmopolis upon written request as set forth above, and if City of Cosmopolis determines that an examination of such records is necessary or appropriate to the performance of any of City of Cosmopolis's duties, administration or enforcement of this Franchise, then all reasonable travel expenses incurred in making such examination shall be paid by Grantee.

7.2 Confidentiality

City of Cosmopolis agrees to treat as confidential any books and records that constitute proprietary or confidential information under federal or state law, to the extent Grantee makes City of Cosmopolis aware of such confidentiality. Grantee shall be responsible for clearly and conspicuously stamping the word "Confidential" on each page that contains confidential or proprietary information, and shall provide a brief written explanation as to why such information is confidential under state or federal law. If City of Cosmopolis believes it must release any such confidential books and records in the course of enforcing this Franchise, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. If City of Cosmopolis receives a demand from any Person for disclosure of any information designated by Grantee as confidential, City of Cosmopolis shall, so far as consistent with applicable law, advise Grantee and provide Grantee with a copy of any written request by the party demanding access to such information within a reasonable time. Until otherwise ordered by a court or agency of competent jurisdiction, City of Cosmopolis agrees that, to the

extent permitted by state and federal law, it shall deny access to any of Grantee's books and records marked confidential as set forth above to any Person.

7.3 Copies of Federal and State Documents

Grantee shall submit to City of Cosmopolis, upon request, a list, or copies of all pleadings, applications, notifications, communications and documents of any kind, submitted by Grantee or its parent corporations or Affiliates to any federal, state or local courts; regulatory agencies or other government bodies if such documents specifically relate to the operations of Grantee's Cable System within the Franchise Area. Grantee shall submit such list or documents to City of Cosmopolis no later than thirty (30) days after receipt of City of Cosmopolis's written request. Grantee shall not claim confidential, privileged or proprietary rights to such documents unless under federal, state, or local law such documents have been determined to be confidential by a court of competent jurisdiction, or a federal or state agency. Any such confidential material determined to be exempt from public disclosure shall be retained in confidence by City of Cosmopolis and its authorized agents and shall not be made available for public inspection.

7.4 Inspection of Facilities

City of Cosmopolis may inspect upon request any of Grantee's facilities and equipment to confirm performance under this Franchise at during normal business hours upon at least twenty-four (24) hours prior notice.

7.5 False Statements

Any intentional false or misleading statement or representation in any report required by this Franchise may be deemed a material violation of this Franchise and may subject Grantee to all remedies, legal or equitable, which are available to City of Cosmopolis under this Franchise or otherwise.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee's cable television system shall provide the widest diversity of programming possible. Grantee shall provide at least the following broad categories of programming to the extent such categories are reasonably available:

(1) Educational programming;

(2) Sports;

(3) General entertainment and news (including movies);

(4) Children/family-oriented;

(5) Arts, culture and performing arts;

(6) Science/weather/documentary.

8.2 Parental Control Device

Upon request by any Subscriber, Grantee shall make available a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any or all Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

8.3 Leased Access Channels

Grantee shall meet the requirements for Leased Access Channels imposed by federal law.

8.4 Continuity of Service

(A) It shall be the right of all Subscribers to continue to receive Cable Service from Grantee insofar as their financial and other obligations to Grantee are satisfied. Subject to the *force majeure* provisions of this Franchise, Grantee shall use its best efforts to ensure that all Subscribers receive continuous, uninterrupted Cable Service regardless of the circumstances.

(B) In the event of a change in ownership, or in the event a new Cable Grantee acquires the Cable System in accordance with this Franchise, Grantee shall cooperate with City of Cosmopolis and such new Cable Grantee in maintaining continuity of service to all Subscribers.

8.5 Service for the Disabled

Grantee shall comply with the Americans With Disabilities Act, any amendments thereto and any other applicable federal, state or local laws or regulations. The Cable System shall transmit closed captions for all programming that includes a closed caption signal. In addition, Grantee must have means available, and a publicly listed telephone number for such means, that will allow hearing- or speech-impaired persons to contact the Grantee.

SECTION 9. SUBSCRIBER RIGHTS

9.1 Discrimination Prohibited

Grantee shall comply at all times with all applicable laws, rules, and regulations including the terms of the Franchise relating to non-discrimination.

(A) All Grantee rates and charges shall be published and non-discriminatory. Except as provided hereunder or under federal law, Grantee shall establish similar rates and charges for all Subscribers receiving similar services, regardless of type of Dwelling Unit, race, color, religion, age, sex, gender identity, marital or economic status, national origin, sexual orientation, political ideology, creed, ancestry, the presence of any sensory, mental, or physical handicap; or geographic location to the extent required by applicable law within the Grantee's Franchise Area. Nothing in this subsection shall be construed to prohibit the temporary reduction or waiving of rates and charges in conjunction with promotional campaigns to Subscribers or discounted rates for the provision of Cable Services to Multiple Dwelling Unit buildings.

(B) Grantee shall not deny Cable Service, or otherwise discriminate against Subscribers, Access Programmers or any other Persons on the basis of type of Dwelling Unit, race, religion, age, sex, gender identity, marital or economic status, national origin, sexual orientation, political ideology, creed, ancestry, the presence of any sensory, mental, or physical handicap; or geographic location within the Grantee's Franchise Area.

(C) The Grantee shall not take any retaliatory action against a Subscriber because of the Subscriber's exercise of any right it may have under federal, state, or local law, nor may the Grantee require a Subscriber to waive such rights as a condition of service.

9.2 Privacy

Grantee shall comply with the Subscriber privacy regulations set forth in 47 U.S.C. § 551 and any lawful state or local laws pertaining to Cable Services privacy.

SECTION 10. GENERAL STREET USE AND CONSTRUCTION

10.1 Construction

(A) Subject to applicable laws, regulations and ordinances of City of Cosmopolis and the provisions of this Franchise, Grantee may perform all construction necessary for the operation of its Cable System. All construction and maintenance of any and all facilities within Streets incident to Grantee's Cable System shall, regardless of who performs the construction, be and remain Grantee's responsibility. Grantee shall apply for, and obtain, all permits necessary for construction or installation of any facilities, and for excavating and laying any facilities within the Streets. Grantee shall pay, prior to issuance, all applicable fees of the requisite construction permits.

(B) Prior to beginning any construction, Grantee shall provide City of Cosmopolis with a construction schedule for work in the Streets. All construction shall be performed in compliance with this Franchise and all applicable City of Cosmopolis Ordinances and Codes. When obtaining a permit, Grantee shall inquire in writing about other construction currently in progress, planned or proposed, in order to investigate

thoroughly all opportunities for joint trenching or boring. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, licensees, permittees and franchisees so as to reduce as far as possible the number of Street cuts.

10.2 Location of Facilities

Within forty-eight (48) hours after notification of any proposed Street excavation, Grantee shall, at Grantee's expense:

(A) Mark on the surface all of its underground facilities within the area of the proposed excavation;

(B) Notify the excavator of any unlocated underground facilities in the area of the proposed excavation; or

(C) Notify the excavator that Grantee does not have any underground facilities in the vicinity of the proposed excavation.

10.3 Relocation

City of Cosmopolis shall have the right to require Grantee to change the location of any part of Grantee's Cable System within the Streets when the public convenience requires such change, and the expense thereof shall be paid by Grantee. Should Grantee fail to remove or relocate any such facilities by the date established by City of Cosmopolis, City of Cosmopolis may affect such removal or relocation, and the expense thereof shall be paid by Grantee, including all costs and expenses incurred by City of Cosmopolis due to Grantee's delay. If City of Cosmopolis requires Grantee to relocate its facilities located within the Streets, City of Cosmopolis shall make a reasonable effort to provide Grantee with an alternate location within the Streets. This Section does not apply when referencing overhead to underground conversions, see Section 10.11 “Undergrounding of Cable”.

10.4 Restoration of Streets

(A) Whenever Grantee disturbs the surface of any Street for any purpose, Grantee shall promptly restore the Street to at least its prior condition. When any opening is made by Grantee in a hard surface pavement in any Street, Grantee shall refill within twenty-four (24) hours the opening and restore the surface to a condition satisfactory to City of Cosmopolis.

(B) If Grantee excavates the surface of any Street, Grantee shall be responsible for restoration in accordance with applicable regulations of the City of Cosmopolis within the area affected by the excavation. City of Cosmopolis may, after providing notice to Grantee, refill or repave any opening made by Grantee in the Street, and the expense

thereof shall be paid by Grantee. City of Cosmopolis may, after providing notice to Grantee, remove or repair any work done by Grantee which, in the determination of City of Cosmopolis, is inadequate. The cost thereof, including the costs of inspection and supervision, shall be paid by Grantee. All excavations made by Grantee in the Streets shall be properly safeguarded for the prevention of accidents. All of Grantee's work under this Franchise, and this Section in particular, shall be done in strict compliance with all rules, regulations and ordinances of City of Cosmopolis. Prior to making any Street or right-of-way cuts or openings, Grantee shall provide written notice to City of Cosmopolis.

10.5 Maintenance and Workmanship

(A) Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with sewers, water pipes, or any other property of City of Cosmopolis, or with any other pipes, wires, conduits, pedestals, structures, equipment or other facilities that may have been laid in the Streets by, or under, City of Cosmopolis's authority.

(B) Grantee shall provide and use any equipment necessary to control and carry Grantee's cable television signals so as to prevent injury to City of Cosmopolis's property or property belonging to any Person. Grantee, at its own expense, shall repair, change and improve its facilities to keep them in good repair, and safe and presentable condition.

