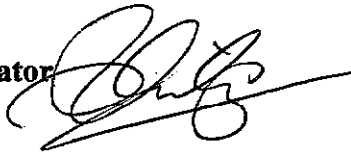


**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners

FROM: Philip Morley, County Administrator 

DATE: June 20, 2011

RE: Proposed Amendment Number One to the Agreement With the City of Port Townsend Concerning 2010 Sales Tax Ballot Measure: Memorial Field and the Recreation Center: Possible Adoption

STATEMENT OF ISSUE:

The County has negotiated with the City of Port Townsend the proposed Amendment Number One to the Interlocal Agreement (ILA) concerning funding for Memorial Field and the Port Townsend Recreation Center from the special purpose sales tax approved by the voters last November. Staff recommends the Board of County Commissioners (BoCC) review and approve the proposed amendment to the ILA. City Council action is also pending.

ANALYSIS:

On September 13, 2010, the County and City executed an Interlocal Agreement by which the City agreed to contribute one-half of its revenue from passage of Jefferson County Proposition No. 1 for up to four years to restore and maintain normal operations of Memorial Field, restore programming and maintain the Port Townsend Recreation Center, and make capital improvements to both facilities. The ILA recognized this as temporary funding to allow formation of an Exploratory Regional Parks and Recreation Committee to evaluate and recommend new options for sustainable and coordinated service delivery and funding for recreation facilities and services (including Memorial Field and the Rec Center) both in the City and throughout unincorporated Jefferson County.

The original ILA includes a schedule of benchmarks for the Exploratory Regional Committee's work, starting with convening the Committee by January 1, 2011. The Board of County Commissioners were the first to appoint Committee members, doing so on February 28, 2011; and the City Council made its appointments on March 7. Scheduling conflicts delayed the Committee's first meeting until May 23. It holds its second meeting the afternoon of June 20.

The proposed Amendment Number One to the ILA amends the schedule of benchmarks by adding six months for each task to reflect the reality of this later start, and provides the Exploratory Regional Parks and Recreation Committee the time to do its job successfully. Also, if sales tax receipts grow and annual City payments to the County under the ILA would exceed

\$212,500, the City has requested that the Amendment cut in half any increase in payment to the County for Memorial Field and the Rec Center, and to also restrict those reduced additional revenues for capital improvements only. Finally, also at the request of the City, when the ILA ends, any funds previously paid to the County that are not encumbered by contract or expended would be returned to the City. In interest of maintaining good will with our partner, I recommend accepting the City's requests.

FISCAL IMPACT:

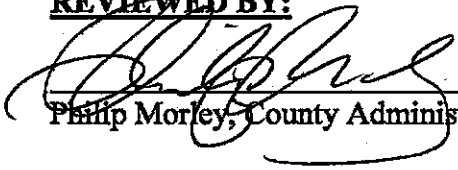
Potential revenue above \$212,500 per year would be reduced by half. Any unencumbered or unexpended funds at termination of the Agreement would be returned to the City.

Staff had previously built a four-year budget that assumed no growth in sales tax receipts, so the budget for basic operations of Memorial Field and the Rec Center is unaffected by this Amendment. However, potential additional revenue from any sales tax growth is reduced by this Amendment, reducing the potential for making additional capital improvements to Memorial Field and the Rec Center.

RECOMMENDATION:

Staff recommends that the Board review the proposed Amendment and pass a motion authorizing the Chair to sign it.

REVIEWED BY:


Philip Morley, County Administrator


Date

AMENDMENT NUMBER ONE
To The
AGREEMENT
Between
Jefferson County and the City of Port Townsend
(Agreement concerning 2010 Sales Tax Ballot Measure)

This AMENDMENT ONE is entered into by and between **Jefferson County** ("County") and the **City of Port Townsend** ("City"), on the ___ of _____, 2011 (last date written by signature below).

RECITAL

Jefferson County and the City of Port Townsend desire to amend the original Interlocal Agreement regarding the 2010 Sales Tax Ballot Measure executed by both parties on September 13, 2010.

All provisions in the original Interlocal Agreement remain in effect except as expressly modified by this amendment.

1. Section 4. City Performance of the September 13, 2010 Interlocal Agreement is amended to read as follows:

4. CITY PERFORMANCE. The City agrees as follows:

Beginning June, 2011, and continuing through May, 2015, from the first \$425,000 of funds collected each calendar year under the authority of Proposition 1 as they are received by the City, the City will contribute one-half to the County; from any amount above \$425,000 each calendar year the City will contribute one quarter to the County. All funds contributed for the following purposes:

- Maintain and continue normal operations of Memorial Field;
 - Reopen programming and maintain the Port Townsend Recreation Center; and
 - Help fund/match grants to make capital improvements to these facilities and provide professional services for the Exploratory Regional Parks and Recreation Committee.
- a. Specifically, funds for Memorial Field shall be used to restore and maintain normal facility maintenance and operations, and event services including such expenditures as:
 - Labor;
 - Services;
 - Equipment & supplies; and
 - Utilities
 - b. Specifically, funds for the Recreation Center shall be used to restore and maintain normal facility maintenance and restore no-charge drop-in recreation program for children and families before (7am to 9am) and after (2pm to 7pm) school and Saturdays (8am to 5pm), for a total of 44 hours per week, including such expenditures as:
 - Labor;

