



Shelton City Council
Meeting Agenda
November 17, 2020 at 6:00 p.m.
Virtual Platform

A. Call to Order

- Pledge of Allegiance
- Roll Call
- Late Changes to the Agenda

B. Consent Agenda (Action)

1. Vouchers numbered 103402 through 103433 in the total amount of \$254,982.99
2. Vouchers numbered 103471 through 103524 in the total amount of \$54,277.42
3. Minutes:
 - Business Meeting of July 21, 2020
 - Business Meeting of August 4, 2020
 - Business Meeting of October 6, 2020
4. Shelton-Mason County Chamber of Commerce WSDOT Signage LTAC Updated Report – Written by President/CEO Heidi McCutcheon

C. General Public Comment (3-minute time limit)

D. Presentations

1. 3rd Quarter 2020 Budget Report – Presented by Finance Director Aaron BeMiller

E. Business Agenda (Study/No Action/Public Comment Taken)

1. Public Hearing – Ordinance No. 1958-1020 Franchise Agreement-Cascade Natural Gas – Presented by City Manager Jeff Niten

F. Action Agenda (Action/Public Comment Taken)

1. Public Hearing – Ordinance No. 1953-0820 2021 Regular & EMS Ad Valorem Taxes – Presented by Finance Director Aaron BeMiller
2. Resolution No. 1177-1020 Regular Ad Valorem Tax Finding of Substantial Need – Presented by Finance Director Aaron BeMiller
3. Resolution No. 1178-1020 EMS Ad Valorem Tax Finding of Substantial Need – Presented by Finance Director Aaron BeMiller
4. Public Hearing – Ordinance No. 1954-0820 2021 Budget – Presented by Finance Director Aaron BeMiller
5. Ordinance No. 1953-0820 2021 Regular & EMS Ad Valorem Taxes – Presented by Finance Director Aaron BeMiller
6. Ordinance No. 1954-0820 2021 Budget – Presented by Finance Director Aaron BeMiller
7. Resolution No. 1181-1020 Cradlepoint Units for SPD Vehicles – Presented by Administrative Services Director Michelle Sutherland
8. Resolution No. 1174-0920 MTA Parking Lot Final Acceptance – Presented by City Engineer Ken Gill
9. ILA with Mason County Fire Protection District No. 5 – Presented by City Manager Jeff Niten
10. Legal Services Contract – Presented by City Manager Jeff Niten

G. Administration Reports

1. City Manager Report

H. Announcement of Next Meeting – December 1, 2020 at 6:00 p.m.

I. Adjourn

Special Note for Public Participation

The meeting can be viewed at: masonwebtv.com

The public can provide comments by:

Email: jeff.niten@sheltonwa.gov

Telephone: (360) 432-5105

Joining the Zoom meeting by clicking on the link posted on the City Council's webpage



Your comments will be relayed directly to the Council.



2020/21 Looking Ahead

(Items and dates are subject to change)

Mon. 11/16		Notice to The Journal for Public Hearing on 12/1 to be published on 11/19	N/A
Mon. 11/30		Notice to The Journal for Public Hearing on 12/15 to be published on 12/3	N/A
Tues. 12/1 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentations <ul style="list-style-type: none"> • Business Agenda <ul style="list-style-type: none"> • Public Hearing Ordinance No. 1950-0320 Budget Amendment for 2020 Action Agenda <ul style="list-style-type: none"> • Ordinance No. 1958-1020 Franchise Agreement – Cascade Natural Gas • City Policies • C Street Landfill Update Administration Report <ul style="list-style-type: none"> • 	Packet Items Due: Fri. 11/20 – 5:00 p.m.
Tues. 12/15 5:50 p.m.	Regular SMPD Meeting CANCELLED	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Administration Report <ul style="list-style-type: none"> • 	Packet Items Due: Fri. 12/4 – 5:00 p.m.
Tues. 12/15 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentations <ul style="list-style-type: none"> • Stormwater Update • Business Plan • 2021 Work Program Business Agenda <ul style="list-style-type: none"> • Public Hearing Ordinance No. XXXX-XXXX Franchise Agreement – Mason County • Resolution xxx-1220 On Call Qualified Pool List Contracts • Supplemental Building Code Services Pool Contract Action Agenda <ul style="list-style-type: none"> • Ordinance No. 1950-0320 Budget Amendment for 2020 • Franchise Agreement – Mason County 	Packet Items Due: Fri. 12/4 – 5:00 p.m.

		Administration Report •	
Tues. 12/15 @ end of regular mtg.	Special Council Meeting	Executive Session • Performance of a Public Employee	N/A
Fri. Dec. 18		Notice to The Journal for Public Hearing on 1/5 to be published on 12/24	N/A
Tues. 1/5 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Street Maintenance Business Agenda • Public Hearing Ordinance 1957-1020 Surplus Computer Equipment Action Agenda • Ordinance No. XXXX-XXXX Franchise Agreement – Mason County • Resolution xxx-1220 On Call Qualified Pool List Contracts Administration Report •	Packet Items Due: Th. 12/31 – 5:00 p.m.
Tues. 1/19 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Swearing-in of Police Chief Beason Business Agenda • Franchise Agreement – PUD #3 Action Agenda • Ordinance 1957-1020 Surplus Computer Equipment Administration Report •	Packet Items Due: Fri. 1/8 – 5:00 p.m.
Tues. 2/2 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Business Agenda • Public Hearing Ordinance No. XXXX-XXXX Dept. of Ecology 2018 Stormwater Manual • Public Hearing Ordinance No. XXXX-XXXX 2018 International Building Codes • Memorandum of Understanding Shelton Skate Park Action Agenda • Franchise Agreement – PUD #3 Administration Report •	Packet Items Due: Fri. 1/22 – 5:00 p.m.
Tues. 2/16 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Business Agenda	Packet Items Due: Fri. 2/5 – 5:00 p.m.

		<ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Public Hearing Ordinance No. XXXX-XXXX • Dept. of Ecology 2018 Stormwater Manual • Public Hearing Ordinance No. XXXX-XXXX • 2018 International Building Codes • Administration Report 	
Tues. 3/2 6:00 p.m.	Regular Meeting	<ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes • Presentations • Business Agenda • Action Agenda • Administration Report 	Packet Items Due: Fri. 2/19 – 5:00 p.m.
Tues. 3/16 5:50 p.m.	SMPD Meeting	<ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Meeting Minutes • Business Agenda • Action Agenda • Administration Report 	Packet Items Due: Fri. 3/5 – 5:00 p.m.
Tues. 3/16 6:00 p.m.	Regular Meeting	<ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes • Presentations • Business Agenda • Action Agenda • Administration Report 	Packet Items Due: Fri. 3/5 – 5:00 p.m.

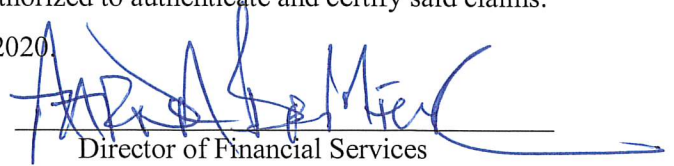
Other – TBD

- UGA/Annexation Policy (Water/Sewer Extensions)
- Outside City Water/Sewer Extensions
- More Standing Committees by the Council
- June 1, 2021 – C Street Update
- December 7, 2021 – C Street Update

VOUCHER APPROVAL

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein vouchers number 103402 through number 103433 in the total amount of \$254,982.99 that the claims are just, due and unpaid obligations against the City of Shelton, and that I am authorized to authenticate and certify said claims.

Signed this 30TH of OCTOBER, 2020.



Director of Financial Services

We, the undersigned members of the City Council of Shelton, Washington, do hereby certify that the vouchers contained herein are approved for payment.

Signed this _____ of _____, 2020.

Mayor Kevin Dorey

Deputy Mayor Deidre Peterson

Councilmember James Boad

Councilmember Megan Fiess

Councilmember Kathy McDowell

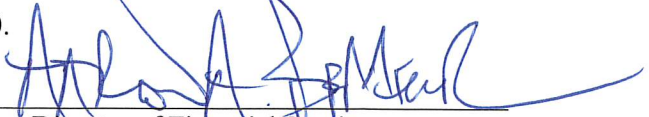
Councilmember Eric Onisko

Councilmember Joe Schmit

VOUCHER APPROVAL

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein vouchers number 103471 through number 103524 in the total amount of \$54,277.42 that the claims are just, due and unpaid obligations against the City of Shelton, and that I am authorized to authenticate and certify said claims.

Signed this 6th of NOVEMBER, 2020.



Director of Financial Services

We, the undersigned members of the City Council of Shelton, Washington, do hereby certify that the vouchers contained herein are approved for payment.

Signed this _____ of _____, 2020.

Mayor Kevin Dorcy

Deputy Mayor Deidre Peterson

Councilmember James Boad

Councilmember Megan Fiess

Councilmember Kathy McDowell

Councilmember Eric Onisko

Councilmember Joe Schmit



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

COUNCILMEMBERS AND PERSONNEL

Councilmembers:

Mayor Kevin Dorcy
Deputy Mayor Deidre Peterson
James Boad
Megan Fiess
Kathy McDowell
Eric Onisko
Joe Schmit

Personnel:

City Manager Jeff Niten
City Clerk Donna Nault
Public Works Director Jay Harris
Community Development Director Mark Ziegler
City Engineer Ken Gill
Police Chief Darrin Moody
Fire Chief Mike Patti

CALL TO ORDER

Call to order – 6:00 p.m.

Pledge of Allegiance – Councilmember McDowell

Roll Call: City Clerk Nault – All present. Councilmember Fiess arrived late

LATE CHANGES TO THE AGENDA

No late changes.

City Manager Jeff Niten addressed recent changes in the Governor's Orders

On July 20, 2020, news reports stated the city had gone beyond the Governor's Orders in closing park playground equipment. Governor Inslee issued a statement on July 16, 2020, which reduced gatherings of Phase III counties from 50 to 10 people outside an individual's household per week. Because there is adequate opportunity for social distancing in the parks, they remain open. However, there is no way to socially distance or maintain a total limit of 10 people outside of a household while children are on the playground equipment. The City is trying to take into consideration every accommodation possible to help the community, and the wider-based County community, work through the pandemic with as little disruption as possible and avoid harsher consequences. There have been comments made that can be perceived as threatening to City Council. We can agree or disagree with each other and accomplish that in a respectful manner, but the latter is not how we do business at the City. Anyone with comments or concerns, should direct them to the City Manager either by telephone, in-person, or by email.

City Council commented or asked the following questions:

Do these changes include recreational activities and co-ed baseball?

The City and County are currently in Phase III of the Safe Start Program, which is fifty or fewer people. The Governor's statement last week reduced that number from 50 people to 10 people per week outside a household.

The Governor's website has not been updated to reflect this recent change.

City Manager Niten will reach out to the Governor's Office due to the confusion; however, reported he had seen the updated graphic and is unsure why the information has not been published.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

A webinar sponsored by the Governor's Office indicated the COVID-19 epidemic is growing throughout the State and is growing in numbers among children. Because the public will not always have information available immediately, it is our job to balance our decision-making based on demographics, the business community, and our citizens.

Mayor Dorcy – Guinness Book of World Records

A certificate from the Guinness Book of World Records. The certificate recognizes "The largest display of illuminated Christmas trees consisting of 797 trees," which was achieved by Mason County and in Shelton Washington (USA) December 7, 2019.

City Council recognized Rachel Hansen, Shelton-Mason County Chamber of Commerce, and volunteers for the success of 2019 Christmas Town USA.

CONSENT AGENDA

1. Voucher number 102393 in the amount of \$3,454.95
2. Vouchers numbered 102394 through 102421 in the amount of \$124,224.20
3. Vouchers numbered 102429 through 102480 in the amount of \$97,047.93
4. Payroll warrants numbered 3877 and 3880 through 5171 through 5217 and 5218 through 5328. Warrants 101925 through 101946 in the amount of \$753,233.75
5. Payroll warrants numbered 3881 and 5329 through 5371 and 5372 through 5478. Warrants 102147 through 102163 and 102164 through 102166 in the amount of \$759,536.00
6. Payroll warrants numbered 3882 and 5479 through 5523 and 5524 through 5629. Warrants 102317 through 102336 in the amount of \$763,050.83
7. Minutes of Regular Business Meeting – January 21, 2020
8. Minutes of Regular Business Meeting – March 3, 2020

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko to approve the Consent Agenda as published. Passed.

BUSINESS AGENDA

1. Olympic Region Local Programs Project Administration Agreement (Access Shelton Phase III-B) – Presented by City Engineer Ken Gill

In June 2019, the City received notice of an award of \$650,000 from the Washington Department of Transportation (WSDOT) Local Programs Office for completion of Access Shelton Phase III-B. Between November 2019 and January 2020, the City received notices from WSDOT placing a hold on the previously awarded funds due to budget issues. In March 2020, a new notice was received from WSDOT unpausing the funds. Prior to receiving a funding agreement with WSDOT, there is a requirement for the City to sign the Olympic Region Local Programs Project Administration Agreement acknowledging the steps and procedures the City needs to perform.

City Council commented or asked the following questions:

Will the design of the roundabout be level?

The City is at 30 percent of the project and the design information will be shared with City Council in the near future.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

Since this is an administrative step, and there have been delays in construction, would there be any concerns with moving this forward to the action agenda?

The City has a three-touch rule. If the majority agrees, the motion would be to request City Council waive the third touch and approve it this evening.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. No public comment.

City Council made the following comments:

By bypassing the three-touch rule, it would set a precedent to do so in the future.

This project has come before City Council many times. It is important to give Staff the necessary time to begin the project and create jobs in the community.

This project does not represent a change in policy or obligation of City funds, and there will be more time in the future for public input.

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko. Councilmember McDowell opposed. Passed.

ACTION AGENDA

1. Civic Center Rotating Art Gallery – Presented by Community Development Director Mark Ziegler

The Arts Commission advertised for submittal of art for placement in the Civic Center Rotating Art Gallery. The Arts Commission is recommending placement of five pieces of art.

City Council commented or asked the following questions:

Is there the capacity on the City's social media platforms to display the pieces of art?

City Manager Niten stated one piece of art a week could be highlighted on the City's social media platforms.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

A motion was made by Councilmember Schmitt and seconded by Deputy Mayor Peterson. Passed.

2. Ordinance No. 1949-0220 Single Room Occupancy (SRO) – Presented by Community Development Director Mark Ziegler

The City entered into a lease agreement with Panza (Quixote Communities) for approximately 3.233 acres for the development of a housing program and ancillary services for homeless veterans. The lease agreement stipulates Shelton Municipal Code (SMC) compliance with development standards, and the necessary amendments to allow SRO. SMC requires amendments to meet the intent, and allow for the construction of housing units outlined in the lease agreement.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. No public comment.

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko. Passed.

3. Resolution No. 1160-0620 Master Fee Schedule Update – Presented by City Manager Jeff Niten

Resolution No. 1160-0620 is a companion to Ordinance No. 1949-0220. The Master Fee Schedule will be updated once a year to coincide with budget preparations. This update allows developments conforming to the Single Room Occupancy code to connect to water and waste water systems at a 25 percent rate compared to a typical single family home.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

City Clerk Nault provided the second reading of Ordinance No. 1160-0620 Master Fee Schedule Update.

A motion was made by Councilmember Onisko and seconded by Councilmember McDowell. Passed.

4. Resolution No. 1161-0620 – Surplus Vehicles – Presented by Police Chief Darrin Moody

The Police Department has three patrol vehicles that have exceeded their lifespan. The estimated value of the three patrol vehicles is approximately \$6,000. Central Mason Fire and Emergency Medical Services have two fire engines and one pickup truck that have exceed their lifespan. The estimated value is approximately \$11,500.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

City Clerk Nault provided the second reading of Ordinance No. 1161-0620.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Boad. Passed.

5. Resolution No. 1162-0620 Basin 3 Final Sewer Rehabilitation Final Acceptance – Presented by City Engineer Ken Gill

A contract for the Basin 3 Sewer Rehabilitation Project was awarded to Pivetta Brothers Construction. The project was completed on April 16, 2020. All documentation required by the contract and law, have been furnished by the contractor and the resolution is the final document requiring Mayor Dorcy's signature.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

City Clerk Nault provided a reading of Resolution No. 1162-0620.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

A motion was made by Councilmember Schmit and seconded by Deputy Mayor Peterson. Passed.

6. Resolution No. 1163-0620 Satellite Waste Water Treatment Plant Reclaimed Tank Design Contract Amendment No. 1 – Presented by City Engineer Ken Gill

The contract with Gray & Osborne Inc., required amendments to provide additional scope, budget and time to align the project with the tasks identified in the Interlocal Agreement with the Squaxin Island Tribe.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

City Clerk Nault provided a reading of Resolution No. 1163-0620.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Onisko. Passed.

7. Resolution No. 1164-0620 Sewer Comp Plan Contract Amendment No. 1 – Presented by City Engineer Ken Gill

City Council adopted Resolution No.1156-0320 approving an Interlocal Agreement (ILA) with the Squaxin Island Tribe (Tribe) for planning and design of reclaimed water and wastewater conveyance facilities. Due to the ILA and funding assistance from the Tribe, the amendment provides additional scope to better align the project with the ILA.

Due to the virtual platform, there was a 30-second delay before any decision, to allow for public comment. No public comment.

City Clerk Nault provided a reading of Resolution No. 1164-0620.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember McDowell. Passed.

ADMINISTRATIVE REPORTS

1. City Manager Report

CARES Act Reimbursement Fund Update:

Payroll Expenses – funds are permitted to be used for payroll expenses if a person was required to be home, but was unable to work. The majority of City staff were able to work from home, but several employees were not. Funds will be used for those employees' payroll costs.

Personal Protective Equipment – Funds will be used for the cost of the tempered glass at the customer service counter areas that will ensure employees and the community are served safely.

Modernized Infrastructure Systems – The City is working with several vendors to see demonstrations and select a vendor that can meet the needs of the City, now and in the future. Digitizing records will assist in the transparency of searchable information by the community. An online permitting portal would also be a valuable tool for economic development projects.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

July 21, 2020 – 6:00 p.m.

Virtual Platform

City Council asked the following questions:

Is there an established date of when the funds from the CARES Act Reimbursement Fund will expire?

The expiration date is October 31, 2020.

ANNOUNCEMENT OF NEXT MEETING

Next Meeting – August 4, 2020 at 6:00 p.m.

ADJOURN

Meeting adjourned at 6:51 p.m.

Mayor Kevin Dorcy

City Clerk Donna Nault



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

August 4, 2020 – 6:00 p.m.

Virtual Platform

COUNCILMEMBERS AND PERSONNEL PRESENT

Councilmembers:

Mayor Kevin Dorcy
Deputy Mayor Deidre Peterson
James Boad
Megan Fiess
Kathy McDowell
Eric Onisko
Joe Schmit

Personnel:

City Manager Jeff Niten
City Clerk Donna Nault
Police Chief Darrin Moody
Senior Planner Jason Dose

CALL TO ORDER

Call to order – 6:00 p.m.

