

**Subject: ORD #1539 – Update to RMC
 1.21.010 – Contract
 Approval Authority for Leases**

Dept. Origin: Mayor's Office
Prepared by: Jennifer Robertson, City Attorney
For Agenda of: December 15, 2020
Exhibits: Ordinance No. 1539

Proposed Council Action:

This Ordinance is on for First Reading. Unless Directed otherwise, this will return for Second Reading and Action on January 5, 2021.

Concurred by Mayor:	Initial & Date
Approved/form by City Atty:	<u>12-4-20/JSR</u>
Approved by _____ Director:	_____
Approved by Department Head:	_____

INFORMATION / BACKGROUND

RCW 35A.11.010 provides the City of Ruston the authority by its legislative body to enter into contracts. On February 21, 2017, the City Council adopted Ordinance No. 1493 allowing the Mayor to enter into certain contracts without prior approval of each individual contract by the City Council. This authority did not provide any authority for the Mayor to execute property leases without Council approval.

The City owns the Ruston School at 5219 N. Shirley which is leased to various entities for office space. Point Ruston, LLC previously leased over 45 percent of the building. They vacated this past summer. The City is involved in marketing the building and is getting interest from some small entities who are seeking leases of relatively short duration for small suites in the building. In order to allow the City to enter into lease agreements more quickly and at a lower administrative cost, the Mayor is requesting he be allowed to execute leases when they are for less than 1,750 square feet and for fewer than a ten year term. All leases will be reviewed or prepared by the City Attorney.

FISCAL CONSIDERATION

This Ordinance will save the City the costs to prepare legislation and bring small lease agreements to the Council for pre-approval.

RECOMMENDATION / MOTION

This is on for First Reading. No action requested. Unless directed otherwise this will return for Second Reading and Action on January 5, 2021.

ORDINANCE NO. 1539

AN ORDINANCE OF THE CITY OF RUSTON, REGARDING CONTRACT AUTHORITY, AMENDING RUSTON MUNICIPAL CODE SECTION 1.21.010 TO ALLOW THE MAYOR TO EXECUTE CERTAIN LEASE AGREEMENTS WITHOUT THE NEED TO OBTAIN CITY COUNCIL APPROVAL, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, RCW 35A.11.010 provides the City of Ruston the authority by its legislative body to enter into contracts; and

WHEREAS, on February 21, 2017, the City Council adopted Ordinance No. 1493 allowing the Mayor to enter into certain contracts without prior approval of each individual contract by the City Council; and

WHEREAS, the City owns the Ruston School at 5219 N. Shirley which is leased to various entities for office space; and

WHEREAS, some of the leases are relatively short duration and for a small portion of the building; and

WHEREAS, the Council deems it in the best interest of the City to allow the Mayor to sign these leases when they are for less than 1,750 square feet and for fewer than a ten year term; and

WHEREAS, on December 15, 2020, the City Council held the first reading of this Ordinance; and

WHEREAS, on January 5, 2021, the City Council adopted this Ordinance during its regular meeting at the second reading; **NOW, THEREFORE**

THE CITY COUNCIL OF THE CITY OF RUSTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 1.21.010 of the Ruston Municipal Code is hereby amended to read as

follows:

1.21.010 - Contract approval authorization.

- A. The city council authorizes the mayor to enter into and execute on behalf of the city certain types of contracts without individual approval of each contract by the city council. This authority is granted only if the contract is consistent with the approved annual budget for the city, and the city's liability under the contract does not exceed available fund balances. All contracts must be reviewed and "approved as to form" by the City Attorney in order to be approved by this process. The contract types authorized by the council include:

Contract Type	Maximum Annual Contract Amount*	Mayor with Review of City Attorney
Settlement (claims/suits)	\$ 5,000.00	Yes
<u>Leases for City property for fair market value when the leased space is less than 1,750 Square Feet and the term is less than 10 years</u>	<u>N/A</u>	<u>Yes</u>
Goods, services, supplies, materials or equipment, including capital equipment	15,000.00	Yes
Maintenance Contracts	15,000.00	Yes
Public Works Contracts	35,000.00 (multiple trades) or	Yes
	\$20,000.00 (single trade)	Yes
Professional service or consultant agreements	15,000.00	Yes
Lease agreements for materials, supplies or equipment	15,000.00	Yes
Routine contract extensions for contracts that have been approved by the city council when such extensions are under substantially similar terms and are within the adopted budget	75,000.00	Yes
Contract which carry out or implement a provision of this code or established city policy, e.g., maintenance or	—	Yes

performance bonds for plat improvements		
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* Including sales or use tax -if applicable.

1. Contracts not consistent with the above table, or are to be paid with unappropriated funds, must be preapproved by the city council.
2. The breaking down of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amounts is prohibited. The amount of a contract includes all amendments. Amendments that do not exceed in total 10 percent of the contract amount up to \$25,000 may be entered into without prior city council approval.
 - B. All contracts presented for signature by the mayor shall be signed by the city attorney as to form and legality.
 - C. The mayor in his or her discretion may present any contract to the city council for prior approval, even if the contract is allowed to be approved without prior city council approval.
 - D. Interlocal agreements shall be presented to the city council for prior approval.
 - E. Other than the mayor, no elected or appointed official has the authority to purchase or enter into contracts on behalf of the city. For the purposes of this section, a purchase does not include approved travel, training or per diem reimbursements consistent with the personnel policies.
 - F. For the purpose of this chapter, "contract" means any agreement creating a legal relationship between the city and another person or entity, or any amendment thereto.

Section 2. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 3. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 4. Effective Date. This Ordinance shall be effective five days after publication as provided by law.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 5th day of January, 2021.

APPROVED by the Mayor this 5th day of January, 2021.

Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

Judy Grams, City Clerk

APPROVED AS TO FORM:

Office of the City Attorney

FILED WITH THE CITY CLERK: _____

PASSED BY THE CITY COUNCIL: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

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