



EVERETT

WASHINGTON

Everett City Council Preliminary Agenda 6:30 p.m., Wednesday, September 18, 2024 City Council Chambers

Roll Call

Pledge Of Allegiance

Land Acknowledgment

Approval Of Minutes: September 11, 2024

Mayor's Comments

Public Comment

Council Comments/Liaison Reports

Administration Update

City Attorney

CONSENT ITEMS:

(1) Adopt Resolution Authorizing Claims Against The City Of Everett In The Amount Of \$4,736,512.99 For The Period Ending August 31, 2024 Through September 6, 2024.

Documents:

[RES CLAIMS PAYABLE AUG 31, 2024 - SEP 6, 2024.PDF](#)

(2) Authorize A Call For Bids For The 3rd Avenue Water Quality Treatment Project.

Documents:

[3RD AVE WTR QUALITY TREATMENT PRJ-CALL FOR BIDS.PDF](#)

(3) Award The Construction Contract For The 18th Street Pedestrian Improvement Project To Moeco, LLC., Of Lake Stevens, WA In The Amount Of \$329,191.61.

Documents:

[MOECO LLC-18TH ST PED IMPROVEMENTS-AWARD.PDF](#)

(4) Authorize The Mayor To Execute The Interlocal Agreement With Snohomish County For \$4 Million Of Chemical Dependency And Mental Health Sales Tax Funds For A Shelter Facility In Everett.

Documents:

SNOHOMISH COUNTY EMERGENCY BRIDGE HOUSING.PDF

PROPOSED ACTION ITEM:

(5) CB 2409-23 – 2nd Reading - Adopt An Ordinance Approving The Appropriations Of The 2024 Revised City Of Everett Budget And Amending Ordinance No. 4022-24. (3rd & Final Reading 9/25/24)

Documents:

[CB 2409-23.PDF](#)

ACTION ITEM:

(6) Adopt Amended Council Procedures Resolution With An Effective Date Of October 30, 2024.

Documents:

[RES COUNCIL PROCEDURES AMENDMENT_2024.PDF](#)

Executive Session

Adjourn

PARTICIPATION IN REMOTE COUNCIL MEETINGS

- o Call in to listen to the Council meetings: 425.616.3920, conference ID: 724 887 726#
- o Participate remotely via Zoom by registering to speak at everettwa.gov/speakerform. You must register no later than 30 minutes prior to the meeting. Or contact Angela Ely at 425.257.8703 or aely@everettwa.gov and identify the topic you wish to address.
- o Provide written public comments by email to Council@everettwa.gov or mail to 2930 Wetmore Avenue, Suite 9A, Everett, WA 98201. Emailing comments 24 hours prior to the meeting will ensure your comment is distributed to councilmembers and appropriate staff.
- o Persons seeking to comment on non-agenda items may be asked to submit the comments in writing if the comment does not address an issue of broad public interest.

AGENDAS, BROADCAST AND RECORDINGS

- o The Council agendas and meeting recordings can be found, in their entirety, at everettwa.gov/citycouncil.
- o The Council meetings are broadcast on government-access cable Comcast Channel 21 and Frontier Channel 29. They are rebroadcast on Monday and Tuesday at noon; Thursday at 2 p.m. and 7 p.m.; Friday and Sunday at 7 p.m.; Saturday at 10 a.m.
- o Watch live meetings and recordings at YouTube.com/EverettCity.

CONTACT THE COUNCIL

If you do not wish to participate in the meeting, we provide these other methods of contacting your elected officials: Email the Council at Council@everettwa.gov.

- o Call the Council offices at 425.257.8703
- o You may call in just to listen to the meeting: 425.616.3920, conference ID 724 887 726#

The City of Everett does not discriminate on the basis of disability in the admission or access to, or treatment in, its programs or activities. Requests for assistance or accommodations can be arranged by contacting the Everett City Council Office at 425.257.8703. For additional information, please visit **our website at** <https://www.everettwa.gov/3129/American-Disabilities-Act-ADA-and-Title->.



RESOLUTION NO. _____

Be it Resolved by the City Council of the City of Everett:

Whereas the claims payable by check against the City of Everett for the period Aug 31, 2024 through Sep 6, 2024, having been audited and approved by the proper officers, have been paid and the disbursements made by the same, against the proper funds in payment thereof, as follows:

<u>Fund</u>	<u>Department</u>	<u>Amount</u>	<u>Fund</u>	<u>Department</u>	<u>Amount</u>
002	General Government	20,726.31	101	Parks & Recreation	58,942.72
003	Legal	1,008.90	110	Library	13,513.81
009	Misc Financial Funds	34,668.90	112	Community Theater	6,059.24
024	Public Works-Engineering	37,568.03	119	Public Works-Street Improv	430,657.45
031	Police	1,321.21	120	Public Works-Streets	88.00
	TOTAL GENERAL FUND	\$ 95,293.35	126	MV-Equipment Replacemer	59,531.11
			130	Develop & Const Permit Fee	1,380.00
			138	Hotel/Motel Tax	9,570.45
			145	Real Property Acquisstion	48,731.33
			146	Property Management	17,525.41
			148	Cum Reserve Parks	164.97
			152	Cum Reserve-Library	527.42
			153	Emergency Medical Service:	16,552.81
			155	Capital Reserve Fund	11,941.08
			197	CHIP Loan Program	63,635.02
			303	PW Improvement Projects	1,448.40
			336	Water & Sewer Sys Improv I	2,704,053.71
			342	City Facilities Construction	13,493.22
			401	Public Works-Utilities	382,719.08
			402	Solid Waste Utility	582.52
			425	Public Works-Transit	595,218.21
			430	Everpark Garage	14,084.46
			440	Golf	38,900.48
			501	MVD-Transportation Service	17,978.82
			503	Self-Insurance	1,242.50
			505	Computer Reserve	81,344.63
			637	Police Pension	1,003.69
			638	Fire Pension	1,003.68
			661	Claims	56.00
			665	Other Special Agency Funds	49,269.42
			TOTAL CLAIMS	\$ 4,736,512.99	

Councilperson introducing Resolution

Passed and approved this _____ day of _____, 2024

Council President

Project title: Authorize a Call for bids for 3rd Avenue Water Quality Treatment Project.

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
 Proposed action
 Consent 09/18/24
 Action
 Ordinance
 Public hearing
 Yes No

Budget amendment:
 Yes No

PowerPoint presentation:
 Yes No

Attachments:
 Project Map

Department(s) involved:
 Public Works

Contact person:
 Tom Hood

Phone number:
 (425) 257-8809

Email:
 snasr@everettwa.gov

Initialed by:
RLS
 Department head

Administration

Council President

Consideration: Call for bids

Project: 3rd Avenue Water Quality Treatment Project

Partner/Supplier: WA State Department of Ecology

Location: 3rd Ave SE between 97th PI SE and 98th PI SE

Preceding action: Ordinance No. [3876-22](#), approved on 5/22/2022

Fund: 336 – Water & Sewer System Improvements Fund

Fiscal summary statement:

The current programmed available funding, as established by City Ordinance No. 3876-22, for this project is \$1,365,000.

Project summary statement:

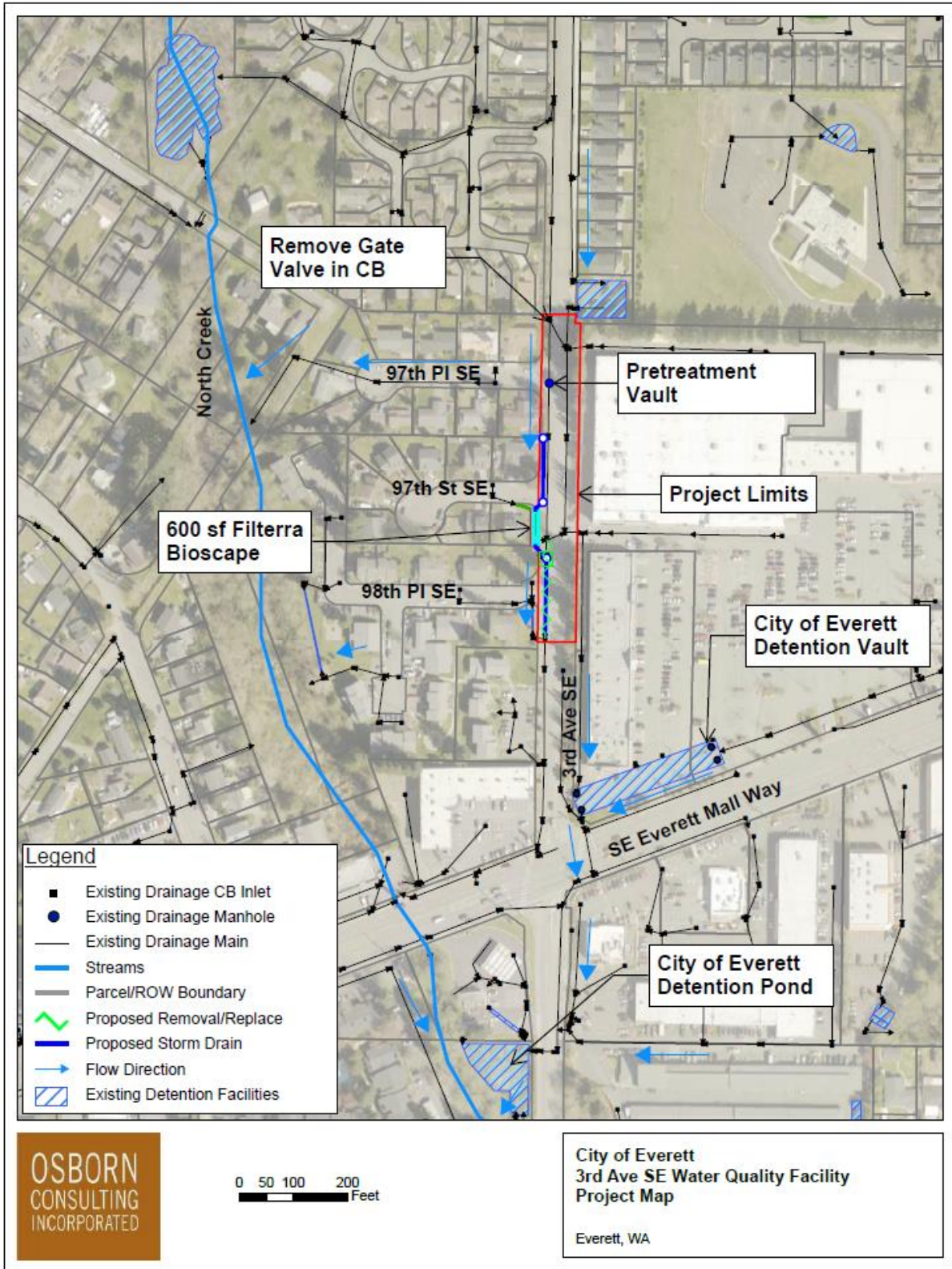
The plans and specifications are complete, and the 3rd Avenue Water Quality Treatment project is ready to be advertised for construction bids.

The project will construct a stormwater treatment facility along 3rd Avenue SE, north of SE Everett Mall Way. The proposed facility will treat runoff from approximately 45 acres of currently untreated land prior to discharge to North Creek. The project includes construction of a Filterra Bioscapes® facility at the corner of 3rd Avenue SE and 97th PI SE, a pretreatment vault at 98th PI SE, associated stormwater system pipes and structures, and restoration of pavement, sidewalks, and adjacent properties.

The Engineer’s Estimate for construction is \$721,500.

Recommendation (exact action requested of Council):

Authorize a Call for Bids for the 3rd Avenue Water Quality Treatment project.



Project title: Award the construction contract for the 18th Street Pedestrian Improvement project to Moeco, LLC., of Lake Stevens, WA in the amount of \$329,191.61.

Council Bill #

Consideration: Award of Construction Contract

Project: 18th Street Pedestrian Improvements

Partner/Supplier:

Location: 18th Street between Maple and Jason Park

Preceding action: Ordinance No. 3739- 20, approved on 3/18/2020

Fund: 303 – Public Works Improvement Projects

Agenda dates requested:

Briefing
Proposed action
Consent 09/18/24
Action
Ordinance
Public hearing
 Yes No

Fiscal summary statement:

The current programmed available funding, as established by City Ordinance No. 3739-20, for this project is \$1,190,000.

Budget amendment:

Yes No

Project summary statement:

Bid proposals for the 18th Street Pedestrian Improvements project were opened on August 27, 2024, with thirteen (13) bid proposals received. Moeco, LLC. of Lake Stevens, WA was a responsive bidder in the amount of \$329,191.61.

PowerPoint presentation:

Yes No

Attachments:

Bid Summary, Vicinity Map

This project will complete a pedestrian link from west of Walnut to Jackson Park.

Department(s) involved:

Public Works, Admin

The project includes the construction of new sidewalk and associated appurtenances along 18th Street between Maple Street and Jackson Park which will include curb ramps, storm drainage pipes and inlets, modular block wall retaining walls, fence, and landscaping restoration, and performing all other work as required by the contract.

Contact person:

Tom Hood

Phone number:

(425) 257-8809

Recommendation (exact action requested of Council):

Award the Construction Contract for the 18th Street Pedestrian Improvement project to Moeco, LLC., of Lake Stevens, WA in the amount of \$329,191.61.

Email:

thood@everettwa.gov

Initialed by:

RLS

Department head

Administration

Council President



City of Everett
Purchasing
3200 Cedar Street
Everett, WA 98201

P: 425-257-8840
F: 425-257-8864

BID OPENING

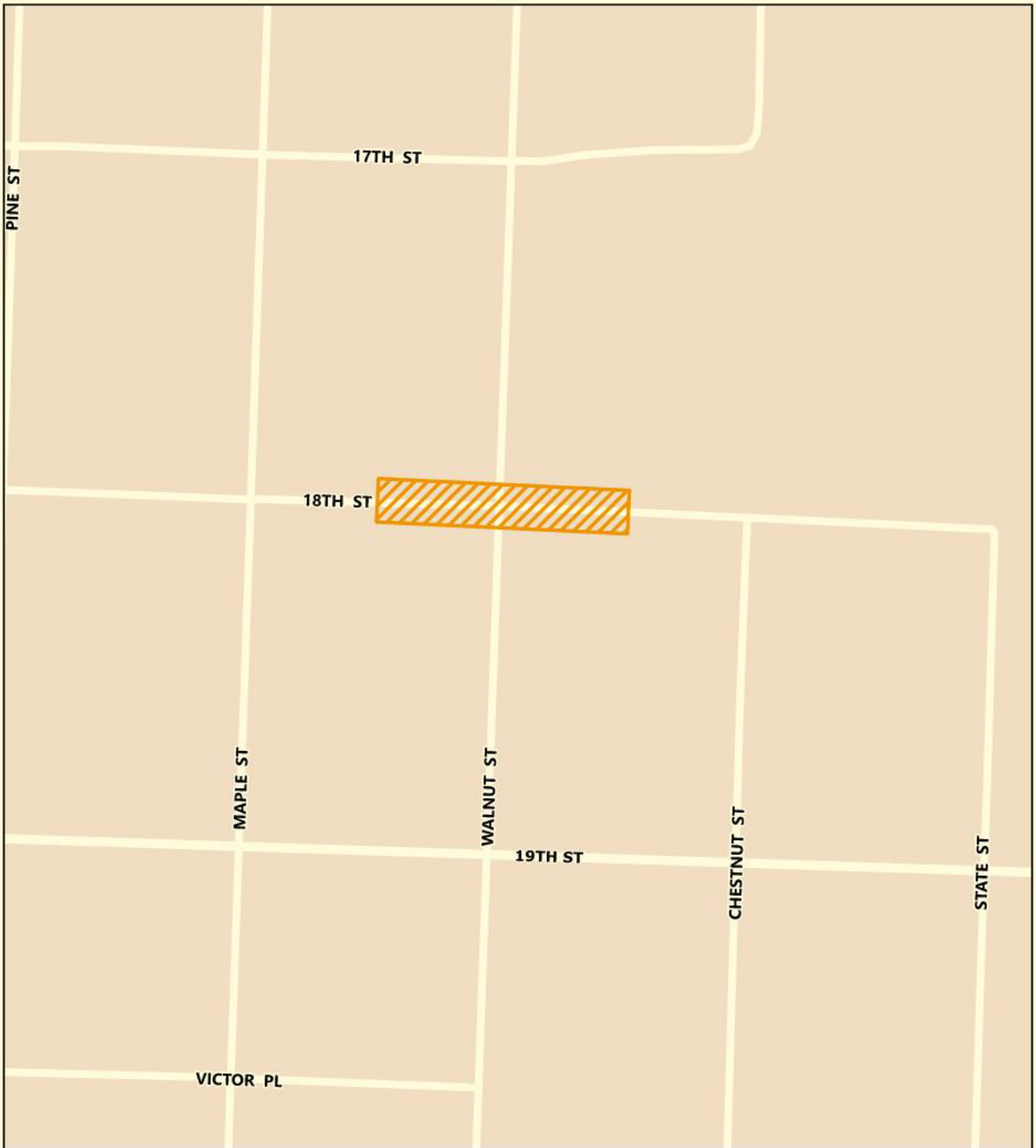
DATE: 8/27/2024 @ 2:00 pm PDT

ENGINEER'S ESTIMATE: \$394,376

PROJECT: 18th Street Pedestrian Improvements, City of Everett, WA #3741

CONTACT: Gina Loring - email: gloring@everettwa.gov ph: 425-257-7290

Bidder	Bidder's Location/City	Total
Kamins Construction	Bothell, WA	410,965 ⁵⁶
Indepth Excavation	Monroe, WA	515,543 ⁰⁰
Granite Construction	Everett, WA	411,554 ⁰⁰
Excavation West Inc.	Sedro-Woolley, WA	388,387 ⁰⁸
Colacurcio Brothers	Blaine, WA	419,827 ⁰⁰
ICI Interest Construction Inc	Burlington, WA	429,411 ⁰⁰
Black Fish Civil	Burien, WA	484,586 ³⁸
Blue Mountains Construction	Bothell, WA	346,916 ⁰⁰
Flowline	Spanaway, WA	393,903 ⁷²
SRV Construction	Anacortes, WA	374,858 ⁷⁵
MOECO LLC	Lake Stevens, WA	329,191 ⁶¹
Accord Contractors	Bellevue, WA	503,976 ⁰⁰



18th St Pedestrian Improvements

Project Vicinity - 18th St Pedestrian Improvements

4/15/2024





City Council Agenda Item Cover Sheet

Project title: Snohomish County ILA for Emergency Bridge Housing /EGM Project

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
 Proposed action
 Consent 09/18/24
 Action
 Ordinance
 Public hearing
 Yes X No

Budget amendment:
 X Yes No

PowerPoint presentation:
 Yes X No

Attachments:
 CDMH Interlocal Agreement

Department(s) involved:
 Community Development

Contact person:
 Julie Willie
 Kembra Landry

Phone number:
 425-257-7155

Email:
jwillie@everettwa.gov
klandry@everettwa.gov

Initialed by:
JW
 Department head

Administration

Council President

Project: Snohomish County ILA for Emergency Bridge Housing/ EGM Project

Partner/Supplier: Snohomish County and Everett Gospel Mission

Location: 3715/3719 Smith Avenue, Everett

Preceding action: Council Acceptance of Grant Funds: [7/26/23](#) Health and Human Services Committee Review of Project: [4/3/24](#)

Fund: Fund 155 – General Government Special Projects

Fiscal summary statement:

Snohomish County has awarded the City of Everett \$4 million of the County’s Chemical Dependency and Mental Health Sales Tax funds for a shelter facility in Everett.