Pledge of Allegiance – Mayor Dorcy

Roll Call: City Clerk Nault – All Councilmembers present

LATE CHANGES TO THE AGENDA

No changes.

CONSENT AGENDA

1. Vouchers numbered 102574 through 102628 in the amount of \$363,616.31
2. Vouchers numbered 102629 through 102666 in the amount of \$370,007.07
3. Vouchers numbered 102670 through 102719 in the amount of \$183,270.55
4. Minutes of Regular Business Meeting – May 5, 2020
5. Minutes of Regular Business Meeting – May 19, 2020
6. Shelton-Mason County Chamber of Commerce 1st Quarter LTAC Report

A motion was made by Councilmember Fiess and seconded by Councilmember Onisko to approve the Consent Agenda as published. Passed.

City Manager Niten reported due to the virtual platform of the meeting, the public will have an opportunity to make comments by emailing jeff.niten@sheltonwa.gov or by calling 360-432-5105.

BUSINESS AGENDA

1. Shoreline Master Program Periodic Review Grant – Presented by Senior Planner Jason Dose

In 2003, the Washington State Legislature passed Substitute Senate Bill (SSB) 6012, which required cities and counties to update their Shoreline Management Plan at 8-year intervals. The City is scheduled to have their update completed by July, 2021. To assist in offsetting the cost of this mandate, the Washington State Department of Ecology has offered the City a \$16,800, no match grant.

Due to the virtual platform, there was a 30-second delay before a decision was made to allow for public comment. No public comment.

City Council concurred to move this item to the August 18, 2020, Action Agenda.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

August 4, 2020 – 6:00 p.m.

Virtual Platform

ACTION AGENDA

No items.

ADMINISTRATIVE REPORTS

1. City Manager Report – Presented by City Manager Niten
 - Shelton Stream – a quarterly newsletter will be included in the October utility bill
 - Future software upgrades –
 - Geographic Information System (GIS) – access to electronic files and displays infrastructure
 - Utility payment system – online access for customers
 - Asset Management system – decrease administrative costs, improve services, maintenance and visibility of asset utilizations
 - Blue Beam system – online plan review and permitting
 - 2021 Budget – City Council work session on October 18, 2020

ANNOUNCEMENT OF NEXT MEETING

Next Meeting – August 18, 2020 at 6:00 p.m.

ADJOURN

Meeting adjourned at 6:14 p.m.

Mayor Kevin Dorcy

City Clerk Donna Nault



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes
October 06, 2020 – 6:00 p.m.
Virtual Platform

COUNCILMEMBERS AND PERSONNEL

Councilmembers:

Mayor Kevin Dorcy
Deputy Mayor Deidre Peterson
James Boad
Megan Fiess
Kathy McDowell
Eric Onisko
Joe Schmit

Personnel:

City Manager Jeff Niten
City Clerk Donna Nault
Finance Director Aaron BeMiller
City Engineer Ken Gill

CALL TO ORDER

Call to Order – 6:00 p.m.
Pledge of Allegiance – Councilmember McDowell
Roll Call: City Clerk Nault – All present

LATE CHANGES TO THE AGENDA

City Manager Niten – Action Agenda as Item No. 5 – Resolution No. 1176-1020 Small Business Grant Memorandum of Understanding

Mayor Dorcy – The public is able to make comments on both the business and action agenda. There are three options for the public to participate in the meeting: (1) join the Zoom meeting by clicking on the link on the city's website, (2) email jeff.niten@sheltonwa.gov; and, (3) by calling 360-432-5105.

CONSENT AGENDA

1. Voucher numbered 103023 in the amount of \$11,642.59
2. Vouchers numbered 103024 through 103077 in the total amount of \$183,043.31
3. Vouchers numbered 103080 through 103130 in the total amount of \$234,126.55
4. Vouchers numbered 103143 through 103193 in the total amount of \$148,097.91
5. Payroll warrants numbered 3885 through 3886 and 5930 through 5973 and 5974 through 6080. Warrants 102966 through 102986 in the amount of \$749,780.43

A motion was made by Councilmember Fiess and second by Councilmember Onisko to approve the Consent Agenda as published. Passed.

GENERAL PUBLIC COMMENTS

Dale Elmlund

PRESENTATIONS

1. Proclamation Clean Energy Community – read by Deputy Mayor Peterson

BUSINESS AGENDA

1. Lodging Tax Advisory Committee (LTAC) Grant Recommendations – presented by City Clerk Donna Nault

Deputy Mayor Peterson recused herself due to a potential conflict of interest.

The LTAC is recommending 2021 tourism grant funds be awarded as follows:



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

October 06, 2020 – 6:00 p.m.

Virtual Platform

<i>Kristmas town Kiwanis – Bluegrass from the Forest</i>	\$ 6,300.00
<i>Mason County Forest Festival Association</i>	\$ 8,910.00
<i>Mason County Historical Museum/Visitor Center</i>	\$11,250.00
<i>Mason County Historical Society – Downtown Car Show/Ice Cream Social</i>	\$ 1,782.00
<i>NW Event Organizers/Kristmas Town Kiwanis – Christmas Town 2020</i>	\$12,330.00
<i>Shelton-Mason County Chamber of Commerce Visitors Center</i>	\$18,000.00
<i>Shelton-Mason County Chamber of Commerce WSDOT Gateway Signage</i>	\$ 3,307.50
<u>Total grant recommendations for 2020/2021</u>	<u>\$61,879.50</u>

City Council had the following comments or questions:

Is Christmas Town listed incorrectly? It is showing 2020 instead of 2021?

Due to the time of year for Christmas, an exception was made last year by City Council to fund the Christmas Town 2019 project from the 2020 tourism fund budget. This year, Christmas Town 2020 would be handled the same.

For the events that were funded last year, but did not occur due to the health emergency, what happened to those funds?

Due to the public health emergency with COVID-19, if money was appropriated and the event did not take place, the monies are returned to the tourism fund budget as not expended.

Why is the Hanson Overlook Park project not on the request for financial assistance this year?

The tourism funds requested last year were for the Beauchamp Santa at Overlook Park. No further funds were requested for that specific project.

I noticed there were only seven applications received this year. Can the City promote things like this using advertising and marketing strategies to cast a wider net?

This can be looked at further during the next year's tourism grant application process.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. Dale Elmlund made a public comment on this business item.

City Council concurred to place this item on the October 20, 2020 action agenda.

Deputy Mayor Peterson returned to the business meeting.

ACTION AGENDA

1. Resolution No. 1173-0920 Cancelling 2020 Chip Seal Contract and Rejecting All Bids – Presented by City Engineer Ken Gill

City Council awarded the 2020 Chip Seal Project Schedule-A to Doolittle Construction on September 1, 2020. Doolittle Construction expressed concerns that the forecasted weather would not be ideal to provide a quality product and requested the City allow them to complete the project in 2021. City staff plans to re-bid the project next year with the same two schedules.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

October 06, 2020 – 6:00 p.m.

Virtual Platform

City Council had the following comments or questions:

Was the quantity of work too small at the 13th Street area for them to come over?

No. They want to stand behind their work and not put out a product that will peel up.

What was the timeframe from approval of the contract to when it was decided they could not do the work?

It was approved on September 1, 2020, and then maybe a week or two after that.

It is atypical for us to be entering into the chip seal contract late in the year. In the future, this should be something we get on the calendar and approve earlier to allow more flexibility in the schedule with the weather.

City Manager Niten – This year we did not want to expend funds while navigating through COVID, which caused it to be late. The Council approved the contract on September 1, 2020, and September 18, 2020 is when it was decided to cancel the project.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. No public comment.

City Clerk Nault provided the reading of Resolution No. 1173-0920.

A motion was made by Councilmember Onisko and seconded by Councilmember McDowell to adopt Resolution No. 1173-0920. Passed.

Mayor Dorcy recessed from the regular meeting to open a public hearing.

2. Public Hearing – Ordinance No. 1955-0820 Bond Refunding – Presented by Finance Director Aaron BeMiller

This Ordinance states the City Council's desire to move forward with refunding and name the City's Finance Director as the designated representative to approve and finalize the bond sale. The bonds are scheduled to be sold on October 14, 2020, and close on October 28, 2020. The City has been affirmed with an A+ rating from Standards & Poor's.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public testimony. No public testimony.

City Clerk Nault provided the second reading of Ordinance No. 1955-0820.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Fiess. Passed.

Mayor Dorcy closed this public hearing, and opened a public hearing regarding Ordinance No. 1956-0920.

3. Public Hearing – Ordinance No. 1956-0920 Cable Television Franchise Agreement – Presented by City Manager Jeff Niten

City staff, representatives of Comcast Cable Communications and Hood Canal Communications, have been working toward a new franchise agreements to benefit the citizens



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

October 06, 2020 – 6:00 p.m.

Virtual Platform

of Shelton, protect the City's interests, and the individual utilities' needs. The City has worked to ensure that provisions of each agreement provide adequate protection of the public right-of-way, and the City's ability to require movement of utilities consistent with City needs.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public testimony. No public testimony.

City Clerk Nault provided the second reading of Ordinance No. 1956-0920.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Onisko. Passed.

Mayor Dorcy closed the public hearing and resumed the regular meeting.

4. CARES Act Contract Supplemental – Presented by City Manager Jeff Niten

The CARES Act was approved by the federal government and provided for direct funding to states and local governments. Washington State then shares the funding received with local municipal governments, based on a formula developed by the U.S. Department of Treasury. The City of Shelton's initial share of the funding was \$306,600. The supplemental contract provides an additional \$153,300 for a total of \$459,900. In order to request reimbursement, the City Manager is required to sign the contract and submitted it to the Department of Commerce.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. No public comment.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Onisko. Passed.

5. Resolution No. 1176-1020 Small Business Grant Program Memorandum of Understanding
Presented by City Manager Jeff Niten

The City has been working on a small business grant program with the Economic Development Council of Mason County (EDCMC). The small business grant will assist businesses until the national public health crisis has been addressed. The CARES Act monies provide \$40,000 to the EDCMC that can be disbursed in increments of \$2,500 to eligible small businesses.

Due to the virtual platform, there was a 30-second delay before any decision to allow for public comment. No public comment.

City Council had the following comments or questions:

What are the eligibility requirements?

They have been kept very broad. Twenty employees or less, local ownership in Mason County, and preserve local businesses and jobs.

What is the total number of grants we anticipate? 16

City Clerk Nault provided the reading of Resolution No. 1176-1020.



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes

October 06, 2020 – 6:00 p.m.

Virtual Platform

A motion was made by Councilmember Onisko, and seconded by Councilmember Fiess. Passed.

ADMINISTRATIVE REPORT:

City Manager Report – Presented by City Manager Jeff Niten

1. Land use approvals were received for the new Wendy's and Starbucks. The first round of building comments have been submitted back to both companies.
2. Recruitment of Police Chief – Sixteen applications were received from around the country. They were reviewed and narrowed to eight candidates. The community and staff panel interviews are scheduled for October 12th and 13th. The finalists will be referred to City Manager Niten. The finalists will be asked to produce a two to five minute video, which will be viewable by City Council and the public. A virtual meet-and-greet will occur on October 21, 2020. Finalist will be interviewed on October 23, 2020, with the announcement of a candidate in early November.
3. Two compliments were received from the community for Public Works employee Todd Rhodes. He went above and beyond his specified duties to help people and address concerns.
4. Peninsula Credit Union received a CDFI grant. The grant is specifically for affordable and workforce housing in the community. The City will be working with the credit union on this endeavor.

ANNOUNCEMENT OF NEXT MEETING

Next Meeting: October 20, 2020, at 6:00 p.m.

ADJOURN

Mayor Dorcy adjourned the meeting adjourned at 6:55 p.m.

Mayor Kevin Dorcy

City Clerk Donna Nault

PROJECT SUMMARY

The Shelton-Mason Chamber of Commerce worked directly with WSDOT in 2019 to install Motorist Information Signs along Highway 101, near City Center exit in Shelton. The purpose was to increase gateway signage in both northbound and southbound directions that would alert travelers about services available (gas, food, lodging, camping, recreation, tourist activities) at this specific interchange. Numerous Railroad Avenue area restaurants were contacted and provided the opportunity to be considered for signage program. Each interested business had to apply for consideration and meet eligibility requirements.



Four restaurants applied and remitted payment to WSDOT for annual permit fee and logo installation on highway signs. Three signs have been delivered to WSDOT and are awaiting installation. The fourth, Taqueria Las Palmas, is awaiting City of Shelton approval. A fifth business, Urraco Coffee, will reapply using guidance from WSDOT to meet criteria needed for signage approval.



The Chamber is requesting reimbursement for production of signage during 2019 and associated administration fees.

Business Name	Approved		Reasoning	Sign production	
	Yes	No		36x60"	12"x32"
Blondie's Restaurant		X	declined to participate		
Domino's Pizza		X	not enough seating		
El Sarape/Cantina		X	declined to participate		
Joe's Market & Shell	X			\$1,019.90	\$368.90
Paulie's Place		X	not open enough hours		
Railroad Tap Station		X	not open to public (21+)		
Sisters Restaurant	X			\$1,019.90	\$368.90
Smoking Mo's		X	not open enough days		
The Strip Steak House	X			\$1,019.90	\$368.90
TOTAL COST PAID				\$3,059.70	\$1,106.70
Taqueria Las Palmas	<i>pending</i>		<i>waiting on City wayfaring approval</i>	\$1,023.74	\$368.90
Urraco Coffee	<i>pending</i>		<i>needs further display</i>	TBD	TBD
			Administrative Fee		\$825.00
TOTAL COST DUE			Grand Total		\$6,384.04

A large, thick black L-shaped graphic is positioned on the left and bottom edges of the page, framing the central text.

3RD QUARTER FINANCIAL REPORT

City of Shelton City Council Meeting
17 November 2020

General Fund Revenue

Revenue Type	2018 Sept YTD	2019 Sept YTD	2020 Sept YTD	2020 Budget	2020 YE Est	2020 Est to 2020 Budget
Taxes	5,483,992	5,830,819	6,176,411	7,878,350	8,305,970	427,620
Charges for Goods/Service	1,808,117	2,095,955	2,234,866	3,393,670	2,923,090	(470,580)
Intergovernmental Revenue	863,229	632,625	544,285	420,520	1,011,040	590,520
Licenses & Permits	433,213	251,412	240,997	319,600	321,340	1,740
Miscellaneous Revenue	194,470	231,285	196,335	173,250	196,328	23,078
Fines & Penalties	92,189	98,133	63,509	105,300	67,530	(37,770)
Total	8,875,209	9,140,229	9,456,404	12,290,690	12,825,298	534,608

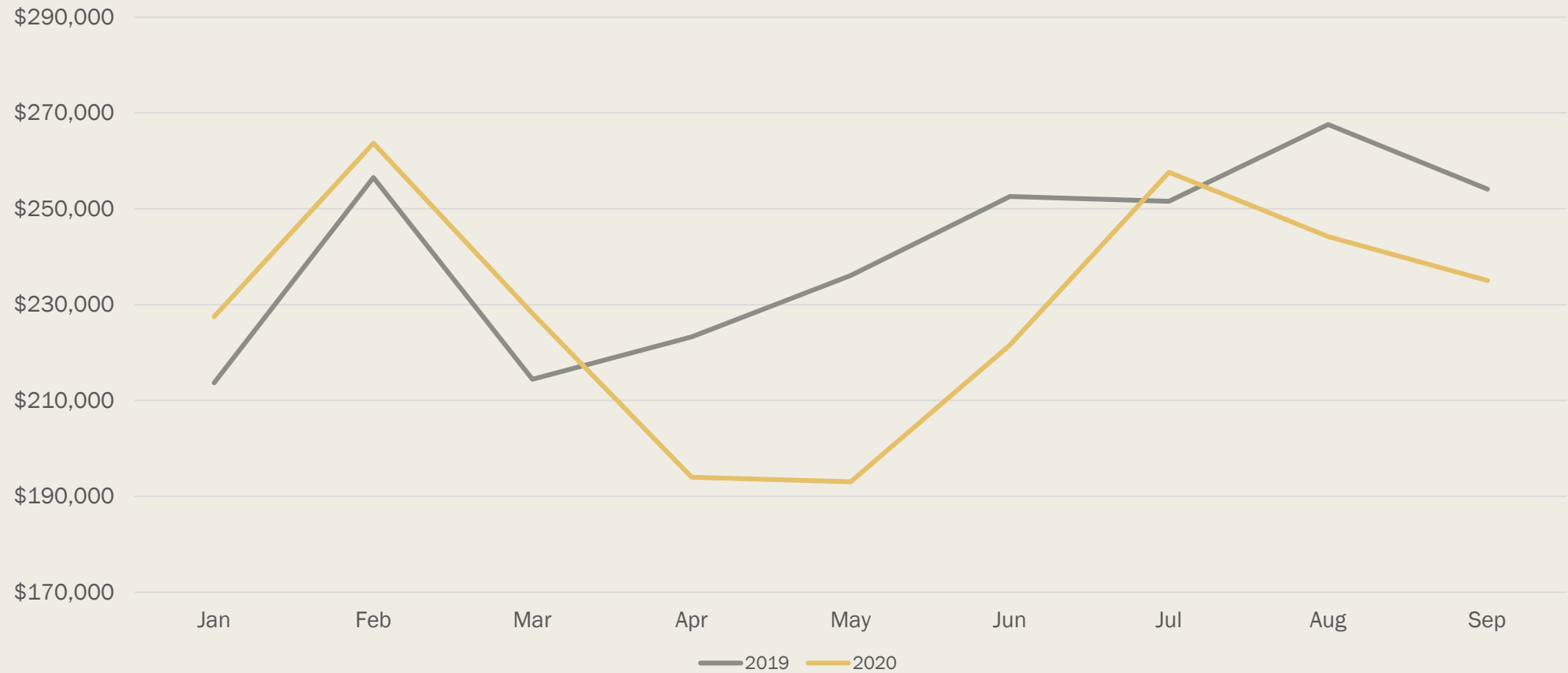
- Taxes – significantly due to unbudgeted Solid Waste Utility Tax (on-going revenue)
 - *When Waste Management took over contract they pre-paid \$1M in Utility Tax. This pre-payment was fully consumed in 2019 but not accounted for in budget.*
- Charges for Goods/Services – significantly due to SRO contract with School District (hopefully one-time reduction, not budgeted in 2021 but hopeful those services will return with opening).
- Intergovernmental Revenue – significantly due to CARES Act funding and Library grant (one-time revenue)
 - *Library grant expense complete in 2019 revenue came in this year.*

GF Tax Comparison

Tax Type	2018 Sept YTD	2019 Sept YTD	2020 Sept YTD	2020-2019 \$ Change	2020-2019 % Change
Sales Tax	2,310,702	2,471,923	2,366,818	(105,105)	-4.3%
Property Tax	1,280,810	1,375,103	1,418,016	42,913	3.1%
Non-City Utility Tax	869,927	856,602	883,676	27,074	3.2%
City Utility Tax	434,518	508,286	876,023	367,737	72.3%
B&O Tax	544,124	576,686	601,786	25,100	4.4%
Other Tax	43,910	42,219	30,093	(12,127)	-28.7%
Total	5,483,992	5,830,819	6,176,411	345,592	5.9%

- Sales Tax – 2020 budget included a roughly 11% reduction in sales tax revenue from 2019 actual collections due to normalization in construction work.
- City Utility Tax – significantly due to unbudgeted Solid Waste Utility Tax. When Waste Management took over contract they pre-paid \$1M in Utility Tax. This pre-payment was fully consumed in 2019 but not accounted for in 2020 budget

Regular Sales Tax by Month and Year



CARES Act Funding

- Award = \$459,900:
 - \$169,000 – *personnel costs related to Stay Safe / Stay Home Order*
 - \$115,000 – *IT desktop/laptop upgrades*
 - \$35,000 – *HVAC improvements*
 - \$22,100 – *Personal Protective Equipment / sanitation supplies*
 - \$67,000 – *Tyler System upgrades*
 - \$40,000 – *small business loans through Econ. Dev. Council*
 - \$11,800 – *Right Systems Contract*
- CARES Act unbudgeted costs which support IT improvements to aid with employee work from home in event of another pandemic, costs related to PPE / sanitized work environment, and business costs related to COVID.
- The City is making a significant investment in our IT infrastructure to gain efficiency for both employees and City residents.

