

**CITY OF CLARKSTON
CITY COUNCIL AGENDA
829 5th Street
MONDAY, AUGUST 12, 2013**

- 1. CALL TO ORDER: 7:00 P.M.**
- 2. PLEDGE OF ALLEGIANCE:**
- 3. AGENDA CHANGES:**
- 4. APPROVAL OF MINUTES:
July 22, 2013 Regular Meeting**

- 5. COMMUNICATIONS:**
 - A. From the Public (Please limit comments to 3 minutes)**
 - B. From the Mayor**
 - C. From Staff or Employees**

- 6. COMMITTEE REPORTS:**
 - A. Finance – Audit Report on Current Bills**
 - B. Public Safety – August 7**
 - C. Public Works – no meeting**
 - D. Administrative/Intergovernmental – August 12**
 - E. Community Development – no meeting**

- 7. UNFINISHED BUSINESS:**

- 8. NEW BUSINESS:**
 - A. Bid Award, Bubble-up Drywell Project (PW)**
 - B. Contract Approval for Bubble-up Project (PW)**
 - C. Underwriting Engagement Letter, Sewer Revenue Bonds (Admin)**

- 9. COUNCIL COMMENTS**
- 10. MEDIA QUESTIONS**
- 11. ADJOURN:**

Time limits for addressing the council have been established by council direction. Presentations are limited to 15 minutes and public comments are limited to 3 minutes per person, per topic.

CLARKSTON CITY COUNCIL MINUTES
July 22, 2013

CALL TO ORDER: Mayor Warren, 7:00 P.M.

COUNCIL:

<input checked="" type="checkbox"/> Beadles	<input checked="" type="checkbox"/> Nash
<input checked="" type="checkbox"/> Provost	<input checked="" type="checkbox"/> Baumberger
<input checked="" type="checkbox"/> Smith	<input type="checkbox"/> Blackmon, absent
<input checked="" type="checkbox"/> Manchester	

STAFF:

<input checked="" type="checkbox"/> Chief Hastings	<input checked="" type="checkbox"/> Chief Cooper	<input checked="" type="checkbox"/> PWD Martin
<input checked="" type="checkbox"/> Clerk Storey	<input checked="" type="checkbox"/> City Attorney Grow	

AGENDA CHANGES:

APPROVAL OF MINUTES: MOTION BY BEADLES/NASH to approve the minutes of the July 8, 2013, Regular Meeting. Motion carried.

COMMUNICATIONS:

- A. **From the Public:** Duane Shears, 920 9th Street, referred to a letter he and his wife sent to the council regarding fireworks earlier this month. He asked that council consider making some changes. Councilmember Beadles asked his opinion of the public fireworks display. Shears said he is not opposed to fireworks and enjoys that show. But the fire danger and debris need to be addressed and a way found to ensure the public adheres to the rules. Councilmember Provost commented that he is in favor of making some changes and council committees have been discussing options.
- B. **From the Mayor:** Mayor Warren read a letter informing the city that the Clarkston Waste Water Treatment Plant is receiving the 2012 Wastewater Treatment Plan Outstanding Performance award. It is awarded when a plant achieves full compliance with its NPDES permit.
- C. **From Staff:** Clerk Storey announced that Molly Mors from the State Auditor's office is on site to begin the City's audit. She will be doing three years of financials and two years of accountability audits, so will be on site for several weeks.

COMMITTEE REPORTS:

Finance: Councilmember Provost reported the bills were reviewed and approved for payment. MOTION BY PROVOST/SMITH to approve the bills, total expenditures of \$2,321,902.55. Motion carried.

Public Safety: Councilmember Beadles reported that committee met on July 16. Chief Cooper presented the proposed 2014 Ambulance Budget. Committee recommends approval of the budget as proposed.

Chief Hastings discussed the dispatch contract. City Attorney Richardson has provided some additional information but committee is waiting for more before making a recommendation.

Public Works: Councilmember Nash reported that committee met on July 17. Committee recommends concurrence with the Planning Commission's denial of a zone change application. Committee recommends final acceptance of the Public Safety Building with conditions. Committee recommends authorizing the mayor to sign the contract for the 12th Street project. The vacant building inspector position was discussed. They are looking at some options for how best to address the needs of the department.

Admin Committee: Councilmember Manchester said committee met on July 22. There was no business to discuss.