Funds will be provided through a forgivable loan and grant to Everett Gospel Mission for the purchase and renovation of a 65-bed emergency bridge housing project, with the capacity for an additional 60 emergency severe weather shelter beds to be placed on the site.

Project summary statement:

Under an Interlocal Agreement, Snohomish County has decided to award funds to the City of Everett from the County’s CDMH fund to finance the acquisition and additional expenses for emergency housing at 3517/3519 Smith Avenue in Everett.

The City intends to pass the funds to Everett Gospel Mission, in the form of a loan for the property acquisition and a grant for residual development expenses, to establish a 65-bed emergency bridge housing project, with the capacity for an additional 60 emergency severe weather shelter beds to be placed on the site. Onsite health services for individuals residing in the emergency bridge housing, including behavioral health services, will also be offered.

Anticipated operation of the project is slated for December 31, 2026. A covenant will also be recorded for the property, securing the use of emergency bridge housing on the site until December 31, 2051.

Recommendation (exact action requested of Council):

Authorize the Mayor to execute the Interlocal Agreement with Snohomish County for \$4 million of Chemical Dependency and Mental Health Sales Tax funds for a shelter facility in Everett.

INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF EVERETT FOR EMERGENCY BRIDGE HOUSING

This Interlocal Agreement (“**Agreement**”) is made and entered into by SNOHOMISH COUNTY, a political subdivision of the State of Washington (“**County**”), and the CITY OF EVERETT, a municipal corporation in the State of Washington (“**City**”), (collectively the “**Parties**” and, individually, a “**Party**”).

RECITALS

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes public agencies, including the County and the City, to enter into cooperative agreements with one another to make the most efficient use of their respective resources;

WHEREAS, RCW 82.14.460, most recently amended by the Washington State Legislature in 2023, authorizes counties to impose a sales and use tax to be used “solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services,” with “programs and services” defined as, including, but not limited to, “treatment services, case management, transportation, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service;”

WHEREAS, the Snohomish County Council passed Ordinance 08-154 imposing a sales and use tax to provide for such programs and services, creating the chemical dependency/mental health (CDMH) program fund, and adding new chapter 4.25 to Snohomish County Code;

WHEREAS, SCC 4.25.050 states that the County’s “chemical dependency/mental health program fund shall be used solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services as allowed by state law . . . ,” further providing that ““programs and services”” includes, but is not limited to, treatment services, case management, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service”;

WHEREAS, emergency bridge housing is a type of temporary accommodation designed to help homeless persons transition to permanent housing, including services such as behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services;

WHEREAS, the County has determined to apply funds from the County’s CDMH fund to finance the acquisition of the property located at 3715 and 3719 Smith Avenue in Everett, legally described in the Attachment 1 hereto (the “**Property**”) and certain other costs, all for the purposes of providing emergency bridge housing as described in this Agreement at the Property (the emergency bridge housing, the “**Project**”);

WHEREAS, the City will contract with Everett Gospel Mission (“**EGM**”) for the Project, as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the City agree as follows:

1. **Purpose of this Agreement.** The purpose of this Agreement is to provide four million dollars (\$4,000,000.00) for an emergency bridge housing facility within the City of Everett to provide short term dwelling for homeless persons, along with coordination and access to substance use and mental health treatment and services.
2. **Definition of Emergency Bridge Housing.** “*Emergency Bridge Housing*” or “*EBH*” is a type of temporary accommodation designed to help homeless persons transition to permanent housing. It serves as a “bridge” between an urgent need to house those experiencing homelessness to permanent housing. Services may be more intensive or frequent to meet the needs of those housed. Services include behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services. EBH is focused on navigating the complex needs and services that move people toward permanent housing placement.
3. **Term.** The term of this Agreement shall commence on the Effective Date and will remain in full force and effect through December 31, 2026 (the “*Term*”). If requested by the City and approved in writing by the County, the Term of this Agreement may be extended up to December 31, 2027, in which case such extension is deemed effective as of the County written approval and no amendment of this Agreement is necessary to implement the extension. As provided by RCW 39.34.040, this Agreement shall not take effect unless and until it has (i) been duly executed by both Parties, and (ii) either filed with the County Auditor or posted on the County’s Interlocal Agreements website (“*Effective Date*”). Notwithstanding the Effective Date of this Agreement, this Agreement shall govern the conduct of the parties regarding the Project after June 1, 2024.
4. **Project Number.** HCS-24-70-2402-198
5. **County Obligations.** The County will provide up to four million dollars (\$4,000,000) of CDMH funding of CDMH funds to the City, which the City will provide to EGM under the City-EGM Loan Agreement (defined below) for the Project.
6. **City Obligations.**
 - (a) Loan Agreement. The City shall execute with EGM a loan agreement in substantially the form attached to this Agreement as Attachment 2 (the “*Loan Agreement*”), which will provide to EGM a deferred forgivable loan (the “*Loan*”) and which will cause, among other things, a Use Restriction Covenant and a Deed of Trust (in the forms attached to the Loan Agreement as exhibits) to be recorded against the Property. The Loan Agreement also provides that:
 - (i) EGM will acquire the Property with the CDMH funds provided under the Loan Agreement.

This may occur either by Loan deposit into the escrow of EGM's Property purchase or, if EGM has already purchased the Property, by reimbursement of EGM acquisition costs, all as set forth in the Loan Agreement.

To receive such acquisition funding, EGM must submit to the County and City in writing the amount requested and backup documentation. The EGM request must be accompanied by documentation regarding the total funding that EGM has committed for acquisition, improvement, and operation of the Property and Project. In addition, if the Property is subject to any deed of trust or other lender lien, then EGM must also provide the County and City the form of subordination agreement that the lender(s) will execute to subordinate their interest(s) to the Loan. After review of EGM's submittals, both County and City will each determine, each at their sole discretion, whether to approve proceeding with acquisition funding. After such approvals, the County will deliver acquisition funding to the City, and then the City will deliver the acquisition funding to EGM.

- (ii) The Loan Agreement provides that EGM may use CDMH funds provided under the Loan Agreement for Allowable Project Costs, which are defined below. EGM will submit requests for reimbursement of Allowable Project Costs to the City, which the City will provide to the County. Reimbursement requested by EGM for Allowable Project Costs will not be paid to EGM unless both City and County approve the EGM reimbursement request.

"Allowable Project Costs" are costs necessary to prepare the Property for the Project, subject to the following limitations and clarifications:

- Unless pre-approved by both County and City in writing, Allowable Project Costs do not include any costs for construction, alteration, enlargement, improvement, repair, or demolition.
- Examples of Allowable Project Costs include design costs, permitting costs, bed purchase costs, and furniture purchase costs as necessary for the Project. However, costs are only allowable to the extent directly attributable to preparation of the Property for the Project. For example, if EGM's design costs include costs for design of improvements/buildings on the Property that include more than what is necessary for the Project, reimbursement under this Agreement will be limited to those design costs necessary for the Project.

- (iii) To the extent that funds remain after (i) and (ii) above, EGM may use CDMH funds provided under the Loan Agreement only for Project uses and under such terms and conditions that the City and County may pre-approve in writing. Reimbursement requested by EGM for such pre-approved uses will not be paid to EGM unless both City and County approve the EGM reimbursement request.

- (iv) The Loan Agreement provides that EGM must cause the Property to be physically ready for Project operation no later than December 31, 2026, which must include capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.

If the Property is not physically ready for Project operation by December 31, 2026, or later date as approved in writing by the County, the City, after City-County consultation and County approval in writing, will seek remedies against EGM, including without limitation acceleration of the Loan provided under the Loan Agreement, action under the Note and Deed of Trust, and/or enforcement of the Use Restriction Covenant.

If the Property is physically ready for Project operation by December 31, 2026, then the Loan will be forgiven as of December 31, 2026, all as set forth in the Loan Agreement.

- (b) Use Restriction Covenant. The Use Restriction Covenant, which is attached to the Loan Agreement as an exhibit and which will be recorded against the Property, provides the following regarding Project operation:

- (i) EGM must ensure that the emergency bridge housing on the Property serves homeless persons as defined at RCW 43.185C.010(12). EGM must ensure that the Property provides space for onsite health services for the individuals residing in the Property's emergency bridge housing, with behavioral health services offered onsite to individuals.
- (ii) EGM must ensure coordination with onsite behavioral health providers for the provision of services for individuals residing in the Property's emergency bridge housing.
- (iii) EGM may use the Property for uses not related to emergency bridge housing or to other Project services required in this Agreement, so long as those other uses do not interfere with emergency bridge housing or with such other required Project services.
- (iv) EGM will comply with all applicable federal, state and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through this Agreement.
- (v) Because the Loan is provided pursuant to RCW 82.14.460 and SCC 4.25.050, EGM must ensure that the Project includes coordinated chemical dependency or mental health treatment program or services.
- (vi) EGM must have a management plan approved by the City always in place for operation of the Project.

- (vii) EGM shall provide updates to the City on Project progress at least quarterly or as requested by the City.
- (viii) EGM shall provide at minimum an annual report to the City as determined by the City and County, once the Project is operational and more often if requested by the City.
- (ix) EGM must have the Project participate in the Snohomish County Homeless Management Information system (HMIS), unless EGM requests in writing and the County approves in writing for EGM to opt out of participation in the HMIS.
- (x) EGM must make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City, but with City residents having priority for bed placement.

If the Property is not used in accordance with the Use Restriction Covenant, the City, after City-County consultation and County approval in writing, will seek enforcement of the Use Restriction Covenant.

- (c) Subordination Agreement. The City will not subordinate the Loan Agreement, Deed of Trust, or the Use Restriction Covenant to any other Property lender without the prior written approval of the County.

7. Budget and Compensation. The County shall provide up to Four Million Dollars (\$4,000,000) for the Project:

- (a) The County will provide funds upon submission of Attachment 3 signed by EGM. Funds will only be provided by the County for costs the County approves under Section 6(a) above. All costs must be incurred from June 1, 2024, through December 31, 2026, after this Agreement is effective per Section 2 of this Agreement. The date may be extended with prior written approval by the County.
- (b) Program Income (PI) proportional to the funding invested that is generating PI shall be returned by City into the Project. The City shall remit any captured program income to the County.
- (c) With prior request from the City and approval from the County, the City may submit an invoice for cash advance(s). Such an advance, if approved, must be based on good faith projection of the cash needs of the City to reimburse EGM for Project costs that the County has approved under Section 6(a). The advance funds shall only be used to reimburse expenses approved by the County under Section 6(a).
- (d) No later than January 10, 2027, unless extended in writing by the County, the City shall submit a final expenditure report that reconciles total expenditures for the Agreement period ending December 31, 2026, with the total amount paid to the City including any advance payments, and any variance will be resolved through additional reimbursement to the City or repayment to the County.

8. **Indemnification and Hold Harmless.** Subject to the liability limitation stated in Section 9 of this Agreement and to the maximum extent permitted by law and except to the extent caused by the sole negligence of the County and, if any funds for this Agreement are provided by the State, the State, the City shall, to the extent of the City's negligence, willful misconduct or breach of this Agreement, indemnify and hold harmless the County and the State, their officers, officials, agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatsoever kind or nature arising out of, in connection with, or incidental to the Project or the performance of this Agreement. In addition, the City shall assume the defense of the County and, if applicable, the State and their officers and employees in all legal or claim proceedings arising out of, in connection with, or incidental to such services and/or deliverables and shall pay all defense expenses, including reasonable attorneys' fees, expert fees and costs incurred by the County and, if applicable, the State, on account of such litigation or claims.

The above indemnification obligations shall include, but are not limited to, all claims against the County and, if applicable, the State by an employee or former employee of the City or its subcontractors, and the City, by mutual negotiation, expressly waives all immunity and limitation on liability, as respects only the County and, if applicable, the State, under any industrial insurance act, including Title 51 RCW, other worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

In the event that the County or, if applicable, the State incurs any judgment, award and/or cost including attorneys' fees arising from the provisions of this section, or to enforce the provisions of this section, any such judgment, award, fees, expenses and costs shall be recoverable from the City.

In addition to injuries to persons and damage to property, the term "claims," for purposes of this provision, shall include, but not be limited to, assertions that the use or transfer of any software, book, document, report, film, tape, or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, and/or otherwise results in an unfair trade practice.

The indemnification, protection, defense, and save harmless obligations contained herein shall survive the expiration, abandonment or termination of this Agreement.

Nothing contained within this provision shall affect or alter the application of any other provision contained within this Agreement.

9. **Limitation of Liability.** In no event will County or City be liable for any special, consequential, indirect, punitive or incidental damages, including but not limited to loss of data, loss of revenue, or loss of profits, arising out of or in connection with the performance of the County or the City under this Agreement, even if the County or the City has been advised of the possibility of such damages. Recovery of CDMH funds from the City by the County is governed exclusively by Section 11(q) below.

10. **Insurance.** Each Party shall maintain its own insurance and/or self-insurance for its liabilities from damage to property and/or injuries to persons arising out of its activities associated with this Agreement as it deems reasonably appropriate and prudent. The maintenance of, or lack thereof of insurance and/or self-insurance shall not limit the liability of the indemnifying part to the indemnified party(s).

11. **Miscellaneous.**

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes any and all prior oral or written agreements between the Parties regarding the subject matter contained herein. This Agreement may not be modified or amended in any manner except by a written document signed by the Party against whom such modification is sought to be enforced.
- (b) **Dispute Resolution.** The City and the County mutually agree to use a formal dispute process such as mediation, through an agreed-upon mediator and process, if agreement cannot be reached regarding interpretation or implementation of any provisions of this Agreement. All costs for mediation shall be divided equally between the City and the County. Each jurisdiction is responsible for the costs of its own legal representation.
- (c) **No Separate Entity Necessary/Created.** The Parties agree that no separate legal or administrative entities are necessary to carry out this Agreement.
- (d) **Ownership of Property.** Except as expressly provided to the contrary in this Agreement, any real or personal property used or acquired by either Party in connection with the performance of this Agreement will remain the sole property of such Party, and the other Party shall have no interest therein.
- (e) **Administrators.** Each Party to this Agreement shall designate an individual (an “*Administrator*”), which may be designated by title or position, to oversee and administer such Party’s participation in this Agreement. The Parties’ initial Administrators shall be the following individuals:

County’s Initial Administrator:

Jackie Anderson, Division Manager
Snohomish County Housing and Community Services Division
3000 Rockefeller Avenue, M/S 305
Everett, WA 98201

City’s Initial Administrator:

Julie Willie, Director
City of Everett Community Development Division
2930 Wetmore Ave., Suite 10A
Everett, WA 98201

Either Party may change its Administrator at any time by delivering written notice of such Party's new Administrator to the other Party.

- (f) **Interpretation.** This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the Parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.
- (g) **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.
- (h) **No Waiver.** A Party's forbearance or delay in exercising any right or remedy with respect to a Default by the other Party under this Agreement shall not constitute a waiver of the Default at issue. Nor shall a waiver by a Party of any particular Default constitute a waiver of any other Default or any similar future Default.
- (i) **Assignment.** This Agreement shall not be assigned, either in whole or in part, by either of the Parties hereto. Any attempt to assign this Agreement in violation of the preceding sentence shall be null and void and shall constitute a Default under this Agreement.
- (j) **Warranty of Authority.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign this Agreement.
- (k) **No Joint Venture.** Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture or other joint enterprise between the Parties.
- (l) **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit of the City and the County. No third party shall be deemed to have any rights under this Agreement; there are no third party beneficiaries to this Agreement.
- (m) **Compliance with Applicable Law.** Each Party shall comply with all other applicable federal, state and local laws, rules and regulations in performing under this Agreement.

