CITY OF SHELTON - CITY COMMISSION
September 29, 2014
EXECUTIVE SESSION – 1:15 p.m.
Civic Center Back Room
The Commission held an Executive Session at 1:15 p.m. for 30 minutes to discuss potential litigation with no action to follow. The Commission, City Attorney Kathleen Haggard, Dave O’Leary and Vicki Look were in attendance. The Commission adjourned the Executive session at 1:40 p.m.

CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Study Session Minutes – September 29, 2014
Shelton Civic Center - 2:00 p.m.

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

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

Commission Reports
- Shelton Mason County Chamber of Commerce - Dumpster Diving – Executive Director Ms. Heidi McCutcheon and Government Affairs Chair Julie Sund Nichols spoke on their previous request to the Commission for an ordinance relating to “dumpster diving.” They expressed the business community’s wish to enable the police force with a tool to assist in their ongoing efforts to ensure safety and walkability within the City.

The Commission said they understood their concerns and would get back to them with an answer regarding their requested ordinance.

Commissioner Olsen read from the “Journal” that the United States Department of Transportation Federal Transit Administrative Competitive Grant of a little less than 1.5 million has been awarded to the Mason Transit Authority Community Center. The grant will provide funding for the renovated “Armory” linking public transit access to activities at the community center.

One or more Commissioners will attend the following activities this week:
- Infrastructure Assistance Coordinating Council (IACC) Conference – Wenatchee
- Oysterfest

Public Comment - None

Consent Agenda
1. Voucher numbered 84212 in the amount of $50,163.06 to Department of Ecology
2. Manual Warrant numbered 84211 in the amount of $876.94 to AT&T
3. Civic Center Rotating Art Gallery Shelton Arts Commission Recommended Art – Mr. Paul Kucharik – Oil, Mr. David Friend – Acrylic, Mr. Gary Gillespie, Collage on paper, Ms. Peggy Hosford – Pastel
4. Human Services Committee Appointment – Ms. Kathy Geist – Term of three years
5. Department of Natural Resources Grant – Authorizing the Mayor to sign
6. Public Works Board Water Funding Contract Amendment – Authorize the Mayor to sign all documents
7. Wastewater Treatment Plant – Parametriex Design and Construction Services Contract Amendment #16 – Authorize the Mayor to sign when returned from contractor
8. Port of Shelton Bill of Sale – Water Main Extension – Commission Sign Infrastructure Acceptance Form and Mayor Sign Bill of Sale

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

1. **In-Fill Residential Sidewalk Design Cost 2014 Budget Modification** – Public Works Director Clark reported that in 2013 the Commission established a policy on residential development that sidewalks would be constructed. It is the responsibility of the contractor to construct the sidewalk only and the City’s responsibility to provide survey information and setting the grade and alignment for the sidewalk. At the time of the policy there was money set aside in one-time money in the 2014 budget of $25,000 to cover survey costs, but the cost for the engineering for grade and alignment was not in the budget. DH Clark requested a $35,000 budget modification for the engineering work necessary to set the sidewalk’s grade and alignment. DH Clark said this is being brought back under Old Business to allow the Finance Director to check on the amount of one-time monies available. He said this will be an ongoing $60,000 yearly request.

Mayor Cronce asked how many homes does the $35,000 cover. CE Michael responded four to eight. Mayor Cronce said if this is correct then if we had 20 new homes we would need $150,000. He said if growth happens we will not have the money so it might be good to review the policy.

Commissioner Moore asked if we have the money to support this request at this time. Director of Financial Services Beierle said it will be about choices. Commissioner Moore said that we have established the policy so this time there is not a choice.

