



**White Salmon City Council Meeting
A G E N D A
September 04, 2019 – 6:00 PM
220 NE Church, White Salmon WA 98672**

Call to Order and Presentation of the Flag

Roll Call

Comments

Changes to the Agenda

Business Items

1. Police Officer Swearing In
 - a. Ed Gunnyon
 - b. Kate Daniels
2. Council Room Sound System
 - a. Presentation and Discussion
 - b. Action
3. Ordinance 2019-09-1051, Water Revenue Bond Anticipation Note
 - a. Presentation and Discussion
 - b. Action
4. Note Purchase Agreement, North Cascades Bank
 - a. Presentation and Discussion
 - b. Action

Consent Agenda

5. Approval of Meeting Minutes - August 21, 2019
6. Approval of Vouchers

Department Head and Council Reports

Executive Session (if needed)

Adjournment

Item Attachment Documents:

2. Council Room Sound System
 - a. Presentation and Discussion
 - b. Action



AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: September 4, 2019
Agenda Item: Council Chamber Sound System
Presented By: Jan Brending, Clerk Treasurer

Action Required

The council make provide possible direction to staff to pursue the purchase of a new council chamber sound system.

Proposed Motion

Possible motion to provide direction to staff to pursue the purchase of a new council chamber sound system.

Explanation of Issue

This item is on the city council agenda for discussion and possible direction to staff regarding the purchase of new sound system for the council chambers.

Recommendation of Staff/Committee

There is no recommendation at this time.

Item Attachment Documents:

3. Ordinance 2019-09-1051, Water Revenue Bond Anticipation Note
 - a. Presentation and Discussion
 - b. Action



AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: September 4, 2019
Agenda Item: Ordinance 2019-09-1051, Providing for Issuance and Sale of Revenue Bond Anticipation Note
Presented By: Jan Brending, Clerk Treasurer

Action Required

Adoption of Ordinance 2019-09-1051, Providing for Issuance and Sale of Revenue Bond Anticipation Note.

Proposed Motion

Motion to adopt Ordinance 2019-09-1051, Providing for the Issuance and Sale of a Revenue Bond Anticipation Note to Evidence a Non-Revolving Line of credit for the Purpose of Providing Interim Financing for Improvements to the Water Utility of the City in the Principal Amount of Not to Exceed \$3,193,000; Providing the Form, Terms and Maturity of the Note; Authorizing the Designated City Representative to Manage the Non-Revolving Line of credit; and Approving the Sale of the Note.

Explanation of Issue

The city is required to adopt an ordinance related to the issuance and sale of a revenue bond anticipation note for our non-revolving line of credit for interim financing. The attached ordinance has been prepared by the city's bond counsel K&L Gates LLP.

Recommendation of Staff/Committee

Staff recommends adoption of Ordinance 2019-09-1051, Providing for the Issuance and Sale of Revenue Bond Anticipation Note in the Principal Amount not to Exceed \$3,193,000.

CITY OF WHITE SALMON, WASHINGTON
WATER REVENUE BOND ANTICIPATION NOTE, 2019
(NON-REVOLVING LINE OF CREDIT)

Not to exceed \$3,193,000

ORDINANCE NO. 2019-09-1051

AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE BOND ANTICIPATION NOTE TO EVIDENCE A NON-REVOLVING LINE OF CREDIT FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR IMPROVEMENTS TO THE WATER UTILITY OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,193,000; PROVIDING THE FORM, TERMS AND MATURITY OF THE NOTE; AUTHORIZING THE DESIGNATED CITY REPRESENTATIVE TO MANAGE THE NON-REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF THE NOTE.

PASSED: SEPTEMBER 4, 2019

Prepared By:

K&L GATES LLP
Seattle, Washington

CITY OF WHITE SALMON

Ordinance No. 2019-09-1051

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CITY OF WHITE SALMON, WASHINGTON

WATER REVENUE BOND ANTICIPATION NOTE, 2019
(NON-REVOLVING BANK LINE OF CREDIT)

Not to exceed \$3,193,000

ORDINANCE NO. 2019-09-1051

AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE BOND ANTICIPATION NOTE TO EVIDENCE A NON-REVOLVING LINE OF CREDIT FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR IMPROVEMENTS TO THE WATER UTILITY OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,193,000; PROVIDING THE FORM, TERMS AND MATURITY OF THE NOTE; AUTHORIZING THE DESIGNATED CITY REPRESENTATIVE TO MANAGE THE NON-REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF THE NOTE.

WHEREAS, the City of White Salmon, Washington (the “City”) operates a water supply and distribution system as part of its water utility (the “Water System”) which is in need of improvements (as hereinafter described more fully, the “Project”); and

WHEREAS, long-term financing for the Project will be provided by a loan from the United States Department of Agriculture, Rural Development (the “Government”), evidenced by a revenue bond secured by a pledge of Water System revenue (the “Bond”); and

WHEREAS, the City now wishes to undertake the Project and requires interim financing pending issuance and sale of the Bond to the Government; and

WHEREAS, the City is authorized by chap. 39.50 RCW to issue a bond anticipation note (the “Note”) pending the issuance of the Bond and is authorized by RCW 39.46.050 to establish a line of credit with a qualified public depository to be drawn upon in exchange for the Note; and

WHEREAS, the City has received the offer of North Cascades Bank, a division of Glacier Bank (the “Bank”), dated September 4, 2019 (the “Commitment Letter”), to provide a non-revolving line of credit to be evidenced by the Note authorized herein under the terms set forth herein and in the Commitment Letter; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON, DO HEREBY ORDAIN, as follows:

Section 1. Definitions. As used in this ordinance the following terms shall have the following meanings:

Authorized Officer means the Mayor or Clerk/Treasurer of the City.

Bank means North Cascades Bank, a division of Glacier Bank, Chelan, Washington, and any business successor thereto.

Bond means the water revenue bond of the City to be issued to the Government to provide permanent financing for the Project.

City means the City of White Salmon, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

City Clerk/Treasurer means the City Clerk/Treasurer of the City of White Salmon, or his/her successor in functions, if any.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

Commitment Letter means the letter from the Bank dated September 4, 2019, offering to purchase the Note.

