CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Study Session Meeting Minutes – December 10, 2012
Shelton Civic Center - 2 P.M.

Presiding: Mayor Cronce, Commissioner Olsen, and Commissioner Pannell
Staff Present: Dave O'Leary, Vicki Look, Cathy Beierle, Steve Goins, Shelby Conklin, Dave Eklund, Mark Ziegler, Mike Michael, Dennis McDonald, Jason Dose and Lesleann Kangas

Mayor Cronce opened the meeting at 2:00 p.m.

Commission Reports
• Commissioner's Board and Committees - Management Assistant Look presented the list of current committee assignments and asked for any changes or updates from the Commissioners. The Commission concurred to keep the committees they are already assigned. Mayor Cronce said he has an additional meeting, “Emergency Food and Shelter” that meets two times a year.

One or more Commissioners will attend the following activities this week:
• Mason Transit Community Center Open House
• Shelton Mason County Chamber “After Hours”
• City of Shelton Employees Appreciation Luncheon
• Meeting with County Commissioner Terri Jeffreys
• Economic Development Council Luncheon
• Economic Development Council Board Meeting
• Night of 1000 Stars

Commissioner Olsen said he attended an Exit Audit for the State Audit. The City of Shelton received its 16th perfect audit. Commissioner Olsen thanked Director of Financial Services Beierle and her staff for their good work.

Mayor Cronce said he attended the Emergency Food and Shelter and Coalition of Churches meeting. These groups are working on the homeless issue in the City.

General Public Comment - None

Consent Agenda
1. Shoreline Master Program Grant Amendment – Authorize the Mayor to sign the Grant Agreement and Amendment Number 1 to Contract for Services with ESA Adolphson

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

Old Business
1. 2012 Comprehensive Plan Amendments

Ordinance No. 1817-1212 - An Ordinance of the City of Shelton, Washington, Amending the City’s Comprehensive Plan – Ordinance No. 1818-1212 – An Ordinance of the City of Shelton, Washington, Amending the City’s Comprehensive Plan and Future Land Use Map Ordinance No. 1819-1212 – An Ordinance of the City of Shelton, Washington, Amending the City’s Zoning Map to Rezone Real Property from Neighborhood Residential to Medical Educational – Senior Planner Dose reported a public hearing was held December 3, 2012 on the 2012 Comprehensive Plan Amendments which consisted of two items. One is the re-drafting of the City’s Economic Development element and the other is a proposed land use map re-designation and rezone of four acres of property south of Mason General Hospital. The Hospital’s request is to change the zoning from Neighborhood Residential to Medical Educational. SP Dose presented changes associated to the first amendment that received concerned comments from citizens at the public hearing relating to environmental review statement. Citizen’s interpretation of the statement implied that the City
may not fully consider environmental review of a proposed project. Staff recommends a change in the language that states “The City should support the use of a Planned Action SEPA Review to facilitate the establishment of identified primary business activities” which ties directly to the State Environmental Policy Act. City Administrator O’Leary addressed the issue raised from citizens referencing incivility. He called cursing, interrupting a public meeting and spreading misinformation in order to achieve a policy objective to be incivility. CA O’Leary said every American is born with the right to free speech as long it is not taken too far, but honest disagreements are necessary in a functional democracy.

Commissioner Olsen said he missed the previous meeting and hoped that citizens with concerns would be present today. He said that citizens with questions are a healthy part of our community and that we need the citizens to question what is happening and why.

Commissioner Pannell said that healthy debate is good, incivility is not.

Mayor Cronce said incivility should stay in the language.

*Mayor Cronce requested a Second Reading of Ordinances 1817-1212, 1818-1212 and 1819-1212 as follows: Ordinance No. 1817-1212 - An Ordinance of the City of Shelton, Washington, Amending the City’s Comprehensive Plan Ordinance No. 1818-1212 – An Ordinance of the City of Shelton, Washington, Amending the City’s Comprehensive Plan and Future Land Use Map Ordinance No. 1819-1212 - An Ordinance of the City of Shelton, Washington, Amending the City’s Zoning Map to Rezone Real Property from Neighborhood Residential to Medical Educational

Commissioner Pannell moved to approve Ordinance No. 1817-1212, 1818-1212 and 1819-1212; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

2. **First Street Paver Design** – City Engineer Michael said staff has been working with the Transportation Improvement Board (TIB) process to secure grant funding for various street related projects for 2013. The one particular project is the First Street Paver project. This project will include new ADA facilities and pavement rehabilitation along First Street between Railroad and Alder. Washington State Department of Transportation (WSDOT) is preparing a similar project along State Route 3 from US 101 through town so staff is working to coordinate these projects. Staff has solicited for a consultant team to assist in the preparation of construction documents for the described First Street Paver Project, to be incorporated in the WSDOT project for their administration of the construction from advertisement to completion. Eight responses were received and staff has selected Skillings and Connelly as the most qualified team for this work. To allow the coordination with the WSDOT project, the design work must be completed and delivered to the WSDOT team by February 1, 2013. Staff has been waiting for confirmation of our TIB funding to proceed with final contracting of the design work. TIB funding was awarded on November 16, 2012 and the City was authorized to proceed with design on December 5, 2012. The negotiated amount of $52,396 is to include the City’s standard consultant contract. This is slightly higher than the budgeted $37,856 due mostly to specific additional detail required of WSDOT in the plans. This may result in an increase in the amount of City funds needed to complete the project. The ten percent match monies anticipated for 2012, is expected to be less than $3,000. The match monies for the balance of design, construction, and administrative costs have been requested and approved in the 2013 budget. CE Michael requested the Commission approve the contract with Skillings and Connelly for the First Street Paver Project.