10.6 Reservation of City of Cosmopolis Street Rights

Nothing in this Franchise shall prevent City of Cosmopolis or utilities owned, maintained or operated by public entities other than City of Cosmopolis, from constructing sewers; grading, paving, repairing or altering any Street; repairing or removing water mains; or constructing or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System. However, if any of Grantee's Cable System interferes with the construction or repair of any Street or public improvement, including construction, repair or removal of a sewer or water main, Grantee's Cable System shall be removed or replaced in the manner City of Cosmopolis shall direct, provided that City of Cosmopolis shall first exhaust its best efforts to contact Grantee to obtain Grantee’s removal of said interference. Any and all such removal or replacement shall be at the expense of Grantee. Should Grantee fail to remove, adjust or relocate its facilities by the date established by City of Cosmopolis's written notice to Grantee, City of Cosmopolis may effect such removal, adjustment or relocation, and the expense thereof shall be paid by Grantee, including all reasonable costs and expenses incurred by City of Cosmopolis due to Grantee's delay.

10.7 Use of Conduits by City of Cosmopolis

City of Cosmopolis may install or affix and maintain wires and equipment owned by City of Cosmopolis for municipal purposes in or upon any and all of Grantee's ducts, conduits or equipment in the Streets and other public places, to the extent space therein or thereon is

reasonably available, and pursuant to all applicable City of Cosmopolis ordinances and codes provided that: (a) such use by the City of Cosmopolis does not interfere with a current or future use by the Grantee; (b) the City of Cosmopolis holds the Grantee harmless against and from all claims, demands, costs, or liabilities of every kind and nature whatsoever arising out of such use of said poles or conduits, including, but not limited to, reasonable attorneys' fees and costs; and (c) at the Grantee's sole discretion, the City of Cosmopolis may be required either to pay a reasonable rental fee or otherwise reasonably compensate the Grantee for the use of such poles, conduits, or equipment; provided, however, that the Grantee agrees that such compensation or charge shall not exceed those paid by it to public utilities pursuant to the applicable pole attachment agreement, or other authorization, relating to the Franchise Area. For the purposes of this Subsection 10.7, "municipal purposes" includes, but is not limited to, the use of the structures and installations by City of Cosmopolis for fire, police, traffic, water, or signal systems, but not for Cable System purposes in competition with Grantee.

10.8 Street Vacation

If any Street or portion thereof used by Grantee is vacated by City of Cosmopolis during the term of this Franchise, unless City of Cosmopolis specifically reserves to Grantee the right to continue its installation in the vacated Street, Grantee shall, without delay or expense to City of Cosmopolis, remove its facilities from such Street, and restore, repair or reconstruct the Street where such removal has occurred, and place the Street in such condition as may be required by City of Cosmopolis. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by City of Cosmopolis, to restore, repair or reconstruct such Street, City of Cosmopolis may do such work or cause it to be done, and the reasonable cost thereof, as found and declared by City of Cosmopolis, shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation, and failure to make such payment shall be considered a material violation of this Franchise.

10.9 Discontinuing Use of Facilities

Whenever Grantee intends to discontinue using any facility within the Streets, Grantee shall submit for City of Cosmopolis's approval a complete description of the facility and the date on which Grantee intends to discontinue using the facility. Grantee shall remove the facility or request that City of Cosmopolis allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, City of Cosmopolis may require Grantee to remove the facility from the Street or modify the facility to protect the public health, welfare, safety, and convenience, or otherwise serve the public interest. City of Cosmopolis may require Grantee to perform a combination of modification and removal of the facility. Grantee shall complete such removal or modification in accordance with a schedule set by City of Cosmopolis. Until such time as Grantee removes or modifies the facility as directed by City of Cosmopolis, or until the rights to and responsibility for the facility are accepted by another Person having authority to construct and maintain such facility, Grantee shall be responsible for all necessary repairs and relocations of the facility, as well as maintenance of the Street, in the same manner and degree as if the facility were in active use, and Grantee shall retain all liability for such facility. If Grantee

abandons its facilities, City of Cosmopolis may choose to use such facilities for any purpose whatsoever including, but not limited to, public, governmental, or educational purposes.

10.10 Hazardous Substances

(A) Grantee shall comply with all applicable local, state and federal laws, statutes, regulations and orders concerning hazardous substances relating to Grantee's Cable System in the Streets.

(B) Grantee shall maintain and inspect its Cable System located in the Streets. Upon reasonable notice to Grantee, City of Cosmopolis may inspect Grantee's facilities in the Streets to determine if any release of hazardous substances has occurred, or may occur, from or related to Grantee's Cable System. In removing or modifying Grantee's facilities as provided in this Franchise, Grantee shall also remove all residues of hazardous substances related thereto.

10.11 Undergrounding of Cable

(A) Wiring.

(1) Where electric and telephone utility wiring is installed underground at the time of Cable System construction, or when such wiring is subsequently placed underground, all Cable System lines or wiring and equipment shall also be placed underground on a nondiscriminatory basis with other wire line service at no additional expense to the City of Cosmopolis or Subscribers. Related Cable System equipment such as pedestals must be placed in accordance with applicable Code requirements and underground utility rules as interpreted and directed by the City of Cosmopolis's Director of Public Works. In areas where electric or telephone utility wiring is aerial, the Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation.

(2) In the event of forced relocates that require conversion of overhead facilities to underground, such as projects that may include, but not be limited to; road widening, sidewalk installation, or beautification, Grantee agrees to bear the costs of converting Grantees cable system from an overhead system to an underground system. This cost to include the labor and materials to relocate Grantees cable system, but does not include costs related to; trenching, backfill, or restoration of any rights-of-way within the project area as defined by project engineering plans.

(4) The Grantee shall utilize existing poles and conduit wherever possible.

(5) This Franchise does not grant, give or convey to the Grantee the right or privilege to install its facilities in any manner on specific utility poles or equipment of the City of Cosmopolis or any other Person without their permission. Copies of agreements for use of poles, conduits or other utility facilities must be provided upon request by the City of Cosmopolis upon demonstrated need and subject to protecting Grantee's proprietary information from disclosure to third parties.

(B) Repair and Restoration of Property.

(1) The Grantee shall protect public and private property from damage. If damage occurs the Grantee shall promptly notify the property owner within twenty-four (24) hours in writing.

(2) If public or private property is disturbed or damaged, the Grantee shall restore the property to its former condition, normal wear and tear excepted. Public right-of-way or other City of Cosmopolis property shall be restored, in a manner and within a timeframe approved by the City of Cosmopolis's Director of Public Works. If restoration of public right-of-way or other property of the City of Cosmopolis is not satisfactorily performed within a reasonable time, the Director of Public Works may, after prior notice to the Grantee, or without notice where the disturbance or damage may create a risk to public health or safety, or cause delay or added expense to a public project or activity, cause the repairs to be made at the Grantee's expense and recover the cost of those repairs from the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, the Grantee shall pay the City of Cosmopolis. If suit is brought upon Grantee's failure to pay for repair or restoration, and if judgment in such a suit is entered in favor of the City of Cosmopolis, then the Grantee shall pay all of the City of Cosmopolis's actual costs and expenses resulting from the non-payment, including damages, interest from the date the bill was presented, disbursements, attorneys' fees and litigation-related costs. Private property must be restored promptly, considering the nature of the work that must be performed and in no event later than seventy-two (72) hours.

(3) Prior to entering onto private property to construct, operate or repair its Cable System, Grantee shall give the Person residing on or using the property adequate written notice (such as a door hanger which clearly identifies the anticipated construction) that it intends to work on the property, a description of the work it intends to perform and a name and phone number the Person can call to protest or seek modification of the work. Work shall be done in a manner that causes the least interference with the rights and reasonable convenience of property owners, residents and users.

(C) Movement of Cable System for and by City of Cosmopolis. The City of Cosmopolis may remove, replace, modify or disconnect Grantee's facilities and equipment located in the public right-of-way or on any other property of the City of Cosmopolis in the case of fire, disaster, or other emergency, or when a project or activity of the City of Cosmopolis's makes the removal, replacement, modification or disconnection necessary or less expensive for the City of Cosmopolis. Except during an emergency, the City of Cosmopolis shall attempt to provide reasonable notice to Grantee prior to taking such action and shall, when feasible, provide Grantee with the opportunity to perform such action. Following notice by the City of Cosmopolis, Grantee shall remove, replace, modify or disconnect any of its facilities or equipment within any public right-of-way, or on any other property of the City of Cosmopolis, except that the City of Cosmopolis shall provide at least sixty (60) days' written notice of any major capital improvement project which would require the removal, replacement, modification or disconnection of Grantee's facilities or equipment. If the Grantee fails to complete this work within the time prescribed and to the City of Cosmopolis's satisfaction, the City of Cosmopolis may cause such work to be done and bill the cost of the work to the Grantee. Within thirty (30) days of receipt of an itemized list of those costs, the Grantee shall pay the City of Cosmopolis.

(D) Movement for Other Franchise Holders. If any removal, replacement, modification or disconnection is required to accommodate the construction, operation or repair of the facilities or equipment of another cable or non-cable franchise, Grantee shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested. The Grantee and entity requesting such necessary changes shall determine how costs associated with the removal or relocation shall be allocated.

(E) Movement for Other Permittees. At the request of any Person holding a valid permit and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. The expense of such temporary changes must be paid by the permit holder, and Grantee may require a reasonable deposit of the estimated payment in advance.

(F) Tree Trimming. The Grantee shall have the authority to trim trees that overhang a public right-of-way only within the right-of-way area of the City of Cosmopolis so as to prevent the branches of such trees from coming in contact with its Cable System, in accordance with applicable codes and regulations and current, accepted professional tree trimming practices. Grantee shall first obtain a permit as required by Cosmopolis Municipal Code Section 6.52.070.