General Fund Expenses by Type

Expense Type	2018 Sept YTD	2019 Sept YTD	2020 Sept YTD	2020 Budget	2020 YE Est	2020 Est to 2020 Budget
Wages	3,698,474	3,398,833	3,472,870	4,935,530	4,630,460	(305,070)
Benefits	1,448,916	1,359,158	1,476,492	2,115,340	1,968,620	(146,720)
Service/Charges	3,024,436	2,703,038	2,850,753	3,783,460	3,986,970	203,510
Supplies/Equip	232,540	190,157	189,645	283,780	452,840	169,060
Transfer Out/Capital	533,482	1,250,615	168,482	1,151,080	894,650	(256,430)
Debt Service	19,543	19,545	19,997	21,500	26,660	5,160
Total	8,957,391	8,921,347	8,178,240	12,290,690	11,960,200	(330,490)

- Wages and benefits – due to the COVID pandemic, reduction of 3 FTE early in the year, 3 FTE reduction mid-year, and 1 FTE reduction later in the year. Offset by 1 FTE increase in PD early this year. An additional GF position will be funded in 2021 for a net loss of 5 FTE from 2020 budget.
- Service/Charges – professional costs related to IT upgrades offset somewhat by CARES Act funding.
- Supplies/Equip – IT hardware significantly offset by CARES Act funding.

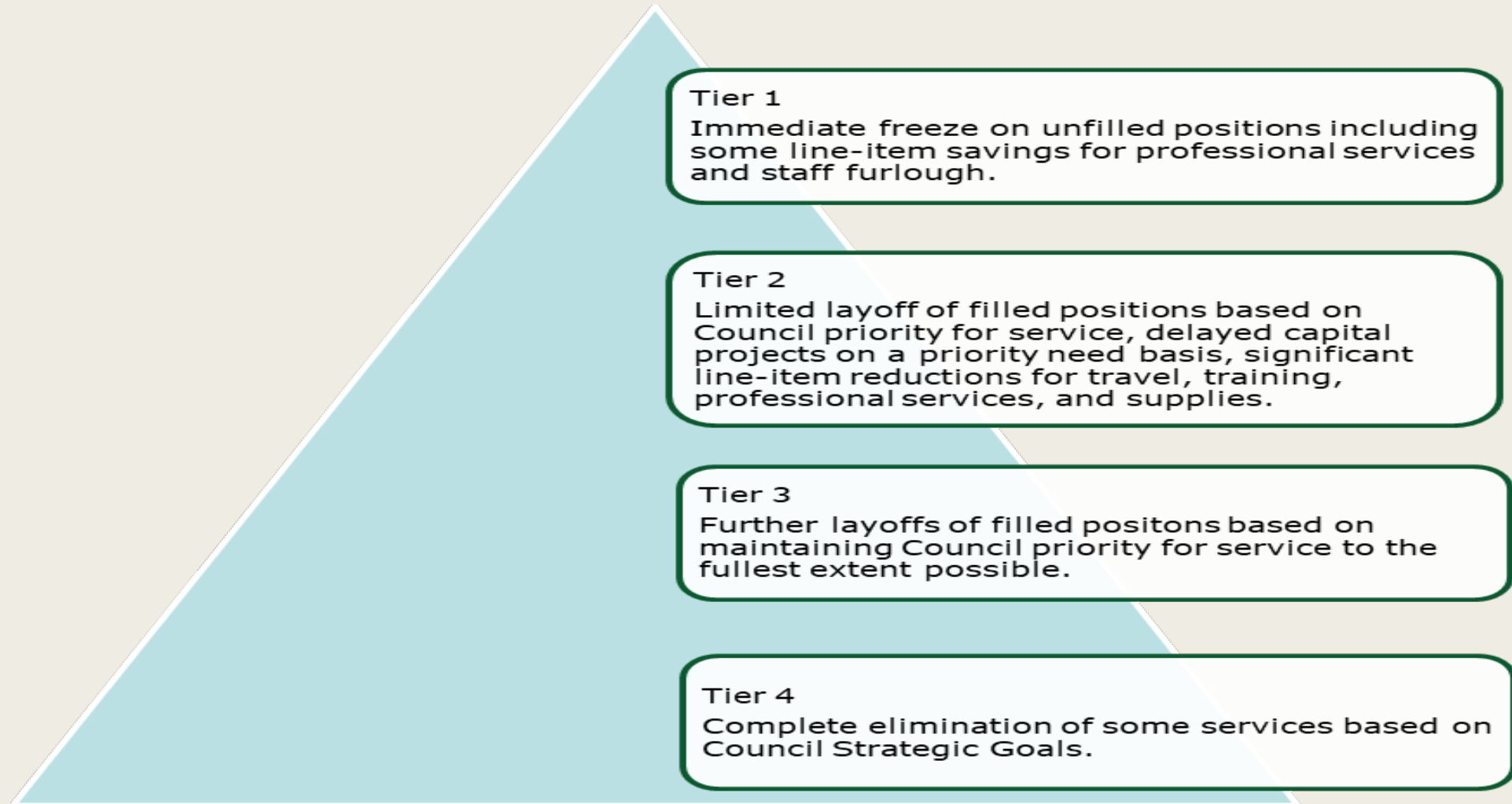
COVID-19: City Response

- The City engaged early in the COVID-19 closure period to plan various expense reduction scenarios to offset or match revenue loss. Because there was no precedence to look to in this type of event, the City implemented an expense reduction process that incrementally would reduce expenses at scheduled check points based on the most up-to-date information on revenue generation available.
- The three major unknowns the City was grappling with were:
 - *How long would the Stay Safe / Stay Home Order last?*
 - *How deep will the impact to current year revenues be?*
 - *How long until full economic recovery?*

COVID-19: City Response

- The City has adopted a budgeting philosophy in which revenue estimates are built using realistic, albeit conservative, assumptions and matching expenses to those levels. To that end, the City chose to estimate revenue loss in a “worst case” scenario:
 - *3% reduction in property tax collections*
 - *35% reduction in sales and use tax collections*
 - *60% reduction in B&O Tax*
 - *20% reduction in utility tax payments*
 - *50% reduction in building and planning revenue*
 - *30% reduction in utility user charges.*
- These worst-case estimates equated to a \$2 million reduction in General Fund revenue and a nearly a \$2.6 million reduction in utility revenue.

COVID-19: City Response

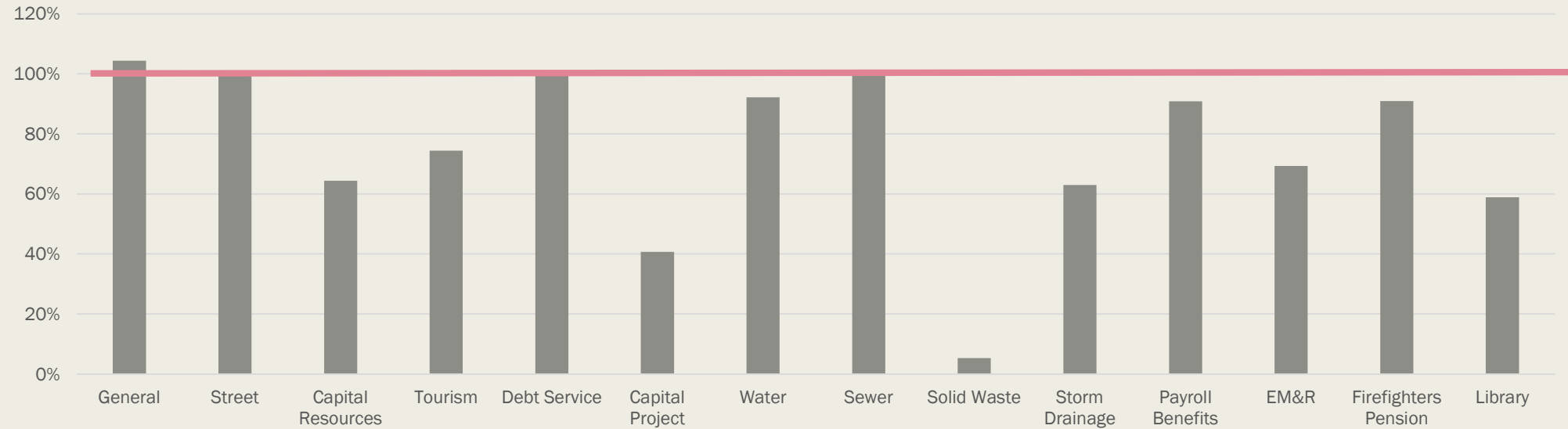


COVID-19 Tax View

Tax Type	2020 Sept YTD	2020 Budget	2020 YE Est	2020-2019 \$ Change	2020-2019 % Change	COVID Worst Case Est
Sales Tax	2,366,818	2,860,930	2,803,710	(57,220)	-2.0%	-35.0%
Property Tax	1,418,016	2,436,950	2,400,400	(36,550)	-1.5%	-3.0%
Non-City Utility Tax	883,676	1,203,400	1,178,230	(25,170)	-2.1%	-20.0%
City Utility Tax	876,023	586,510	1,168,470	581,960	99.2%	-20.0%
B&O Tax	601,786	733,640	714,570	(19,070)	-2.6%	-60.0%
Other Tax	30,093	56,920	40,590	(16,330)	-28.7%	-35.0%
Building/Plan Review Fee	196,850	221,000	233,390	12,390	5.6%	-50.0%
Utility User Charges	6,351,282	8,536,000	8,285,790	(250,210)	-2.9%	-30.0%
Total	12,724,543	16,635,350	16,825,150	189,800	1.1%	

- At least through September, the City hasn't experienced the same kind of revenue loss as many other cities. While we have no absolutes on the reason, potential factors may be:
 - *Shelton doesn't have "big" ticket item sales (i.e. cars, boats, RV's)*
 - *The federal subsidy has a much larger impact on Shelton as compared to cities with a higher cost of living and therefore went further to mitigate job loss*
 - *Shelton residents generally purchase "necessities" which has continued to provide a similar amount of tax revenue.*

Estimated Total Revenue by Fund

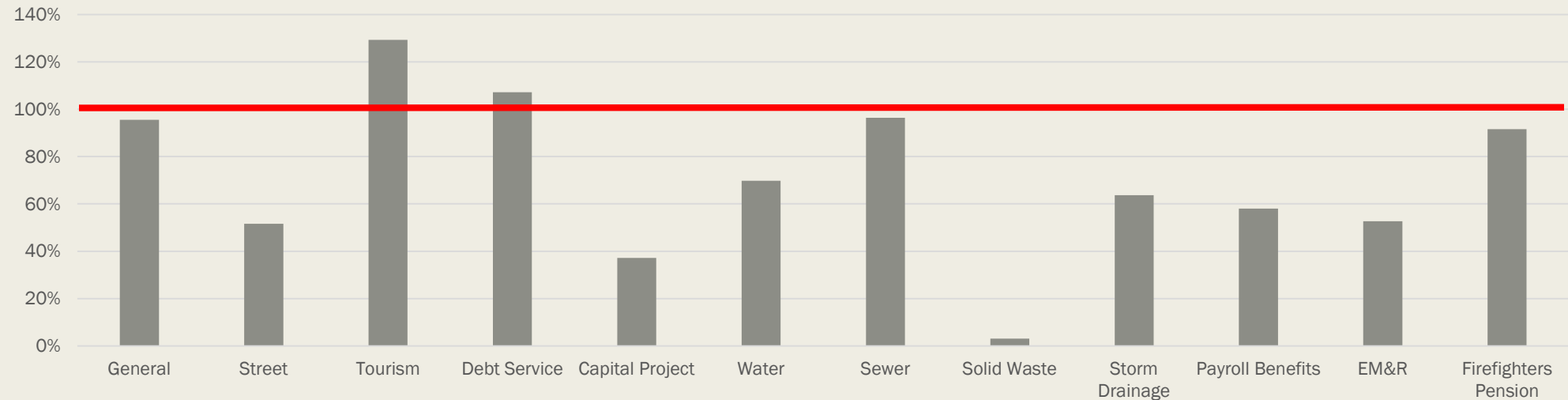


- General Fund – significantly due to the unbudgeted increase in Solid Waste Utility Tax and CARES Act Funding
- Capital Projects – reduction in capital expenses where revenue would be transferred in to support those activities.
- Storm Drainage – budget included an estimated increase in rates which is currently under review.

Revenue by Fund

Fund	2018 Sept YTD	2019 Sept YTD	2020 Sept YTD	2020 Budget	2020 YE Est	2020 Est to 2020 Budget
General Fund	8,875,209	9,133,822	9,448,599	12,290,690	12,832,380	541,690
Street Fund	-	1,515,649	689,865	1,476,010	1,490,080	14,070
Capital Resources Fund	-	-	163,874	310,600	200,000	(110,600)
Tourism Fund	29,862	37,365	28,873	51,700	38,490	(13,210)
Debt Service Fund	102,007	96,622	93,815	184,490	186,600	2,110
Capital Project Fund	527,889	2,720,579	987,055	2,089,900	849,990	(1,239,910)
Water Fund	1,613,336	1,812,444	1,728,910	2,474,090	2,280,090	(194,000)
Sewer Fund	5,400,118	7,519,604	4,671,435	6,010,930	6,029,800	18,870
Solid Waste Fund	72,879	159	18,771	470,000	25,020	(444,980)
Storm Drainage Fund	576,724	582,679	597,476	1,265,000	796,640	(468,360)
Payroll Benefits Fund	79,244	106,196	57,174	206,700	187,760	(18,940)
EM&R Fund	486,580	463,438	384,313	736,610	510,840	(225,770)
Firefighters Pension Fund	1,042	15,834	14,040	168,970	153,720	(15,250)
Library Fund	(741)	2,013	1,190	2,700	1,590	(1,110)
Total	17,764,149	24,006,405	18,885,390	27,738,390	25,583,000	(2,155,390)

Estimated Total Expense by Fund



- Tourism – adopted budget was \$15,650 lower than 2020 grant awards. While some events will be less than budget, there are some payments being made in 2020 for qualifying expenses made in 2019.
- Debt Service (Bond Fund) – estimates will be reexamined. The overage at this point is likely due to the refunding which took place in October and expenses will be adjusted back down.
- While this picture looks “good” it is a bit of a mirage as there is necessary capital work which has been put on hold for 2020 and will need to be completed in the coming years.

Expense by Fund

Fund	2018 Sept YTD	2019 Sept YTD	2020 Sept YTD	2020 Budget	2020 YE Est	2020 Est to 2020 Budget
General Fund	8,957,391	8,921,347	8,178,240	12,290,690	11,960,200	(330,490)
Street Fund	-	880,893	883,330	2,280,650	1,177,780	(1,102,870)
Capital Resources Fund	-	-	-	-	-	-
Tourism Fund	21,750	45,175	47,817	59,130	76,450	17,320
Debt Service Fund	94,934	93,959	92,234	184,490	197,610	13,120
Capital Project Fund	2,254,267	2,486,026	721,829	2,138,630	795,910	(1,342,720)
Water Fund	1,315,237	1,514,625	1,664,937	3,720,740	2,596,430	(1,124,310)
Sewer Fund	6,430,338	6,046,089	4,574,999	5,777,330	5,570,100	(207,230)
Solid Waste Fund	188,516	92,809	33,618	1,459,020	44,830	(1,414,190)
Storm Drainage Fund	672,307	734,019	608,461	1,275,710	812,150	(463,560)
Payroll Benefits Fund	158,600	102,020	35,040	219,200	127,240	(91,960)
EM&R Fund	405,825	328,024	307,731	863,720	454,990	(408,730)
Firefighters Pension Fund	60,410	67,068	67,692	98,570	90,250	(8,320)
Library Fund	-	-	-	-	-	-
Total	20,559,575	21,312,053	17,215,929	30,367,880	23,903,940	(6,463,940)

Ending Fund Balance Comparison

Fund	BUDGETED					SEPTEMBER YEAR-END ESTIMATES			
	2020 Beg FB	Budgeted Revenue	Budgeted Expense	Est Ending FB	\$ Change	Est Revenue	Est Expense	Est Ending FB	\$ Change
General Fund	3,299,487	12,290,690	12,290,690	3,299,487	-	12,832,380	11,960,200	4,171,667	872,180
Street Fund	1,355,196	1,476,010	2,280,650	550,556	(804,640)	1,490,080	1,177,780	1,667,496	312,300
Capital Resources Fund	-	310,600	-	310,600	310,600	650,000	-	650,000	650,000
Tourism Fund	118,186	51,700	59,130	110,756	(7,430)	38,490	76,450	80,226	(37,960)
Debt Service Fund	15,390	184,490	184,490	15,390	-	186,600	197,610	4,380	(11,010)
Capital Project Fund	428,726	2,089,900	2,138,630	379,996	(48,730)	849,990	795,910	482,806	54,080
Water Fund	2,415,807	2,474,090	3,720,740	1,169,157	(1,246,650)	2,280,090	2,596,430	2,099,467	(316,340)
Sewer Fund	4,024,695	6,010,930	5,777,330	4,258,295	233,600	6,029,800	5,570,100	4,484,395	459,700
Solid Waste Fund	1,035,296	470,000	1,459,020	46,276	(989,020)	25,020	44,830	1,015,486	(19,810)
Storm Drainage Fund	429,864	1,265,000	1,275,710	419,154	(10,710)	796,640	812,150	414,354	(15,510)
Payroll Benefits Fund	139,892	206,700	219,200	127,392	(12,500)	187,760	127,240	200,412	60,520
EM&R Fund	923,082	736,610	863,720	795,972	(127,110)	510,840	454,990	978,932	55,850
Firefighters Pension Fund	610,461	168,970	98,570	680,861	70,400	153,720	90,250	673,931	63,470
Library Fund	120,024	2,700	-	122,724	2,700	1,590	-	121,614	1,590
Total	14,916,106	27,738,390	30,367,880	12,286,616	(2,629,490)	26,033,000	23,903,940	17,045,166	2,129,060

Q3 Takeaways

- The City's process and response to the COVID pandemic has provided necessary resources to continue to provide government services with minimal impact to our customers.
- The City was able to provide \$40K in CARES Act funding to the EDC to administer small business loans to city businesses.
- Many capital projects have been delayed in 2020 which give the impression of significant savings. Those monies will be reallocated to capital projects and expended in the future.
- The tax base of the City has not been as effected by the COVID pandemic as other municipalities.
- Even during this pandemic, the actions taken by the City led to its maintaining an A+ rating.
- Even with the successes of 2020 and managing the pandemic, the 2021 budget includes a reduction of 5 FTE's in the General Fund in order to balance with projected revenues.



