

**CITY OF CLARKSTON
CITY COUNCIL AGENDA
829 5th Street
MONDAY, JULY 27, 2015**

- 1. CALL TO ORDER: 7:00 P.M.**
- 2. PLEDGE OF ALLEGIANCE:**
- 3. AGENDA CHANGES:**
- 4. APPROVAL OF MINUTES:
July 13, 2015, Regular Meeting**

- 5. PUBLIC HEARING:
Public Hearing on the Six-Year Transportation Improvement Plan, 2016-2021**

- 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 – July 14**
 - C. Public Works – July 15**
 - D. Administrative/Intergovernmental – July 27**
 - E. Community Development – July 21**

- 7. UNFINISHED BUSINESS:**

- 8. NEW BUSINESS:**
 - A. Resolution No. 2015-09, Six-Year Transportation Improvement Plan, 2016-2021 (PW)**
 - B. Resolution No. 2015-10, 2016 EMS Levy (PS)**
 - C. Appointment to Lodging Tax Advisory Board (CD)**
 - D. Approval of Settlement Agreement re: Skyline Lawsuit**

- 9. COUNCIL COMMENTS**
- 10. MEDIA QUESTIONS**
- 11. EXECUTIVE SESSION: Litigation**

- 12. 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.

Individuals with disabilities may request reasonable accommodations by calling (509) 769-0131 at least three days prior to meeting.

CLARKSTON CITY COUNCIL MINUTES
July 13, 2015

COUNCIL:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Beadles | <input checked="" type="checkbox"/> Nash |
| <input checked="" type="checkbox"/> Provost | <input checked="" type="checkbox"/> Manchester |
| <input checked="" type="checkbox"/> Kolstad | <input checked="" type="checkbox"/> Blackmon |
| <input checked="" type="checkbox"/> White | |

STAFF:

- Chief Hastings Chief Cooper Clerk Storey City Attorney Grow PWD Martin

AGENDA CHANGES:

APPROVAL OF MINUTES:

MOTION BY BEADLES/NASH to approve the minutes of the June 22, 2015, Regular Meeting. Motion carried.

COMMUNICATIONS:

A. From the Public: Motion by Beadles/Provost to limit discussion on marijuana to 15 minutes per side with a 3 minute limit per person. Motion carried, 5-2; Nash and Kolstad opposed. No one chose to speak on this topic.

Tom Martin, 421 11th Street, said he wanted to talk about the values being taught to our youth today. He said the city council is disrespecting veterans and saying your vote doesn't count. He said this council seem to think they know what is best for the voters. He spoke about his time in the military and said the way the council is running the city is an embarrassment to the veterans who fought for this country's freedom. He said Councilmember Beadles chose someone to fill the empty council seat who would parrot his opinions. Mayor Warren informed Mr. Martin that his three minutes were up, but he continued to speak.

Colleen Squires, 20th Ave, apologized to the mayor and asked the council to find a way to make revenue for the city.

Tom Martin said there are three ways to get him to shut up. Stop their blackmail actions. He stated that Councilmember Beadles said he would not lift the ban until the lawsuit is dropped. Beadles said he was misquoted, that he said he could not discuss it while the lawsuit is ongoing. Mayor Warren told Mr. Martin that he was speaking about marijuana and the time allotted for that topic was over. She asked him to take his seat. There was a verbal disagreement with Mayor Warren insisting Mr. Martin sit down and quit speaking and Mr. Martin refusing and continuing to speak.

Sandy Fromdahl, 1759 6th Ave, said she works with people with disabilities trying to help them find jobs. She compared the council to the closed door rejection she gets when trying to find jobs for her clients.

B. From Mayor: Mayor Warren announced that the Asotin County Republican party will host a candidate forum on July 23 at 7:00 at City Hall. She said all candidates will be invited.

C. From Staff: PWD Martin said the City of Lewiston has requested a joint meeting to discuss the future of Southway Bridge. Lewiston suggested that all elected officials from the four jurisdictions attend along with staff. Martin suggested that the Public Works Director and a member of Finance Committee and Public Works Committee attend. Asotin County Commissioner Shinn said only one commissioner will be attending. Councilmember Provost commented that the city representatives will bring back any information to the full council.