- Equipment & supplies;
 - Grounds and facility maintenance; and
 - Utilities
- c. Any City funds received by the County above \$212,500 for that year would be used for capital improvements or grant match for capital improvements.
- d. The City shall work with the County to identify and prioritize capital improvements, and pursue grants.
- e. (1) Approval of plan. If a plan for a dedicated and secure funding source (or sources) is identified and agreed to in writing between the parties pursuant to the process in paragraph 6, and the plan is implemented through legislative action of the parties and/or voter approval, then the City performance and obligation to contribute sales tax collections and this Agreement terminate upon availability of the new funding to support Memorial Field and the Recreation Center.
- (2) The intent for the City sales tax contribution for Memorial Field and the Recreation Center is to provide temporary support while long-term solutions for sustaining those facilities and programs are sought. If a plan for a dedicated and secure funding source (or sources) pursuant to paragraph 6 has not been identified and approved, then the City performance and obligation to contribute sales tax collections terminates, and this Agreement terminates unless mutually agreed to by the parties. There is no long-term expectation that the City contribution of sales tax under Proposition 1 would continue beyond the four years.
2. Section 5. County Performance of the September 13, 2010 Interlocal Agreement is amended to read as follows:

5. COUNTY PERFORMANCE. The County agrees as follows:

The County will use the funds received from the City for the purposes specified under City Performance (paragraph 4) in this Agreement. Operations under this Agreement will begin July 1, 2011.

Beginning with the 2012 budget year, the County shall seek Regional Parks and Recreation Committee input in preparing an annual budget for the operation, maintenance and improvement of Memorial Field and the Recreation Center, and will act in good faith in considering the Regional Parks and Recreation Committee's suggestions and resolving potential issues. By December 31 prior to each operating year, the County shall provide the City a final budget for same. The County shall track expenditures of all City funds under this Agreement, and provide a quarterly report. County accounting of these funds shall be open to City inspection throughout the term of this Agreement.

Any City sales tax revenues under Prop 1 received by the County over \$212,500 for that year will be set aside for capital improvement projects related to Memorial Field or the Recreation Center.

The County shall work with the Regional Parks and Recreation Committee to identify and prioritize capital improvements, and pursue grants. An initial list of potential capital improvements with preliminary cost estimates for further consideration includes, but is not limited to:

Potential Capital Project List Memorial Field

Replace stadium roof	\$100,000
New Quincy Street Fence	\$ 50,000
Replace all other fencing	\$340,000
New field lighting	\$120,000

Potential Capital Project List for Recreation Center

Reroof the gym	\$ 50,000
Paint the gym exterior	\$ 30,000
Replace gym floor	\$ 60,000
Interior Rec Center upgrades	\$ 40,000
Replace playground fence	\$ 17,000
New Rec Center equipment	\$ 15,000

Any sales tax revenue received from the City under this agreement that replaces current County-funded expenditures for these facilities and programs shall be used for:

- Maintenance of County parks and fields;
- Recreation programs;
- County facility maintenance; and
- Capital improvements to County facilities.

All sales tax revenue received from the City not encumbered by contract or expended within 60 days of the termination of this agreement will be returned by the County to the City. Payment will be within 30 days of this accounting.

3. Exhibit 1 Sustainable Service Delivery and Funding Review Schedule of Benchmarks is amended to read as follows:

EXHIBIT 1

SUSTAINABLE SERVICE DELIVERY AND FUNDING REVIEW

Schedule of Benchmarks

Benchmark	Target Date	Date Accomplished
<p><u>Exploratory Regional Parks And Recreation Committee.</u> Convene an exploratory regional parks and recreation committee, comprised of:</p> <ul style="list-style-type: none"> • Chair of the Board of County Commissioners, or other designated County Commissioner (the County Administrator shall be the alternate), two members of the Jefferson County Parks Advisory Board, one outdoor sports league representative, one WSU 4-H Extension agent, and one indoor sports representative, appointed by the Board of County Commissioners; • Mayor of Port Townsend or other designated member of the City Council (the City Manager shall be the alternate), two members of the Port Townsend Parks Advisory Board, one sports league representative, one representative of a non-profit recreation provider, appointed by the City Council; • Superintendents of the Port Townsend, Chimacum, Quilcene and Brinnon School Districts, or their designees • A representative of the Law and Justice Council; • Heath Department Director or designee • Hospital District Director or designee <p>The regional parks and recreation committee shall be staffed jointly by the City and County Departments of Public Works. All meetings will be public and may include public input sessions.</p>	July 1, 2011	<p>March 7, 2011 (ERPRC appointed)</p> <p>May 23, 2011 (1st meeting ERPRC)</p>
<u>Inventory.</u> Inventory existing parks and recreation facilities and programming in the City and the County and current funding levels.	September 30, 2011	
<u>Needs Assessment.</u> Develop a needs assessment for facility capital improvements and programming gaps for key populations, and approximate costs.	November 30, 2011	
<u>Funding and Administration Options.</u> Identify options for funding, and administering parks and recreation facilities and programs.	January 31, 2012	
<u>Analyze Options.</u> Analyze funding and administration options.	February 29, 2012	
<u>Develop and Recommend Joint Strategy.</u> Develop a joint strategy for providing long-term funding and administration of parks and recreation in Jefferson County and Port Townsend.	June 30, 2012	
<u>Review by BOCC and City Council and Beginning Formal Public Process</u>	July 31, 2012	
<u>Public Process</u>	Sept. 30, 2012	
<u>Adoption of Preferred Alternative by BOCC and City Council</u>	October 31, 2012	
<u>Period to Resolve Outstanding Issues and Approve Preferred Alternative</u>	Dec. 31, 2012	
<u>First Presentation for Voter Approval (If Required)</u>	set by mutual agreement	
<u>Second Presentation for Voter Approval (If Required)</u>	set by mutual agreement	

