CITY OF SHELTON, WASHINGTON - CITY COMMISSION
Study Session Meeting Minutes – December 27, 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, Greg Clark, Dave Eklund, Mark Ziegler and Lesleann Kangas

Mayor Cronce opened the meeting at 2:00 p.m. and announced amendments to the agenda. Two items will be added under New Business, requesting action on each. The Mayor also announced a Closed Session at the end of this meeting to discuss labor negotiations with no action to follow.

Commission Reports
- Shelton Mason County Historical Society - 4th Quarter Report – Executive Director Mr. Justin Cowling presented the 4th Quarter Report in accordance with their Tourism Grant Contract for 2012. Mr. Cowling reported that with their website updated they have sold a record amount of books. Mr. Cowling thanked the City for the lodging tax funds and is appreciative of the continued support of their organization.

One or more Commissioners will attend the following activities this week:
- Law Enforcement Officers and Fire Fighters (LEOFF) Board Meeting
- Shelton Mason County Joint Meeting with Elected Officials

General Public Comment
Mayor Cronce recognized Mr. Neil Brotherton who said with the recent school shootings he has concerns with security in our schools. Mr. Brotherton expressed that a top priority should be given to protect our children.

Mayor Cronce recognized Mr. Reg Hearn who spoke on the possibility of the City implementing installation of cross connection control assemblies on all residential water service. Mr. Hearn, who has a background in water, said if this cross connection control assemblies installation is true he feels it is an unnecessary and is not effective or cost effective.

Consent Agenda
1. Vouchers numbered 79980 through 80036 in the amount of $616,566.46
2. Manual Warrant numbered 79979 in the amount of $20,423.38 to Department of Revenue

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 – None

New Business
1. 2012 Work Plan Review – City Administrator O’Leary presented copies of the Work Plan. Department Heads in Administration, Finance, Police, Community Development, Parks and Recreation and Public Works went over the list of projects in each of their departments and described where they stand on completion of those projects.

2. 2012 Budget Amendment for Equipment Maintenance and Rental (EM&R) Fund – Director of Community and Economic Development Director Goins reported that this is a request for a budget modification within the EM&R Fund, addressing increased fuel and repair costs, and a diagnostic equipment upgrade being classified as a capital asset, all within the EM&R Fund. Over the past several years, expenditures for repair parts has exceeded the budgeted amount of $15,000, in 2012, this cost is expected to be $20,000. Also, the line item for EM&R vehicle parts typically exceeds the $16,000 in the budget, and this year the cost is expected to be $22,000. The budget for fuel consumed was increased in 2012 to $130,000, anticipating increased consumption and reflecting the current state of fuel and diesel costs; however, this cost is expected to be
$136,000. The EM&R utilizes a diagnostic tool that was upgraded this year costing $1,083.29. At the time it was thought to be a minor equipment purchase under operations. DH Goins requested the Commission approve this as a capital purchase and transfer the cost from operations. The request is to add a total of $17,000 to the EM&R Budget; the fund will receive additional revenues to cover this expense.

**Public Comment on Action Item** – None

*Commissioner Pannell moved to authorize the City Administrator to make necessary budget modifications to the EM&R Fund as presented up to $17,000; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

3. **2012 Budget Amendment for Rock Gate: Stormwater Fund** – DH Goins said that an example to seek out efficiencies and cost savings the public works crews manufactured a rock gate, utilized at the gravel pit on the City watershed to separate out drain rock and cobbles. This material is used primarily in dry well maintenance by the Stormwater Utility. The material is high quality, large-sized rain rock that allows us to extend the time between dry well maintenance. Having the rock gate also provides local, convenient access to material we no longer have to purchase. As originally envisioned, the rock gate was considered minor equipment, and would be paid for out of Stormwater operations. However, upon completion, materials and fabrication are expected to be approximately $9,300, which means the rock gate is considered capital equipment. DH Goins requested the Commission approve a budget modification to the 2012 Stormwater Fund budget, by approving this as a capital purchase and transfer the cost from operations. The Stormwater Utility has sufficient funds in operations to cover this cost.

**Public Comment on Action Item** – None

*Commissioner Pannell moved to approve the budget modification for the rock gate to the Stormwater Fund as a capital purchase and transfer from operation, authorizing the City Administrator to make the necessary budget modifications; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

4. **Membrane Plate Purchase** – DH Goins said at the meeting of December 12, 2011, the prior Commission approved the purchase of the Membrane Plates for the Satellite Water Reclamation Plant Project but failed to approve the City Administrator to make the necessary budget modifications. DH Goins requested the Commission authorize the City Administrator to make the necessary budget modifications to complete the Satellite Waste Reclamation Plant Project.

*Commissioner Pannell moved to authorize the City Administrator to make the necessary budget modifications to complete the Satellite Water Reclamation Plant Project; Commissioner Olsen seconded the motion. A vote was taken and the motion passed.*

5. **First Street Paver Project** – DH Goins said the City took on the First Street Paving project mid-year and tried to get it integrated into the larger SR3 Pavement Project that Washington State Department of Transportation (WSDOT) will be completing next year. At the time we did not know if we had the funding, we had submitted an application to the Transportation Improvement Board (TIB) and they provided us funding to complete the project. A proposal to accept the funding and commence with the design was approved by the Commission December 17, 2012, but what we did not have in place was an approved project for 2012. We are starting to incur expenses on this project now; although the project is included in the 2013 budget it was not included in the 2012 budget, nor did we set aside funds for this. Due to the 90 percent TIB funding we estimate the City’s cost to be no more than $3,000. DH Goins requested the Commission approve a budget modification to include this in the 2012 budget.
Commissioner Olsen moved to approve the budget modification for the First Street Paver Project and be adopted into the 2012 Budget, authorizing the City Administrator to make the necessary budget modifications; Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

6. Transfer of Funds from General Fund to the Bond Fund – Director of Financial Services Beierle said she is bringing forward a request of $2,878 of additional funding to support the 1998 G.O. Bond debt payment in December. Each year the City sets the property tax levy for the 1998 G.O. Bonds in the amount of that year’s debt payment, which is then collected by the Mason County Treasurer and forwarded to the City to be used to make the debt payment. In 2012, the Bond fund received less payments of property tax than needed to support the debt payment due for the year. This year’s shortfall was due to refunds of property taxes issued by the Mason County Treasurer’s Office and an increase in delinquent property taxes. DH Beierle requested the Commission approve the transfer and authorize the City Administrator to make the necessary budget modifications.

Public Comment on Action Item - None

Commissioner Olsen moved to approve the transfer of $2,878 from the General Fund Uncommitted Fund Balance to the Bond Fund to support the December 1998 G.O. Bond debt payment and authorize the City Administrator to make the necessary budget modifications; Commissioner Pannell seconded the motion. A vote was taken and the motion passed.

Administration Reports
CA O’Leary said he is working on year end items.

Public Comment - None

Administrative Final Touches
• DH Goins – “K” Street Acceptance
• DH Goins reported that the City’s new dump truck has arrived

Announcement of Next Meeting
Mayor Cronce announced the cancellation of the December 31, 2012 meeting and the next regular meeting of January 7, 2013, at 6:00 p.m.

Adjournment
As there was no further business the meeting was adjourned at 3:07 p.m.

Closed Session - Mayor Cronce recessed into a closed session to discuss labor negotiations. The closed session was adjourned at 3:22.

Mayor Cronce

City Clerk Look