Mr. Martin began speaking again although he was told the time for public comment was over. He was asked by the mayor to stop interrupting the meeting, but continued to speak. MOTION BY BLACKMON/WHITE to call a short recess until disruptive audience members are under control. Councilmember Kolstad calmed Mr. Martin. The motion and second were withdrawn.

Chief Cooper announced that the City has received a federal grant to purchase a utility truck for fighting fire. Councilmember Blackmon asked about fire calls on the 4th. Cooper said the 4th was very busy with fire calls and we had backup from other jurisdictions. He said he will come back to council at a later date to discuss future regulations on fireworks. He said discussion would include a way to suspend use of fireworks under certain conditions and possibly ban aerial fireworks.

Chief Hastings said the police department had only one complaint prior to July 3. Several complaints were received on July 5th. Most violators who were contacted said they were not aware of the new time constraints and the officers concentrated on education. Hastings said he believes the fire chief should have authority to ban fireworks when conditions warrant it. Hastings said they department is seeing more people non-residents coming here to shoot fireworks because aerial fireworks are banned in Lewiston. He also said the county is discussing possible changes in the County and thinks the City should consider making our rules consistent. Commissioner Shinn said they will be having a town hall meeting in August to discuss fireworks and invited council to attend.

COMMITTEE REPORTS:

Finance: Councilmember Provost reported the bills were reviewed and approved for payment. Total expenditures for June 30, 2015 of \$343.08 and July 13, 2015 of \$795,721.25. MOTION BY PROVOST/MANCHESTER to approve the bills. Motion carried.

Public Safety: No meeting.

Public Works: No meeting. Committee will meet at 3:30 Wednesday.

Admin Committee: Councilmember Manchester said committee met July 7 to discuss a reclassification request. Committee met July 13 and discussed a proposed Code of Ethics. Committee recommended the ethics policy be placed on the next agenda.

Community Development: No meeting.

UNFINISHED BUSINESS:

A. Ordinance No. 1542, Budget Amendment – 2nd Reading for Action

Ordinance No. 1542 was read by title. MOTION BY NASH/BEADLES to approve Ordinance No. 1542. Councilmember Kolstad asked if the items addressed in the amendment have already been purchased. Clerk Storey responded that in some cases expenditures are made prior to the actual amendment being adopted, but the changes have been authorized by council in prior actions. Kolstad pointed out that the RCW says an amendment must be adopted before funds are expended. Motion carried; 6-1, Kolstad opposed.

NEW BUSINESS:

A. Authorize Purchase of Software Update for Utilities and Business License

Clerk Storey explained that the City purchased and has been using updated software for payroll and financials for several years. But we are still using older, non-compatible software for utilities and business licenses. This proposal would update those programs and make all the major software programs compatible and from the same vendor. Total cost for the upgrade and installation is \$15,400, with a large portion being for utilities and the cost shared between sewer, sanitation and stormwater. Storey said part of the upgrade will include the ability to take payments on-line and to do paperless billing. MOTION BY BEADLES/PROVOST to authorize purchase of the new software as presented. Councilmember Nash asked if the software purchase was put out for bid. Storey said it was several years ago when we first started changing to the new software. Motion carried.

COUNCILMEMBER COMMENTS:

Councilmember Nash suggested that Admin Committee look at recognizing citizens who make improvements and contributions to the community. Beadles suggested that businesses be included. Councilmember Kolstad nominated Canna4Life and Greenfield Company for their activities. Motion by

Nash/Beadles to refer to Admin Committee. Motion carried.

Councilmember Beadles complimented the fire department for the job they did over the 4th and cooperation with other agencies.

Councilmember Kolstad said he appreciates the people in the audience who have been attending the meetings. He said this is what democracy in our country is all about. Nash agreed.

Councilmember White said a lot of people think they know her and that they know what is in her mind. She said she doesn't believe she was put on the council to further anyone's agenda. She said she has an open mind and will do the best she can for the city while she is on the council. Beadles added that he and White have not talked in years.