- (n) **Changes.** No changes or additions shall be made to this Agreement except as agreed to by both Parties, reduced to writing, and executed with the same formalities as are required for the execution of this Agreement.
- (o) **Termination.** If the City breaches any provision of this Agreement and if such breach is not cured within thirty (30) days after receiving written notice from the County specifying such breach in reasonable detail, the County shall have the right to terminate this Agreement by giving written notice thereof to the party in breach, which termination shall be effective immediately upon receipt.
- (p) **Public Records.** The parties acknowledge that they are subject to the Public Records Act, chapter 42.56 RCW. Both parties shall cooperate with each other so that each may comply with its obligations under the Public Records Act.
- (q) **Audit and Repayment.** The City shall return funds disbursed to it by the County under this Agreement upon the occurrence of any of the following events:
 - (i) If the Property is not physically ready for Project operation by December 31, 2026, in which case any return of funds by the City to the County will be limited to amounts recovered by the City under Section 6(b) above. The date for operations may be extended with prior written approval by the County.
 - (ii) If overpayments are made; or
 - (iii) If an audit of the Project by the State or the County determines that funds have been expended by the City without approval by the County under Section 6(a) above and such non-approved expenditures are not permitted by the RCW 82.14.460, the State, the County, or this Agreement.

In the case of (i), (ii), or (iii), the County shall make a written demand upon the City for repayment, and the City shall be obligated to repay to the County the funds demanded within sixty (60) calendar days of the demand. The County's right to demand repayment from the City may be exercised as often as necessary to recoup from the City all funds required to be returned to the County under this subsection (q).

Except as otherwise may be provided in this Agreement, the City is solely responsible for seeking repayment from any subcontractor or subawardee in conformance with its debt collection policy.

- (r) **Exhibits.** The following Exhibits, which are attached to this Agreement, are incorporated herein and by this reference made a part of this Agreement:

Attachment 1– Property Legal Description

Attachment 2– Form of Loan Agreement

Attachment 3– Form of Request for Reimbursement

- (s) **Execution in Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

[signatures on following page]

IN WITNESS WHEREOF the Parties execute this Agreement this _____ day of _____
_____, 2024.

SNOHOMISH COUNTY, a political subdivision
of the State of Washington

CITY OF EVERETT, a Washington municipal
corporation

County Executive

Cassie Franklin, Mayor

ATTEST:

Office of the City Clerk

APPROVED AS TO FORM:

Office of the City Attorney

Attachment 1 to Interlocal Agreement

Property Legal Description

Real property in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

PARCEL A:

THE SOUTH ONE-THIRD OF THE NORTH HALF OF BLOCK 19, J.S. SINES ACRE TRACTS, ACCORDING TO THE PLAT RECORDED IN VOLUMN 4 OF PLATS, PAGE1, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING WEST OF ALLEY.

Tax Parcel Numbers: 00576001900003

Situs Address: 3715 Smith Avenue, Everett, WA 98201

PARCEL B:

LOTS 9,10 AND 11, BLOCK 19, GOODSON'S ADDITION TO EVERETT, PER PLAT RECORDED IN VOLUMN 6 OF PLATS, PAGE 7, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

Tax Parcel Numbers: 00457901900900

Situs Address: 3719 Smith Avenue, Everett, WA 98201

Attachment 2 to Interlocal Agreement

Form of City-EGM Loan Agreement

LOAN AGREEMENT



This Loan Agreement (the “**Agreement**”) by and between the EVERETT GOSPEL MISSION, a Washington nonprofit corporation (“**EGM**”) and the CITY OF EVERETT, a Washington municipal corporation (the “**City**”) is dated for reference purposes _____ (the “**Effective Date**”) and is made to facilitate the acquisition of the certain property and certain other costs, all for the purposes of providing emergency bridge housing as set forth in this Agreement.

RECITALS

- A. Under Interlocal Agreement Between Snohomish County and the City of Everett for Emergency Bridge Housing dated _____ (the “**City-County ILA**”), the City has received from Snohomish County (the “**County**”) funding from the County’s chemical dependency/mental health program fund (CDMH) pursuant to RCW 82.14.460 and chapter 4.25 SCC. Under RCW 82.14.460, such funding must be used:

solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services. Moneys collected by cities and counties under this section may also be used for modifications to existing facilities to address health and safety needs necessary for the provision, operation, or delivery of chemical dependency or mental health treatment programs or services otherwise funded with moneys collected in this section. For the purposes of this section, “programs and services” includes, but is not limited to, treatment services, case management, transportation, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service.

- B. EGM proposes to acquire (or already has acquired) property located at 3715 and 3719 Smith Avenue in Everett, WA, which is legally described in the attached Exhibit A (the “**Property**”).
- C. EGM will use the Property for emergency bridge housing, with chemical dependency or mental health treatment programs and services. The emergency bridge housing and these programs and services to be provided on the Project Property, and certain requirements thereto, are described in Exhibit B to this Agreement (the “**Project**”).
- D. This Agreement provides CDMH funding to EGM as a deferred forgivable loan in the amount of \$4 million at three percent (3%) simple interest for the following Project purposes:
1. Funding EGM’s acquisition of the Project Property, which will be approximately \$2.5 million. This acquisition must occur before December 31, 2024, or else the City may terminate this Agreement; and
 2. Funding EGM’s Allowable Project Costs (as set forth below); and
 3. If there are remaining funds, funding EGM’s other Project-related costs, subject to County and City pre-approval.
- E. In connection with the forgivable loan provided in this Agreement, EGM will execute a promissory note in form of the attached Exhibit C (the “**Note**”), which will be secured by a deed of trust in the form of the attached Exhibit D (the “**Deed of Trust**”). This Agreement provides that, if the Project is not physically ready for Project operation by December 31, 2026 (or such later date as may be approved in writing by the County and City), then the City may exercise remedies under the Loan Documents (as defined below).

- F. In connection with the forgivable loan provided in this Agreement, EGM will execute a use restriction covenant in the form of the attached Exhibit E (the “**Restrictive Covenant**”), which will restrict the Property until December 31, 2051, as described therein. This Agreement, the Note, Restrictive Covenant, and the Deed of Trust are collectively referred to in this Agreement as the “**Loan Documents**.”

AGREEMENT

NOW, THEREFORE, in consideration of their mutual promises herein contained, the parties hereto agree as follows:

I. BASIC LOAN TERMS

A. Purpose of the Loan/Project Deadline

The purpose of the Loan (defined below) is to facilitate the Property being physically ready for Project operation no later than December 31, 2026 (unless such date is extended in writing by the County and City). EGM will use the Loan for acquisition of the Property and for Allowable Project Costs, with EGM securing funding from other sources for necessary improvements to the Property. Remaining Loan funds may only be used for purposes pre-approved by the County and City.

By executing this Loan Agreement, EGM agrees to cause the Property to be physically ready for Project operation no later than December 31, 2026 (unless such date is extended in writing by the County and City).

For the purposes of this Agreement and the other Loan Documents, the Property is deemed “physically ready for Project operation” when the Property, as determined by the City’s Director of Community Development, is physically able to be used for Project purposes with all improvements to the Property necessary for Project operation substantially completed, which must include capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.

B. The Loan

Subject to the terms and conditions of this Agreement and the other Loan Documents, EGM is hereby provided a deferred loan at three percent (3%) simple interest in a principal amount not to exceed \$4 million (\$4,000,000) (the “**Loan**”).

Principal and interest shall be due on December 31, 2026 (unless such date is extended in writing by the County and City), at which time the full balance due and owing under the Loan Documents shall be paid by EGM, except that, if the Project is physically ready for Project operation by December 31, 2026 (or such later date approved in writing by the County and City), and EGM is otherwise in compliance with the Loan Documents, then the City will forgive the Loan (including forgiveness of 100% of the principal and 100% of the interest), with the Note deemed paid in full and with the Deed of Trust reconveyed or otherwise terminated. This forgiveness does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

If the Project is not physically ready for Project operation by December 31, 2026 (or such later date approved in writing by the County and City), the principal, interest, and reconveyance fees shall be due on December 31, 2026 (unless such date is

extended in writing by the County and City), at which time the full balance due and owing under the Loan Documents shall be paid by EGM. This payment does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

C. Security for the Loan

The Loan shall be evidenced by the Note. As set forth in the Loan Documents, EGM shall execute and deliver for recording the Deed of Trust, which will secure the Loan as set forth in the Loan Documents. EGM shall also execute and deliver for recording the Restrictive Covenant.

II. BUDGET AND LOAN DISBURSEMENT

A. Project Budget. The total Loan is not to exceed \$4 million, which shall be first used for acquisition costs for the Property and Allowed Project Costs, with the remainder for Project costs as may be preapproved by the County and City, with all such costs incurred between June 1, 2024, and December 31, 2026 (or such later date approved in writing by the County and City).

B. Property Acquisition Funding. If EGM has already purchased the Property as of the date of this Agreement, the City will provide the acquisition funding by reimbursement as set forth in II.B.1 below. If EGM has not already purchased the Property as of the date of this Agreement, the City will provide the acquisition funding by making a Loan deposit into the escrow account used for the closing of the sale of the Property to EGM as set forth in II.B.2 below.

1. Acquisition Funding by Reimbursement.

- a. To receive reimbursement of acquisition costs for the Property, EGM must first submit to the County and City in writing the amount requested and backup documentation. The EGM request must also be accompanied by documentation regarding the total funding that EGM has committed for acquisition, improvement, and operation of the Property and Project. EGM must also submit the Invoice in the form of Attachment 3 to the City-County ILA.
- b. If the Property is subject to any deed of trust or other lender lien, then EGM must also submit to the County and City the form of subordination agreement that such lender(s) will execute to subordinate lender interest(s) to the Loan, Deed of Trust, and Restriction Covenant.
- c. Acquisition reimbursement will not be delivered to EGM unless the County and City, after review of EGM's submittals, both determine in writing to approve EGM's acquisition reimbursement request. These approvals are at the sole discretion of the County and City.
- d. The City may terminate this Agreement if EGM has not purchased the Property by December 31, 2024, unless the City's Director of Community Development determines in writing to extend that date.
- e. Unless the City's Director of Community Development determines otherwise in writing, acquisition reimbursement will not be delivered to EGM unless the City receives a copy of an appraisal showing that the

Property has an appraised value of at least the amount that EGM requests for acquisition reimbursement.

- f. Acquisition reimbursement will be delivered to EGM contemporaneously with the recording of the fully executed Deed of Trust, the Restrictive Covenant, and subordination/priority agreements (if any) against the Property. All fees associated with recording documents are the responsibility of EGM.
- g. Unless otherwise determined by the City, acquisition reimbursement will not be delivered to EGM unless a title company acceptable to City is irrevocably committed to issue a lender's title insurance policy in the amount of the reimbursement requested, with policy form and exceptions acceptable to the City in its sole discretion.

2. Acquisition Funding by Escrow Deposit.

- a. To receive acquisition funding by the City depositing funds into the escrow account for EGM's purchase of the Property (the "**Loan Escrow Deposit**"), EGM must first submit to the County and City in writing the amount requested and backup documentation. The EGM request must also be accompanied by documentation regarding the total funding that EGM has committed for acquisition, improvement, and operation of the Property and Project. EGM must also submit the Invoice in the form of Attachment 3 to the City-County ILA.
- b. The Loan Escrow Deposit will not be made unless the County and City, after review of EGM's submittals, both determine in writing to approve EGM's acquisition funding request. These approvals are at the sole discretion of the County and City.
- c. The City will not make the Loan Escrow Deposit after December 31, 2024, and the City may terminate this Agreement if the Closing does not occur by December 31, 2024, unless the City's Director of Community Development determines in writing to extend those dates.
- d. Unless the City determines otherwise in writing, the Loan Escrow Deposit will not be made unless the City receives a copy of an appraisal showing that the Property has an appraised value of at least the amount of the Loan Escrow Deposit.
- e. The escrow agent and title company must be reasonably acceptable to the City.
- f. The amount of the Loan Escrow Deposit will not exceed the amount required under escrow agent's closing statement(s) to be deposited by buyer into escrow to close the sale transaction.
- g. The City will not disburse any portion of the Loan before closing. For example, the City will not disburse any portion of the Loan for use as earnest money.
- h. Unless otherwise determined by the City and County, the City will, through its escrow instructions, not allow Loan Escrow Deposit funds

to be paid to the Property's seller at closing unless the title company is irrevocably committed at closing to issue a lender's title insurance policy in the amount of the Property's purchase price, with policy form and exceptions acceptable to the City in its sole discretion.

- i. Unless the County and City have approved a priority/subordination agreement and such agreement is recorded at Closing, the City will, through its escrow instructions, require that the following documents be recorded in the following order at Closing without any intervening recorded document: (i) deed, (ii) Restrictive Covenant, and (iii) Deed of Trust. All fees associated with recording documents are the responsibility of EGM.

C. Funding of Allowable Project Costs.

To the extent that Loan funds remain after acquisition funding, those remaining Loan funds will be disbursed to EGM to reimburse Allowable Project Costs as follows:

1. **"Allowable Project Costs"** are costs approved by the City and County necessary to prepare the Property for the Project, subject to the following limitations and clarifications:
 - a. Unless pre-approved by both County and City in writing, Allowable Project Costs do not include any costs for construction, alteration, enlargement, improvement, repair, or demolition.
 - b. Examples of Allowable Project Costs include design costs, permitting costs, bed purchase costs, and furniture purchase costs as necessary for the Project. However, costs are only allowable to the extent directly attributable to preparation of the Property for the Project. For example, if EGM's design costs include costs for design of improvements/buildings on the Property that include more than what is necessary for the Project, reimbursement under this Agreement will be limited to those design costs necessary for the Project.
2. EGM will submit requests for reimbursement to the City, which the City will provide to the County. Reimbursement requested by EGM will not be paid to EGM unless both City and County approve the EGM reimbursement request.
3. Loan funds for Allowable Project Costs will not be disbursed to EGM until after EGM owns the Property.
4. Unless determined otherwise by the County and City, Loan funds for Allowable Project Costs will be disbursed solely on a reimbursement basis.
5. Loan funds may reimburse costs for Allowable Project Costs incurred between June 1, 2024 and the date EGM takes ownership of the Property, but reimbursement will not be paid until after such ownership date.
6. Reimbursement requests must be submitted by EGM as required by the City. EGM must submit the Invoice in the form of Attachment 3 to the City-County ILA. The City may require EGM to use the City Amplifund system.

7. All reimbursement requests must be received by the City no later than January 8, 2027, unless the City's Director of Community Development extends this date in writing.
8. All interest, if any, accrued through City investment on Loan funds will be remitted to the County.

D. Remaining Loan Funds.

To the extent that Loan funds remain after fund of Allowable Project Costs, EGM may use Loan funds provided only for Project uses and under such terms that the City and County may pre-approve in writing. Reimbursement requested by EGM for pre-approved costs will not be paid to EGM unless both City and County approve the EGM reimbursement request.

III. TERM OF AGREEMENT

Unless otherwise terminated in accordance with the Agreement, the term of this Agreement begins on the Effective Date and terminates on the date that the Loan is either forgiven or repaid in full in accordance with the Loan Documents. Termination of this Agreement does not affect the Restrictive Covenant, which will remain in effect until December 31, 2051.

IV. PRIORITY OF LOAN DOCUMENTS

EGM covenants that, unless otherwise agreed by the City in writing in a subordination or priority agreement or other written instrument approved by the County and signed by EGM and the City's Mayor, there will be no lender or person or party with an interest in the Property recorded prior to the City's Restrictive Covenant and Deed of Trust.

EGM shall cause any subsequent mortgagee or lien holder to be approved in writing by the City and shall require such mortgagee or lien holder to agree, unless otherwise determined by the County and City, by separate written agreement with the City to subordinate the lien of its security instruments, if any, to the City's Restrictive Covenant and Deed of Trust.

If there exists any lender or person or party with an interest in the Property recorded prior to the date of recording of the Restrictive Covenant and Deed of Trust, EGM shall, unless otherwise approved by the County and agreed by the City in a subordination or priority agreement or other written instrument signed by EGM and the City's Mayor, require such lender to subordinate the lien of its security instruments, if any, to the City's Restrictive Covenant and Deed of Trust.

If EGM requests that the lien of a subsequent or prior lender to EGM be prior and superior to the lien of the City and if the City and County agrees to that request at their sole discretion, the documents effecting such subordination of the City's mortgage and lien rights shall, prior to their execution, be subject to review and approval by the City Attorney. EGM acknowledges that the City does not ordinarily consider loan subordination to lenders with loan amounts less than the City's loan. In addition, the City will not subordinate the Restrictive Covenant.

V. BREACH BY EGM; REMEDIES

In the event of a breach of any of the provisions of this Agreement or any other Loan Document by EGM, the City may give written notice thereof to EGM at the address provided on the signature pages of this Agreement. Except for non-payment of the Note when due

and payable (in which case default shall be determined in accordance with the provisions of the Note), if such violation is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is mailed (or within such shorter or longer time as the City, in its sole discretion, may determine), the City may, without further prior notice, declare in writing a default under this Agreement, declare the Loan principal and interest accrued immediately due and payable pursuant to the terms of this Agreement and the other Loan Documents, and seek any other remedy under applicable law.

The City also may, if it deems it appropriate, apply to any court, State or Federal, for remedy for breach of contract; for specific performance of this Agreement or any Loan Document; for an injunction against any violation by EGM of this Agreement or any Loan Document; for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement and the Loan Documents; or for such other and further relief as may be appropriate, it being agreed by EGM that the injury to the City arising from a default under and of the terms of this Agreement or the Loan Documents would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the City which would afford adequate relief, in light of the City's purposes and policies.