Executed as of the date written below:

CITY OF PORT TOWNSEND

By _____
David G. Timmons, City Manager

Date: _____

Attest:

Pamela Kolacy, CMC, City Clerk

Approved as to Form:

John P. Watts, City Attorney

JEFFERSON COUNTY

By _____
John Austin, Chair
Board of County Commissioners

Date: _____

Attest:

Lorna Delaney, Clerk of the Board

Approved as to Form:

David Alvarez 6/16/2011

David Alvarez, Deputy Prosecutor

**AMENDMENT NUMBER ONE
To The
AGREEMENT
Between
Jefferson County and the City of Port Townsend
(Agreement concerning 2010 Sales Tax Ballot Measure)**

This AMENDMENT ONE is entered into by and between **Jefferson County** ("County") and the **City of Port Townsend** ("City"), on the ___ of _____, 2011 (last date written by signature below).

RECITAL

Jefferson County and the City of Port Townsend desire to amend the original Interlocal Agreement regarding the 2010 Sales Tax Ballot Measure executed by both parties on September 13, 2010.

All provisions in the original Interlocal Agreement remain in effect except as expressly modified by this amendment.

1. Section 4. City Performance of the September 13, 2010 Interlocal Agreement is amended to read as follows:

4. CITY PERFORMANCE. The City agrees as follows:

Beginning June, 2011, and continuing through May, 2015, the City will contribute one-half of from the first \$425,000 of funds collected each calendar year under the authority of Proposition 1, as they are received by the City, the City will contribute one-half, to the County; from any amount above \$425,000 each calendar year the City will contribute one quarter to the County. All funds contributed for the following purposes:

- Maintain and continue normal operations of Memorial Field;
 - Reopen programming and maintain the Port Townsend Recreation Center; and
 - Help fund/match grants to make capital improvements to these facilities and provide professional services for the Exploratory Regional Parks and Recreation Committee.
- a. Specifically, funds for Memorial Field shall be used to restore and maintain normal facility maintenance and operations, and event services including such expenditures as:
 - Labor;
 - Services;
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 - Utilities
 - b. Specifically, funds for the Recreation Center shall be used to restore and maintain normal facility maintenance and restore no-charge drop-in recreation program for children and families before (7am to 9am) and after (2pm to 7pm) school and Saturdays (8am to 5pm), for a total of 44 hours per week, including such expenditures as:
 - Labor;

- Equipment & supplies;
- Grounds and facility maintenance; and
- Utilities

- c. ~~The balance~~ Any City funds received by the County above \$212,500 for that year would be used for capital improvements or grant match for capital improvements.
- d. The City shall work with the County to identify and prioritize capital improvements, and pursue grants.
- e. (1) Approval of plan. If a plan for a dedicated and secure funding source (or sources) is identified and agreed to in writing between the parties pursuant to the process in paragraph 6, and the plan is implemented through legislative action of the parties and/or voter approval, then the City performance and obligation to contribute sales tax collections and this Agreement terminate upon availability of the new funding to support Memorial Field and the Recreation Center.

(2) The intent for the City sales tax contribution for Memorial Field and the Recreation Center is to provide temporary support while long-term solutions for sustaining those facilities and programs are sought. If a plan for a dedicated and secure funding source (or sources) pursuant to paragraph 6 has not been identified and approved, then the City performance and obligation to contribute sales tax collections terminates, and this Agreement terminates unless mutually agreed to by the parties. There is no long-term expectation that the City contribution of sales tax under Proposition 1 would continue beyond the four years.

2. Section 5. County Performance of the September 13, 2010 Interlocal Agreement is amended to read as follows:

5. COUNTY PERFORMANCE. The County agrees as follows:

The County will use the funds received from the City for the purposes specified under City Performance (paragraph 4) in this Agreement. Operations under this Agreement will begin July 1, 2011.

Beginning with the 2012 budget year, the County shall seek Regional Parks and Recreation Committee input in preparing an annual budget for the operation, maintenance and improvement of Memorial Field and the Recreation Center, and will act in good faith in considering the Regional Parks and Recreation Committee's suggestions and resolving potential issues. By December 31 prior to each operating year, the County shall provide the City a final budget for same. The County shall track expenditures of all City funds under this Agreement, and provide a quarterly report. County accounting of these funds shall be open to City inspection throughout the term of this Agreement.

Any City sales tax revenues under Prop 1 received by the County over ~~the amount~~ budgeted \$212,500 for that year will be set aside for capital improvement projects related to Memorial Field or the Recreation Center.