Public Comment – None

*Commissioner Moore moved to approve a budget modification of $35,000 in operating expenses from the General Fund’s Unfunded Reserves to increase this line item for Professional Services, authorizing the City Administrator to make the necessary budget modification for the year 2014.*

New Business

1. **2015 Budget Overview** – City Administrator O’Leary and Director of Financial Services Beierle presented the 2015 Budget Overview. CA O’Leary reported on: Emerging from the Great Recession, Changes to the Budget Process and DH Beierle reported on the Current Budget Status. CA O’Leary said we need to anticipate for operation and administrative needs, follow comprehensive and strategic plans, be conservative and spend only what is collected and bank funds for emerging capital needs. DH Beierle said the Requested Expenditures are $10,828,231 and Projected Revenues are 9,887,923 equaling a shortfall of $940,308. The presented Power Point showed each department Requested Expenditures and Projected Revenues. DH Beierle said the Budget Calendar is: October 27, 2014 - 2015 Preliminary Budget Presentation, November 3, 2014 – Preliminary Budget Public Hearing Revenue Sources Public Hearing, December 1 – 2015 Final Budget Public Hearing.

2. **Northcliff Temporary Sewer – Budget Modification** – Public Works Director Clark reported that in January 2014 Public Works discussed with the Commission the long term value of having the City Crew construct a temporary sewer down the ditch-line of Northcliff Road from a connection to the end of an existing Northcliff “Dry” sewer main., then south in the ditch-line to the existing sewer main near the Canyon Creek crossing of Northcliff Road. The Commission authorized staff to proceed with this installation and the purchase of materials. The project was completed in spring of 2014 and no budget modification was approved that would add it to the City’s Sewer Utility 2014 Capital Budget. The total amount of the capital project for labor, material and equipment was $29,746.71. DH Clark requested the Northcliff Temporary Sewer – Budget Modification of $29,746.71 be placed on the consent agenda for October 6, 2014, authorizing the City Administrator to make the necessary modifications.

*The Commission concurred to place the Northcliff Temporary Sewer – Budget Modification, authorizing the City Administrator to make the necessary budget modifications, on the consent agenda for the meeting of October 6, 2014.*
Administration Reports
City Administrator O’Leary requested the order of items under Administration Reports be reversed to allow the Innovation Award to be presented first.

1. **Innovation Award** – City Administrator O’Leary said he was presented an award at the Washington City Management Association Conference. The award is for program excellence and innovation in local government management. This award was given relating to budget and he thanked citizens and staff for the sacrifices that were made in difficult times. He said he was very proud to accept this on behalf of all at/in the City of Shelton.

2. **Department of Health Overview - Basin 3** - City Engineer Michael presented a handout regarding the Department of Ecology Water Quality Program Funding Offer. The total project cost is $6,347,080. The project funding includes the Centennial Grant of $1,875,298 (50% of residential customer base responsibility, remaining 50% in low interest), $4,471,782 Revolving Fund Loan at 2.3% interest rate for 20 years under Moderate Hardship (composite interest rate based on $1,875,298 @ 1.8% and $2,596,484 @ 2.7%), Hardship status in not calculated from rates but on total eligible expenses and Equivalent Residential Units. CE Michael said based on State Revolving Fund/Centennial Grant Program calculation method, our communities average residential responsibility for ongoing operation expenses is 2.4% Medium Household Income (about $71 monthly) currently, would increase to 2.64% ($78 monthly) if the entire project were funded by a standard State Revolving Fund Loan, and would increase to 2.56% ($75 monthly) if the funding package is accepted. CE Michael said that if there is updated information for evaluation they will do that up to the time the agreement is signed. He said that right now given the regulatory calculations we are not eligible for any more grant money.

**General Public Comment** - None

**Administrative Final Touches**
- CE Michael – Public Works Trust Fund – payment required one month earlier
- DH Beierle – Software Contract Amendment

**announcement of Next Meeting**
Mayor Cronce announced the next regular meeting Monday, October 6, 2014 at 6:00 p.m.

**Adjournment**
Mayor Cronce adjourned the meeting at 3:55 p.m.

Mayor Cronce
City Clerk Look