

CITY OF SHELTON, WASHINGTON - CITY COMMISSION

Business Meeting Minutes – February 16, 2010

Shelton Civic Center - 6 P.M.

Presiding: Mayor Tarrant, Commissioner Byrne and Commissioner Pannell

Staff Present: Kathleen Haggard, Vicki Look, Steve Goins, Cathy Beierle, Mike Michael, Dennis McDonald and Lesleann Kangas

Commission Reports

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

- Criminal Justice Meeting
- MACECOM Board Meeting
- Shelton Mason County Chamber of Commerce Meeting

Public Comment - None

Consent Agenda

1. Vouchers numbered 72148 through 72260 in the amount of \$895,039.25
2. Payroll Warrants numbered 61105 through 61166 and 61169 through 61317 in the amount of \$667,181.54
3. Commission Meeting Minutes of:
 - Special Meeting of January 29, 2010
 - Business Meeting of February 1, 2010
 - Study Session of February 8, 2010
4. Resolution #993-0210 – A Resolution of the City of Shelton, Washington Establishing a City Employee Wellness Program
5. Resolution #994-0210 – A Resolution of the City of Shelton, Washington, Providing for the Submission of a Proposition to the Qualified Voters of the City of Shelton at a Special Election to be held on April 27, 2010, for their Approval or Rejection of the Creation of a Metropolitan Park District Pursuant to Chapter 35.61 RCW
6. Washington State Department of Ecology Coordinated Prevention Grant – Authorize the Mayor to sign and Mayor and City Attorney to sign Procurement Certification Form
7. Wastewater Treatment System Rehabilitation Project – Design – Amendment #2 to Ecology Agreement L0800004 Closeout – Authorize the Mayor to sign and City Administrator to make necessary budget modification

Commissioner Byrne moved to approve the consent agenda as read, Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

Old Business

1. Regional – Dayton-Airport Road (DAR) Water Expansion Project – Regional Projects Manager McDonald said that the City of Shelton is working with the Regional Partners (WSP & WCC) to expand potable water to these two facilities. The draft MOU presented last week has been changed to include attorney comments. Presented to the Commission this evening is a new format that has been used by Department of Corrections (DOC). Mr. McDonald incorporated the draft MOU into this new format. DOC stated that a MOU is not a legal contract but shows good faith to a common goal. Originally, the three Partners agreed to a percentage of how they would be contributing to pay for each portion of the Regional Plan. This agreement is showing that the two parties are committing to pay for the portions of what was originally agreed to and intended under the Regional Plan. This is different than how the projects are normally paid for in that there are certain aspects that each Partner is willing to support. The other infrastructure that is necessary for the City to support, as well as all regional aspects including Johns Prairie, is an infrastructure within the City that needs updated and improved to address the expansion of the pipeline and potable water. Growth will pay for growth.

Mr. McDonald suggested that this be brought back under Old Business for the meeting of March 1, 2010 because the Contract and Finance Work Group will be meeting on February 24, 2010 to have a final agreement ready for signatures.

City Attorney Haggard questioned whether the percentages will actually drive the costs or costs drive the percentages? Clarification is needed on this.

The Commission directed staff to bring this back under Old Business for the meeting of March 1, 2010.

New Business

1. **2009 Sewer Comprehensive Plan Update – Amendment #1** – City Engineer Michael reported that this project was divided into three phases. Phase III scope and budget was anticipated to be dependant on the results of Phase I and the resultant level of effort required to fill in the missing data and information to complete the updated sewer comprehensive plan. Phases I and II were authorized in early 2009. Phase II was not used. In addition to the scope of work originally anticipated, the early work on this project revealed a need to revisit the rate structure in place. Staff has worked with Carollo's personnel to develop a realistic and manageable scope for Phase III. This is a Department of Ecology requirement that the City must comply with. The Commission approved budget for 2009 that included the Sewer Comprehensive Plan. Carollo proposed \$72,392, as their authorized budget for Phases I and II. Based on the 2009 budgeted amount for this work as well as estimations of the level of effort required to complete Phase III, staff anticipated a budget for Phase III of \$57,608 for a total contract price of \$130,000. Based on the finalized Phase III scope of work and associated budget, the total cost of the Sewer Comprehensive Plan Update is now anticipated to be \$203,689. Funds exist in the Sewer Utility to cover this added cost of the contract. CE Michael requested that the Commission authorize the Mayor to sign Amendment #1 for Phase III Services with Carollo Engineers to complete the Sewer Comprehensive Plan Update and authorize the City Administrator to make necessary budget adjustments.