MEDIA QUESTIONS: Mayor Warren reminded the media that this segment is allow to the media to clarify an item on the agenda. It is not a time for interviewing the council. She asked that the media reserve interviews for after the media has adjourned.

EXECUTIVE SESSION:

Council went into Executive Session at 7:45 p.m. to discuss pending litigation. Anticipated length of session is 10 minutes. Action may be taken after the session.

Mayor Warren announced that there will be a Transportation Benefit District Board meeting following this council meeting.

Council returned to open session at 7:58 p.m.

Motion by Beadles/Blackmon to give Clerk Storey authority to make decisions regarding the mediation on the Skyline claim. Motion carried; 6-1, Kolstad opposed.

ADJOURNMENT:

Meeting adjourned at 7:59 p.m.

Vickie Storey, City Clerk

Kathleen A. Warren, Mayor

Total Fund Expenditures, 6/30/15	Ck # 20150602, 3,5,6, 968438	\$343.08
Total Fund Expenditures, 7/13/15	Ck #59440-45, 59494-59588	\$506,660.62
Payroll, 6/30/15	Ck # 59446-93	\$289,060.63

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: July 22, 2015

Re: Required 6 Year Transportation Plan

It's that time of year when we need to adopt our 6 yr TIP. This is the document that goes to the MPO and State to indicate our wants and needs for road project funding. If the document is not adopted the projects cannot be considered for funding. The process involves a public hearing that can be accomplished July 27th.

The overall project list includes 5 projects with a total of nearly \$2.6 million with a possible match amount of \$360,000.00 and spreads the projects from 2016 to 2021. The form attached shows the priority, description and anticipated funding needed. Given our budget condition, it indicates a very unfortunate shortfall in match money. This also does not indicate what may be needed for our resurfacing of Southway Bridge when the time comes.

In any case, it is an annual requirement and I appreciate your review and support.

Thanks,



Jim

Public Safety Committee

July 14 and 21, 2015

Attendance: Bill Provost, Chief Hastings, Chief Cooper, Jim Braddock, Alice White, Terry Beadles

Chief Hastings is doing research about the fireworks issue. He is looking at city and county ordinances dealing with fireworks in the State of Washington. However, our fireworks ordinance should be cohesive with Asotin County. The two issues of concern are aerial fireworks and the policy of an emergency ban of fireworks if conditions present an abnormal danger.

Chief Hastings discussed the crime stats for the city. Overall serious crimes are down 13%. The top crimes are: thefts, destruction of property, and assaults. Dealing with mental health problems by police and fire personnel was discussed.

Chief Cooper discussed the EMS budget. Some of the issues for the 2016 budget include: purchasing medicines that are stocked on ambulances, stocking medicines at the fire station, and increase in operational costs. Income, collections, write offs and replacement of an ambulance was reviewed. Call volume has increased at a very good rate over the years.

The EMS levee for 2016 will need council approval. (Agenda item for council action).

July 15, 2015

Public Works Committee:

Attendees: Jim Martin, Alice White, George Nash

Discussion –

- 1) 6 Yr. Transportation Improvement Program (agenda item)
Need to schedule public hearing for adoption.
Project Priorities...
 - 1) Walmart / Costco Intersection Improvements
 - 2) US-12, 2nd St. & Diagonal Reconfiguration
 - 3) Highland Ave. Resurfacing
 - 4) Grantham Elementary School (Safe Routes improvements)
 - 5) 13th & Highland Signalization
(Discussed lack of available match funding for projects)

- 2) Business License discussion.
Possible additions to the program.

Community Development Committee

July 21, 2015

Attendance: Jim Braddock, Marshall Doak, George Nash, Terry Beadles

Jim presented his research: "PROPOSAL FOR CONSIDERATION, UNFIT/UNSAFE TO OCCUPY". This information was compiled while Jim was employed by the City of Clarkston as the Building Inspector. The committee will continue to research this issue.

We voted to present Sara Barr of the Best Western Rivertree hotel for appointment to the City Lodging Tax Committee. (Agenda item for council action).

We discussed the idea of public restrooms for Clarkston Downtown. There are many questions to address about this idea. We will contact the Chamber of Commerce before moving forward with additional discussion.

