



**CITY OF WENATCHEE
PUBLIC NOTICE**

**Re: Wenatchee City Council Meeting
Thursday, January 28, 2021 @ 5:15 PM**

Due to the COVID-19 pandemic, and current legislative resolution extending the gubernatorial orders issued in response to the state of emergency (SCR 8402), for the health and safety of the community and city staff and councilmembers, City Hall is closed to the public. The public may view the City Council meeting which is broadcast live on the city's YouTube channel "[Wenatchee TV](#)". Members of the public without internet access may listen to the City Council meeting and participate in any public hearings by calling **(509) 888-3298, passcode 66516**.

En Español:

POR FAVOR TOME NOTA, en consideración a la actual pandemia COVID-19, para la salud y seguridad de la comunidad y el personal de la ciudad y los miembros del Concejo, no tendremos público presente en la junta del Concejo de Wenatchee.

El público puede tener acceso a la junta en el canal de YouTube de la ciudad "Wenatchee TV". Los miembros del público sin acceso a Internet pueden escuchar esta junta llamando al **(509) 888-3298, passcode, 66516**.

Tammy Stanger, City Clerk
301 Yakima Street, 3rd Floor • P.O. Box 519 • Wenatchee, WA 98807-0519
Telephone: (509) 888-6204 • Facsimile: (509) 888-3636 • TTY: 711
Email: cityclerk@wenatcheewa.gov • Web: www.wenatcheewa.gov



WENATCHEE CITY COUNCIL

Thursday, January 28, 2021

Wenatchee City Hall Council Chambers

301 Yakima Street, 2nd Floor

Wenatchee, WA 98801

AGENDA

Due to the COVID-19 pandemic, and current legislative resolution extending the gubernatorial orders issued in response to the state of emergency (SCR 8402), for the health and safety of the community and city staff and councilmembers, City Hall is closed to the public. The public may view the City Council meeting which is broadcast live on the city's YouTube channel "[Wenatchee TV](#)". Members of the public without internet access may listen to the City Council meeting and participate in any public hearings by calling **(509) 888-3298, passcode 66516**.

5:15 p.m. Regular Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call

2. Consent Items

- Motion to approve agenda, vouchers, and minutes from previous meetings.
Vouchers:
Claim checks #197699 - #197723 in the amount of \$1,831,567.56 for January 12, 2021
Wire #1516 and checks #197724 - #197803 in the amount of \$1,004,241.42 for January 14, 2021
Payroll distribution in the amount of \$365,465.00 for January 20, 2021
Claim checks #197805 - #197852 in the amount of \$302,491.92 for January 20, 2021
- Motion to approve Resolution No. 2021-02 appointing Mark Kulaas as Mayor Pro Tempore for 2021.
- Motion to approve Resolution No. 2021-03, designating voting representatives on behalf of the City to various community boards, councils and organizations.
- Motion for City Council to accept the work performed by the contractor, Pipkin Construction on the Skyline Reservoir Transmission Main & Utility Improvements Phase 1, Project #1704 and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee.

3. Presentation

- Dr. Paul Gordon, Superintendent – Wenatchee School District
- Heart Month Proclamation

4. Action Items

A. Artwork Donation

Presented by Parks, Recreation and Cultural Services Director David Erickson

Action Requested: Move acceptance of the donation of the Fandango Jarocho sculpture.

B. Pinnacles Prep Lease Agreement

Presented by Parks, Recreation and Cultural Services Director David Erickson

Action Requested: Move approval of FIRST Addendum to Lease with Pinnacles Prep and authorize the Mayor to sign.

C. Creating a long-term investment account, referred to as Separately Managed Accounts, with the Office of the State Treasurer

Presented by Finance Director Brad Posenjak

Action Requested: Staff recommends the City Council authorize the Mayor's signature on the interagency agreement with the State of Washington Office of the State Treasurer to manage the City's long-term investments in a separately managed account.

5. Public Hearing Items

The Mayor will call the Public Hearing to order and state the ground rules, the purpose of the hearing, the action that the hearing body may take on the matter, will address the appearance of fairness doctrine, and will state the manner in which the hearing will proceed. Staff will first give a report, followed by testimony of experts and/or the applicant, followed then by public testimony. All speakers must speak into the phone and clearly state their names and addresses. All comments should be addressed to the hearing body, should be relevant to the application, and should not be of a personal nature. Public testimony may be limited to three minutes, unless further time is granted by the Mayor. If there are a large number of speakers, a representative may be appointed to speak on behalf of the group.

D. Amendment V for the 2019 Community Development Block Grant (CDBG) Annual Action Plan (AAP) allowing an increase in the Public Services allocation and potential use of pre-award costs to be incurred for the 2020 program year including:

- Food Box Program up to \$100,000
- Emergency Assistance to Households/Businesses up to \$127,788
- Public Services 2020 Pre-Award costs up to \$350,000

Presented by Housing & Community Planner Brooklyn Holton

Action Requested: City Council approve Amendment V to the 2019 CDBG Annual Action Plan and authorize the Mayor to sign applicable applications, certifications, assurances and agreements.

6. Reports

- a. Mayor's Report
(1) New City Hall
- b. Reports/New Business of Council Committees

7. Announcements

8. Adjournment

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Mayor's office at (509) 888-6204 (TTY 711). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1.)



WENATCHEE CITY COUNCIL
Thursday, January 14, 2021
Wenatchee City Hall Council Chambers
301 Yakima Street, 2nd Floor
Wenatchee, WA 98801
MINUTES

DRAFT

Present: Mayor Frank Kuntz, Councilmember Position 1 Jose Cuevas, Councilmember Position 2 Jim Bailey, Councilmember Position 3 Ruth Esparza (via phone), Councilmember Position 4 Travis Hornby, Councilmember Position 5 Mark Kulaas, Councilmember At-Large “A” Linda Herald, Councilmember At-Large “B” Keith Huffaker (via phone)

Staff Present: Executive Services Director Laura Merrill, City Attorney Steve Smith, City Clerk Tammy Stanger, IS Support Tim McCord, Public Works Director Rob Jammerman, IS Director Dale Cantrell, Community Development Director Glen DeVries, Finance Director Brad Posenjak, Deputy Public Works Director Jessica Shaw, Police Chief Steve Crown

Mayor Frank J. Kuntz called the meeting to order at 4:55 p.m. for the purpose of meeting in executive session. All Councilmembers were present with Councilmembers Esparza and Huffaker participating via phone.

4:55 p.m. Executive Session. Executive session to consider information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results. RCW 42.30.110(1)(a)(ii).

Motion by Councilmember Mark Kulaas to convene in executive session for a time period not to exceed 17 minutes, with legal counsel present, to consider information regarding the infrastructure and security of computer and telecommunications networks, security and service recovery plans, security risk assessments and security test results. RCW 42.30.110(1)(a)(ii). Councilmember Travis Hornby seconded the motion. Motion carried (7-0).

Council adjourned from executive session at 5:12 p.m.

5:15 p.m. Regular Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call. The Mayor called the regular meeting to order at 5:15 p.m. Councilmember Jim Bailey led the Pledge of Allegiance. All Councilmembers were present with Councilmembers Esparza and Huffaker participating via phone.

2. Consent Items

Motion by Councilmember Mark Kulaas to approve agenda, vouchers, and minutes from previous meetings, to accept the work performed by the contractor, Kissler Enterprises Environmental Products, Inc., on the Biosolids Hauling, Project No. SW18-10, and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee, and to approve the Final Contract Voucher with TW Clark Construction for Project No. 1809 - SSA/OHO Wenatchee Remodel, and authorize the Mayor's signature. Councilmember Travis Hornby seconded the motion. Motion carried (7-0).

3. Presentation

- School Choice Week Proclamation read by Councilmember Jim Bailey.

4. Action Items

- A. Adoption of Resolution No. 2021-01 for the appointment of Elvis Garcia to the Housing Authority of Chelan County and City of Wenatchee Board

Executive Services Director Laura Merrill presented the staff report.

Motion by Councilmember Travis Hornby for City Council to adopt Resolution No. 2021-01 to approve the appointment of Elvis Garcia to the Housing Authority of Chelan County and City of Wenatchee Board for a two-year term ending December 31, 2021. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

- B. North Columbia Street Improvements, City Project #1919 - Supplement #1 to Agreement with KPG

Public Works Director Rob Jammerman presented the staff report. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to approve of and authorize the Mayor to execute Supplement #1 with KPG for additional design services for the North Columbia Street Improvements project (Project No. 1919). Councilmember Linda Herald seconded the motion. Motion carried (7-0).

- C. Resolution No. 2021-04 for approval of the City of Wenatchee Business and System Continuity Plan

Information Systems Director Dale Cantrell presented the staff report.

Motion by Councilmember Linda Herald for City Council to pass Resolution No. 2021-04 approving the City of Wenatchee's Business and System Continuity Plan. Councilmember Jose Cuevas seconded the motion. Motion carried (7-0).

D. Resolution No. 2021-05 approving the City of Wenatchee Cyber Incident Response Plan

Information Systems Director Dale Cantrell presented the staff report.

Motion by Councilmember Mark Kulaas for the City Council pass to Resolution No. 2021-05 approving the City of Wenatchee's Cyber Incident Response Plan. Councilmember Jose Cuevas seconded the motion. Motion carried (7-0).

E. Lineage Water Right Purchase and Sale Agreement

Public Works Director Rob Jammerman presented the staff report. Council asked questions and the Mayor provided additional input on the agreement.

Motion by Councilmember Travis Hornby for City Council to authorize the Mayor to sign the Attached Water Right Purchase and Sale Agreement in its current or substantially similar form. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

F. Extending the City's current Utility Assistance Program an additional year, until 12/31/2021

Finance Director Brad Posenjak presented the staff report. Council asked questions.

Motion by Councilmember Mark Kulaas for City Council to approve Ordinance #2021-06 amending the termination date of the Utility Assistance Program in WCC 9.02.010(07). Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

G. Multi-Family Tax Exemption Agreement with FNWD Brookstone 3 LLC

Neighborhood and Community Services Coordinator Brooklyn Holton presented the staff report (via phone). Council asked questions. Community Development Director Glen DeVries also provided input and answered questions.

Motion by Councilmember Jim Bailey for City Council to adopt Resolution 2021-06 authorizing the execution of a Multi-Family Housing Limited Property Tax Exemption Agreement with FNWD Brookstone 3, LLC. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

H. Wenatchee Valley Regional Decant Facility Use Agreement with Washington State Department of Transportation

Deputy Public Works Director Jessica Shaw presented the staff report. Council asked questions.

Motion by Councilmember Linda Herald for City Council to approve the Wenatchee Valley Regional Decant Facility Use Agreement with the Washington State Department of

Transportation and authorize the Mayor's signature. Councilmember Jose Cuevas seconded the motion. Motion carried (7-0).

- I. Contract Amendment for Novotx Elements Implementation Services by Warby Consulting, \$117,040

Deputy Public Works Director Jessica Shaw presented the staff report.

Motion by Councilmember Linda Herald for City Council to approve Contract Amendment No. 1 to the Professional Services Agreement with Warby Consulting and authorize the Mayor's signature. Councilmember Travis Hornby seconded the motion. Motion carried (7-0).

5. Reports

a. Mayor's Report:

- (1) Work sessions were discussed and it was decided that they would continue every other month, with the first one for 2021 being in February, and tagged onto regular meetings as needed.
- (2) Councilmember Kulaas approved as Mayor Pro Tem for 2021. The resolution will come for approval at the next meeting.
- (3) The Mayor and Council reviewed the list of boards and committees for 2021. A resolution for those designations will come for approval at the next meeting.
- (4) The city has received \$60,000 from the RMSA RETRO program. The Mayor was thankful for the good work of the Human Resources department in receiving that.
- (5) The food pantry program at the Town Toyota Center will continue a few more months (through the CARES program). Staff is currently researching to see if CBDG funding can be used to continue that program a little bit longer at the Town Toyota Center.
- (6) The Mayor announced the recipients of the annual Civil Rights & Social Justice Awards: Dr. Mabel Bodell and the Wenatchee Valley Museum & Cultural Center. Both well deserved awards.
- (7) A discussion was held concerning a local business with a leak issue and the current policy in place. Finance Director Brad Posenjak addressed the Council and suggested a look at the current policy and possible revision.
- (8) The Mayor added that he spoke with Senator Hawkins this week and there are a couple of issues he brought up: (1) Pinnacles Prep – possible grant for remodeling the school (which will take up some city staff time); and (2) possible grant funding for permanent parking for the Jacobson Preserve.

b. Reports/New Business of Council Committees

- (1) Councilmember Linda Herald spoke about the visit to the Moses Lake low-barrier shelter last week with the Mayor and City Staff. The Homeless Housing Committee met yesterday and have identified potential sites.
- (2) Councilmember Travis Hornby announced that the Wenatchee Downtown Association has been nominated as non-profit of the year. They have been

working hard to promote downtown and are working on upcoming packages (Valentine's Day, Mother's Day, etc.)

- (3) Councilmember Linda Herald announced she will be attending AWC's Legislative Days, which is an all virtual event.

6. Announcements. None.

7. Adjournment. With no further business the meeting adjourned at 6:45 p.m.

Frank J. Kuntz, Mayor

Attest:

Tammy L. Stanger, City Clerk

RESOLUTION NO. 2021-02

A RESOLUTION, appointing Mark Kulaas as Mayor Pro Tempore for 2021.

WHEREAS, WCC 1.06.020 requires the City Council at its first regularly scheduled meeting in January of each year, by majority vote, to select among their members a councilmember to act as Mayor Pro Tempore for the ensuing year; and

WHEREAS, the Council has selected Councilmember Mark Kulaas.

NOW, THEREFORE, the City Council of the City of Wenatchee do hereby resolve as follows:

SECTION I

That Councilmember Mark Kulaas shall be and hereby is designated as Mayor Pro Tempore for 2021 to serve in the absence or temporary disability of the Mayor.

SECTION II

The appointment of Councilmember Mark Kulaas shall not in any way abridge his/her right to vote upon all questions coming before the Council. Councilmember Mark Kulaas while acting as Mayor Pro Tempore will not have the power to appoint or remove any officer or to veto any ordinance.

SECTION III

This Resolution shall take effect immediately.

**PASSED BY THE CITY COUNCIL OF THE CITY OF
WENATCHEE** at a regular meeting thereof this 14th day of January, 2021.

CITY OF WENATCHEE, a Municipal
Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

RESOLUTION NO. 2021-03

A RESOLUTION, designating voting representatives on behalf of the City to various community boards, councils and organizations.

WHEREAS, elected officials and staff of the City of Wenatchee serve as voting members of various community boards, councils and organizations; and

WHEREAS, the City Council of the City of Wenatchee desires to formalize the appointments to the various community boards, councils and organizations on which they serve.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE, that the mayor, council members and staff shall serve as the City's voting representative to the community boards, councils and organizations as set forth on Attachment "A" for the calendar year 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 14th day of January, 2021.

CITY OF WENATCHEE, a Municipal
corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY L. STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

COUNCIL COMMITTEE ASSIGNMENTS (2021)

Boards, Councils & Organizations	Meets	Mayor Kuntz	Exec. Svcs. Director	Pos. 1 Jose Cuevas	Pos. 2 Jim Bailey	Pos. 3 Ruth Esparza	Pos. 4 Travis Hornby	Pos. 5 Mark Kulaas	At Lg A Linda Herald	At Lg B Keith Huffaker
Council Meetings	2 nd & 4 th Thursday 5:15 p.m.	X	X	X	X	X	X	X	X	X
Council Workshops	3 rd Thursday Every other month Beginning February 5:15 p.m.	X	X	X	X	X	X	X	X	X
Council Finance Committee	2 nd and 4 th Thursday 3:00 p.m.	X	X	X		X			X	
Council Public Safety Committee	3 rd Thursday 3:30 p.m. / every other month	X	X	X			(alt)		X	X
Council Public Works / Economic Development Committee	1 st and 3 rd Tuesday 8:15 a.m. @ City Hall	X	X		X		X	X		(alt)
City Director/Dept. Head Meeting	2 nd Thursday 1:30 p.m.	X	X	Always Invited						
Mayor Pro-tem	<i>On call</i>							X		
Arts, Recreation & Parks Commission	3 rd Tuesday 4:00 p.m.	None Required								
AWC/Risk Management Board	Quarterly				X					
Chelan County Solid Waste Council	Feb. 7, May 1, Aug. 7, Nov. 6 @ 4pm Chelan Co. PW Conf. Room									X
Chelan Douglas Health District Board	3 rd Monday 3:00 p.m.					X	(alt)			
Chelan-Douglas Transportation Council	2 nd Thursday 9:00 a.m.	X				(alt)				
Code Enforcement Board	4 th Wednesday 5:30 p.m.	None Required								
Community Action Council	2 nd Wednesday 12:00 p.m.								X	(alt)
Disability Board (LEOFF)	Varies/as needed			X				X		
Economic Development District	2 nd Wednesday 8:30 a.m. Chelan City Hall									

COUNCIL COMMITTEE ASSIGNMENTS (2021)

Boards, Councils & Organizations	Meets	Mayor Kuntz	Exec. Svcs. Director	Pos. 1 Jose Cuevas	Pos. 2 Jim Bailey	Pos. 3 Ruth Esparza	Pos. 4 Travis Hornby	Pos. 5 Mark Kulaas	At Lg A Linda Herald	At Lg B Keith Huffaker
Firemen's Pension	As needed				X					
Grievance Committee	On call	X								
Homeless Steering Committee	Meeting times vary			(alt)					X	
Link Board	3 rd Tuesday 3:00 p.m.				X					
Lodging Tax Advisory Committee	3 rd Wednesday, every other month 3:00 p.m.						(alt)	X		
Misawa Sister City	1 st and 3 rd Thursday 5:30 p.m. E. Wen. City Hall								X	
Museum Board	3 rd Tuesday at 11:30 a.m.							X		
Planning Commission	3 rd Wednesday 5:30 p.m.	None Required								
Police Disability Advisory Bd.	As needed	X								
Public Facilities District	1 st and 3 rd Mondays at 4:00 p.m.	X								
Regional Water		X								
RiverCom (Chief Crown also attends)	2 nd Wednesday 9:00 a.m.	(alt)				X				
Tourism Promotion Area Board	3 rd Wednesday at 12:00 p.m.					X	X			
Wenatchee Valley Stormwater Advisory Committee	Varies				(alt)					X
Wenatchee Downtown Assoc.	2 nd Weds. 7:45 a.m.					(alt)	X			
Wenatchee Valley Chamber of Commerce	3 rd Tuesday at 6:30 a.m.									X



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Jeremy Hoover, P.E., Senior Utility Engineer
Department of Public Works

A handwritten signature in blue ink, appearing to be "JH", is located to the right of the "FROM:" field.