The Commission requested that this be brought back under Old Business to include the Exhibits listed on Amendment #1 that were not available this evening.

2. **2008 Water Comprehensive Plan Update** - Public Works and Community and Economic Development Director Goins said the City of Shelton is required by the Department of Health to update its Water Comprehensive Plan every six years. In 2008, staff selected Brown & Caldwell to conduct the update, which includes a review of current water rates, service metering, and utility billing software. Plan completion has been delayed, during which time several issues related to rates have emerged. In particular, the *Lane v. Seattle* ruling that determined providing public fire protection through fire hydrants is a government function that must be paid out of general revenue funds. Additionally, the City may have the need to provide water at a wholesale rate in the near term; however, the analysis to develop a wholesale rate was not included in the original scope. Our consultants have just completed our revenue needs assessment. The City should be proactive in completing the added analysis to comply with *Lane v. Seattle*, and with the emerging need to develop a wholesale rate: there would seem to be significant cost savings in developing an updated retail rate at this time. Brown & Caldwell has retained Financial Consulting Solutions Group, Inc. (FCS) to conduct the revenue needs assessment. FCS Group would complete a comprehensive water rate study, including the work to assess the cost for fire protection services currently paid by water rates and charges, and develop a wholesale water rate for \$38,340. DH Goins requested that the Commission place the contract with FCS Group for comprehensive water rate study, authorize the Mayor to sign and City Administrator to make necessary budget adjustments on the consent agenda for February 22, 2010.

The Commission concurred to place the contract with Financial Consulting Services Group Inc. on the consent agenda for February 22, 2010, authorizing the Mayor to sign and the City Administrator to make necessary budget adjustments.

3. 2009 Laurel Street Storm Project – Final Acceptance Form – City Engineer Michael reported that this project replaced and expanded new storm drainage facilities in a four block section of Laurel Street between “E” Street and “T” Street to reduce flooding in this area during heavy storm events. This area frequently experiences significant ponding of water during heavy rain events, particularly at the intersection. Work was awarded November 9, 2009; however, due to weather conditions, work commencement was delayed until January 4, 2010. The work was inspected as physically complete on January 22, 2010. The approved amount for this is slightly less than \$45,000 in the 2009 City budget. The current budget for Laurel Street is short by between \$40,000 and \$50,000, after all costs including staff and indirect charges, however, the budget for Kneeland Park Project has an excess that can fill this funding gap. The final contract amount is \$65,349.50. CE Michael requested that the Commission accept the Laurel Street Project as performed by Rognlin’s, Inc and authorize the City Administrator to make necessary budget adjustments. This will allow staff to submit final closeout paperwork to the State and release retained funds to the contractor once all retainage requirements have been met and 60 days has elapsed.

The Commission concurred to place the acceptance of the 2009 Laurel Street Project as performed by Rognlin’s Inc. on the consent agenda for February 22, 2010, and authorize the City Administrator to make necessary budget modifications.

4. Resolution #995-0210 – A Resolution of the City of Shelton, Washington, Declaring the Purchase of 300-Gallon Roto Industries Refuse Container, to be Clearly and Legitimately Limited to a Sole Source, and waiving Competitive Bidding Requirements for such a Purchase — Roto Industries - Public Works and Community and Economic Development Director Goins said that this and the next item on the agenda are related. The City Solid Waste Department is requesting to purchase 25 300-gallon Roto Industries Refuse Containers to replace old, broken or damaged containers that are consistent with the City’s current inventory and can only be purchased directly from the manufacturer. The quoted price of \$6965 plus tax falls within the signing authority of the Public Works Director after the resolution of sole source has been approved. DH Goins requested that Resolution #995-0210 be place on the consent agenda for February 22, 2010.

The Commission concurred to place Resolution #995-0210 on the consent agenda for February 22, 2010.