Construction Fund means the special fund of the City designated as the “USDA Rural Development Jewett Water Main Improvements” fund, pursuant to Ordinance No. 2019-08-1050 of the City, adopted August 21, 2019, into which proceeds of Draws shall be deposited to pay costs of the Project.

Costs of Maintenance and Operation means all normal operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, insurance and administrative expense as pro rata budget charges for City departments where such charges represent a reasonable distribution or share of actual cost; but exclude depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the Water System, municipal taxes, or payments to the City in lieu of taxes.

Council means the general legislative authority of the City as the same shall be duly and regularly constituted from time to time.

Debt Service Fund means the special fund of the City designated as the “Water Bond Redemption Fund” established by Ordinance No. 2012-05-888 and codified at Section 3.24.151 WMCH to pay and secure the payment of all Parity Bonds.

Draw or **Draws** means incremental draws on the Note requested by the City in substantially the form attached to the Commitment Letter and as approved by the Government and the Bank.

Draw Period Interest Rate means a fixed rate per annum determined as of the Initial Draw Date, commencing on the Initial Draw Date through the Maturity Date, equal to the

Federal Home Loan Bank of Des Moines 1-year Fixed Rate Advance plus 1.45%, multiplied by 79% (or, if the Federal Home Loan Bank ceases to exist or to establish or publish a 1-year Fixed Rate Advance, then such comparable publication or such other similar index as shall be selected by the Bank and agreed upon by the City); **provided, however**, that the interest rate will not be less than 2.94% or greater than 4.94%. **Provided further**, if the Maturity Date of the Note is extended as provided for herein and in the Commitment Letter, the Draw Period Interest Rate shall be redetermined as provided above for the period beginning the day after the original Maturity Date through the new Maturity Date.

Future Parity Bonds means any revenue bonds of the City issued after the date of the issuance of the Bond and having a lien upon the money in the Water Fund for the payment of the principal thereof and interest thereon equal to the lien upon such revenue and money for the payment of the principal of and interest on the Outstanding Parity Bonds.

Government means the United States Department of Agriculture, Rural Development.

Gross Revenue means all earnings and revenue, except ULID Assessments, received by the City from the operation of the Water System, including proceeds from the sale, lease or other disposition of any of the properties or facilities of the Water System, and the income from investments of money in the Water Fund and any bond fund or from any other investment thereof except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. The term “Gross Revenue” does not include grants or bond proceeds, but does include federal or state reimbursements of operating expenses to the extent that such expenses are included as “Costs of Maintenance and Operation” of the Water System.

Initial Draw Date means the date of the first Draw on the Note.

Letter of Conditions means the Government’s Letter of Conditions dated April 17, 2019, and as it may be amended and supplemented from time to time.

Loan Draw Record means the administrative record kept by the Bank to record the date and dollar amounts of the Draws on the Note made by the City.

Maturity Date means the date twelve (12) months after the Initial Draw Date, unless extended for up to twelve (12) additional months pursuant to the terms hereof and of the Commitment Letter.

Net Revenue of the Water System means the Gross Revenue of the Water System, less the Costs of Maintenance and Operation.

Note means the City of White Salmon, Washington, Water Revenue Bond Anticipation Note, 2019, issued pursuant to this ordinance.

Note Registrar means the Treasurer, as authenticating agent, paying agent, and registrar for the Note.

Outstanding Parity Bonds means (i) the portion of the City’s Water and Sewer Revenue Bond, 1981, issued pursuant to Ordinance No. 1981-16-374, passed on October 21, 1981, and subsequently allocated two-thirds to the Water System, and (ii) the City’s Water Revenue Bond, 2015, of the City issued in the principal amount of \$405,000 pursuant to Ordinance No. 2015-04-964, as amended by Ordinance No. 2015-09-975.

Outstanding Principal Balance of the Note means, on any particular day, the aggregate of all funds that the City has Drawn from the Bank under the Note to that day, less the aggregate of all principal payments on the Note made by the City on or before that day.

Parity Bonds means the Outstanding Parity Bonds and any Future Parity Bonds.

Project means the plan of additions and betterments to and extensions to the Water System specified and adopted in Section 2 of this ordinance.

Water Fund means the Water Fund of the City.

Treasurer means the City Clerk/Treasurer, or the successor or successors to the duties of such officer.

Water System means the existing water supply and distribution system and all additions and betterments thereto and extensions thereof for as long as any Parity Bonds remain outstanding.

Rules of Interpretation. In this ordinance, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Words importing the singular number include the plural number and vice versa.

Section 2. The Project. The Council has specified and adopted a Water System Plan for municipal water system improvements, including the reconstruction of several City streets and replacements and upgrades to below grade utilities in those streets, including certain improvements to facilities of the Water System to move hydraulics, reduce system pressures, and improve fire flow referred to in the Letter of Conditions as the Jewett Water Main Improvement Project (the “Project”).

Section 3. Authorization of Bond. The City hereby authorizes the issuance of a water revenue bond of the City, to be issued to the Government under the terms and conditions set forth in the Letter of Conditions (the “Bond”). The Bond shall be issued in the principal amount of not to exceed \$3,193,000 (or so much thereof as has been Drawn), shall be payable solely from the City’s revenue bond redemption fund and Net Revenue of the Water System and shall be payable with interest at the rate set forth in said Letter of Conditions. The exact date, form, terms and maturities of the Bond shall be as hereafter fixed by ordinance of the City Council.

Section 4. Authorization of Note. For the purpose of providing interim financing for the Project pending its completion and issuance and sale of the Bond, the City shall issue its revenue bond anticipation note as a non-revolving line of credit in an aggregate principal amount of not to exceed \$3,193,000. The Note shall be designated “City of White Salmon, Washington, Water Revenue Bond Anticipation Note, 2019,” shall be dated as of the date of its original issuance, shall be fully registered as to both principal and interest, shall be in the denomination of \$3,193,000; provided that the principal amount due and owing thereunder shall be measured by the total Draws made, as evidenced by the Loan Draw Record, shall be numbered N-1, and shall bear interest on unpaid principal from the date of each Draw (hereinafter described) at the Draw Period Interest Rate, calculated on the basis of a 365-day year and the actual number of days elapsed. Interest on a particular principal amount Drawn on the line of credit established hereunder shall be payable on the Note’s Maturity Date, or earlier prepayment in full of the Note. Principal of and all accrued interest on the Note shall be due and payable on the Maturity Date to the extent not prepaid at an earlier date.