VI. HOLD HARMLESS AND INDEMNIFICATION

To the extent of EGM's (or EGM's employees, agents, representatives or subcontractors/subconsultants) negligence, breach of this Agreement, violation of law, or willful misconduct, and except as otherwise provided in this Section, EGM hereby agrees to defend and indemnify and save harmless the City and the County from any and all Claims arising from or relating to this Agreement or the Project or the Project Property, whether such Claims sound in contract, tort, or any other legal theory. EGM is obligated to defend and indemnify and save harmless the City and the County pursuant to this Section whether a Claim is asserted directly against the City or County, or whether it is asserted indirectly against the City or County, e.g., a Claim is asserted against someone else who then seeks contribution or indemnity from the City or County. EGM's duty to defend and indemnify and save harmless pursuant to this Section is not in any way limited to, or by the extent of, insurance obtained by, obtainable by, or required of EGM. EGM's obligations under this Section shall not apply to Claims caused by the sole negligence of the City or County. If (1) RCW 4.24.115 applies to a particular Claim, and (2) such Claim is caused by or results from the concurrent negligence of (a) EGM, its employees, subcontractors/subconsultants or agents and (b) the City or County, then EGM's liability under this Section shall be only to the extent of EGM's negligence. Solely and expressly for the purpose of its duties to indemnify and defend and save harmless the City and the County, EGM specifically waives any immunity it may have under the State Industrial Insurance Law, Title 51 RCW. EGM recognizes that this waiver of immunity under Title 51 RCW was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. As used in this Section: (1) "City" includes the City, the City's officers, employees, agents, and representatives, (2) "County" includes the County, the County's officers, employees, agents, and representatives, and (3) "Claims" include, but is not limited to, any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damages, irrespective of the type of relief sought or demanded, such as money or injunctive relief, and irrespective of whether the damage alleged is bodily injury, damage to property, economic loss, general damages,

special damages, or punitive damages or infringement or misappropriation of any patent, copyright, trade secret, or other proprietary right. If, and to the extent, EGM employs or engages subconsultants or subcontractors, then EGM shall ensure that each such subconsultant and subcontractor (and subsequent tiers of subconsultants and subcontractors) shall expressly agree to defend and indemnify and save harmless the City and County to the extent and on the same terms and conditions as EGM pursuant to this Section. The provisions of this Section shall survive the expiration or termination of this Agreement.

VII. INSURANCE

- A. EGM shall comply with the following conditions and procure and keep in force from the Closing until the Restrictive Covenant End Date, at EGM's own cost and expense, the policies of insurance as set forth hereunder with companies authorized to do business in the State of Washington, which are rated at least "A-" or better and with a numerical rating of no less than seven (7), by A.M. Best Company and which are acceptable to the City.
1. Workers' Compensation Insurance as required by Washington law and Employer's Liability Insurance with limits not less than \$1,000,000 per occurrence. If the City authorizes sublet work, EGM shall require each subcontractor to provide Workers' Compensation Insurance for its employees, unless EGM covers such employees.
 2. Commercial General Liability Insurance on an occurrence basis in an amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the annual aggregate, including but not limited to: premises/operations (including off-site operations), blanket contractual liability and broad form property damage.
 3. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per occurrence, extending to any automobile.
 4. Property Insurance in the amount not less than the full replacement cost for all improvements on the Project Property.
- B. The above liability policies shall be primary as to the City and shall contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of EGM to furnish the required insurance during the term of this Agreement.
- C. Upon written request by the City, the insurer or its agent will furnish, prior to or during any Work being performed, a copy of any policy cited above, certified to be a true and complete copy of the original.
- D. Prior to EGM performing any Work, EGM shall provide the City or the City's designee with a Certificate of Insurance acceptable to the City Attorney evidencing the required insurance. EGM shall provide the City or the City's designee with either (1) a true copy of an endorsement naming the City of Everett, its officers, employees, agents and volunteers as Additional Insureds on the Commercial General Liability Insurance policy and the Business Automobile Liability Insurance policy with respect to the operations performed and services provided under this Agreement and that such insurance shall

apply as primary insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by the City or the City's designee of any certificate showing less coverage than required is not a waiver of EGM's obligations to fulfill the requirements.

- E. In case of the breach of any provision of this Section, the City may, at its option and with no obligation to do so, provide and maintain at the expense of EGM, such types of insurance in the name of EGM, and with such insurers, as the City may deem proper, and may deduct the cost of providing and maintaining such insurance from any sums which may be found or become due to EGM under this Agreement or may demand EGM to promptly reimburse the City for such cost.

VII. GENERAL TERMS AND CONDITIONS

- A. Independent Contractor. This Agreement neither constitutes nor creates an employer-employee relationship. EGM must provide services under this Agreement as an independent contractor. EGM must comply with all federal and state laws and regulations applicable to independent contractors including, but not limited to, the requirements listed in this subsection. EGM agrees to indemnify and defend the City from and against any claims, valid or otherwise, made against the City because of these obligations.
 - 1. Any and all employees of EGM, while engaged in the performance of any Work, shall be considered employees of only EGM and not employees of the City. EGM shall be solely liable for any and all claims that may or might arise under the Worker's Compensation Act on behalf of such employees or EGM, while so engaged and for any and all claims made by a third party as a consequence of any negligent act or omission on the part of EGM's employees, while so engaged on any of the Work.
 - 2. EGM shall comply with all applicable provisions of the Fair Labor Standards Act and other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall at all times save the City free, clear and harmless from all actions, claims, demands and expenses arising out of such act, and rules and regulations that are or may be promulgated in connection therewith.
 - 3. EGM assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes (such as state and, city business and occupation taxes), fees, licenses, excises or payments required by any city, federal or state legislation which are now or may during the term of the Agreement be enacted as to all persons employed by EGM and as to all duties, activities and requirements by EGM in performance of the Work and EGM shall assume exclusive liability therefor, and meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.
- B. Audits/Inspections. At any time during normal business hours and as often as the City may deem necessary, EGM shall make available to the City and County for examination all of EGM's records and documents with respect to all matters covered by this Agreement and, furthermore, EGM will permit the City and County to audit, examine and make copies, excerpts or transcripts from such records, and

to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

- C. Compliance with Federal, State and Local Laws. EGM shall comply with and obey all federal, state and local laws, regulations, and ordinances applicable to the operation of its business and to its performance of work hereunder.
- D. Compliance with the Washington State Public Records Act. EGM acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "**Act**"). All records owned, used or retained by the City are public records subject to disclosure unless exempt under the Act, whether or not such records are in the possession or control of the City or EGM. EGM shall cooperate with the City so that the City may comply with all of its obligations under the Act. Within ten (10) days after receipt of notice from the City, EGM shall deliver to the City copies of all records relating to this Agreement or relating to the Work that the City determines qualify as the City's public records under the Act. If the City receives a public records request relating to this Agreement or relating to the Work, the City shall seek to provide notice to EGM at least ten (10) days before the City releases records pursuant to such public records request, but in no event will the City have any liability to EGM for any failure of the City to provide such notice. In addition to its other indemnification and defense obligations under this Agreement, EGM shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damage arising from or relating to any failure of EGM to comply with this Section.
- E. Equal Employment Opportunity. EGM shall not discriminate against any employee, applicant for employment, or other person on the basis of race, color, religion, sex, age, disability, marital state, or national origin or other circumstance prohibited by applicable federal, state, or local law or ordinance. EGM shall comply with and shall not violate any applicable provisions of Chapter 49.60 RCW, Title VI of the Civil Rights Act of 1964, and all applicable federal, state, or local law or ordinance regarding non-discrimination.
- F. Waiver. Any waiver by EGM or the City or the breach of any provision of this Agreement by the other party will not operate, or be construed, as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provisions.
- G. Complete Agreement. This Agreement and the other Loan Documents contain the complete and integrated understanding and agreement between the parties and supersedes any understanding, agreement or negotiation whether oral or written not set forth herein.
- H. City-County ILA. The purpose of this Agreement is to implement the City-County ILA. All Loan Documents will be interpreted to be consistent with the City-County ILA. If any provision in a Loan Document is inconsistent with the City-County ILA, as it may be amended from time-to-time, EGM will execute an amendment to such Loan Document in the form provided by the City to amend the Loan Document as necessary to be consistent with the City-County ILA.

- I. Assignment. EGM may not assign this Agreement or any Loan Document without the prior written consent of the City, with may be withheld at the City's sole discretion.
- J. Modification of Agreement. This Agreement may only be modified by a writing explicitly identified as a modification or amendment of this Agreement that is signed by authorized representatives of the City and EGM.
- K. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws, and the remainder of the Agreement shall remain in full force and effect.
- L. Notices. Notices to the City shall be sent to the address on the signature page. Notices to EGM shall be sent to its address on the signature page.
- M. Venue. Venue for any lawsuit arising out of this Agreement shall be in the Superior Court of Snohomish County, Washington.
- N. Governing Law. The laws of the State of Washington, without giving effect to principles of conflict of laws, govern all matters arising out of or relating to this Agreement.
- O. Federal Debarment. EGM shall immediately notify the City of any suspension or debarment or other action that excludes EGM or any EGM subcontractor from participation in Federal contracting. EGM shall verify all subcontractors that are intended and/or used by EGM for performance of Work are in good standing and are not debarred, suspended or otherwise ineligible by the Federal Government. Debarment shall be verified at <https://www.epls.gov/epls/search.do>. EGM shall keep proof of such verification within EGM records.
- P. Signature/Counterparts. This Agreement and any amendment thereto may be signed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one and the same document. AdobeSign signatures are fully binding. Any ink, electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as an original signature.

[signatures on following page(s)]

IN WITNESS WHEREOF the parties have signed this Agreement to be effective as of the date first above written.

CITY:

EGM:

CITY OF EVERETT, a Washington municipal corporation

EVERETT GOSPEL MISSION, a Washington nonprofit corporation

Cassie Franklin
Mayor, City of Everett

Name _____

Date _____

Title _____

Attest:

Date _____

Office of City Clerk

Approved as to form:

Office of the City Attorney

Notice Address:

Notice Address:

City of Everett
Planning and Community Development
2930 Wetmore Avenue, Suite 8A
Everett, WA 98201

EXHIBIT B
PROJECT

“Emergency bridge housing” or ***“EBH”*** is a type of temporary accommodation designed to help individuals or families experiencing homelessness transition to permanent housing. It serves as a “bridge” between an urgent need to house those experiencing homelessness to permanent housing. Services may be more intensive or frequent to meet the needs of those housed. Services include behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services. EBH is focused on navigating the complex needs and services that move people toward permanent housing placement.

EGM will cause the Project to comply with all of the following:

- i. The Project must include an emergency bridge housing facility with capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.
- ii. The Project must serve homeless persons as defined at RCW 43.185C.010(12).
- iii. The Property must provide space for onsite health services for the individuals residing in the Property’s emergency bridge housing, with behavioral health services offered onsite to individuals.
- iv. EGM must ensure coordination with onsite behavioral health providers for the provision of services for individuals residing in the Property’s emergency bridge housing.
- v. EGM may use the Property for uses not related to emergency bridge housing or to the other services required under the Loan Agreement, so long as those other uses do not interfere with emergency bridge housing or with such other Project required services.
- vi. EGM and the Project must comply with all applicable federal, state and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through the Agreement.
- vii. Because the Loan is provided pursuant to RCW 82.14.460 and SCC 4.25.050, EGM must ensure that the Project must include coordinated chemical dependency or mental health treatment program or services.
- viii. A management plan approved by the City must always be in place for operation of the Project.
- ix. EGM shall provide updates to the City on Project progress at least quarterly or as requested by the City.
- x. EGM shall provide at minimum an annual report to the City as determined by the City and County, once the Project is operational and more often if requested by the City.

- xi. The Project must participate in the Snohomish County Homeless Management Information system (HMIS), unless EGM requests in writing and the County approves in writing for the Project to opt out of participation in the HMIS.
- xii. EGM must make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City, but with City residents having priority for bed placement.

EXHIBIT C
FORM OF PROMISSORY NOTE

EMERGENCY BRIDGE HOUSING
\$4,000,000

3715 and 3719 Smith Avenue
Everett, Washington

1. Promise to Pay. In consideration for the financial assistance provided by the City of Everett ("**Holder**") pursuant to the Loan Agreement entered into between Maker and Holder on the ___ day of _____, 2024 ("**Loan Agreement**"), Everett Gospel Mission, a Washington nonprofit corporation ("**Maker**"), hereby promises to pay to the order of Holder, at such place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of Four Million Dollars (\$4,000,000), or such lesser principal sum that Holder actually advances to Maker, on the terms and conditions set forth herein and in the Loan Agreement (the "**Loan**").

2. Term. The Note shall be due on December 31, 2026 (the "**Maturity Date**"). If the Maturity Date is extended as provided in the Loan Documents (as defined below) then the Maturity Date hereunder is deemed so extended without further action of the parties. However, either Holder or Maker may request an amendment to this Note evidencing the extension, in which case both Holder and Maker will promptly and duly execute such an amendment. However, in no case shall the absence of such an executed extension amendment (a) invalidate the Maturity Date extension, (b) invalidate this Note or any provision of this Note, or (c) in any way release or limit the Maker's obligations or the Holder's rights hereunder or in the other Loan Documents.

3. Interest. Simple interest shall accrue on the unpaid principal balance at the rate of three percent (3%) per annum.

4. Assignment. The Maker shall not assign any of its rights, duties, or obligations under the terms of this Note without prior express written consent of the City and upon such terms and conditions to which the Maker is subject.

5. Payment of Principal and Interest; Forgivable. Principal and interest shall be due on the Maturity Date, at which time the full balance due and owing under this Note shall be paid, except that, if the Project is physically ready for Project operation by the Maturity Date as set forth in the Loan Documents (defined below), and the Maker fully complies with the provisions of this Note and the other Loan Documents, then the Holder shall forgive as set forth in the Loan Documents on such date all amounts due under this Note.

6. Prepayment. Maker shall have the right to prepay this Note in full or in part at any time and from time to time without payment of a prepayment fee or penalty.

7. Default. This Note shall be in default (1) if payment is not made when due, and such default shall continue for a period of ten (10) days after any written notice to the Maker from Holder hereof specifying such default and requiring the same to be remedied; or (2) should default be made in the observance or performance of any covenants, terms, or provisions of the Loan Agreement, Use Restriction Covenant, Deed of Trust, or any other agreement regarding the Project to which Maker and Holder are parties, if any (collectively, the "**Loan Documents**"), and such default continues after any notice from Holder hereof to Maker and the expiration of any period specifically granted to Maker for curing such default as provided for in the Loan Documents in the event of such a default. Upon such a default the whole sum of principal hereunder shall become immediately due and payable according to the terms herein. As long as this Note is in default, then, at the option

of the Holder, without prior notice, this Note shall bear interest at the rate of ten percent (10%) per annum.

(a) Curing of Monetary Default. If a monetary event of default occurs under the terms of any of the Loan Documents, before exercising any remedies thereunder, Holder shall give Maker written notice of such default. Maker shall have a period of ten (10) calendar days after such notice is given, or such longer period of time as may be specified in the Loan Documents, within which to cure the default before exercise of remedies by Holder under this Note or the Loan Documents. A default in payment of any amount due hereunder may be cured only by payment in full of such amount plus the interest accrued from the date of default, as stated above, on the unpaid principal balance as of the date of default until the date of payment resulting from application of a default rate of interest as provided herein, if any, that may be due hereunder or under any instrument relating to or securing this Note, plus any attorneys' fees incurred by the Holder by reason of such default.

(b) Curing of Nonmonetary Default. If a nonmonetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder, Holder shall give Maker written notice of such default. If the nonmonetary default is reasonably capable of being cured within thirty (30) calendar days, Maker shall have such period to effect a cure prior to exercise of remedies by Holder under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) calendar days or such longer period if so specified, and if Maker, in the reasonable determination of Holder, (a) initiates corrective action within said period and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Maker shall have such additional time as Holder determines is reasonably necessary to cure the default prior to exercise of any remedies by Holder. In no event shall Holder be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or if the default is not cured within sixty (60) calendar days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

8. Nonwaiver. Failure to exercise any right the Holder may have or be entitled to in the event of any default hereunder shall not constitute a waiver of such right or any other right in the event of any subsequent default.

9. Waiver of Presentment. The Maker and all guarantors and endorsers hereof hereby severally waive presentment for payment, protests, and demand, notice of protest, demand, dishonor, and nonpayment of this Note, and consent that the Holder hereof may extend the time of payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced by this Note, by agreement between the Holder and Maker, and such consent shall not alter or diminish the liability of any person or the enforceability of this Note. Each and every party signing or endorsing this Note binds itself as a principal and not as a surety. This Note shall bind the undersigned and its successors and assigns, jointly and severally.

10. Security of Note. This Note is secured by a Deed of Trust (the "**Deed of Trust**") of even date herewith granted by the Maker covering a certain real property in Snohomish County, Washington, together with the buildings and improvements now or hereafter erected thereon (the "**Premises**").

11. Collection Costs. Maker agrees to pay all costs, including reasonable attorneys' fees, incurred by Holder hereof in any suit, action, or appeal therefrom, or without suit,

in connection with collection hereof, foreclosure of the Deed of Trust, or enforcement of any instrument securing payment hereof or otherwise relating to or securing this Note.

12. Maximum Interest. Neither this Note nor any instrument securing payment hereof or otherwise relating to the debt evidenced hereby shall require the payment or permit the collection of interest in excess of the maximum permitted by any applicable usury statute or any other law (the "**Maximum Rate**"). If this Note or any other such instrument does so provide, the provisions of this paragraph shall govern, and neither Maker nor any endorsers of this Note nor their respective heirs, personal representatives, successors, or assigns shall be obligated to pay the amount of interest in excess of the Maximum Rate. In such event, the interest rate in excess of the Maximum Rate shall be reduced by appropriate credits to the balance owing at maturity hereunder so that the Maximum Rate shall not be exceeded.