MEETING DATE: January 28, 2021

I. SUBJECT

Final Acceptance of the Skyline Reservoir Transmission Main & Utility Improvements, Phase 1
City Project No. 1704.

II. ACTION REQUESTED

Staff recommends the City Council accept the work performed by the contractor, Pipkin Construction on the Skyline Reservoir Transmission Main & Utility Improvements Phase 1, Project #1704 and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee.

III. OVERVIEW

Replacement of the steel water transmission line in Skyline Drive was identified as a needed system improvement in the 2012 Water System Comprehensive Plan as well as the most recent Comprehensive Plan adopted in 2018. The pipe network north and west of Appleland, including the reservoir valve vault, was replaced in its entirety. In order to comply with Department of Health mandated reservoir overflow requirements, a new air gap assembly was installed to prevent cross contamination of the potable water and storm drain systems. This necessitated extension of the storm drain network from South Hills Drive to the location of the air gap at the reservoir site. While sanitary sewer designs were included in the original project scope, those improvements were not included with this phase of construction due to budgetary constraints.

The project was advertised in March of 2020. Bids were opened on May 7 with a total of 8 firms responding. Pipkin Construction was the low bidder with a total bid price of \$736,615.50. This dollar amount represented both the stormwater contribution of \$186,412, and water contribution of \$550,203.50 after tax. A total of four (4) change orders were issued during construction. These change orders were issued based on significantly changed conditions that were unforeseen during the design process. Storm drain limits were changed as well as the water line alignment and connection configuration. Due to the revisions, additional asphalt paving was also necessary.

The Engineer's estimate put the construction cost between \$825,000 and \$875,000 as originally designed. Internal staff costs were approximately \$49,314. The design consultant contract value was \$236,232 with an additional \$5,317 utilized for testing services. The project was deemed substantially complete on October 26, 2020. The remaining punch list items were completed on November 23, 2020. Wage payment affidavits were completed on January 14 and the facilities are active.

IV. FISCAL IMPACT

With all change orders included, the final construction cost amounted to \$882,340.29. Internal staff time totaled \$49,314.04. Consultant and permitting fees totaled \$243,615.56.

The adopted project budget is as follows:

Expense Category	Amount
Design Engineering (Consultant)	\$236,233
Design Engineering (Staff)	\$15,726
Construction Contract & Surveying	\$901,304
Construction Engineering & Testing	\$75,000
Construction Testing	\$7,000
Art Fund	\$9,013
Total Project Budget	\$1,244,276

Including design and construction engineering, construction activities, permitting, and staff time, total expenditures are approximately \$1,184,093. The project costs for each fund are tabulated below.

Expense Category	Fund 401	Fund 405	Fund 410	Total
Design Engineering (Consultant)	\$85,846	\$60,243	\$90,143	\$236,232
Design Engineering (Staff)	\$5,714	\$4,296	\$5,716	\$15,726
Construction Contract & Surveying	\$585,386.63	\$0.00	\$296,953.66	\$882,340.29
Construction Engineering	\$23,655.29	\$0.00	\$11,999.81	\$35,655.10
Construction Testing	\$3,527.22	\$0.00	\$1,789.28	\$5,316.50
Art Fund	\$5,853.87	\$0.00	\$2,969.53	\$8,823.40
Total Project Costs	\$709,983.50	\$64,539.00	\$409,570.79	\$1,184,093.29

V. REFERENCE(S)

PW Agenda Report 2020-13 Authorization to Award Bid
PW Agenda Report 2020-33 Construction Change Order No. 3
Final Contract Voucher

VI. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director
Rob Jammerman, Public Works Director
Gary Owen, City Engineer
Natalie Thresher, Financial Analyst



**FINAL CONTRACT
VOUCHER CERTIFICATE**

Contractor Pipkin Inc., dba Pipkin Construction			
Street Address 4801 Contractors Drive			
City East Wenatchee	State WA	Zip 98802	Date January 15, 2021
City Project Number 1704	Federal-Aid Project Number N/A		Highway Number
Job Title Skyline Reservoir Transmission Main and Utility Improvements – Phase I			
Date Work Physically Completed November 23, 2020		Final Amount \$882,340.29	

Contractor's Certification

I, Brian E. Parsons, The undersigned, having first been duly sworn, certify that I am authorized to sign for the claimant; that in connection with the work performed and to the best of my knowledge no loan, gratuity or gift in any form whatsoever has been extended to any employee of the City of Wenatchee nor have I rented or purchased any equipment or materials from any employee of the City of Wenatchee; I further certify that the attached final estimate is a true and correct statement showing all the monies due me from the City of Wenatchee for work performed and materials furnished under this contract; that I have carefully examined said final estimate and understand the same and that I hereby release the City of Wenatchee from any and all claims of whatsoever nature which I may have, arising out of the performance of said contract, which are not set forth in said estimate.



[Handwritten Signature]

Contractor Authorized Signature Required

Brian E. Parsons, Vice President
Type Signature Name

Subscribed and sworn to before me this 19th day of January 20 21
X [Signature], Notary Public in and for the State of
Washington residing at 2948 N Baker Ave-East Wenatchee WA

City of Wenatchee

City of Wenatchee hereby accepts the completed contract pursuant to Section 1-05.12 of the contract provisions.

Mayor/or Designee

Date of Acceptance

2020 Capital Improvement Project Budget

Date: May 14, 2020

Project Name: Skyline Reservoir Transmission Main & Utility Improvements - Phase 1

Project Category: Water / Storm / Sewer

Project Description: The project currently includes the replacement of the existing 14 inch water transmission line from the existing Skyline Reservoir to the Skyline Rd. and Appleland Dr. intersection. Valving, controls, and an auxiliary building are included as well as storm drain improvements necessary to meet Department of Health mandates for the reservoir overflow.

Lead Engineer:	Jeremy Hoover, P.E.	Start Year:	2017
Assigned Department:	Engineering	End Year:	2020
Original Project Budget:	\$1,472,000	Project Number:	1704
Budget Amendment:	-\$227,723	Total City Funding:	\$1,244,277
		Other Funding:	\$0

Revenue Notes and/or Requests for Budget Changes:

This project is currently funded through Fund 401 - Water, 405 - Sewer, and 410 - Storm Drain. The revised budget includes the Construction Bid Price with change orders to date, in house inspection, management, materials testing, and art fund contribution. Costs are proportionately assigned to each of the utility funds based on their benefitting share. Construction of the sewer improvements and some of the stormwater improvements designed in 2019 are not included in the current construction contract.

Project Expenditures by Category	Original Budget	Amended Budget	Prior Years Spent	ESTIMATES			Project Total
				2018	2019	2020	
Design Engineering - Consultant	187,956	236,233		87,719	143,514	5,000	236,233
Design Engineering - Internal	15,200	15,726	1,200	6,000	6,000	2,526	15,726
Construction Contract & Surveying	\$1,244,400	\$901,304				901,304	901,304
Construction Engineering/In-house Mgmt	6,000	\$75,000				75,000	75,000
Construction Testing	6,000	7,000				7,000	7,000
Art Fund	12,444	9,013				9,013	9,013
Total Project Expenditures	1,472,000	1,244,277	1,200	93,719	149,514	999,844	1,244,277

Project Revenues by Category	Original Budget	Amended Budget	Prior Years	ESTIMATES			Project Total
				2018	2019	2020	
Fund: 401 - Water	733,000	773,861	600	70,002	69,359	633,901	773,861
Fund: 405 - Sewer	369,500	64,539			64,539	0	64,539
Fund: 410 - Storm Drain	369,500	405,876	600	23,717	15,616	365,943	405,876
GRANTS:							
FEDERAL:							
Total Project Revenues	1,472,000	1,244,277	1,200	93,719	149,514	\$999,844	1,244,277

Approved by: _____

Date: _____

Brad Posenjak, Finance Director

PROCLAMATION

WHEREAS, coronary heart disease is the number 1 killer of both American males and females; and

WHEREAS, 95% of cardiac arrest victims die before they reach a hospital; and

WHEREAS, 75% of cardiac arrests occur in the home setting; and

WHEREAS, lives can be saved through your help; and

WHEREAS, the City of Wenatchee Employee Health Promotion Program and the American Heart Association are committed to employee and public education about heart disease and stroke and this year urge everyone to "Be A Heartsaver" by knowing the warning signs of a heart attack, calling 9-1-1 and giving CPR; and

WHEREAS, the City of Wenatchee encourages residents to adopt healthier lifestyles to reduce the risk of cardiovascular diseases and stroke; and

WHEREAS, the American Heart Association is the largest voluntary, not-for-profit organization whose mission is to reduce disability and death from cardiovascular diseases and stroke;

NOW THEREFORE, I, Frank J. Kuntz, Mayor of the City of Wenatchee do hereby proclaim February 2021, as

“Wenatchee Heart Month”

and hereby urge all community members to become heartsavers and learn CPR.

IN WITNESS WHEREOF, I hereby set my hand and cause the seal of the City of Wenatchee to be affixed on this 28th day of January, 2021.

Frank J. Kuntz, Mayor



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: David Erickson, Parks, Recreation and Cultural Services Director

MEETING DATE: January 28, 2021

I. SUBJECT

Artwork Donation

II. ACTION REQUESTED

Move acceptance of the donation of the Fandango Jarocho sculpture.

III. OVERVIEW

In November 2020 Robert and Carol Brown asked if the City would be interested in accepting the donation of their bronze sculpture, Fandango Jarocho into the Public Art Collection. They own a cherry orchard in the valley and would like to give agricultural recognition to the Hispanic community that contribute much to the community.



The sculpture is by Gordon Johnson and measures 23 ½" high by 15" wide and 11" deep. The fandango, a traditional Spanish flamenco-type dance, originated in the Spanish Province of Andalusia and came to the Americas with the first Spanish settlers. The sculpture is a depiction of the dance. The bronze sculpture was made at Raging Foundry in Thorp, Washington by James Seward.

A copy of the art donation agreement is attached.

Staff and the Arts, Recreation and Parks Commission recommend approval.

IV. FISCAL IMPACT

None anticipated.

V. PROPOSED PROJECT SCHEDULE

Arrange for pickup if approved.

VI. REFERENCE(S)

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director



City of Wenatchee
Parks, Recreation and Cultural Services Department
PO Box 519, Wenatchee Washington 98801
Gift Acceptance Agreement

I have read the Gift Acceptance Policy. I understand that the art being accepted by the City of Wenatchee. I also understand that the art may be disposed of by the City at a later date, as appropriate.

I, Robert Brown, affirm that I am the owner of the art work being donated, and herewith present to the City of Wenatchee, irrevocably and for the use and purpose of the Public Art Program, all rights, title, and interest in the following art work received by the City on JANUARY 19, 2021 as described below.

Brief description of item(s) donated (e.g. title, maintenance requirement, media, size, and condition, value). City staff will photograph the art work and attach the photo to this form.

Pamphlet attached

Donor Information

Print Name: Robert Brown

Address: 4793 Blair Slack Rd

City: Wenatchee State: WA Zip: 98801

Telephone: 509662-5915 Email: rabrown@tumwater.net

Signature: Robert Brown / Carol Brown Date: December 2, 2020

The City of Wenatchee hereby gratefully accepts this gift to the City of Wenatchee Public Art Program.

OFFICE USE ONLY

Date Accepted: _____ Staff: _____
Location: _____ Inventory number: _____
Notes: _____



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: David Erickson, Parks, Recreation and Cultural Services Director

MEETING DATE: January 28, 2021

I. SUBJECT

Pinnacles Prep Lease Amendment

II. ACTION REQUESTED

Move approval of FIRST Addendum to Lease with Pinnacles Prep and authorize the Mayor to sign.

III. OVERVIEW

Last April the City entered into an agreement with Pinnacles Prep to manage the Community Center. The agreement began on January 3 of this year. Through the transition process Pinnacles had difficulty obtaining insurance per the specification in the agreement. Working with the City Attorney, RMSA, Finance Director and Pinnacles amended insurance language was prepared where the City will continue to insure the premises and Pinnacles insures their property and programs. Pinnacles will compensate the City for the costs associated with the coverage.

Staff, the Pinnacles Board and Arts, Recreation and Parks Commission recommend approval.

IV. FISCAL IMPACT

Increases rent payments to the City from \$2,500 per month to \$3,000 starting October 1.

V. PROPOSED PROJECT SCHEDULE

Amendment takes effect February 1.

VI. REFERENCE(S)

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director

FIRST ADDENDUM TO LEASE

THIS FIRST ADDENDUM TO LEASE (“Addendum”) is made between the City of Wenatchee, a Washington municipal corporation (hereafter “Lessor” or “the City”) and Pinnacles Prep Charter School, a Washington nonprofit corporation (hereafter “Pinnacles” or “Lessee”).

RECITALS:

A. The parties to this Addendum have entered into a Lease dated April 15, 2020 (“the Lease”), affecting property commonly known as 504 South Chelan Avenue, Wenatchee, Washington, including buildings commonly referred to as the Veterans Hall, Social Hall, Learning Center, Building D and also the parking area, Cesar Chavez Community Garden, walkways and landscape grounds which are more fully described as follows:

Lots 18, 19, and 20, Block 58, Replat of First Addition to Wenatchee, Chelan County, Washington, according to the plat thereof recorded in Volume 1 of Plats, page 41, records of said county,
EXCEPT the easterly 25 feet thereof conveyed to the City of Wenatchee for street purposes,

TOGETHER WITH the East half of Lot 17 and the East 10 feet of the West half of Lot 17, Block 58, Replat of First Addition to Wenatchee, Chelan County, Washington according to the plat thereof recorded in Volume 1 of Plats, Page 41, records of said county,
EXCEPT the easterly 25 feet thereof conveyed to the City of Wenatchee for street purpose.

B. The parties desire to modify the Lease as it relates to monthly rent and insurance.

For and in consideration of the mutual benefits herein set forth, the parties agree to amend the Lease as follows:

4.2 Monthly Rent. The monthly rental rate, inclusive all applicable lease-hold taxes, shall be Three Thousand and No/100 Dollars (\$3,000.00). All payments shall be in U.S. currency. All rental payments shall be payable in advance on the 1st day of each calendar month beginning on October 1, 2021. On an annual basis,

commencing February 1, 2022 the monthly rental rate will be adjusted by the same percent of the CPI Pacific Cities and US City Average, West – B/C (Dec. 1996=100) as published by the US Department of Labor, Bureau of Labor and Statistics, for the period December 31 to December 31 of the immediately preceding year on an annual basis. In no event shall the annual increase be greater than five percent (5.0%). The adjusted rate will be provided to Pinnacles by January 31 each year by the City.

4.16 Insurance.

(a) Property Insurance. Pinnacles shall, at Pinnacles' expense, maintain on its improvements to the property and its owned contents a policy of standard fire insurance with extended coverage in an amount equal to replacement value. Pinnacles shall cause such insurance to name the City as an additional insured or joint loss payee with respect to property improvements. Pinnacles shall deliver a copy of any such insurance policy to the City within 7 days upon request thereof by the City. Pinnacles shall pay the insurance premiums as they become due.

Except as modified in this Addendum, the Lease shall remain in full force and effect and the parties shall be bound by all of its terms and conditions.

DATED this ____ day of _____, 2021.

LESSOR/CITY:
CITY OF WENATCHEE

By _____
FRANK KUNTZ, Mayor

LESSEE/PINNACLES:
PINNACLES PREP CHARTER SCHOOL

By _____
RICK WRAY, Board Chair

STATE OF WASHINGTON)
) ss.
County of Chelan)

I certify that I know or have satisfactory evidence that Frank Kuntz is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Mayor of the City of Wenatchee, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2021.

(signature)

(printed or typed name)

NOTARY PUBLIC, State of Washington
My Commission Expires _____

STATE OF WASHINGTON)
) ss.
County of Chelan)

I certify that I know or have satisfactory evidence that Rick Wray is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Board Chair of Pinnacles Prep Charter School, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this ____ day of _____, 2021.

(signature)

(printed or typed name)

NOTARY PUBLIC, State of Washington
My Commission Expires _____



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Brad Posenjak, Finance Director
Finance Department

MEETING DATE: January 28, 2021

I. SUBJECT

Creating a long-term investment account, referred to as Separately Managed Accounts, with the Office of the State Treasurer.

II. ACTION REQUESTED

Staff recommends the City Council authorize the Mayor's signature on the interagency agreement with the State of Washington Office of the State Treasurer to manage the City's long-term investments in a separately managed account.

III. OVERVIEW

For many years, the Washington State Treasurer has held millions of the City's cash balances in the Local Government Investment Pool (LGIP). Assets held in the LGIP are very liquid and can be withdrawn at any time. Therefore, interest rates on these funds are typically lower than what can be achieved investing in US Government securities. In 2014, the City began using an investment broker to purchase US Government securities. This process was inefficient and is not what City staff would prefer as a long-term investment program.

A couple years ago, the State Treasurer launched a new program called Separately Managed Accounts (SMA). This program allows local governments to move LGIP assets into a SMA for investment in US Government securities. SMA is intended for investment of funds that are not required for short term cash needs, so investments are less liquid and have longer maturities than the LGIP. Each SMA portfolio is managed according to the same strategies and guidelines as the OST's Core portfolio (where longer term balances of the state are invested). SMA portfolio invests in securities out to 5 year maturities and have an average duration around 2.1 years.