The Maturity Date of the Note may be extended for up to an additional twelve (12) months with the agreement of the City and the Bank. If the Maturity Date of the Note is extended pursuant to the terms herein and in the Commitment Letter, all outstanding interest on the bond as of the original Maturity Date shall be paid as of such date, and the City shall pay the Bank the \$1,596 fee as described in the Commitment Letter. The Draw Period Interest Rate shall be redetermined on the original Maturity Date for the extended period beginning the day after the original Maturity Date to the extended Maturity Date.

The Treasurer shall be the “Note Registrar.” The Note is not intended to be a revolving obligation; the principal amount outstanding under the Note may never exceed \$3,193,000, and principal amounts repaid may not be reborrowed. The available principal of the Note shall be disbursed as borrowings from time to time by the Bank upon request from an Authorized Officer in substantially the form of Exhibit A to the Commitment Letter, subject to approval by the Bank and the Government (each such disbursement herein referred to as a “Draw”), as provided in Section 9 of this ordinance. The City shall use best efforts to deliver Draw requests to the Bank two days prior to the requested disbursement date. A Draw request must be accompanied by an

approval of the Draw amount from an authorized representative of the Government. Draws shall be recorded in such form as the City and the Bank may agree. Interest on each Draw shall accrue from the date of the Draw and shall be computed on the basis as described above on the principal amount of the Draw outstanding for the actual number of days the principal amount of the Draw is outstanding.

The proceeds of any Draw shall be deposited into the Construction Fund and shall be expended solely to pay the costs of the Project and financing costs.

Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Upon the final payment of all principal and interest on the Note, the Note shall be surrendered to the Note Registrar for cancellation. The Note shall not be transferable, except in whole (i) to a successor to the business or assets of the Bank or (ii) to a “qualified institutional buyer” as such is defined in Rule 144A of the Securities Act of 1933. The Note shall be an obligation only of the Debt Service Fund and shall be payable and secured as provided herein. The Note is not a general obligation of the City.

Section 5. Prior Redemption. The Note may be prepaid, in whole or in part, at any time, upon conditions as stated in the Commitment Letter.

Section 6. Priority of Payments from the Water Fund. There has heretofore been created a special fund of the City designated as the Water Fund of the City (herein referred to as the “Water Fund”). All of the Gross Revenue of the Water System shall be deposited in the Water Fund as collected. The Water Fund shall be held separate and apart from all other funds and accounts of the City, and the Gross Revenue of the Water System deposited in such Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the costs of maintenance and operation;

Second, to make all payments required to be made into the Bond Fund to pay principal of and interest on any Parity Bonds;

Third, to make all payments required to be made into the Water Bond Reserve Fund established by Ordinance No. 2012-05-888 and codified at Section 3.24.152 WSMC to secure the payment of all Parity Bonds;

Fourth, to make all payments required by subsequent ordinances of the City to be made out of Gross Revenue into any revenue bond redemption fund or revenue warrant redemption fund and debt service account or reserve account created to pay and secure the payment of the principal of and interest on any revenue bonds or revenue warrants of the City having a lien upon the Gross Revenue junior and inferior to the lien thereon of the Parity Bonds; and

Fifth, to make all payments required to be made into the Short-Lived Asset Reserve Fund created by the City; and

Sixth, to retire by redemption or purchase in the open market any outstanding revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements

and repairs to or extensions and replacements of the Water System, or for any other lawful City purpose.

Section 7. Debt Service Fund. The City has created its “Water Bond Redemption Fund” established by Ordinance No. 2012-05-888 and codified at Section 3.24.151 WMCH to pay and secure the payment of all Parity Bonds (the “Debt Service Fund”). The Debt Service Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the owner of the Note.

The City hereby irrevocably obligates and binds itself for as long as the Note remains outstanding to set aside and pay into the Debt Service Fund out of the proceeds of sale of the Bond, proceeds of other short-term obligations, or from Gross Revenue of the Water System or moneys in the Water Fund available therefor after payment of the amounts identified in paragraphs First through Fifth of Section 6 of this ordinance, on or prior to the maturity of the Note in an amount sufficient to pay and redeem the principal of and interest on the Note as the same shall become due.

The City hereby covenants that it will issue the Bond or another refunding water revenue obligation or obligations in an amount sufficient, with other moneys of the City, legally available and specifically set aside for such purpose, to pay the principal of and interest on the Note on or prior to the Maturity Date.

The City further covenants that, simultaneously with the receipt of such proceeds of sale of the Bond to the Government, it will pay into the Debt Service Fund moneys sufficient to pay the principal of and interest on the Note and will apply said moneys to the payment of the Note in accordance with its terms.

Said amounts so pledged to be paid into the Debt Service Fund, are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, subject only to the payments provided in paragraphs First through Fifth of Section 6 of this ordinance.

Section 8. Sufficiency of Gross Revenue. The corporate authorities of the City hereby declare that in fixing the amounts to be paid into the Debt Service Fund as aforesaid they have exercised due regard to the expenses of maintenance and operation of the Water System and the charges necessary to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds and have not obligated the City to set aside and pay into said Debt Service Fund a greater amount of the Gross Revenue than in their judgment will be available over and above such expenses of maintenance and operation and the amounts necessary to pay the principal of and interest on the Outstanding Parity Bonds and the Note.

Section 9. Disposition of Proceeds of the Note. The City maintains a capital facilities improvement fund, defined in this Ordinance as the Construction Fund. The money derived from Draws shall be deposited in the Construction Fund and shall be expended solely to pay costs of the Project and costs of issuing and delivering the Note, as authorized herein. Following the execution and delivery of the Note, an Authorized Officer shall notify the Bank in writing each time that a Draw is required to pay costs of the Project or costs of issuance of the

Note, subject to the Bank's and the Government's approval. A request for a Draw may be made in writing by an Authorized Officer in any manner approved by the Bank and the Authorized Officer. The Bank will then notify the City of its intent to wire transfer a Draw or pay by check (including the dollar amount of the Draw and the date on which the Draw amount will be wired or paid by check to the City for deposit into the Construction Fund). It is anticipated that Draws will be on no more than a monthly basis. The Draws under the Note shall be used, together with other moneys on deposit therein and available therefor, for the undertaking of the Project and for paying all expenses incidental thereto (including but not limited to costs of issuance of the Note, engineering, financing, legal or any other incidental costs) and for repaying any advances heretofore or hereafter made on account of such costs or for redeeming the Note. Interest earned and income or profits derived by virtue of investments of moneys in the Construction Fund may remain in the Construction Fund and may be used for the payment of Project costs. Upon the completion of the Project and the payment of all costs thereof, including the payment of all retainages for construction, the balance on hand in the Construction Fund shall be transferred to City fund(s) or otherwise disbursed as required under grant/loan contracts, and the Construction Fund shall be closed.