*Commissioner Olsen moved to approve the contract with Skillings and Connelly for the First Street Paver Project in the amount of $52,396; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*
3. **Stellar J Corporation Settlement Agreement** – CE Michael reported that staff has been working with the City attorney to resolve the ongoing disputes with Stellar J, contractor for the Wastewater Treatment Plant Upgrades Project. Stellar J has been asserting various claims against the contract for additional work and cost due to project delays, while accruing liquidated damages related to non-compliance and failure to complete the contract. Staff has continually denied these claims as invalid. In recognition of the ongoing costs associated with continuing to fight; what likely would ultimately be found as a valid position, the City elected to attempt to negotiate an agreed settlement to the dispute and allow the contract to be completed and the city to pursue alternative means of completing the small amount of remaining work as well as installation of some enhanced features identified during the construction process. The contractor and the City have agreed to a Final Contract Voucher, to be processed in accordance with the Contract, in the amount of $433,700. CE Michael said staff has consulted with our funding partner, United States Department of Agriculture-Rural Development (USDA-RD), and has received a letter concurring in the proposed settlement and approving the use of the grant funds for its payment. USDA-RD has also approved the process proposed for completing the work required at the facility. The remaining work required to make the facility compliant with all codes and complete as anticipated by the contract is estimated at $250,000. CE Michael requested the Commission accept the proposed offer and authorize the City Administrator to execute.

*Commissioner Pannell moved to accept and ratify the settlement between Stellar J Corporation and the City of Shelton in an amount not to exceed $433,700 and authorize the City Administrator to execute the settlement; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

**New Business**

1. **Civic Center Rotating Artist Recommendations** – Parks and Recreation Director Ziegler reported that the Shelton Arts Commission is recommending the latest installation of the civic center rotating art gallery project. The Arts Commission met on December 4, 2012 to jury submittals. Two selected artists are: Barbara DePiro-Photography and Stephen Kosinski-Photography/Mixed media. DH Ziegler requested Commission approval of the Shelton Arts Commission recommended art by placing on the consent agenda for December 17, 2012.

*The Commission concurred to place the Shelton Arts Commission recommended art on the consent agenda for December 17, 2012.*

2. **City of Shelton and Mason County Interlocal Agreement for Probation Services** – Municipal Court Administrator Conklin said that the City of Shelton has had an Interlocal Agreement with Mason County for Probation Services for over 10 years. The Agreement presented today updates only the Mason County contact information, changing from Harris Haertel, to Patsy Robinson. The contact information is being changed due to reassignment of responsibilities within the County. There is no change in the service provided or fee paid for the services. DH Conklin requested the Commission approve the Interlocal Agreement for Probation Services between the City of Shelton and Mason County by placing on the consent agenda for December 17, 2012, authorizing the Mayor to sign.

*The Commission concurred to place the Interlocal Agreement for Probation Services between the City of Shelton and Mason County by placing on the consent agenda for December 17, 2012, authorizing the Mayor to sign.*

3. **New Financial System, Permitting/Mapping Software and Web Based Services** – Software Services Contract with Tyler Technologies – Director of Financial Services Beierle DH Beierle reported that the City’s current financial software is over 25 years old and is in need of replacement. The City is also in need of permitting/mapping software and Web Based Services and Payments. Request for Proposals were received by six software companies. These requests were analyzed and evaluated based on their current ability to provide the products needed by the City along with the best fit and cost. Tyler Technologies has been selected as the company that was able to meet the requirements. The total cost of all modules is $85,660 plus travel expenses, which includes conversion, set up and training fees. There is sufficient budget authority in the 2013 budget to pay for the costs. This software will have an annual maintenance, training and internet
service cost of $19,886, which will begin after deployment of each module. DH Beierle requested the Commission place the Tyler Technologies contract on the consent agenda for December 17, 2012, authorizing the Mayor to sign and City Administrator to make necessary budget modifications.

The Commission concurred to place the contract with Tyler Technologies on the consent agenda for December 17, 2012, authorizing the Mayor to sign and City Administrator to make necessary budget modifications.