With the OST SMA program, the City receives the benefit of longer-term investments without having to continually manage the purchase and maturity of the securities.

IV. FISCAL IMPACT

Over the past 20 years, the OST Core portfolio has earned 2.87%, compared to the LGIP's 1.57% yield. Over time, if the City earns an additional 1% yield on \$25 million, that will provide an additional \$250,000 per year in investment interest revenues. With the current low interest rates, the City is only expected to earn \$40,000 per year more than the LGIP. This will increase in several years when interest rates increase. The OST will charge a 0.045%

administrative fee, or \$11,250 per year on a \$25 million investment. This was reviewed by Finance committee on January 14th.

V. PROPOSED PROJECT SCHEDULE

After the contract is signed, the State Treasurer will move \$25 million and begin purchasing long term investments over the following 3 to 6 months.

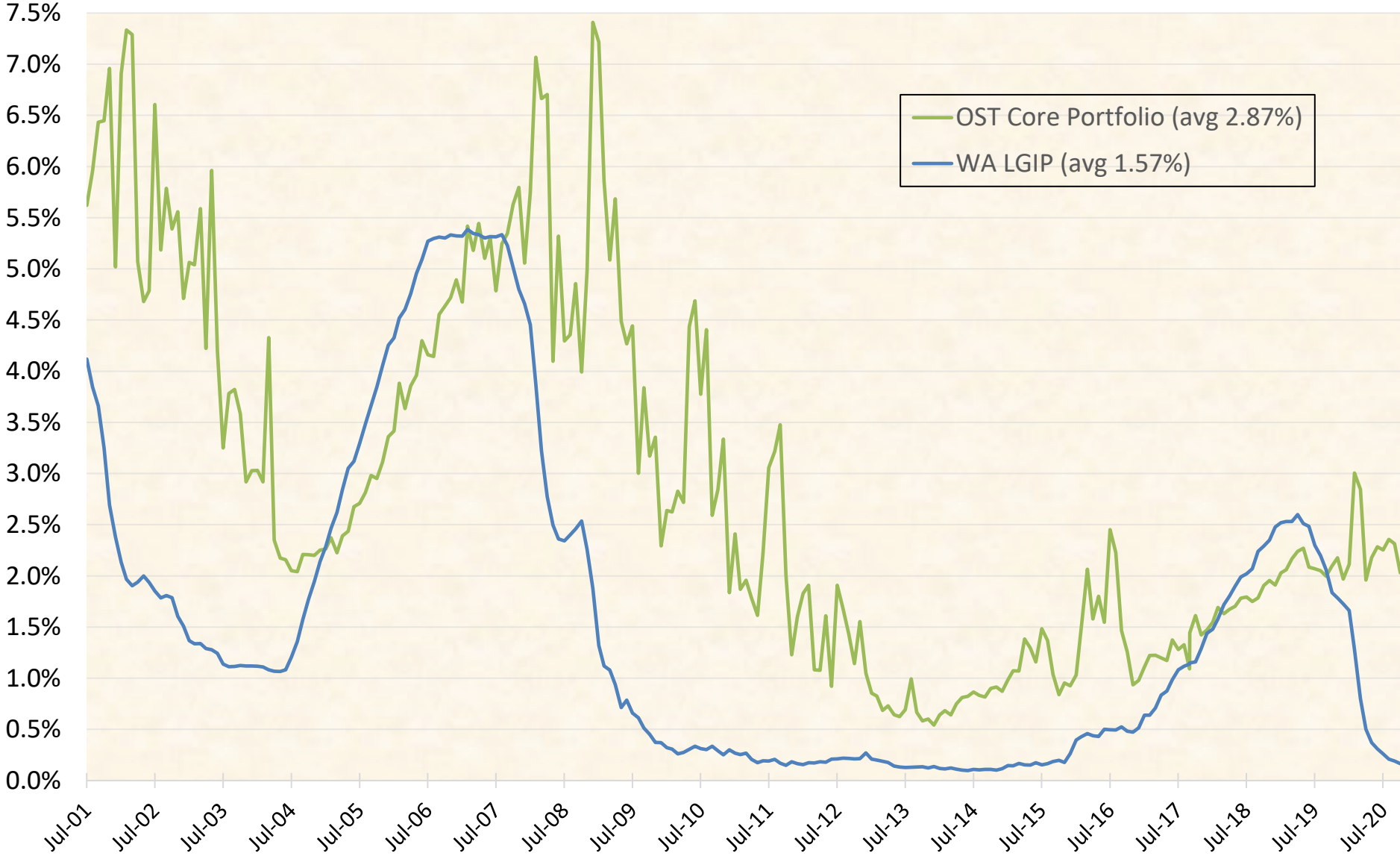
VI. REFERENCE(S)

1. Return Comparison: OST Core Portfolio vs WA LGIP
2. Cash & Investment Balances
3. Separately Managed Account Interagency Agreement
4. SMA Investment Policy, Exhibit A
5. SMA Procedures, Exhibit B
6. SMA Fee Scheduled Model, Exhibit C
7. SMA Acknowledgement of Risk, Exhibit D

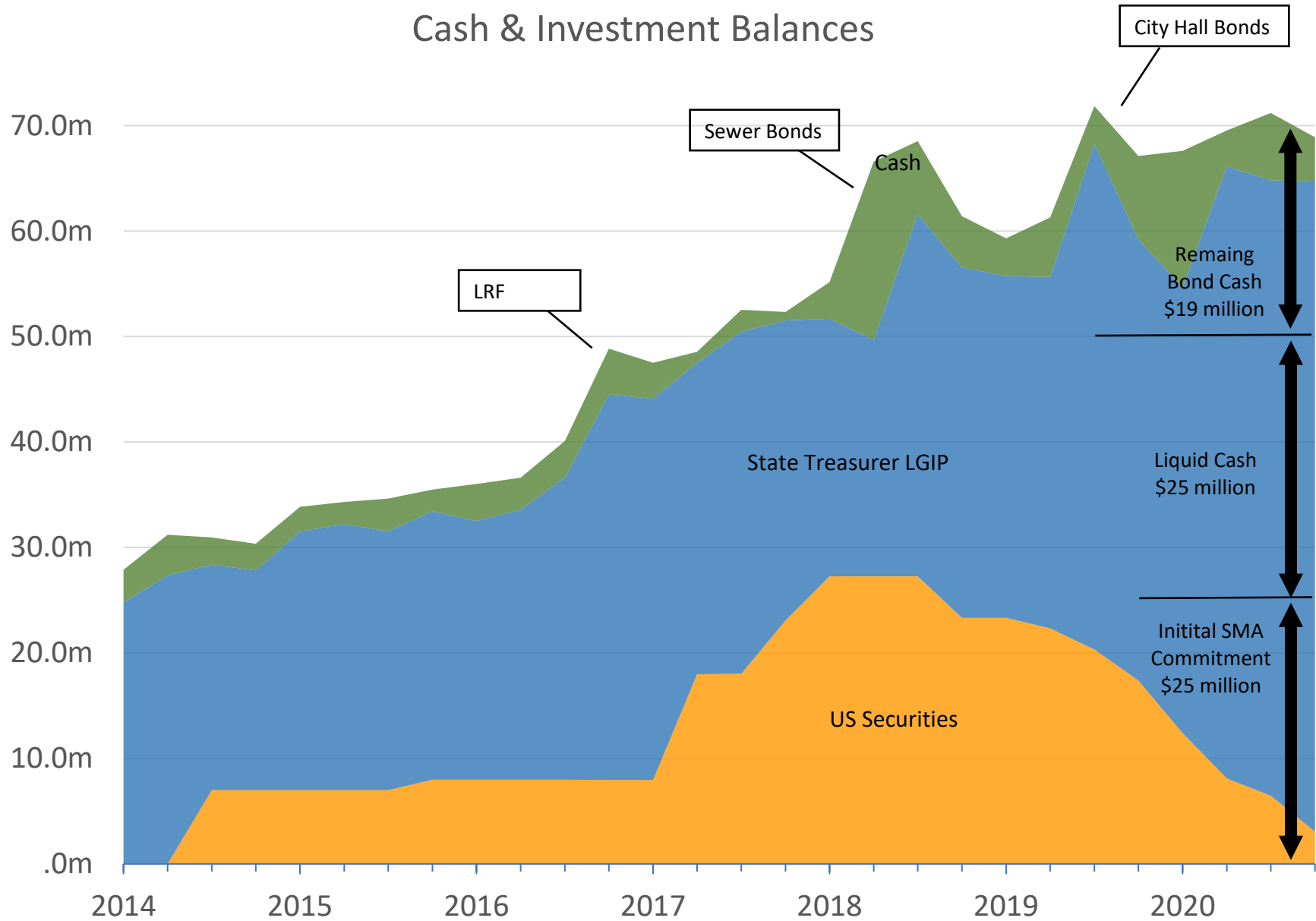
VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director

Return Comparison: OST Core Portfolio vs WA LGIP



Cash & Investment Balances



INTERAGENCY AGREEMENT
BETWEEN
THE CITY OF WENATCHEE
AND THE STATE OF WASHINGTON
OFFICE OF THE STATE TREASURER

THIS AGREEMENT is made and entered into by the City of Wenatchee, hereinafter referred to as “Investor” and the State of Washington, Office of the State Treasurer, hereinafter referred to as “State” and collectively referred to as “Party” or “Parties.”

Whereas, R.C.W. 43.250 enables eligible government entities to participate with the State in providing maximum opportunities for the investment of surplus public funds consistent with the safety and protection of such funds;

Whereas, it is advantageous for the Investor to take advantage of the expertise and capacity of the State to manage long term investments;

Whereas, the State has the ability and is authorized by State law to separately manage the investment of the Core Balance on behalf of the Investor;

Whereas, the State’s investment strategy for separately managed accounts is set forth in its Policies and Procedures;

Whereas, the Investor has received and read a copy of the State’s Policies and Procedures with respect to separately managed accounts; and

Whereas, the Investor and the State understand that the purpose of this investment program is to invest the Investor’s funds on a long term basis and that funds of the Investor that may be needed to meet the Investor’s cash flow needs should not be invested in this program.

Purpose

The Investor has requested that the State manage the investment of the Investor’s Core Balance in an amount or amounts determined by the Investor, in a separately managed account, as provided in RCW 43.250.

Definitions

Capitalized terms not otherwise defined in this Agreement have the meanings set forth below:

“Agreement” means this interagency agreement, including all exhibits, and any amendments thereto.

“Core Balance” means funds or securities of the Investor available for long-term investment that have been deposited or transferred into the Separately Managed Account for management by the State. After the initial deposit of funds and/or transfer or securities made under this Agreement, any growth, or decline, in the value of the Separately Managed Account shall be reflected as part of the Core Balance.

“Due Care” means, with respect to the management and investment of funds in the Separately Managed Account, the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.

“Fee Schedule” means Exhibit C attached to this Agreement.

“Investment Policy” means the State investment policy, and any amendments thereto, relating to separately managed accounts attached as Exhibit A.

“Investment Procedures” means the State investment procedures, and any amendments thereto, relating to separately managed accounts attached as Exhibit B.

“Investor” means the City of Wenatchee and its programs, employees, and authorized agents.

“Investor Contract Administrator” means the City of Wenatchee Finance Director.

“Policies and Procedures” unless the context clearly states otherwise, means Exhibit A and Exhibit B of this Agreement.

“Separately Managed Account” or “Account” means an investment portfolio that is managed by OST that is separate and distinct from all other investment portfolios managed by OST.

“State” means the State of Washington, Office of the State Treasurer and its programs, employees, and authorized agents.

“State Contract Administrator” means the Deputy State Treasurer for Investments.

General Provisions

1. Entire Agreement: This Agreement, which includes Exhibits A, B, C and D and all amendments thereto, constitutes the entire agreement between the Parties and no other statements or representations, written or oral, shall be deemed a part thereof.

2. Amendments: This Agreement may be amended by mutual agreement of the Parties. Such amendments are not binding unless they are in writing and signed by personnel authorized to bind each of the Parties. Modifications to the State's Policies and Procedures will not require Amendment of this Agreement but will require fifteen (15) days' notice to Investor.
3. Modification by Written Notice: The Parties may agree to make certain modifications to the Agreement by providing written notice by the means specified in Section 19. Written notice may be used to make the following modifications without the need for an amendment to the overall Agreement:
 - A. Individuals authorized to direct investments on behalf of State or Investor.
 - B. Deposits to, or withdrawals from, the Account.
 - C. Agreed modifications to reports required of State.
 - D. Any other modification that does not substantially alter the rights and responsibilities of the Parties.
4. Standard of Care and Liability:
 - 4.1. The State agrees to act with Due Care when managing the investment of Investor funds deposited in the Separately Managed Account.
 - 4.2. The State will not be liable for any losses in Investor funds so long as the State is in compliance with this Agreement, R.C.W 43.250 and with its Policies and Procedures.
 - 4.3. The State will be responsible to the Investor for the State's own acts and omissions and those of its officers, employees, and agents including but not limited to claims or lawsuits brought by third parties resulting from such acts or omissions.
 - 4.4. The Investor will be responsible to the State for the Investor's own acts and/or omissions and those of its officers, employees, and agents, including, but not limited to claims or lawsuits brought by third parties resulting from such acts or omissions.
 - 4.5. In no event will the State be liable for any loss suffered by Investor as a result of the Investor's own actions.
5. Severability: If any provision of this Agreement is deemed to conflict with any statute or rule of law, that provision shall be deemed modified to conform to the statute or rule of law.

6. Governing Law: This Agreement is governed in all respects by, and construed in accordance with, the laws of the state of Washington. The venue of any action hereunder is exclusively in the Superior Court for Thurston County, Washington.

Investment Services

7. Creation of Separately Managed Account: The State will invest the funds of the Investor in a Separately Managed Account for the benefit of the Investor, pursuant to RCW 43.250. All funds deposited by the Investor into the Account will be invested and reinvested by the State in accordance with the State's Policies and Procedures.

- 7.1. The Account will be invested in a diversified portfolio with a risk profile that is similar to the risk profile of the State's core portfolio. The Account portfolio will seek to replicate, as closely as possible, the risk and return characteristics of the State's core portfolio by following a similar investment strategy and objective. By tracking the State's core portfolio, the Account will not deviate from its objective of safety, liquidity and yield. The Account's underlying assets will have the same credit quality as *US Treasury securities, Government Sponsored Enterprises (GSEs) and the Supranational Institutions*.

- 7.2. Any securities transferred to the Account as part of any deposit will be securities authorized for local government investment under R.C.W. 39.59.

- 7.3. The performance of the Account will be based on the total return of the portfolio utilizing the same performance benchmark as the State uses for its core portfolio. Total return takes into account changes in the market value of the portfolio.

- 7.4. The State will utilize the Local Government Investment Pool ("LGIP") to manage any cash that may be in the Account. Any cash invested in the LGIP for the Account will be in a separate account within the LGIP.

Funds invested in the LGIP are subject to the same risks and limitations as set forth in its prospectus for the LGIP and the Investor agrees to accept the risks of investing in the LGIP.

- 7.5. Risks of investing in the Account are outlined in this Agreement and in Exhibit D. Exhibit D must be signed by the Investor and returned before investment in the Account can occur. Further, the Investor acknowledges that it may, at the State's discretion, be asked to sign Exhibit D or similar document, in the future if the risks of

investing in the Account change, personnel changes at either the Investor or the State, or for any other reason the State deems appropriate.

8. The State shall keep an accurate and current inventory of all securities held within the Investor's Account. The inventory will contain precise identification of each security including, when applicable, the date of purchase and maturity date; CUSIP numbers; and other sources of identification.
9. Reporting: The State will provide the Investor monthly reports that include, but may not be limited to:
 - A list of individual securities held at the end of the reporting period.
 - Effective duration and final maturity of all investments listed.
 - Coupon, discount or earnings rate.
 - Par value, amortized book value and market value.
 - Realized gains or losses (if any).
 - All fees charged the Investor for that month.
 - A list of all transactions, other than overnight investments, executed during the reporting period.
10. Deposits or Transfers to Account: The Investor will make an initial deposit of twenty-five million (\$25,000,000) of cash into the Account within thirty days of executing this Agreement. To the extent that the Investor intends to deposit additional funds to the Account, the Investor must coordinate with the State the timing and amount of the additional deposit.
 - a. The State may set a minimum deposit amount in its Investment Policy for any future deposits to be made by the Investor.
 - b. The State reserves the right to reject, for any reason, future deposits to the Account.
 - c. The State may, at its discretion, use the LGIP to receive deposits.
11. Withdrawals from Account: The Investor acknowledges that funds deposited into the Account are not intended to be available for withdrawal. If the Investor determines that it must withdraw funds invested in the Account, the Investor must coordinate with the State the timing and amount of the withdrawal.

The Investor further acknowledges that:

- 11.1. Any withdrawal made can only be made in cash and not in securities.
- 11.2. Any withdrawal of funds will affect the State's management of the Account and may result in a loss and/or diminished future investment returns for the remaining balance.

- 11.3. Withdrawal of earnings are not considered to be a withdrawal under this Agreement.
- 11.4. The State may, at its discretion, deposit funds for withdrawal into the Investor's LGIP account.

Fee and Payment.

12. The annual fee for services that the State will charge the Investor shall be determined as set forth in Exhibit C.

Term, Termination and Termination Procedures

13. Term. This Agreement will begin on February 1, 2021, and will have an initial term of three (3) years that will end on January 31, 2024 unless earlier terminated as provided for under this Agreement. After the initial term, the Agreement will automatically renew each year unless either Party provides to the other Party, no later than ninety days prior to the Agreement renewal date of February 1st, written notice of its intent to terminate this Agreement.