Section 10. Tax Covenants. The City hereby covenants that it will not make any use of the proceeds of sale of the Note or any other funds of the City which may be deemed to be proceeds of such Note pursuant to Section 148 of the Code which will cause the Note to be an "arbitrage bond" within the meaning of said section and said Regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Note) and the applicable Regulations thereunder throughout the term of the Note.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Note to constitute "private activity bonds" under Section 141 of the Code.

The City hereby designates the Note as a "qualified tax exempt obligation" under Section 265(b) of the Code for investment by financial institutions. The City does not anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during 2019.

Section 11. General Covenants. The City hereby covenants and agrees with the owner of the Note from time to time, as follows:

(a) The City will establish, maintain and collect rates and charges for water system service furnished for as long the Note is outstanding, that it will make available for the payment of the principal of and interest on all of such notes as the same shall become due an amount equal to the amount required in any calendar year hereafter for the payment of all of such principal and interest after normal costs of maintenance and operation of the Water System have been paid, but before depreciation.

(b) The City will at all times maintain and keep the Water System in good repair, working order and condition, and also will at all times operate the Water System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) The City will keep proper books of account for the Water System in accordance with rules and regulations of any governmental entity having jurisdiction, including the Division

Principal Amount, together with interest thereon at the Draw Period Interest Rate, as defined in Ordinance No. 2019-__ -__ of the City (the “Ordinance”), calculated on the basis of a 365-day year and the actual number of days elapsed. Interest shall be payable on the Maturity Date, to the extent not prepaid. Installments of the principal of and interest on this note shall be paid by check or draft of the City mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the Registered Owner at the address shown above. Upon final payment of all installments of principal and interest thereon, this note shall be submitted to the Note Registrar (the Treasurer of the City) for cancellation and surrender.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar. The definitions contained in the Ordinance shall apply to capitalized terms contained herein.

The City hereby irrevocably covenants and agrees with the Registered Owner of this note that it will keep and perform all the covenants of this note and of the Ordinance to be by it kept and performed. Reference is hereby made to the Ordinance for a complete statement of such covenants and for the definition of capitalized terms used herein.

This note is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions and ordinances of the City, including the Ordinance, for the purpose of providing interim financing for certain improvements to the Water System. This note is issued in anticipation of the issuance of a revenue bond (the “Bond”) authorized by the City.

Both principal of and interest on this note are payable solely out of the special fund of the City known as the “Water Debt Service Fund” (the “Debt Service Fund”). The City does hereby pledge and bind itself to set aside and pay into the Debt Service Fund the amount required by the Ordinance to be paid therein from the proceeds of the Bond (as authorized in the Ordinance) or from the sources and in the priority specified in the Ordinance. The City further pledges that it will issue the Bond on or prior to the maturity of this note, and use the proceeds thereof to redeem this note. This note is not a general obligation of the City.

This note may be prepaid at any time, in whole or in part.

This note is not transferable, except as provided in the Ordinance.

This note is not a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). This note is a qualified tax-exempt obligation under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this note have happened, been done and performed and that

the issuance of this note does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of White Salmon, Washington, has caused this note to be signed, executed by the manual or facsimile signature of the Mayor, and authenticated by the City Clerk/Treasurer, as of this ____ day of _____, 2019.

CITY OF WHITE SALMON,
WASHINGTON

Mayor

ATTEST:

Clerk/Treasurer of the City

The Note Registrar's Certificate of Authentication on the Note shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This note is the note described in the within-mentioned Ordinance and is the Water Revenue Bond Anticipation Note, 2019 of the City, dated September 4, 2019.

CITY OF WHITE SALMON
TREASURER, as Registrar

By _____

Section 14. Execution. The Note shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and Clerk/Treasurer of the City. The Certificate of Authentication on the Note shall be signed manually by the Note Registrar.

In case any officer whose signature shall appear on the Note shall cease to be an officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, and such Note may be authenticated and delivered as if such officer had remained in office until such delivery.

The Note shall not be valid for any purpose unless Certificate of Authentication in the form hereinafter specified in Section 13 has been manually executed by the Note Registrar. Such

Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

Section 15. Sale of Note. The Note shall be sold to the Bank in accordance with its Commitment Letter, which by this reference is hereby incorporated herein, and the acceptance of such proposal is hereby ratified and confirmed. A loan fee of \$3,193 is authorized to be paid to the Bank.

The proper officials of the City are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Note and the items required to be delivered to the Bank under the terms of the Commitment Letter and for proper use and application of the proceeds of sale thereof. In furtherance of the foregoing, the Authorized Officer is authorized to approve and enter into agreements for the payment of costs of issuance, including fees and expenses of the Bank and other retained services, including Bond Counsel, and other expenses customarily incurred in connection with issuance and sale of a note.

Section 16. No Undertaking to Provide Ongoing Disclosure; Information to be Provided to Bank. The Note is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the City makes no undertaking regarding ongoing disclosure with respect to the Note.

As long as the Note is outstanding and held by the Bank, the City will provide to the Bank its annual financial report (to the extent such report is not available on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (“EMMA”)), and such financial information of the City as the Bank from time to time may reasonably request.

Section 17. Declaration of Official Intent. The City hereby official declares its intent under Treasury Regulation Section 1.150-2 to reimburse expenditures in an amount not to exceed \$3,193,000 for costs of the Project incurred by the City prior to the date Note proceeds become available for such reimbursement or payment of Project costs.

Section 18. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

Section 19. Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 20. Effective Date. This resolution shall be effective from and after its adoption as provided by law.