10.12 Codes

Grantee shall strictly adhere to all building and zoning codes currently or hereafter in effect. Grantee shall arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to not cause unreasonable interference with the use of said public or private property by any Person. In the event of such interference, City of Cosmopolis may

require the removal or relocation of Grantee's lines, cables and other appurtenances from the property in question.

10.13 Standards

(A) All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. The Grantee must comply with all safety requirements, rules and practices and employ all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, the Grantee must comply with the National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

(B) Grantee shall ensure that the drops are properly bonded to the electrical power ground at the home, consistent with the requirements of the National Electric Code and the National Electrical Safety Code. All non-conforming or non-performing drops shall be repaired or replaced by Grantee as necessary.

SECTION 11. FRANCHISE VIOLATIONS; REVOCATION OF FRANCHISE

11.1 Enforcement and Revocation

(A) Notice of Violation. In the event that the City of Cosmopolis believes that the Grantee has not complied with the terms of the Franchise, it shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

(B) The Grantee's Right to Cure or Respond. The Grantee shall have 30 days from receipt of the notice described in Section 10.1(A): (a) to respond to the City of Cosmopolis, contesting the assertion of noncompliance, or (b) to cure such default, or (c) in the event that, by the nature of default, such default cannot be cured within the 30-day period, initiate reasonable steps to remedy such default and notify the City of Cosmopolis of the steps being taken and the projected date that they will be completed.

(C) Public Hearing. In the event that the Grantee fails to respond to the notice described in Section 10.1 pursuant to the procedures set forth in Section 10.1(B), or in the event that the alleged default is not remedied within 30 days or the date projected pursuant to 10.1(B) above, the City of Cosmopolis shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the City of Cosmopolis which is scheduled at a time which is no less than five business days therefrom. The City of Cosmopolis shall notify the Grantee in writing of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

(D) Enforcement. Subject to applicable federal and state law, in the event the City of Cosmopolis, after such meeting, determines that the Grantee is in default of any provision of the Franchise, the City of Cosmopolis may:

(1) Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages;

(2) Commence an action at law for monetary damages or seek other equitable relief; or

(3) In the case of a substantial default of a material provision of the Franchise, declare the Franchise to be revoked in accordance with the following:

The City of Cosmopolis shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have ninety (90) days from such notice to object in writing and to state its reasons for such objection. In the event the City of Cosmopolis has not received a response satisfactory from the Grantee, it may then seek termination of the Franchise at a public meeting. The City of Cosmopolis shall cause to be served upon the Grantee, at least ten (10) days prior to such public meeting, a written notice specifying the time and place of such meeting and stating its intent to request such termination.

At the designated meeting, the City of Cosmopolis shall give the Grantee an opportunity to state its position on the matter. The determination as to whether a violation of this Franchise has occurred pursuant to this Section herein shall be within the sole discretion of the Grantor. Any such determination by Grantor shall be accompanied by a record, to which Grantee's contribution shall not be limited by Grantor (i.e., Grantor shall hear any interested Persons and shall allow Grantee an opportunity to be heard, to cross examine witnesses, to present evidence and to make additions to the hearing record). Any such final determination shall be subject to appeal to a court of competent jurisdiction. Such appeal to the appropriate court shall be taken within thirty (30) days of the issuance of the determination of the Grantor. Grantor shall receive notice from Grantee of any appeal concurrent with any filing to a court of competent Jurisdiction.

The City of Cosmopolis may, at its sole discretion, take any lawful action that it deems appropriate to enforce the City of Cosmopolis's rights under the Franchise in lieu of revocation of the Franchise.

(E) Technical Violations. The parties hereby agree that it is not the City of Cosmopolis's intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breach(es) or violation(s) of the Franchise or local cable ordinance, which shall include but are not limited to the following:

(1) in instances or for matters where a violation or a breach by the Grantee of the Franchise was good faith error that resulted in no or minimal negative impact on the customers within the Franchise Area; or

(2) where there existed circumstances reasonably beyond the control of the Grantee and which precipitated a violation by the Grantee of the Franchise, or which were deemed to have prevented the Grantee from complying with a term or condition of the Franchise.

11.2 Removal

(A) In the event of termination, expiration or revocation of this Franchise, City of Cosmopolis may order the removal of the above-ground Cable System facilities and such underground facilities as required by City of Cosmopolis in order to achieve reasonable engineering or Street-use purposes, from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by City of Cosmopolis. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Streets, public places and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment.

(B) If Grantee fails to complete any required removal to the satisfaction of City of Cosmopolis, City of Cosmopolis may cause the work to be done and Grantee shall reimburse City of Cosmopolis for the reasonable costs incurred within thirty (30) days after receipt of an itemized list of the costs or City of Cosmopolis may recover the costs through the Performance Bond provided by Grantee.

11.3 Receivership and Foreclosure

(A) At the option of City of Cosmopolis, subject to applicable law, this Franchise may be revoked one-hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee whether in a receivership, reorganization, bankruptcy or other action or proceeding unless:

(1) The receivership or trusteeship is vacated within one-hundred twenty (120) days of appointment; or

(2) The receiver(s) or trustee(s) have, within one-hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Franchise, and has remedied all violations under the Franchise. Additionally, the receiver(s) or trustee(s) shall have executed an agreement duly approved by the court having jurisdiction, by which the receiver(s) or trustee(s) assume and agree to be bound by each and every term and provision of this Franchise.

(B) If there is a foreclosure or other involuntary sale of the whole or any part of the plant, property and equipment of Grantee, City of Cosmopolis may serve notice of revocation on Grantee and to the purchaser at the sale, and the rights and privileges of Grantee under this Franchise shall be revoked thirty (30) days after service of such notice, unless:

(1) City of Cosmopolis has approved the transfer of the Franchise, in accordance with the procedures set forth in this Franchise and as provided by law; and

(2) The purchaser has agreed with City of Cosmopolis to assume and be bound by all of the terms and conditions of this Franchise.

11.4 No Monetary Recourse Against City of Cosmopolis

Grantee shall not have any monetary recourse against City of Cosmopolis or its officials, boards, commissions, agents or employees for any loss, costs, expenses or damages arising out of any provision or requirement of this Franchise or the enforcement thereof, in accordance with the provisions of applicable federal, state and local law.

11.5 Non-enforcement by City of Cosmopolis

Grantee is not relieved of its obligation to comply with any of the provisions of this Franchise by reason of any failure of City of Cosmopolis to enforce prompt compliance. City of Cosmopolis's forbearance or failure to enforce any provision of this Franchise shall not serve as a basis to stop any subsequent enforcement. The failure of the City of Cosmopolis on one or more occasions to exercise a right or to require compliance or performance under this Franchise or any applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance, unless such right has been specifically waived in writing. Any waiver of a violation is not a waiver of any other violation, whether similar or different from that waived.

11.6 Relationship of Remedies

The remedies provided for in this Franchise are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another or any rights of the City of Cosmopolis at law or equity.

SECTION 12. ABANDONMENT

12.1 Effect of Abandonment

If the Grantee abandons its System during the Franchise term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the City of Cosmopolis, at its option, may operate the Cable System; designate another entity to operate the Cable System

temporarily until the Grantee restores service under conditions acceptable to the City of Cosmopolis or until the Franchise is revoked and a new Franchisee is selected by the City of Cosmopolis; or obtain an injunction requiring the Grantee to continue operations. If the City of Cosmopolis is required to operate or designate another entity to operate the Cable System, the Grantee shall reimburse the City of Cosmopolis or its designee for all reasonable costs, expenses and damages incurred.

12.2 What Constitutes Abandonment

The City of Cosmopolis shall be entitled to exercise its options and obtain any required injunctive relief if:

(A) The Grantee fails to provide Cable Service in accordance with this Franchise over a substantial portion of the Franchise Area for seven (7) consecutive days, unless the City of Cosmopolis authorizes a longer interruption of service; or

(B) The Grantee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Franchise.

SECTION 13. FRANCHISE RENEWAL AND TRANSFER

13.1 Renewal

(A) The City of Cosmopolis and Grantee agree that any proceedings undertaken by the City of Cosmopolis that relate to the renewal of Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Acts, unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law.

(B) In addition to the procedures set forth in said Section 626(a), the City of Cosmopolis agrees to notify Grantee of the completion of its assessments regarding the identification of future cable-related community needs and interests, as well as the past performance of Grantee under the then current Franchise term. Notwithstanding anything to the contrary set forth herein, Grantee and City of Cosmopolis agree that at any time during the term of the then current Franchise, while affording the public adequate notice and opportunity for comment, the City of Cosmopolis and Grantee may agree to undertake and finalize negotiations regarding renewal of the then current Franchise and the City of Cosmopolis may grant a renewal thereof. Grantee and City of Cosmopolis consider the terms set forth in this Section to be consistent with the express provisions of Section 626 of the Cable Acts.

13.2 Transfer of Ownership or Control

(A) The Cable System and this Franchise shall not be sold, assigned, transferred, leased, or disposed of, either in whole or in part, either by involuntary sale or by

voluntary sale, merger, consolidation, nor shall title thereto, either legal or equitable, or any right, interest, or property therein pass to or vest in any Person or entity without the prior written consent of the City of Cosmopolis, which consent shall not be unreasonably withheld.