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item E1)**

Touch Date: 10/26/2020
Brief Date: 11/17/2020
Action Date: 12/01/2020

Department: Executive
Presented By: Jeff Niten

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:
Cascade Natural Gas Franchise Agreement

Ordinance

Dept. Head

Resolution

Finance Director

ATTACHMENTS:

Motion

Attorney

- Ordinance No. 1958-1020
- Cascade Natural Gas Franchise Agreement
- Public Notice

Other

City Clerk

City Manager

JN

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

City staff and representatives of Cascade Natural Gas have been working toward a new Franchise Agreement to benefit the citizens of Shelton, protect the City's interests, as well as the individual utilities' needs.

The existing Franchise Agreement with Cascade Natural Gas, adopted by Ordinance No. 1663-1205, expires at the end of 2020. The City has worked to ensure that provisions contained in this new agreement provide adequate protection of the public Right-of-Way and the City's ability to require movement of utilities consistent with City needs. This agreement grants a non-exclusive Franchise to Cascade Natural Gas for a primary term of ten (10) years and will automatically renew for periods of five (5) years unless cancelled by either party.

The Franchise Agreements attached comply with Shelton Municipal Code (SMC) Chapter 5.44 and all applicable state and Federal regulations.

ANALYSIS/OPTIONS/ALTERNATIVES:

City staff propose the following as alternatives:

- Adopt the agreements as presented
- Request Staff re-enter negotiations over modifications to terms
- Take no action at this time

BUDGET/FISCAL INFORMATION:

None, other than applicable permit fees associated with specific projects.

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained through the City Clerk.

STAFF RECOMMENDATION/MOTION:

A recommended motion is: "I move to forward Ordinance No. 1958-1020 to the Action Agenda for the Council meeting on December 1st".

**ORDINANCE NO.
1958-1020**

**AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON,
GRANTING CASCADE NATURAL GAS CORPORATION A
NONEXCLUSIVE FRANCHISE FOR THE TRANSMISSION,
DISTRIBUTION AND SALE OF NATURAL GAS**

WHEREAS, Cascade Natural Gas (“CNG”) has had a natural gas franchise with the City of Shelton for more than thirty years; and

WHEREAS, the existing franchise agreement with CNG, adopted through Ordinance No. 1663-1205, will expire at the end of 2020; and

WHEREAS, the Parties have come to terms on a new Franchise Agreement.

NOW, THEREFORE, the City Council of the City of Shelton, Washington, ordains as follows:

Section 1. Grant of Franchise. A nonexclusive franchise for natural gas transmission and infrastructure is hereby granted to Cascade Natural Gas Corporation under the terms and conditions set forth in Exhibit A attached hereto and incorporated herein by reference.

Section 2. Acceptance. The rights and privileges granted to CNG pursuant to this Ordinance shall not become effective until CNG accepts the conditions of the Franchise Agreement. Acceptance shall be accomplished by the submission of a written instrument, executed and sworn to by a corporate officer before a Notary Public, and filed with the City within forty-five (45) days after the effective date of this Ordinance. Such instrument shall evidence the unconditional acceptance of the terms hereof and a promise to comply with and abide by the terms and conditions hereof.

Section 3. This Ordinance shall take effect and be in force five days after passage and publication as required by law.

Passed by Shelton City Council this ____ of _____, 2020.

Mayor Kevin Dorcy

AUTHENTICATED:

Donna Nault, City Clerk

APPENDIX A –

FRANCHISE AGREEMENT BETWEEN THE CITY OF SHELTON AND CASCADE NATURAL GAS CORPORATION

Section 1. Definitions.

1.1 Where used in this franchise (the “Franchise”) the following terms shall mean:

1.1.1 “CNG” means Cascade Natural Gas Corporation, a Washington corporation, and its successors and assigns.

1.1.2 “City” means the City of SHELTON, a Municipal Corporation within the State of Washington, and its successors and assigns.

1.1.3 “Construct” or “Construction” shall mean placing, removing, replacing, adding new, and repairing Facilities and may include, but is not limited to, digging and/or excavating for the purposes of placing, removing, replacing, adding new, and repairing Facilities.

1.1.4 “Facilities” means, collectively, any and all (i) natural gas transmission and distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, service lines, conduits, feeders, regulators, meters, meter-reading devices, monitoring and communication systems; and (ii) any and all other equipment, appliances, attachments, appurtenances and other items necessary, convenient, or in any way appertaining to any and all of the foregoing, whether the same be located over or under ground.

1.1.5 “Franchise” means the grant of rights, privileges, authority, terms, and conditions embodied in this Ordinance.

1.1.6 “Franchise Area” means any, every and all right-of-way for public roads, streets, avenues, alleys, highways and other public ways of the City as now laid out, platted, dedicated or improved; and any, every and all right-of-way for public roads, streets, avenues, alleys, highways and other public ways that may hereafter be laid out, platted, dedicated or improved within the present limits of the City and as such limits may be hereafter extended. For the purpose of this definition, right-of-way includes property owned by the City in fee and used for public roads and other public ways of the City.

1.1.7 “Maintenance” or “Maintain” means examining, testing, inspecting, repairing, maintaining, and replacing the Facilities or any part thereof as required or as necessary for safe operation.

1.1.8 “Operate” or “Operations” means the use of CNG’s Facilities for the transmission, distribution, handling, and sale of product within and through the Franchise Area.

1.1.9 “Ordinance” means Ordinance No. ORD. NO.1958-1020, which grants the Franchise to CNG.

1.1.10 “Public right of way improvement” is a City-funded capital improvement to the public right of way.

Section 2. Facilities Within Franchise Area.

2.1 The City does hereby grant to CNG a Franchise for the period set forth in Section 11 below. This Franchise grants the right, privilege, and authority to Construct, Operate, and Maintain Facilities necessary for the purpose of transmission, distribution and sale of natural gas.

Section 3. Noninterference of Facilities.

3.1 CNG’s Facilities shall be maintained within the Franchise Area so as not to unreasonably interfere with the free passage of traffic and in accordance with all applicable federal and state laws, rules and regulations and all applicable local government laws, rules and regulations. CNG shall exercise its rights within the Franchise Area in accordance with applicable City codes and ordinances governing use and occupancy of the Franchise Area; provided, however, in the event of any conflict or inconsistency of such codes and ordinances with the terms and conditions of this Franchise, the terms and conditions of this Franchise shall govern and control; provided, further, nothing herein shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded CNG by such City codes and ordinances.

3.2 CNG shall provide the City, upon the City’s reasonable request, copies of available drawings in use by CNG showing the location of its Facilities at specific locations within the Franchise Area. As to any such drawings so provided, CNG does not warrant the accuracy thereof and, to the extent the location of Facilities are shown, such Facilities are shown in their approximate location. With respect to any excavations within the Franchise Area undertaken by or on behalf of CNG or the City, nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

3.3 CNG shall perform any Construction within the Franchise Area to all applicable standards, including federal and state safety standards, City codes and public works requirements. CNG shall obtain any and all required right-of-way permits for performing work and shall comply with all requirements for maintenance, insurance, and bonding.

Section 4. Relocation of Facilities.

4.1 Whenever the City causes a public right of way improvement to be undertaken within the Franchise Area, and such public right of way improvement requires the relocation of CNG’s then existing Facilities within the Franchise Area (for purposes other than those described in paragraph 4.2 below), the City shall:

4.1.1 provide CNG, within a reasonable time prior to the commencement of such public right of way improvement, written notice requesting such relocation; and

4.1.2 provide CNG with reasonable plans and specifications for such public right of way improvement.

After receipt of such notice and such plans and specifications, CNG shall relocate such Facilities within the Franchise Area at no charge to the City. The City will make its best efforts to avoid the need for such moving or changing whenever possible. If the City requires the subsequent relocation of any Facilities within five (5) years from the date of relocation of such Facilities pursuant to Section 4.1, the City shall bear the entire cost of such subsequent relocation. In the event the city receives any Federal, state or other funds for gas line relocating purposes, CNG will be given credit to the extent any such funds are actually received by the City.

4.2 Whenever (i) any public or private development within the Franchise Area, other than a public right of way improvement, requires the relocation of CNG’s Facilities within the Franchise Area to accommodate such development; or (ii) the City requires the relocation of CNG’s Facilities within the Franchise Area for the benefit of any person or entity other than the City, then in such event, CNG shall have the right as a condition of such relocation, to require such developer, person or entity to make payment to CNG, at a time and upon terms acceptable to CNG, for any and all costs and expenses incurred by CNG in the relocation of CNG’s Facilities.

4.3 Any condition or requirement imposed by the City upon any person or entity, other than CNG, that requires the relocation of CNG’s Facilities shall be a required relocation for purposes of paragraph 4.2 above (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

4.4 Nothing in this Section 4 “Relocation of Facilities” shall require CNG to bear any cost or expense in connection with the location or relocation of any Facilities then existing pursuant to easement or such other rights not derived from this Franchise.

Section 5. Indemnification.

5.1 CNG shall indemnify and hold the City harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another, to the extent such injury or damage is caused by the negligence of CNG, its agents, servants or employees in exercising the rights granted to CNG in this Franchise; provided, however, that in the event any such claim or demand be presented to or filed with the City, the City shall promptly notify CNG thereof, and CNG shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand; provided further, that in the event any suit or action is begun against the City based upon any such claim or demand, the City shall likewise promptly notify CNG thereof, and CNG shall have the right, at its election and its sole cost and expense to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorney of its own election. This provision shall survive the termination of this Franchise.

This indemnity provision shall not be considered a waiver to any defenses to which the City may be entitled in such action or suit defended by CNG including any defenses of sovereign immunity.

Section 6. Insurance

CNG shall procure and maintain for the duration of the Agreement and as long as CNG has

Facilities in the rights-of-way, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Agreement and use of the rights-of-way.

A. No Limitation

CNG's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of CNG to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

B. Minimum Scope of Insurance

CNG shall obtain insurance of the types and coverage described below:

1. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under CNG's Commercial General Liability insurance policy with respect this Franchise Agreement using ISO endorsement CG 20 12 05 09 if the franchise agreement is considered a master permit, or CG 20 26 07 04 if it is not, or substitute endorsement providing at least as broad coverage.
2. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.
3. Contractors Pollution Liability insurance shall be in effect throughout the entire Franchise Agreement covering losses caused by pollution conditions that arise from the operations of CNG Contractors Pollution Liability shall cover bodily injury, property damage, cleanup costs and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims.
4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
5. Excess or Umbrella Liability insurance shall be excess over and at least as broad in coverage as CNG's Commercial General Liability and Automobile Liability insurance. The City shall be named as an additional insured on CNG's Excess or Umbrella Liability insurance policy.

C. Minimum Amounts of Insurance

CNG shall maintain the following insurance limits:

1. Commercial General Liability insurance shall be written with limits no less than \$5,000,000 each occurrence, \$5,000,000 general aggregate.
2. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$5,000,000 per accident.

3. Contractors Pollution Liability insurance shall be written in an amount of at least \$2,000,000 per loss, with an annual aggregate of at least \$2,000,000.
4. Excess or Umbrella Liability insurance shall be written with limits of not less than \$5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through CNG's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

D. Other Insurance Provisions

CNG's Commercial General Liability, Automobile Liability, Excess or Umbrella Liability, Contractors Pollution Liability insurance policy or policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of CNG's insurance and shall not contribute with it.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

F. Verification of Coverage

CNG shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Agreement.

G. Subcontractors

CNG shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of CNG-provided insurance as set forth herein, except CNG shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. CNG shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement as least as broad as ISO CG 2026.

H. Notice of Cancellation

CNG shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

I. Failure to Maintain Insurance

Failure on the part of CNG to maintain the insurance as required shall constitute a material breach of Agreement, upon which the City may, after giving five business days notice to CNG to correct the breach, terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

J. City Full Availability of CNG Limits

If CNG maintains higher insurance limits than the minimums shown above, the City shall be

insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by CNG, irrespective of whether such limits maintained by CNG are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by CNG.

K. Self-Insurance

If CNG is self-insured or becomes self-insured during the term of the Franchise Agreement, CNG or its affiliated parent entity shall comply with the following: (i) provide the City, upon request, a copy of CNG's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available; (ii) CNG or its parent company is responsible for all payments within the self-insured retention; and (iii) CNG assumes all defense and indemnity obligations as outlined in the indemnification section of this Agreement.

Section 7. Vacation or Disposal of Franchise Area.

7.1 In the event the City vacates or disposes of any portion of the Franchise Area during the term of this Franchise wherein CNG has located Facilities, the City shall provide, or require that those seeking vacation provide, CNG prior notice of same to allow CNG to review and comment on the proposed vacation. If requested by CNG, the City shall, in its vacation or disposal procedure, reserve an easement for utilities suitable for CNG's Facilities. If CNG's facilities must be relocated from a vacated public right of way, the petitioner of said vacation will bear the expense of moving said facilities.

Section 8. Moving Buildings within the Franchise Area.

8.1 If any person or entity obtains permission from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to arrange with CNG for the temporary or permanent adjustment of CNG's Facilities necessary to accommodate the moving or removal of such building or other object. Such person or entity shall make such arrangements, upon terms and conditions acceptable to CNG, not less than thirty (60) days prior to the moving or removal of such building or other object. In such event, CNG shall, at the sole cost and expense of the person or entity desiring to move or remove such building or other object, adjust any of its Facilities which may obstruct the moving or removal of such building or object.

Section 9. Default.

9.1 If CNG willfully violates or fails to comply with any of the provisions of this Franchise, or through willful misconduct or gross negligence fails to heed or comply with any notice given CNG by the City under the provisions of this Franchise, then CNG shall, at the election of the City, forfeit all rights conferred hereunder and this Franchise may be revoked or annulled by the Council after a hearing held upon notice to CNG.

Section 10. Nonexclusive Franchise.

10.1 This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This

Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with CNG's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

Section 11. Franchise Term.

11.1 This Franchise is hereby granted for a term of ten (10) years from and after the date of the final acceptance of this Ordinance by CNG, herein referred to as the primary term. This Franchise will automatically renew for successive periods of five (5) years unless cancelled at the end of a term by either party by written notice to the other party no less than 180 calendar days prior to the end of the primary term or the then current successive term.

CNG shall have no rights under this Franchise nor shall CNG be bound by the terms and conditions of this Franchise unless CNG shall, within sixty (60) days after the effective date of the Ordinance granting the Franchise, file with the City its written acceptance of the Franchise terms.

Section 12. Assignment.

12.1 This Franchise may not be assigned or transferred without the written consent of the City. In the case of transfer or assignment as security by mortgage or other security instrument in whole or in part to secure indebtedness, such consent shall not be required unless and until the secured party elects to realize upon the collateral. CNG shall provide prompt written notice to the City of any such assignment or transfer, and all of the provisions, terms, conditions, and requirements this Franchise shall be binding upon successors and assigns as if they were specifically mentioned wherever CNG is named herein.

Section 13. Fees and taxes

13.1 The City may recover its reasonable administrative costs for entering into this Franchise upon prompt request to CNG. However, the Parties agree that State law does not otherwise authorize a Franchise fee on natural gas utilities.

13.2 CNG shall pay to the City of Shelton whatever occupation, gas distribution, and utility taxes are due per the Shelton Municipal Code.

Section 14. Ruptures, leaks, and emergency responses

14.1 CNG shall have in place, at all times during the term of this Franchise, a system for remotely monitoring pressures and flows across the Franchise Area. The remote monitoring must be able to accurately detect pipeline ruptures.

14.2 During the term of this Franchise, CNG shall have a written emergency response plan and procedure for locating leaks and ruptures and for shutting down valves as rapidly as possible.

14.3 Upon acceptance of this Franchise, CNG shall provide to the City a copy of its emergency response plans and procedures, including, but not limited to, emergency rupture response.

Section 15. Removal and abandonment of facilities

15.1 In the event of CNG's permanent cessation of use of its Facilities, or any portion thereof, within the Franchise Area, CNG shall, within a reasonable time after the cessation of use, remove the Facilities or any portion thereof, except as otherwise determined pursuant to Section 15.5 hereof.

15.2 In the event of the removal of all or a portion of the Facilities, CNG shall restore the Franchise Area to as good or better condition as it was in before the work began.

15.3 Removal and restoration work shall be done at CNG's sole cost and expense and to the City's reasonable satisfaction. CNG shall be responsible for any environmental review required for the removal of any Facility and the payment of any costs of the environmental review.

15.4 If CNG is required to remove its Facilities and fails to do so and/or fails to adequately restore the Franchise Area or other mutually agreed upon action(s), the City may, after reasonable notice to CNG, remove the Facilities, restore the premises and/or take other action as is reasonably necessary at CNG's expense. This remedy shall not be deemed to be exclusive and shall not prevent the City from seeking a judicial order directing that the Facilities be removed.

15.5 With the express written consent of the City, which consent shall not be unreasonably withheld, and in lieu of removing the Facilities, CNG may purge its Facilities and abandon them in place. CNG shall be responsible for any environmental review required for the abandonment of any Facilities and the payment of any costs of such environmental review. The City's consent to the abandonment of Facilities in place shall not relieve CNG of the obligation and/or costs to remove or to alter such Facilities in the future in the event it is reasonably determined that removal or alterations is necessary or advisable for the health and safety of the public, in which case CNG shall perform such work at no cost to the City.

15.6 The parties expressly agree that this Section shall survive the expiration, revocation or termination of this Franchise.

Section 16. Dispute resolution - Venue

16.1 In the event of a dispute arising under this Agreement, the Parties shall first meet and confer, with or without the assistance of a qualified mediator, and attempt to resolve the dispute to their mutual satisfaction. If attempts to meet and confer are unsuccessful, or if either Party fails or refuses to meet and confer, any Party may litigate the dispute via superior court or arbitration. The Parties shall bear their own costs of litigation, including attorney fees.