PASSED by the City Council at a regular open public meeting thereof, held on the 4th day of September, 2019.

CITY OF WHITE SALMON,
WASHINGTON

Mayor

ATTEST:

Clerk

CERTIFICATE

I, the undersigned, Clerk of the City of White Salmon, Washington (the “City”), DO
HEREBY CERTIFY:

1. That the attached Ordinance No. 2019-09-1051 (herein called the “Ordinance”) is a true and correct copy of an ordinance of the City as finally passed at a meeting of the City Council held on the 4th day of September, 2019, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of September, 2019.

Clerk

Item Attachment Documents:

4. Note Purchase Agreement, North Cascades Bank
 - a. Presentation and Discussion
 - b. Action



AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: September 4, 2019
Agenda Item: Ordinance 2019-09-1051, Providing for Issuance and Sale of Revenue Bond Anticipation Note
Presented By: Jan Brending, Clerk Treasurer

Action Required

Authorization to sign Note Purchase Agreement with North Cascades Bank for principal amount not to exceed \$3,193,000.

Proposed Motion

Motion to authorize signing Note Purchase Agreement with North Cascades Bank for interim financing for the principal amount not to exceed \$3,193,000.

Explanation of Issue

The attached is the formal Note Purchase Agreement with North Cascades Bank. The city council previously authorized using North Cascades Bank for interim financing for the Jewett Water Main Project.

Recommendation of Staff/Committee

Staff recommends authorizing signing the Note Purchase Agreement with North Cascades Bank.

September 4, 2019

Honorable Councilmembers
City of White Salmon
100 N Main Street
White Salmon, WA 98672

Honorable Councilmembers,

North Cascades Bank, division of Glacier Bank (the “Bank”), hereby offers to enter into this Note Purchase Agreement with the City of White Salmon, Washington (the “City”), to provide for the purchase and sale of the City’s Water Revenue Bond Anticipation Note, 2019 (Non-revolving Line of Credit)(the “Note”). Upon acceptance of this offer by the City, this Note Purchase Agreement will be binding upon the City and the Bank. This Note Purchase Agreement is made subject to its acceptance by the City and delivery of this Note Purchase Agreement to the Bank by 5 p.m. on Wednesday, September 25, 2019. If not so accepted, this Note Purchase Agreement will be subject to withdrawal by the Bank upon written notice to the City at any time prior to acceptance hereof by the City. Capitalized terms not defined herein have the meaning given in the authorizing ordinance of the Note adopted by the City Council on September _____, 2019 (the “Note Ordinance”).

1. Purpose: To provide interim-financing to pay a portion of the costs of the City’s Jewett Water Main Improvement Project (the “Project”) being undertaken with funding from the United States Department of Agriculture (“USDA”), and to pay the costs of issuance of the Note.
2. Amount: Not to exceed \$3,193,000
3. Closing Date: The Note shall be dated the date of the first draw upon the Note (the “Closing Date”). Prior to the Closing Date, the Bank shall receive copies of the adopted Note Resolution, the fully executed Note, legal opinion of bond counsel, and an Interim Lender Letter from USDA.
4. Maturity Date: The Note shall mature on the date 12-months after the Closing Date (the “Maturity Date”) unless extended as set forth in Section 5 herein.
5. Extension: The Maturity Date of the Note may be extended for one additional 12-month period from the Maturity Date; **provided**, all accrued interest due as of the Maturity Date shall be paid, the Interest Rate shall be recalculated as set forth in Section 7 of this Note Purchase Agreement, and the City shall pay to the Bank an extension fee of \$1,596.

North Cascades Bank Municipal Services

Chelan Office
220 Johnson Ave
PO Box 1648
Chelan, WA 98816
Telephone: 509.682.4502

www.northcascadesbank.com

Edmonds Office
152 3rd Avenue South
Suite 200
Edmonds, WA 98020
Telephone: 509.682.7306

6. **Draws:** The Designated Representative of the City may make incremental draws upon the Note (each a “Draw” or “Draws”), in any amount, on any Business Day for the purpose of providing funds to pay Project expenses as set forth in the Note Ordinance; **provided**, the first Draw on the Note shall be in an amount sufficient to satisfy federal tax rules for tax-exempt financing. Each request for Draw shall include a Draw Certificate substantially in the form attached hereto as Exhibit A, the most recent outlay report, and written approval from USDA for the release of funds. The Bank requests receipt of Draw requests at least two days prior to the disbursement date. Draw proceeds will be transmitted electronically to the City for deposit as set forth in the Note Ordinance.
7. **Interest Rate:** From the Closing Date through and including the Maturity Date, the outstanding principal balance of the Note shall bear interest at a fixed rate equal to the Federal Home Loan Bank of Des Moines 1-year Fixed Rate Advance plus 1.45%, multiplied by 79% (the “Interest Rate”). The Interest Rate shall be calculated on the Closing Date and shall not be greater than 4.94% or less than 2.94%. Interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed. The Federal Home Loan Bank of Des Moines 1-year Fixed Rate Advance may be viewed at <https://www.fhlbdm.com/products-services/advances/>.
8. **Fees:** The City shall pay the Bank a one-time fee of \$3,193 (0.10%) for this facility, due upon acceptance of this Note Purchase Agreement. This fee may be reimbursable to the City from proceeds of a Draw, subject to USDA approval. An invoice for this fee is attached below as Exhibit B.
9. **Payments:** The outstanding principal balance of the Note, together with interest due thereon, is due in full on the Maturity Date, or such date of earlier prepayment of the Note.
10. **Prepayment:** The Note may be prepaid, in whole or in part, any time at a price of par plus accrued interest to the date of prepayment. Prepayments will be applied first to interest due to the date of prepayment, and second, to principal. Amounts prepaid may not be borrowed.
11. **Security:** The City irrevocably pledges to redeem the Note on or before the Maturity Date from proceeds of a Water Revenue Bond (anticipated to be sold to USDA), other short-term obligations, and, if necessary, Net Revenues of the Water System as set forth in the Note Ordinance.
12. **Reporting:** The City will provide its annual financial report to the Bank, together with such other information the Bank may reasonably request from time to time, for as long as the Note is outstanding and held by the Bank.
13. **Form:** The Note shall be issued as single instrument; shall be numbered R-1; and shall be in fully registered form.