14. Termination

- 14.1. Termination for Reduction in Core Balance. If at any time, the Investor's Core Balance falls below 50% of its initial deposit as a result of withdrawals made by the Investor, the State may terminate the Agreement with 30 days written notice.
- 14.2. Termination for Reduction in Funding or Withdrawal of Authority. In the event that any funding from the State is withdrawn, reduced, or limited, or the authority of the State to perform any of its duties is withdrawn, reduced, or limited in any way after the effective date of this Agreement the State may terminate this Agreement, in whole or in part, at any time by giving 60 calendar days' written termination notice to the Investor.
- 14.3. Termination for key person change. If either the State Treasurer or Deputy Treasurer for Investments within the Office of the State Treasurer responsible for investing funds in the Account ("Deputy Treasurer for Investments") changes during the term of this agreement, the Investor will have 120 days, upon notification of such change, to terminate this Agreement. The State covenants to notify the Investor within thirty days if there is a personnel change in the Deputy Treasurer for Investments position.
- 14.4. Termination for Breach. Either the State or the Investor is entitled, by written notice stating the date of termination, to cancel this Agreement in its entirety for breach of

any of the terms herein, and to retain all other rights against the other Party as a result of the breach as provided by law. For purposes of this subsection, "breach" means one or more of the following events: (1) Either Party fails to perform their obligations in the manner or by the time and date required; (2) Either Party fails to perform or comply with any material term in this Agreement; (3) the State fails to exercise Due Care as required in Section 4 of this Agreement;

14.4.1. The notice of breach will provide a period not to exceed 30 days in which the other Party has an opportunity to cure.

14.4.2. If the breach remains after the Party alleged to have committed the breach has been provided the opportunity to cure, the other Party may do one or more of the following;

14.4.2.1. Exercise any remedy provided by law;

14.4.2.2. Terminate this Agreement and any related contracts or portions thereof, by written or verbal notice;

14.4.2.3. Seek damages.

14.5. Termination by Mutual Agreement. The State and the Investor may terminate this Agreement in whole or in part, at any time, by mutual agreement.

14.6. Termination for Changes in Maturity Schedules or Permitted Investments. If the State changes its Investment Policy by making a change to the maturity schedule of any investments or to the list of permitted investments, the Investor will have 30 days, upon notification of such change, to terminate this Agreement.

15. Termination Procedure

15.1. Upon termination of this Agreement,

15.1.1. The Investor may:

Require a final accounting of investments and/or other funds due to the Investor.

15.1.2. The State may:

Return the Investor's Core Balance in the form of cash or securities, at the State's discretion, so long as the State acts with Due Care and in accordance with its Policies and Procedures.

Deduct any monthly fees, custody or wiring fees, or other amounts owed to the State including the actual costs incurred in terminating this Agreement.

- 15.2. Termination-related Obligations. Upon nearing the end of the final term of this Agreement, and without respect to either the cause or time of such termination, the State will take all reasonable and prudent measures to facilitate and ensure the orderly transition of cash and/or securities to the Investor and will make certifications to the Investor as to the accuracy of the investment-related information the State has provided.

The Investor understands that, upon termination of this Agreement, including termination resulting from expiration of the term, the Investor may still experience some loss and/or diminished investment return as a result of such termination. The Investor agrees to work with the State and provide as much advance notice as reasonably possible, but not fewer than thirty (30) days, if the Investor anticipates terminating the Agreement for any reason.

16. Waiver: In the event of any breach of the Agreement, no provision in this Agreement shall be construed, expressly or by implication, as a waiver by either Party of any right to insist upon the strict performance of any term or condition of the Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement or by law, or as the acceptance of (or payment for) services, or to release the other Party from any responsibilities or obligations imposed by this Agreement or by law. Acceptance by either Party of breach, or of unsatisfactory or deficient performance, with or without objection or reservation, shall neither waive the right to claim damages for breach nor constitute a waiver of requirements for complete and satisfactory performance of any obligation remaining to be performed by the other Party.

Contract Administration

17. State Contract Administrator: The State Contract Administrator will manage this Agreement on behalf of the State. The State will notify the Investor, in writing, in the event that there is a change in staffing and a new State Contract Administrator is appointed.

18. Investor Contract Administrator: The Investor Contract Administrator will manage this Agreement on behalf of the Investor. The Investor will notify the State, in writing, in the event that there is a change in staffing and a new Investor Contract Administrator is appointed.
19. Notice and Communication: Any notice or demand which, under this Agreement or applicable laws and regulations, must or may be given by the Investor or the State, will be in writing, properly addressed, and, as an alternative to personal delivery, made by the most expeditious means available, with regard given to the time sensitivity of notice or demand being made.

To the Investor:

City of Wenatchee
Attn: Finance Director
PO Box 519
Wenatchee, WA 98807-0519
bposenjak@wenatcheewa.gov

To the State:

Office of the State Treasurer
State of Washington
Attn: Deputy State Treasurer Investments
Legislative Building, Room 230
PO Box 40200
Olympia, WA 98504-0200
invest@tre.wa.gov

- 19.1. Public Records. Any documents and records that are provided to the State may be determined to be public records under the Washington Public Records Act, Chapter 42.56 RCW, and as such may be subject to public disclosure.
20. Attorney's Fees and Costs. In the event of any controversy, claim or dispute arising out of this Agreement, each Party shall be solely responsible for the payment of its own legal expenses, including but not limited to, attorney's fees and costs.
21. Contract Execution. The signatories to this Agreement represent that they have the authority to bind their respective organizations to the Agreement.
22. Headings. The headings used herein are provided for convenience only and shall not control or affect the meaning or construction of any of the provisions.
23. Disputes. Except as otherwise provided in the Agreement, when a dispute arises between the Parties they will engage in good faith in negotiation or other non-litigation methods of dispute resolution prior to commencing litigation.
24. Force Majeure: Neither Party is responsible for any failure to perform its obligations under this Agreement caused by an event beyond its reasonable control, including but not limited

to, wars, riots, labor strikes, natural disasters, the infrastructure of the Internet, or any law, regulation, ordinance or other act or order of any court, government or governmental agency.

25. Counterparts. This Agreement may be executed in duplicate originals and each duplicate shall be deemed an original copy of the Agreement signed by each Party, for all purposes.
26. Acknowledgment. The Investor acknowledges and accepts the terms and conditions of this Agreement. The individuals signing below warrant that they have the authority to execute this Agreement on behalf of the State of Washington and the City of Wenatchee.

IN WITNESS WHEREOF, the Parties execute this Agreement.

APPROVED:
THE CITY OF WENATCHEE

APPROVED:
STATE OF WASHINGTON

FRANK KUNTZ
Mayor

JAMES ROSENKOETTER
Deputy State Treasurer

Date

Date

APPROVED AS TO FORM:

THE STATE OF WASHINGTON
OFFICE OF THE ATTORNEY GENERAL

ROBERT J. FALLIS
Assistant Attorney General

Date

**SEPARATELY MANAGED
PORTFOLIOS**

Investment Policy

March 30, 2018



Duane A. Davidson
Washington State Treasurer

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Office of the Washington State Treasurer

SEPARATELY MANAGED PORTFOLIOS

INVESTMENT POLICY

I. PURPOSE

The goal of this investment policy is to clearly prescribe the duties of the Office of the State Treasurer (OST) pertaining to its investment of funds of local governments managed in separate portfolios (each a "Separately Managed Portfolio"). This policy:

- Sets out guidelines for the prudent management of funds;
- Describes realistic parameters and goals for safely investing those public funds;
- Establishes expectations for generally acceptable returns at a suitable level of risk that matches the nature of the funds invested; and
- Provides the framework within which OST investment activity will operate by setting out objectives, guidelines and structure that includes details on the universe of permitted investments and any restrictions on their use.

The State Treasurer reserves the right to amend this policy as deemed necessary. OST will notify account holders of any amendment to the policy in accordance with the Interagency Agreement.

II. IDENTIFICATION OF FUNDS

This policy applies to the investment of all funds held in a Separately Managed Portfolio (the "Core Balance").

III. OBJECTIVES

OST will invest all funds (as identified above) in conformance with federal, state and other legal requirements and will manage them in accordance with the parameters set forth in the Interagency Agreement(s). The primary objective of the portfolio shall be to maximize yield in a manner consistent with preserving principal.

1. **Safety:** OST will invest in a manner that seeks to ensure preservation of capital in the overall portfolio. This objective will be achieved by diversified investing in

highly rated securities and by investing among a variety of securities and financial institutions offering independent returns.

2. **Liquidity:** OST will prudently manage the portfolio in such a way as to maintain a level of liquidity sufficient to meet obligations of the portfolio.

3. **Return on Investment:** After ensuring needed levels of safety and liquidity, the investment portfolio will be structured to attain a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio.
All investing involves risks of fluctuating prices and the uncertainties of return and yield. There are different kinds of risk involved in a medium-term bond fund namely; market risk; interest rate risk; liquidity risk; duration/convexity risk(in case of a callable bond); and management risk. The market value of the Core Balances will change in response to movements in interest rates. If rates rise, the value of securities generally falls. The total market value of the portfolio could also be affected by the average duration of the portfolio. Portfolios with longer duration tend to be more sensitive and volatile than those with a shorter duration. The value of the bonds held could also be affected by headline/market risks in response to government policies. The value of the callable securities held could be affected by the negative convexity of the bond, as callable instruments by their nature are selling optionality to gain premium. Extension risk rises as the interest rate cycle changes but is limited to the duration limits of the fund. Moreover, the asset allocation (management risk) between government bonds and agency bonds could affect the total return performance based on spreads between government, agency or supranational securities.

The overall risk profile of the portfolio will be the same as that of the State's Core portfolio.

The benchmark of the portfolio will be the total return and accrued yield of a blended portfolio consisting of the Merrill Lynch 0-1 Year Treasury Index (20%); the Merrill Lynch 1-3 Year Treasury/Agency Index (50%); and the Merrill Lynch 3-5 Year Treasury/Agency Index (30%). The benchmark has an approximate duration of 2.1 years. The portfolio may have a maximum modified duration of no more than 3.5 years.

IV. STANDARDS OF CARE

1. Delegation of Authority

The State Treasurer is an executive officer of the state established by the Constitution of the State of Washington (Article III, Section 1), and "will perform such duties as will be prescribed by law" (Article III, Section 19).

To “ensure effective cash management of public funds” (RCW 43.08.015), the State Treasurer may designate investment officers who will have the authority to perform the duties of the State Treasurer, and will maintain a current list (available upon request) of those individuals so authorized.

2. Prudence

The State Treasurer’s Office authorized investment officers shall perform their investment duties in a manner consistent with this policy and the standard of a prudent investor, in light of the purposes, terms, requirements and other circumstances then prevailing as to the assets entrusted to them.

In investing, they shall exercise reasonable care, skill, diligence, and prudence, considering investments not in isolation, but in the context of the portfolio as a whole and of an overall investment strategy. That strategy should incorporate the risk and return objectives set forth in this policy. The objective of safety will be measured in cash rather than accounting terms, where different, and in terms of the portfolio as a whole, as opposed to the terms of any individual transaction. This means, for example, that a single transaction that generated an accounting loss but actually increased the amount of cash received in the portfolio would be considered to have increased capital, and not decreased it.

They shall act with undivided loyalty and impartiality; incur only costs which are reasonable in amount and which are appropriate to their investment responsibilities; and they shall seek to minimize costs whenever they deem it prudent to do so.

Authorized investment officers acting in accordance with this policy and exercising due diligence shall be relieved of personal responsibility for credit and market risks encountered in the performance of their investment duties. Due diligence requires timely reporting of material deviation from expectations and such other actions to control adverse developments as may be possible in consideration of the particular circumstances and within other provisions of this policy.

Given the legal list of authorized investments and other restrictions contained in this policy, they shall be deemed to have met any requirement for diversification so long as they are in compliance with this policy.

3. Ethics and Conflicts of Interest.

The State Treasurer, assistant treasurer, and authorized investment officers will conduct themselves in conformance with:

- Public Disclosure Act, RCW 42.16;

- Ethics in Public Service Act, RCW 42.52 and section 292-110-010 Washington Administrative Code; and,
- Standards of Conduct for Executive Branch Employees, Executive Order 93-02.

V. CONTROLS

1. Custody

Safekeeping and Custody of Securities. Prudent treasury management dictates that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third-party financial institution. Deposits will only be made pursuant to RCW Chapter 39.58.

The State Treasurer's Office shall designate all safekeeping arrangements and an agreement of the terms executed in writing.

2. Authorized Broker/Dealers and Financial Institutions.

The State Treasurer's Office will maintain a list of broker/dealers and financial institutions authorized to provide investment services to the state. Authorized broker/dealers and financial institutions will be limited to those that meet one or more of the following:

- financial institutions that are
 - approved by the Washington Public Deposit Protection Commission (RCW 39.58); or,
 - the custody provider for the state pursuant to RCW 39.58.080; or,
- primary dealers recognized by the Federal Reserve Bank of New York; or,
- non-primary dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and a certified member of the Financial Industry Regulatory Authority (FINRA).

Each authorized dealer or institution will make available annual reports, including audited financial statements, and other information as determined by the State Treasurer's Office.

3. Competitive Transactions

It is the policy of the State Treasurer's Office to transact securities purchases or sales through appropriately competitive processes. Electronic trading is the preferred option for the purchase and sale of investment instruments. Offers or bids for securities may be received from approved broker/dealers by the following means:

- a. by phone
- b. by e-mail or other electronic communication
- c. through electronic trading platform
- d. from inventory listings supplied by approved broker/dealers.

4. Internal Controls

The State Treasurer's Office will maintain internal controls to protect against the loss of public funds arising from negligence, theft, or misuse that include, but are not limited to:

- use of a third party custody and safekeeping;
- execution of all securities transactions on a DVP basis;
- clear delegation of investment authority;
- separation of transaction authority from record keeping;
- use of objective criteria in selecting financial institutions and dealers authorized to provide investment services to the state; and
- use of objective criteria in awarding investment purchases and sales to authorized financial institutions and dealers.

The deputy treasurer for investments and authorized investment officers will regularly review this policy and will recommend changes to the assistant treasurer and state treasurer if needed.

Daily compliance reports, as well as monthly performance reports, will be provided to the treasurer and assistant treasurer.

5. External Controls

As prescribed by RCW 43.09.050, the state auditor will "audit the accounts" and "inspect the books" of the State Treasurer to determine the compliance of investment activities with state statutes and this policy.

The market value of the portfolio will be calculated monthly by the master custodian or by an independent pricing service under contract with the State Treasurer's Office.

This policy will be reviewed at least annually and the State Treasurer will formally approve changes to this policy if needed.

VI. ELIGIBLE AND SUITABLE INVESTMENTS

Eligible investments are only those securities and deposits authorized by statute (RCW 43.84.080 and 43.250). The following are eligible investments:

- obligations of the U.S. government;

- obligations of U.S. government agencies, or of corporations wholly owned by the U.S. government;
- U.S. dollar denominated obligations of supranational institutions, provided that at the time of investment the institution has the United States government as its largest shareholder;
- obligations of government sponsored enterprises which are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve System; and
- the Local Government Investment Pool.

VII. INVESTMENT PARAMETERS

To provide for the safety and liquidity of funds, the investment portfolio will be subject to the restrictions listed below. These represent minimum investment restrictions under this formal investment policy and there may be separate guidelines containing additional, more restrictive limitations for certain investment instruments. All restrictions are based on a settlement date basis.

Maximum percentages for a particular issuer, investment type or liquidity constraints may on occasion be exceeded, e.g., due to fluctuations in fund balances. Securities need not be liquidated to realign the portfolio; however, consideration will be given to this matter when future purchases are made

1. Investment Maturity

- Maximum single maturity 10 years
- Maximum modified duration not longer than 3.5 years.

2. Specific Restrictions

To provide for the safety and liquidity of the Core Balance, the investment portfolio will be subject to the following restrictions:

- purchase of collateralized mortgage obligations (CMO) is not allowed; and
- allocation to investments subject to high price sensitivity or reduced marketability will not exceed 15% of the daily balance of the portfolio. For the purposes of this policy investments subject to high price sensitivity or reduced marketability will be defined as structured notes, with the exception of generic callable securities, and floating rate notes which may be reasonably expected to reset at or near par on their reset dates. A structured note is a debt security whose cash flow characteristics (coupon rate, redemption amount, or stated

maturity) depend on one or more indices and which may have embedded forwards or options. Structured notes whose cash flows can no longer fluctuate would not count against the 15% allocation.

VIII. PROFESSIONAL SERVICES

The State Treasurer's Office may contract for professional services as necessary for the efficient management of investments.

IX. REPORTING

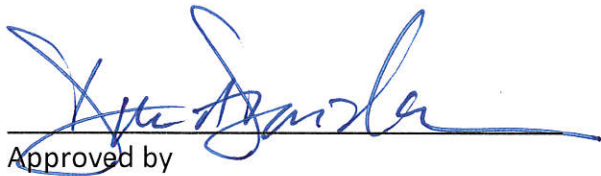
The State Treasurer's Office will regularly prepare and deliver the following reports summarizing investment activity of the portfolio:

- Holdings report, to include maturity, effective duration, security descriptions, book yields and mark to market
- Transaction report, to include capital gains/losses
- Earnings report

X. PERFORMANCE STANDARDS

The investment portfolio will be structured to obtain a market average rate of return during budgetary and economic cycles, taking into account investment risk constraints and cash flow needs.

The portfolio benchmark will be a market benchmark that appropriately models the risk and return of the portfolio.


Approved by

3/30/18
Date

Effective Date: March 30, 2018

APPENDIX: GLOSSARY

ASSET - Available property, as for payment of debts

BENCHMARK – A standard against which the performance of a security, fund or investment manager can be measured. Generally, broad market and market-segment indexes are used for this purpose.

BID - The indicated price at which a buyer is willing to purchase a security or commodity. When selling a security a bid is obtained. (See Offer)

CALLABLE SECURITY – A security with an embedded call provision that allows the issuer to repurchase or redeem the security by a specified date. Since the holder of a callable security is exposed to the risk of the security being repurchased, the callable security is generally less expensive than comparable securities that do not have a call provision.

CERTIFICATES OF DEPOSIT (CDs) - Certificates issued against funds deposited in a bank for a definite period of time and earning a specified rate of return. Certificates of Deposit bear rates of interest in line with money market rates current at the time of issuance.

COLLATERAL - Property (as securities) pledged by a borrower to protect the interest of the lender.