16.2 Venue shall lie in the superior court of Mason County, Washington.

Section 17. Acceptance.

17.1 This Franchise is granted upon the express condition that CNG, within (60) days after the adoption of this Ordinance, shall file with the clerk of the City a written acceptance of the same.

Section 18. Survival.

18.1 All of the provisions, terms, conditions and requirements of Sections 4, Relocation of Facilities; 5, Indemnification; and 6, Insurance; of this Franchise shall be in addition to any and all other obligations and liabilities CNG may have to the City at common law, by statute, or by contract, and shall survive the termination or expiration of this Franchise and any renewals or extensions thereof.

Section 19. Notice.

19.1 Any notice or information required or permitted to be given to the parties under this Franchise agreement may be sent to the following addresses unless otherwise specified:

CITY OF SHELTON
City Manager
525 West Cota Street
Shelton, WA 98584

CASCADE NATURAL GAS CORP.
Tiffany Urand
Region Director, NW
1520 S 2nd Street
Mount Vernon, WA 98273

Section 20. Severability.

20.1 If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance unless such invalidity or unconstitutionality materially alters the rights, privileges, duties, or obligations hereunder, in which event either party may request renegotiation of those remaining terms of this Franchise materially affected by such courts' ruling.

Section 21. Miscellaneous.

21.1 If any provision, term, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise, which shall continue in full force and effect. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

21.2 This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation, Section 5 above) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by CNG of any and all rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

21.2.1 references this Franchise; and

21.2.2 states that it supersedes this Franchise to the extent it contains terms and conditions that change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

21.3 This Franchise is subject to the provisions of any applicable tariff on file with the Washington Utilities and Transportation Commission or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff, the provisions of such tariff shall control.

Section 22. No Third Party Beneficiary

22.1 Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party, nor confer any right or remedy upon any person other than the City and CNG. No action may be commenced or prosecuted against either the City or CNG by any other party claiming beneficiary of this Franchise and nothing this Franchise shall release or discharge any obligation or liability of any third party to either the City or CNG.

Executed by authorized representatives of the Parties on the date indicated below:

CITY OF SHELTON

By: _____
City Manager

ACCEPTED this ____ day of _____, 2020, subject to applicable federal, state and local law.

CASCADE NATURAL GAS CORPORATION

By: _____

STATE OF WASHINGTON)
) ss.

COUNTY OF _____)

On this ____ day of _____, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, and said person acknowledged that he or she is an authorized representative of CASCADE NATURAL GAS CORPORATION and signed this instrument and acknowledged it to be his or her free and voluntary act for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My appointment expires: _____

CITY OF SHELTON
525 W. COTA STREET
SHELTON, WASHINGTON
(360) 432-5103

TO: Shelton-Mason County Journal

DATE: October 26, 2020

Please publish the following notice on October 29, 2020

**NOTICE OF PUBLIC HEARING
for the
CITY OF SHELTON**

ORDINANCE NO. 1958-1020

**AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON,
GRANTING CASCADE NATURAL GAS CORPORATION A
NONEXCLUSIVE FRANCHISE FOR THE TRANSMISSION,
DISTRIBUTION AND SALE OF NATURAL GAS**

The City Council will conduct a public hearing on November 17, 2020 at 6:00 p.m. to consider adoption of a Franchise Agreement with Cascade Natural Gas. The public is invited to comment on the above referenced matters, or provide written testimony to the City Clerk.

Donna Nault
City Clerk



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F1)**

Touch Date: 10/20/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

Department: Finance
Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- | | | |
|-------------------------------------|------------------|-----------|
| <input type="checkbox"/> | Dept. Head | _____ |
| <input checked="" type="checkbox"/> | Finance Director | 10/8/2020 |
| <input checked="" type="checkbox"/> | Attorney | 10/8/2020 |
| <input checked="" type="checkbox"/> | City Clerk | 10/9/2020 |
| <input checked="" type="checkbox"/> | City Manager | 10/8/2020 |

PROGRAM/PROJECT TITLE:
**2021 Regular and EMS Ad
Valorem Taxes**
ATTACHMENTS:
Ordinance No 1953-0820

- | | |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | Motion |
| <input type="checkbox"/> | Other |

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Ordinance to set the regular and EMS levies for collection in 2021. This Ordinance will levy the statutory maximum Ad Valorem Tax by increasing levy collections by 1% from the highest lawful levy amount plus new construction and State assessed property which are legally allowed add-ons beyond the 1% statutory regulation.

Property tax collections are allowed to increase by the lower of 1% or the Implicit Price Deflator (IPD). The IPD for calculating the increase on 2020 property tax collections is 0.6%, lower than the statutory limit of 1%. RCW 8.55.0101 allows taxing districts, when the IPD is less than 1%, to collect up to the statutory 1% maximum if the City Council approves legislation finding a substantial need for the tax district to collect the full 1%.

ANALYSIS/OPTIONS/ALTERNATIVES:

While not recommended, the City Council could decide not to levy the full legal limit, which would negatively impact the General Fund revenue budget. This budget is built assuming a level of property tax revenue.

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

"I move that we consider this Ordinance as presented after the public hearing is completed."

ORDINANCE NO. 1953-0820

AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, SETTING THE AMOUNT OF THE ANNUAL AD VALOREM TAXES IN THE CITY OF SHELTON FOR CALENDAR YEAR 2021

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the General Fund revenues and expenses for the 2021 budget; and

WHEREAS, the City Council of the City of Shelton held a properly noticed public hearing on October 20, 2020 and November 17, 2020 to consider the City of Shelton's Ad Valorem (Property) taxes for the 2021 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City of Shelton's highest lawful regular levy amount from the previous year was \$2,124,209.09; and

WHEREAS, the City of Shelton's highest lawful EMS levy amount from the previous year was \$324,328.38; and

WHEREAS, the population of the City of Shelton is more than 10,000; and

WHEREAS, the City Council, after duly considering all relevant evidence and testimony presented, determined that the City of Shelton requires a regular levy in the amount of \$2,156,766.62, which includes an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the City and in its best interests; and

WHEREAS, the City Council, after careful deliberation on the 2021 Budget, has approved a Resolution of Substantial Need required to collect the full 1% increase on the highest lawful levy amount when the Implicit Price Deflator is less than 1%,

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington, as follows:

Section 1.

A levy is authorized to be collected in 2021, with an increase in the City's 2020 highest lawful levy of the statutory 1% for collections in 2021, resulting in a dollar amount increase of \$21,850.33 or 1.02894% from the previous year's regular levy. The levy will be used to for the purpose of paying the general expenses of the City of Shelton municipal government and is calculated:

2020 Highest Lawful Levy	\$ 2,124,209.09
2020 Regular Levy	\$ 2,123,600.65
2021 Limit Factor of 1% on Highest Lawful Levy	\$ 2,145,451.18
<i>Dollar Increase from 2020 Regular Levy</i>	\$ 21,850.53
<i>Percent Increase from 2020 Regular Levy</i>	1.02894%
Legally allowed add-on's in addition to the 1% statutory limit	
New Construction	\$ 9,582.45
Estimated State Assessed Property	\$ 1,732.99
2021 Regular Property Tax	\$ 2,156,766.62
<i>Dollar Increase Including add-ons</i>	\$ 33,165.97
<i>Percent Increase Including add-ons</i>	1.56178%

This Ordinance reserves unutilized levy from any add-ons such as changes to new construction or state utilities, refunds, and any changes resulting from the Mason County Assessor's Office finalization of the 2021 levy amounts provided to the City of Shelton.

Section 2.

An EMS levy is authorized to be collected in 2021, with an increase in the EMS 2020 highest lawful levy of the statutory 1% for collections in 2021, resulting in a dollar amount increase of \$3,336.81 or 1.02913% from the previous year's regular EMS levy. The levy will be used to for the purpose of paying the Fire and EMS expenses of the City of Shelton municipal government and is calculated:

2020 Highest Lawful Levy	\$ 324,328.38
2020 Regular Levy	\$ 324,234.85
2021 Limit Factor of 1% on Highest Lawful Levy	\$ 327,571.66
<i>Dollar Increase from 2020 Regular Levy</i>	\$ 3,336.81
<i>Percent Increase from 2020 Regular Levy</i>	1.02913%
Legally allowed add-on's in addition to the 1% statutory limit	
New Construction	\$ 1,463.06
Estimated State Assessed Property	\$ 264.50
2021 EMS Property Tax	\$ 329,299.22
<i>Dollar Increase Including add-ons</i>	\$ 5,064.37
<i>Percent Increase Including add-ons</i>	1.56195%

This Ordinance reserves unutilized levy from any add-ons such as changes to new construction or state utilities, refunds, and any changes resulting from the Mason County Assessor's Office finalization of the 2021 levy amounts provided to the City of Shelton.

Section 3.

Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4.

This ordinance shall become effective five days from the date of passage and publication.

INTRODUCED the 20th day of October 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F2)**

Touch Date: 10/20/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

READING OF RESOLUTION

Department: Finance

Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- Dept. Head
- Finance Director 10/20/2020
- Attorney 10/21/2020
- City Clerk 11/5/2020
- City Manager 10/21/2020

PROGRAM/PROJECT TITLE:
**Regular Ad Valorem Tax
finding of substantial need**
ATTACHMENTS:
Resolution 1177-1020

- Ordinance
- Resolution
- Motion
- Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Property tax collections are allowed to increase by the lower of 1% or the Implicit Price Deflator (IPD). The IPD for calculating the increase on 2020 property tax collections is 0.6%, lower than the statutory limit of 1%. RCW 8.55.0101 allows taxing districts, when the IPD is less than 1%, to collect up to the statutory 1% maximum if the City Council approves legislation finding a substantial need for the tax district to collect the full 1%.

The Resolution, in compliance with RCW 84.55.0101, provides a finding of substantial need for the City's Regular property tax levy to collect the full 101% as allowed by law. The full 1% is included in the City's 2021 budgeted revenue.

The Resolution finds substantial need to fund public safety as well as general governmental functions, preserve the City's levy capacity, and offset revenue losses due to the COVID-19 pandemic.

ANALYSIS/OPTIONS/ALTERNATIVES:

State Law would allow an increase of .602% on the previous year revenue collections without a finding of substantial need.

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

"I move to approve Resolution 1177-1020 finding a substantial need to increase the City's regular property tax levy to the maximum 101% of the previous year revenue collection."

RESOLUTION NO. 1177-1020

A RESOLUTION OF THE CITY OF SHELTON, WASHINGTON, MAKING A FINDING OF SUBSTANTIAL NEED AND SETTING THE REGULAR PROPERTY TAX LEVY LIMIT FACTOR FOR COLLECTIONS IN 2021

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the General Fund revenues and expenses for the 2021 budget; and

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the City of Shelton's Ad Valorem (Property) taxes for the 2021 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years, plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or more is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RWC 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator (IPD) for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce by September 25th of the year before the taxes are payable; and

WHEREAS, the rate of inflation, calculated in August 2020, has fallen sharply to 0.60152%; and

WHEREAS, setting the levy rate at the rate of inflation would provide the City with insufficient funds to maintain basic services and operations; and

WHEREAS, pursuant to RCW 84.55.0101, upon a finding of substantial need and when the IPD has fallen below one percent, the City Council may provide for the use of a limit factor of 101 percent. The resolution setting forth the finding of substantial need and setting the limit factor of 101 percent must be passed by a majority of the council members, plus one; and

WHEREAS, the COVID-19 pandemic and resulting economic impacts has impacted the City's general fund revenue at a time when the City's expenses for providing basic services remains constant or has increased; and

WHEREAS, it is essential to protect the public health, safety, and welfare, to protect the City's future Regular property tax capacity, to adequately serve the residents of Shelton by maintaining an appropriate level of service throughout the City, to appropriately provide for police services, animal control services, code enforcement services, and general functions of the City government in an environment where cost increases are in excess of the one percent limit factor; and

WHEREAS, the City Council of the City of Shelton finds there is a substantial need to set the levy limit factor for collections in 2021 at one hundred and one percent (101%);

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington, as follows:

Section 1.

A declaration is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred one percent (101%) for the City's 2020 Regular property tax levy for collections in 2021.

Section 2.

Severability. If any section, subsection, paragraph, sentence, clause or phrase of this resolution is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 3.

This resolution shall become effective five days from the date of passage and publication.

INTRODUCED the 17th day of November 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F3)**

Touch Date: 10/20/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

READING OF RESOLUTION

Department: Finance

Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- Dept. Head
- Finance Director 10/20/2020
- Attorney 10/21/2020
- City Clerk 11/5/2020
- City Manager 10/21/2020

PROGRAM/PROJECT TITLE:

**EMS Ad Valorem Tax finding
of substantial need**

ATTACHMENTS:

Resolution 1178-1020

- Ordinance
- Resolution
- Motion
- Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Property tax collections are allowed to increase by the lower of 1% or the Implicit Price Deflator (IPD). The IPD for calculating the increase on 2020 property tax collections is 0.6%, lower than the statutory limit of 1%. RCW 8.55.0101 allows taxing districts, when the IPD is less than 1%, to collect up to the statutory 1% maximum if the City Council approves legislation finding a substantial need for the tax district to collect the full 1%.

The Resolution, in compliance with RCW 84.55.0101, provides a finding of substantial need for the City's Regular property tax levy to collect the full 101% as allowed by law. The full 1% is included in the City's 2021 budgeted revenue.

The Resolution finds substantial need to fund public safety EMS services through CMFE, to preserve the City's EMS levy capacity, and offset revenue losses due to the COVID-19 pandemic.

ANALYSIS/OPTIONS/ALTERNATIVES:

State Law would allow an increase of .602% on the previous year revenue collections without a finding of substantial need.

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

"I move to approve Resolution 1178-1020 finding a substantial need to increase the City's EMS property tax levy to the maximum 101% of the previous year revenue collection."

RESOLUTION NO. 1178-1020

A RESOLUTION OF THE CITY OF SHELTON, WASHINGTON, MAKING A FINDING OF SUBSTANTIAL NEED AND SETTING THE EMS PROPERTY TAX LEVY LIMIT FACTOR FOR COLLECTIONS IN 2021

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the General Fund revenues and expenses for the 2021 budget; and

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the City of Shelton's Ad Valorem (Property) taxes for the 2021 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years, plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or more is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RWC 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator (IPD) for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce by September 25th of the year before the taxes are payable; and

WHEREAS, the rate of inflation, calculated in August 2020, has fallen sharply to 0.60152%; and

WHEREAS, setting the levy rate at the rate of inflation would provide the City with insufficient funds to maintain basic services and operations; and

WHEREAS, pursuant to RCW 84.55.0101, upon a finding of substantial need and when the IPD has fallen below one percent, the City Council may provide for the use of a limit factor of 101 percent. The resolution setting forth the finding of substantial need and setting the limit factor of 101 percent must be passed by a majority of the council members, plus one; and

WHEREAS, the COVID-19 pandemic and resulting economic impacts has impacted the City's general fund revenue at a time when the City's expenses for providing basic services remains constant or has increased; and

WHEREAS, it is essential to protect the public health, safety, and welfare, to protect the City's future EMS property tax capacity, to adequately serve the residents of Shelton by maintaining an appropriate level of public safety fire and EMS services in an environment where cost increases are in excess of the one percent limit factor; and

WHEREAS, the City Council of the City of Shelton finds there is a substantial need to set the levy limit factor for collections in 2021 at one hundred and one percent (101%);

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington, as follows:

Section 1.

A declaration is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred one percent (101%) for the City's 2020 EMS property tax levy for collections in 2021.

Section 2.

Severability. If any section, subsection, paragraph, sentence, clause or phrase of this resolution is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 3.

This resolution shall become effective five days from the date of passage and publication.

INTRODUCED the 17th day of November 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F4)**

Touch Date: 10/6/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

Department: Finance
Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- | | | |
|-------------------------------------|------------------|------------------|
| <input type="checkbox"/> | Dept. Head | _____ |
| <input checked="" type="checkbox"/> | Finance Director | <u>10/8/2020</u> |
| <input checked="" type="checkbox"/> | Attorney | <u>10/9/2020</u> |
| <input checked="" type="checkbox"/> | City Clerk | <u>10/9/2020</u> |
| <input checked="" type="checkbox"/> | City Manager | <u>10/9/2020</u> |

PROGRAM/PROJECT TITLE:

2021 Budget

ATTACHMENTS:

Ordinance No. 1954-0820

- | | |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | Motion |
| <input type="checkbox"/> | Other |

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

This Ordinance will adopt the City's 2021 Annual Budget and provide the mechanism for the City to expend funds for the purposes established in the budget. The budget totals \$31,719,550 with a General Fund appropriation \$12,283,920. The appropriation for operating expenses is at the Fund Level and lapse at the end of the year. The Ordinance also, as provided by RCW, adopts a continuing appropriation for all capital projects appropriated in the adopted budget. With the continuing appropriation capital project budgets do not lapse at the end of the year rather, the budget remains in place until project completion. As with operating budgets, the budget for capital projects cannot exceed the budgeted amount. The budget for 2021 must be adopted by the end of this calendar year.

The City's Manager's proposed budget was provided to Council on October 6th and is available online for anyone that would like to view it.

Changes to the budget amounts from the original proposed budget are detailed below. There is an increase of one (1) FTE in the Sewer Fund for a new position which was mistakenly omitted from the proposed budget and the finance department has made adjustments to certain funds to better align those funds WCIA Insurance costs with 2020 actuals. The net expenditure increase city-wide is \$43,170.

<u>Expenditure Adjustments needed by fund for WCIA insurance</u>		
Street Fund	decrease	\$ (38,000)
Water Fund	increase	\$ 16,500
Sewer Fund	decrease	\$ (17,000)
Storm Drainage	increase	\$ 6,500
Strom Prof Svcs Change to balance	decrease	\$ (6,500)
Equip Maint & Rental	increase	\$ 2,500
<u>Expenditure Adjustments needed to add one FTE in Sewer Fund</u>		
Sewer Fund	increase	\$ 79,170
<u>Revenue Adjustment to reduce Street Fund transfer in from general fund for WCIA insurance</u>		
Street Fund	decrease	\$ (38,000)

ANALYSIS/OPTIONS/ALTERNATIVES:

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

“I move that we consider this Ordinance as presented after the Public Hearing is completed.”

ORDINANCE NO. 1954-0820

AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, ADOPTING THE BUDGET FOR THE CALENDAR YEAR 2021

WHEREAS, a copy of the proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of the City of Shelton for the calendar year 2021 has been placed on file with the City Clerk; and

WHEREAS, notice was published that the City Council of the City of Shelton would meet on the 20th day of October, 2020 at approximately 6:00 PM, and on the 17th day of November, 2020 at approximately 6:00 PM, for the purpose of holding a public hearing on the 2021 proposed budget and giving the public an opportunity to be heard upon said budget; and

WHEREAS, tax estimates and the proposed 2021 budget for the City of Shelton have been prepared and filed as provided by law, and the proposed budget has been printed and distributed; and

WHEREAS, notice was published that the City Council of the City of Shelton would meet on November 17, 2020 to adopt the 2021 budget at its regular meeting open to the public; and

WHEREAS, the proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Shelton for the purposes set forth in the budget, and the estimated expenditures set forth in the budget are all necessary to carry on the government of the City for and sufficient to meet the various needs of the City during calendar year 2021.