5. Resolution #996-0210 – A Resolution of the City of Shelton, Washington, Declaring the Purchase of Schaefer Refuse Containers, to be Clearly and Legitimately Limited to a Sole Source, and Waiving Competitive Bidding Requirements for such a Purchase -- Vendor Award Form Schaefer Systems International - Public Works and Community and Economic Development Director Goins reported that the Solid Waste Department is requesting to purchase 660 35-gallon refuse and 660 65-gallon recycling Schafer USD cans to replace old, broken or damaged containers for residential and business customers. The Schafer Refuse Containers are consistent with the City’s current inventory of refuse cans and can only be purchased from the manufacturer. DH Goins requested that the Commission place Resolution #996-0210 and the Vendor Award Form to Schafer Systems International on the consent agenda for February 22, 2010.

The Commission concurred to place Resolution #996-0210 and the Vendor Award Form to Schafer Systems International on the consent agenda for February 22, 2010.

6. Stormwater and Solid Waste 2010 rate implements – Director of Financial Services Beierle said that the Stormwater and Solid Waste utility rates were scheduled to be adjusted in January 2010 as adopted in Ordinance No. 1727-0508 for the Stormwater rates and Ordinance No. 1736-1108 for the Solid Waste rates. Due to computer system complications, these rate increases were not implemented in January as scheduled. The loss of revenue for the Storm Drainage Fund is estimated at \$3,000, equaling 60 cents per residential customer and the loss of revenue for Solid Waste Fund is estimated at \$4,300 equaling 43 cents for most residential customers. Staff could process adjustments to recover these revenues or the Commission could delay implementation of these two utility rate increases until February 2010. DH Beierle recommended that the Commission delay implementation of the 2010 Stormwater and Solid Waste utility rate increases until February 2010.

Commissioner Pannell moved to delay implementation of the 2010 Stormwater and Solid Waste utility rate increase until February 2010, Commissioner Byrne seconded the motion. A vote was taken and the motion passed.

7. 2009 Budget Modification – Storm Drainage Fund – Director of Financial Services Beierle reported that the 2009 Storm Drainage Fund budget included two capital improvement projects that were partially completed and continued into 2010, Kneeland Park Flooding Reduction Project and the Laurel Street Extension Project, and one project that was delayed and restructured, the Downtown Creek Sidewalk Project. Part of the Storm Drainage Fund's 2009 salaries, benefits, equipment rental fees and indirect cost allocation fees were allocated, in the budget, to these projects. Since these projects were delayed, crew time and associated costs were expanded in the operations & maintenance portion of this fund rather than in the capital section. Consequently the unused part of the budget allocated to these capital projects needs to be returned to operations in order to support the payment of these expenses. In addition, the indirect costs allocated to the Storm Drainage piece of the Northcliff project were recalculated and an adjustment was needed. A budget modification is needed to move a total of \$92,181 from these projects to operations. DH Beierle requested that the Commission authorize the City Administrator to make necessary budget adjustments.

Commissioner Byrne moved to authorize the City Administrator to make the necessary budget adjustments as requested, Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

Administration Reports - None

Public Comment

Mayor Tarrant recognized Mr. Matt Vernie, Shelton High School CAGE student, who asked the Commission about budget cuts at the Shelton School District. Mayor Tarrant explained that his questions would have to be directed to the Shelton School Board as the City of Shelton had no control over the Shelton School District.

Administrative Final Touches

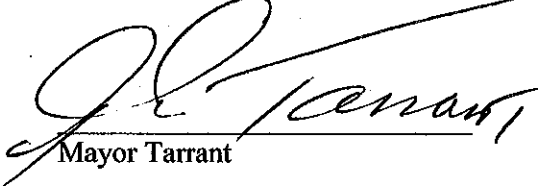
- MA Look – City Administrator - Emergency Medical Services Levy brief next week
- RPM McDonald presented a handout from the Washington State Department of Health on the Drinking Water State Revolving Fund Loan Program 2010 Guidelines. Mr. McDonald will brief in detail at the meeting of February 22, 2010 and request action because the application is due March 1, 2010.

Announcement of Next Meeting

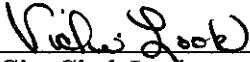
Mayor Tarrant announced the next regular Commission meeting of Monday, February 22, 2010, 1:15 p.m.

Adjournment

As there was no further business the meeting was adjourned at 7:07 p.m.



Mayor Tarrant



City Clerk Look