13. Notice. Any demand or notice to be made or given by the Holder to Maker under the terms hereof or any instrument now or hereafter relating to or securing this Note shall be effective when delivered by registered mail, return receipt requested, postage prepaid, to the Maker.

14. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Washington and applicable Federal law.

15. Nonrecourse. Notwithstanding any other provision hereof or of any other instrument relating to or securing this Note, the Maker, its successors and assigns and their respective partners, officers, directors and employees shall not have any personal liability for the indebtedness evidenced hereby or any deficiency judgment, and upon the occurrence of a default or event of default hereunder, the Holder hereof shall look solely to the instruments by which this Note is secured and the Premises constituting the security, together with the rents, issues, and profits thereof for satisfaction of the indebtedness, and resort shall not be made to any other property of the Maker; PROVIDED, HOWEVER, that nothing herein contained shall limit or be construed to limit or impair the enforcement against said Premises of the rights and remedies of the Holder hereof, including the joinder of the Maker in any action to foreclose the liens and security interests securing this Note and PROVIDED, FURTHER, that nothing herein shall diminish Maker's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation or misuse of rents.

16. Loan Agreement. This Note is subject to the terms and conditions of the Loan Agreement executed between Maker and Holder regarding the Project. Disbursement of the funds evidenced by this Note is to be made subject to the terms and conditions of Loan Agreement. Capitalized terms used but not otherwise defined in this Note shall have the meanings ascribed to them in the Agreement.

17. Casualty Loss or Condemnation. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Maker shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds to which Maker is entitled therefor, PROVIDED that (a) such proceeds are sufficient to keep the Loan in balance and rebuild or cause the rebuilding of the Project in a manner that provides adequate security to Holder for repayment of the Loan, or, if such proceeds are insufficient, then Maker shall have funded any deficiency; (b) Holder shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds to which Maker is entitled for rebuilding under a construction escrow or similar arrangement; and (c) no material default then exists under the Loan Documents.

If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds to which Maker is entitled may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Holder for repayment of the remaining balance of the Loan.

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

MAKER:

EVERETT GOSPEL MISSION, a Washington non profit corporation

By: _____

Its: _____

Date: _____

EXHIBIT D
FORM OF DEED OF TRUST

[appropriate cover page, signature blocks, acknowledgement(s), legal descriptions, and form of reconveyance to be inserted at time of execution]

THIS DEED OF TRUST, made this ____ day of _____, 2024, is by and among EVERETT GOSPEL MISSION, a Washington nonprofit corporation ("**GRANTOR**"), whose address is _____; _____ ("**TRUSTEE**"), whose address is _____; and the CITY OF EVERETT, a municipal corporation of the State of Washington, whose address is 2930 Wetmore Avenue, Suite 8B, Everett, WA 98201 ("**BENEFICIARY**" or the "**City**"). This Deed of Trust secures the performance by Grantor of the Loan Agreement between the Grantor and City dated _____, 2024 (the "**Loan Agreement**").

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the real properties in Snohomish County, Washington described in Exhibit 1 attached hereto and incorporated herein by this reference (the "**Premises**"), which real properties are not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof (the "**Property**").

This Deed of Trust is for the purposes of securing performance of each agreement of Grantor contained herein and in the Agreement and payment by Grantor of the sum of four million (\$4,000,000), or such lesser principal sum that Beneficiary actually advances to Grantor, in accordance with the terms of a promissory note of even date herewith (the "**Note**"), payable to City or order, made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by the City to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. Subject to the contemplated demolition of the existing improvements on the Property as of the date of this Deed of Trust and the construction of new improvements on the Property, to keep the Premises in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Premises or requiring any alterations or improvements to be made; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon the Premises in violation of law; and to do all other acts which from the character or use of the Premises may be reasonably necessary to preserve and conserve its value.

2. To pay before delinquent all taxes, assessments and any other charges affecting the Property when due, subject to the Grantor's right to contest such taxes, assessments and other charges in good faith; and, except for encumbrances, charges, and liens of record as of the date of this Deed of Trust, to keep the Property free and clear of all other encumbrances.

3. To keep all buildings now or hereafter erected on the Property described herein continuously insured against loss by fire or other hazards in an amount not less than the total replacement value. The

Beneficiary will require Grantor to acquire title insurance for the sum of Grantor's purchase price of the Property. All policies shall be held by the City, and be in such companies as the City may approve and have loss payable first to the City, as its interest may appear, and then to the Grantor. Except as otherwise set forth in the Agreement or the Note, the amount collected under any insurance policy may be applied to any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including the cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by the Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligations secured hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. Except as otherwise set forth in the Loan Agreement or the Note, in the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, after any applicable cure period has expired without the correction of the default, all sums secured hereby shall immediately become due and payable in accordance with the Loan Documents (at the option of the City). In such event and upon written request of Beneficiary, Trustee shall sell the trust Property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of its execution of this Deed of Trust, and such as it may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to and inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall also mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

GRANTOR FURTHER AGREES:

1. Grantor will perform each and every obligation contained in the Agreement and any amendments thereof.

2. Grantor will ensure that the Property will be used pursuant to the terms of the Use Restriction Covenant entered into between the Grantor and the Beneficiary without regard to the term of any other deed of trust or the transfer of ownership of the Property. Grantor agrees that the Use Restriction Covenant does not terminate upon foreclosure of this Deed of Trust or transfer in lieu of foreclosure, and the Property will remain subject to the Use Restriction Covenant after foreclosure of this Deed of Trust or transfer in lieu of foreclosure.

3. If Grantor shall fail to perform any obligation hereunder and the Beneficiary elects to perform the same and expends any money therefor, such expenditure shall be deemed in addition to the amount secured by this Deed of Trust and be immediately due and payable in accordance with the loan documents.

4. If Grantor fails to make payment on the sum secured hereunder when due, or defaults under the terms of the foregoing agreement or any Loan Document, and after any applicable cure period has expired without the correction of the default, at the option of the Beneficiary, the whole indebtedness secured thereby shall be due and payable in accordance with the Loan Documents and the Beneficiary may proceed to foreclose this Deed of Trust. If the Beneficiary shall incur any costs and expenses, including reasonable attorneys' fees and costs of any title reports, in connection with the performance of

any of its rights hereunder including foreclosure, such costs and expenditures shall remain secured by this Deed of Trust and shall be immediately due and payable by Grantor.

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EXHIBIT E
FORM OF USE RESTRICTION COVENANT

[appropriate cover page to be inserted at time of execution]

This Use Restriction Covenant (this “**Covenant**”) by EVERETT GOSPEL MISSION, a Washington nonprofit corporation (the “**Grantor**” or “**Owner**”), is part of the consideration for the financial assistance provided by City of Everett (the “**Grantee**” or “**City**”) pursuant to the Loan Agreement (“**Loan Agreement**”) entered into by and between the City and Owner, for the acquisition and development of certain real property legally described on Attachment 1 attached hereto, together with all tenements, privileges, reversions, remainders, irrigation and water rights, and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property, and the rents, issues, and profits thereof (“the “**Property**”). The financial assistance provided in the Agreement is from the chemical dependency/mental health program fund (CDMH) of Snohomish County, a political subdivision of the State of Washington (the “**County**”), pursuant to RCW 82.14.460 and chapter 4.25 SCC. The financial assistance is for the “**Project**,” which is an EGM emergency bridge housing facility at the Property to provide short term dwelling for homeless persons, along with coordination and access to substance use and mental health treatment and services, as further described in Attachment 2 attached hereto.

This Covenant will be filed and recorded in the official public land records of Snohomish County, Washington, and shall constitute a restriction upon the use of the Property described herein, subject to and in accordance with the terms of this Covenant.

The covenants contained herein are to be taken and construed as covenants running with the land and shall pass to and be binding upon the Grantor, its successors and assigns, heirs, grantees, and lessees of the Property, beginning on the date of recording of this Covenant. Each and every contract, deed, or other instrument covering or conveying Grantor’s interest in the Property, or any portion thereof, shall be conclusively held to have been executed, delivered, and accepted subject to such covenants, regardless of whether such covenants are set forth in such contract, deed, or other instrument.

NOW, THEREFORE, it is hereby covenanted as follows:

1. From the date of the recording of this Covenant and continuing until December 31, 2051, the Grantor shall operate the Property as emergency bridge housing in accordance with Attachment 2 attached hereto. Failure to operate the Property as emergency bridge housing in accordance with Attachment 2 is a breach of this Covenant.
2. Grantor will make annual certifications to the City (or County, if the County so requests) in such form and on such date as the City or County may require, and with such accompanying documentation as the City or County may require, that it is in compliance with this Covenant.
3. Grantor hereby irrevocably grants an easement in gross to the City and the County and their agents and employees, for the duration of this Covenant, to enter the Property at any time on reasonable notice to inspect the condition of the Property, to verify other matters relevant to this Covenant or to this Agreement, or to inspect and copy any documents maintained by Grantor or its agents relevant to this Covenant.

4. If a violation of one or more of the foregoing covenants occurs, and such occurrence remains uncorrected for a period of thirty (30) days or more after Grantor's receipt of written notice of such violation from the City or County, the City or County may institute and prosecute any proceedings at law or in equity to abate, prevent, or enjoin any such violation, to compel specific performance of this Covenant, and/or to recover monetary damages, restitution, and costs and attorneys' fees incurred in enforcing this Covenant. No delay in enforcing the provisions hereof as to any violation shall impair, damage, or waive the right of the City or the County to obtain relief against or recovery for the continuation or repetition of such violation or any similar violation at any later time.
5. Nothing in this Covenant shall be construed to impose on the City or County any obligation or liability not expressly provided herein. This Covenant is not intended to create any duty on the part of the City or County to any tenant or occupant of the Property, nor to confer on any tenant or occupant of the Property or any other person any right or claim against the City or County, or their agents or employees, in the event of any action or failure to act by the City or County.
6. The County shall be a third-party beneficiary of this Covenant.

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[appropriate signature blocks and acknowledgement(s) to be inserted at time of execution of Use
Restriction Covenant]

Attachment 1 to Use Restriction Covenant
Legal Description of Property

Real property in the City of Everett, County of Snohomish, State of Washington, described as follows:

LEGAL DESCRIPTION:

PARCEL A:

THE SOUTH ONE-THIRD OF THE NORTH HALF OF BLOCK 19, J.S. SINES ACRE TRACTS, ACCORDING TO THE PLAT RECORDED IN VOLUMN 4 OF PLATS, PAGE1, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING WEST OF ALLEY.

Tax Parcel Numbers: 00576001900003

Situs Address: 3715 Smith Avenue, Everett, WA 98201

PARCEL B:

LOTS 9,10 AND 11, BLOCK 19, GOODSON'S ADDITION TO EVERETT, PER PLAT RECORDED IN VOLUMN 6 OF PLATS, PAGE 7, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

Tax Parcel Numbers: 00457901900900

Situs Address: 3719 Smith Avenue, Everett, WA 98201

Attachment 2 to Use Restriction Covenant

“Emergency bridge housing” or **“EBH”** is a type of temporary accommodation designed to help individuals or families experiencing homelessness transition to permanent housing. It serves as a “bridge” between an urgent need to house those experiencing homelessness to permanent housing. Services may be more intensive or frequent to meet the needs of those housed. Services include behavioral health services, employment services, medical care, and other services that are provided onsite or through coordinated access to offsite services. EBH is focused on navigating the complex needs and services that move people toward permanent housing placement.

Grantor will cause the Property and the Project thereon to comply with all of the following:

- i. The Project must include an emergency bridge housing facility with capacity for 65 beds of emergency bridge housing and capacity for up to an additional 60 emergency severe weather shelter beds on the Property.
- ii. The emergency bridge housing on the Property must serve homeless persons as defined at RCW 43.185C.010(12).
- iii. The Property must provide space for onsite health services for the individuals residing in the Property’s emergency bridge housing, with behavioral health services offered onsite to individuals.
- iv. Grantor must coordinate with onsite behavioral health providers for the provision of services for individuals residing in the Property’s emergency bridge housing.
- v. Grantor may use the Property for uses not related to emergency bridge housing or to the other Project services required under the Loan Agreement or hereunder, so long as those other uses do not interfere with emergency bridge housing or with such other required Project services.
- vi. Grantor and the Project must comply with all applicable federal, state and local laws, ordinances, and regulations in undertaking the Project and in activities funded in whole or in part with funds provided through the Loan Agreement.
- vii. Because the Loan is provided pursuant to RCW 82.14.460 and SCC 4.25.050, the Project must include coordinated chemical dependency or mental health treatment program or services.
- viii. A management plan approved by the City must always be in place for operation of the Project.
- ix. Grantor shall provide updates to the City on Project progress at least quarterly or as requested by the City.
- x. Grantor shall provide at minimum an annual report to the City as determined by the City and County, once the Project is operational and more often if requested by the City.

- xi. The Project must participate in the Snohomish County Homeless Management Information system (HMIS), unless Grantor requests in writing and the County approves in writing for the Project to opt out of participation in the HMIS.
- xii. Grantor must make the Project, once completed and operational, available to eligible County residents on the same terms as to residents of the City, but with City residents having priority for bed placement.

Attachment 3 to Interlocal Agreement

INVOICE

(Request For Reimbursement / Actual Expenditure Report)

Date: _____

Project Number: HCS-24-70-2402-198

Project Title: **City of Everett Emergency Bridge Housing Project**

Contracting Organization/Agency: **City of Everett / Everett Gospel Mission**

Report Period: _____

Draw #: _____

Amount of Request: _____

CERTIFICATIONS:

I, the undersigned, do hereby certify under penalty of perjury:

1. That I am duly authorized to submit this claim for reimbursement on behalf of the above Contract Organization/Agency;
2. That the enclosed Report of Actual Expenditures and documentation accurately reflects materials furnished, services rendered, and/or labor performed in furtherance of the above Project;
3. That payment has been made or is currently due or obligated for such materials, services and/or labor;
4. That such expenditures or current obligation constitute allowable costs under the principles in applicable Office of Management and Budget Circulars and conform to the approved Project Budget; and
5. That the materials, services, and/or labor for which reimbursement from grant funds is requested by this document have not and will not be paid for or reimbursed by any other agency, corporation, partnership, firm or individual, OTHER THAN the Contracting Organization/Agency, its officers, agents, and/or employees.

<u>Compliance</u>	
<input type="checkbox"/> Authorized Signature	<input type="checkbox"/> Within Budget
<input type="checkbox"/> Allowable/Eligible Cost	<input type="checkbox"/> Meets Contract Terms
G.A. _____	Date _____
<input type="checkbox"/> Sufficient Funds	<input type="checkbox"/> Documentation
<input type="checkbox"/> Allowable/Eligible Costs	
Financial _____	Date _____

(Signature)

(Name)

REPORT OF ACTUAL EXPENDITURES

Project Name: **Emergency Bridge Housing**

Project
Number: HCS-24-70-2402-198

Agency: **City of Everett /Everett Gospel Mission**

Report Period: _____ to _____

CATEGORY	County Budget (CDMH)	County CDMH Expenditure (This Draw)	Total County CDMH Drawn (incl. this Draw)	Total Disbursed to Date (all Sources incl. this Draw)
Salaries/Wages				
Benefits				
Supplies/Minor Equip.				
Prof. Services				
Postage				
Telephone				
Mileage/Fares				
Meals				
Lodging				
Advertising				
Leases/Rentals				
Insurance				
Utilities				
Repairs/Maint.				
Client Flex Funds				
Client Rent				
Printing				
Dues/Subscrip.				
Regis./Tuition				
Machinery/Equip.				
Administration				
Indirect				
Occupancy				
Miscellaneous				
Misc. Construction				
Acquisition				
Relocation				
Closing/Title/Recording				
Legal				
Consultant Reports				
Construction/Rehabilitation				
Appraisal				
Cash Advance				
Other				
TOTAL	\$		\$	\$

Project title: An Ordinance approving the appropriations of the 2024 revised City of Everett Budget and amending Ordinance No. 4022-24

Council Bill # *interoffice use*

CB 2409-23

Agenda dates requested:

Briefing 9/11/2024

2nd Reading 9/18/2024

Consent

3rd Reading 9/25/2024

Ordinance

Public hearing

Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Ordinance

Department(s) involved:

Finance

Contact person:

Heide Brillantes

Phone number:

(425) 257-8612

Email:

HBrillantes@everettwa.gov

Initialed by:

HB

Department head

Administration

Council President

Project: 2024 Budget Amendment #2

Partner/Supplier: NA

Location: NA

Preceding action: Ordinance [4022-24](#)

Fund: Multiple

Fiscal summary statement:

The proposed Ordinance amends the City of Everett 2024 Operating Budget, increasing General Government budgeted expenditures by \$2,755,479 and increasing Non-General Government budgeted expenditures by \$37,619,045, for a total of \$40,374,524.

Project summary statement:

This budget amendment revises the 2024 budget to appropriate funding for financial activities that will occur this year.

Recommendation (exact action requested of Council):

Adopt an Ordinance approving the appropriations of the 2024 revised City of Everett Budget and amending Ordinance No. 4022-24.



ORDINANCE NO. _____

An ORDINANCE approving the appropriations of the 2024 revised City of Everett Budget and amending Ordinance No. 4022-24.

WHEREAS,

The City Council has reviewed the amended budget appropriations and information which was made available; and approves the appropriation of local, state, and federal funds and the increase or decrease from previously approved programs within the 2024 Budget.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Ordinance No. 4022-24 is hereby amended by the amendments shown on Attachment A, which is incorporated by reference. The amendments shall be made to the 2024 Budget with a total increased expenditure appropriation of \$40,374,524.