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington:

Section 1.

The 2021 Budget for the City of Shelton, Washington, for the calendar year 2021, as summarized in Exhibit "A" to this Ordinance is hereby adopted in the amounts and for the purposes established in that budget as the final budget for the period beginning January 1, 2021 and ending December 31, 2021.

Section 2.

This Ordinance, as provided in RCW 35A.33.150, adopts continuing appropriations for all Capital Projects in the adopted 2021 budget.

Section 3.

Budgeted resources, including fund balances supporting the budgeted expense appropriations for each separate fund of the City of Shelton, Washington, for the calendar year 2021 are set forth and summarized in Exhibit "B" to this Ordinance.

Section 4.

The City Manager shall administer the adopted budget and may authorize expenditures, appropriations, and transfers as provided by law.

Section 5.

The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Office of the State Auditor and to the Association of Washington Cities.

Section 6.

This Ordinance shall take effect five days after its passage and publication as required by law.

INTRODUCED the 20th day of October, 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November, 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk

City of Shelton 2021 Budget
Exhibit A

Fund	2021 Proposed
City-wide Expenditures	
General Fund	\$ 12,283,920
Street Fund	2,031,190
Tourism Fund	61,880
Capital Resources Fund	496,630
Bond Fund	184,490
Capital Improvement Fund	1,572,140
Water Fund	3,882,060
Sewer Fund	7,849,390
Solid Waste Fund	781,810
Storm Drainage Fund	1,338,760
Payroll Benefits Fund	206,700
Equipment Maint. & Replacement	932,010
Firefighters Pension Fund	98,570
Library Endowment Fund	-
Total Expenditures	\$ 31,719,550

City of Shelton 2021 Budget
Exhibit B

Fund	Estimated Beginning Fund Balance	2021 Proposed Revenue	2021 Proposed Expenditures	Proposed Ending Fund Balance	\$ Change	% Change
City-wide Expenditures						
General Fund	\$ 3,336,417	\$ 12,283,920	\$ 12,283,920	\$ 3,336,417	-	0.0%
Street Fund	1,147,686	1,398,520	2,031,190	515,016	(632,670)	-55.1%
Tourism Fund	83,630	37,700	61,880	59,450	(24,180)	-28.9%
Capital Resources Fund	499,176	140,000	496,630	142,546	(356,630)	-71.4%
Bond Fund	16,570	184,490	184,490	16,570	-	0.0%
Capital Improvement Fund	700,547	1,572,140	1,572,140	700,547	-	0.0%
Water Fund	1,998,234	2,575,230	3,882,060	691,404	(1,306,830)	-65.4%
Sewer Fund	4,263,597	6,171,890	7,849,390	2,586,097	(1,677,500)	-39.3%
Solid Waste Fund	944,660	450,000	781,810	612,850	(331,810)	-35.1%
Storm Drainage Fund	356,083	989,000	1,338,760	6,323	(349,760)	-98.2%
Payroll Benefits Fund	139,893	206,700	206,700	139,893	-	0.0%
Equipment Maint. & Replacement	900,116	692,000	932,010	660,106	(240,010)	-26.7%
Firefighters Pension Fund	610,513	138,970	98,570	650,913	40,400	6.6%
Library Endowment Fund	122,323	2,700	-	125,023	2,700	2.2%
Total Expenditures	\$ 15,119,445	\$ 26,843,260	\$ 31,719,550	\$ 10,243,155	\$ (4,876,290)	-32.3%



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F5)**

Touch Date: 10/20/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

Department: Finance
Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- | | | |
|-------------------------------------|------------------|-----------|
| <input type="checkbox"/> | Dept. Head | _____ |
| <input checked="" type="checkbox"/> | Finance Director | 10/8/2020 |
| <input checked="" type="checkbox"/> | Attorney | 10/8/2020 |
| <input checked="" type="checkbox"/> | City Clerk | 10/9/2020 |
| <input checked="" type="checkbox"/> | City Manager | 10/8/2020 |

PROGRAM/PROJECT TITLE:
**2021 Regular and EMS Ad
Valorem Taxes**
ATTACHMENTS:
Ordinance No 1953-0820

- | | |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | Other |

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Ordinance to set the regular and EMS levies for collection in 2021. This Ordinance will levy the statutory maximum Ad Valorem Tax by increasing levy collections by 1% from the highest lawful levy amount plus new construction and State assessed property which are legally allowed add-ons beyond the 1% statutory regulation.

Property tax collections are allowed to increase by the lower of 1% or the Implicit Price Deflator (IPD). The IPD for calculating the increase on 2020 property tax collections is 0.6%, lower than the statutory limit of 1%. RCW 8.55.0101 allows taxing districts, when the IPD is less than 1%, to collect up to the statutory 1% maximum if the City Council approves legislation finding a substantial need for the tax district to collect the full 1%.

ANALYSIS/OPTIONS/ALTERNATIVES:

While not recommended, the City Council could decide not to levy the full legal limit, which would negatively impact the General Fund revenue budget. This budget is built assuming a level of property tax revenue.

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

"I move that we adopt Ordinance 1953-0820 setting the Regular and EMS levies for 2021".

ORDINANCE NO. 1953-0820

AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, SETTING THE AMOUNT OF THE ANNUAL AD VALOREM TAXES IN THE CITY OF SHELTON FOR CALENDAR YEAR 2021

WHEREAS, the City Council of the City of Shelton held properly noticed public hearings on October 20, 2020 and November 17, 2020 to consider the General Fund revenues and expenses for the 2021 budget; and

WHEREAS, the City Council of the City of Shelton held a properly noticed public hearing on October 20, 2020 and November 17, 2020 to consider the City of Shelton's Ad Valorem (Property) taxes for the 2021 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City of Shelton's highest lawful regular levy amount from the previous year was \$2,124,209.09; and

WHEREAS, the City of Shelton's highest lawful EMS levy amount from the previous year was \$324,328.38; and

WHEREAS, the population of the City of Shelton is more than 10,000; and

WHEREAS, the City Council, after duly considering all relevant evidence and testimony presented, determined that the City of Shelton requires a regular levy in the amount of \$2,156,766.62, which includes an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the City and in its best interests; and

WHEREAS, the City Council, after careful deliberation on the 2021 Budget, has approved a Resolution of Substantial Need required to collect the full 1% increase on the highest lawful levy amount when the Implicit Price Deflator is less than 1%,

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington, as follows:

Section 1.

A levy is authorized to be collected in 2021, with an increase in the City's 2020 highest lawful levy of the statutory 1% for collections in 2021, resulting in a dollar amount increase of \$21,850.33 or 1.02894% from the previous year's regular levy. The levy will be used to for the purpose of paying the general expenses of the City of Shelton municipal government and is calculated:

2020 Highest Lawful Levy	\$ 2,124,209.09
2020 Regular Levy	\$ 2,123,600.65
2021 Limit Factor of 1% on Highest Lawful Levy	\$ 2,145,451.18
<i>Dollar Increase from 2020 Regular Levy</i>	\$ 21,850.53
<i>Percent Increase from 2020 Regular Levy</i>	1.02894%
Legally allowed add-on's in addition to the 1% statutory limit	
New Construction	\$ 9,582.45
Estimated State Assessed Property	\$ 1,732.99
2021 Regular Property Tax	\$ 2,156,766.62
<i>Dollar Increase Including add-ons</i>	\$ 33,165.97
<i>Percent Increase Including add-ons</i>	1.56178%

This Ordinance reserves unutilized levy from any add-ons such as changes to new construction or state utilities, refunds, and any changes resulting from the Mason County Assessor's Office finalization of the 2021 levy amounts provided to the City of Shelton.

Section 2.

An EMS levy is authorized to be collected in 2021, with an increase in the EMS 2020 highest lawful levy of the statutory 1% for collections in 2021, resulting in a dollar amount increase of \$3,336.81 or 1.02913% from the previous year's regular EMS levy. The levy will be used to for the purpose of paying the Fire and EMS expenses of the City of Shelton municipal government and is calculated:

2020 Highest Lawful Levy	\$ 324,328.38
2020 Regular Levy	\$ 324,234.85
2021 Limit Factor of 1% on Highest Lawful Levy	\$ 327,571.66
<i>Dollar Increase from 2020 Regular Levy</i>	\$ 3,336.81
<i>Percent Increase from 2020 Regular Levy</i>	1.02913%
Legally allowed add-on's in addition to the 1% statutory limit	
New Construction	\$ 1,463.06
Estimated State Assessed Property	\$ 264.50
2021 EMS Property Tax	\$ 329,299.22
<i>Dollar Increase Including add-ons</i>	\$ 5,064.37
<i>Percent Increase Including add-ons</i>	1.56195%

This Ordinance reserves unutilized levy from any add-ons such as changes to new construction or state utilities, refunds, and any changes resulting from the Mason County Assessor's Office finalization of the 2021 levy amounts provided to the City of Shelton.

Section 3.

Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4.

This ordinance shall become effective five days from the date of passage and publication.

INTRODUCED the 20th day of October 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F6)**

Touch Date: 10/6/2020
Brief Date: 10/20/2020
Action Date: 11/17/2020

Department: Finance
Presented By: Aaron BeMiller

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- | | | |
|-------------------------------------|------------------|------------------|
| <input type="checkbox"/> | Dept. Head | _____ |
| <input checked="" type="checkbox"/> | Finance Director | <u>10/8/2020</u> |
| <input checked="" type="checkbox"/> | Attorney | <u>10/9/2020</u> |
| <input checked="" type="checkbox"/> | City Clerk | <u>10/9/2020</u> |
| <input checked="" type="checkbox"/> | City Manager | <u>10/9/2020</u> |

PROGRAM/PROJECT TITLE:

2021 Budget

ATTACHMENTS:

Ordinance No. 1954-0820

- | | |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | Motion |
| <input type="checkbox"/> | Other |

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

This Ordinance will adopt the City's 2021 Annual Budget and provide the mechanism for the City to expend funds for the purposes established in the budget. The budget totals \$31,719,550 with a General Fund appropriation \$12,283,920. The appropriation for operating expenses is at the Fund Level and lapse at the end of the year. The Ordinance also, as provided by RCW, adopts a continuing appropriation for all capital projects appropriated in the adopted budget. With the continuing appropriation capital project budgets do not lapse at the end of the year rather, the budget remains in place until project completion. As with operating budgets, the budget for capital projects cannot exceed the budgeted amount. The budget for 2021 must be adopted by the end of this calendar year.

The City's Manager's proposed budget was provided to Council on October 6th and is available online for anyone that would like to view it. The Council held public hearings on the 2021 budget on October 20th and November 17th of this year.

Changes to the budget amounts from the original proposed budget are detailed below. There is an increase of one (1) FTE in the Sewer Fund for a new position which was mistakenly omitted from the proposed budget and the finance department has made adjustments to certain funds to better align those funds WCIA Insurance costs with 2020 actuals. The net expenditure increase city-wide is \$43,170.

<u>Expenditure Adjustments needed by fund for WCIA insurance</u>		
Street Fund	decrease	\$ (38,000)
Water Fund	increase	\$ 16,500
Sewer Fund	decrease	\$ (17,000)
Storm Drainage	increase	\$ 6,500
Strom Prof Svcs Change to balance	decrease	\$ (6,500)
Equip Maint & Rental	increase	\$ 2,500
<u>Expenditure Adjustments needed to add one FTE in Sewer Fund</u>		
Sewer Fund	increase	\$ 79,170
<u>Revenue Adjustment to reduce Street Fund transfer in from general fund for WCIA insurance</u>		
Street Fund	decrease	\$ (38,000)

ANALYSIS/OPTIONS/ALTERNATIVES:

BUDGET/FISCAL INFORMATION:

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

"I move that we approve Ordinance No. 1954-0820 to adopt the 2021 Budget as presented."

ORDINANCE NO. 1954-0820

AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, ADOPTING THE BUDGET FOR THE CALENDAR YEAR 2021

WHEREAS, a copy of the proposed budget and estimate of the amount of the moneys required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of the City of Shelton for the calendar year 2021 has been placed on file with the City Clerk; and

WHEREAS, notice was published that the City Council of the City of Shelton would meet on the 20th day of October, 2020 at approximately 6:00 PM, and on the 17th day of November, 2020 at approximately 6:00 PM, for the purpose of holding a public hearing on the 2021 proposed budget and giving the public an opportunity to be heard upon said budget; and

WHEREAS, tax estimates and the proposed 2021 budget for the City of Shelton have been prepared and filed as provided by law, and the proposed budget has been printed and distributed; and

WHEREAS, notice was published that the City Council of the City of Shelton would meet on November 17, 2020 to adopt the 2021 budget at its regular meeting open to the public; and

WHEREAS, the proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Shelton for the purposes set forth in the budget, and the estimated expenditures set forth in the budget are all necessary to carry on the government of the City for and sufficient to meet the various needs of the City during calendar year 2021.

NOW, THEREFORE, be it ordained by the City Council of the City of Shelton, Washington:

Section 1.

The 2021 Budget for the City of Shelton, Washington, for the calendar year 2021, as summarized in Exhibit "A" to this Ordinance is hereby adopted in the amounts and for the purposes established in that budget as the final budget for the period beginning January 1, 2021 and ending December 31, 2021.

Section 2.

This Ordinance, as provided in RCW 35A.33.150, adopts continuing appropriations for all Capital Projects in the adopted 2021 budget.

Section 3.

Budgeted resources, including fund balances supporting the budgeted expense appropriations for each separate fund of the City of Shelton, Washington, for the calendar year 2021 are set forth and summarized in Exhibit "B" to this Ordinance.

Section 4.

The City Manager shall administer the adopted budget and may authorize expenditures, appropriations, and transfers as provided by law.

Section 5.

The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Office of the State Auditor and to the Association of Washington Cities.

Section 6.

This Ordinance shall take effect five days after its passage and publication as required by law.

INTRODUCED the 20th day of October, 2020.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 17th day of November, 2020.

Passed this _____ day of _____ 2020.

Kevin Dorcy, Mayor

AUTHENTICATED:

Donna Nault, City Clerk

City of Shelton 2021 Budget
Exhibit A

Fund	2021 Proposed
City-wide Expenditures	
General Fund	\$ 12,283,920
Street Fund	2,031,190
Tourism Fund	61,880
Capital Resources Fund	496,630
Bond Fund	184,490
Capital Improvement Fund	1,572,140
Water Fund	3,882,060
Sewer Fund	7,849,390
Solid Waste Fund	781,810
Storm Drainage Fund	1,338,760
Payroll Benefits Fund	206,700
Equipment Maint. & Replacement	932,010
Firefighters Pension Fund	98,570
Library Endowment Fund	-
Total Expenditures	\$ 31,719,550

City of Shelton 2021 Budget
Exhibit B

Fund	Estimated Beginning Fund Balance	2021 Proposed Revenue	2021 Proposed Expenditures	Proposed Ending Fund Balance	\$ Change	%
City-wide Expenditures						
General Fund	\$ 3,336,417	\$ 12,283,920	\$ 12,283,920	\$ 3,336,417	-	0.0%
Street Fund	1,147,686	1,398,520	2,031,190	515,016	(632,670)	-55.1%
Tourism Fund	83,630	37,700	61,880	59,450	(24,180)	-28.9%
Capital Resources Fund	499,176	140,000	496,630	142,546	(356,630)	-71.4%
Bond Fund	16,570	184,490	184,490	16,570	-	0.0%
Capital Improvement Fund	700,547	1,572,140	1,572,140	700,547	-	0.0%
Water Fund	1,998,234	2,575,230	3,882,060	691,404	(1,306,830)	-65.4%
Sewer Fund	4,263,597	6,171,890	7,849,390	2,586,097	(1,677,500)	-39.3%
Solid Waste Fund	944,660	450,000	781,810	612,850	(331,810)	-35.1%
Storm Drainage Fund	356,083	989,000	1,338,760	6,323	(349,760)	-98.2%
Payroll Benefits Fund	139,893	206,700	206,700	139,893	-	0.0%
Equipment Maint. & Replacement	900,116	692,000	932,010	660,106	(240,010)	-26.7%
Firefighters Pension Fund	610,513	138,970	98,570	650,913	40,400	6.6%
Library Endowment Fund	122,323	2,700	-	125,023	2,700	2.2%
Total Expenditures	\$ 15,119,445	\$ 26,843,260	\$ 31,719,550	\$ 10,243,155	\$ (4,876,290)	-32.3%



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F7)**

Touch Date: 09/28/2020
Brief Date: 11/03/2020
Action Date: 11/17/2020

Department: Administrative Services

Presented By: Michelle Sutherland

READING OF RESOLUTION

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- Dept. Head MS
- Finance Director _____
- Attorney _____
- City Clerk DN
- City Manager JN

PROGRAM/PROJECT TITLE:
SPD Cradlepoint Units

ATTACHMENTS:
- Resolution No. 1181-1020
- Cradlepoint and accessories

- Ordinance
- Resolution
- Motion
- Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

In order to address the strategic goals of the City Council including Accountable Government, Community Life and Economic Vitality, Staff have reviewed various options to upgrade the ability of Shelton police vehicles to have continuous Wi-Fi capability. For law enforcement officers on the front lines, wireless connectivity is a life-line. They rely on fast and always-on access to critical applications and data to perform their duties while in a vehicle. Cradlepoint's wireless routers, which will be installed in each assigned vehicle, provide the power of LTE and 5G for bulletproof connections to all required SPD hardware, allowing officers to better perform their duties safely and efficiently.

ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

BUDGET/FISCAL INFORMATION:

This expenditure, with a total hardware cost of \$35,797.52, will be paid from the City's General Fund. A recent vehicle insurance reimbursement in the amount of \$55,053.04 will allow us funds to purchase hardware and schedule installation.

PUBLIC INFORMATION REQUIREMENTS:

Information for this can be obtained through the City Clerk's Office.

STAFF RECOMMENDATION/MOTION:

Staff recommends a reading of Resolution No. 1181-1020 and "I move to adopt Resolution No. 1181-1020 deeming Anaconda Networks as the hardware provider, and authorizing the City Manager to execute the contract and purchase orders for the acquisition of hardware and services with Anaconda Networks".

RESOLUTION NO. 1181-1020

A RESOLUTION OF THE CITY OF SHELTON, WASHINGTON, DECLARING THE PURCHASE OF CRADLEPOINT UNITS AND ASSOCIATED COMPONENT PARTS TO BE CLEARLY AND LEGITIMATELY LIMITED TO A SOLE SOURCE, AND WAIVING COMPETITIVE BIDDING REQUIREMENTS FOR SUCH PURCHASES.