Prior to closing, the City must satisfy the conditions of closing or funding as may be specified or required in writing by the Bank pursuant to the Note documents, any exhibit, letter, or otherwise. All documents, instruments and information referred to herein or otherwise required by the Bank must be acceptable to the Bank in its sole discretion. As of the Closing Date, the credit of the City and all characteristics of this financing, including the terms and conditions of USDA, shall be as represented to the Bank without material adverse change. In the event of material adverse change, including litigation, the terms proposed herein shall terminate upon written notice by the Bank. The Note documents will be prepared by the City's bond counsel, and contain additional terms and conditions applicable to the Note.

PLEASE NOTE ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Kind regards,



Jim Tinker
VP Municipal Finance
North Cascades Bank

Acknowledged and accepted this ____ day of September, 2019

CITY OF WHITE SALMON, WASHINGTON

By:

Title:

EXHIBIT A

CITY OF WHITE SALMON, WASHINGTON
WATER REVENUE BOND ANTICIPATION NOTE, 2019
(NON-REVOLVING LINE OF CREDIT)

DRAW CERTIFICATE NO. ____

TO: Jim Tinker Jim.Tinker@northcascadesbank.com
 Loan Servicing loanservicing@northcascadesbank.com

On behalf of the CITY OF WHITE SALMON, WASHINGTON (the "City"), I hereby certify:

1. I am the Designated Representative of the City and that I am authorized to request this Draw under the Water Revenue Bond Anticipation Note, 2019 (Non-revolving Line of Credit) (the "Note"). Capitalized terms used in this Draw Certificate have the meanings given to such terms in Ordinance No. ____ of the City adopted on September ____, 2019 (the "Note Ordinance").

2. The City requests a Draw in the amount of \$ _____ to be disbursed on [MONTH/DAY/YEAR].

3. The amount of this requested Draw, together with all prior Draws on the Note, does not exceed \$3,193,000.

4. Proceeds of this Draw will be transmitted to the City in accordance with the Note Ordinance.

5. The Draw will be expended for such purposes of the City as are permitted by the Note Ordinance.

Dated as of this [DAY] day of [MONTH], [YEAR].

CITY OF WHITE SALMON, WASHINGTON

By:

Title:

EXHIBIT B



September 4, 2019

INVOICE

City of White Salmon, Washington
100 N Main Street
White Salmon, WA 98672

COMMENTS OR SPECIAL INSTRUCTIONS:

Bank fee in connection with the City of White Salmon, Washington Water Revenue Bond Anticipation Note, 2019.

TOTAL DUE: \$3,193.00

North Cascades Bank Municipal Services

Chelan Office
220 Johnson Ave
PO Box 1648
Chelan, WA 98816
Telephone: 509.682.4502

www.northcascadesbank.com

Edmonds Office
152 3rd Avenue South
Suite 200
Edmonds, WA 98020
Telephone: 509.682.7306



Item Attachment Documents:

5. Approval of Meeting Minutes - August 21, 2019



CITY OF WHITE SALMON
City Council Regular Meeting – Wednesday, August 21, 2019
DRAFT

Council and Administrative Personnel Present

Council Members:

Jason Hartmann
Donna Heimke
Marla Keethler (by telephone)
Ashley Post

Staff Present:

Pat Munyan, City Administrator
Stephanie Porter, Deputy Clerk
Ken Woodrich, City Attorney
Bill Hunsaker, Fire Chief/Building Official
Mike Hepner, Police Chief

1. Call to Order

Mayor Dave Poucher called the meeting to order at 6 p.m. There were approximately 10 people present.

2. Roll Call

Moved by Ashley Post. Seconded by Donna Heimke.
Motion to excuse Amy Martin. CARRIED 4-0.

3. Comments – Public and Council

Dennice Dierck, White Salmon Resident said she is in favor of reducing the speed limit to 20 mph on Jewett Blvd. through White Salmon. She said it will positively impact the safety of our community. Dierck said she owns a business on the west side of Jewett Blvd in downtown and sees increasingly high speed when people drive past. She said drivers see the increased speed sign ahead of them and start speeding up.

David Dierck, White Salmon Resident said he is in favor of reducing the speed limit to 20 mph on Jewett Blvd. through White Salmon. He said he would like to see enhanced illumination in the town for increased safety. Dierck said some of the streetlights are shaded by trees and when pedestrians are using crosswalks or jay walking in the evening it is difficult to see them. He said he would like to see an additional crosswalk across Jewett Blvd at Church Street. Dierck asked if there could be a crosswalk at Main Street and Jewett Blvd at the east side of the intersection. He said he would also like to see the electronic speed signs for the 20 mph zones like the ones in Bingen. Dierck said he like to see the "Thank You" when he reaches the right speed. He said it is positive reinforcement.

Dave Poucher, Mayor said electric speed signs have been ordered. He said they will be installed when all parts have arrived.

Ashley Post, Council Member said the City Operations Committee has looked at additional crosswalks in downtown. She said the main concern with an additional crosswalk at Church Street and Jewett Blvd would be that 3 public parking spots in front of Feast Market would have to be removed. Post said with the already limited parking in downtown, that option was not the best choice at this time.

Pat Munyan, City Administrator said that in relation to the request for a crosswalk at east side of the Jewett and Main intersection that the Glassworks Building has a basement that extends out to the street line and the state is concerned because they would be required to add a second ADA ramp there and they do not have the room to safely do it in that location at this time. He said WSDOT does not want to get too close to a basement wall and cause damage.

David Dierck, White Salmon Resident asked if the city had talked to the state about raised crosswalks or 3D crosswalks.

Dave Poucher, Mayor said the city has talked to the state, but they were not on board with speed control crosswalks. He said the city has not stopped dialogue with WSDOT about the crosswalks and will be continuing to pursue different options.

4. Changes to the Agenda

There were no changes to the agenda.

5. Ordinance 2019-08-1048, Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits

Patrick Munyan presented the information regarding Ordinance 2019-08-1048 stating that the city has submitted a request to Washington State Department of Transportation (WSDOT) to lower the speed limit through the core of downtown from 25 miles per hour to 20 miles per hour. The first step to accomplish the speed limit is for the city to adopt an ordinance.