The committee will research the AWC WellCity program. There is a 2% premium discount on healthcare premiums if the city can meet the requirements.

George discussed the citizen recognition program that he presented at our last council meeting.

The issue of medical marijuana was discussed.

RESOLUTION NO. 2015-09

A RESOLUTION OF THE CITY OF CLARKSTON, WASHINGTON, APPROVING A SIX-YEAR TRANSPORTATION IMPROVEMENT PROGRAM, 2016-2021

WHEREAS, RCW 35.77.010 requires the City Council of the City of Clarkston to prepare and adopt a comprehensive street program for the ensuing six calendar years; and

WHEREAS, RCW 35.77.010 requires one or more public hearings on the Transportation Improvement Program; and

WHEREAS, the City Council of the City of Clarkston has held the public hearing on the Transportation Improvement Program on July 27, 2015 and prepared a comprehensive six year plan,

NOW; THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Clarkston, Washington, as follows:

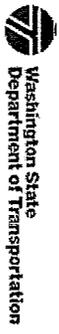
The Six Year Transportation Improvement Program, 2016-2021, which is attached hereto and incorporated herein by this reference is adopted.

DATED this 27th day of July 2015.

Kathleen A. Warren, Mayor

ATTEST:

Vickie Storey, City Clerk



Six Year Transportation Improvement Program From 2016 to 2021

Agency: Clarkston
 County: Asotin
 MPO/RTPO: LCV MPO

Y Inside

N Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Terminal F. Project Description	B. STIP ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
17	1	5th St. Walnart/ Costco Intersection reconfiguration 5th Street Fair St. to 500 ft. N. of Fair St. Reconfigure traffic flow with raised traffic barriers and pavement markings	WA-07032	07/27/15				21	C G P S T WV	0.090	CE	No

Funding		Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	CN	CN	2016		0		0	18,000	18,000
				Totals	0		0	18,000	18,000

Expenditure Schedule		1st	2nd	3rd	4th	5th & 6th
Phase	CN	18,000	0	0	0	0
Totals		18,000	0	0	0	0



Six Year Transportation Improvement Program From 2016 to 2021

Agency: Clarkston
 County: Asotin
 MPO/RTPO: LCV MPO

Y Inside

N Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
14	2	2nd St./US-12 Reconfiguration 2nd St. / US-12 5th St. to Confluence Way Reconfigure 2nd St. & US-12 with additional lanes, new pavement markings & signalization.	WA-07035	07/27/15				03	C G P S T WV	0.250	CE	Yes

Funding	Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	P	PE	2016	STP(U)	100,000		0	15,000	115,000
		RW	2017	STP(U)	110,000		0	17,000	127,000
		CN	2018	STP(U)	388,000		0	66,000	454,000
Totals					598,000		0	98,000	696,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	115,000	0	0	0	0
RW	0	127,000	0	0	0
CN	0	0	454,000	0	0
Totals	115,000	127,000	454,000	0	0



Six Year Transportation Improvement Program From 2016 to 2021

Agency: Clarkston
 County: Asotin
 MPO/RTPO: LCV MPO

Y Inside

N Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Terminal F. Project Description	B. STIP ID G. Structure ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
16	3	Highland Ave. Resurfacing Highland Ave. SR-128 (6th St.) to 13th St. Grind and overlay total width with improved ADA ramps & sidewalk repair in areas.	WA-07038	07/27/15				05 W	C G P S T W	0.680	CE	No

Funding		Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds	
P	PE		2018		0	TTB	18,000	2,000	20,000	
	CN		2019		0	TTB	630,000	70,000	700,000	
				Totals	0		648,000	72,000	720,000	
Expenditure Schedule										
	Phase		1st		2nd		3rd		4th	5th & 6th
	PE		0		0		20,000		0	0
	CN		0		0		0		700,000	0
		Totals	0		0		20,000		700,000	0



Six Year Transportation Improvement Program From 2016 to 2021

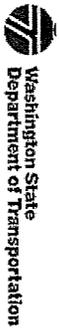
Agency: Clarkston
 County: Asotin
 MPO/RTPO: LCV MPO