WHEREAS, the currently in use Verizon personal Wi-Fi modems in Shelton Police Department vehicles are not intended for police and emergency vehicle use and frequently drop access; and

WHEREAS, the most cost effective option to provide continuous Wi-Fi access in Shelton Police Department vehicles ensuring the safety of our SPD staff is through an in-car mounted Cradlepoint device; and

WHEREAS, use of a single integrated telecommunications hardware provider is necessary to avoid delay of implementation and prevent the current disruptions to functionality and officer safety utilizing Wi-Fi modems; and

WHEREAS, the City Council desires to provide efficient and effective Wi-Fi access for City police officers and vehicles providing services to the citizens of Shelton; and

WHEREAS, RCW 39.04.280 requires the City Council to declare by Resolution when a purchase is clearly and legitimately limited to a single source of supply.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Shelton, Washington, as follows:

The City Council declares that purchase of Cradlepoint devices through Anaconda Networks to be clearly and legitimately limited to a sole source provider under RCW 39.04.280. The competitive selections process for telecommunication systems under RCW 39.04.270 is waived.

The City Manager is authorized to execute purchase orders and other contracts necessary to implement the purchase of Cradlepoint devices.

PASSED by the City Council of the City of Shelton on this 17th day of November 2020.

Mayor Dorcy

AUTHENTICATED BY:

City Clerk Nault

Anaconda Networks
 1724 Majestic Dr. Unit 108B
 Lafayette, CO 80026 US
 +1 7205734817
 chip@anaconda-networks.com

Estimate



ADDRESS
Tim Audorff City of Shelton 525 W. Cota Street Shelton, WA 98584 US

SHIP TO
Tim Audorff City of Shelton 525 W. Cota Street Shelton, WA 98584 US

ESTIMATE #	DATE
1736	10/28/2020

DESCRIPTION	QTY	RATE	AMOUNT
Cradlepoint IBR900-1200M-B with 3-yr NetCloud Mobile Essentials Included	22	1,209.00	26,598.00
ANTENNA, , MULTIBAND, 2X LTE, 3X WIFI, GNSS-Low Profile Black	22	236.00	5,192.00
Technical Time	22	55.00	1,210.00
Shipping F.O.B. Lafayette, CO	1	0.00	0.00
Sales Tax calculated by AvaTax on Wed 28 Oct 18:41:22 UTC 2020	1	2,797.52	2,797.52

TOTAL \$35,797.52

CradlePoint IBR900-1200M includes router, and DC power harness.
 Technical Time includes SIM installation, provisioning, and application specific programming.
 Three years of NetCloud Essentials are included.
 Bid is good for 30 days.

Accepted By

Accepted Date



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F8)**

Touch Date: 09/15/2020

Brief Date:

Action Date: 11/17/2020

READING OF RESOLUTION

Department: Public Works

Presented By: Ken Gill

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:

Ordinance

Dept. Head

Resolution No. 1174-0920 Mason
Transit Authority Parking Lot Retrofit
Project Final Acceptance

Resolution

Finance Director

ATTACHMENTS:

Motion

Attorney

- Resolution No. 1174-0920

Other

City Clerk

City Manager

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

In 2014, the City collaborated with Mason Transit Authority (MTA) and Mason Conservation District (MCD) to seek funding from the Washington State Department of Ecology's Stormwater Financial Assistance Program. Grant funding was requested and in 2016, \$302,500 in grant funds were awarded to the City for a parking lot retrofit project in the 600 block of Railroad Avenue.

Mason Conservation District commenced design of the project and initiated soil testing in the project area. During the design process it was determined the project area contained contaminated soils. The Dept. of Ecology worked with Mason Conservation District to develop an approach to clean up the contaminated soils in order to proceed with the parking lot project so that cleanup and construction could proceed simultaneously.

Mason Conservation District completed design early Fall 2019 and the project was advertised for bid in November 2019. Thirteen bids were received and opened at the December 4th bid opening, and on January 21, 2020, RW Scott Construction was awarded the project as the lowest and responsible bid of \$308,641.12.

The Council approved Change Order Number 1 on July 7, 2020, increasing the contract by an anticipated \$81,244 for the increased costs associated with hauling excavated contaminated soils to specialized locations.

The project was determined to have achieved Physical Completion by the Project Engineer on July 31, 2020, with the final amount to be paid to the Contractor being \$414,580.58, including tax and retainage, (retainage will be paid at a later date once approved releases have been received from Washington Employment Security, Dept. of L&I, and Department of Revenue).

ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

BUDGET/FISCAL INFORMATION:

There is no financial impact to the City as any funds and staffing costs not reimbursed by the Ecology grant will be billed and reimbursed by Mason Transit Authority, per the Interlocal Agreement entered into (with MTA) in February 2016.

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained through the Public Works Department.

STAFF RECOMMENDATION/MOTION:

Staff recommends a reading of Resolution No. 1174-0920 and: *"I move to authorize the Mayor to sign Resolution No. 1174-0920, accepting the Mason Transit Authority Parking Lot Project as final and complete"*.

RESOLUTION NO. 1174-0920

A RESOLUTION OF THE COUNCIL OF THE CITY OF SHELTON, WASHINGTON, ACCEPTING THE MASON TRANSIT AUTHORITY PARKING LOT RETROFIT PROJECT AS FINAL AND COMPLETE

WHEREAS, a Contract for the Mason Transit Authority Parking Lot Project was awarded to RW Scott Construction in the amount of \$308,641.12 on January 21, 2020, following a competitive bidding process; and

WHEREAS, construction of the project commenced March 9, 2020; and

WHEREAS, on July 7, 2020, the City Council approved a Change Order increasing the Contract by \$81,244, not including tax; and

WHEREAS, the project was determined to have achieved Physical Completion by the Project Engineer on July 31, 2020; and

WHEREAS, the final amount paid to the Contractor, after tax and retainage, will be \$414,580.58; and

WHEREAS, all documentation required by the Contract and required by law has been furnished by the Contractor.

THEREFORE, BE IT RESOLVED by the City Council of the City of Shelton that the Mason Transit Authority Parking Lot Retrofit Project is accepted as final and complete.

Passed by the City Council at its regular meeting held on the 17th day of November, 2020.

Mayor Dorcy

ATTEST:

City Clerk Nault



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F9)**

Touch Date: 09/28/2020
Brief Date: 11/03/2020
Action Date: 11/17/2020

Department: Executive
Presented By: Jeff Niten, City Manager

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:

Dept. Head

Finance Director

Attorney

City Clerk

City Manager

JN

Interlocal Agreement with Mason
County Fire Protection District No.5

ATTACHMENTS:

Proposed Interlocal Agreement

Ordinance

Resolution

Motion

Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

The Inter-local Cooperation Act, RCW 39.34 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.

This proposed inter-local agreement with Mason County Fire Protection District No. 5 replaces an existing agreement entered into by the City and the District in 2008, and re-negotiated in 2010. This new proposed agreement will become effective January 1, 2021 and will continue indefinitely unless either party notifies the other that a renegotiation is desired.

Under the terms of the proposed agreement the District shall provide comprehensive fire suppression services, emergency medical services, and emergency hazardous substances response to the City. Further the agreement requires, at minimum, two career firefighters on duty 24 hours per day, 365 days per year within the corporate boundary. The City will be responsible for paying 50% of fire apparatus to maintain minimum staffing levels described above. Further, the parties desire to shift from a flat fee for Fire Marshall services (plan review, pre-sub attendance, etc.) to a fee schedule format. The fee schedule will be attached to the City's Master Fee Schedule as an appendix.

ANALYSIS/OPTIONS/ALTERNATIVES:

Mason County Fire Protection District No. 5 performed well within the scope of the previous agreement, and at this time no other Fire Protection District is in a position to maintain the same or similar service standards within the City of Shelton.

BUDGET/FISCAL INFORMATION:

The City agrees to reimburse the Fire District for any and all costs related to the purchase, equipping and maintaining Class I fire apparatus deployed in the City fire station. The City and the Fire District mutually agree that the aerial ladder apparatus is mutually beneficial to both jurisdictions for fire protection rating

purposes. The City and the Fire District shall agree to each provide 50% of replacement, equipment and maintenance costs of the aerial ladder apparatus. Mason County Fire will invoice the City each month based on the fee schedule attached to the proposed agreement.

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

STAFF RECOMMENDATION/MOTION:

City Council was presented information contained within the report at the regularly scheduled Council meeting on November 3. Staff recommends City Council approve the ILA and suggests the following motion: "I move to approve the inter-local agreement with Mason County Fire Protection District Number 5 as presented and direct the City Manager to sign the agreement".

After recording return to:

MASON CO. FIRE PROTECTION DIST. NO. 5

P.O. Box 1910

Shelton, WA 98584

AMENDED
INTERLOCAL AGREEMENT FOR MASON COUNTY FIRE
PROTECTION DISTRICT NO. 5
AND FIRE PROTECTION SERVICES
TO CITY OF SHELTON

Summary for Recorder's Use:

1. **Reference number** of documents
being assigned or released: NONE; 1926724
2. **Grantor:** MASON COUNTY FIRE PROTECTION DISTRICT NO. 5;
3. **Grantee:** CITY OF SHELTON;
4. **Legal Description:** Not Applicable;
5. **Assessor's Property Tax Parcel Account Number:** Not Applicable.

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into by and between the **CITY OF SHELTON**, a Washington State municipal corporation (hereinafter referred to as “City”), and **MASON COUNTY FIRE PROTECTION DISTRICT NO. 5**, a Washington State municipal corporation (hereinafter referred to as “Fire District”), pursuant to RCW Chapter 39.34, the Inter-local Cooperation Act. Hereinafter, the City and Fire District will also be generically referred to as “party” or “parties”.

In 2008, the City and Fire District entered into an interlocal agreement entitled “Interlocal Agreement to Provide EMS Fire Protection Services from Mason County Fire Protection District No. 5 to City of Shelton”. That agreement will hereinafter be referred to as “Prior Agreement”.

Under the terms of the Prior Agreement, the City contracted with the Fire District to have the Fire District provide all EMS and Fire Protection Services to the City that the City's fire department was previously providing. The parties agree the Fire District has performed well under the Prior Agreement which was successfully renegotiated in 2010 and maintained in place since that time.

The parties had hoped the election scheduled on August 17, 2010 for the voters of each jurisdiction to consider annexation of the City into the Fire District would be successful. It was not. As a result, the parties intend to continue their contractual relationship as outlined in the Prior Agreement pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual promises and covenants herein, the Parties agree as follows:

1. **TERM/TERMINATION.** This Agreement shall commence January 1, 2021 and continue thereafter on a yearly basis from January 1 to December 31 of each successive year, indefinitely, until terminated by either party as hereinafter provided.

Either party may cancel this agreement by sending notice provisions set forth in section 15 hereof. For termination at the conclusion of the calendar year to be effective, the termination notice must be sent to the contact person for the other party at least one (1) year prior to the last day of the calendar year, i.e., by no later than December 31 of the year prior to the year in which termination is sought. PROVIDED FURTHER, HOWEVER, if the Fire District fails to provide the services outlined in this Agreement or to substantially meet the performance standards set forth herein, the City shall have the right to terminate this Agreement at any time by the first tendering written notice at least sixty (60) days prior to the termination date set forth in the notice to the Fire District, after first giving the Fire District an opportunity to correct the deficiencies as outlined hereinafter.

2. **DUTIES AND RESPONSIBILITIES.** During the term of this Agreement, the Fire District shall provide service levels, as described herein, at least equal to those it provided under the Prior Agreement for comprehensive fire suppression services, emergency medical services, and emergency hazardous substances response services. It shall also provide those additional

services as set forth herein. The Fire District shall also maintain an Insurance Service Office rating of 5 or better within the City during the term of this Agreement and any extensions hereof, unless circumstances occur causing a diminishment in this rating which are beyond the reasonable control of the Fire District.

3. **CITY FIRE DEPARTMENT PERSONNEL/FIRE DISTRICT INSURANCE.** As of the commencement date of this Agreement, and continuously thereafter:

A. **Insurance:** The Fire District shall keep and maintain the following policies of insurance in full force and effect:

1) **Property.** Full comprehensive replacement value coverage for loss, damage, or destruction of property owned by the City (whether such property is owned separately by the City or jointly with the Fire District) but in the possession of or under the control of the Fire District, including all furniture, equipment and gear. The District will maintain property insurance for this station which complies with all other insurance requirements outlined herein. The City shall be a loss payee on Fire District's property insurance policy;

2) **General Liability.** Liability insurance for injury or death to third parties, and the property of third parties, in an amount not less than: Twenty million dollars (\$20,000,000.00) for each occurrence; and twenty million dollars (\$20,000,000.00) general aggregate. Such insurance shall also provide coverage to the City for injuries to District employees.

3) **City as Additional Insured.** The City, and its officials, officers, employees, agents, representatives, and volunteers, shall be named as additional insureds on all such policies of insurance;

4) **Automobile.** Automotive liability insurance cover all owned, non-owned, hired and leased vehicles, with a minimum combined single limit for bodily injury and property damage of ten million dollars (\$10,000,000) per accident.

5) **Primary insurance.** The Fire District's insurance policies shall be primary. The City reserves the right to carry such insurance, as it may deem appropriate; provided, however, the City's insurance carriers, or self-insured risk pool, shall not be called upon to contribute to any

loss that should be paid by the Fire District's insurer. The Fire District shall obtain an endorsement to its policies of insurance to such effect;

(a) **Cancellation Notices.** The Fire District shall provide the City, and all additionally insured for this Agreement with written notice of any policy cancellation within two business days of the Fire District's receipt of such notice;

6) **Acceptable Insurance Ratings.** All such policies of insurance shall be placed in companies having a minimum AM Best rating of "A.VIII";

7) **Proof of Coverage.** The Fire District shall provide the City with proof of such insurance coverage, initially with a certificate of insurance, and any amendatory endorsements including additional insured endorsements, from the Fire District's insurer (s) upon the effective date of this Agreement, and with copies of such policies within thirty (30) days of the effective date of this Agreement, and including all renewals or extensions thereof;

8) **Fire Station Use/Maintenance.** During the term of this Agreement, and all extensions hereto, the Fire District shall be entitled to occupy the City fire station rent free, but shall be obliged to: pay all utilities associated therewith; and be responsible for all day to day upkeep (light maintenance and repair), cleaning, and custodial tasks and the expenses associated therewith.

The City agrees to provide repair, maintenance and upkeep of all main building systems at the City fire station, to include HVAC, plumbing, electrical, lighting, generator, UPS, elevator, fire sprinkler, alarm system, roofing system, irrigation system, parking lot, and city computer and city phone systems. The City shall also be responsible for monitoring and adjustment, as necessary, to the building's energy management system as required. The City shall be paid a yearly maintenance cost by the Fire District of \$28,977.00, due in equal monthly installments by the 25th day of each month for which these services are provided. Any extra-ordinary maintenance and/or repair work to the station performed by the City, including maintenance and/or repair work necessitated by the negligence or wrongful conduct of the Fire District, shall be billed to the Fire District on a reasonable time and material basis and shall be compensation due from the Fire

District in addition to its ongoing maintenance fee. The Fire District shall also be afforded the benefit of all warranties, and warranty work, associated with the station and its systems, at no cost to the Fire District.

A. **Personnel Benefits.** The City shall continue to be solely responsible for payment of all LEOFF1 and LEOFF2 retirement benefits for all former and retired City fire personnel;

4. **MINIMUM STAFFING LEVELS WITHIN CITY LIMITS.** During the term of this Agreement the Fire District will deploy at least two (2) career firefighters who shall be on duty twenty-four (24) hours a day, three hundred sixty-five (365) days a year, at the City's main fire station to the degree reasonably possible with the available resources, finances, and schedules of the Fire District.

5. **EMERGENCY RESPONSE GUIDELINES.** The Fire District shall strive to meet the Service Delivery Objectives, established as required by RCW 52.33.030.

6. **APPARATUS.** The Fire District shall deploy and maintain fire apparatus at the City fire station and first-alarm substations to provide the required fire flow to maintain the fire protection rating.

The parties do not intend to acquire any jointly owned property under this Agreement and, subject to the City contributions itemized below, the Fire District agrees to purchase, own and maintain all fire apparatus used throughout the District and the City fire station in order to maintain standardization and continuity.

The City agrees to reimburse the Fire District for any and all costs related to the purchase, equipping and maintaining Class I fire apparatus deployed in the City fire station.

The City and the Fire District mutually agree that the aerial ladder apparatus is mutually beneficial to both jurisdictions for fire protection rating purposes. The City and the Fire District shall agree to each provide 50% of replacement, equipment and maintenance costs of the aerial ladder apparatus.

The Fire District will maintain capability with mutual aid resources to ensure coverage in the event of simultaneous incidents through use of the Mason County Mutual Aid Plan.

Any other City fire department apparatus, vehicles or equipment not specifically identified in this Agreement, shall remain in the possession and under the control of the City.

7. **FIRE PREVENTION/BUILDING INSPECTIONS/COMPENSATION.** As provided in the Prior Agreement, the Fire District shall continue providing prevention and planning services for the City in consideration for the compensation set forth in this section. These said prevention and planning services shall run indefinitely on a year to year basis, but either party may terminate them at the conclusion of any calendar year by first sending written notice to the other party at least 90 days prior to the conclusion of the year in which termination is to occur. If these said prevention/planning services are ever terminated, such termination shall not affect the other provisions of the Agreement in any respect.

Fees for above-noted services shall be billed and collected pursuant to the City and Fire District's adopted Fee Schedule and shall be paid to the Fire District on a "per occurrence" for building plan review, fire alarm, fire sprinkler system, other fire protection systems, fire incident origin and cause investigations and fire and life safety business inspections. (Fee Schedule attached as Exhibit A). The City has the authority to assess fees for Operational Fire Code Permits and such fees shall be collected and retained by the City as part of the Business License process. The City will collect all fees and shall pay to the District on a monthly basis.

The said prevention and planning services to be provided by the Fire District to the City, in exchange for the monetary consideration set forth in this section, are as follows:

The Fire District shall provide fire inspection services with qualified personnel.

1) For all commercial buildings in the City classified as A,H,I,B,E,F,M,S and R1, inspect each such building as noted in the inspection schedule as adopted by the City and Fire District (including sprinkler system, alarms, and electrical, gas and water service).

2) For all commercial buildings in the City, maintain a current information sheet detailing the owner/manager, telephone number[s] (home and office), address[es] (home and office), building age, construction type, fire flow needed, hydrant locations, and such other information as may be pertinent to the particular business operation or complex. This

information shall be maintained in a current condition (annually) and shared with the City's Police Department and Mason County Treasurer's Office, as requested.

3) Review all building permit applications for the City and inspect construction projects in the City through courses of construction with the City Building Department. All plan/permit review shall be completed in a prompt and timely manner. Plan/permit review shall be completed within fifteen (15) business days for return to the City Building Department unless there are extenuating circumstances. Plan/permit review for large or complicated projects shall commence after receipt of all pertinent documentation within five (5) working days and continue with regular progress until completed.