Community Development: Councilmember Beadles reported that committee met on July 16. He said Michelle Peters presented a concept to build a jet boat museum and visitor center using some of the lodging tax funds. New legislation does not allow the city to use lodging tax funds for a capital construction project that would be owned by a non-profit organization. Beadles said he would be opposed to the city being involved in the project. Councilmember Nash agreed.

Wanda Keefer of the Port gave an update on the broadband project.

UNFINISHED BUSINESS:

NEW BUSINESS

A. Final Acceptance of Public Safety Building Remodel Project

MOTION BY NASH/BEADLES for final acceptance of the Public Safety Building Project subject to resolution of bond and retainage claims, claims involving Skyline which are now in arbitration and stayed by bankruptcy, claims against Skyline's bond and sureties, and City claims against service providers. Councilmember Provost asked how you can have final acceptance if there are still conditions to be met. Clerk Storey said at some point the city needs to accept the project so notice of completion can be sent to Dept. of Revenue, Labor and Industries and Employment Security and begin to resolve some of the issues. Storey said that because of the lawsuit Skyline has filed, the issues with their bankruptcy and other problems, the attorneys recommended this language. Motion carried, 5-1, Provost opposed.

B. Contract Approval for 12th Street Project

PWD Martin reported that the 12th Street Project is underway and the contracts have been reviewed by the city attorney. MOTION BY NASH/SMITH to authorize the mayor's signature on the contract with McCalls' Classic Construction. Motion carried.

C. Resolution No. 2013-05, 2014 EMS Levy

Chief Cooper said this resolution will place the EMS Levy on the ballot in November. It is based on the ambulance budget that he prepared that has been reviewed by Public Safety Committee and distributed to the council. Clerk Storey clarified that the Resolution number is 2013-05. It was incorrect on the document in the packet. MOTION BY BEADLES/NASH to approve Resolution No. 2013-05. Motion carried.

D. Final Decision on Zone Change Application No. 2013-01, 13th & Poplar

PWD Martin reported that the Planning Commission held a public hearing on a zoning map change for property at 13th & Poplar from R2 to SC. The applicant's intent was to move storage units to that location and expand an RV business on adjacent property on Bridge Street. The Planning Commission denied the request and adopted Findings of Fact, Conclusions of Law and a Decision to support the recommendation. Martin explained that since the hearing the applicant has changed his plans anyway.

MOTION BY PROVOST/BEADLES to adopt the findings of fact and decision of the Planning Commission denying Zone Change Application No. 2013-01. Motion carried.

COUNCIL COMMENTS:

Councilmember Beadles said he estimates the total cost of the proposed jet boat museum would be between \$1.2 and \$1.5 million. Councilmember Smith added that he doesn't think the city should get involved in ownership of another building.

MEDIA QUESTIONS:

ADJOURNMENT:

Meeting adjourned at 7:25 p.m.

Vickie Storey, City Clerk

Kathleen A. Warren, Mayor

Total Fund Expenditures, 7/22/13	CK #54235,36, 54261-54302, JV June2013	\$2,321,902.55
Total Payroll, 7/15/13	CK #54237-54260	\$132,749.01

DRAFT



D.A. Davidson & Co.
member SIPC

July 26, 2013

City of Clarkston
ATTN: Vickie Storey
829 5th Street
Clarkston, WA 99403

RE: Underwriting Engagement Letter

Dear Ms. Storey:

On behalf of D.A. Davidson & Co. ("we" or "Davidson"), we wish to thank you for the opportunity to serve as underwriter for the City of Clarkston, Washington (the "City," "you" or the "Issuer") on its proposed offering and issuance of Water Revenue Bonds, Series 2013 (the "Bonds" or "Securities"). This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a bond purchase agreement to be entered into by the parties (the "Purchase Agreement") if and when the Securities are priced following successful completion of the offering process.

1. Services to be Provided by Davidson. The Issuer hereby engages Davidson to serve as managing underwriter of the proposed offering and issuance of the Securities and in such capacity Davidson agrees to provide the following services:

- a. Review and evaluate the proposed terms of the offering and the Securities.
- b. Develop a marketing plan for the offering, including identification of potential investors.
- c. Draft the official statement and other offering documents.
- d. Contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate their due diligence sessions.
- e. If the Securities are to be rated, assist in preparing materials to be provided to securities ratings agencies and in developing strategies for meetings with the ratings agencies.
- f. Consult with counsel and other service providers about the offering and the terms of the Securities.
- g. Inform the Issuer of the marketing and offering process.
- h. Negotiate the pricing, including the interest rate, and other terms of the Securities.