	<u>Beginning Fund balance and 2024 Revenues</u>		<u>Expenditures</u>		<u>Ending Fund Balance</u>
2024 Amended Budget	\$ 772,574,168	\$	471,728,768	\$	300,845,400
Budget Amendment #2	6,878,409		40,374,524		(33,496,115)
2024 Amended Budget	\$ 779,452,577	\$	512,103,292	\$	267,349,285

Section 2. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 3. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 4. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other

matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Cassie Franklin, Mayor

ATTEST:

Marista Jorve, City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

**2024
Budget Adjustments
Tally Sheet**

Department		Code	Rev	Exp	FB
GGA-12	Non-Departmental	009A		5,294,000	
GGA-12	General Fund	002A	227,000		
GGA-12	Human Resources	007A		(245,000)	
GGA-12	CPED	021A		(288,000)	
GGA-12	Engineering & Public Svcs	024A		(178,000)	
GGA-12	Street	120A	(89,000)	(89,000)	
GGA-12	Parks & Community Svcs	101A	(138,000)	(138,000)	
GGA-12	Police	031A		(4,259,000)	
GGA-12	Municipal Court	005A		(97,000)	

This amendment locks in department labor under expenditures in the amount of \$5,294,000. Department labor budgets are reduced by this amount and allocated to the General Government Non-Departmental Fund to offset the 2024 budgeted labor under expenditure assumption. This follows our strategic, long-range financial practice to reduce the operating budget mid-year as a result of vacancy savings.

Increase personnel contingency - Non-Departmental	009	5000068110		5,294,000	
Increase property tax distribution - General Fund	002	3111002000			227,000
Reduce property tax distribution - Street	120	3111000000		89,000	
Reduce property tax distribution - Parks & Community Services	101	3111010010		138,000	
Reduce labor expenditures - Human Resources	007	5010000110/210			245,000
Reduce labor expenditures - CPED	021	5020800110/210			288,000
Reduce labor expenditures - Engineering & Public Services	024	Multiple			178,000
Reduce labor expenditures - Street	120	5840108750110/210			89,000
Reduce labor expenditures - Parks & Community Services	101	5101010000110/210			138,000
Reduce labor expenditures - Police	031	Multiple			4,259,000
Reduce labor expenditures - Municipal Court	005	5010000110/210			97,000

Department		Code	Rev	Exp	FB
GGA-13	Non-Departmental	009A		84,293	
GGA-13	General Fund	002A	84,293		

This amendment proposes to increase general government funds' self-insurance contributions by \$84,293 to cover the cost of property insurance premiums and unemployment compensation. The increases are due primarily to the unpredictability of the insurance marketplace and increases to unemployment benefit costs. The non-general government funds' component of this amendment is in NGA-15.

Increase M&O expenditures (Insurance Premiums) - Non-Departmental	009	5000026960		53,040	
Increase M&O expenditures (Unemployment Compensation) - Non-Departmental	009	5000026960		31,253	
Increase property tax distribution - General Fund	002	3614130000			84,293

**2024
Budget Adjustments
Tally Sheet**

Department		Code	Rev	Exp	FB	
GGA-14	Non-Departmental	Increase Jail Fees	009A		1,600,000	(1,338,958)
GGA-14	General Fund	Increase Jail Fees	002A	261,042		

This amendment proposes to increase the jail fees expenditure budget by \$1.6 million. The original budget is \$4,365,622. An increase in rates, criminal cases, and changes to state law that allow additional Police enforcement, are driving costs upward. The number of inmates through July are up 25.7% over the same time period in 2023, and housing days are up 52.0%.

Increase M&O expenditures - Non-Departmental	009	5001007410		1,600,000	
Increase property tax distribution - General Fund	002	3111002000			226,891
Increase sales tax distribution - General Fund	002	3131001000			34,151
Reduce ending fund balance - Non-Departmental	009	5980000490			1,338,958

Department		Code	Rev	Exp	FB	
GGA-15	General Fund	Workforce Adjustments	002A	396,693		
GGA-15	CPED	Workforce Adjustments	021A		48,360	
GGA-15	Engineering & Public Svcs	Workforce Adjustments	024A		73,471	
GGA-15	Finance	Workforce Adjustments	010A		260,000	
GGA-15	Parks & Community Svcs	Workforce Adjustments	101A	33,513	33,513	
GGA-15	Non-Department	Workforce Adjustments	009A			14,862

This amendment proposes to increase labor expenditures to fund the following:

- Program Manager (funded by Opioid Settlement funds)
- Assistant Finance Director
- Financial Analyst - Clerk's Office (funded by revenue tax compliance collections)
- Finance Director retirement payout
- Project Coordinator (funded by Automated Traffic Safety Camera Program revenues)
- Traffic Technician (funded by Automated Traffic Safety Camera Program revenues)
- Community Outreach Coordinator (funded by Inflation Reduction Act Urban & Community Forestry Program grant revenues)

Increase transfers in (Opioid Settlement funds) - General Fund	002	3970000155			48,360
Increase transfers in (Automated Traffic Safety Camera Program revenues) - General Fund	002	3970000156			73,471
Increase business & occupation tax revenues - General Fund	002	3161000000			260,000
Increase property tax distribution - General Fund	002	3111002000			14,862
Increase grant revenues - Parks & Community Services	101	3331072701			48,375
Reduce property tax distribution - Parks & Community Services	101	3111010010		14,862	
Increase labor expenditures - CPED	021	5020000110/210		48,360	
Increase labor expenditures - Engineering and Public Services	024	Multiple		73,471	
Increase labor expenditures - Finance	010	Multiple		260,000	
Increase labor expenditures - Parks & Community Services	101	5101060000110/210		33,513	
Increase ending fund balance - Non-Departmental	009	5980000490		14,862	

**2024
Budget Adjustments
Tally Sheet**

	Department		Code	Rev	Exp	FB
GGA-16	Emergency Management	Emergency Management Operations	030A		82,579	
GGA-16	General Fund	Emergency Management Operations	002A	17,579		
GGA-16	Non-Departmental	Emergency Management Operations	009A			(65,000)

In May 2023, City Council approved a professional services contract with Bridgeview Consulting, LLC for the Hazard Mitigation Plan Update. The total contract is for \$65,000, anticipated to be fully spent in 2024.

In July 2024, Emergency Management received an Emergency Management Performance Grant (EMPG) award from the Washington State Military Department in the amount of \$17,579. The grant will fund the purchase of a digital fire suppression system for Community Emergency Response Team (CERT) training.

Increase M&O expenditures - Emergency Management	030	5100000410	65,000	
Increase M&O expenditures - Emergency Management	030	5100000350	17,579	
Reduce ending fund balance - Non-Departmental	009	5984900000		65,000
Increase grant revenues - General Fund	002	3339704310		17,579

	Department		Code	Rev	Exp	FB
GGA-17	Engineering & Public Svcs.	Traffic Signals Insurance Recoveries	024A		124,677	
GGA-17	General Fund	Traffic Signals Insurance Recoveries	002A	124,677		

Engineering and Public Services budgeted \$5,000 in 2024 for reimbursements due to claims arising from vehicle collisions involving city-owned property, such as streetlights and traffic signals. There were several incidents that caused damage to the City's infrastructure and there are opportunities to recover these damages through insurance claims. This amendment proposes to increase the Engineering and Public Services expenditure budget for traffic signal supplies in the amount of \$124,677, which will be offset by insurance claim revenue.

Increase M&O expenditures - Engineering & Public Services	024	5115021432310	124,677	
Increase miscellaneous revenues - General Fund	002	3989500024		124,677

	Department		Code	Rev	Exp	FB
GGA-18	Engineering & Public Svcs.	SS4A and HSIP Grants	024A		292,109	
GGA-18	General Fund	SS4A and HSIP Grants	002A	292,109		

The Public Works department was awarded two grants totaling \$927,363:
 --\$788,363 from Puget Sound Regional Council for the City of Everett Safe Streets and Roads for All (SS4A) Safety Action Plan
 --\$139,000 from Washington State Department of Transportation's Highway Safety Improvement Program for the Citywide Systemic Pedestrian and Bicyclist Data Collection

Projects will begin Q4 2024 and be complete by Q4 2025. The Safe Community Committee received a briefing on these projects on August 28, 2024.

Increase grant revenues - General Fund	002	3332012724		139,000
Increase grant revenues - General Fund	002	3370001024		153,109
Increase M&O expenditures - Engineering & Public Services	024	5811050321410	292,109	

**2024
Budget Adjustments
Tally Sheet**

Department		Code	Rev	Exp	FB
GGA-19	Police	031A		27,513	
GGA-19	General Fund	002A	27,513		

In 2024, the Everett Police department was awarded \$27,513 from the Washington Association of Sheriffs and Police Chiefs Association's (WASPC) Body Worn Camera Grant Program. Grant funds will be used to purchase sidearm devices for weapon holsters that allow for the automatic start of the officers' body worn cameras when their weapon is drawn. The grant award period is July 1, 2024 through June 30, 2025.

Increase grant revenues - General Fund	002	3378440001		27,513
Increase M&O expenditures - Police	031	5320000310	27,513	

Department		Code	Rev	Exp	FB
GGA-20	Police	031A		5,000	
GGA-20	General Fund	002A	5,000		

The Everett Police department received an additional \$5,000 from Washington State Parks and Recreation Commission's Recreational Boating Safety Federal Financial Assistant program. The grant will fund overtime costs associated with providing Basic Marine Law Enforcement trainings in 2024. The grant award period is March 1, 2024 through September 30, 2024.

Increase grant revenues - General Fund	002	3336702400		5,000
Increase labor expenditures - Police	031	5210000120	5,000	

Department		Code	Rev	Exp	FB
GGA-21	Police	031A		55,000	
GGA-21	General Fund	002A	55,000		

The Everett Police department received a \$55,000 grant from the Washington State Criminal Justice Training Commission for the purchase of equipment to enhance both the North and South Police Precincts' fitness areas in support of additional health and wellness options for staff. City Council approved the grant on August 21, 2024. The grant award period is June 1, 2024 through June 30, 2025.

Increase grant revenues - General Fund	002	3340110003		55,000
Increase M&O expenditures - Police	031	5320000350	55,000	

**2024
Budget Adjustments
Tally Sheet**

Department		Code	Rev	Exp	FB	
GGA-22	Police	Evidence-Based Policing Conference	031A		4,424	
GGA-22	General Fund	Evidence-Based Policing Conference	002A	4,424		

The Everett Police department sent employees to the American Society of Evidence-Based Policing Conference held in Spokane, WA from May 29-31, 2024. The conference was attended as part of the City's ongoing commitment to reduce violent crime in the community. The conference provided best practices from nationally renowned presenters who have first hand knowledge of crime reduction strategies. There was a focus on the use of emerging technology to assist law enforcement in addressing violent crime by leveraging technology. The conference is funded by Council COVID allocations.

Increase transfers in (Council COVID Allocations) - General Fund	002	3970000155			4,424
Increase M&O expenditures - Police	031	Multiple		4,424	

Department		Code	Rev	Exp	FB
GGA-23	Non-Departmental	Indigent Defense Grant	009A		244,300
GGA-23	General Fund	Indigent Defense Grant	002A	244,300	

The City was awarded \$488,600 from the Washington State Office of Public Defense. The grant will be used to offset budgeted indigent defense expenditures. The grant period is July 1, 2024 through June 30, 2025. Half of the grant will be expended in 2024, and the other half in 2025.

Increase grant revenues - General Fund	002	3341120003			244,300
Increase ending fund balance - Non-Departmental	009	5980000490		244,300	

Department		Code	Rev	Exp	FB
GGA-24	Municipal Arts	Municipal Arts Grants	112A	64,540	64,540

Municipal Arts received \$64,540 in additional revenues from lodging tax grants, sponsorship solicitations, and a grant from the Local Initiatives Support Corporation (LISC). Funds will be used to support ongoing events and cultural art programs to ensure they are completed and delivered by the end of 2024.

Increase grant revenues (Sorticulture) - Municipal Arts	112	3377103303			18,750
Increase grant revenues (Wintertide) - Municipal Arts	112	3377103303			12,500
Increase transfers in (Lodging Tax Fund 138) - Municipal Arts	112	3971000306			10,000
Increase donations (4th of July) - Municipal Arts	112	3671103306			3,290
Increase grant revenues (LISC) - Municipal Arts	112	3370160101			20,000
Increase M&O expenditures (Sorticulture) - Municipal Arts	112	5103303494		18,750	
Increase M&O expenditures (4th of July) - Municipal Arts	112	5103303494		13,290	
Increase M&O expenditures (Visual Art Projects) - Municipal Arts	112	5102201410		20,000	
Increase M&O expenditures (Wintertide) - Municipal Arts	112	5103403494		12,500	

**2024
Budget Adjustments
Tally Sheet**

	Department	Code	Rev	Exp	FB
NGA-12	CIP-3 CIP-3 Parks Projects	154A		946,500	(946,500)

This amendment increases the CIP 3 expenditure budget for the following projects:

- \$ 31,500 Walter E. Hall Community Amenities as approved by Ordinance 3971-23
- \$ 225,000 Walter E. Hall Access Trail as approved by Ordinance 4010-24
- \$ 150,000 Senator Henry M. Jackson Park Lighting Improvement as approved by Ordinance 4018-24
- \$ 40,000 T.A. Sullivan Dock Repair Work as approved by Ordinance 4019-24
- \$ 150,000 T.A. Sullivan Disc Golf as approved by Ordinance 4020-24
- \$ 350,000 Clark Park Off Leash Dog Area as approved by Ordinance 4032-24

Increase CIP 3 transfers out - Parks Projects	154	5354010550		946,500	
Decrease ending fund balance - CIP 3	154	5990000490			946,500

	Department	Code	Rev	Exp	FB
NGA-13	CIP-1 CIP-1 General Gov't Capital Projects	162A		28,651,397	(28,651,397)

This amendment increases the CIP 1 expenditure budget for the following projects:

- \$ 97,000 Police South Precinct HVAC Upgrades as approved by Ordinance 4024-24
- \$ 28,194,397 EMB Tenant Project as approved by Ordinance 4008-24
- \$ 360,000 Main Library HVAC Renovation as approved by Ordinance 4023-24

Decrease ending fund balance - CIP-1	162	5500999490			28,651,397
Increase M&O expenditures - CIP-1	162	5500000550		28,651,397	

	Department	Code	Rev	Exp	FB
NGA-14	CIP-4 CIP-4 General Gov't Capital Projects	162A		513,752	(513,752)

This amendment increases the CIP 4 expenditure budget for the following:

- \$513,752 for Later Phase Eclipse Mill Park & Riverfront Trail Improvements as approved by Ordinance 3986-23

Increase CIP 4 transfers out	162	5625260550		513,752	
Decrease ending fund balance - CIP-4	162	5620999490			513,752

**2024
Budget Adjustments
Tally Sheet**

Department		Code	Rev	Exp	FB	
NGA-15	Self-Insurance Fund	Increase Self-Insurance Contributions	503A	395,423	395,423	
NGA-15	EMS	Increase Self-Insurance Contributions	153A		3,958	(3,958)
NGA-15	CHIP	Increase Self-Insurance Contributions	197A		143	(143)
NGA-15	CDBG	Increase Self-Insurance Contributions	198A		57	(57)
NGA-15	Water & Sewer Utility	Increase Self-Insurance Contributions	401A		153,980	(153,980)
NGA-15	Solid Waste Utility	Increase Self-Insurance Contributions	402A		158	(158)
NGA-15	Everett Transit	Increase Self-Insurance Contributions	425A		145,624	(145,624)
NGA-15	Everpark Garage	Increase Self-Insurance Contributions	430A		1,696	(1,696)
NGA-15	Golf	Increase Self-Insurance Contributions	440A		4,643	(4,643)
NGA-15	Motor Vehicles	Increase Self-Insurance Contributions	501A		728	(728)
NGA-15	Telecommunications	Increase Self-Insurance Contributions	507A		143	(143)

This amendment proposes to increase non-general government funds' self-insurance contributions by \$311,130 to cover the cost of property insurance premiums and unemployment compensation. The increases are due primarily to the unpredictability of the insurance marketplace and increases to unemployment benefit costs. The general government funds' component of this amendment is in GGA-13.