Y Inside

N Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Terminals F. Project Description	B. STIP ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
16	4	13th St. & Highland Signalization 13th St. 13th St. to 13th St. Signalization of 4-way Stop	WA-07047	07/27/15				21 C G P S T W		0.000	CE	No

Funding												
Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds				
P	PE	2020		0	TTB	45,000	5,000	50,000				
P	CN	2021		0	TTB	486,000	54,000	540,000				
		Totals		0		531,000	59,000	590,000				
Expenditure Schedule												
	Phase	1st	2nd	3rd	4th	5th & 6th						
	PE	0	0	0	0	50,000						
	CN	0	0	0	0	540,000						
	Totals	0	0	0	0	590,000						



Six Year Transportation Improvement Program From 2016 to 2021

Agency: Clarkston
 County: Asotin
 MPO/RTPO: LCV/MPO

Y Inside

N Outside

Functional Class	Priority Number	A. PIN/Project No. C. Project Title D. Road Name or Number E. Begin & End Termini F. Project Description	B. STIP ID	Hearing	Adopted	Amendment	Resolution No.	Improvement Type	Utility Codes	Total Length	Environmental Type	RW Required
19	5	Grantham Elementary Safe Routes, Poplar St. & Surrounding Area Poplar 12th St. to 13th St. Sidewalk & safety improvements around elementary school	WA-07043	0727/15				21 W	C G P S T	0.250	CE	No

Funding Status	Phase	Phase Start Year (YYYY)	Federal Fund Code	Federal Funds	State Fund Code	State Funds	Local Funds	Total Funds
P	PE	2019		0	TTB	64,000	16,000	80,000
P	CN	2020		0	TTB	384,000	96,000	480,000
			Totals	0		448,000	112,000	560,000

Expenditure Schedule					
Phase	1st	2nd	3rd	4th	5th & 6th
PE	0	0	0	80,000	0
CN	0	0	0	0	480,000
Totals	0	0	0	80,000	480,000

Grand Totals for Clarkston		
Federal Funds	State Funds	Local Funds
598,000	1,627,000	359,000
		Total Funds
		2,584,000

RESOLUTION NO. 2016-10

A RESOLUTION PLACING AN EXCESS PROPERTY TAX LEVY FOR EMERGENCY MEDICAL SERVICES AND RESCUE ONE UNIT, OPERATED BY THE CITY OF CLARKSTON, ON THE BALLOT AT A SPECIAL ELECTION TO BE HELD ON NOVEMBER 3, 2015 IN CONJUNCTION WITH THE STATE GENERAL ELECTION TO BE HELD ON THE SAME DATE.

WHEREAS, the City of Clarkston has established and operates a Rescue One Unit providing emergency medical services and ambulance transport to the residents of the City of Clarkston; and

WHEREAS, the City portion of the cost of said Rescue One Unit services for 2016 is anticipated to be \$570,400.00; and

WHEREAS, if the Rescue One Unit is discontinued, the City will be unable to meet its obligations to IAFF #2299, a labor contract; and

WHEREAS, RCW 84.52.052 AUTHORIZES AN EXCESS PROPERTY TAX LEVY TO SUPPORT OBLIGATIONS OF CONTRACT AND FOR OTHER PURPOSES UPON VOTER APPROVAL; and

WHEREAS, the lack of emergency medical services care to the residents of the City of Clarkston constitutes an emergency dealing with health and welfare of the citizens of the City;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSTON IN REGULAR MEETING ASSEMBLED AS FOLLOWS:

SECTION 1.0

That a special election is to be held in the City of Clarkston, State of Washington, on November 3, 2015, in conjunction with the state general election to be held on the same date. This election is for the purpose of submitting an excess levy proposition as authorized by RCW 84.52.052 in the amount of \$570,400.00 to the electors of said City for their approval or rejection, the proceeds thereof be placed in the Ambulance/EMS Fund of the City to be used for the maintenance and operation of the Rescue One Emergency Medical Services Unit.