CORE BALANCE - funds available for long-term investment that have been deposited into a separately managed portfolio for management by OST, including any growth or decline in the value of the portfolio subsequent to the initial deposit of funds.

CREDIT RISK - The risk that another party to an investment transaction will not fulfill its obligations. Credit risk can be associated with the issuer of a security, a financial institution holding the entity's deposit, or a third party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one investment type or with any one party.

CUSTODIAN - An independent third party (usually bank or trust company) that holds securities in safekeeping as an agent for the investor.

DELIVERY - The providing of a security in an acceptable form to the OST. Acceptable forms can be physical securities or the transfer of book entry securities. The important distinction is that the transfer accomplishes absolute ownership control by the OST.

DELIVERY VS PAYMENT - There are two methods of delivery of securities: Delivery vs. payment and delivery vs. receipt (also called free). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT - The price of a bond that is lower than par. The discount equals the difference between the price paid for a security and the security's par value.

DIVERSIFICATION - Distribution of available funds among a variety of securities and institutions to minimize risk.

DURATION – A measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. The greater the duration, the greater the interest-rate risk or reward for bond prices.

FEDERAL RESERVE BANK OF NEW YORK - The Federal Reserve Bank that is responsible for the second district and is located in New York City. The Federal Reserve Bank of New York has developed the capacity to conduct reverse repurchase agreement transactions with an expanded set of counterparties.

FEDERAL RESERVE SYSTEM - The central bank of the United States, which has regulated the US monetary and financial system since its inception in 1913. Composed of a central governmental agency (the Board of Governors) and twelve regional Federal Reserve Banks.

FLOATING RATE NOTE – A debt instrument with a variable interest rate tied to a benchmark such as the US Treasury bill rate, LIBOR, the fed funds or the prime rate. Floaters are mainly issued by financial institutions and governments, typically with one- to three-year maturities.

GOVERNMENT SPONSORED ENTERPRISE – A privately held corporation with public purposes created by the US Congress to reduce the cost of capital for certain borrowing sectors of the economy. GSEs carry the implicit backing of the US Government but are not direct obligations of the US Government. Examples of GSEs include Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank and Federal National Mortgage Association. Securities issued by GSEs are known as agency securities.

LIQUIDITY - Refers to the ease and speed with which an asset can be converted into cash without a substantial loss in value.

LOSS - The excess of the cost or book value of an asset over selling price.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARK-TO-MARKET - An adjustment in the valuation of a securities portfolio to reflect the current market values of the respective securities in the portfolio. This process is also used to ensure that margin accounts are in compliance with maintenance.

MARKET RISK - The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase, or decrease in value. The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline.

MARKET VALUE - The price at which a security is trading and could presumably be sold.

MATURITY - The time when a security becomes due and at which time the principal and interest or final coupon payment is paid to the investor.

OFFER - The indicated price at which a seller is willing to sell a security or commodity. (See BID) When buying a security an offer is obtained.

PAR VALUE - The nominal or face value of a debt security; that is, the value at maturity.

PORTFOLIO - Collection of securities held by an investor.

PREMIUM - The amount by which a bond sells above its par value.

PRIMARY DEALERS – Primary government dealers are a group of banks and investment dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its executing of Federal Open Market Operations. Such dealers must be qualified in terms of reputation, capacity and adequacy of staff and facilities.

PRUDENCE - The ability to govern and discipline oneself by the use of reason; shrewdness in the management of affairs; application of skill and good judgment in the use of resources. Also refers to the suitability of investments for the risk and return profile and the time horizon of a given investor.

SAFEKEEPING - A service to customers rendered by banks for a fee whereby all securities and valuables of all types and descriptions are held in the bank's vaults for protection, or in the case of book entry securities, are held and recorded in the customer's name and are inaccessible to anyone else.

SECURITIES - Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

SETTLEMENT DATE - The day on which payment is due for a securities purchase. Fixed income securities typically settle one business day after the trade date.

SUPRANATIONAL INSTITUTION – An international institution that provides financing, advisory services and/or other financial services to its member countries to achieve an overall goal of improving living standards through sustainable economic growth.

THIRD PARTY SAFEKEEPING - A safekeeping arrangement whereby the investor has full control over the securities being held and the dealer or bank investment department has no access to the securities being held.

TREASURY BILLS - Treasury bills are short-term debt obligations of the U.S. Government with maturities of less than one year. They offer maximum safety of principal since they are backed by the full faith and credit of the United States Government. Treasury bills, commonly called "T-Bills," account for the bulk of government financing, and are the major vehicle used by the Federal Reserve System in the money market to implement national monetary policy. T-Bills are sold in three, six, nine, and twelve-month bills. Because treasury bills are considered to be very low risk, these instruments generally yield the lowest returns among the major money market instruments.

TREASURY NOTES – A marketable US government debt security with a fixed interest rate and a maturity between one and ten years. Treasury notes are considered low-risk, since they are backed by the full faith and credit of the US government. Because they are

lower risk and highly liquid they generally deliver a lower return than other securities having comparable maturities.

WEIGHTED AVERAGE MATURITY (WAM) – A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

YIELD - The rate at which an investment pays out interest or dividend income, expressed in percentage terms and calculated by dividing the amount paid by the price of the security and annualizing the result.

EXHIBIT B

Office of the Washington State Treasurer SEPARATELY MANAGED ACCOUNT PROCEDURES

Deposits

Deposits into Investor's Separately Managed Account (SMA) will take place via a transfer of funds from Investor's primary LGIP account to an account at US Bank. Funds will then be invested (pending purchase of securities) in a separate OST-managed LGIP account (the OST-SMA _____ account). The OST-SMA _____ account will serve as a sweep account, or short-term investment fund, for any residual cash in the Investor SMA.

Withdrawals

Withdrawals from the Investor SMA account will take place via a transfer of funds into Investor's primary LGIP account from the OST SMA account at US Bank.

Investment Activity

Purchases

When the Portfolio Manager purchases a security, a trade ticket will be printed and the investment will be entered into OST's system (TM\$). OST will upload trade information to the custodian. Securities will be held in a separate SMA account that does not commingle securities with Treasury Trust or LGIP holdings. On the settlement date, funds needed for the purchase will be transferred to the custody account from the SMA account at US Bank.

Sales

When the Portfolio Manager sells a security, a trade ticket will be printed and the investment will be entered into TM\$. OST will upload trade information to the custodian. On the settlement date, proceeds from the sale will be transferred from the custody account to the SMA account at US Bank.

Daily Reconciliation

Each business day, OST will determine the net amount to be transferred to or from the custodian for all settlements and maturities for that day, as well as any other amounts to be wired. Funds needed will come from the SMA account at US Bank. The Portfolio Manager will deposit to, or withdraw from, the OST-SMA _____ account in the LGIP, as needed each day in order to end the day with a zero balance in the US Bank and custody accounts after all transactions are complete.

Fee

During the five business days following the end of each month, OST's Investment Accounting group will calculate the fee for that month using the agreed rate applied to the average book value of the Account during the month. OST will transfer the fee amount to a separate service account, reducing the OST-SMA _____ account balance.

Exhibit C

Fee Schedule—Separately Managed Accounts

The annual fee that the State will charge Investor for the services provided under this Agreement shall be determined according to the following schedule:

Core Balance	Annual Fee
\$200 mm or greater	2 bp
\$100 up to 200 mm	2.5 bp
\$50 up to 100 mm	3.25 bp
Less than \$50 mm	4.5 bp

If Investor's Core Balance increases or decreases as a result of deposits or withdrawals, the annual fee shall be adjusted as appropriate.

The fee will be charged monthly, based on average book value of the Account, utilizing a settlement date basis. The State will calculate the amount of the fee and transfer that amount from the Account no later than the fifth business day of the following month.

EXHIBIT D

ACKNOWLEDGEMENT OF RISK

(Investor)_____ recognizes and acknowledges that there are risks related to investing in a Separately Managed Account with the Office of the State Treasurer. These risks include, but are not necessarily limited to, the following:

- A. All investing involves risks of fluctuating prices and the uncertainties of return and yield;
- B. Risks inherent to fixed income investing. These risks include, but are not necessarily limited to: market risk, interest rate risk, liquidity risk, credit risk, duration risk, convexity risk (in the case of callable bonds), and management risk. All of these risks may affect the market value of the Account;
- C. The market value of the Account holdings may decline and the Investor may lose principal value;
- D. The overall risk and return profile of the Account will be the same as that of the State's own core portfolio, and it will utilize the same performance benchmark; and
- E. Any withdrawal of funds or termination of the Agreement may necessitate the sale of securities at a loss due to market conditions.

ACKNOWLEDGED

(Investor) _____

Name
Title

Date

CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Brooklyn Holton, Housing & Community Planner
Community Development

MEETING DATE: January 21, 2021

I. SUBJECT

Amendment V for the 2019 Community Development Block Grant (CDBG) Annual Action Plan (AAP) allowing an increase in the Public Services allocation and potential use of pre-award costs to be incurred for the 2020 program year including:

- Food Box Program up to \$100,000
- Emergency Assistance to Households/Businesses up to \$127,788
- Public Services 2020 Pre-Award costs up to \$350,000

II. ACTION REQUESTED

1. Conduct a public hearing
2. City Council approve Amendment V to the 2019 CDBG Annual Action Plan and authorize the Mayor to sign applicable applications, certifications, assurances and agreements.

III. OVERVIEW

On August 5, 2019, City Council approved the 2019 Annual Action Plan which included project selection and funding allocations. On March 13, 2020, the COVID_19 pandemic was declared a national emergency and therefore a declaration of major disaster was established for many programs including CDBG.

To utilize CDBG-CV Round 3 funding, use must be identified for the entire amount. It is understood that the COVID environment is everchanging and community needs may be adjusted. In the same way that entitlement and Round 1 funding is able to be reallocated through a plan amendment, so can this funding pot be adjusted to respond most effectively.

CDBG-CV funding is a specific entitlement allocation and therefore must go through the process of acceptance for a new award. In order to support efficient distribution and effective use of funding, HUD issued the following waivers:

- a. **A reduced public comment timeline from 30 days to no less than 5 days**
- b. Suspension of the 15% public services cap
- c. Allowance of reimbursement(s) for eligible cost regardless of date
- d. **2020 Plan submittal deadlines from August 16, 2020 to August 16, 2021**

The budget would be adjusted as follows:

PROJECT NAME	BUDGET ALLOCATION
Public Services – Food Box Program	\$100,000
Public Services – Emergency Assistance	\$127,788

Food Service Program:

Chelan and Douglas Counties have funded a food service delivery program that has benefited residents in both Chelan and Douglas Counties between the months of November 2020 and January 2021. Chelan County has operated for a longer period funding this program initially in October 2020. For a variety of reasons, the program was not significantly utilized until November of 2020. Advertising and coordination among service providers has likely increased the use of the program in addition to increased infection rates. The Program is oriented to providing delivered food assistance under the following provisions:

- The individual or family living in the home has tested positive for COVID-19 or has been directly exposed to someone who has tested positive for COVID-19
- The individual(s) are isolating or quarantining at home to limit exposure of the virus to the community.
- The individual(s) do not have secure access to food during the time of isolation and quarantine.
- The home address for the individual(s) is in Chelan or Douglas County.

Medical providers, non-profit organizations can refer customers and individuals can contact Serve Wenatchee, the provider who has been contracted to coordinate, screen, advertise and document recipients in need of this service. Names with contact information are then provided to the Town Toyota Center who has been under contract to obtain, store, assemble and deliver food to customers within 48 hours, sometimes within as short of a time frame as 6 hours. Costs for this program have been provided with draft proposals under the attachments. These costs have been updated for a proposed contract period of three months concluding in April 2021. The current program will expire at the end of January 2021.

Chelan and Douglas counties have provided funding to the Chelan Douglas Health District which can be utilized for the unincorporated areas of the two counties. The counties contacted the City of Wenatchee, inquiring if it would be possible for the cities to participate to extend the program for an additional three months, covering the incorporated areas. The proposal would split costs based upon a proportionate share each month of the boxes delivered. The City of Wenatchee has been trending approximately 60% of the boxes delivered in a two-month period. This is a short time frame to track and the percentage number could increase or decrease in the next three months.

Total households served	214
Total households in Wenatchee	127
% of Households in Wenatchee	59%
Total boxes served	315
Total boxes served in Wenatchee	189
% of boxes served in Wenatchee	60%

Contracts would be based upon a monthly analysis of the proportionate share of boxes both for the contract with Serve Wenatchee to administer the recipient screening and for the Town Toyota Center for food delivery services. If the 60% proportionate share was maintained in that timeframe,

the City's costs would be \$51,600. If there was a 25% increase in the number of recipients in Wenatchee, the costs could increase to \$64,500. This would be an unlikely extreme deviation but is used for informational purposes here.

The City of Wenatchee is able to offer this program to the general public, vs. solely to low and moderate income recipients due to provisions of urgent need which are allowed under the consolidated block grant program. The City received additional consolidated block grant funds to assist with COVID related impacts in our community. The primary reason for the annual action plan amendment before the Council is for the purposes of participating in the funding of this program. The City of East Wenatchee has a public hearing on this same proposal on February 2, 2021, and it is anticipated that the Chelan Douglas Health District will enter into the contract agreements prior to that date. The proposal would allow the Mayor to enter into the contracts with Serve Wenatchee and the Town Toyota Center with the other two jurisdictions. There may also be limited costs associated with advertisers that may be necessary.

IV. FISCAL IMPACT

The additional round of CDBG-CV funding will benefit projects directly with no change to administration revenue or expenses.

V. PROPOSED PROJECT SCHEDULE

January 21, 2021 (today) – Hold a public hearing & approve Amendment V
February 1, 2021 – Begin food box delivery contract for 3 months

VI. REFERENCE(S)

1. 2019 Annual Action Plan Amendment V
2. Chelan Douglas Health District box delivery details
3. Serve Wenatchee agreement elements

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director



City of Wenatchee

Community Development Block Grant (CDBG)

2019 Annual Action Plan

AMENDMENT V

**Implementing the 2013 – 2019
Housing & Community Development
Consolidated Plan**

Community & Economic Development Department

1350 McKittrick Street

Wenatchee, WA 98801

Phone (509) 888-3258

Email: bholton@wenatcheewa.gov

Draft Amendment V ~ January 2021

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Executive Summary

Introduction

The City of Wenatchee has been designated as an entitlement community since 2006 under Title 1 of the Housing & Community Development Act of 1974. As a result, the City is eligible to receive Community Development Block Grant (CDBG) funds annually from the U.S. Department of Housing & Urban Development (HUD). As of 2018, the City's CDBG program fiscal year is October 1st through September 30th of the following year.

During the 2019 program year, on March 13, 2020, the COVID-19 pandemic was declared a national emergency and therefore a major disaster declaration for programs including CDBG. The Coronavirus Aid, Relief and Economic Security (CARES) Act subsequently made available supplemental funding (CDBG-CV) to prevent, prepare for and respond to the coronavirus. Amendment I of the 2019 AAP is in response to the City of Wenatchee's acceptance of CDBG-CV funding and plan for distribution of all funding provided by the U.S. Department of Housing and Urban Development under the CARES Act.

Assessment of the City of Wenatchee has demonstrated disproportionate needs related to housing, income loss, economic development and public services. COVID-19 continues to cause unprecedented damage to the economic stability of businesses and households.

HUD allocated \$139,593 in CDBG-CV funding to the City of Wenatchee to support efforts that will prevent, prepare for and respond to the coronavirus. This funding is designed to address needs that remain after all other assistance has been exhausted, including federal assistance as well as private insurance. This Amendment will describe how the funding, along with subsequent allocations, will be distributed to address remaining unmet needs in Wenatchee.

HUD allocated another round of CDBG-CV funding from Round 3 of the CARES Act. The City of Wenatchee received \$227,788 to support efforts that will prevent, prepare for and respond to the coronavirus. This funding is designed to address needs that remain after all other assistance has been exhausted, including federal assistance as well as private insurance. This Amendment will describe how the funding, along with subsequent allocations, will be distributed to address remaining unmet needs in Wenatchee.

Plan Objectives & Outcomes

The 2019 Annual Action Plan will support targeted objectives from the Consolidated Plan through the implementation of the following activities

Objective 1 - Preserving & Improving Neighborhoods:

2019 activities include improvements to the Wenatchee community center, the code enforcement program and to our public infrastructure such as sidewalks.

Objective 2 - Reducing homelessness:

2019 activities include aligning CDBG housing and community development projects with the Chelan-Douglas Homeless Plan and supporting services that lead to self-sufficiency for homeless individuals and individuals at-risk for homelessness.

Objectives 3 & 4 - Supporting public services & developing economic opportunities:

2019 activities include literacy/ESL tutoring and training through the Wenatchee Literacy Council; the City's Code Enforcement Referral/Debris Removal Program; and a Boots-on-the-Ground youth educational camp through the Wenatchee Valley YMCA.

The objectives and outcomes for the 2019 CDBG program year will benefit the entire City of Wenatchee with a focus in the South-Central Wenatchee Core target area. This target area was identified in 2014 under direction from HUD and new census data. The modification helped to recognize areas that have a greater concentration of low-income residents, exhibit greater deterioration of properties and have a higher need for infrastructure improvements.

Evaluation of Past Performance

During the 2018 program year (April 1, 2017 – September 30, 2019), the following activities were completed:

Objective 1 - Preserving & improving neighborhoods:

- Code Enforcement: The City continued to provide an additional 0.25 FTE code enforcement officer to work in the South-Central Wenatchee Core identified as the target area for CDBG projects. The fall of 2014 was the kickoff for a voluntary compliance based code enforcement program and has continued to provide assistance to residents in violation of City Code the opportunity to comply on a voluntary basis.
- Sidewalk Project: With Phase I beginning in the 2014 CDBG program year and completing near the beginning of the 2016 program year, Phase II design and analysis began mid-year of the 2016 program. Like before, this design includes sidewalk (from Peachey St. to Ferry St.), lighting on both sides, public art hanging from light posts in the form of colorful metal banners known as “Papel Picado” as well as stamped concrete along the sidewalk. All three phases have been constructed with art installation complete. The entire project was completed in the 2018 program year.