Ken Woodrich recommended that the wording in section 3 of the ordinance read “From State Route 141 M.P. 1.23”.

Council discussed where the current speed signs are and where the proposed signs would be.

Moved by Ashley Post. Seconded by Jason Hartmann.

Motion to approve Ordinance 2019-08-1048, Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits with corrections to section 3 adding State Route 141.

Discussion: Ashley Post said she would like to have the 20 mile per hour speed sign on the east side of White Salmon moved from M.P.1.23 which is roughly at Dock Grade and Jewett Blvd down to the intersection of SE 7th Avenue and Jewett Blvd. She said this would keep the speed limit at 20 mile per hour past the bus stop at 6th and Jewett Blvd where many kids get off the bus to walk to the youth center.

Pat Munyan said that the city may have to write an additional letter to the state in order to get approval to move the 20 miles per hour speed limit.

Ashley Post stated that there is going to be a new crosswalk across Jewett Blvd to Grandview. She said having the speed increase right before that crosswalk would be counterproductive.

David Poucher said that the state wants to keep the speed as uniform as possible.

Marla Keethler said that she agrees to move the east boundary to SE 7th Ave and Jewett Blvd.

Moved by Ashley Post. Seconded by Donna Heimke. Motion to amend motion to approve Ordinance 2019-08-1048, Amending WSMC 10.08.010 State Route 14 and 141 Speed Limits with changes to sections 2 and 3 as follows: “2. From the east city limits, on State Route 141, to SE Seventh Avenue, the speed limit shall be designated as thirty-five miles per hour. 3. From the intersection of SE Seventh Avenue and State Route 141 to M.P.1.64.03 miles north of the junction of Garfield Street on State Route No. 141, the speed limit shall be designated as twenty miles per hour.”. CARRIED 4-0.

Original Motion with Amendment. CARRIED 4-0.

6. Ordinance 2019-08-1049, Amending WSMC 10.24.015 Stop Intersections Designated

Patrick Munyan presented Ordinance 2019-08-1049 stating after the city authorized several 4-way stop intersections on Wyers Street, the city received a request to provide a 4-way stop intersection at 4th and Oak Street. He said residents have stated that individuals who use Dock Grade use Oak Street and 4th Avenue as a way to bypass the intersection of Dock Grade and Jewett Blvd. Munyan said the residents feel a 4-way stop intersection would slow traffic down and possibly deter non-resident traffic. He noted that one of the intersections (NE Oak Place) is a private road. Munyan said the City Operations Committee made the determination that placing stop signs at the proposed intersection would be consistent in helping to prevent accidents with traffic entering Oak Street or 4th Avenue without stopping.

Moved by Jason Hartmann. Seconded by Ashley Post.

Discussion: Ashley Post asked that the Mayor signature line be changed to show David Poucher, Mayor and the passed date to be changed to August 21, 2019.

Motion to approve Ordinance 2019-08-1049, Amending WSMC 10.24.015 Stop Intersections Designated with corrections. CARRIED 4-0.

7. WSDOT Project Review Reimbursable Agreement, Jewett Water Main Improvements

Patrick Munyan presented the WSDOT Agreement stating that because the Jewett Water Main Improvement project lies within State Route 141, Washington State Department of Transportation is required to conduct inspections related to trenching and pavement restoration work. He stated that the cost for the inspection work is estimated to be \$9,400. Munyan said the costs are part of the construction costs for the project and can be included in the reimbursement requirements from USDA Rural Development loan.

Moved by Jason Hartmann. Seconded by Donna Heimke.

Motion to approve WSDOT Project Review Reimbursable Agreement, Jewett Water Main Improvements with costs not to exceed \$9,400. CARRIED 4-0.

8. Contract Amendment – Anderson Perry, Construction Engineering, Jewett Water Main Improvements

Patrick Munyan presented the contract amendment stating that the current contract with Anderson Perry provides for design engineering costs including the recently approved amendment of \$14,000. He added that this amendment adds construction engineering costs for the project. Munyan said the amendment is in the amount not to exceed \$325,000. He said these costs are included in the city's USDA Rural Development loan.

Moved by Ashley Post. Seconded by Jason Hartmann.

Discussion: Jason Hartmann asked about the original cost of the project.

Pat Munyan said he does not have that number. He said it is usually 10% of the overall project.

Jason Hartmann said the budgeted amount was \$285,000.

Pat Munyan said that the scope of work has changed. He said the City first entered into a contract with Anderson Perry for design work to design the Jewett Water Line Project. He said that part of the project is almost complete, so now there needs to be an amendment to the contract for the construction management costs for the project. The construction management cost is \$325,000.

Marla Keethler asked why the construction costs were not in the original contract.

Pat Munyan said that when the city begins projects, especially ones this big, it does not know the full price of the project. He said the process is done this way because the amount for the next phase is based off a percentage of the total project cost.

Motion to approve amendments to the contract with Anderson Perry, Construction Engineer for the Jewett Water Main Improvements in the amount not to exceed \$325,000. CARRIED 4-0.

9. Ordinance 2019-08-1050, Amending WSMC Funds

Pat Munyan presented Ordinance 2019-08-1050 stating that USDA Rural Development requires the city to establish a separate fund to account for the construction costs of the Jewett Water Main Improvement project. He said the proposed amendment creates such fund and that after the project is completed and the loan is closed, the fund will be closed by an amendment to the city's code.

Moved by Jason Hartmann. Seconded by Donna Heimke

Discussion: Ashley Post asked that Clerk Treasurer signature line show Jan Brending.

Motion to approve Ordinance 2019-08-1050, Amending WSMC 3.24, Creating a USDA Loan Fund with correction. CARRIED 4-0.

10. City Hall Exterior

Pat Munyan said the contract with EMTech for city hall improvements was signed today and he spoke to the contractor about possible amendments mentioned at the last meeting. He said the council made a decision at the last meeting but there were comments made afterwards that changes may still want to be made.

David Poucher said that he wants to propose no rock on the clock tower but having rock work on the south side of City Hall's exterior above and below each window. He said that the rock would add depth.

Donna Heimke asked how much that would add to the cost of the project.

David Poucher said that it was not discussed but that the it would be proportional. He said the city has the funds to do it. He said it would make the building look nice.