SECTION 2.0

Proposition: Shall the City of Clarkston, Washington, authorize the County Commissioners of Asotin County to levy in the year 2016 as part of the ad valorem real property taxes to be collected for the City in 2016 the sum of \$570,400.00, which will require a rate of approximately \$1.35 per thousand dollars of assessed valuation of the aforesaid City based upon

the assessment ratio of 100 percent of true and fair value. Said tax levy is to be in addition to the maximum levy provided by law for such City. The proceeds thereof are to be placed in the EMS Fund to be used for the maintenance and operation of the Rescue One Emergency Medical Services Unit, which shall be submitted to the electors of said City for their approval or rejection in the form of the following ballot title:

**CITY OF CLARKSTON, WASHINGTON
EMERGENCY MEDICAL SERVICES EXCESS
TAX LEVY**

The City Council of the City of Clarkston, Washington, adopted Resolution No. 2015-10 concerning a proposition to finance emergency medical services. This proposition, if approved, would permit maintenance and operation of Rescue One Emergency Medical Services through the levy of a special excess tax for collection in 2016 of \$570,400.00 requiring approximately \$1.35 per thousand dollars of assessed value (based on 100% of true and fair value). Should this proposition be approved?

LEVY YES

LEVY NO

SECTION 3.0

The Clerk of the aforesaid City is hereby directed to immediately transmit to the Asotin County Auditor a copy of this Resolution duly signed and attested and upon receipt of which the Asotin County Auditor is hereby requested to concur in the finding of an emergency and to take all procedural steps necessary and as are required by law to the end that this proposition shall be submitted to the voters of said City.

DATED this 27th day of July, 2015.

Kathleen A. Warren, Mayor

Authenticated by:

Vickie Storey, City Clerk



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Rivertree Inn**

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Clarkston, WA 99403
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July 15, 2015

City of Clarkston
Clarkston City Council
829 5th Street
Clarkston, WA 99403

Dear Clarkston City Councilors:

I would be interested in filling the position on the City of Clarkston's Lodging Tax Advisory Committee. I feel I could help guide the Clarkston City Council to recommend how to allocate the funding from the City of Clarkston's lodging tax funds.

Tourism is an important part of the City of Clarkston's economy and I would like to sit on the committee and help guide the expansion of tourism in the community.

Sincerely,

A handwritten signature in cursive script that reads "Sara Barr".

Sara Barr
Best Western River Tree Inn
1257 Bridge Street
Clarkston, WA 99403

SETTLEMENT AND MUTUAL RELEASE AGREEMENT

This Settlement and Mutual Release Agreement ("Agreement") is entered into effective this ____ day of July, 2015, by and between Anthony E. Grabicki, as Trustee on behalf of the bankruptcy estate of Skyline Contractors, Inc. ("Skyline Bankruptcy Estate"), and the City of Clarkston ("Clarkston" or "City") sometimes collectively referred to as the "Parties."

RECITALS

A. On or about May 11, 2011, Skyline Contractors, Inc. and Clarkston entered into a contract for construction of the project commonly known as the City of Clarkston Public Safety Building Improvements (the "Project").

B. Disputes arose between the Parties arising from the construction of the Project.

C. On or about May 9, 2012, Clarkston filed suit against Skyline Contractors, Inc. for breach of contract, indemnity, and violation of the Washington Unfair Business Practices Act in Asotin County, Washington, Superior Court Cause No. 12-2-00136-2 (the "Lawsuit"). Skyline denied the City's claims.

D. On or about August 10, 2012, Skyline Contractors, Inc. submitted a request for equitable adjustment ("Claim") seeking additional compensation in the sum of \$958,876.51 for extra work, inefficiencies, and delays caused by allegedly defective Project plans and specifications and inadequate Project administration. Clarkston denies that Skyline is entitled to additional compensation and performance time.

E. On December 21, 2012, Skyline Contractors, Inc. filed a demand for arbitration through the American Arbitration Association asserting a claim for \$986,410.06, Case No. 75-20-1300-0008 (the "Arbitration"). The City denied Skyline's claims.

F. On or about January 22, 2013, a Stipulation and Agreed Order Referring Certain Claims to Arbitration and Staying Certain Claims Pending Arbitrator's Decision was entered in the Lawsuit.