Objectives 2 & 3 - Supporting public services & promoting economic development:

- Literacy Council: The Wenatchee Literacy Council program provided literacy/English tutoring services primarily to low-moderate income individuals in Wenatchee. Each year the Literacy Council serves 227 students.
- Code Enforcement Referral & Debris Removal Program: The City established this new program in 3rd quarter 2013 to assist low-income residents in responding to code enforcement violation notices and has continued this service through the 2018 program year. Services include free dumpster rentals, free dump disposal vouchers

(26), and referrals to volunteer community agencies that can assist with clean-up/repair chores. The revamping of processes for code enforcement provide guidance and assistance to low- and moderate-income persons for meeting and continuing to be in compliance with city code. In combination with the guidance and assistance, the code enforcement voluntary compliance program also supports code compliance.

Summary of Citizen Participation & Consultation Process

In 2012, the AIA public process and development of the 2013-2019 Consolidated Plan resulted in extensive public outreach for input. While developing the 2019 Annual Action Plan, careful consideration of past community feedback and professional recommendation was taken. The information referenced was provided by a broad spectrum of community stakeholders including local homeless service providers, social service agencies, business representative, government officials and private citizens. Recent planning efforts resulted in the finalized South Wenatchee Action Plan. Boundaries identified in this plan encompass all of the South-Central Wenatchee Core neighborhood and provided community values, goals and priorities for the future of the residents and businesses in the area. The 2015 update to the Homeless Plan provided a platform for the Wenatchee community to provide input on housing and services. Also, during 2016, a Wenatchee Housing Needs Assessment was conducted. In addition to applying previous community input and an open comment period for 30 days, two opportunities for comment were held in the form of public hearings; July 24, 2019 at the Planning Commission meeting and August 11, 2019 at the City Council meeting.

Community input contributes to the development of the Annual Action Plan by helping to identify the following:

- Common concerns and patterns across all sectors
- Concerns and needs unique to specific sub-populations
- Resources that can be accessed in implementing strategies
- Opportunities for increased communication and collaboration among organizations

AMENDMENT I UPDATE

In addition to the notice published in the Wenatchee World on May 8, 2020 opening the comment period for no less than 5 days and notifying the community of the public hearing held at the Wenatchee City Council meeting on May 14, 2020, the following consultation provided valuable insight and direction for the Amendment and associated funding distribution:

- Economic check-ins with the Chelan Douglas Regional Port Authority and the North Central Washington Economic Development District (NCWEDD)
- Weekly “Food Security Sector” calls hosted by the Community Foundation of NCW
- Weekly “Senior Services Sector” calls hosted by the Community Foundation of NCW
- Weekly “Helping Hands” regional funding check-ins and coordination hosted by the Community Foundation of NCW
- Coordination with the North Central Accountable Community of Health staff and the associated Incident Command System needs and Community Support Fund applications

AMENDMENT II UPDATE

A public notice was published in the Wenatchee World on September 3, 2020 opening a minimum 30 day comment period notifying the community of the opportunity to provide comment at a public hearing during a regularly scheduled city council meeting on October 8, 2020. In addition to this notice, city staff connected with Community Center partners to discuss the reallocation of funding.

AMENDMENT III UPDATE

A public notice was published in the Wenatchee World on September 26, 2020 opening a minimum 5 day comment period notifying the community of the opportunity to provide comment at a public hearing during a regularly scheduled city council meeting on October 8, 2020. In addition to this notice, city staff connected with the Chelan Douglas Regional Port Authority and Chelan County representatives to discuss the reallocation of funding.

AMENDMENT IV UPDATE

A public notice was published in the Wenatchee World on October 3, 2020 opening a minimum 5 day comment period notifying the community of the opportunity to provide comment at a public hearing during a regularly scheduled city council meeting on October 8, 2020.

AMENDMENT V UPDATE

A public notice was published in the Wenatchee World on January 19, 2021 opening a minimum 5-day comment period notifying the community of the opportunity to provide comment at a public hearing during a regularly scheduled city council meeting on January 28, 2021.

Summary of Public Comments

A public notice was published in the Wenatchee World on July 10, 2019 notifying the community of the 30-day comment period for the draft 2019 Annual Action Plan as well as the opportunity to attend a public hearing on either July 24, 2019 at the Planning Commission meeting or on August 11, 2019 at the City Council meeting. The Annual Action Plan was adopted at the City Council meeting on July 11, 2019 following the public hearing and pursuant to any additional comment received by August 12, 2019; no comments were received.

AMENDMENT I UPDATE:

On May 8, 2020, a public notice published in the Wenatchee World opening the comment period for the Wenatchee community to provide feedback on the proposed Amendment prior to the public hearing held on May 14, 2020 at the regularly scheduled City Council meeting. Due to the Washington State “Stay Home, Stay Healthy” order and in accordance with the HUD waiver authorized by CFR 91.600, the public hearing was held virtually with the option for the public to comment online during the live meeting. The online comment feature provided real-time feedback, response and documentation of comments including:

- The following text was from the live chat option available during the virtual public hearing. During the hearing, staff provided real-time response:

- City Staff: *For the CDBG-CV funding Public Hearing later this evening, this chat is being monitored for real-time comments and council response. You are welcome to submit comments/questions at any time.*
- Executive Director for the Chelan Douglas Community Action Council: *Did the City receive any of the state's share of CARES Act funding. Limited information is out regarding the use of the state funding, but it looks like it can be spend on rental/mortgage payments. The difference being CDBG CARES Act funds cannot pay back rent or overdue mortgage payments – the state funds can. If state funds are available it would allow us, Chelan Douglas Community Action Council, to better serve residents with income assistance, particularly with past due rent/mortgage. Alan Walker, CDCAC. The CDBG CARES funds would allow CDCAC to meet upcoming community needs wish we would be grateful to receive. Thank you for the update.*

AMENDMENT II UPDATE:

On September 3, 2020, a public notice was published in the Wenatchee World opening the comment period for Wenatchee neighbors to provide feedback on the proposed Amendment II prior to the public hearing held on October 8, 2020 at the regularly scheduled City Council meeting. Due to the Washington State “Stay Home, Stay Healthy” order and in accordance with the HUD waiver authorized by CFR 91.600, the public hearing was held virtually with the option for the public to comment online during the live meeting. The online comment feature provided real-time feedback, response and documentation of comments though none received.

AMENDMENT III UPDATE:

On September 26, 2020, a public notice was published in the Wenatchee World opening the comment period for Wenatchee stakeholders to provide feedback on the proposed Amendment III prior to the public hearing held on October 8, 2020 at the regularly scheduled City Council meeting. Due to the Washington State “Stay Home, Stay Healthy” order and in accordance with the HUD waiver authorized by CFR 91.600, the public hearing was held virtually with the option for the public to comment online during the live meeting. The online comment feature provided real-time feedback, response and documentation of comments though none were received.

AMENDMENT IV UPDATE:

On October 3, 2020, a public notice was published in the Wenatchee World opening the comment period for Wenatchee stakeholders to provide feedback on the proposed Amendment IV prior to the public hearing held on October 8, 2020 at the regularly scheduled City Council meeting. Due to the Washington State “Stay Home, Stay Healthy” order and in accordance with the HUD waiver authorized by CFR 91.600, the public hearing was held virtually with the option for the public to comment online during the live meeting. The online comment feature provided real-time feedback, response and documentation of comments though none were received.

AMENDMENT V UPDATE:

On January 19, 2021, a public notice was published in the Wenatchee World opening the comment period for the Wenatchee stakeholders to provide feedback on the proposed Amendment V prior to the public hearing held on January 28, 2021 at the regularly scheduled City Council meeting. Due to the Washington State "Stay Home, Stay Healthy" order and in accordance with the HUD waiver authorized by CFR 91.600, the public hearing was held virtually with the option for the public to comment online during the live meeting. The online comment feature provided real-time feedback, response and documentation of comments.

Lead & Responsible Agencies

The City of Wenatchee is a CDBG entitlement, and therefore, serves as the lead agency and administrator for the City's CDBG funds.

Annual Plan Public Contact Information

City of Wenatchee
Community & Economic Development Department
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Public Consultation

Introduction

The 2019 Annual Action Plan was developed with careful consideration of public comment that resulted from the AIA public process, development of the 2013-2019 Consolidated Plan, development of the South Wenatchee Action Plan, the updated Homeless Plan, two public hearings held on July 24, 2019 and August 11, 2019. The Amendment process included a public hearing held on May 14, 2020. For Amendment II, there was a public hearing held on October 8, 2020 with at least 30 days for comment submittal prior. For Amendment III, there was a public hearing held on October 8, 2020 with a minimum of 5 days for public comment submittal prior. For Amendment IV, there was a public hearing held on October 8, 2020 with a minimum of 5 days for public comment submittal prior. For Amendment V, there was a public hearing held on January 28, 2021 with a minimum of 5 days for public comment submittal prior.

Feedback was received from a wide range of groups within the community as described below.

Summary of activities to enhance coordination between housing providers, health providers, mental health providers, and service agencies

The City of Wenatchee works continuously to enhance coordination between housing providers, health providers, mental health providers, and social service agencies in the region. Specific examples include:

- Homeless Steering Committee: The City coordinates and chairs the Homeless Steering Committee which is comprised of local elected officials and community leaders. The role of the committee is to guide the development of the Chelan-Douglas Homeless Plan and to identify annual funding priorities for homeless services.
- Homeless Task Force: The City coordinates and chairs the Homeless Task Force which is comprised of representatives from local organizations that provide homeless housing services, health services, mental health & substance abuse services, and other social services. The role of the Task Force is to provide a forum for enhanced communication and coordination between these partner organizations.
- Chelan Douglas Tenant Landlord Liaison Program: The City coordinates and chairs this committee which is comprised of representatives from local housing programs. The committee is focused on addressing barriers homeless and low-income residents face when attempting to obtain and maintain affordable rental housing.
- The Housing Authority of Chelan County & the City of Wenatchee operates multi-family housing units and administers Section 8 tenant vouchers. The City works closely with the Housing Authority to coordinate and leverage resources whenever possible.

- Mental Health Stakeholders: Catholic Family Services provides intensive community-based mental health services in Wenatchee and is a huge partner and supporter of community empowerment and enhancing quality of life.
- Interagency Meeting: Monthly meetings are held to provide an opportunity to the social service providers and the community to connect and become educated about on-going and new social services offered. Many organizations and individuals are represented each month supporting such a valuable meeting.
- Serve Wenatchee Valley: As a coordinator of social services, Serve Wenatchee Valley has been an asset to the community and local leaders by assisting with tangible needs, hosting community events, providing topic specific giveaways and organizing events to provide support for local leadership.
- Wenatchee Downtown Association: Supporters and enthusiasts for local small businesses, historic downtown, local culture and volunteers, the Wenatchee Downtown Association believes in the value of each individual's contribution. The mission to strengthen and enrich the downtown experience provides a unique vision into the community and valuable input into the planning ideas.
- Healthy Living Wenatchee Valley Coalition: Members of the health care, fitness, clinical, local government and community stakeholder groups work together to remove barriers, build networks, connect people to resources and provide education in order to ensure residents have ready access to systems that support high quality of living.
- North Central Accountable Community of Health (NCACH) Chelan-Douglas Coalition for Health Improvement (CD-CHI): local stakeholders who share a vision of connected, responsive, and pro-active regional health by engaging a wide variety of partners to build a healthier North Central Washington through Whole Person Care.
- Pinnacles Prep: a charter public school designed to meet unmet education needs in the Wenatchee Valley and devoted to intellectual inquiry and a collaborative spirit of learning. Committed to delivering a relevant and innovative educational experience in a rapidly changing world. They will be located at the Wenatchee Community Center.
- Chelan Douglas Regional Port Authority: as the principle economic development agency for Wenatchee MSA, the CDRPA works together to enhance the economic vitality of North Central Washinton.
- Chelan County: Chelan county provides services in conjunction with the City of Wenatchee for residents located within the area of Chelan County.
- Chelan Douglas Health District: is a regional organization designed to protect and improve the health of individuals and communities in Chelan and Douglas counties through the promotion of health and the prevention of disease and injury.
- Town Toyota Center: The regional center for entertainment and recreation with a high capacity for serving the many communitis in North Central Washington

Describe coordination with the Continuum of Care & efforts to address the needs of homeless individuals and individuals at-risk for homelessness

The City serves as the lead agency for the Chelan-Douglas Homeless Plan and acts as the lead entity for administering state and county homeless funding (i.e. the Consolidated Homeless Grant, Chelan-Douglas County Homeless Funds, Chelan County Low-Income Housing Funds and the Emergency Solutions Grant). This entails working with the Washington State Department of Commerce regarding the Balance of State Continuum of Care that includes Chelan and Douglas counties. This also entails working with the Homeless Steering Committee, which is responsible for developing the Chelan-Douglas Homeless Plan. The committee is also responsible for identifying funding priorities and determining annual funding allocations. Implementation of the Homeless Plan is administered by the City with input and support from the Homeless Task Force.

Describe consultation with the Continuum of Care that serves the State in determining how to allocate ESG funds; develop performance standards; evaluate outcomes of projects assisted by ESG funds; and develop funding, policies and procedures for the operation and administration of HMIS

The City is part of the Balance of State Continuum of Care, and participates as a member of the State's Continuum of Care/Balance of State Committee. The City administers its programs and manages its sub grantee agreements, including HMIS administration, in compliance with the requirements, standards, and policies/procedures established by the Washington State Department of Commerce.

Describe organizations that participated in the consultation process and describe the City's consultations with housing, social service, & other community agencies

The City has continued to take into careful consideration feedback from a wide variety of organizations within Chelan and Douglas counties as outlined in the table below. Each organization listed has had the opportunity to provide feedback either through one-on-one discussions or through discussions in regular meetings. Continued community input contributes to the development of the Annual Action Plan by helping to identify the following:

- Common concerns and patterns across all sectors
- Concerns and needs unique to specific sub-populations
- Resources that can be accessed in implementing strategies
- Opportunities for increased communication and collaboration among organizations

	Organization Name	Type Of Service Provided	Section Of Plan Addressed By Consultation
1	Chelan Douglas Community Action Council	Housing	Housing Need Assessment Homeless Needs - Families With Children Homelessness Strategy
2	Housing Authority of Chelan County and City of Wenatchee	Housing PHA	Housing Need Assessment Public Housing Needs Homelessness Strategy
3	Women's Resource Center/Bruce Housing	Housing	Housing Need Assessment Homelessness Strategy
4	YWCA of Wenatchee Valley	Housing	Housing Need Assessment Homelessness Strategy
5	Wenatchee School District	Services-Homeless Services-Education	Housing Need Assessment Homeless Needs - Families With Children Homelessness Needs - Unaccompanied Youth Anti-Poverty Strategy
6	Wenatchee Valley College	Services-Education Services-Employment	Anti-Poverty Strategy Job Skills Training
7	Wenatchee Downtown Association	Business Leaders	Anti-Poverty Strategy
8	Rental Association of Wenatchee Valley	Housing	Housing Need Assessment Homelessness Strategy
9	Wenatchee Police Department	Law Enforcement	Homeless Needs - Chronically Homeless Homelessness Strategy
10	Chelan County Regional Justice Center	Housing Other Government - County	Housing Need Assessment Homelessness Strategy
11	Northwest Justice Project	Services-Fair Housing	Homelessness Strategy
12	Chelan Douglas Health District	Services-Health	Homeless Needs - Chronically Homeless Homeless Needs - Families With Children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied Youth Homelessness Strategy

	Organization Name	Type Of Service Provided	Section Of Plan Addressed By Consultation
13	VA Health Clinic	Services-Health	Homelessness Needs - Veterans
14	Serve Wenatchee Valley	Faith-Based Assistance	Anti-Poverty Strategy
15	Columbia Valley Housing Association	Housing	Housing Need Assessment Homelessness Strategy
16	Lighthouse Christian Ministries	Housing Services-Homeless	Housing Need Assessment Homeless Needs - Chronically Homeless Homelessness Strategy Anti-Poverty Strategy
17	SAGE	Housing Services-Victims Of Domestic Violence	Housing Need Assessment Homeless Needs - Families With Children Homelessness Strategy
18	Regional Support Network	Services-Health Other Government - County	Mental Health Needs
19	Recovery Innovations	Health Agency	Housing Need Assessment Homelessness Strategy Mental Health & Substance Abuse Needs
20	Salvation Army	Housing	Housing Need Assessment Homelessness Strategy
21	Literacy Council	Services-Education	Anti-Poverty Strategy Literacy Needs

Other Local/Regional/State/Federal Planning Efforts

Recommendations from a number of local and regional plans were considered when developing the 2019 Annual Action Plan:

Name of Plan	Lead Organization	How do the goals of the Annual Plan overlap with the goals of each plan?
Continuum of Care	Washington State Department of Commerce	The City of Wenatchee is part of the Balance of State Continuum of Care, and participates as a member of the State's Continuum of Care/Balance of State Committee. Information and input from this committee was incorporated into the 2019 Annual Plan.
Imagine South Wenatchee	City of Wenatchee	In 2012, the city facilitated a comprehensive visioning process which included conducting a sustainable design assessment. The resulting Sustainable Design Assessment Report included key recommendations focused primarily on the predominately low-income South Wenatchee area. Recommendations from this report were incorporated into the 2013-2019 Consolidated Plan, 2018 Annual Action Plan and will also be in the 2019 Annual Action Plan.
Wenatchee Urban Area Comprehensive Plan	City of Wenatchee	The goals of the Comprehensive Plan are broader in scope than the goals of the Consolidated Plan. However, it aligns with Comprehensive Plan goals for housing affordability; housing equity; coordination with service agencies & community advocates; & entrepreneurial support.
Chelan-Douglas Homeless Plan	City of Wenatchee	The City of Wenatchee serves as the lead entity for overseeing the development and implementation of a “Ten year Plan to End Homelessness in Chelan & Douglas Counties”. The original plan was published in 2005 and has been updated periodically. The most recent update to the plan was published in 2015. The Homeless Plan focuses on furthering the Washington State Homeless Performance Goals which include: 1.) Reducing the number of homeless persons; 2.) Reducing the amount of time they are homeless; 3.) Increasing the number who move to permanent housing; and 4.) Reducing the number who recede back into homelessness. These performance goals align with the CDBG goals outlined in the 2019 Annual Plan.
Code Enforcement Report	City of Wenatchee	Key recommendations in the 2012 Code Enforcement report included supporting neighborhood revitalization efforts, promoting voluntary compliance, and conducting evaluations to measure results. Recommendations from this report were incorporated into the 2013-2019 Consolidated Plan, 2019 Annual Action Plan and will also be in the 2019 Annual Action Plan.