(B) The Grantee shall promptly notify the City of Cosmopolis of any actual or proposed change in, or transfer of, or acquisition by any other party of control of the Grantee. The word "control" as used herein is not limited to majority stockholders but includes actual working control in whatever manner exercised. A rebuttable presumption that a transfer of control has occurred shall arise on the acquisition or accumulation by any Person or group of Persons of ten percent (10%) of the shares or the general partnership interest in the Grantee, except that this sentence shall not apply in the case of a transfer to any Person or group already owning at least a ten percent (10%) interest of the shares or the general partnership interest in the Grantee. Every change, transfer or acquisition of control of the Grantee shall make this Franchise subject to cancellation unless and until the City of Cosmopolis shall have consented thereto.

(C) The parties to the sale or transfer shall make a written request to the City of Cosmopolis for its approval of a sale or transfer by submission of a completed FCC Form 394, together with all exhibits, and any additional information required by law and the terms of this franchise.

(D) The City of Cosmopolis shall render a final written decision on the request within one-hundred twenty (120) days from the date of submission of a completed FCC Form 394. Subject to the foregoing, if the City of Cosmopolis fails to act upon such transfer request within one-hundred twenty (120) days, such request shall be deemed granted unless the City of Cosmopolis and the requesting party otherwise agree in writing to an extension of time.

(E) Within thirty (30) days of any transfer or sale, if approved or deemed granted by the City of Cosmopolis, Grantee shall file with the City of Cosmopolis a copy of the deed, agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee.

(F) In reviewing a request for sale or transfer, the City of Cosmopolis may inquire into the legal, technical and financial qualifications of the prospective controlling party or transferee, and Grantee shall assist the City of Cosmopolis in so inquiring. The City of Cosmopolis may condition said sale or transfer upon such terms and conditions as it deems reasonably appropriate, provided, however, any such terms and conditions so attached shall be related to the legal, technical, and financial qualifications of the prospective controlling party or transferee and to the resolution of outstanding and unresolved issues of noncompliance with the terms and conditions of this Franchise by Grantee.

(G) The consent or approval of the City of Cosmopolis to any transfer by the Grantee shall not constitute a waiver or release of any rights of the City of Cosmopolis, and any transfer shall, by its terms, be expressly subordinate to the terms and conditions of this Franchise.

(H) Notwithstanding anything to the contrary in this Section, the prior approval of the City of Cosmopolis shall not be required for any sale, assignment or transfer of the Franchise or Cable System for cable television system usage to an entity controlling, controlled by or under the same common control as Grantee provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the City of Cosmopolis and must agree in writing to comply with all provisions of the Franchise.

SECTION 14. SEVERABILITY

If any Section, subsection, paragraph, term or provision of this Franchise is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, subsection, paragraph, term or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.

SECTION 15. MISCELLANEOUS PROVISIONS

15.1 Preferential or Discriminatory Practices Prohibited

Grantee shall not discriminate in hiring, employment or promotion on the basis of race, color, creed, ethnic or national origin, religion, age, sex, sexual orientation, marital status, or physical or mental disability. Throughout the term of this Franchise, Grantee shall fully comply with all equal employment or nondiscrimination provisions and requirements of federal, state and local law and, in particular, FCC rules and regulations relating thereto.

15.2 Notices

Throughout the term of the Franchise, Grantee shall maintain and file with City of Cosmopolis a designated legal or local address for the service of notices by mail. A copy of all notices from City of Cosmopolis to Grantee shall be sent, postage prepaid, to such address and such notices shall be effective upon the date of mailing. At the effective date of this Franchise, such address shall be:

Coast Communications Company
349 Damon Road NE
Ocean Shores, WA 98569

Attn: Franchising Department

All notices to be sent by Grantee to City of Cosmopolis under this Franchise shall be sent, postage prepaid, and such notices shall be effective upon the date of mailing. At the effective date of this Franchise, such address shall be:

City of Cosmopolis
1300 1st St.
Cosmopolis, WA. 98537
Attn: City Administrator

15.3 Binding Effect

This Franchise shall be binding upon the parties hereto, their permitted successors and assigns.

15.4 Authority to Amend

This Franchise may be amended at any time by written agreement between the parties.

15.5 Governing Law and Venue

This Franchise shall be governed in all respects by the laws of the State of Washington. Venue shall be in City of Cosmopolis.

15.6 Captions

The captions and headings of this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provisions of this Franchise.

15.7 Construction of Franchise

The provisions of this Franchise shall be liberally construed to promote the public interest.

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PASSED, adopted and effective this ____ day of _____, 2026, subject to applicable federal, state and local law.

Passed by the City Council and Mayor of the City of Cosmopolis.

By:_____
Mayor

Approved as to Form:

_____
City of Cosmopolis Attorney

Attest:

_____
Building and code enforcement

ACCEPTED this ____ day of _____, 2026, subject to applicable federal, state and local law.

COAST COMMUNICATIONS COMPANY

By: _____

Vice President

City of Cosmopolis

Preliminary 2027 Revenue Projections - General Fund

GENERAL FUND REVENUE						
	2025 Actual	2026 Budget	2026 Projected	2027 Budget	Increase (Decrease) 2026 Budget to 2027 Budget	
					Dollars	Percent
Property Tax *	448,931	481,200	486,500	494,565	13,365	3%
Sales & Use Tax	306,537	248,400	299,300	266,300	17,900	7%
B&O Tax	35,743	28,000	28,000	28,000	-	0%
Utility Tax *	252,368	257,876	258,800	258,800	924	0%
Total Taxes	**1,043,579**	**1,015,476**	**1,072,600**	**1,047,665**	**32,189**	**3%**
Licenses & Permits	**77,965**	**56,650**	**77,900**	**60,400**	**3,750**	**7%**
Grants	71,468	-	10,000	9,800	9,800	--
Liquor tax & other state shared revenues	125,213	125,700	119,600	97,100	(28,600)	-23%
Total Intergovernmental	**196,681**	**125,700**	**129,600**	**106,900**	**(18,800)**	**-15%**
Charges For Service	**41,626**	**24,900**	**30,000**	**18,600**	**(6,300)**	**-25%**
Fines & Forfeitures	**38,431**	**37,000**	**35,000**	**35,000**	**(2,000)**	**-5%**
Musuem insurance proceeds	123,264	68,852	68,852	-	(68,852)	-100%
Sale of surplus - police	15,732	-	53,092	-	-	--
Donations	12,173	-	30,200	-	-	--
Investment interest	21,816	23,300	23,300	17,500	(5,800)	-25%
Rentals & leases	-	-	8,250	33,000	33,000	--
Other miscellaneous	27,506	15,300	12,888	9,600	(5,700)	-37%
Total Miscellaneous Revenue	**200,491**	**107,452**	**196,582**	**60,100**	**(47,352)**	**-44%**
Transfers In	**138,280**	**-**	**-**	**-**	**-**	**--**
Total Revenue **	**1,737,053**	**1,367,178**	**1,541,682**	**1,328,665**	**(38,513)**	**-3%**

*Combined General Fund + Street Fund
** Total revenue for 2025 & 2026 includes property tax and utility tax allocated to the Street fund.

Updates to estimates provided to Council on 9/16/2026:

- Added Periodic Update Grant revenue to the 2027 budget - $9,800 increase.
- Added police department lease revenue to 2026 projections ($8,250) and to the 2027 budget ($33,000).
- Increased property tax revenue for 2027 by $3,165 based on preliminary new construction values provided by Grays Harbor County.
- Decreased 2027 state shared revenues by $21,300 based on estimated city assistance distributions from the Department of Revenue which were unavailable at the time of the last meeting

Property Tax

Property tax numbers presented are the City's total regular property tax levy. This includes both the 90% allocated to the General Fund and the 10% allocated to the Street Fund. Starting with the 2027 budget, 100% of property tax revenues will be receipted into the General Fund and the allocation of General Fund dollars to the Street Fund will be shown as a transfer out of the General Fund, to improve transparency.

2026 projected property taxes are equal to the final 2026 levy. The actual levy is 1% higher than budgeted due to new construction. The 2027 budget presumes Council will authorize a 1% increase in the property tax levy for 2027. The 2027 budget is 3% higher than the 2026 budget due to the 1% increase plus new construction, as per Grays Harbor County preliminary valuations.

Sales & Use Tax

Sales tax revenue represents the City's .85% share of sales and use tax. Sales tax revenue is projected to increase approximately 7% over the 2026 budget but decrease 11% from 2026 actual revenue. 2025 and 2026 sales tax revenue is higher than usual due to tax on the city hall and school construction projects. 2027 revenue projections are based on estimates without any significant construction revenue, as this revenue is one-time in nature and should not be relied upon.

B&O Tax

B&O tax revenue is projected to remain flat, both in relation to the 2026 budget and to 2026 actual revenue.

Utility Tax

This category includes utility tax on the City's water, sewer, and stormwater utilities, as well utility tax collected by outside agencies for electric, telephone, cable tv and garbage. The numbers presented reflect total utility tax collected, including both the portion allocated to the General Fund and the portion allocated to the Street Fund. Like property tax, all utility tax revenue will be budgeted in the General Fund starting in 2027. Overall, utility tax revenue is projected to remain flat.

Licenses & Permits

This category includes cable franchise fees, business licenses, and building permits. Building permits account for the majority of the revenue. Permit revenue is projected to increase slightly over the 2026 budget but decrease relative to 2025 and 2026 actuals. 2025 and 2026 included significant one-time fees related to school construction, which are not factored into 2027 projections. Franchise fees and business licensing are projected to remain flat.

Grants

2025 grant revenue is from the RCO grant and 2026 revenue is the Periodic Update Grant (PUG). The PUG grant will continue in 2027, in the amount of $9,800.