The County shall work with the Regional Parks and Recreation Committee to identify and prioritize capital improvements, and pursue grants. An initial list of potential capital improvements with preliminary cost estimates for further consideration includes, but is not limited to:

Potential Capital Project List Memorial Field

Replace stadium roof	\$100,000
New Quincy Street Fence	\$ 50,000
Replace all other fencing	\$340,000
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Paint the gym exterior	\$ 30,000
Replace gym floor	\$ 60,000
Interior Rec Center upgrades	\$ 40,000
Replace playground fence	\$ 17,000
New Rec Center equipment	\$ 15,000

Any sales tax revenue received from the City under this agreement that replaces current County-funded expenditures for these facilities and programs shall be used for:

- Maintenance of County parks and fields;
- Recreation programs;
- County facility maintenance; and
- Capital improvements to County facilities.

All sales tax revenue received from the City not encumbered by contract or expended within 60 days of the termination of this agreement will be returned by the County to the City. Payment will be within 30 days of this accounting.

3. Exhibit 1 Sustainable Service Delivery and Funding Review Schedule of Benchmarks is amended to read as follows:

EXHIBIT 1

SUSTAINABLE SERVICE DELIVERY AND FUNDING REVIEW Schedule of Benchmarks

Benchmark	Target/Delivery Date	Date Accomplished
<p><u>Exploratory Regional Parks And Recreation Committee.</u> Convene an exploratory regional parks and recreation committee, comprised of:</p> <ul style="list-style-type: none"> • Chair of the Board of County Commissioners, or other designated County Commissioner (the County Administrator shall be the alternate), two members of the Jefferson County Parks Advisory Board, one outdoor sports league representative, one WSU 4-H Extension agent, and one indoor sports representative, appointed by the Board of County Commissioners; • Mayor of Port Townsend or other designated member of the City Council (the City Manager shall be the alternate), two members of the Port Townsend Parks Advisory Board, one sports league representative, one representative of a non-profit recreation provider, appointed by the City Council; • Superintendents of the Port Townsend, Chimacum, Quilcene and Brinnon School Districts, or their designees • A representative of the Law and Justice Council; • Heath Department Director or designee • Hospital District Director or designee <p>The regional parks and recreation committee shall be staffed jointly by the City and County Departments of Public Works. All meetings will be public and may include public input sessions.</p>	<p>July 1/January 1, 2011</p>	<p>March 7, 2011 (ERPRC appointed)</p> <p>May 23, 2011 (1st meeting ERPRC)</p>
<u>Inventory.</u> Inventory existing parks and recreation facilities and programming in the City and the County and current funding levels.	<p>September 30/March 31, 2011</p>	
<u>Needs Assessment.</u> Develop a needs assessment for facility capital improvements and programming gaps for key populations, and approximate costs.	<p>November 30/May 31, 2011</p>	
<u>Funding and Administration Options.</u> Identify options for funding, and administering parks and recreation facilities and programs.	<p>January 31, 2012/July 31, 2011</p>	
<u>Analyze Options.</u> Analyze funding and administration options.	<p>February 29, 2012/August 30, 2011</p>	
<u>Develop and Recommend Joint Strategy.</u> Develop a joint strategy for providing long-term funding and administration of parks and recreation in Jefferson County and Port Townsend.	<p>June 30, 2012/December 31, 2011</p>	
<u>Review by BOCC and City Council and Beginning Formal Public Process</u>	<p>July 31, 2012/January 31, 2012</p>	
<u>Public Process</u>	<p>Sept. 30, 2012/March 31, 2012</p>	
<u>Adoption of Preferred Alternative by BOCC and City Council</u>	<p>October 31, 2012/April 30, 2012</p>	
<u>Period to Resolve Outstanding Issues and Approve Preferred Alternative</u>	<p>Dec. 31, 2012/June 30, 2012</p>	
<u>First Presentation for Voter Approval (If Required)</u>	<p>set by mutual agreement</p>	
<u>Second Presentation for Voter Approval (If Required)</u>	<p>set by mutual agreement</p>	

Executed as of the date written below:

CITY OF PORT TOWNSEND

By _____
David G. Timmons, City Manager

Date: _____

Attest:

Pamela Kolacy, CMC, City Clerk

Approved as to Form:

John P. Watts, City Attorney

JEFFERSON COUNTY

By _____
John Austin, Chair
Board of County Commissioners

Date: _____

Attest:

Lorna Delaney, Clerk of the Board

Approved as to Form:

David Alvarez, Deputy Prosecutor

554211 PGS:10 AGR

09/14/2010 02:32 PM \$71.00 JEFFERSON COUNTY COMMISSIONERS
Jefferson County WA Auditor's Office - Donna Eldridge, Auditor

RETURN ADDRESS

Jefferson County Board of Commissioners
P.O. Box 1220/1820 Jefferson Street
Port Townsend, WA 98368

Please print neatly or type information

DOCUMENT TITLE

Interlocal Agreement concerning Sales Tax Ballot Measure

REFERENCE NUMBER (S) OF RELATED DOCUMENTS

N/A

Additional Reference #'s on page _____

GRANTOR (S) (Last, First and Middle Initial)

Jefferson County

Additional grantor on page _____

GRANTEE (S) (Last, First and Middle Initial)