G. On or about February 8, 2013, Skyline Contractors, Inc. filed a Voluntary Petition for Bankruptcy (Case No. 13-00487-11) in the United States Bankruptcy Court for the Eastern District of Washington (the "Bankruptcy Proceeding") in which the Claim was listed as an asset of the bankruptcy estate.

H. On or about August 5, 2013, in connection with the Bankruptcy Proceeding, Clarkston filed a Proof of Claim for the sums incurred by Clarkston to complete Skyline's work, to remedy allegedly defective work, to satisfy liquidated damages, and for indemnity for bond and retainage claims totaling One Hundred Seventy One Thousand Nine Hundred Forty-One and 54/100 Dollars (\$171,941.54).

I. On or about June 30, 2015, the City filed a Claim for Recoupment in the Arbitration asserting overpayment to Skyline and off-sets for sums incurred by Clarkston to complete Skyline's work, to remedy defective work, to satisfy liquidated damages for delay, and for indemnification for bond and retainage claims. Skyline Trustee denies Clarkston's recoupment claim.

J. During the course of construction, 5% statutory retainage from Progress Payments 1-9, inclusive, in the sum of \$37,612.97 ("Statutory Retainage Funds") was deposited into a Skyline account at Banner Bank, Account No. 7020016649 ("Retainage Account"). The Retainage Account is subject to a Stipulated Order in the action *City of Clarkston v. Skyline Contractors, Inc. and Banner Bank*, Asotin County Superior Court Cause No. 12-2-00091-9, restraining Skyline, Clarkston, and Banner Bank from, *inter alia*, withdrawing funds on deposit in the Retainage Account, directly or indirectly, including by allowing checks to be drawn on the Retainage Account, or from encumbering the Retainage Account in any way.

K. During the course of construction of the Project, three of Skyline Contractors, Inc.'s subcontractors and suppliers filed suit against Skyline Contractors, Inc. and named Clarkston as a defendant concerning statutory retainage in accordance with RCW 60.28 *et seq.*:

Caddell's Electric, Inc. v. City of Clarkston, Skyline Contractors, Inc., et al., Asotin County Superior Court Cause No. 12-2-00155-9;

Consolidated Electrical Distributors, Inc. dba Columbia Electric Supply v. Skyline Contractors, Inc., et al., Asotin County Superior Court Cause No. 12-2-00156-7;

Infinite Construction, Inc. v. Skyline Contractors Inc., et al., Asotin County Superior Court Cause No. 12-2-00208-3;

(collectively referred to as the "Subcontractor and Supplier Lawsuits"). The *Caddell's* and *Consolidated* matters were consolidated into the Lawsuit.

M. On July 17, 2015, the Parties engaged in settlement negotiations in Spokane, Washington, with the assistance of Mediator James S. Craven, Esq., regarding the Parties' respective claims and reached a compromise settlement without either party admitting any liability of any kind.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Incorporation by Reference. The foregoing Recitals are incorporated by this reference.

2. Payment. Subject to the approval of the settlement by the Clarkston City Council, Clarkston agrees to pay to Skyline Bankruptcy Estate (by check payable to the Skyline

Bankruptcy Estate c/o Anthony E. Grabicki, Trustee) and Skyline Bankruptcy Estate agrees to accept the total sum of Seventy Five Thousand and 00/00 DOLLARS (\$75,000.00), which is inclusive of all sums Skyline alleges are due from Clarkston including, without limitation, any alleged unpaid contract balance, retainage, interest, taxes, and Washington State Sales Tax. Payment shall be made within fourteen (14) days of occurrence of the execution of this Agreement, approval of the settlement by the Clarkston City Council, and notice of the Bankruptcy Court's approval of the settlement.

3. Mutual Releases. In consideration of the settlement payment above and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party, on behalf of itself, its predecessors, successors, assigns, directors, shareholders, officers, agents, attorneys, representatives and employees, hereby releases and forever discharges the other, and its predecessors, successors, assigns, directors, shareholders, officers, agents, attorneys, representatives and employees from any and all claims of every kind or nature, whether in contract, tort or otherwise, that arise out of or relate in any way to the Contract or the Project, and including but not limited to any claims and counterclaims that were or could have been asserted in connection with the Lawsuit, the Arbitration, the Bankruptcy Proceeding, and the Subcontractor and Supplier Lawsuits. This release will take effect upon the above-referenced settlement payment clearing the payee's bank account.