Increase charges for services (Insurance Premiums) - Self-Insurance Fund	503	Multiple		353,423
Increase charges for services (Unemployment Compensation) - Self-Insurance Fund	503	Multiple		42,000
Increase M&O expenditures (Insurance Premiums) - Self- Insurance Fund	503	5980000502	353,423	
Increase M&O expenditures (Unemployment Compensation) - Self- Insurance Fund	503	5601030210	42,000	
Increase M&O expenditures (Unemployment Compensation) - Water & Sewer Utility	401	Multiple	3,675	
Reduce ending fund balance (Unemployment Compensation) - Water & Sewer Utility	401	Multiple		3,675
Increase M&O expenditures (Unemployment Compensation) - Everett Transit	425	Multiple	2,848	
Reduce ending fund balance (Unemployment Compensation) - Everett Transit	425	Multiple		2,848
Increase M&O expenditures (Unemployment Compensation) - Golf	440	Multiple	4,224	
Reduce ending fund balance (Unemployment Compensation) - Golf	440	Multiple		4,224
Increase M&O expenditures (Insurance Premiums) - EMS	153	Multiple	3,958	
Reduce ending fund balance (Insurance Premiums) - EMS	153	Multiple		3,958
Increase M&O expenditures (Insurance Premiums) - CHIP	197	Multiple	143	
Reduce ending fund balance (Insurance Premiums) - CHIP	197	Multiple		143
Increase M&O expenditures (Insurance Premiums) - CDBG	198	Multiple	57	
Reduce ending fund balance (Insurance Premiums) - CDBG	198	Multiple		57
Increase M&O expenditures (Insurance Premiums) - Water & Sewer Utility	401	Multiple	150,305	
Reduce ending fund balance (Insurance Premiums) - Water & Sewer Utility	401	Multiple		150,305
Increase M&O expenditures (Insurance Premiums) - Solid Waste Utility	402	Multiple	158	
Reduce ending fund balance (Insurance Premiums) - Solid Waste Utility	402	Multiple		158
Increase M&O expenditures (Insurance Premiums) - Everett Transit	425	Multiple	142,776	
Reduce ending fund balance (Insurance Premiums) - Everett Transit	425	Multiple		142,776
Increase M&O expenditures (Insurance Premiums) - Everpark Garage	430	Multiple	1,696	
Reduce ending fund balance (Insurance Premiums) - Everpark Garage	430	Multiple		1,696
Increase M&O expenditures (Insurance Premiums) - Golf	440	Multiple	419	
Reduce ending fund balance (Insurance Premiums)- Golf	440	Multiple		419
Increase M&O expenditures (Insurance Premiums) - Motor Vehicles	501	Multiple	728	
Reduce ending fund balance (Insurance Premiums) - Motor Vehicles	501	Multiple		728
Increase M&O expenditures (Insurance Premiums) - Telecommunications	507	Multiple	143	
Reduce ending fund balance (Insurance Premiums) - Telecommunications	507	Multiple		143

**2024
Budget Adjustments
Tally Sheet**

	Department		Code	Rev	Exp	FB
NGA-16	General Gov't Special Proj.	Workforce Adjustments	155A		48,360	(48,360)
NGA-16	Criminal Justice Fund	Workforce Adjustments	156A		73,471	(73,471)

This amendment proposes to increase transfers out to fund general government labor expenditures reflected in GGA-15. Positions include:

- Program Manager (supported by Opioid Settlement funds)
- Project Coordinator (supported by Automated Traffic Safety Camera Program revenues)
- Traffic Technician (supported by Automated Traffic Safety Camera Program revenues)

Increase transfers out - General Government Special Projects	155	5xxxxxxxxx	48,360	
Reduce ending fund balance - General Government Special Projects	155	5980390999		48,360
Increase transfers out - Criminal Justice Fund	156	5000410550	73,471	
Reduce ending fund balance - Criminal Justice Fund	156	5980410999		73,471

	Department		Code	Rev	Exp	FB
NGA-17	Golf	Golf Sprayer and Gator	440A		60,000	(60,000)

This amendment proposes to increase the Golf, an enterprise fund, expenditure budget by \$60,000 to replace a sprayer and gator for Legion Golf Course that have surpassed their useful lives. This equipment will be used to apply pesticides and fertilizers to the golf course as needed.

Increase M&O expenditures - Golf Fund	440	523309000640	60,000	
Reduce ending fund balance - Golf Fund	440	598000000025		60,000

	Department		Code	Rev	Exp	FB
NGA-18	Library Reserve	Library Revenues & Northwest Room Improvements	152A	625	6,625	(6,000)

This amendment proposes to increase the Library Reserve expenditures by \$6,000 for improvements to the Northwest Room and \$625 for book purchases that are supported by private contributions.

Increase M&O expenditures - Library Reserve	152	5720000350	6,000	
Reduce ending fund balance - Library Reserve	152	5980000999		6,000
Increase M&O expenditures - Library Reserve	152	5710000671	625	
Increase contributions and donations revenues - Library Reserve	152	3670000071		625

**2024
Budget Adjustments
Tally Sheet**

	Department	Code	Rev	Exp	FB	
NGA-19	Criminal Justice	WA State Auto Theft Prevention Grant	156A	250,000	250,000	

The Everett Police department was awarded a \$250,000 grant from the Washington State Auto Theft Prevention Authority (WATPA) to acquire Automated License Plate Recognition (ALPR) cameras as a proactive measure to address the escalating motor vehicle theft crisis. The acquisition of ALPR cameras also fall in line with the department's strategic initiative to leverage innovative technologies to reduce violent crime and improve community safety. The grant period is June 1, 2024 through June 30, 2025. The entirety of the \$250,000 award will procure one full year of camera technology services for this project.

Increase grant revenues - Criminal Justice Fund	156	3370000075			250,000
Increase M&O expenditures - Criminal Justice Fund	156	5750000452		250,000	

	Department	Code	Rev	Exp	FB	
NGA-20	General Gov't Special Proj.	COVID Relief Fund Allocations	155A		1,740,709	(1,740,709)

This amendment proposes to appropriate \$1,740,709 in COVID Relief Funds for the following:
 --\$1,140,709 for 2024 Budget Replacement to support Clare's Place (\$200K), Human Needs Fund (\$556,800) VOA Senior Center (\$300K), Bezos Rent Support (\$69,120) and AHA dues (\$14,789) as approved in Ordinance No. 3983.23.
 --\$600,000 to establish a stand-alone city chamber of commerce as approved in Resolution No. 8061. This effort will support and attract business, providing essential services such as networking events, business education and tailored support and advocacy for small businesses.

Increase transfers out (General Government) - General Government Special Projects	155	5xxxxxxxxx		1,140,709	
Increase M&O expenditures - General Government Special Projects	155	5xxxxxxxxx		600,000	
Reduce ending fund balance - General Government Special Projects	155	5983250999			1,740,709

	Department	Code	Rev	Exp	FB	
NGA-21	Dev/Const Permits	Construction Development Support	130A	848,360	848,360	

This amendment proposes to increase transfers out from the Development and Construction Permit Fund 130 in the amount of \$848,360 to reimburse the General Fund for construction development support.

Increase permit revenues - Development and Construction Permit Fund	130	Multiple			848,360
Increase transfers out (General Fund) - Development and Construction Permit Fund	130	3493204401		848,360	

**2024
Budget Adjustments
Tally Sheet**

	Department	Code	Rev	Exp	FB	
NGA-22	Health Benefits Reserve	Health Benefits Cash Reserves	508A	3,773,318	3,773,318	

This amendment proposes to move cash reserves from the HMA Legacy PPO medical plan to the HMA CDHP plan. When the CDHP plan was first created, no reserves were allocated for the employees who migrated from the HMA Legacy PPO plan to give the new plan a chance to stabilize. The reserves were originally accumulated in the HMA Legacy PPO Plan for the employees who migrated to the new plan. The plan has now been in place for a sufficient time to make this reallocation.

Increase CDHP Transfer In	508	3970000200			3,773,318
Increase HMA Legacy Transfer Out	508	5170000550			3,773,318

2024 BUDGET ADJUSTMENTS for Budget Amendment # 2

General Government Amendments

			Increase/(Decrease)		
<u>Fund</u>	<u>Description</u>		<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
GGA-12	Non-Departmental	Distribution of Vacancy Budget Offset	\$ -	\$ 5,294,000	\$ (5,294,000)
GGA-12	General Fund	Distribution of Vacancy Budget Offset	\$ 227,000	\$ -	\$ 227,000
GGA-12	Human Resources	Distribution of Vacancy Budget Offset	\$ -	\$ (245,000)	\$ 245,000
GGA-12	CPED	Distribution of Vacancy Budget Offset	\$ -	\$ (288,000)	\$ 288,000
GGA-12	Engineering & Public Svcs	Distribution of Vacancy Budget Offset	\$ -	\$ (178,000)	\$ 178,000
GGA-12	Street	Distribution of Vacancy Budget Offset	\$ (89,000)	\$ (89,000)	\$ -
GGA-12	Parks & Community Svcs	Distribution of Vacancy Budget Offset	\$ (138,000)	\$ (138,000)	\$ -
GGA-12	Police	Distribution of Vacancy Budget Offset	\$ -	\$ (4,259,000)	\$ 4,259,000
GGA-12	Municipal Court	Distribution of Vacancy Budget Offset	\$ -	\$ (97,000)	\$ 97,000
GGA-13	Non-Departmental	Increase Self-Insurance Contributions	\$ -	\$ 84,293	\$ (84,293)
GGA-13	General Fund	Increase Self-Insurance Contributions	\$ 84,293	\$ -	\$ 84,293
GGA-14	Non-Departmental	Increase Jail Fees	\$ -	\$ 1,600,000	\$ (1,600,000)
GGA-14	General Fund	Increase Jail Fees	\$ 261,042	\$ -	\$ 261,042
GGA-15	General Fund	Workforce Adjustments	\$ 396,693	\$ -	\$ 396,693
GGA-15	CPED	Workforce Adjustments	\$ -	\$ 48,360	\$ (48,360)
GGA-15	Engineering & Public Svcs	Workforce Adjustments	\$ -	\$ 73,471	\$ (73,471)
GGA-15	Finance	Workforce Adjustments	\$ -	\$ 260,000	\$ (260,000)
GGA-15	Parks & Community Svcs	Workforce Adjustments	\$ 33,513	\$ 33,513	\$ -
GGA-15	Non-Department	Workforce Adjustments	\$ -	\$ -	\$ -
GGA-16	Emergency Management	Emergency Management Operations	\$ -	\$ 82,579	\$ (82,579)
GGA-16	General Fund	Emergency Management Operations	\$ 17,579	\$ -	\$ 17,579
GGA-16	Non-Departmental	Emergency Management Operations	\$ -	\$ -	\$ -
GGA-17	Engineering & Public Svcs.	Traffic Signals Insurance Recoveries	\$ -	\$ 124,677	\$ (124,677)
GGA-17	General Fund	Traffic Signals Insurance Recoveries	\$ 124,677	\$ -	\$ 124,677
GGA-18	Engineering & Public Svcs.	SS4A and HSIP Grants	\$ -	\$ 292,109	\$ (292,109)
GGA-18	General Fund	SS4A and HSIP Grants	\$ 292,109	\$ -	\$ 292,109
GGA-19	Police	Body Worn Camera Grant	\$ -	\$ 27,513	\$ (27,513)
GGA-19	General Fund	Body Worn Camera Grant	\$ 27,513	\$ -	\$ 27,513
GGA-20	Police	Boating Safety Grant	\$ -	\$ 5,000	\$ (5,000)
GGA-20	General Fund	Boating Safety Grant	\$ 5,000	\$ -	\$ 5,000
GGA-21	Police	Officer Wellness Grant	\$ -	\$ 55,000	\$ (55,000)
GGA-21	General Fund	Officer Wellness Grant	\$ 55,000	\$ -	\$ 55,000
GGA-22	Police	Evidence-Based Policing Conference	\$ -	\$ 4,424	\$ (4,424)
GGA-22	General Fund	Evidence-Based Policing Conference	\$ 4,424	\$ -	\$ 4,424
GGA-23	Non-Departmental	Indigent Defense Grant	\$ -	\$ -	\$ -
GGA-23	General Fund	Indigent Defense Grant	\$ 244,300	\$ -	\$ 244,300

GGA-24	Municipal Arts	Municipal Arts Grants	\$ 64,540	\$ 64,540	\$ -
Total General Government Amendments			\$ 1,610,683	\$ 2,755,479	\$ (1,144,796)

Non-General Government Amendments

<u>Fund</u>		<u>Description</u>	Increase/(Decrease)		
			<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
NGA-12	CIP-3	CIP-3 Parks Projects	\$ -	\$ 946,500	\$ (946,500)
NGA-13	CIP-1	CIP-1 General Gov't Capital Projects	\$ -	\$ 28,651,397	\$ (28,651,397)
NGA-14	CIP-4	CIP-4 General Gov't Capital Projects	\$ -	\$ 513,752	\$ (513,752)
NGA-15	Self-Insurance Fund	Increase Self-Insurance Contributions	\$ 395,423	\$ 395,423	\$ -
NGA-15	EMS	Increase Self-Insurance Contributions	\$ -	\$ 3,958	\$ (3,958)
NGA-15	CHIP	Increase Self-Insurance Contributions	\$ -	\$ 143	\$ (143)
NGA-15	CDBG	Increase Self-Insurance Contributions	\$ -	\$ 57	\$ (57)
NGA-15	Water & Sewer Utility	Increase Self-Insurance Contributions	\$ -	\$ 153,980	\$ (153,980)
NGA-15	Solid Waste Utility	Increase Self-Insurance Contributions	\$ -	\$ 158	\$ (158)
NGA-15	Everett Transit	Increase Self-Insurance Contributions	\$ -	\$ 145,624	\$ (145,624)
NGA-15	Everpark Garage	Increase Self-Insurance Contributions	\$ -	\$ 1,696	\$ (1,696)
NGA-15	Golf	Increase Self-Insurance Contributions	\$ -	\$ 4,643	\$ (4,643)
NGA-15	Motor Vehicles	Increase Self-Insurance Contributions	\$ -	\$ 728	\$ (728)
NGA-15	Telecommunications	Increase Self-Insurance Contributions	\$ -	\$ 143	\$ (143)
NGA-16	General Gov't Special Proj.	Workforce Adjustments	\$ -	\$ 48,360	\$ (48,360)
NGA-16	Criminal Justice Fund	Workforce Adjustments	\$ -	\$ 73,471	\$ (73,471)
NGA-17	Golf	Golf Sprayer and Gator	\$ -	\$ 60,000	\$ (60,000)
NGA-18	Library Reserve	Library Revenues & Northwest Room Improvements	\$ 625	\$ 6,625	\$ (6,000)
NGA-19	Criminal Justice	WA State Auto Theft Prevention Grant	\$ 250,000	\$ 250,000	\$ -
NGA-20	General Gov't Special Proj.	COVID Relief Fund Allocations	\$ -	\$ 1,740,709	\$ (1,740,709)
NGA-21	Dev/Const Permits	Construction Development Support	\$ 848,360	\$ 848,360	\$ -
NGA-22	Health Benefits Reserve	Health Benefits Cash Reserves	\$ 3,773,318	\$ 3,773,318	\$ -
Total Non-General Government Amendments			\$ 5,267,726	\$ 37,619,045	\$ (32,351,319)
TOTAL General and Non-General Gov't. Amendments			\$ 6,878,409	\$ 40,374,524	\$ (33,496,115)



City Council Agenda Item Cover Sheet

Project title: City Council Procedures Resolution Amendment to create procedure for requesting excused absences and to add additional regular scheduled hybrid meetings per month.

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent
Action 9/18/24
Ordinance
Public hearing
 Yes No

Budget amendment:
 Yes No

PowerPoint presentation:
 Yes No

Attachments:
Resolution

Department(s) involved:
Council

Contact person:
Don Schwab

Phone number:
425-257-8783

Email:
dschwab@everettwa.gov

Initialed by:

Department head

Administration

DS

Council President

Project: Amendment of City Council Procedures Resolution

Partner/Supplier: NA

Location: NA

Preceding action: [Resolution 7891](#) Amended 5/10/23

Fund: NA

Fiscal summary statement: NA

Project summary statement:

This amendment to Resolution No. 7891 will add a procedure for Councilmembers who are requesting an excused absence from a Council meeting.

For an absence to be excused, the Councilmember is required to make that request via email to the Council President prior to the meeting and state the reason for the member’s inability to attend the meeting. If the member is unable to contact the President, the member shall contact the Executive Assistant or Vice President who will notify appropriate parties before the start of the meeting.

An additional amendment will have the fourth and when occurring, the fifth, Wednesday of each month be hybrid.

Recommendation (exact action requested of Council):

Adopt amended Council Procedures Resolution with an effective date of October 30, 2024.



RESOLUTION NO. _____

WHEREAS, Section 3.3 of the City Charter provides that "the Council shall determine its own rules and order of business, and may establish rules for the conduct of Council meetings and the maintenance of order"; and

WHEREAS, by the adoption of this Resolution, the City Council intends to establish some basic rules for the conduct of Council, its meetings and maintenance of order;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EVERETT DOES HEREBY RESOLVE:

SECTION 1: MISSION:

As a matter of open government and transparency, The Everett City Council strives to engage the public in a civil and democratic process. As the policy-setting and oversight body for the City, the design of the City's democracy as outlined in the Charter is that the legislative branch sets the policy, and the administrative branch carries it out. As stated in Article III, Council and Legislation, Section 3.1 of the Charter "The Council shall have the powers and authority of the legislative body of this City and shall not perform administrative functions of the City."

SECTION 2: PURPOSE:

It is the purpose of the City Council of the City of Everett in adopting these rules to provide a method for the conduct of its affairs and to complement the provisions of the City Charter and Council's standing rules. It is not intended that these rules confer upon any person any right to a particular procedure or affect the validity or legality of any Council action. The Council may implicitly or by a majority vote, determine to temporarily waive any of the provisions herein. Any action taken in disregard or non-conformity with these rules shall be construed as an implicit waiver thereof.

SECTION 3: MEETINGS - AGENDA

The place, date and time of the Council meetings shall be in accordance with Section 3.2 of the Charter, Ordinance No. 3170-10 of the City and State law. Pursuant to RCW 35A.12.110 Special meetings may be called by the Mayor, or any three members of the council by written notice delivered to each member of the council at least twenty-four hours before the time specified for the proposed meeting. All council meetings shall be open to the public except as permitted by chapter **42.30** RCW. No ordinance or resolution shall be passed, or contract let or entered into, or bill for the payment of money allowed at any meeting not open to the public, nor at any public meeting the date of which is not fixed by ordinance, resolution, or rule, unless public notice of such

meeting has been given by such notice to each local newspaper of general circulation and to each local radio or television station.

1. Full Council remote participation meeting. The Council as a whole, by majority vote, may designate ~~one up to two~~ ~~up to two~~ meetings~~ss~~ each month to be held remotely and such meeting shall be published and open to the public to allow participation virtually by audio or video system. Accommodations must be made to ensure that there is a speaker phone, audio or video system is set up at a designated meeting place, accessible by the public, and that it allows members of the public present at the designated meeting location(s) to hear all discussions, provide testimony if testimony is required by state law or council rule, and generally observe the steps employed by the Council in taking its official action. Additionally, the Council may approve a special meeting of the City Council via remote communication, provided that the remote meeting complies with the accommodations specified above, as well as meeting requirements established in the City Charter and any other legal requirements that pertain to public meetings.

