CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Study Session Minutes – July 14, 2014 2:00 p.m.
Shelton Civic Center

Presiding: Mayor Cronce, Commissioner Olsen and Commissioner Moore
Staff Present: Dave O’Leary, Vicki Look, Cathy Beierle, Steve Goins, Mike Michael and Lesleann Kangas

Mayor Cronce called the meeting to order at 2:00 p.m.

Commission Reports

- Forterra Discussion – City Administrator O’Leary reported that in June the Shelton Chamber of Commerce attended the scheduled City Commission meeting and presented a proposal to hire the Forterra firm to organize a downtown visioning process creating a vision for the future that could be supported by the community. Local stakeholders would then work to fulfill the vision in coming years. The cost of the service would be approximately $55,000. The Chamber proposed that they and Green Diamond Resources partner with the City for this service. Staff indicated that the visioning process could yield significant long-term benefits. In the next few years, commerce in downtown would be challenged by new commercial development in Shelton Hills. The City’s interest would be to maintain downtown as a strong commercial center. Retail growth in both areas should capture sales that are currently leaking to businesses in other areas. This process will depend on the enthusiastic support from the Chamber, especially Chamber membership in the downtown area. Before the City invests in the project, the Chamber should make its own investment. CA O’Leary said staff’s original assumption was the City should contribute up to 1/3 of the total cost. The Chamber’s current proposal is nearly 1/2, and the latest cost estimate is higher than originally estimated. Dollars are tight, but staff believes this project has significant potential benefits.

Commissioner Moore said this revitalization is a good idea for the downtown area and it the timing is good for the City of Shelton’s Comprehensive Plan.

Commissioner Olsen said he feels very strongly that any monies coming from the City should not be spent until the other dollars have been raised.

Mayor Cronce said he is in favor of the project and will pledge $2,000 to the Chamber as a downtown business. He also commented that having Forterra as an outside view is good.

The Commissioners concurred that the monies should be 1/3 from each party with the City being the managing partner and not moving forward until all monies have been raised.

CA O’Leary said he will work with City Attorney Haggard to get a written understanding in place.

- Management Assistant Look requested an addition to the agenda to present a letter of support for Mason Transit Authority Transit-Community Center Ladders of Opportunity Initiative Grant Application. MA Look read the letter offering support for the efforts of Mason Transit Authority and requested the Commission approve the Mayor sign the letter.

The Commission concurred to authorize the Mayor to sign the letter of support for Mason Transit Authority’s grant application.

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

- Candidates Forum
- Bite of Mason County
- Mason Transit Authority Board Meeting
- MACECOM Meeting
- Criminal Justice Meeting in the A.M.
- Criminal Justice Meeting in the P.M.
Consent Agenda
1. Transfer and Banking Fees in the amount of $5,791.33

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

Old Business
1. Wastewater Treatment Plant Additional Work Equipment Purchases - Dewatering Solutions — City Engineer Michael reported that at the June 23, 2014 meeting the Commission awarded two vendor purchases, one was to Dewatering Solutions in the amount of $52,296.53. The award did not include freight charges of $1,250.00 as per quotation. To include the freight the amount of the Vendor Award should be $53,546.53. CE Michael requested the Commission place the Vendor Award increase on the consent agenda for July 21, 2014.

The Commission concurred to place the increased Dewatering Solutions Vendor Award Form on the consent agenda for July 21, 2014 in the amount of $53,546.53.

New Business
1. Resolution #1070-0714- A Resolution of the City of Shelton, Washington, Providing for the Approval of a United States Department of Agriculture Form Loan Resolution Required in Connection with the Issuance of a Water and Sewer Revenue Bond that will Provide Funds to Finance the Basin 5 Sewer Inflow and Infiltration Repairs — Director of Financial Services Beierle reported that this resolution is required by United States Department of Agriculture Rural Development (USDA-RD). The City’s Basin 5 Inflow and Infiltration Repair project construction piece included a $7,546,000 loan from USDA-RD to complete the project. The City agreed to a Letter of Conditions when receiving the loan that established certain conditions including: prior to the issuance and sale of the Water and Sewer Revenue Bond, USDA-RD requires a resolution form to be adopted by the City Commission. This resolution is a form of the USDA-RD and is not subject to negotiation or change. After adoption of the USDA-RD resolution, the City can move forward with passing the bond ordinance and sale of the bonds to USDA-RD. The Project was completed and accepted by the City on February 24, 2014. Now that the project has been completed and all non-financing costs have been paid; the City needs to issue a Water and Sewer Revenue Bond payable to USDA-RD to pay off the interim financing and associated debt issuance and interest costs. DH Beierle said that the total estimated cost of the Basin 5 Project, including interim financing costs, is $10,417,830. The interim financing for the USDA-RD funding drawn at this time is $3,346,129, which includes $40,134 of interest and other financing costs. Additional interest and financing costs accruing up to the tentatively scheduled bond sale date of August 21, 2014 is estimated to be $12,559. The W/S Revenue Bond issued to USDA-RD will be in the amount of $3,358,000, with a 2.375% interest rate, a 40 year term, and $65,280 semi-annual payments. DH Beierle requested the Commission read and approve Resolution #1070-0714 today to allow moving forward with the Bond Ordinance.