4. Ordinance No. 1821-1212 – First and Final Reading – An Ordinance of the City of Shelton, Washington, Adopting the Budget for the Year Ending December 31, 2013 – City Administrator O’Leary said this has been presented in detail at numerous meetings and if there are no questions staff recommends approval of the budget. DH Beierle reported that included in this budget is approximately $160,000 carry-over monies to be used for operational which requires an exception to the City’s financial policy for the General Fund that was established in Resolution 1043-0812. The two requested exceptions are the projected revenues in any given year match the projected expenditures for that year and use of one-time revenues for one-time expenses only and not for ongoing expenses. DH Beierle requested this be included in the motion to approve the 2013 Budget.

Public Comment on Action Item - None

Mayor Cronce requested a First and Final Reading of Ordinance No. 1821-1212 as follows:
An Ordinance of the City of Shelton, Washington, Adopting the Budget for the Year Ending December 31, 2013

Commissioner Olsen moved to adopt Ordinance No. 1821-1212 Budget for the year 2013 which includes the exemption of the City’s financial policy for the General Fund established under Resolution 1043-0812; Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

5. DAW Materials Testing – CF Michael reported that the Engineering Department requires accredited material testing services in order to adequately determine quality construction for the Dayton-Airport Road Watermain Expansion (DAW) Project. City staff is neither certified nor have the facilities or equipment to collect samples or perform the necessary tests. Five proposals were received and Materials Testing & Consulting, Inc. was identified as the firm having the best ability to supply the needs of the City. The contract is structured to not guarantee a minimum level of compensation; however adequate testing funds are included in the overall, approved DAW project construction budget. This budget item is fully covered by the funding secured by our partner, Washington State Patrol, and all cost to administer this work will be reimbursed by them through Intergovernmental Agreement #20. CF Michael requested the Commission approve the contract with Materials Testing & Consulting Inc., authorize the Mayor to sign the contract when returned from contractor, and the City Administrator to make necessary budget adjustments and place on the consent agenda for December 17, 2012.

The Commission concurred to place the contract with Materials Testing & Consulting Inc. for the Dayton-Airport Road Watermain Expansion Project on the consent agenda for December 17, 2012, authorizing the Mayor to sign when returned from contractor and the City Administrator to make necessary budget adjustments.

6. 2013 Work Plan – CA O’Leary said the City of Shelton produces a Work Plan each year. The plan is a set of projects that each department proposes to accomplish during the year of which a number are mandated by the State of Washington. All Work Plans for 2013 are included in the 2013 Budget, some depending on funding and are noted as such. Staff recommends the 2013 Work Plan.

Commissioner Olsen noted that the Sixth Street Park under Parks and Recreation and the potential Canyon Creek projects were not listed in the Work Plan. DH Goins said that the Canyon Creek potential projects were not listed due to relying on the Advisory Committee process to identify priorities.
CA O’Leary suggested placing the 2012 Work Plan under Old Business possibly adding the Sixth Street Park.

_The Commission concurred to place 2013 Work Plan under Old Business for the meeting of December 17, 2012._

7. **2013-2018 Strategic Plan** – CA O’Leary reported that the 2013-2018 Strategic Plan has been worked out in Commission Retreats during 2012 and will replace the existing 6-year Strategic Plan covering 2007 through 2012. Staff completed 27 of 33 goals in the 2007-2012 plan. A Strategic Plan sets up a long term vision and establishes a framework for achieving it. In this way, our challenges are met and our community improves. The purpose of this Strategic Plan covering a five year period from 2013-2018 is to ensure that Shelton remains a special place and that it achieves its full potential. Staff requested the 2013-2018 Strategic Plan be placed on the consent agenda for December 17, 2012 for approval.

_The Commission concurred to place the 2013-2018 Strategic Plan on the consent agenda for December 17, 2012._

**Administration Reports**
- **Community Development Block Grant** – Regional Projects Manager McDonald reported that he has received two applicants, Mason County Shelter and Mason Transit Authority (MTA). Mason County Shelter does not qualify due to funds received in previous year. MTA submitted proposal is for rehabilitating and restoration of the Shelton Armory. RPM McDonald said he would be back to the Commission January 22, 2013 to brief on the application. _The Commission concurred._
- City Administrator O’Leary suggested cancelling and rescheduling the meeting of December 24, 2012 to December 27, 2012 at 2:00 p.m. and cancelling the meeting of December 31, 2012. _The Commission concurred._

**Public Comment** – None

**Administrative Final Touches**
- **CE Michael** – The City has three transportation/pedestrian related projects they hoped to gain progress on this year but due to other project constraints those have continued to slide. However, they are to the point of putting them together but do not have time in the State Transportation Improvement Program (STIP) time-line to get everything done. It will require a Transportation Improvement Plan amendment to move the projects forward. They have elected to let 2012 finish and will pick up again in 2013. In January 2013, there will be the a batch of Project Prospectus, STIP Amendment and documents to get the Bordeaux Sidewalk Project, Lake Blvd., and Franklin Street projects moving.
- Mayor Cronce announced the possibility of hiring a Lobbyist to pursue the Legislature for sewer funding.

**Announcement of Next Meeting**
Mayor Cronce announced the next regular meeting of December 17, 2012, at 6:00 p.m.

**Adjournment**
As there was no further business the meeting was adjourned at 3:29 p.m.

[Signatures]