City of Port Townsend

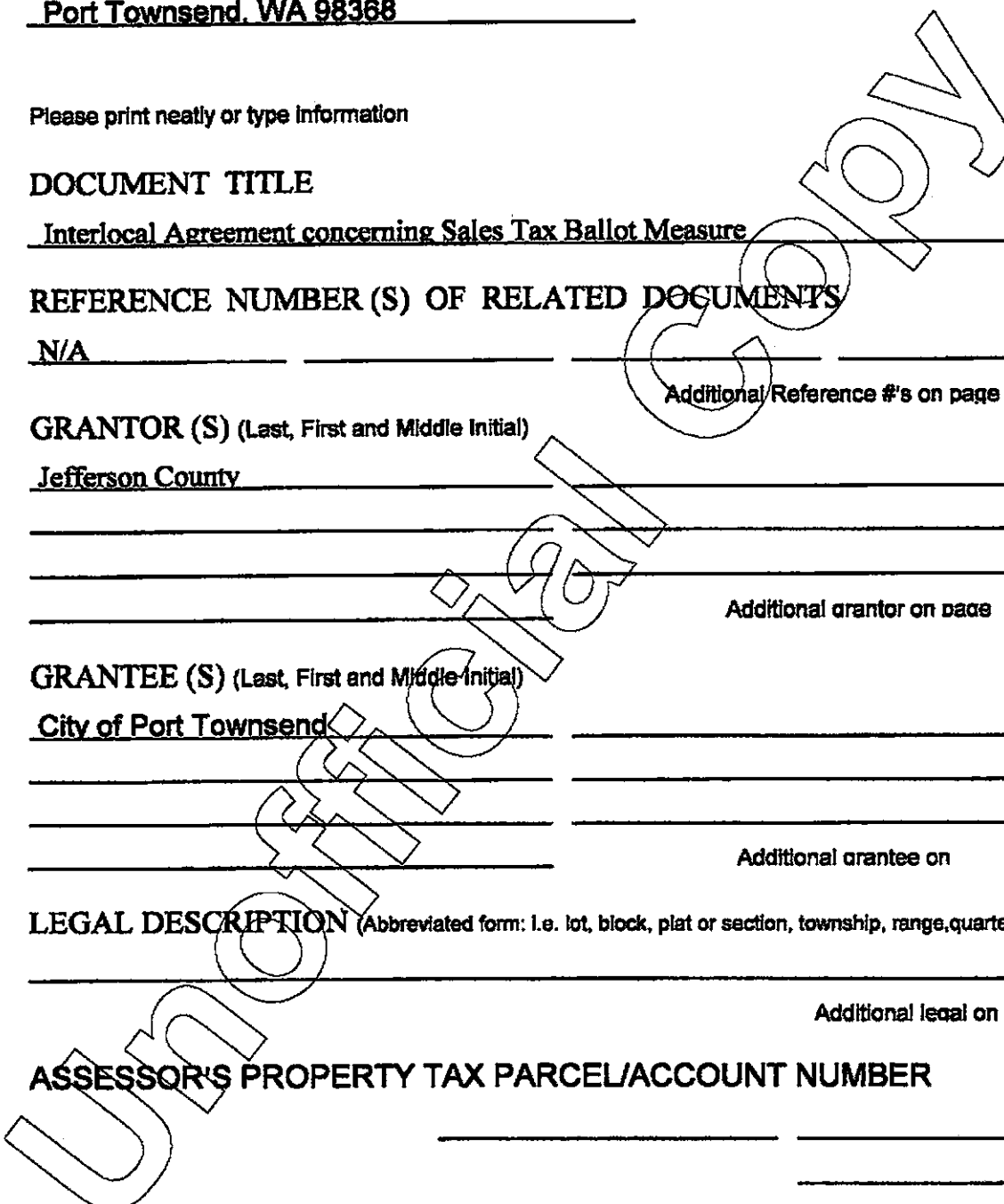
Additional grantee on _____

LEGAL DESCRIPTION (Abbreviated form: i.e. lot, block, plat or section, township, range, quarter/quarter)

Additional legal on _____

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.



AGREEMENT
Jefferson County - City of Port Townsend
(Agreement concerning 2010 Sales Tax Ballot Measure)

THIS AGREEMENT is entered into by and between Jefferson County ("County") and the City of Port Townsend ("City"), on the 13th of September, 2010 (last date written by signature below).

RECITALS

- A. The Board of County Commissioners has adopted County Resolution 32-10 placing a ballot measure Proposition 1 on the November 2, 2010 ballot, which asks voters whether to approve an increase in sales tax of 3/10th of one percent (0.3%, equal to thirty cents tax per one hundred dollar purchase) to fund public safety, youth and senior services, community services and basic government public services. The increase would fund a variety of County programs and services set forth in Resolution 32-10, including, maintaining certain sheriff, prosecutor and other public safety services, youth programs, juvenile services, senior services, community centers, public health and basic government services.
- B. Proposition 1 further states, "by law Port Townsend would receive 40% of the revenue. The City would use it for similar purposes including an agreement to dedicate a portion to support county parks and recreation for up to four years."
- C. In Resolution 32-10, the Board of County Commissioners stated:
- "The proposed sales and use tax will also generate approximately \$425,000 per year of additional revenue to the City of Port Townsend, one-third of which funds shall be used to fund City public safety programs, and the remaining revenue would be used for other City services; and the County intends to enter into an interlocal agreement with the City whereby a portion of the City's share would be dedicated for up to four years to Memorial Field and the Port Townsend Recreation Center to support and restore their operation and maintenance, restore youth afterschool programs, and provide capital funds for repairs and improvements."
- D. The Port Townsend City Council has adopted City Resolution 10-029, supporting placing a ballot measure on the November 2, 2010 ballot. The City Council stated:
- "Concerning the proposal in the County Resolution where the City and County would enter into an interlocal agreement with the City dedicating, up to the first four years, a portion of sales tax collections it would receive if the ballot measure passes, to support County parks and recreation, and restore their operation and maintenance, restore youth after school programs, and provide capital funds for repairs and improvements, this Resolution does not endorse any specific terms of an interlocal agreement with the County. This Resolution directs the City Manager to negotiate the terms of an interlocal with the County on potential revenue sharing. Any negotiations are subject to City Council (and Board of County Commissioner) approval of a final agreement."

