CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Business Meeting Minutes – April 1, 2013
Shelton Civic Center - 6:00 p.m.

Presiding: Mayor Cronce, Commissioner Olsen and Commissioner Pannell
Staff Present: Dave O'Leary, Vicki Look, Cathy Beierle, Mike Michael and Jason Dose

Mayor Cronce called the meeting to order at 6:00 p.m.

Commission Reports

One or more Commissioners will attend the following activities this week:

- Mason County Commissioners Weekly Meeting
- Mason Transit Authority Board Meeting
- Law Enforcement Officers and Fire Fighters (LEOFF) Board Meeting
- Premiere showing of video showcasing the community of Shelton

Public Comment

Mayor Cronce recognized Mr. Tom Davis who spoke of his concerns about the proposed expansion of the Urban Growth Area. Mr. Davis suggested research needs to be done before businesses will want to come to this critical aquifer recharge area.

Mayor Cronce recessed the regular meeting and opened the Public Hearing at 6:04 p.m.

Public Hearing - City of Shelton Shoreline Master Program Update – Senior Planner Dose & Department of Ecology representative Tim Gates presented this update. SP Dose said that the City of Shelton is required by State law to update its Shoreline Master Program regulations in compliance with the Washington State Shoreline Management Act. The State of Washington Department of Ecology (DOE) awarded the City of Shelton a grant in the amount of $148,000 to complete this required update. The City of Shelton entered into a contract with EPA Adolfsen for Consultant Services to aid staff in completing the update. In 2011, the City Commission authorized establishment of two committees. The first being, a Joint Technical Advisory Committee (JTAC), who met 12 times, and consisted of a number of local and State agency representatives as well as fisheries, hydrologic, geologic, and other resource experts. Secondly, the Citizens Advisory Committee (CAC) consisted of seven members, who reviewed draft regulations encompassing the bulk of use regulations and to aid staff and the consultant to produce the current public review draft. Prior to requesting the Commission make a final decision on the draft document; staff will issue notice of SEPA determination. Information on the City of Shelton Shoreline Master Program Update is available on the City of Shelton website. SP Dose requested the Commission leave the Public Hearing open until May 6, 2013 to allow public review and comment.

Public Testimony

Mayor Cronce recognized Mr. Forrest Cooper who commended Mr. Dose for his presentation and encouraged the public to participate in this process.

The Commission concurred with staff’s request to leave the public hearing open until May 6, 2013 to allow public review and compile all comments received and provide responses and recommendations to the Commission.

Consent Agenda

1. Vouchers numbered 80634 through 80708 in the amount of $338,676.09
2. Manual Warrant numbered 80633 in the amount of $4,834.19 to Department of Revenue
3. Commission Meeting Minutes from:
   - Study Session of March 11, 2013
   - Business Meeting of March 18, 2013
4. Peterbilt 10/12 Dump Truck Purchase – Vendor Awards with Western Peterbilt & Northend Truck Equipment, Inc.

Commissioner Olsen moved to approve the consent agenda; Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

Old Business
1. Coordinated Prevention Grant Application Update – Senior Planner/Recycling Coordinator Dose reported that at the meeting of March 18, 2013 he presented a Coordinated Prevention Grant Application for Commission approval in the amount of $155,026.67 ($116,270 State share and $38,756.67 local match) in anticipation of hearing from Mason County regarding their plans for the same grant. After contact with Mason County it has become apparent that the grant application needs to be reduced and SP/RC Dose requested authorization to apply for a lesser amount of $118,010.67 ($88,508 State share and $29,502.67 local match). This reduction will eliminate the replacement of recycle containers and a large portion of the public space (pilot) recycling program initially envisioned.

The Commission concurred with the lesser amount requested by Senior Planner/Recycling Coordinator Dose.

New Business
1. “K” Street Rehabilitation Project – NOVA Contracting Final Acceptance – City Engineer Michael said that this project involved cold milling and overlaying one to two inches of asphalt on “K” Street, from the intersection with Olympic Highway to North 13th Street. The project also included a number of localized full depth repairs to the road structure and adding/replacing the sidewalk on the south side of the road and the existing sidewalk ramps, on the north side, with ramps that meet current Americans with Disability Act standards. The project was awarded to NOVA Contracting, Inc. as the lowest responsive, responsible bidder. The successful bid was for $949,765.00. After six change orders valued at $37,446.73, the final contract value was $987,211.37 with an earned value to the contractor of $790,139.19. The final amount paid the contractor equates to a 19.96% decrease over the original bid. This decrease included reduction in work items due to final field conditions as well as penalties due to the contractor’s failure to complete the project on time. CE Michael requested to place the Final Acceptance of work done by NOVA Contracting, Inc. for the K Street Rehabilitation Project on the consent agenda for April 8, 2013.

The Commission concurred to place the Final Acceptance of work done by NOVA Contracting, Inc. for the K Street Rehabilitation Project on the consent agenda for April 8, 2013.