Liquor Tax & State Shared Revenue

This category includes State distributions of liquor excise and liquor board profits as well as city assistance distributions (share of the State real estate excise tax). Liquor taxes are per capita and remain consistent and predictable year to year. City assistance distributions are based on a complex formula which depends on local sales tax revenues relative to the statewide average and various population criteria. The 2027 budget reflects estimated city assistance distribution of $55,900. This decreased $21,300 from 2026.

Charges for Services

This category includes cemetery fees and planning/zoning fees. 2025 and 2026 actuals include one-time planning fee revenue related to the school, which are excluded from 2027 estimates.

Fines & Forfeitures

Traffic infraction revenue is budgeted to be slightly lower in 2027 vs. the 2026 budget, based on 2026 projected revenue.

Miscellaneous Revenue

- One-time items from 2025 and 2026 (insurance proceeds, sale of police assets, donations) are not included in the 2027 budget.
- 2027 budgeted investment interest is based on an expected rate of return of 2.5% on an average investment balance of $700,000. The current rate of return is approximately 3.7%.
- Rental of the police department building at a rate of $2,750/month.

- Other miscellaneous includes festival vendor applications, non-infraction court fees, and pass-through building/licensing fees (collected from customers & remitted to the state).

Transfers In

The transfers posted in 2025 represent closing of old bond funds, which were then transferred from the General Fund to the current city hall bond fund. These were one-time in nature. No transfers in are expected in either 2026 or 2027.

City of Cosmopolis

Preliminary Budget

2027

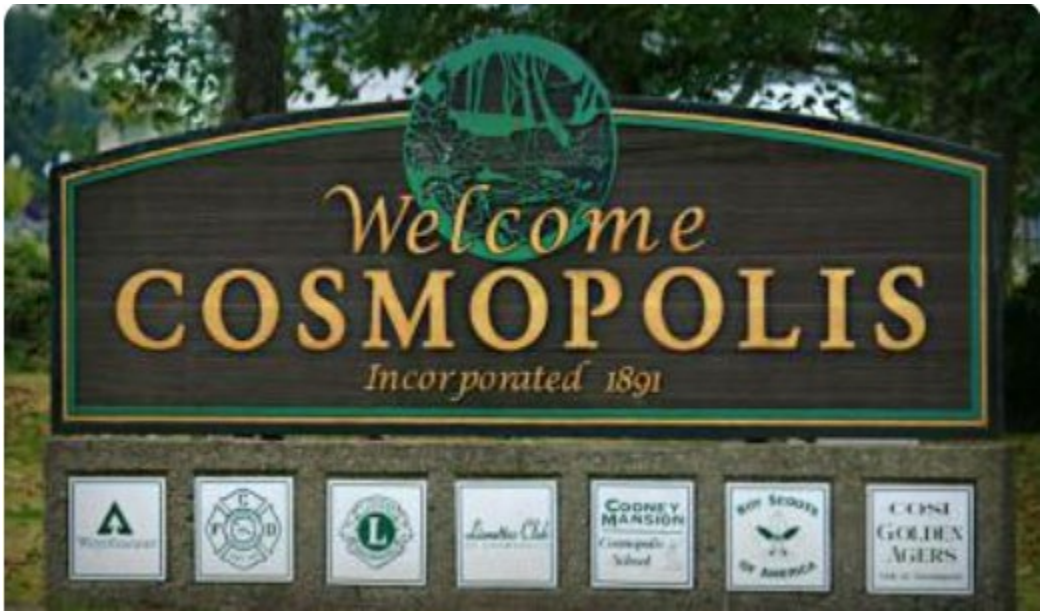


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City of Cosmopolis **Mayor's Message 2027 Budget**

"We can't change history, but we can create the future."
— Erwin Raphael McManus

Dear City Council, Department Heads, Staff, and Citizens of Cosmopolis,

As I approach the end of my third year as Mayor, these years have brought tough decisions, financial challenges, and the responsibility of finding better ways to operate our city. That work has laid a foundation. The proposed 2027 budget is about building on that and moving Cosmopolis forward.

My commitment remains to serve Cosmopolis with integrity, transparency, accountability, and a determination to build a stronger future for our citizens and future generations.

Our Community and Our Commitment
As the oldest city in Grays Harbor County, Cosmopolis has a proud history rooted in family, tradition, and community. I have called Cosmopolis home for more than 23 years and appreciate the generations of families, volunteers, businesses, and citizens who make our city special. Our history is something we honor. Our future is something we build together.

Leadership, Staffing, and Responsible Operations
During a financially challenging period, the city has operated lean, with many administrative and supervisory duties carried by the Mayor. That helped the city realize savings, but it is not a structure Cosmopolis should depend on going forward. Our city needs an administrative structure that provides continuity for our citizens.

We are now fully staffed. The proposed budget provides for a part-time City Administrator, increased hours and benefits for the part-time Deputy Clerk, and an increased Fire Chief stipend. These changes will strengthen daily operations and help ensure the city's work continues smoothly.

City Hall will continue operating Monday through Thursday, a schedule that supports small cities, managing costs and working within limited budgets. Working closely with our city CPA, we continue monitoring expenditures and ensuring responsible fiscal management across every department and fund. The city should always have an outside financial advisor that can and does assist with budget decisions.

Financial Stability and the 2027 Budget
A major component of the proposed budget is the planned contracting of police services, projected to save the General Fund approximately **$175,000 in 2027**. These savings will help maintain a balanced General Fund and support:

- A part-time City Administrator.
- Increased hours and benefits for the part-time Deputy Clerk.
- An increased Fire Chief stipend.
- Replacement of the cemetery roof.
- Funds set aside to address tree-related issues in our community.

The General Fund will also cover the annual Springbrook software license, previously paid from the Equipment Replacement Fund, helping preserve that fund for future equipment and operational needs. The proposed budget includes a 4% cost-of-living adjustment, estimated at $18,700 across city funds, recognizing the value of our employees while remaining mindful of our financial responsibilities. Final payments on interfund loans from the Makarenko Park Trust to the General Fund are scheduled for completion in 2027, another step toward improving our financial position.

Water and Sewer: Paying for What We Buy and What We Own

Our water and sewer utilities remain one of the city's most important financial challenges, and it is important that our citizens understand why.

Cosmopolis does not produce its own drinking water or treat its own wastewater. We buy both from the City of Aberdeen and resell them to our customers. That means every utility dollar has two jobs. The first is paying Aberdeen for water and treatment, including our share of improvements to Aberdeen's system that a past agreement committed us to. The second is maintaining and replacing the infrastructure Cosmopolis owns: the water mains, sewer lines, pump stations, meters, and hydrants that run under our streets.

Much of the first cost is set outside our control. The second does not go away because we buy the service from someone else. Pipes still age, still break, and still need to be replaced, and those costs are shared by you, the citizens. When rates cover what we owe Aberdeen but little more, our own system falls behind. That is the gap we must close.

The previous 10-year sewer agreement with Aberdeen, which included capital improvement obligations, expired at the end of 2023. The city had left over debt balances from 2022 to 2024 we have paid all of those off. No new agreement has been signed for services beginning in 2024, and negotiations on sewer remain ongoing as we continue to address our cost of the capital improvement projects as the result of the ten-year contract. Aberdeen is an important partner, and we appreciate their continued work and collaboration with us. We are working and continue to gather input from our attorney, Sewer Team, state partners, and the Department of Commerce to understand our options and learn from comparable communities.

Moving forward, our approach is to:

- **Secure fair, predictable agreements with Aberdeen** so our customers know what to expect and the city can plan.
- **Know what we own.** Through the Comprehensive and recently completed Storm Water Plan, we will inventory our water, sewer, and stormwater systems and assess their condition, so repairs are planned rather than rushed.
- **Continue to communicate rates.** We will review our utility rates so citizens can see which part of their bill pays Aberdeen and which part maintains our own system, and so rates support reserves for future repairs.
- **Bring in outside dollars.** We will continue state and federal infrastructure funding to reduce the burden on our ratepayers.
- **Look at every option.** We are evaluating all long-term options for how our utilities are owned, operated, and paid for, and bring those choices to the City Council and our citizens before any decision is made.

This will not be solved in one budget year, but we can stop reacting to it. We have been and are planning for it, with consideration for our citizens and Cosmopolis's long-term interests and best outcome for our Citizens.

Infrastructure, Stormwater, and Planning Ahead

The Office of Chehalis Basin awarded Cosmopolis a grant of $293,643 to identify the Flooding concern within the community involving our storm water drains and floodgates. In August the city with HDR Engineering approved its Comprehensive Stormwater Plan, identified flooding concerns and evaluated proposed projects, considered costs, and seeking funding for critical projects in the future.

Completing our Comprehensive Plan in early 2027 is a top priority. Our part-time City Administrator is working with the Planning Commission, so the plan meets state requirements and includes a plan for our streets, stormwater, water, and sewer infrastructure. This plan will help guide future decisions, establish community priorities, and strengthen our ability to pursue grants. We were awarded a PUG grant from the Department of Commerce $20,000 reviewing the Critical Area and to be part of the Comprehensive plan.

The Planning Commission also completed the Transportation Improvement Program (TIP), which identifies transportation priorities and provides a framework for pursuing funding for sidewalks and roads. One main goal for 2027 is working with the Grays Harbor Council of

Governments (GHCOG) to move those priorities toward funding, including grants and in-kind match.

Public Safety and Community Service
Public safety remains a priority. The planned transition to contracted police services addresses the financial realities of our small city while maintaining police services for residents. Accountability, service delivery, and community needs must remain central as this transition moves forward.