D.A. Davidson & Co.
member SIPC

- i. Prepare a Preliminary Official Statement (POS) that will serve as the disclosure document pursuant to requirements set forth by the Securities Exchange Commission. The POS will contain the legal authorization and terms of the Bond issue, requirements of the City concerning continuing disclosure, and general and financial information concerning the City and its respective revenue resources. The City's POS will be distributed and made available to a broad list of prospective investors both institutional and retail. The final Official Statement (OS) will be sent to the investors of the Bond issue.
- j. Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility.
- k. Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities.
- l. Such other usual and customary underwriting services as may be requested by the Issuer.

In addition, at the Issuer's request, Davidson may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Davidson is required to make the following disclosure pursuant to the Municipal Securities Rulemaking Board (MSRB) Rule G-23: Davidson will be providing such advisory services in its capacity as underwriter and not as a financial advisor to the Issuer. As underwriter, Davidson's primary role is to purchase, or arrange for the placement of, the Securities in an arm's length commercial transaction between the Issuer and Davidson. Davidson has financial and other interests that differ from those of the Issuer. The City will consider the Purchase Agreement but it will not be obligated to accept the same and may reject the same. As underwriter, Davidson will not be required to purchase the Securities except pursuant to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period. This letter does not obligate Davidson to purchase any of the Securities.

2. Fees and Expenses. Based on the final sizing of the Bonds, Davidson will have an underwriting fee/spread that is based on a percent of the principal amount of the Securities issued. The underwriting fee/spread will represent the difference between the price that Davidson pays for the Securities and the public offering price stated on the cover of the final official statement. Such fee will not exceed the amount of 1%. In addition to the underwriting fee/spread, the Issuer shall pay to Davidson a fee not to exceed \$5500 per issuance of bonds as compensation for its services in assisting in the preparation, printing and distribution of the Preliminary and final Official Statements and to reimburse for Davidson's payment of CUSIP and DTC fees. The Issuer shall be responsible for paying for all other costs of issuance, including without limitation, bond counsel, rating agency fees and expenses, if any, paying agent and registrar fees, any other fees and expenses incident to the performance of the Issuer's obligations under the proposed offering.

3. Disclosures Required by MSRB Rule G-17.

- a. MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.



- b. The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriter's financial and other interests may differ from those of the Issuer.
 - c. Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
 - d. The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
 - e. The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.
 - f. While the compensation described in the section "Fees and Expenses" is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than necessary.
 - g. Since Davidson has not recommended a "complex municipal securities financial" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required. However, and in accordance with the requirements of MSRB Rule G-17, if Davidson recommends a "complex municipal securities financing" to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at the time.
 - h. Davidson has not identified any additional potential or actual material conflicts that require disclosure.
4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate Davidson's engagement at any time without liability of penalty at any time upon written notice to the other party.
5. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Washington. This letter may not be amended or modified except by means of a written instrument executed by both parties hereto.

If there is any aspect of this letter that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter.



D.A. Davidson & Co.
member SIPC

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in us.

Very truly yours,
D.A.DAVIDSON & CO.

Michael King
Public Finance Banker

Accepted this ___ day of _____, 2013
City of Clarkston, Washington

By: _____

Title: _____

City of Clarkston
Public Works Director
829 5th St.
(509) 758-1662
(509) 769-6019fax

Memo

To: Council

From: James E. Martin, PWD

CC: Mayor Warren

Date: Aug. 2, 2013

Re: Bubble-up Drywell Project

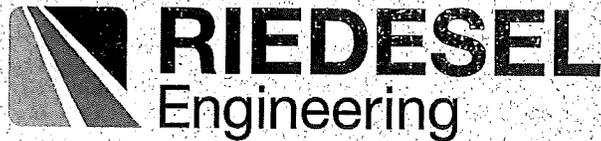
It's time to add to our project list with the award of our "Bubble-up Retrofit Project" that will provide a number of drywell installations around town. Bids came in good but the low bidder, McCall's Classic Construction had to withdraw their bid due to an error. The next low bid is from ML Albright & Son's who come in below the engineer's estimate. With their base bid, they will also be able to accomplish alternates 1 and 2 for a total contract price of \$147,494.50.

I am requesting award for this amount and if approved, move forward with finalizing the required paperwork and scheduling a pre-construction conference with all involved.