1.a. Fourth and fifth Wednesday of each month. Effective October 30, 2024, the fourth and when occurring, the fifth, Wednesday of each month will have a start time of 12:30pm and will be held as a hybrid meeting. The Council Chambers will be open and will have staff to accommodate members of the public to participate in public comment and to hear all discussions.

2. Virtual Participation. The Council President or Presiding Officer may approve a Council member's appearance at a Regular City Council meeting (council committees require in person attendance) via remote communication under the following conditions:

a. The remote Council member attendee must have use of satisfactory equipment, preferably city provided devices. Satisfactory equipment shall mean any device equipped with a speaker function capable of broadcasting the Council member's voice clearly and sufficiently enough to be heard by those in attendance in person at the public meeting and a video function capable of displaying an image of the remote council member attendee. Council members participating remotely are expected to remain on video throughout the meeting. The device must allow a Council member to easily participate as needed.

b. At the start of any meeting that a Council member is attending via remote communication, the Council President/Presiding Officer shall state for the record that a particular Council member is attending via remote communication.

c. The Presiding Officer of the meeting must be physically present at the location specified in the notice of the meeting and may not be in attendance via remote communication.

d. Attendance from remote locations is intended to be an alternative and infrequently used method for participation. ~~_, which shall be limited to each Council member participating remotely at a regular City Council meeting no more than one City Council meeting per quarter per calendar year.~~

e. Council President or Presiding Officer shall not approve a Council member's request for remote participation at any meeting in which there will not be a quorum of Council members physically present at the location specified in the notice of the meeting.

f. Council members requesting approval to participate in council meetings remotely are required to ~~contact request via email sent~~ the Council President and Council Executive Assistant, via email if possible, no later than the morning of the Council meeting. Requests will be accommodated on a first come first serve basis.

g. Council member's remote participation must comply with meeting requirements established in the City Charter and any other legal requirements that pertain to public meetings.

3. Virtual Executive Session Participation. A Council member who has attended a Council meeting remotely may also participate in an Executive Session remotely if they are in a secured location with no other people sharing the same room or able to hear discussions. The secure remote meeting link to participate will be separate from the Council meeting link and only available to the Council member participating remotely, and the City Clerk, who will ensure there is a computer ready. Following the conclusion of an Executive Session a Council member participating remotely would rejoin the main Council meeting, if an announcement or action is necessary.

4. Attendance, excused absences. [The Everett City Charter 2.6 Forfeiture of Office](#) provides that a council member shall forfeit his/her office by failing to attend three (3) consecutive regular meetings of the council without being excused by the Council. Members of the council may be excused by complying with this section. If the member has a planned absence, the member is required to request being excused, via email if possible, to the Council President prior to the meeting and state the reason for the member's inability to attend the meeting. If the member is unable to contact the President, the member shall contact the Council Executive Assistant or the Council Vice President who will notify appropriate parties.

~~3. and/or Presiding Officer for the meeting~~

4.5. The structure of the Council agenda will be determined by the Council President/presiding officer. The President or presiding officer's agenda structure may be overridden by a majority of Council members present at any meeting. The agenda may contain some or all of the following contents:

A. Call to Order

- B. Roll Call
- C. Pledge of Allegiance
- D. Land Acknowledgement
- E. Approval of Minutes
- F. Mayor's Comments
- G. Public Comments
- H. Council's Comments
- I. Council Chair Subcommittee Reports
- J. Administration Update
- K. City Attorney
- L. Consent Items: Consisting of one or more of the following items: Approval of vouchers, Adoption of resolutions fixing dates for public hearings, Street closures, Acceptance of gifts and donations, approving and accepting grants, final acceptance of grants, deeds, easements, passage of ordinances which the Council has given directions to place on the agenda, approving final plats, and other such actions. Any Council Member may have a matter removed from the Consent Agenda for separate consideration upon notice to the Council President or Presiding Officer, either before or during the meeting.
- M. Proposed Action Agenda: Items appearing on Council's upcoming agenda requiring Council action but not requiring staff presentation.
- N. Action Items: Items where there may be discussion as well as reports by staff.
- O. Council Briefing Agenda: Prospective Council agenda items or informational items. Matters of importance that should be publicly discussed at a Council meeting held prior to the meeting where action is to be taken.
- P. Executive Session
- Q. Adjourn

SECTION 4: REMARKS AND DEBATES

In presiding over the Council Meeting, the Council President / presiding officer may move to end debate on any issue and call for a vote, provided that each member has had at least one opportunity to speak to the issue. If that motion is seconded, no discussion will be allowed until the President's / presiding officer's motion is voted upon.

SECTION 5: CODE OF CONDUCT

The Everett City Council is committed to maintaining a professional and respectful environment for all members of the City of Everett. Nothing in this Code of Conduct shall serve as the sole justification for restricting a councilmember's right to attend and participate in council meetings. As stewards of the public trust, each Councilmember is expected to:

- Conduct themselves with self-awareness, self-respect, and professionalism;
- Treat all others with respect, dignity, and civility, regardless of status or position; and

- Refrain from engaging in hostile, intimidating, offensive, or unlawful activities or behaviors that may amount to discrimination, harassment, sexual harassment, or bullying.

This Code of Conduct applies equally and at all times to all members of the Everett City Council, both on and off the property of the Everett Municipal Building and Council Chambers.

SECTION 6: PUBLIC COMMENT

To facilitate the orderly presentation of public comments:

1. For in person meetings, those wishing to speak must complete a speaker sheet and present it to the Council Support Staff.
2. If a speaker is providing public comment remotely, they must complete a speaker sheet on-line no later than 30 minutes before the start of the meeting when using a virtual platform such as zoom to comment.
3. Public comment on agenda items can be provided either during the designated public comment time or the speaker may elect to wait to present their comments until the agenda item is read. Speakers shall indicate, on the speaker form, if they wish to speak under public comment or at the time the item is called.
4. Public comment can be taken at any time during the meeting as determined by the Council President or presiding officer.
5. Written comments submitted prior to Council action shall be considered in the same manner as oral comments.
6. All remarks will be addressed to the Council as a whole.
7. Public Comment must be relevant to City Council business, City services, programs, projects, or activities.
 - i. Speakers may not engage in abusive or harassing behavior including, but not limited to, derogatory remarks, profanity, or personal attacks, or use of obscene language or gestures, assault or threatening behavior, sexual misconduct or sexual harassment.
8. The Council President/presiding officer or designated City Attorney may rule any public speaker or attendee out of order if comments are inappropriate, are not relevant to City Council business or not directed at Council as a whole.

Out of Order conduct may include, but is not limited to:

 - i. Outbursts or disruptions by any attendees' who have not been recognized by the Council President / presiding officer. Meeting disruptions by non-speakers is prohibited.
 - ii. Behavior that intentionally disrupts, disturbs, or otherwise impedes attendance or participation at the meeting or the view of other attendees.
 - iii. Failure to follow the direction of the Council President / presiding officer or Security Personnel.
9. If an individual is in violation of the public comment rules as referenced in the Council Procedures Resolution at three or more consecutive city council meetings, of which they are present, the Council President / presiding officer may exclude the individual from participation in public comment at future meetings. The Council President determines the length of the exclusion based on the seriousness of the disruption or

the number of disruptions, not to exceed 180 days. This decision to exclude an individual from public comment may be overruled by a majority vote of the city council at a city council meeting.

10. **No Use of Public Comment for Campaigns. Per RCW 42.17A.555**, No person may use public comment for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. "Campaign" shall include, but not be limited to, the direct promotion or opposition of a candidate or ballot measure or the display of any campaign material or such other prohibition promulgated by the Public Disclosure Commission. Any violation of this provision after receiving a warning from the presiding officer shall constitute grounds for immediate suspension of such person's right to speak at that Council meeting.
11. **No Use of Public Comment for Advertising**. No person addressing the Council may use Public Comment for the purpose of advertising. Advertising is defined as "promoting by making known, proclaiming publicly, drawing attention to, or making conspicuous any item, product, service, or thing, for profit or otherwise." This does not prevent or preclude any person addressing the Council from expressing his or her views or opinions on matters over which the Council has jurisdiction.

SECTION 7: SIMULTANEOUS BROADCAST AND WEBCAST

All meetings of the City Council should be simultaneously broadcast when resources are available. All audio and visual records of meetings shall be retained in accordance with Local Government Common Records Retention Schedule GS50-05A-13 Rev. 2.

SECTION 8: MISCELLANEOUS

1. Agenda. A Council Staff member shall prepare the agenda for each council meeting in collaboration with city Administration and under the direction of the Council President/_/ presiding officer. The agenda and council packet materials shall be available to the public, at a minimum in accordance with RCW 42.30.077.
2. Public Request for Presentations. It is the policy of the Council to consider requests for presentations of certain events or causes when such presentations pertain to an Everett event, person, organization, or cause with local implications. The Council will consider requests that are timely, have potential relevance to a majority of Everett's population, and either forward positive messages or call upon the support of the community.
3. Council Chambers. The Council Chambers shall be reserved solely for the use of members of the City Council and Mayor for its regular and special meetings as well as committee meetings and other meetings approved by the Council President. The Chambers shall not be used for any outside group or organization, according to Resolution No 5870. Except as authorized by the Council President, no other person or persons shall have access thereto.

SECTION 9: ELECTIONS OF COUNCIL PRESIDENT/MAYOR PRO TEMPORE and COUNCIL VICE PRESIDENT

In accordance with Section 3.2 of the Charter, the Council shall be presided over by the President, selected annually by a majority vote of the Council. In the absence of the President at a meeting, the presiding officer for a meeting shall be a Council member designated by the President; or if no such Council member has been designated, the presiding officer shall be selected by a majority of the members present at such meeting.

Pursuant to Section 2.7 of the Charter, the President of the Council shall also be deemed the Mayor Pro Tempore for the same period of office. The annual election of the Council President / Mayor Pro Tempore will be noted on the Council agenda and will occur on the first regular meeting of the month of January. If for any reason, the Council President / Mayor Pro Tempore should be unable to complete their term, an election of a new Council President / Mayor Pro Tempore shall occur at the first meeting following the vacancy.

Council will elect a Vice President annually, at the same meeting as the election of Council President / Mayor Pro Tempore, unless otherwise determined by majority vote of the entire Council. The duties of Council Vice President shall be described as assisting the Council President / Mayor Pro Tempore in the development of the weekly agenda. In the absence of the Council President / Mayor Pro Tempore, the Vice President shall chair the weekly council meeting. The Vice President will attend any community events where the Council President / Mayor Pro Tempore is unable to attend.

SECTION 10: PROCEDURE FOR COUNCIL INITIATED LEGISLATION

If or when a councilmember is ready to formally request staff assistance, and to promote the orderly development and consideration of proposed legislation and the efficient use of staff time, Council will initiate legislation as follows:

1. Requests for information and advice regarding potential legislation

At a City Council meeting, Councilmembers may request information from Administration or legal advice from the City Attorney regarding any draft or outline of the proposed legislation the councilmember has prepared for consideration at a Council meeting. If/When a councilmember requests the City Attorney's office keep the preliminary work confidential, the City Attorney shall do so to the extent it is consistent with their job duties and responsibilities. Once a councilmember is ready to move forward with an outline of draft legislation, the Councilmember will notify the President, who may assign the proposal to the appropriate Council committee for consideration.

2. Requests for assistance in drafting potential legislation

A Councilmember may motion to work with Legal to request assistance with drafting potential legislation at any council meeting. Provided there is a second motion and the President does not assign to a committee, Legal will assist with drafting.

If referred to a committee, Following council committee discussion, which may include a determination by the committee regarding whether work on the proposed legislation should continue, two or more councilmembers (from the committee or not) may request that staff or the City Attorney help prepare or review a draft ordinance or resolution. Once the legislation has been prepared and reviewed by the councilmembers initiating the request, the Council President or Presiding Officer will return it to the appropriate Council committee for consideration. Only after it has been fully vetted by the Council committee and recommended by the committee to be considered by the full Council will the President or presiding officer place it on the Council agenda. The amount of administrative input and involvement will vary and in part is determined by the level of impact to the budget, city operations and community.

Provided, however, the obligations of this section shall be consistent with the Washington Court Rules for Rules of Professional Conduct, State law, the Charter and City Ordinances.

SECTION 11: MOTIONS – VOTING

In presiding over Council meetings, the Council President /presiding officer shall cause the business of the Council to be transacted in accordance with these rules and shall determine all question of procedure subject to the appeal of the majority, of the Council members present. Council's procedural practice shall not be based on Robert's Rules of Order. As it relates to motions, the following shall apply:

1. A motion that does not receive a second fails;
2. A motion receiving a tie vote fails;
3. All motions receiving a second, including a motion to table and to call for the question, are entitled to discussion before taking a vote;
4. Amendments are voted on first, then the main motion, as amended, if the amendment receives an affirmative vote;
5. Motion for reconsideration.
 - i. Except as specified in subsection (3), a motion to reconsider shall be in order only if it is brought forth at or before the next regularly scheduled City Council meeting by a councilmember who voted in favor of the action sought be reconsidered and the motion receives a second. To vote on a motion for reconsideration, the council member must have voted on the original item. To prevail, the motion for reconsideration must receive a majority of votes of those eligible to vote and present at the meeting.
 - ii. When a motion for reconsideration is passed, the underlying matter shall be put on the agenda for the next regularly scheduled meeting or at the first possible regularly scheduled meeting if a delay is necessary.
 - iii. A motion for reconsideration cannot be considered if any of the following events have already occurred:
 - a. The action approved by the Council has already been partially or fully carried out
 - b. A contract authorized by Council has already been executed by the City and is binding
 - c. An ordinance passed by the Council has already become valid (signed

by the Mayor and attested by the City Clerk).

6. For a motion to prevail, it must receive an affirmative vote of a majority of those voting except:
 - i. In the case of a passage of an ordinance, grant or revocation of a franchise or license, and any resolution for the payment of money, it must receive the affirmative vote of at least a majority of the whole membership of the Council (4 vote minimum - Section 3.3 of the Charter);
 - ii. In the case of an emergency ordinance made effective upon becoming valid, it must receive the affirmative vote of at least a majority plus one of the whole Council (5 vote minimum - Section 3.4 of the Charter);
 - iii. In the case of a budget amendment ordinance when there is a proposed decrease within any portion of the total appropriation provided for in any one fund or a re-appropriation of the same fund for another purpose, it must receive the affirmative vote of at least a majority plus one of the whole Council (5 vote minimum - RCW 35.33.121(5)).

SECTION 12: COUNCIL SUBCOMMITTEES

1. Purpose. In collaboration with City Administration, the City Council may establish formal or ad hoc subcommittees to provide members of the City Council an opportunity to review and discuss, in detail, issues and topics that are of interest to the City Administration and the City Council. All committees are Ad Hoc, with the exception of the Budget and Finance Council Committee. The Ad Hoc Committees serve to share information. Committees do not act on behalf of the Council.
2. Council Committees. In the absence of charter or RCW language defining a standing committee, the Mayor or their designee and the City Council President, after mutual agreement, may create standing ad hoc subcommittees. The Council President, in collaboration with the Mayor, will determine any Ad Hoc committees. The President/Mayor Pro Tempore shall make council member assignments to ad hoc committees. The Chair of the Council Committee will share a brief "update" at Council meeting, during Council Committee Reports.
3. Reporting. Periodic reports of the work of a Council Subcommittee may be submitted to Councilmembers in writing or, if a Councilmember who chairs a subcommittee wishes to make a presentation at a City Council meeting, that Council member will coordinate with the Council President / presiding officer to schedule such presentation at a future meeting. Requests for time on the Council Agenda should be made after discussion and concurrence with the Department Head, directed to the Council President / presiding officer at least two weeks in advance of a council meeting whenever possible. If a briefing is time sensitive, council members may request through the Council President /presiding officer time on the next council agenda, provided there is adequate time to provide public notice of the report on the published Council agenda.

SECTION 13: COUNCIL RETREATS

1. Council will discuss and schedule retreats when a request for a retreat is made by a council member or Administration. Council retreats will be scheduled at least 30 days in advance unless agreed to by the Council President and Mayor. Any council member can request a retreat.
2. All retreats shall be held within the city limits of Everett. The date for any retreat shall be selected by the Council President. The Council President shall seek to select a date so that all Councilmembers or as many as possible may attend, including any Councilmember-elects.
3. Purpose. A retreat is intended to provide an informal setting to encourage candid and creative discussions, and may include discussions with the Mayor, City Administration and/or Department Heads.
4. Action to Be Taken at Retreat. The council shall not take final action on any ordinance or resolution at a retreat. The council may take action in the form of making subcommittee assignments, creating any ad hoc subcommittees, adopting goals for the upcoming year and other action related to how the council will conduct business during the upcoming year.
5. Public Attendance. All Retreats are open public meetings subject to the Open Public Meetings Act and shall be noted according to the procedures for noting a special meeting. Members of the public may attend but no open public comment period will be provided.
6. Minutes shall be taken.

SECTION 14: FILLING VACANCIES

Consistent with the Charter, Council will determine, by majority vote, the process to be followed in filling any vacancy. Council will endeavor to reach out to the community to seek interested and qualified persons for purposes of filling any vacancy.

SECTION 15: REVIEW

Council will review this Resolution as it deems appropriate.

SECTION 16: REPEAL

Resolution No. ~~752891~~ is hereby repealed.

PASSED AND APPROVED THIS ____ DAY OF _____, 202~~3~~4

Council member Introducing Resolution

Council President