Our Volunteer Fire Department is another important strength. I would like to thank Daryle Druzanich for his ongoing support for the Fire Department and the City. His recent donation enabled us to address our Fire Department Bay Doors. The proposed $18,000 investment in firefighter training supports preparation and recognizes the dedication of those who serve their neighbors. We are encouraged by the renewed focus on training and department needs under our new Administrative Fire Chief.

A Community That Works Together
Our residents, volunteers, local businesses, organizations, and regional partners help Cosmopolis accomplish more than our limited budget could provide alone.

Our parks and public spaces support rentals, youth programs, daycare activities, sporting events, youth soccer, and recreation. Mill Creek Courts are regularly used by young people and adults who are tennis fans, and Highland Park offers pickleball and other features for families. Cosmopolis received $30,000 for a play structure at Lions Park to assist in moving towards completion from the Grays Harbor Community Foundation. Four of our parks now offer basketball with new hoops and lights, and our walking trails are maintained for citizens and visitors to enjoy. The Petal Pushers flower program, seasonal decorations, and community activities reflect local pride.

The Cosmopolis Community Center brings people together through weekly meals and social opportunities for residents aged 50 and older, as well as monthly visits from the Timberland Library. Efforts to develop a food pantry further demonstrate our commitment to helping neighbors facing financial challenges.

Visitors often comment on the cleanliness, appearance, and care of our city. That recognition belongs to our Public Works employees, volunteers, businesses, and citizens who work together to keep Cosmopolis welcoming and well maintained.

Looking Ahead to 2027
We cannot undo past decisions, but we can learn from them and choose differently. By the end of 2027, our goal is clear progress on:

- An adopted Comprehensive Plan that guides growth, infrastructure, and funding.
- New water and sewer agreements with Aberdeen, and a clear picture of what our own system needs.
- Utility rates that are understandable and that protect our infrastructure and our citizens for the long term.
- Grant applications for sidewalks, roads, stormwater, and utilities, prepared with our local and regional partners, including the Grays Harbor Council of Governments (GHCOG).
- **A completed, accountable transition to contracted police services.**
- Continued progress rebuilding reserves and meeting our obligations.

I encourage citizens to attend City Council meetings, participate in committees, ask questions, and share their ideas. I invite you to Coffee with the Mayor on the last Thursday of each month for questions and one-on-one discussion. Transparency means being honest about both our accomplishments and our challenges.

Serving as your Mayor requires difficult choices and long hours. I remain committed to listening to you, our citizens, and approaching the work ahead with determination, respect, and grace.

Together, we can continue building a financially responsible, well-managed, and resilient city, one that honors its history while planning thoughtfully for its future.

With gratitude and continued commitment,

Mayor Linda Springer

City of Cosmopolis, Washington

We are Cosmopolis Strong



Elected Officials

		Term Expires:
Linda Springer	Mayor	December 31, 2027
Kim Skinner	Council Position #1	December 31, 2027
Jeremy Winn	Council Position #2	December 31, 2027
Justin Spargo	Council Position #3	December 31, 2027
Steve Davis	Council Position #4	December 31, 2029
Sue Darcy	Council Position #5	December 31, 2029

Staff

Jon Martin	City Administrator
Mackenzie Adams	Clerk-Treasurer
Kasey Jo McAbee	Fire Chief

Budget Development Process

The budget includes financial planning and legal authority to obligate public funds. Additionally, the budget provides policy direction by the City Council to the staff and community.

The budget serves four functions:

It is a Policy Document
The budget functions as a policy document in that the decisions made within the budget will reflect the general principles or plans that guide the actions taken for the future. As a policy document, the budget makes specific attempts to link desired goals and policy direction to the actual day-to-day activities of the City staff.

It is an Operational Guide
The budget of the city reflects its operations. Activities of each City fund or department have been planned, formalized and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the policy issues and goals of the City Council.

It is a Link with the General Public
The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the city, the purpose of those activities, future implications, and the direct relationship to citizens.

It is a Legally Required Financial Planning Tool
Preparing and adopting a budget is a state law requirement of all cities as stated in Title 35A of the Revised Code of Washington (RCW). The budget must be adopted as a balanced budget and must be in place prior to the beginning of the City's fiscal year. The budget is the legal authority to expend public funds and controls those expenditures by limiting the amount of appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to determine funds available.

The City operates on a calendar-year basis. The city utilizes an incremental budgeting approach that assumes, for most functions of government, that the current year's budget is indicative of the base required for the following year. Any increases are incremental and based on needs defined by budget policies, emerging issues, Council goals and available resources.

Budget Calendar

October 21

- Mayor's proposed budget + budget message presented to Council
- Public hearing – revenue sources

November 4

- Public hearing on preliminary budget
- First read – property tax ordinance
- Budget discussion (if needed)

November 18

- Second read and adoption – property tax ordinance
- Public hearing on final budget
- First read – budget ordinance

December 2

- Second read and adoption – budget ordinance

After the budget is adopted, the City enters a budget implementation and monitoring stage. Throughout the year, expenditures are monitored by the City Clerk and department directors to ensure that funds are within the approved budget. The City Clerk provides the City Council with quarterly reports to keep them current with the City's financial condition.

The Mayor is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, position titles, salary ranges or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance adopted by Council.

Budget Principles

General Principles

- Department directors have primary responsibility for formulating budget proposals in line with City Council and Mayor directions, and for implementing them once they are approved.

- The City Clerk Treasurer is responsible for coordinating the overall preparation and administration of the City's budget. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.

- The City Clerk Treasurer assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.

- If presented, interfund charges will be based on recovery of costs associated with providing those services.

- Budget adjustments requiring City Council approval will occur through the ordinance process at the fund level prior to the end of the fiscal year.

- The City's budget presentation will be directed at displaying the City's budget in a Council and Citizen-friendly format.

Basis of Accounting

- Annual appropriated budgets are adopted for all funds on the cash basis of accounting.

- Budgets are adopted at the fund level that constitutes legal authority for expenditures. Annual appropriations lapse at the end of the fiscal period.

- The **General Fund** is the primary fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

- **Special Revenue Funds** account for revenue sources that are legally restricted or designated to finance certain activities.

- **Capital Project Funds** account for major construction projects.

- **Enterprise Funds** account for operations that provide goods and services to the general public and are supported primarily by user charges.

City-Wide Budget Summary

Fund	Beginning Fund Balance	Revenues	Expenditures	Increase (Decrease)	Ending Fund Balance
001 General	251,021	1,328,665	1,328,665	-	251,021
002 Fire Equipment	9,424	38,000	32,883	5,117	14,541
007 Equipment Reserve	19,321	38,000	-	38,000	57,321
010 Drug Seizure	705	-	705	(705)	-
011 Advance Payment Cemetery	8,248	-	-	-	8,248
012 Makarenko Park Operating	20,427	12,000	20,865	(8,865)	11,561
101 Street	52,996	122,970	122,970	-	52,996
105 Cemetery Perpetual Care	81,436	-	-	-	81,436
110 EMS	3,042	633,611	633,611	-	3,042
205 2020 UTGO Bond	440	189,880	189,428	452	892
305 Real Estate Excise Tax	65,850	20,000	-	20,000	85,850
401 Water	266,070	666,200	666,200	-	266,070
402 Sewer	469,694	653,000	676,026	(23,026)	446,668
410 Stormwater	206,373	71,000	43,453	27,547	233,920
702 Makarenko Park Reserve	372,371	44,479	12,000	32,479	404,850
Total	**1,821,406**	**3,817,805**	**3,726,806**	**90,999**	**1,912,405**

Authorized Positions

		Hourly						Annual					
		Step A	Step B	Step C	Step D	Step E	Step F	Step A	Step B	Step C	Step D	Step E	Step F
Full Time	**FTE**	0-12 months	13-24 months	25-36 months	37-48 months	49-60 months	61+ months	0-12 months	13-23 months	24-35 months	36-47 months	48-59 months	60+ months
Senior Utility Worker	1	31.74	32.69	33.67	34.68	35.72	36.80	66,021	68,001	70,042	72,143	74,307	76,536
Utility Worker 1	2	29.92	30.82	31.74	32.70	33.68	34.69	62,235	64,102	66,025	68,006	70,046	72,148
Total Full Time	**3**												

	Hourly					
	Step A	Step B	Step C	Step D	Step E	Step F
Part Time - Hourly	0-12 months	13-24 months	25-36 months	37-48 months	49-60 months	61+ months
City Administrator	54.60	56.24	57.93	59.66	61.45	63.30
Clerk Treasurer	38.00	39.14	40.32	41.53	42.77	44.05
Jr. Deputy Clerk x 2	25.40	26.16	26.94	27.75	28.58	29.44

Flat Rate	Flat Rate
Court Administrator	28.00
Building Inspector	42.00
Public Works Seasonal	22.00
Fire Chief	$30,000/year

Longevity - applied to full time and part-time hourly:

5 years	2%
10 years	3%
15 years	4%
20 years	5%
25 years	7%
30 years	10%

General Fund

General Fund

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**10,679**	**187,532**	**203,199**	**251,021**
Revenues:				
Taxes	928,316	933,200	1,024,480	1,047,665
Licenses & Permits	77,965	56,650	77,900	60,400
Intergovernmental Revenues	196,681	125,700	129,600	106,900
Charges For Services	41,626	24,900	30,000	18,600
Fines & Forfeitures	38,431	37,000	35,000	35,000
Misc Revenues	200,491	107,452	196,582	60,100
Transfers In	138,280	-	-	-
Total Revenues	1,621,790	1,284,902	1,493,562	1,328,665
Expenditures:				
Legislative	19,658	24,352	25,634	27,668
Judicial	69,819	40,323	38,046	41,601
Executive	8,481	11,545	31,642	64,447
Finance	105,841	142,861	152,955	198,983
Legal	22,522	50,000	53,945	56,000
Centralized Services	59,621	60,500	68,393	66,200
Law Enforcement	499,681	509,076	422,389	333,466
Fire Control & Ambulance	135,049	127,300	114,758	156,493
Detention/Corrections	853	2,500	1,470	2,500
Building & Planning	27,197	18,021	46,676	49,423
Dispatch Services	27,474	30,300	28,447	19,500
Cemetery	55,831	49,442	54,035	75,269
Community Events & Parks	137,352	105,180	70,546	98,905
Debt Service	43,977	41,050	40,961	43,440
Miscellaneous	27,915	3,600	4,753	2,700
Capital Outlay	-	192,115	195,362	-
Transfers Out	188,000	-	95,728	92,070
Total Expenditures	1,429,270	1,408,165	1,445,739	1,328,665
Increase (Decrease) in Fund Balance	**192,520**	**(123,263)**	**47,822**	**-**
Ending Fund Balance	**203,199**	**64,269**	**251,021**	**251,021**
Fund Balance as Percentage of Expenditures	**14%**	**5%**	**17%**	**19%**

Fire Equipment

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**28,429**	**17,788**	**8,231**	**9,424**
Revenues:				
Taxes	20,067	35,000	38,067	38,000
Intergovernmental	-	83,000	83,000	-
Misc Revenues	359	-	275	-
Total Revenues	20,425	118,000	121,342	38,000
Expenditures:				
Supplies	5,000	-	-	-
Debt Service	35,623	33,150	33,150	32,883
Capital outlay	-	87,000	87,000	-
Total Expenditures	40,623	120,150	120,150	32,883
Increase (Decrease) in Fund Balance	**(20,198)**	**(2,150)**	**1,192**	**5,117**
Ending Fund Balance	**8,231**	**15,638**	**9,424**	**14,541**

Funded by a portion of the 5% utility tax for equipment replacement. Funds 75% of 2019 fire truck loan (General Fund pays for remaining 25%).

Equipment Reserve

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**10,549**	**18,585**	**4,267**	**19,321**
Revenues:				
Taxes	20,068	35,000	38,067	38,000
Miscellaneous	-	-	-	-
Total Revenues	20,068	35,000	38,067	38,000
Expenditures:				
Debt Service	4,432	-	-	-
Springbrook Software	21,917	25,000	23,013	-
Total Expenditures	26,350	25,000	23,013	-
Increase (Decrease) in Fund Balance	**(6,282)**	**10,000**	**15,054**	**38,000**
Ending Fund Balance	**4,267**	**28,585**	**19,321**	**57,321**

Funded by a portion of 5% utility tax for equipment replacement. Paid for Springbrook software and debt service on 2019 police vehicle loan in the past.

Drug Seizure

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**705**	**705**	**705**	**705**
Total Revenues	-	-	-	-
Total Expenditures	-	-	-	705
Increase (Decrease) in Fund Balance	**-**	**-**	**-**	**(705)**
Ending Fund Balance	**705**	**705**	**705**	**-**

Close out fund in 2027 - no longer needed since police is contracted out.

Advance Payment Cemetery

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**8,248**	**8,248**	**8,248**	**8,248**
Total Revenues	-	-	-	-
Total Expenditures	-	-	-	-
Increase (Decrease) in Fund Balance	**-**	**-**	**-**	**-**
Ending Fund Balance	**8,248**	**8,248**	**8,248**	**8,248**

Prepayments on cemetery services. As per Chapter 2.84 of the Municipal Code the Clerk is authorized to accept monthly payments on lots and to accept advance payments for services, except for liners.

Makarenko Park Operating

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**22,759**	**25,288**	**22,436**	**20,427**
Revenues:				
Transfer from fund 702 - interest	11,175	12,000	12,000	12,000
Total Revenues	11,175	12,000	12,000	12,000
Expenditures:				
Culture & Recreation	11,498	23,997	14,009	20,865
Total Expenditures	11,498	23,997	14,009	20,865
Increase (Decrease) in Fund Balance	**(323)**	**(11,997)**	**(2,009)**	**(8,865)**
Ending Fund Balance	**22,436**	**13,291**	**20,427**	**11,561**

This fund accounts for use of Makarenko Park reserve fund interest income.

Street

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**3,242**	**2,384**	**63,361**	**52,996**
Revenues:				
Taxes	143,263	82,276	48,120	-
Intergovernmental	30,613	40,000	40,000	30,900
Miscellaneous	-	-	899	-
Transfers In - General Fund	-	-	-	92,070
Total Revenues	173,875	122,276	89,019	122,970
Expenditures:				
Salaries & Benefits	44,240	46,576	39,833	43,520
Other Street Operating	65,933	75,700	59,552	79,450
Interfund loan repayment	3,583	-	-	-
Total Expenditures	113,757	122,276	99,385	122,970
Increase (Decrease) in Fund Balance	**60,119**	**-**	**(10,365)**	**-**
Ending Fund Balance	**63,361**	**2,384**	**52,996**	**52,996**

Through 2026, an allocation of general property & utility taxes balanced this fund. Starting in 2027, all general property and utility taxes will be receipted into the General Fund, and transfers out of the general fund / transfers in to the Street fund will be utilized to more clearly show the general fund subsidy required to fund streets.

Cemetery Perpetual Care

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**66,601**	**79,390**	**76,261**	**81,436**
Revenues:				
Charges for Services	9,660	-	5,175	-
Total Expenditures	-	-	-	-
Increase (Decrease) in Fund Balance	**9,660**	**-**	**5,175**	**-**
Ending Fund Balance	**76,261**	**79,390**	**81,436**	**81,436**

Proceeds from sale of cemetery lots to provide for maintenance of cemetery in perpetuity after sale of all lots. Per Chapter 3.48 of the Municipal Code, half of lot sale fees shall go into the cemetery perpetual care fund and the rest ino the general fund for cemetery

EMS

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**-**	**-**	**3,042**	**3,042**
Revenues:				
Charges for Services	253,318	509,319	367,328	633,611
Transfers In	-	-	71,728	-
Total Revenues	253,318	509,319	439,055	633,611
Expenditures:				
EMS Services	248,557	493,320	433,901	633,611
Other operating expenses	1,718	7,500	5,154	-
Total Expenditures	250,275	500,820	439,055	633,611
Increase (Decrease) in Fund Balance	**3,042**	**8,499**	**-**	**-**
Ending Fund Balance	**3,042**	**8,499**	**3,042**	**3,042**

2020 UTGO

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**(112,962)**	**(243,101)**	**(266,688)**	**440**
Revenues:				
Taxes	160,626	188,000	188,000	189,880
Interest	3,234	-	27	-
Transfers in	188,000	242,901	266,901	-
Total Revenues	351,860	430,901	454,928	189,880
Expenditures:				
Debt Service	185,695	187,800	187,800	189,428
Capital Outlay	319,892	-	-	-
Total Expenditures	505,586	187,800	187,800	189,428
Increase (Decrease) in Fund Balance	**(153,726)**	**243,101**	**267,128**	**452**
Ending Fund Balance	**(266,688)**	**-**	**440**	**892**

This fund accounts for use of $3M bond proceeds for new building, and for property tax levy for related debt service.

Real Estate Excise Tax

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**266,745**	**289,463**	**289,637**	**65,850**
Revenues:				
Taxes	22,892	20,000	19,115	20,000
Total Revenues	22,892	20,000	19,115	20,000
Expenditures:				
Transfers out	-	242,901	242,901	-
Total Expenditures	-	242,901	242,901	-
Increase (Decrease) in Fund Balance	**22,892**	**(222,901)**	**(223,786)**	**20,000**
Ending Fund Balance	**289,637**	**66,562**	**65,850**	**85,850**

Funding source is real estate excise tax, which is restricted by State law for certain capital improvements.

Water

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**46,534**	**129,632**	**126,239**	**266,070**
Revenues:				
Charges for Services	665,427	650,000	664,750	666,200
Total Revenues	665,427	650,000	664,750	666,200
Expenditures:				
Salaries & Benefits	79,578	120,190	55,651	116,134
Purchased Water - Aberdeeen	351,544	385,000	329,642	385,000
Other Operating	123,335	127,500	108,826	133,800
Debt Service	31,265	30,800	30,800	31,266
Total Expenditures	585,722	663,490	524,919	666,200
Increase (Decrease) in Fund Balance	**79,705**	**(13,490)**	**139,831**	**-**
Ending Fund Balance	**126,239**	**116,142**	**266,070**	**266,070**

Funded by charges for services. Aberdeen contract is based on actual water usage and is paid monthly.

Sewer

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**93,941**	**599,061**	**208,648**	**469,694**
Revenues:				
Charges for Services	645,011	650,000	663,202	653,000
Miscellaneous	4	-	-	-
Total Revenues	645,015	650,000	663,202	653,000
Expenditures:				
Salaries & Benefits	69,787	88,850	54,914	90,226
Sewer Contract - Aberdeeen	400,000	273,000	272,628	500,000
Other Operating	60,521	90,300	74,614	85,800
Total Expenditures	530,308	452,150	402,156	676,026
Increase (Decrease) in Fund Balance	**114,707**	**197,850**	**261,046**	**(23,026)**
Ending Fund Balance	**208,648**	**796,911**	**469,694**	**446,668**

Funded by charges for services. Aberdeen contract is based on a pro-rata share of Aberdeen's sewer budget. Aberdeen contract has been expired since the end of 2023 and there is a substantial past due balance.