- E. The Proposition 1 ballot measure if approved is estimated to initially generate approximately \$1,100,000 in collections, meaning the City would receive 40% or approximately \$425,000. If the City agrees to allocate 50% of its share of collections to assist County Parks for an initial term, this results in approximately \$212,500 of the \$425,000 City annual collection going to the County, with a net of approximately \$212,500 remaining with the City. Numbers are estimates based on projections and are rounded.
- F. Chapter 39.34 RCW, the Interlocal Cooperation Act, grants the County and the City the authority to enter into an Interlocal Agreement to make official use of their powers to cooperate on the basis of mutual advantage.
- G. The County and the City by this Agreement desire to define the terms of an agreement whereby the City would, if Proposition 1 is approved, contribute a share of sales tax receipts to the restoration and maintenance of Memorial Field and the Recreation Center (Community Center), and to youth services, subject to and on the terms set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, and pursuant to provisions of Ch. 39.34 RCW (as applicable), the parties agree as follows:

AGREEMENT

1. **PARTIES TO THE AGREEMENT.** This Agreement is entered into by the political subdivision of the State of Washington known as Jefferson County ("the County") and the Washington municipal corporation known as the City of Port Townsend ("the City").
2. **PURPOSE.** It is the purpose of this Agreement to define the terms between the City and the County whereby the City would, if the 3/10th of 1% sale tax November 2, 2010 ballot measure ("Proposition 1") is approved, contribute for a term up to four years a share of sales tax receipts to the restoration and maintenance of Memorial Field and the Recreation Center (Community Center), and to youth services, subject to and on the terms set forth in this Agreement.
3. **EFFECTIVE DATE; DURATION; TERMINATION.**
 - a. This Agreement is only effective if Proposition 1, on the November 2, 2010 ballot, is approved by the voters.
 - b. The term of this Agreement is for up to four years, as follows: If Proposition 1 passes, sales tax collections by the state would begin April 1, 2011, with disbursements to the County and the City beginning in June, 2011. The City contribution set forth in this Agreement would commence in June, 2011, and run up to four years through May 31, 2015, except as provided in paragraph 4.e, unless the parties have mutually executed a written extension of this Agreement.

4. CITY PERFORMANCE. The City agrees as follows:

Beginning June, 2011, and continuing through May, 2015, the City will contribute one-half of funds collected under the authority of Proposition 1, as they are received by the City, to the County for the following purposes:

- Maintain and continue normal operations of Memorial Field;
 - Reopen programming and maintain the Port Townsend Recreation Center; and
 - Help fund/match grants to make capital improvements to these facilities.
- a. Specifically, funds for Memorial Field shall be used to restore and maintain normal facility maintenance and operations, and event services including such expenditures as:
- Labor;
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- b. Specifically, funds for the Recreation Center shall be used to restore and maintain normal facility maintenance and restore no-charge drop-in recreation program for children and families before (7am to 9am) and after (2pm to 7pm) school and Saturdays (8am to 5pm), for a total of 44 hours per week, including such expenditures as:
- Labor;
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 - Grounds and facility maintenance; and
 - Utilities
- c. The balance would be used for capital improvements or grant match for capital improvements.
- d. The City shall work with the County to identify and prioritize capital improvements, and pursue grants.
- e. (1) Approval of plan. If a plan for a dedicated and secure funding source (or sources) is identified and agreed to in writing between the parties pursuant to the process in paragraph 6, and the plan is implemented through legislative action of the parties and/or voter approval, then the City performance and obligation to contribute sales tax collections and this Agreement terminate upon availability of the new funding to support Memorial Field and the Recreation Center.
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5. COUNTY PERFORMANCE. The County agrees as follows:

The County will use the funds received from the City for the purposes specified under City Performance (paragraph 4) in this Agreement. Operations under this Agreement will begin July 1, 2011.

The County shall seek Regional Parks and Recreation Committee input in preparing an annual budget for the operation, maintenance and improvement of Memorial Field and the Recreation Center, and will act in good faith in considering the Regional Parks and Recreation Committee's suggestions and resolving potential issues. By December 31 prior to each operating year, the County shall provide the City a final budget for same. The County shall track expenditures of all City funds under this Agreement, and provide a quarterly report. County accounting of these funds shall be open to City inspection throughout the term of this Agreement.