Participation

Summary of Citizen Participation Process & Its Impact on Goal Setting

In 2012, the AIA public process and development of the 2013-2019 Consolidated Plan resulted in extensive public outreach for input. While developing the 2019 Annual Action Plan, careful consideration of past community feedback and professional recommendation was taken. The information referenced was provided by a broad spectrum of community stakeholders including local homeless service providers, social service agencies, business representative, government officials and private citizens. In addition to applying previous community input, two opportunities for comment were held in the form of public hearings; July 24, 2019 at the Planning Commission meeting and August 11, 2019 at the City Council meeting.

For the Amendment, one public hearing was provided on May 14, 2020 at a regularly scheduled City Council meeting; this hearing was provided in a virtual format due to COVID-19 stay home restrictions. For Amendment II, one public hearing was provided on October 8, 2020 at a regularly scheduled City Council meeting; this hearing was provided in a virtual format due to COVID-19 social distancing requirements. For Amendment III, one public hearing was provided on October 8, 2020 at a regularly scheduled City Council meeting; this hearing was provided in a virtual format due to COVID-19 social distancing requirements. For Amendment IV, one public hearing was provided on October 8, 2020 at a regularly scheduled City Council meeting; this hearing was provided in a virtual format due to COVID-19 social distancing requirements. For Amendment V, one public hearing was provided on January 28, 2021 at a regularly scheduled City Council meeting; this hearing was provided in a virtual format due to COVID-19 social distancing requirements.

The online comment feature provided real-time feedback, response and documentation of comments including:

Community input contributes to the development of the Annual Action Plan by helping to identify the following:

- Common concerns and patterns across all sectors
- Concerns and needs unique to specific sub-populations
- Resources that can be accessed in implementing strategies
- Opportunities for increased communication and collaboration among organizations

As a result of the feedback received, the following needs were identified:

1. Increased affordable housing
2. Improved access to housing for those facing housing barriers (i.e., passing background checks)
3. Increased supporting housing, particularly for residents with mental health and substance abuse disorders
4. Improving access to living-wage jobs through education/job training and recruiting/retention of employers offering living-wage jobs
5. Prevention of neighborhood blight
6. Raising community awareness and understanding of the root causes of local poverty and homelessness
7. Improving information sharing, system navigation and coordination of services
8. COVID-19 responses focused on income loss, economic supports and public service needs such as food and housing supports

Outreach Target	Outreach Method	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted & Reasons
Homeless Steering Committee	Quarterly Meetings	The City coordinates the Homeless Steering Committee which is comprised of local elected officials and community leaders. The role of the committee is to guide the development of the Chelan-Douglas Homeless Plan and to identify annual funding priorities for homeless services.	<p>As a result of the feedback received, the following needs were identified:</p> <ol style="list-style-type: none"> 1. Expanding services for the chronically homeless 2. Improving the responsiveness for all components of our homeless response system 3. Increasing the development of and access to affordable rental housing 4. Addressing homelessness & the risk of homelessness for children & youth 5. Improving coordination of services through a coordinated entry system known as the Community Housing Network 	

Outreach Target	Outreach Method	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted & Reasons
			6. Strengthening our data collection and analysis systems	
Homeless Task Force	Bi-Monthly Meetings	The City coordinates the Homeless Task Force which meets every other month. The Task Force is comprised of homeless service providers and other community stakeholders. Members were solicited for input during the development of the 2018 Annual Action Plan.	<p>Challenges identified included:</p> <ol style="list-style-type: none"> 1. Insufficient services supporting the chronically homeless 2. A need to evaluate the effectiveness of our homeless system components and to then realign funding to support best practices 3. Lack of affordable housing 4. Insufficient services supporting youth including unaccompanied youth under 18 5. Limited formal coordination of homeless services 6. Limited of inconsistent data collection & analysis capabilities 	
South Wenatchee residents, business owners, & community partners	Imagine South Wenatchee Visioning Project	In 2012, the city facilitated a comprehensive visioning process which included conducting a sustainable design assessment. The resulting Sustainable Design Assessment Report included key recommendations focused primarily on the predominately low-income South Wenatchee area. In addition, community input was solicited through focus groups and surveys of residents and business owners in South	<ul style="list-style-type: none"> – Strong desire for inclusion & celebration of large Hispanic population in South Wenatchee. – Need for structural improvements to increase safety & well-being (especially sidewalks & lighting). – Need for increased commercial ventures such as local grocery stores. 	Rare but occasional inappropriate expressions of disgruntlement with the increasing Hispanic population in Wenatchee. These comments are in direct conflict with the City's mission to welcome,

Outreach Target	Outreach Method	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted & Reasons
		Wenatchee. The community feedback and recommendations from the assessment report are incorporated into the 2013-2019 Consolidated Plan and carefully considered for the 2018 Annual Plan.	<ul style="list-style-type: none"> – Improved transportation to commercial & public service areas. – Include public art into projects such as sidewalk and lighting construction 	value, & celebrate diversity.
Interagency Networking Meetings	Monthly Meetings	Regular attendance at monthly Interagency Networking Meetings facilitated by the Wenatchee School District. 30 - 40 community service providers attend regularly. Member input was incorporated into the Annual Action Plan	<ul style="list-style-type: none"> – Community organizations are experiencing financial challenges due to the downturn in the economy which has resulted in funding & donation decreases. – Need for a clearinghouse of information on local community resources. – Need for community-wide coordinated services. 	
Non-targeted/broad community	Public Hearing	A public notice was published in the Wenatchee World on June 8, 2018 and again in El Mundous on June 14, 2018 notifying the community of the 30-day comment period for the draft 2018 Annual Action Plan as well as the opportunity to attend a public hearing on either June 8, 2018 at the Planning Commission meeting or on June 14, 2018 at the City Council meeting. The Annual Action Plan	<ul style="list-style-type: none"> – Reviewing funding put towards the Code Enforcement and how it can be rerouted to connect with the Community Center 	

Outreach Target	Outreach Method	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted & Reasons
		was adopted at the City Council meeting on June 14, 2018 after the public hearing.		
School District	Quarterly meetings and continuous involvement with Wenatchee Learns.	The quarterly meetings held with the school board include the members of the school board and City of Wenatchee representatives. Communication with Wenatchee Learns occurs on a regular basis with different members available at different times.	<ul style="list-style-type: none"> - Creating discussion opportunities for students K-12 with local leaders such as business owners or elected officials - Provide exposure to college and technical schools - Bridge the gap and connect today's youth with the baby boomer generation 	
Code Enforcement	Meetings with Northwest Justice and Catholic Family Chore Services	City code enforcement staff coordinates with these agencies to serve low to moderate income individuals as part of the code enforcement program.	<p>Catholic Family services provides valuable volunteer services and provided coordination procedures for code enforcement.</p> <ul style="list-style-type: none"> - Northwest Justice Project provides free legal services to qualifying low income individuals and households. They have requested that we enforce code enforcement laws on substandard housing. They have also requested the City establish a rental license. 	

Outreach Target	Outreach Method	Summary of Response/Attendance	Summary of Comments Received	Summary of Comments Not Accepted & Reasons
Rental Association	Chelan Douglas Tenant Landlord Liaison	The City coordinates with the Rental Association to promote fair housing and quality affordable housing.	<ul style="list-style-type: none"> - The Rental Association provides information to their landlord membership that helps landlords comply with laws and provide quality housing. They appreciate the coordination with the City so that they understand the City's housing programs 	

Expected Resources

Introduction

In addition to CDBG funding, the City of Wenatchee receives state and local funding to support homeless Continuum of Care

activities. Anticipated funding for 2018 is outlined in the table below.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	<ul style="list-style-type: none"> - Acquisition - Admin and Planning - Economic Development - Housing Public Improvements - Public Services 	238,184	33,902.96	83,250.27	355,337.23	355,337.23	These funds will be leveraged to obtain additional resources from other government entities (i.e. the Department of Transportation).
CDBG-CV	Public - Federal	<ul style="list-style-type: none"> - Economic Development - Emergency Income Support - Public Services 	\$367,381	\$0	\$0	\$367,381	\$367,381	These funds are from the Coronavirus Aid, Relief and Economic Security (CARES) Act and are to prevent, prepare for and respond to the coronavirus.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Consolidated Homeless Grant	Public - State	<ul style="list-style-type: none"> - Admin and Planning - Public Services - Other 	509,374	0	0	509,374	1,018,748	These funds are dedicated to rent assistance and emergency shelter/transitional housing operating costs to reduce homelessness in Chelan-Douglas counties.
Chelan Douglas County Homeless Funds	Public - Local	<ul style="list-style-type: none"> - Acquisition - Admin and Planning - Economic Development - Housing - Public Services - Other 	785,000	0	0	785,000	1,570,000	These funds are dedicated to reducing homelessness in Chelan & Douglas counties.
Chelan County Low-Income Housing Funds	Public - Local	<ul style="list-style-type: none"> - Housing - Other 	43,500	0	0	43,500	87,000	These funds are targeted to affordable low-income housing in Wenatchee and emergency shelter operations.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The match requirements for the homeless funds described above will be met without the use of CDBG funds.

Annual Goals and Objectives

Goals Summary Information

The following table provides a summary of the major goals and funding allocation for the 2019 program year.

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Preserve and Improve Neighborhoods	2013	2019	Non-Housing Community Development	– South-Central Wenatchee Core	-Neighborhood Improvement -Sidewalks -Lighting	<ul style="list-style-type: none"> – CDBG: \$232,709.97 – Chelan-Douglas Counties Homeless Housing Funds: \$0 – City of Wenatchee Low-Income Housing Funds: \$0 – State Consolidated Homeless Grant: \$0 – Emergency Solutions Grant: \$0 	<ul style="list-style-type: none"> – Public Facility or Infrastructure Activities other than Low/Moderate Income – Housing Benefit: 4,000 individuals assisted

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Reduce Homelessness	2013	2019	Homeless	Chelan & Douglas Counties	Homelessness	<ul style="list-style-type: none"> - CDBG-CV: \$65,000 - Chelan-Douglas Counties Homeless Housing Funds: \$785,000 - City of Wenatchee Low-Income Housing Funds: \$43,500 - State Consolidated Homeless Grant: \$509,374 	<ul style="list-style-type: none"> - Emergency Income Response - Homeless Individuals Assisted - Overnight Shelter: 760 - Individuals Assisted - Homelessness Prevention: 667

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Support Public Services & Economic Development	2013	2019	<ul style="list-style-type: none"> - Homeless - Non-Homeless Special Needs - Non-Housing Community Development - Public Services 	<ul style="list-style-type: none"> - South-Central Wenatchee Core 	<ul style="list-style-type: none"> Public Services and Urgent Needs. 	<ul style="list-style-type: none"> - CDBG-CV: \$302,381 - CDBG: \$35,727.60 - Chelan-Douglas Counties Homeless Housing Funds: \$0 - City of Wenatchee Low-Income Housing Funds: \$0 - State Consolidated Homeless Grant: \$0 - Emergency Solutions Grant: \$0 	<ul style="list-style-type: none"> - Small Business Supports: 10 - Public service activities other than Low/Moderate Income - Housing Benefit: 600 Individuals Assisted

Detailed Goal Descriptions

1	Goal Name	Preserve and Improve Neighborhoods
	Goal Description	<p>The 2019 Annual Plan will promote the preservation and improvement of neighborhoods by:</p> <ul style="list-style-type: none"> • Investing in capital improvements and facility improvements to the community center • Supporting code enforcement to prevent substandard housing and neighborhood blight in targeted neighborhoods. • Improving ADA/Pedestrian infrastructure in low- and moderate-income areas
2	Goal Name	Reduce Homelessness
	Goal Description	<p>The 2019 Annual Plan addresses the goal of reducing homelessness by aligning CDBG housing and community development projects with the Chelan-Douglas Homeless Plan and by encouraging/facilitating supportive services that lead to self-sufficiency for homeless individuals and for individuals at-risk of homelessness.</p> <p>COVID-19 response funding is supporting households that have experienced income loss and are in need of Emergency Income Payments.</p>
3	Goal Name	Support Public Services & Economic Development
	Goal Description	<p>The 2019 Annual Plan aligns with the goal of supporting public services & economic development by:</p> <ul style="list-style-type: none"> – Continuing to support literacy & ESL training programs with an emphasis on program accessibility for low-income neighborhood residents. – Providing referrals and debris removal services to eligible low-income residents in targeted neighborhoods who need assistance responding to code enforcement violation notices. – COVID-19 response will be supporting public services related to assistance for businesses.

Projects

Introduction

The 2019 Annual Action Plan includes the projects listed below that align with the strategic goals of the City's Consolidated Plan.

	Project Name
1	Program Administration & Planning
2	Public Improvements: Community Center Facility Improvements
3	Public Improvements: Code Enforcement
4	Public Improvements: ADA/Pedestrian Infrastructure
5	Public Services: Literacy Program
6	Public Services: Code Enforcement Referral & Debris Removal Program
7	COVID-19 Prevention, Preparation and Response

Project Summary Information

Project summary information is based on an estimated amount of funds the City of Wenatchee will be awarded for the Community Development Block Grant. If availability of funds differs from the estimate, changes will be made proportionally.

1	Project Name	Program Administration & Planning
	Goals Supported	<ul style="list-style-type: none"> – Preserve and Improve Neighborhoods – Reduce Homelessness – Support Public Services
	Funding	CDBG: \$95,095.80 <ul style="list-style-type: none"> • \$47,636.80 for 2019 program • 47,459 for 2020 pre award costs
	Description	City staff will oversee implementation of projects including project management, fiscal administration, & reporting.
2	Project Name	Public Improvements: Community Center
	Target Area	South Central Wenatchee Neighborhood Core
	Goals Supported	Preserve and Improve Neighborhoods
	Needs Addressed	Neighborhood Improvement
	Funding	CDBG:\$82,709.97 2019 Award Allocation \$82,709.97
	Description	The Wenatchee Community Center is a location for uniting the community by embracing cultures, families and individuals through collaboration, assistance and support. Upgrades to the community center will allow for expanded use and service to the community such as a commercial kitchen, improved infrastructure for lighting and acoustics as well as plans for a makerspace or community learning center.
	Project Name	Public Improvements: Code Enforcement

3	Target Area	South-Central Wenatchee Core
	Goals Supported	Preserve and Improve Neighborhoods
	Needs Addressed	Neighborhood Improvement
	Funding	CDBG: \$73,400 <ul style="list-style-type: none"> • \$36,700 from 2019 program year • \$36,700 from 2020 pre award costs
	Description	Code Enforcement activities within the targeted low -income neighborhoods of South-Central Wenatchee Core
4	Project Name	Public Improvements : ADA/Pedestrian Infrastructure Improvements
	Target Area	South-Central Wenatchee Core low - and moderate-income areas
	Goals Supported	Preserve and Improve Neighborhoods
	Needs Addressed	Neighborhood Improvement – ADA infrastructure
	Funding	Up to \$150,000 2019 Award Allocation \$35,409.63 + 2018 reallocation of <ul style="list-style-type: none"> • \$437.14 from Code Enforcement referral and debris program • \$75,250.27 Chelan Ave sidewalk project • \$5,000 program income • \$33,902.26 from program income <i>There is also an open contract with RH2 with a remaining balance of \$133.01</i>
Description	Address identified tripping hazards to improve ADA and pedestrian routes in low - and moderate-income areas.	
5	Project Name	Public Services: Literacy Program
	Goals Supported	Support Public Services
	Needs Addressed	Economic Development
	Funding	CDBG: UP TO \$58,000 <ul style="list-style-type: none"> • \$28,000 from 2019 program year • UP TO \$30,000 from 2020 pre award costs
	Description	The City will continue to support the educational efforts of the Wenatchee Literacy Council which provides ESL and literacy training for low -income Wenatchee residents.
6	Project Name	Public Services: Code Enforcement Referral & Debris Removal Program
	Target Area	South Central Wenatchee Neighborhood Core
	Goals Supported	Preserve and Improve Neighborhoods Support Public Services
	Needs Addressed	Neighborhood Improvement Public Services
	Funding	CDBG: <ul style="list-style-type: none"> • \$7,727.60 from 2019 program year • UP TO \$6,594 from 2020 pre award costs

	Description	The City of Wenatchee's Code Enforcement staff will oversee the Code Enforcement Referral & Debris Removal program. The program assists low -income residents in targeted neighborhoods in responding to code enforcement violation notices. Services include free dumpster rentals, free dump disposal vouchers, and referrals to volunteer community agencies that can assist with clean-up/repair chores.
7	Project Name	COVID-19 Prevention, Preparation and Response
	Target Area	City of Wenatchee
	Goals Supported	Prevent Homelessness Public Services Support Economic Development
	Needs Addressed	Support households with emergency income payments Public Services to Address Urgent Need: Food system support for low -income vulnerable populations Assistance for businesses
	A	CDBG-CV Funding \$367,381 <ul style="list-style-type: none"> • Round 1 of CARES Act \$139,593 • Round 3 of CARES Act \$227,788
	Description	Distribution of funds related to COVID-19 are intended to prevent, prepare for and respond to the coronavirus by supporting households that have lost income while costs of living remain, businesses that are in need of technical and financial support to maintain operation and employment and vulnerable populations that have seen a suspension of social service supports such as food provision.