4. Statutory Retainage Funds and Retainage Account. In consideration of the settlement payment above and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Skyline Bankruptcy Estate hereby releases any and all claims it has to the Statutory Retainage Funds or Retainage Account. Skyline Bankruptcy Estate agrees to execute appropriate documents concerning Skyline's release of its claims to the Statutory Retainage Funds or Retainage Account.

5. Bankruptcy Proceeding. Clarkston agrees to withdraw its Proof of Claim and waives any right to make any future claim in connection with the Bankruptcy Proceeding.

6. Arbitration. The Parties agree to dismiss the Arbitration with prejudice.

7. The Lawsuit and Subcontractor and Supplier Lawsuits. The Parties agree to execute appropriate documents and cooperate with each other in the dismissal of the Lawsuit and the Subcontractor and Supplier Lawsuits.

8. No Third-Party Beneficiaries. It is specifically understood that all the covenants, agreements, conditions and terms contained in this Agreement are solely for the benefit of the Parties to this Agreement and are not intended to, nor shall they inure to the benefit of any third party.

9. No Admission of Liability. This Agreement is entered into to avoid the expense, inconvenience, and uncertainty of legal proceedings between the Parties related to the Project. Execution of this Agreement shall not constitute an admission by any party of any liability of any kind, other than for the payment of the amounts provided for in paragraph 2.

10. Voluntary Agreement. Each party warrants that the terms of this Agreement have been carefully reviewed, that each party understands its contents, and has been advised as to the legal effect of the Agreement by legal counsel. Each party further agrees that this Agreement is voluntarily accepted; that the Parties are not executing the Agreement as a result of financial disadvantage; that no promise or inducement has been offered or made except as set forth in this Agreement; and that this Agreement is executed without reliance upon a statement or representation by any other party, and its agents or attorneys concerning the nature and extent of any party's damages or the legal liability of any party.

11. Entire Agreement. This Agreement embodies the full and complete understanding of the Parties and on execution supersedes and renders null and void any prior understandings and oral agreements between the Parties. Any modification or amendment of this Agreement shall be deemed null and void unless made in writing and signed by the Parties or their legal counsel.

12. Severability. In the event, at any time after the execution of this Agreement, any portion or provision of this Agreement is found to be illegal, invalid, unenforceable, non-binding or otherwise without legal force or effect, the remaining portion(s) shall remain in full force and be fully binding.

13. Disputes, Choice of Law and Binding Arbitration. This Agreement shall be construed according to the laws of the State of Washington. Any dispute concerning this Agreement shall be decided by arbitration before James S. Craven as the sole arbitrator, which arbitration decision shall be final and binding on the Parties.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument. A facsimile or an e-mailed copy of a signature may be treated as an original signature. On the request of a party, an original signature page will be delivered to the requesting party.

15. Mutual Cooperation. The Parties agree to cooperate in effectuating this Agreement and each party shall promptly execute any additional documents necessary to give effect to this Agreement.

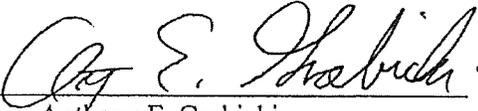
16. Clarkston City Council Approval. This Agreement and all terms and conditions therein are subject to and conditioned upon the approval of the Clarkston City Council.

17. Bankruptcy Court Approval. This Agreement and all terms and conditions therein are subject to and conditioned upon the approval of the Court in the Bankruptcy Proceeding.

Effective this _____ day of July, 2015.

Skyline Contractors, Inc., Estate in
Bankruptcy

City of Clarkston

By: 
Anthony E. Grabicki,
Bankruptcy Trustee

By: _____
Kathleen A. Warren
Its: Mayor

Lisa Roberts, Individually and as
President of Skyline Contractors, Inc.

Dated

Approved as to Form