Stormwater

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**119,693**	**168,477**	**163,239**	**206,373**
Revenues:				
Charges for Services	71,173	70,000	71,277	71,000
Total Revenues	71,173	70,000	71,277	71,000
Expenditures:				
Salaries & Benefits	14,326	25,891	11,954	20,453
Other Operating	13,301	18,500	16,189	23,000
Total Expenditures	27,627	44,391	28,144	43,453
Increase (Decrease) in Fund Balance	**43,546**	**25,609**	**43,134**	**27,547**
Ending Fund Balance	**163,239**	**194,086**	**206,373**	**233,920**

Funded by user charges, for stormwater related expenditures.

Makarenko Park Reserve

Description	2025 Actual	2026 Budget	2026 Projected	2027 Budget
Beginning Fund Balance	**300,795**	**331,780**	**339,548**	**372,371**
Revenues:				
Interest Income	19,928	12,000	14,823	12,000
Interfund loan repayment	30,000	30,000	30,000	32,479
Total Revenues	49,928	42,000	44,823	44,479
Expenditures:				
Transfers Out	11,175	12,000	12,000	12,000
Total Expenditures	11,175	12,000	12,000	12,000
Increase (Decrease) in Fund Balance	**38,753**	**30,000**	**32,823**	**32,479**
Ending Fund Balance	**339,548**	**361,780**	**372,371**	**404,850**

This fund accounts for an original trust deposit of $320,547. The original trust deposit is to remain intact, with interest income to be used for Makarenko Park operating expenses. Interest income is transferred to fund 012 - Makarenko Park and is used for park operating expenses. Outstanding interfund loans receivable at year end 2026 = $32,479. All interfund loans will be paid off in 2027.

Interfund Loan Schedule

Borrowing Fund	Lending Fund	Terms	2025 Ending Balance	2026 Payments	2026 Ending Balance	2027 Payments	2027 Ending Balance
001 General Fund	702 Makarenko Park Reserve	Ord.1310 - $100,000 repaid in 10 annual payments of $10,00 starting in 2017 @ 1% *	21,098	10,000	11,098	11,098	-
001 General Fund	702 Makarenko Park Reserve	Ord. 1285 - $200,000, repaid in 10 annual payments of $20,000, starting in 2015 @ 1%	41,381	20,000	21,381	21,381	-
Total							

Note: interfund loan payments were not made in 2020, therefore final payment year will be extended out +1 year from original terms



RESOLUTION NO. 2026-04

RESOLUTION AUTHORIZING DESIGNATED ENTITY SIGNATORIES FOR THE MUNICIPAL 457(b) DEFERRED COMPENSATION RETIREMENT PLAN HELD WITH EDWARD JONES

R E C I T A L S:

WHEREAS, the City of Cosmopolis maintains an eligible deferred compensation program under Section 457(b) of the Internal Revenue Code for its eligible personnel; and

WHEREAS, the City utilizes Edward D. Jones & Co., L.P. as the custodian, broker, or administrator for said retirement accounts; and

WHEREAS, financial custodians require a formal entity authorization resolution passed by the governing body to establish, modify, or maintain authorized individuals who can sign account documents, execute trades, and transmit employee payroll data; and

WHEREAS, Mackenzie Adams is an existing employee currently serving in the official capacity of Clerk-Treasurer and is designated to perform these transactional duties;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF COSMOPOLIS, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: The City Council for the City of Cosmopolis hereby certifies and designates Mackenzie Adams, holding the title of Clerk-Treasurer, as an Authorized Person and Entity Signatory for any and all 457(b) retirement plan accounts held with Edward Jones on behalf of the municipality.

SECTION II: The designated employee is granted full administrative authority to execute Edward Jones Account Authorization and Agreement Forms, certify organizational structures, establish electronic data transmissions for payroll routing, and execute all necessary operational requests required by the custodian. This authority shall remain valid until a formal revocation resolution is passed or upon their termination of employment with the City.

SECTION III: The City Clerk is authorized and directed to execute any specific "Certificate of Business/Organization" or "Incumbency Certificate" required by the financial institution to verify this Council action.

PASSED THIS _____ DAY of _____, 2026, by the City Council of the City of Cosmopolis, and signed in authentication thereof this _____ day of _____, 2026.

CITY OF COSMOPOLIS:

_____
LINDA SPRINGER, Mayor

ATTEST:

_____
MACKENZIE ADAMS, CITY CLERK

APPROVED AS TO FORM:

_____
CHRISTOPHER JOHN COKER, City Attorney

City Council Report for
October 21, 2026

Calls for service:

The Cosmopolis Fire Department had a total of 292 calls for service in 2026. Since the last report Cosmopolis Fire has had 47 calls for service. Below is a breakdown of calls per call type.

Dates	AIDRSP	MEDRSP	LIFT	IBURN	FSTRU/FIRE/FALARM	ACCENT (auto or Boat	TOTAL
09/15/2026-10/21/2026	25	3	6	1	11	1	47

Training updates

We have multiple people working towards the next fire and EMT academies. We are planning on sending as many members as possible to both academies. The EMT academy is paid for through the County EMS office which is a huge benefit to our small community.

Volunteer updates

We are in the process of interviewing two new volunteer applicants and have six new volunteers. We had three volunteers resign due to work obligations and moving out of the area. We appreciate their time as volunteers at Cosi and wish them well.

Station Maintenance

The generator has been checked and is in great condition.

Special Meeting

A special meeting was held to discuss status of Cosi fire and policy updates. Thank you to members of the community who attended along with Council members Davis and Darcy. The community and council are welcome to reach out to the Chief at any time.

Upcoming events

Cosi fire is partnering with the Lions club to assist with smoke detector battery changes on Friday and Saturday.

Respectfully,
Kasey Jo McAbee, Fire Chief

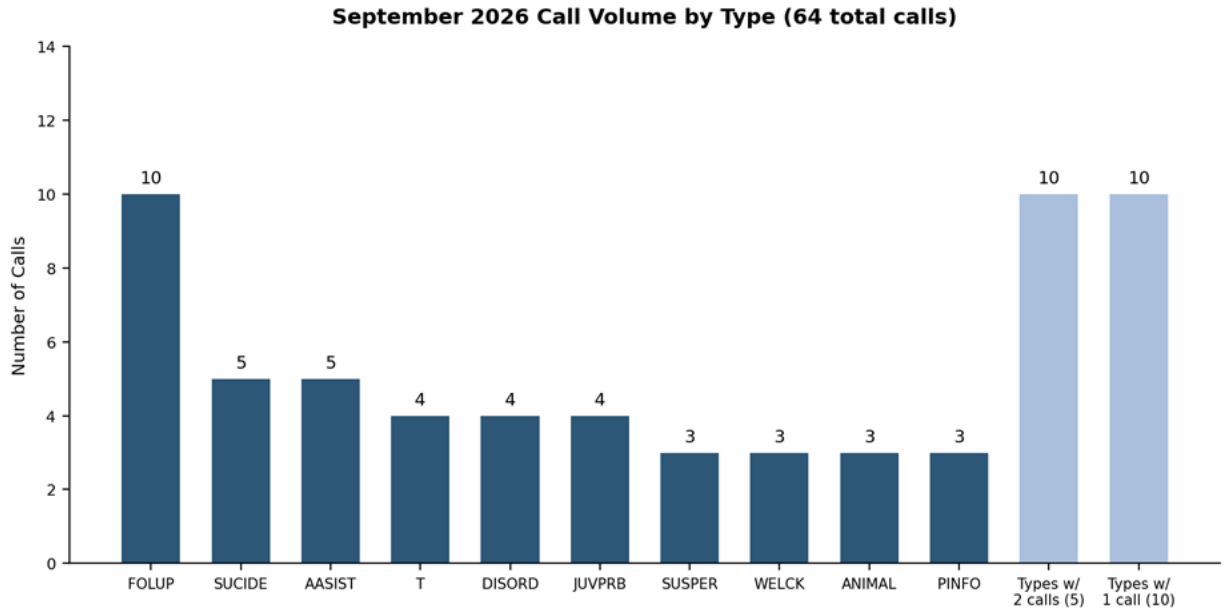
ABERDEEN POLICE DEPARTMENT

Cosmopolis City Council
October 21, 2026

City Council Agenda Items: NONE

Call Stats for September of 2026:

Excluding Fire/EMS responses, September saw 64 calls across 25 different call types. Follow-Up (FOLUP) was the most frequent call type with 10 calls (16% of total volume), followed by Suicide (SUCIDE) and Agency Assist (AASIST) tied at 5 calls each. Three call types occurred 4 times each (Traffic Stop, Disorderly, Juvenile Problem), 4 call types occurred 3 times each (Suspicious Person, Welfare Check, Animal, PINFO), 5 call types occurred twice, and 10 call types occurred only once. Compared to August, volume rose from 55 to 64 calls (+16%), while the number of distinct call types stayed at 25. FOLUP jumped from 2 calls to 10. Suspicious Person and Welfare Check, August's top call types at 6 calls each, fell to 3 each. SUCIDE and AASIST had no calls in August. Parking calls returned with 2 after 0 in August, and animal complaints rose from 1 to 3. FRESP was 17 in September versus 19 in August.



1) During the Month of August, VIPS assisted Aberdeen High School with traffic control at a cross-country running meet in Makarenko Park in Cosmopolis. During September, VIPS contributed 142 hours. Calculated at the National Volunteers Association rate of $34.79/hour that is a contribution of $4,940.18 to the city and citizens of Aberdeen and Cosmopolis. Look out for VIPs and Officer patrolling on Halloween Night with candy donated from Walmart.

2) Animal Control followed up with a complaint of feral cats in the 1200 block of 4th Street. Live traps were set and 16 were trapped and transferred to North Beach Paws for adoption.