Any City sales tax revenues under Prop 1 received by the County over the amount budgeted for that year will be set aside for capital improvement projects related to Memorial Field or the Recreation Center.

The County shall work with the Regional Parks and Recreation Committee to identify and prioritize capital improvements, and pursue grants. An initial list of potential capital improvements with preliminary cost estimates for further consideration includes, but is not limited to:

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Paint the gym exterior	\$ 30,000
Replace gym floor	\$ 60,000
Interior Rec Center upgrades	\$ 40,000
Replace playground fence	\$ 17,000
New Rec Center equipment	\$ 15,000

Any sales tax revenue received from the City under this agreement that replaces current County-funded expenditures for these facilities and programs shall be used for:

- Maintenance of County parks and fields;
- Recreation programs;
- County facility maintenance; and
- Capital improvements to County facilities.

6. JOINT PERFORMANCE – SUSTAINABLE SERVICE DELIVERY AND FUNDING REVIEW AND IMPLEMENTATION OF RESULTS OF REVIEW

A variety of governments, non-profit organizations and school districts now provide recreation facilities and programs for youth and adults within the City and the County, serving citizens from both incorporated and unincorporated areas. The City and the County recognize that efficiency and service levels may be enhanced by coordinating, consolidating or sharing facilities, programs, staff and other resources between these different entities. The City and County also wish to identify dedicated and secure funding sources to support and maintain parks and recreation for our citizens for the long term. To this end, the City and County agree to pursue sustainable and coordinated service delivery and funding for recreation facilities and services in the City and all or portions of the County, as follows.

a. Review for sustainable service delivery and funding for recreation facilities and services.

The parties agree to immediately and actively collaborate on identifying and evaluating a variety of options for sustainable and coordinated service delivery and funding for recreation facilities and services in the City and all or significant portions of the County. The City and the County acknowledge their intent to develop a package serving the broadest population and geographic area feasible. This range of options to be considered may include a Metropolitan Parks District, a Park Service Area, interlocal agreements with dedicated funding sources, the status quo, asset liability reallocation, and other alternatives. Attached as Exhibit 1 and incorporated by reference as part of this Agreement is a schedule of benchmarks for this review, including formation of an Exploratory Regional Parks and Recreation Committee to help guide this review. The parties agree to exercise good faith and best efforts to comply with the schedule of benchmarks set forth in Exhibit 1 in order to formulate a strategy that is designed to result in a sustainable funding source for recreation facilities and services in the City and all or significant portions of the County.

This Agreement provides for no pre-determined outcome concerning a service delivery and funding strategy. While the intent is that after review the City and the County will come to an agreement on a sustainable funding strategy, there is no obligation on the parties in this Agreement or otherwise to agree to any strategy. Whether agreement will be reached depends to the outcome of the review and further actions by the City and the County.

b. Action Requiring Voter Approval. If the parties agree on a strategy and funding option that requires voter approval (for example, Metropolitan Parks District, or levy lid lift), then the parties agree to submit the measure to the voters at the earliest opportunity following completion of the review, or as otherwise agreed by the parties. If the measure does not receive voter approval, then the parties agree to review whether re-submittal of the measure should occur, and if they so agree, to re-submit the measure.

- c. **Option if Parties Cannot Agree on a Delivery and Funding Strategy or Voters Do Not Approve a Strategy Requiring Voter Approval.** If the parties cannot agree on a strategy for a sustainable funding source for recreation facilities and services in the City and County, or if there is agreement on a strategy requiring voter approval, and the voters do not approve the strategy, the parties agree as follows: The City and the County shall each have the option in its sole discretion to place a ballot measure before the voters of that jurisdiction that creates a sustainable funding plan to fund some or all recreation facilities and services of that jurisdiction.

The parties acknowledge their mutual desire to ensure that all facilities referenced herein are maintained and operated for the maximum benefit of all citizens of the region and pledge to work together in good faith to this purpose.

7. GENERAL TERMS.

- a. **Hold Harmless.** Each party to this Agreement shall defend, indemnify and hold the other party, its appointed and elected officers and employees, harmless from claims, actions, injuries, damages, losses or suits including attorney fees, arising or alleged to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the indemnitor, its appointed or elected officials, employees, officers, agents, assigns, volunteers or representatives.
- b. **Applicable Law and Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a dispute, such dispute shall be litigated in the Superior Court of Jefferson County, Washington.
- c. **Non-Discrimination.** Parties shall not discriminate in any manner related to this Agreement on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or the provision of services.
- d. **Severability.** If any provision of the Agreement shall be held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of all parties.
- e. **Relationship to Existing Laws and Statutes.** The County and City do not abrogate the decision-making authority vested in them by law except as specifically provided in this Agreement. This Agreement in no way modifies or supersedes existing State laws and statutes. The parties shall at all times comply with all applicable provisions any federal, state, County or City legislation, and the rules and regulations issued there under.
- f. **Good Faith Assistance.** Each party agrees to aid and assist the other in good faith in accomplishing the objectives of this Agreement. If either party believes the other is not meeting its obligations under this Agreement, that party may trigger a resolution process to evaluate and resolve the performance issue. The first step of the resolution process will be to refer the issue for resolution to the County Administrator and the City Manager for a period of 30 days. If, after 30 days the performance issue has not been resolved, either party may trigger mediation to resolve the issue. Mediation will be by a professional mediator selected by mutual agreement of both parties and paid for by both parties. The

mediation will be for up to a period of 90 days, during which period the 50% allocation of City revenues will be in suspension and not be available to either party. If the mediator declares an impasse, then the parties shall agree to new terms. The funds shall remain in suspension until the issue is resolved or a new agreement has been mutually executed.