Thank you,



Jim



July 29, 2013

Mr. Jim Martin
City of Clarkston
829 5th Street
Clarkston, WA 99403

RE: Bid Summary
Bubble Up Retrofit Project

Dear Mr. Martin:

Enclosed is a copy of the Bid Tabulation for the City of Clarkston Bubble Up Retrofit Project. Also enclosed is a copy of M.L. Albright and Sons, Inc. "Bid Proposal" (with Bid Bond). Five contractors obtained plan sets and three bids were received. One bidder, McCalls Classic Construction, withdrew their bid due to an error. The following is a recap of the bids along with the Engineer's estimate.

Bubble Up Retrofit Project							
Contractor	Base Bid	Add Alt. 1	Add Alt. 2	Add Alt. 3	Add Alt. 4	Add Alt. 5	Total Bid
M.L. Albright & Sons, Inc.	\$98,303.10	\$30,135.50	\$19,055.90	\$18,796.40	\$12,027.70	\$18,827.50	\$197,146.10
Crea, Construction Inc.	\$160,508.00	\$37,080.00	\$33,285.00	\$27,368.00	\$17,885.00	\$27,365.00	\$303,761.00
<i>Engineer's Estimate</i>	<i>\$112,916.00</i>	<i>\$36,520.00</i>	<i>\$23,184.00</i>	<i>\$23,276.00</i>	<i>\$15,560.00</i>	<i>\$23,105.00</i>	<i>\$234,561.00</i>

We have further reviewed the apparent low bid submitted by M.L. Albright and Sons, Inc., and do not see any obvious imbalance in the bid. The project budget for construction is approximately \$152,239.00. Therefore, we recommend that the City of Clarkston accept the bid of M.L. Albright and Sons, Inc. in the amount of \$147,494.50 that includes the Base Bid plus Add Alternate #1 and #2.

Once the project is awarded, please sign both copies of the enclosed Notice of Award and return both copies to our office. We will then forward contract agreements to M.L. Albright for their signature. Thank you for your ongoing consideration and if you have any questions related to the enclosed information or our recommendation of award of the contract, please feel free to contact our office.

Respectfully submitted,

John R. Watson, P.E.
Project Manager

Enclosures

202 Falls Avenue
Twin Falls, ID 83301
208/733-2446
Fax 208/734-2748

PO Box 782
Meridian, ID 83680
208/898-9165
Fax 208/734-2748

77 Southway, Suite C
Lewiston, ID 83501
208/743-3818
Fax 208/743-3819

1845 Terminal Drive, Suite 150
Richland, WA 99352
509/946-3559
Fax 509/946-3554

AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2013, by and between the CITY OF CLARKSTON, STATE OF WASHINGTON, hereinafter called "OWNER", and M.L. Albright & Sons, Inc., doing business as a corporation hereinafter called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the City of Clarkston Bubble Up Retrofit Project.

2. The CONTRACTOR will furnish all the material, supplies, tools, equipment, labor and other services necessary for the completion of the PROJECT described herein.

3. The CONTRACTOR will commence the work required by the CONTRACT DOCUMENTS on the NOTICE TO PROCEED date and will complete same within 65 calendar days, unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.

4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$ 147,484.50, and as shown in the BID schedule for the Base Bid and Add Alternates 1 and 2.

5. The term "CONTRACT DOCUMENTS" means and includes the following:

- (A) ADVERTISEMENT FOR BIDS
- (B) CONTRACTORS NOTES
- (C) PROPOSAL - BID SCHEDULE
- (D) BID BOND
- (E) NOTICE OF AWARD
- (F) AGREEMENT
- (G) PERFORMANCE AND PAYMENT BOND (by a Washington approved bonding company)

- (H) NOTICE TO PROCEED
 - (I) CHANGE ORDER
 - (J) SPECIAL PROVISIONS
 - (K) TECHNICAL SPECIFICATIONS, SPECIAL PROJECT SPECIFICATIONS, SUPPLEMENTAL SPECIFICATIONS, DRAWINGS, MAPS
 - (L) GENERAL CONDITIONS
 - (M) ADDENDA
- No. 1, dated July 3, 2013

6. The OWNER will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.

7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in triplicate each of which shall be deemed an original on the date first above written.

OWNER:

THE CITY OF CLARKSTON

BY: _____

Name: _____

Title: _____

(SEAL)

ATTEST:

Name: _____

Title: _____

CONTRACTOR:

BY: _____

Name: _____

Address: _____

(SEAL)

ATTEST:

Name: _____