Project Funding

The project funding amounts listed above are estimates. If the City's actual allocation amount plus amount available from the previous year plus program income is different than the estimated amount above, the City will increase/decrease the project budgets as follows: 1.) Adjust Public Services projects (Literacy Program & Code Enforcement Referral Program) to constitute 15% of the total allocation; 2.) Adjust the Administration project to constitute 20% of the total allocation; and 3.) Adjust the community center project to incorporate the balance of additional or decreased funds.

AMENDMENT I UPDATE:

Adjustments to the original 2019 CDBG allocation will not be adjusted. Only CDBG-CV funding will be utilized for COVID-19 allocation at this time. Additional HUD approved waivers include suspension of the 15% public services cap for funding specific to COVID-19 prevention, preparation and response as well as the allowance of reimbursement for eligible costs already incurred; regardless of date for COVID-19 response. Current allocations of the \$139,593 include:

- Emergency Income Payments: \$65,000
- Assistance for Businesses: \$85,000

AMENDMENT II UPDATE:

Adjustments to the original 2019 CDBG allocations will be updated; no changes will occur to the CDBG-CV funding that was allocated in Amendment I. Adjustments will include:

- Community Center: up to (\$150,000)
- ADA/Pedestrian Infrastructure: Up to \$150,000

AMENDMENT V UPDATE:

The City of Wenatchee received an additional CDBG-CV funding award in the amount of \$227,788 and will allocating funding towards the following:

- Urgent Need : Food Box Delivery : up to \$100,000
- Increase Emergency Assistnace for Households and Businesses by \$127,788

Pre Award Costs

Due to possible conflict between the submittal deadline for the Annual Action Plan and the award allocation being provided from the U.S. Department of Housing and Urban Development and the need to ensure program and project success continues in our community, City staff will incur costs to the 2020 CDBG Program **and/or the 2020 CDBG-CV funding** for the following:

- Program Administration & Planning: \$47,459
- Code Enforcement \$36,700
- Public Services **and Urgent Need: \$350,000**

Geographic Distribution

Geographic Areas to be Assisted

In 2019, the City's public improvement and code enforcement efforts will primarily target the South-Central Wenatchee Core. Public services will benefit low- to moderate-income residents in Wenatchee.

Rationale Allocating Investments Geographically

In 2012, the City facilitated a comprehensive community visioning process which included conducting a sustainable design assessment. The resulting Sustainable Design Assessment Report included key recommendations focused primarily on the predominately low-income South Wenatchee area. The City is planning to capitalize on these recommendations by focusing many of its 2018 activities on neighborhood revitalization efforts in the newly adopted area of the South-Central Wenatchee Core

Previously the CDBG target area was identified as the South Wenatchee, Tacoma Street and Central Wenatchee neighborhoods. An amendment in October 2014 was adopted to consolidate these areas based on the inter-relationships between neighborhoods in terms of access to public facilities (i.e., parks, K-12 schools, the Wenatchee Valley Community College), commercial areas, grocery stores and medical & government facilities. In acknowledgement of the mix of income levels of this area, geographic-based activities will be targeted to those portions of the area where there is greatest benefit to low- and moderate-income individuals consistent with the adopted 2013-2019 Consolidated Plan.

The characteristics observed within the geographic priority area include higher level of crime; housing stock in a state of deterioration; lack of public facilities such as sidewalks, lighting and parks; high levels of code enforcement issues; and signs of potential blight such as graffiti, junk vehicles and substandard structures. It is these areas that will receive further priority for CDBG activities. In addition, activities may be targeted to prevent the spread of urban decay and potential blight.

Affordable Housing

Introduction

There is an excessive housing cost burden on low-income residents, and the low rental vacancy rate provides a disincentive to rental property owners to accommodate low-income tenants. Additionally, many renters are over-housed, as there is a shortage of single unit rental properties. In 2019, the City will explore opportunities to attract and incentivize developers of affordable housing which align with our demographic needs.

Affordable Housing Goals

One Year Goals for the Number of Households to be Supported	
Homeless	750
Non-Homeless	70
Special-Needs	125
Total	945

One Year Goals for the Number of Households Supported Through	
Rental Assistance	650
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	650

Public Housing

Introduction

Wenatchee does not have a traditional public housing project. However, the Housing Authority of Chelan County & the City of Wenatchee provides a range of housing services including:

- Low-income housing for families, seniors, and individuals with disabilities
- Section 8 tenant-based housing vouchers
- Section 8 Family Self-Sufficiency program
- Agricultural & migrant housing

The Housing Authority owns and manages three multi-family properties in Wenatchee. These developments were built 20 - 30 years ago, and therefore, are beginning to require repairs and rehabilitation. The total rehabilitation cost is estimated to be \$1.4 million dollars. The Housing Authority does not have adequate funds for rehabilitation, and consequently is only able to address emergency repairs as they occur.

Actions Planned to Address Public Housing Needs

The City of Wenatchee has a long-standing and positive working relationship with the local Housing Authority. While CDBG funds are inadequate to address their identified need for housing unit rehabilitation, the city will continue to seek opportunities to leverage resources aimed at the rehabilitation of existing public housing stock. Additionally, future CDBG funds allocated to infrastructure improvements (i.e. sidewalks, lighting) may be targeted to areas surrounding the Housing Authority's low-income housing properties.

Actions Planned to Encourage Public Housing Residents to Participate in Homeownership

The Housing Authority offers their clients a self-sufficiency educational program which includes information on money management, home care, and life skills. They also offer an escrow incentive program to foster home ownership.

Homeless and Other Special Needs Activities

Introduction

The City of Wenatchee administers the following homeless funds on behalf of Chelan and Douglas counties: The Consolidated Homeless Grant, Chelan-Douglas County Homeless Funds, and Chelan County Low-Income Housing Funds. These funds are anticipated to provide a total of \$1.34 million in funding in 2019. Consequently, the City will not designate specific CDBG funds to homeless projects. It has, however, aligned CDBG goals and activities with the goals, strategies, and activities of the Chelan-Douglas Homeless Plan, especially in regards to increasing access to education, economic opportunities, and affordable housing.

A recurring theme in both the City's Consolidated Plan and the Chelan-Douglas Homeless Plan is the need to adopt a two-pronged approach to addressing homeless needs. This dual approach targets specific support services for homeless populations (i.e. youth, families, Veterans, the chronically homeless) while also pursuing community-wide measures to bring about systemic change that will enable low-income residents to move out of poverty. Specific goals and activities that support this dual approach are described below.

AMENDMENT UPDATE:

As a result of COVID-19 and the negative economic consequences, emergency income payments are a priority and will support Wenatchee households in affording current cost of living expenses. While this is not a direct housing program, the financial support to each household plays a significant role in the overall efforts related to keeping our community members housed.

One-Year Goals & Actions for Reducing Homelessness

The following goals and activities will be pursued in 2019 to reduce homelessness in the region:

- Promote & fund a balanced mix of services that will meet the diverse of needs of homeless individuals including children/teens; individuals with mental health and/or substance abuse issues; individuals with disabilities; Veterans; the chronically homeless; & those at-risk for homelessness.
- Prioritize a rapid rehousing approach that centers on providing homeless people with permanent housing quickly and then providing progressive support services as needed.
- Prioritize a targeted prevention approach that focuses on helping individuals at-risk of homelessness maintain their housing, thereby preventing homelessness.
- Manage a coordinated entry system in which homeless individuals who are seeking social services are able to quickly and easily locate and connect with services that best meet their needs.
- Develop simple & effective data systems in order to better quantify services, evaluate effectiveness, and identify gaps/opportunities for improvement.
- Allocate resources based on identified community needs and the achievement of targeted

performance outcomes.

- Promote communication and collaboration among local social service providers.
- Promote public awareness/education and seek out broad-based community input.
- Provide Emergency Income Payments to eligible households

Barriers to Affordable Housing

Introduction

Wenatchee is confined by the confluence of two rivers and the encirclement of the Cascade Foothills. While contributing to the visual and recreational appeal of the community, it seriously limits development. Limited developable land has raised the cost of land and deterred some would-be investors in residential and commercial property.

Actions Planned to Remove Negative Effects of Public Policies That Serve as Barriers to Affordable Housing

The City plans to mitigate the negative effects of public policies that may serve as barriers to affordable housing by undertaking the following actions:

1. Facilitating multi-family housing and infill residential development including in commercial areas.
2. Reviewing Wenatchee City Code incentives for the development of affordable housing.
3. Utilizing public infrastructure incentives to promote additional residential development.
4. Promoting awareness of population demographics and housing needs with the development/real estate community.
5. Increasing economic opportunities to improve employment and wages.

Other Actions

Introduction

The 2019 Annual Action Plan includes a variety of other actions that will address HUD requirements & support the objectives outlined in the City's Consolidated Plan. These specific actions are described below.

Actions Planned to Address Obstacles to Meeting Underserved Needs

The City will continue to conduct public outreach to ensure that the broader community is aware of the needs and opportunities identified in the Consolidated Plan and Annual Action Plan. In addition, the City will actively work to engage potential employer and landlord partners in overcoming obstacles to employment and housing. In 2016, that City of Wenatchee completed a Limited English Proficiency (LEP) Plan and will continue these efforts by developing a Language Access Plan (LAP) for implementation guidance. The City will also continue to provide Section 3 information to local businesses and individuals as a result of the City of Wenatchee receiving over \$200,000 in CDBG funding for the 2019 program year.

Economic needs and assistance to Wenatchee businesses has become a priority and new partnerships with organizations such as the Chelan Douglas Regional Port District and the North Central Washington Economic Development District are able to provide insight and a system infrastructure to best serve the commerce sector.

Actions Planned to Foster and Maintain Affordable Housing

The City will take the following actions to foster and maintain affordable housing:

- The City will communicate regularly with local property owners/managers to identify potential barriers to maintaining affordable housing. This information will be used to update the Consolidated Plan and follow-on Annual Action Plans.
- The City will continue to facilitate the Landlord/Tenant Outreach Committee. This committee is made up of representatives from local housing providers. Its focus is to address barriers their clients face when attempting to obtain affordable rentals. Activities include: 1) Recruiting landlords who are open to renting to vulnerable populations; 2) Providing landlord liaison assistance when problems arise between landlords/tenants; 3) Providing education and training for both landlords and tenants on their respective rights and responsibilities.
- The City has allocated homeless grant funding to the Housing Justice Project which provides free legal assistance to low-income tenants facing eviction or other tenant-based legal issues. These services help prevent evictions and help many low-income families

maintain affordable housing.

Actions Planned to Reduce Lead-Based Paint Hazards

The City's Code Enforcement staff will address lead-based paint issues that arise. In addition, the City will include lead-based paint hazard information in community education and outreach materials.

Actions Planned to Reduce Number of Poverty-Level Families

The Plan's focus on reducing housing cost burden and increasing literacy and employability for low-income residents will help to decrease the number of poverty-level families in the region.

The emergency income payments, business assistance and expanded public services to Wenatchee's vulnerable residents will support the fight against households living in poverty.

Actions Planned to Develop Institutional Structure

Working with community partners, the City will improve institutional structure by defining which services are best delivered by government and which are best delivered by the private, non-profit, and faith-based sectors.

Partnerships with established organizations have proven a valuable piece of efficient and effective delivery of disaster response funds. A few organizations that have supported the process and will continue to provide guidance, feedback, reports and system coordination include:

- Community Foundation of North Central Washington
- Chelan Douglas Regional Port District
- North Central Economic Development District

Actions Planned to Enhance Coordination between Housing Providers & Social Service Agencies

Actions taken by the City in developing the Consolidated Plan, such as conducting community outreach and facilitating community-based committees, have continued on an ongoing basis. Input from these activities aided in the development of the 2018 Annual Action Plan and will be used for future planning efforts. These actions also promote greater coordination and communication between public/private housing agencies and other social service agencies.

In 2015, the City coordinated a major effort to improve coordination among social service agencies through the development of a Coordinated Entry system which was launched in October 2015. Coordinated Entry will significantly improve coordination between service agencies by establishing a common intake & assessment process that enables homeless providers to determine services that best meets the needs of the client. In addition, the system established a standardized referral process between service agencies in the area. In 2019, the City will continue to manage the coordinated entry system including system evaluation and program improvements.

Program Specific Requirements

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. Estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.	100%

Name: Chelan Douglas Health District			
Contact Name: Emelia Gutzwiler Email: imt.lofr@cdhd.wa.gov		Phone: 509-886-6400	
Address: 200 Valley Mall Parkway East Wenatchee, WA 98802		City: East Wenatchee	State: WA
		Zip: 98802	
FOOD SERVICE		MEETING ARRANGEMENTS	
Staple food boxes to be delivered within 48 hours of receipt of request. Requests and delivery information will be received daily from Serve Wenatchee Valley by 3:00pm.		Start Date: Feb. 3, 2021 End Date: April 30, 2021 Count: Food boxes delivered will not exceed 425 over the three-month period.	
MENU		LOGISTICS	
Each box includes: 5lbs of flour 3lbs rice 3lbs beans 4 loaves wheat bread 3lbs tortilla 4lbs masa or pasta 1gal vegetable oil 3lbs lard 10lbs potato 12 cans of vegetables 12 cans of fruit		Prep of boxes: All boxes will be prepped and prepared at the Town Toyota Center. Delivery: each TTC driver will get a sheet with delivery addresses and the allotted number of boxes to be delivered. All recipients will be vetted through Serve Wenatchee Valley.	
ESTIMATED COSTS			
<p>425 boxes in total over a three-month period will be delivered to recipients vetted through Serve Wenatchee Valley. Charges will be invoiced to entities as directed by Chelan Douglas Health District. Total of all invoices issued monthly to all entities will be equal to \$26,660 per month. Monthly charges to each entity will be based on the overall percentage (of \$26,660) based on actual number of boxes delivered at their direction. Our services would include food ordering, food storage, food preparation, food packaging, food delivery, sanitized area, vehicle insurance and labor.</p> <p>TTC has in inventory the following as of January 5, 2021: Kroger supplemental boxes 496, Walgreens supplemental boxes 660. TTC will deliver one of each of these supplemental boxes with the food items listed above to each delivery address but will not order more of the supplement boxes once this inventory is exhausted.</p>			

Town Toyota Center _____ Date _____
Chelan County _____ Date _____

Town Toyota Center/Beyond Creations Catering
1300 Walla Walla Avenue
Wenatchee, WA 98801
beyondcreationscatering@towntoyotacenter.com
jiggles@towntoyotacenter.com
mmiller@towntoyotacenter.com



TO: Chelan Douglas Health District (CDHD)
Attention Emelia Gutzwiler
200 Valley Mall Parkway
East Wenatchee, WA 98802
509-886-6400
imt.lofr@cdhd.wa.gov

January 12, 2021

CC: The City of Wenatchee
The City of E. Wenatchee

RE: Proposal for contract to coordinate the COVID-19 Emergency Food Assistance Program (EFAP)

COORDINATOR: Serve Wenatchee Valley (SWV)
Thom Nees, Executive Director
12 Orondo Ave.
Wenatchee, WA 98801
509-663-4673
thom@servewenatchee.org

SWV is a 501 c3 non-profit organization, EIN#91-2164787 and is willing to work with the CDHD to administrate the EFAP program providing the following coordination services.

A. SCOPE OF SERVICES

- a. SWV will be responsible to contact medical providers and other community organizations and networks to inform them of this program.
- b. SWV will promote program in the community through free channels including but not limited to newsprint, PSA radio announcements, and social media channels.
- c. SWV is willing to coordinate but will not be responsible for paid advertising through any of these media outlets.
- d. SWV will manage and monitor a referral system that can be used by medical providers or individuals may self-refer so long as they can meet the eligibility requirements through a series of testamentary statements. (*Section B)
- e. Once a referral is received, SWV will assess the need for food with the referred person and serve as a liaison between the referred person and the subcontractor (TTC) who will provide and deliver food to the referred person's address.
- f. SWV will work directly with the Food Vendor to coordinate current and future food inventory needs.
- g. SWV will submit order, name of client, contact information, and address to Food Vendor for fulfillment and delivery.



B. CLIENT ELIGIBILITY:

- a. The Sub Grantee is responsible for determining client eligibility as directed by funders.
- b. This program will serve community members who can answer YES to all of the following:
 - i. I have, or someone living in my home has tested positive for COVID-19 or been directly exposed to someone who has tested positive for COVID-19.
 - ii. I (we) are isolating or quarantining at home to limit exposure of the virus to my community.
 - iii. I (we) do not have secure access to food during my time of isolation and quarantine.
 - iv. My home address is located in Chelan or Douglas County
- c. Follow up questions
 - i. Do you live in the City Limits of Wenatchee or E. Wenatchee?
 - ii. If YES, is your income below 50% of the local AMI?
- d. *If this process can be done through a testamentary series of questions above, then SWV can be contracted for the stated amount below. If there is further financial verification needed, that amount will have to be adjusted to allow for extra time needed.
- e. SWV will monitor a participation with clear instruction regarding food requests and allergies.

C. REPORTING

- a. SWV will provide a weekly report to each participating funder including the CDHD, City of Wenatchee, and the City of E. Wenatchee.
- b. Report will include number of program participants and the number of family members and quantity of food provided.
- c. Other items necessary for future reporting purposes may be required. Should reporting requirements change, SWV will only be responsible for these reporting requirements after being informed of change by the jurisdiction requesting the change.

D. TERMS OF SERVICE

- a. Services of the Sub Grantee shall start no earlier than the 3rd day of February 2021, and end on the 30th day of April 2021. The term of this Agreement and the provisions herein may be extended upon mutual agreement of all participants and guided by the spread and developments of COVID-19.

E. INVOICING & PAYMENT

- a. Serve Wenatchee is being secured by Chelan Douglas Health District, the City of Wenatchee, and E. Wenatchee to manage this program for \$2000 per month for the duration of the agreement.
- b. It is expressly agreed and understood that the total amount to be paid by the CDHD under this Agreement shall not exceed \$2,000 per month with the following exception:
 - i. If financial verification or any other requirements for eligibility determination are made by any participants in this agreement, there will need to be adjustment to this contract amount based upon mutual agreement.