Public Comment on Action Item – None

Mayor Crane requested a reading of Resolution #1070-0714 as follows:
Resolution #1070-0714- A Resolution of the City of Shelton, Washington, Providing for the Approval of a United States Department of Agriculture Form Loan Resolution Required in Connection with the Issuance of a Water and Sewer Revenue Bond that will Provide Funds to Finance the Basin 5 Sewer Inflow and Infiltration Repairs.

Commissioner Moore moved to approve Resolution #1070-0714, Commissioner Olsen seconded the motion. A vote was taken and the motion passed.

2. Ordinance No. 1853-0714 – 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 a Water and Sewer Revenue bond, 2014 in the principal amount of $3,358,000, to redeem the City’s Water and Sewer Revenue Bond Anticipation Note, 2012 and pay costs of issuing the Bond and repaying the Note; authorizing the sale of the Bond to the United states of America, acting through the United States Department of Agriculture; and fixing the terms and covenants of the Bond — Director of Financial Services Beierle said now that Resolution #1070-0714 has been passed we can move forward with a First Reading of Ordinance No. 1853-0714 that
stipulates all the details of the bond sales. She requested a First Reading and placing it on the consent agenda for July 21, 2014 for a Second Reading and adoption.

Mayor Cronce requested a First Reading of Ordinance No. 1853-0714 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 a Water and Sewer Revenue bond, 2014 in the principle amount of $3,358,000, to redeem the City's Water and Sewer Revenue Bond Anticipation Note, 2012 and pay costs of issuing the Bond and repaying the Note; authorizing the sale of the Bond to the United States Department of Agriculture; and fixing the terms and covenants of the Bond.

The Commission concurred to place Ordinance No. 1853-0714 on the consent agenda for July 21, 2014 for a Second Reading and adoption.

3. Ordinance No. 1854-0714 -- First Reading - An Ordinance of the City of Shelton, Washington, Amending Chapters 5.46 and 8.68 of the Shelton Municipal Code, Relating to Special Events Permits -- Management Assistant Look said that the Shelton Municipal Code relating to Special Events Permits needs updating to accommodate time sensitive and protected speeches. In addition the City, at this time, does not charge fees for review of Special Events Permit Applications. MA Look said the process is similar to the Business License Application review process, for which there is currently a $30.00 fee. At this time the request is not for any fee changes, which would occur with a resolution updating of the annual Fee Schedule. In addition, the utility services will charge for their services but streets have not charged for closing of streets or parades and car shows, but those services could be recovered through the Hotel/Motel Taxes collected by the City. MA Look said charges will be brought back at a later date. We have received an application for an event at Loop Field that would include a BBQ and beer and a question was brought forward about a dog walk. This ordinance includes language allowing beer/wine gardens and special events allowing pets in City parks. MA Look requested a First Reading of Ordinance No. 1854-0714 and placing the Second Reading and adoption on the consent agenda for July 21, 2014.

Mayor Cronce requested a First Reading of Ordinance No. 1854-0714 as follows: An Ordinance of the City of Shelton, Washington, Amending Chapters 5.46 and 8.68 of the Shelton Municipal Code, Relating to Special Events Permits.

The Commission concurred to place Ordinance No. 1854-0714 on the consent agenda for July 21, 2014 for a Second Reading and adoption.

Administration Reports

General Public Comment - None

Administrative Final Touches
- DH Goins – Tent City Ordinance
- DH Goins – Human Services
- MA Look – City Attorney Haggard will present a training regarding Open Public Meetings Act Monday, July 21, 2014, 4:30-5:30 p.m.

Announcement of Next Meeting
Mayor Cronce announced the next regular meeting of Monday, July 21, 2014 at 6:00 p.m.

Adjournment
Mayor Cronce adjourned the meeting at 3:05 p.m.

Mayor Cronce

City Clerk Look