2. a) Ordinance No. 1825-0413 – First Reading – An Ordinance of the City of Shelton, Washington, providing for the issuance, sale and delivery of not to exceed $1,200,000 aggregate principal amount of unlimited tax general obligation refunding bonds to provide funds necessary to refund certain outstanding Unlimited Tax General Obligation Bonds, 1998; providing for the issuance, sale and delivery of not to exceed $700,000 aggregate principal amount of limited tax general obligation refunding bonds to provide funds necessary to refund certain outstanding Limited Tax General Obligation Bonds, 1999; fixing or setting parameters with respect to certain terms and covenants of the bonds; and appointing the City’s designated representative to approve the final terms of the sale of the bonds

b) Ordinance No. 1826-0413 – First Reading – An Ordinance of the City of Shelton, Washington, relating to the waterworks utility of the City, including the sewage system; providing for the issuance of Water and Sewer Revenue and Refunding Bonds in the principal amount of not to exceed $3,700,000, to finance the Upper Mountain View Pressure Zone improvements for water mains, storage and treatment system and the design and construction of a water booster pump station, including land purchase, to serve the Angleside Reservoir and Pressure Zone, to refund the City’s outstanding Water and Sewer Revenue Bonds, 1997 and Water and Sewer Revenue Bonds, 1999 and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City’s designated representative to approve the final terms of the sale of the bonds; and providing for other related matters – Director of Financial Services
Beierle explained that the 2013 Budget includes partial funding for the 2013 Upper Mountain View Pressure Zone Water Improvements and full funding for the Angleside Booster Pump Station Project, to be provided by the Water and Sewer Revenue Bonds issued in 2013. The proposed W/S Revenue Bond Ordinance provides for a bond sale, not to exceed $3,700,000, which will support both of these projects and also includes a refunding of the City's outstanding 1999 W/S Revenue Bonds, using existing cash. The City's 1999 W/S Revenue Bonds were issued on April 1, 1999 in the amount of $660,000 for Sewer Improvements, and the City's 1997 W/S Revenue Bonds were issued July 1, 1997 in the amount of $845,000 for both Water and Sewer Improvements. Refunding the remaining outstanding debt on the 1999 W/S Revenue Bonds, $270,000, and redeeming the remaining 1997 W/S Revenue bonds, $260,000 is expected to result in a savings cost. The City's 1998 Unlimited Tax General Obligation (UTGO) Bonds were authorized by the qualified voters of the City and issued October 1, 1998, in the amount of $3,000,000, for paying part of the cost of improving and equipping the City's Civic Center. November 1, 1999, the city issued $1,240,000 of Limited Tax General Obligation (LTGO) Bonds to provide additional funds for the City's Civic Center Project. Refunding the remaining outstanding debt on both of these issuances, a total principal amount of $1,665,000, was considered and an expected cost savings was identified. The proposed General Obligation Refunding Bond Ordinance provides for a bond sale, not to exceed $1,200,000, for the UTGO debt and $700,000 for the LTGO debt, to be used for the refunding of both the City's General Obligation Bonds. The 1998 UTGO Bond's final maturity is November 1, 2019, by refunding these bonds the impact to the General Fund will be reduced each year for the remaining years of this bond debt. Refunding the remaining outstanding Bonds is expected to result in an estimated net savings over the remaining life of the bonds as follows: UTGO Bonds - $50,000, LTGO Bonds - $50,000, and 1999 W/S Revenue Bonds - $40,000. Redeeming the remaining outstanding 1997 W/S Revenue bonded debt will eliminate the future interest expense, of approximately $15,600 for the Water Fund and $10,900 for the Sewer Fund. Issuing these refunding bonds at the same time as the funding of the two Water projects is more efficient, resulting in a savings of staff costs as well as bond issuance and underwriting costs.

DH Beierle introduced Bond Counsel, Nancy Neraas of Foster Pepper LLC, who prepared and explained the draft ordinances and underwriter Dave Trageser of D.A. Davidson & Co. who explained how the bonds are marketed and sold and the anticipated bond sales date.

The Commission thanked Ms. Neraas and Mr. Trageser for their attendance and presentations.

DH Beierle requested a First Reading of Ordinance No. 1825-0413 & 1826-0413 and place them on the consent agenda for April 8, 2013.

Mayor Cronce requested a First Reading of Ordinance No. 1825-0413 as follows:
An Ordinance of the City of Shelton, Washington, providing for the issuance, sale and delivery of not to exceed $1,200,000 aggregate principal amount of unlimited tax general obligation refunding bonds to provide funds necessary to refund certain outstanding Unlimited Tax General Obligation Bonds, 1998; providing for the issuance, sale and delivery of not to exceed $700,000 aggregate principal amount of limited tax general obligation refunding bonds to provide funds necessary to refund certain outstanding Limited Tax General Obligation Bonds, 1999; fixing or setting parameters with respect to certain terms and covenants of the bonds; and appointing the City's designated representative to approve the final terms of the sale of the bonds.

Mayor Cronce requested a First Reading of Ordinance No. 1826-0413 as follows:
An Ordinance of the City of Shelton, Washington, relating to the waterworks utility of the City, including the sewage system; providing for the issuance of Water and Sewer Revenue and Refunding Bonds in the principal amount of not to exceed $3,700,000, to finance the Upper Mountain View Pressure Zone improvements for water mains, storage and treatment system and the design and construction of a water booster pump station, including land purchase, to serve the Angleside Reservoir and Pressure Zone, to refund the City's outstanding Water and Sewer Revenue Bonds, 1997 and Water and Sewer Revenue Bonds, 1999 and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.
The Commission concurred to place Ordinance No. 1825-0413 and No. 1826-0413 on the consent agenda for a Second Reading and adoption for April 8, 2013.

Administration Reports - None

Public Comment - None

Administrative Final Touches
- DH Clark - IGA #20 Amendment #1 - Dayton Airport Water – Construction
- DH Goins – Abatement Strategy
- DH Goins – Development Standards Update
- MA Look – Request for Proposals for new Network upgrade

Announcement of Next Meeting
Mayor Cronce announced the next regular Commission meeting of Monday, April 8, 2013, at 2:00 p.m.

Adjournment
As there was no further business the Commission business meeting was adjourned at 6:51 p.m.

Mayor Cronce

City Clerk Look