Jason Hartmann said he had spoken with people and they have all wanted to see the city move away from the Rhinelander theme.

Ashley Post asked if they gave any reasons.

Jason Hartmann said that people stated the theme "had been done" and it "didn't work anymore." He said that they commented that none of the other buildings in downtown carried out the Rhinelander theme. Hartmann said he agrees.

Ashley said that people are either for it or against it. She said there are not many people in the middle.

Donna Heimke said that most of the people she talked to were just happy that it was getting completed.

Marla Keethler said she hosted a table at the Farmers Market in White Salmon and asked people to choose a city hall design they preferred, either with rock or without rock. She said the vote was split almost even between the 2 options. Keethler said that there was not a clear favorite. She said she believes the city has done due diligence and it is time to move forward.

Donna Heimke said that she chose the design option without rock because she did not want to exceed the budgeted amount. She said she is fine with the rock if it can be done for the original budgeted amount.

Marla Keethler asked if the window on the east side of City Hall could be kept.

David Poucher said that it is no longer a functioning window. He said there is a wall on the other side. He said that there was talk in using the space where the window was as a community bulletin board.

Ashley Post said that she likes rock on the south side but would like to see rock on all sides on the building. She said that she feels it will look unbalanced without rock on all sides.

Pat Munyan said that the City of White Salmon sign will remain on the east side of the building. He said that it must be located there.

Marla Keethler asked if the contract was drafted on the original choice of Option 3 the lowest cost option with the understanding that a change order could be put in to make changes to the design or if we are still waiting on the contract.

Pat Munyan said yes the contract was signed today for option 3. He said the contractor bid the 3 different options and if the council strays to far from those original designs that it will be more difficult to stay on budget because the cost will be unknown.

Marla Keethler said that when choosing designs it would be best to blend options that have been proposed and not add additional elements that were not included in the original bids. She said the 3 designs that were proposed were ones chosen by council as representation of the direction they wanted to go.

Pat Munyan said that the contractor is coming in on Monday and they need to know the direction they are going because with the weather changing, plans need to be solidified. He said they have a 90-day window to complete the project.

David Poucher said that the contractor, EMTech, is willing to work with the city to make the building look "proper". He said that he is confident they can stay within the budget and add an appropriate amount of rock to the building. Poucher said he can ask the contractor about ideas for rock on the east side of the building. He said the direction the council was leaning towards was no rock on the clock tower but the ability to work with the contractor to investigate options for rock on the east side of the building.

Discussion was paused to get information on the costs of each of the 3 design options.

Pat Munyan said the original budgeted amount for the City Hall exterior is \$200,000. He said the cost for option 1 is \$217,000, option 2 is \$204,000, and option 3 is \$186,500. Munyan said he predicts that with the rock work the cost would fall somewhere between the \$204,000 and \$217,000 estimates. He said there needs to be consideration that the building is old and there may be unexpected repairs that will come up as the project moves forward.

Moved by Ashley Post. Seconded by Donna Heimke.

Motion to amend City Hall Exterior Improvements to include rock work on the south side of City Hall and to allow contractor, EMTech, to suggest options for the east side of City Hall with total cost not to exceed \$200,000. CARRIED 4-0.

11. Consent Agenda

- a. Approval of Minutes – August 7, 2019
- b. Approval of Vouchers.

Vouchers audited and certified as required by RCW 42.24.080 and expense reimbursement claims as required by RCW 42.24.090 as of this 21th day of August, 2019.

Type	Date	From	To	Amount
Claims	08/21/2019	35281	35311	37,313.13
		EFT	EFT	8,251.50
			Claims Total	45,564.63
Payroll	08/20/2019	EFT	EFT	61,930.77
			Payroll Total	61,930.77
Manual Claims	08/12/2019	35280	35280	1,100.00
			Manual Total	1,100.00
			Total All Vouchers	108,595.40

**Moved by Donna Heimke. Seconded by Jason Hartmann.
 Motion to approve consent agenda. CARRIED 4-0.**

12. Department Head and Committee Reports

Mike Hepner, Police Chief said Officer Kate Daniels is out of the academy and is in field training now. He said he has hired a lateral officer that started August 19, 2019. Hepner said that Officer Madelynn McIlwain is in the academy. He said he is now fully staffed.

Donna Heimke, Council Member said Budget Committee is not meeting this week.

Ashley Post, Council Member said the Tree Board is working on amendments to the Tree Ordinance. She said the board was also made aware of some amendments that need to be made to the Critical Areas Ordinance. She said those will be coming to council in October/November of this year.

Marla Keethler, Council Member said she and Jan Brending attended the County Commissioners/ Board meeting to discuss SHB 1406 which would re-route sales tax for affordable housing. She said the commissioners were supportive. Keethler said they are now talking about specific ideas for Klickitat County. She said Community Development Committee is preparing to assess the city ordinances related to required parking square footage for various housing structures. Keethler said the Community Development Committee also talked about the short-term rental ordinance. She said the next public hearing is set on September 18, 2019. Keethler said the committee is currently reviewing feedback from the last public hearing and has potential changes that they will be discussing at the next Committee Development Committee meeting before it goes to public hearing. She said at the September meeting, the Community Development Committee will be revisiting the plastic bag ban as there has been a lot of feedback in the newspaper letter to the editor section. Keethler said she anticipates it will come back to the council soon.

David Poucher, Mayor said the Community Land Trust is now a non-profit that is recognized by the State of Washington and the State of Oregon. He said they are moving forward to get the land trust established for affordable housing.

Patrick Munyan, City Administrator said the City Operations Committee needs to meet on Tuesday, August 27, 2019 at 5:30pm. He said the Skagit Street project has started. He said there is additional work to be done on Skagit Street including a ditch to direct water from the street. Munyan said the park lawn mower blew a head gasket and the lawn mower will need to be replaced. He said for now they are looking at contracting labor to have the lawns mowed.

Jason Hartmann recommended that the City contact the School District to use their mower.

Pat Munyan said a preliminary application for a subdivision in the newly annexed property off of Spring Street has been submitted. He said the applicants are moving forward quickly.

13. Adjournment

The meeting adjourned at 7:07 p.m.

David Poucher, Mayor

Jan Brending, Clerk Treasurer