- g. **Assignment.** This agreement may not be assigned in whole or in part by either party without the prior written approval of the other party.
- h. **Contract Not a Partnership.** This Agreement is to provide services, and is in no way intended to create a partnership, agency, joint venture between the parties.
- i. **Notices.** All notices hereunder may be personally served, delivered or mailed. If mailed, they shall be sent by certified or registered mail to the addresses:

CITY:

City Manager
City Hall
250 Madison Street, #201
Port Townsend, WA 98368

COUNTY:

County Administrator
POB 1220
Port Townsend, WA 98368

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

- j. **Advice of Counsel; Construction.** The parties warrant and represent to each other that they have had representation by legal counsel and/or have had the opportunity to be represented by legal counsel during all stages in the negotiation of this Agreement. The parties further agree that they have participated in the negotiating and drafting of this Agreement and stipulate that this Agreement shall not be construed more favorably with respect to either party.
- k. **Recording.** On execution of this Agreement by both parties, the County shall record this Agreement in Jefferson County.
- l. **Administrator.** The City's representative for purposes of administering this Agreement is the City Manager. The County's representative for purposes of administering this Agreement is the County Administrator.
- m. **Rights of Other Parties.** It is understood and agreed that this Agreement is solely for the benefit of the City and the County, and conveys no right to any other party, person or entity.

- n. **Binder.** This Agreement shall be binding upon the parties hereto, their successors and assigns.
- o. **Venue and responsibility for litigation costs.** The sole venue for any litigation that might arise from the parties' performance (or alleged failure to perform) pursuant to the terms and conditions of this Agreement shall be the Superior Court In and For Jefferson County. Should such litigation occur, then each party will be solely responsible for the costs and expenses it incurs with respect to that litigation.
- p. **Entire Agreement; Revocation of Prior Agreements; Amendments.** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter of this Agreement and use of the premises, and any other agreement, statement, promise, representation or understanding by any party hereto, or any of their respective agents, representatives, employees or principals which is not contained in this Agreement, is hereby mutually rescinded and revoked and shall not be binding or valid. Any amendments or additions or modifications to this Agreement shall be in writing executed by the parties hereto. Neither party shall be bound by any verbal or implied agreements.

Executed as of the date written below:

CITY OF PORT TOWNSEND

JEFFERSON COUNTY


By 
David G. Timmons, City Manager

By 
David Sullivan, Chair
Board of County Commissioners

Date: 9-13-10

Date: September 13, 2010

Attest:


Pamela Kolacy, CMC, City Clerk

Attest:


Raina Randall, Deputy Clerk of the Board

Approved as to Form:


John P. Waits, City Attorney

Approved as to Form:

 9/13/10
David Alvarez, Deputy Prosecutor

EXHIBIT 1

SUSTAINABLE SERVICE DELIVERY AND FUNDING REVIEW
Schedule of Benchmarks

Benchmark	Delivery Date
<p>Exploratory Regional Parks And Recreation Committee. Convene an exploratory regional parks and recreation committee, comprised of:</p> <ul style="list-style-type: none"> • Chair of the Board of County Commissioners, or other designated County Commissioner (the County Administrator shall be the alternate), two members of the Jefferson County Parks Advisory Board, one outdoor sports league representative, one WSU 4-H Extension agent, and one indoor sports representative, appointed by the Board of County Commissioners; • Mayor of Port Townsend or other designated member of the City Council (the City Manager shall be the alternate), two members of the Port Townsend Parks Advisory Board, one sports league representative, one representative of a non-profit recreation provider, appointed by the City Council; • Superintendents of the Port Townsend, Chimacum, Quilcene and Brinnon School Districts, or their designees • A representative of the Law and Justice Council; • Health Department Director or designee • Hospital District Director or designee <p>The regional parks and recreation committee shall be staffed jointly by the City and County Departments of Public Works. All meetings will be public and may include public input sessions.</p>	January 1, 2011
Inventory. Inventory existing parks and recreation facilities and programming in the City and the County and current funding levels.	March 31, 2011
Needs Assessment. Develop a needs assessment for facility capital improvements and programming gaps for key populations, and approximate costs.	May 31, 2011
Funding and Administration Options. Identify options for funding, and administering parks and recreation facilities and programs.	July 31, 2011
Analyze Options. Analyze funding and administration options.	August 30, 2011
Develop and Recommend Joint Strategy. Develop a joint strategy for providing long-term funding and administration of parks and recreation in Jefferson County and Port Townsend.	December 31, 2011
Review by BOCC and City Council and Beginning Formal Public Process	January 31, 2012
Public Process	March 31, 2012
Adoption of Preferred Alternative by BOCC and City Council	April 30, 2012
Period to Resolve Outstanding Issues and Approve Preferred Alternative	June 30, 2012
First Presentation for Voter Approval (If Required)	set by mutual agreement
Second Presentation for Voter Approval (If Required)	set by mutual agreement