4) The Fire District shall maintain a system for using pre-plans and inspection information in emergency response situations.

5) The Fire District shall cooperate and coordinate its operations with pertinent City departments, including regular meetings with affected department heads for that purpose, when requested, to provide services previously customarily performed by the City's Fire Department, including, but not limited to, the following:

(a) Police Department:

- (i) Cooperate and coordinate efforts in the investigation and prosecution of suspected arson cases.
- (ii) Standby to assist in enforcement of drug related activities (e.g., drug labs).
- (iii) Standby to assist in public safety related to building occupancy or crowd control.

(b) Building Department:

- (i) Cooperate and assist in the building permit and construction phases for code compliance and safety related issues.

(c) Public Works:

- (i) Consult with and provide technical/expert advice on fire protection fittings and values.
- (ii) Consult with and provide information and advice on fire hydrant maintenance testing.
- (iii) Assist with sand bagging, if necessary.

- (iv) Assist in street cleaning when wash down or product pick up is needed for public safety.
- (v) Assist with other miscellaneous activities when fire apparatus and/or equipment is suited to the purpose and personnel are available.
- (vi) Fill and maintain air bottles.

(d) Planning/Engineering:

- (i) Review project development proposals including environmental impact statements, for consideration and comment, when requested or when made a condition of approval.
- (j) Review special event proposals when requested or when made a condition of approval.

(e) Treasurer:

- (i) At no additional cost to the affected businesses, the Fire District shall provide such information as may be requested from time to time by the Mason County Treasurer's Office relating to business or other commercial enterprises operated within the City. This may include review of business license applications.

(f) Other Affiliated Services: The Fire District shall:

- (i) Conduct fire safety education programs and promotional tours of the City station for schools, scouting programs, day cares and other special groups on a reasonable basis, when requested, subject to its work time constraints.
- (ii) Assist other City departments/agencies in the planning and carrying out of special events occurring in the City (including street wash-downs and clean-up approval).
- (iii) Conduct fire prevention, safety and fire extinguisher classes at schools, nursing homes, and the Community Center on a reasonable basis, subject to its work time constraints.
- (iv) Manage and enforce compliance with the City's open burning regulations and standards.

8. **FIRE INVESTIGATIONS.** The Fire District shall investigate all fires occurring in the City and maintain complete and accurate records of its fire investigations and all information gathered with respect there to according to industry standards, including determination of cause.

Cooperative procedures shall be developed and implemented with the City Police Department and legal staff for prosecution purposes.

9. **RECORDS OF SERVICE/TIMELY PAYMENT OF COMPENSATION.**

A. **Records Requirements/Reports to City.** In connection with all services provided under this Agreement, the Fire District shall keep and maintain reasonably complete and accurate records and accounts related thereto which shall be available to the City during regular Fire District office work hours.

B. **Timely Payment of Compensation.** The parties understand it is critical the Fire District receive all compensation due from the City to it hereunder on a timely basis so the Fire District may meet its Agreement obligations as they arise. As a result thereof, and notwithstanding anything to the contrary in this Agreement, under no circumstances whatsoever, including the City's belief the Fire District is in breach of its obligations hereunder, shall the City ever withhold any compensation owing from it to the Fire District under this Agreement until such time as any said compensation/breach issues have been legally and finally determined by the appropriate tribunal.

10. **CITY DEPARTMENTAL COOPERATION.** The Fire District shall cooperate and coordinate its operations with pertinent City departments, including meetings, as reasonably required, with affected department heads for that purpose, to provide those services customarily performed by the City's fire department.

11. **DEFENSE, INDEMNITY, AND HOLD HARMLESS.** Each of the parties shall at all times, be solely responsible for the acts or the failure to act of its personnel that occur or arise in any way out of the performance of this contract by its personnel only and agree to defend, indemnify, save and hold the other party and its personnel and officials harmless from all costs, expenses, losses and damages, including cost of defense, incurred as a result of any acts or omissions of the party's personnel relating to the performance of this contract. This defense, indemnity and hold harmless shall include any claim made against either party by an employee of the party, even if

the party is thus otherwise immune from liability pursuant to the workers' compensation statute, Title 51 RCW. This limited waiver of immunity has been mutually negotiated.

12. **COMPENSATION.** In addition to payments under Sections 6 and 7, beginning the year 2021, a determination shall be made of what the Fire District's tax revenues (Fire and EMS) within the City should be annually if the City were annexed into the Fire District. This number will be calculated and agreed upon by the City and Fire District by December 31st of each year. The City shall then compensate the Fire District this yearly compensation amount in twelve equal payments for the services provided the City by the Fire District under the terms of this Agreement, with each installment due on the 25th day of each month, for services provided during that month during the term of this Agreement. Any payment not made within ten (10) days of its due date shall accrue interest at the rate of twelve percent (12.00%) per annum, compounded monthly. The parties believe the above amount accurately reflects the expenses involved in providing the Fire District's services to the City identified herein. The parties further intend the amount agreed to herein shall reflect the amount the Fire District would receive if it were collecting the taxes on the City assessed value at the rate equivalent to the rate then prevailing in District 5, both the General Fire Levy and EMS Levy, and the parties agree the above will be adjusted accordingly each year during the term of this Agreement.

Compensation for services is calculated using the following formula, based on information provided by the Mason County Assessor's Office:

City Assessed Valuation multiplied by the total of the District 5 Fire rate plus the EMS rate.

The budget for the annual contract compensation will be based on the preliminary numbers provided by the Mason County Assessor's Office for the next calendar year. The result of the calculation will be used to calculate the monthly amount due for services for the next calendar year. Any changes to those preliminary amounts when the Assessor's Office finalizes the property tax levies will be re-calculated. Any variance to the amount budgeted, either higher or lower, will be processed as part of the December payment.

The Fire District will provide monthly service level reports, to include the total number of calls for service of the District overall and the total number of calls for service for the City of Shelton. Those reports will be used as backup for payment from the City. Failure to provide these reports may delay payment to the District and under those circumstances, no interest penalty will accrue. The Fire District will invoice the City on a monthly basis for Fire Marshal services performed for the previous 30 days.

13. **CONTACT PERSONS.** During the term of this Agreement, the City and Fire District shall each designate a “contact person” and an “alternate contact person” whom the other party shall be able to contact regarding implementation of this Agreement and any questions arising as a result hereof. The contact person designated by the Fire District or the alternate contact person shall be available to attend City Council meetings to report to and/or answer and investigate questions posed by the City and also make himself or herself reasonably available, as requested by the City, to meet with City Council members, and City department heads, including, but not limited to, treasurer, police, building, public works, engineering, planning and emergency management. The contact person or alternate designated by the City shall make himself or herself reasonably available to the Fire District, and, when requested, attend Fire District Commission meetings to report to and/or answer questions and investigate questions posed by the Fire District. The initial contact person for each party shall be the person designated by such party under the Prior Agreement.

14. **REASONABLE INTERPRETATION.** Prior to the execution of this Agreement, both parties have had adequate opportunity to review and contribute to its terms. This Agreement shall be provided a reasonable interpretation, which interpretation shall not be biased in favor of either party.

15. **NOTICES.** All notices called for herein shall be placed in writing and directed to the contact person for the other party by certified mail, return receipt requested, all notices shall be deemed received by the receiving party on the second business day after the day of mailing.

16. **TERMINATION OF PRIOR SERVICE AGREEMENTS.** On the date this Agreement takes effect, all prior agreements existing between the City and the Fire District under the terms of which the Fire District has agreed to provide fire department services to all or a portion of the City shall be terminated; PROVIDED, HOWEVER, this Agreement shall not terminate or modify in any respect the mutual aid agreements the City has in effect at the commencement date of this Agreement with other fire departments, districts, or county wide mutual aid agreements or procedures until modified or renegotiated in the normal course of business by the City or Fire District. The City shall apprise the Fire District of all fire related mutual aid and other agreements currently in effect with other governmental entities, and the City hereby assigns to the Fire District all its rights and obligations under each said agreement.

17. **DISPUTE RESOLUTION.**

A. **Pre- Arbitration Attempt at Settlement.** Before proceeding to arbitration as set forth herein, an aggrieved party who believes the other party is in breach of the terms hereof shall first notify the other party in writing of the exact nature of each alleged breach committed by that party. The party receiving the notice shall then be provided fifteen (15) days after receipt of the notice (thirty [30 days if the breach cannot be reasonably cured within fifteen [15] days) to cure the same or otherwise reach a written settlement agreement with the other party. The Parties may opt to use a mediator to help reach a voluntary settlement of any disputes.

B. **Arbitration.** If informal discussions and/or mediation are unsuccessful, the parties agree to submit such dispute(s) to arbitration using one arbitrator in accordance with the rules then pertaining to Superior Court Rules of Mandatory Arbitration, except the arbitration shall be conducted under the auspices of the arbitrator rather than the Superior Court and shall not be subject to the monetary limitations or restrictions on issues dealing with equitable, rather than legal consideration. The arbitrator shall have full authority to fashion any monetary and/or equitable relief if deems appropriate so a full and complete resolution of all disputes may occur. The arbitration shall be commenced by delivery from one party to the other of a written demand for arbitration shall include a detailed statement of the basis of the dispute. Within five (5)

business days of the delivery of such demand, each party shall designate a representative. Those two representatives shall attempt to agree on the arbitrator. If, within ten (10) business days of the designation of the two representatives (or expiration of the time for designation of the representative, whichever occurs first), the two representatives have failed to reach agreement on the arbitrator, then either party may after five (5) business days written notice, request the presiding department of the Mason County Superior Court designate the arbitrator. Notwithstanding the foregoing, the Parties may select an arbitrator by mutual agreement. The arbitrator's fees shall be borne equally by the Parties during the course of the arbitration. The award rendered by the arbitrator shall be filed in Mason County Superior Court with the Judgement resulting therefrom filed thereafter, all in accordance with the provisions of the Superior Court Mandatory Arbitration Rules. The decision of the arbitrator, or any portion thereof, may be appealed by an aggrieved party pursuant to the provisions of the Superior Court Mandatory Arbitration Rules.

18. **COOPERATION OF PARTIES.** The parties shall strive to cooperate with one another fully and at all times so the terms and intent of this Agreement may be fully implemented to the end that timely and quality services may be provided from the Fire District to the citizens of the City.

19. **COMPLETE AGREEMENT.** This Agreement represents the full and complete agreement between the City and Fire District regarding the matters contained herein. No other agreements either in written or verbal form are in existence. All amendments hereto shall be in writing and executed by both parties.

20. **AUTHORIZATION OF EACH PARTY.** Each party hereby represents to the other that it has duly considered and entered into this Agreement according to Washington law through its duly designated representatives at one of its regularly scheduled meetings. The City approved execution of this agreement at its City Council meeting held on the ____ day of _____, 2020, and the Fire District approved execution of the agreement at its Board of Commissioners meeting held on the ____ day of _____ 2020.

21. **EXECUTION IN COUNTERPARTS.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties have signed this Agreement to evidence their mutual consents to the terms hereof.

CITY OF SHELTON

by: _____ DATE: _____

ATTESTED TO:

by: _____ DATE: _____

MASON COUNTY FIRE PROTECTION DISTRICT NO. 5

by: _____ DATE: _____

by: _____ DATE: _____

by: _____ DATE: _____

by: _____ DATE: _____

ATTESTED TO:

by: _____ DATE: _____

EXHIBIT A

CENTRAL MASON FIRE & EMS - FEE SCHEDULE: Community Risk Reduction/Fire Marshal Services

Total Fees for Review and Inspection **are inclusive of an initial \$150 deposit** collected at the time of submission of plans and or request of inspection. Fees include one (1) inspection unless noted otherwise.

PERMITTING PROCESSES	REVIEW & INSPECTION
Development Review	
Commercial Site Plans	\$390.00
Subdivision or Planned Residential Development	\$328.00
Pre-Application Conference	\$95.00
Other Land Use Application	\$264.00
Building Construction/Change of Use or Occupancy	
A, B, E, F, M, R Occupancies 0-1,000 sq. ft.	\$169.00
A, B, E, F, M, R Occupancies 1,001-5,000 sq. ft.	\$232.00
A, B, E, F, M, R Occupancies 5,001-10,000 sq. ft.	\$295.00
A, B, E, F, M, R Occupancies 10,001-20,000 sq. ft.	\$366.00
A, B, E, F, M, R Occupancies 20,001-40,000 sq. ft.	\$436.00
Each Additional 20,000 sq. ft. (or portion thereof)	\$72.00
Building or Structure for Special or Temporary Use	\$296.00
H1 Occupancy or H2 Occupancy	\$601.00
H3 Occupancy	\$643.00
H4 Occupancy	\$506.00
H5 Occupancy	\$774.00
I Occupancy	\$491.00
Portable Classroom	\$296.00
S Occupancy up to 10,000 sq. ft.	\$390.00
Each Additional 10,000 sq. ft. (or portion thereof)	\$200.00

Fire Alarm	
Fire Alarm System - Minor Alteration	\$100.00
Fire Alarm Zoned System - One Zone	\$296.00
Each Additional Zone	\$136.00
Fire Alarm Addressable System - 1 to 20 Devices	\$296.00
Each Additional Device	\$4.00
Fire Suppression System	
Commercial Cooking Extinguishing System/Protection	\$252.00
Fire Pumps and Private or Dedicated Fire Hydrant Systems	\$372.00
Fire Hydrant - Witnessed Flow Test (1-4) Hydrants	\$100.00
Fire Hydrant - Each Additional Hydrant	\$40.00
Fire Sprinkler - Alteration to Existing System(s) (>4 heads)	\$200.00
Fire Sprinkler - New System - NFPA 13 (2 inspections)	\$472.00
NFPA 13 - Each Additional Riser	\$472.00
Fire Sprinkler - New System - NFPA 13D (Single Family)	\$200.00
Fire Sprinkler - New System - NFPA 13R (Per Building)	\$390.00
Other Extinguishing Systems	\$372.00
Standpipe System	\$200.00
Underground Fire Sprinkler Mains (2 inspections)	\$252.00
Hazardous Operations	
Aerosols	\$296.00
Application of Flammable Finishes	\$372.00
CO2 Monitoring Systems	\$100.00
Combustible/Flammable Liquids Above Ground Tanks- Dispensing and Use of	\$296.00
Combustible/Flammable Liquids Above Ground Tanks- Dispensing and Use of	\$782.00
Commercial Drying Ovens	\$252.00
Compressed Gas System (greater than exempt amounts)	\$252.00
Dip Tanks, Listed Spray Booths	\$226.00
Unlisted Spray Booths	\$318.00
LPG - Dispensing and Use of	\$288.00
LPG - Tank Installation (greater than 125 gal.)	\$274.00
Organic Coating Systems	\$296.00
Other Hazardous Materials Equipment and Systems	\$486.00
Refrigeration Systems	\$375.00
Semiconductor Fabrication HPM Tool Installation	\$486.00
Smoke Removal Systems	\$486.00

Hazardous Materials	
Decommission Underground Storage Tank(s)	\$248.00
HMIS	\$186.00
HMMP	\$186.00
Storage, Dispensing and Use of Hazardous Materials	\$356.00
Cryogenic Systems, Process or Product	\$296.00
Each Additional Tank or Vessel	\$90.00
Explosives	
Explosive Storage and Use/Blast Permit	\$586.00
Blast Permit - If Costs Exceed Standard Fees	Actual Cost
Fireworks Display	\$208.00
Fireworks Stand	\$100.00
Magazines (Explosives)	\$390.00
Manufacture, Assembly, Testing of Ammunition, Fireworks, Blasting Agents, and Other Explosives or Explosive Material	\$232.00
Pyrotechnic Special Effects	\$200.00
Storage of Black or Smokeless Powder, Small Arms Ammunition, Precession Caps, and Primers for Consumer Consumption	\$200.00
Other Storage, Use, Handling, or Demolition of Explosives or Explosive Material	\$288.00
High-Piled Combustible Storage	
Designated Storage Area 501 - 2,500 sq. ft.	\$226.00
Designated Storage Area 2,501 - 12,000 sq. ft.	\$288.00
Designated Storage Area 12,001 - 20,000 sq. ft.	\$350.00
Designated Storage Area 20,001 - 30,000 sq. ft.	\$431.00
Each Additional 30,000 sq. ft. (or portion thereof)	\$431.00
Other Fire Permits	
Candles and Open Flames in Places of Assembly	\$21.00
Emergency Generators	\$200.00
Gates - Privacy/Security	\$100.00
Hot Work	\$200.00
Investigation Fee (work started without a permit)	Double Permit Fee
Other Plan Reviews or Permits Required by the IFC and/or Municipal Code \$100.00 Per Hour Review + \$100.00 per Hour Inspection	Calculated
Re-inspection Fees	\$100.00
Revision to Plan Previously Submitted - \$100.00 per Hour	Calculated
Use of Consultant for Plan Review and Inspection	Actual Cost
Tents/Temporary Membrane (greater than 400 SF)	\$100.00

Fire Investigation	
Fire Investigation Services	\$120.00/Hr.

FIRE & LIFE SAFETY INSPECTIONS (existing occupancies)	INSPECTION FEE	OPERATIONAL PERMIT FEE (if any)
Occupancy size		Each Permit per Fire Code
1 to 4,999 SF	\$100.00	\$50.00
5,000 to 24,999 SF	\$150.00	\$50.00
25,000 to 74,999 SF	\$200.00	\$50.00
75,000 to 149,999 SF	\$250.00	\$50.00
150,000 to 249,999 SF	\$300.00	\$50.00
Greater Than 249,999 SF	\$350.00	\$50.00

EXHIBIT B

INSPECTION SCHEDULE

Occupancy Group	Inspection Schedule
Assembly Group A-1	Inspected Every 2 Years**
Assembly Group A-2	Inspected Annually
Assembly Group A-3	Inspected Every 2 Years**
Assembly Group A-4	Inspected Every 2 Years**
Assembly Group A-5	Inspected Every 2 Years**
Business Group B	Inspected Every 3 Years
Educational Group E	Inspections Annually
Moderate-Hazard Factory Industrial Group F-1	Inspected Annually**
Low-Hazard Factory Industrial Group F-2	Inspected Annually
High-Hazard Group H	Inspected Annually
Institutional Group I-1	Inspected Annually**
Institutional Group I-2	Inspections Annually**
Institutional Group I-3	Inspections Annually
Institutional Group I-4	Inspected Every 2 Years**
Mercantile Group M	Occupancies under 10,000 sq. ft. are inspected every 2 years** Occupancies greater than 10,000 sq. ft. are inspected annually**
Residential Group R-1	Inspections Annually
Residential Group R-2	Inspections Annually
Residential Group R-4	Inspections Every 2 Years**
Storage Group S-1	Inspected Annually**
Storage Group S-2	Inspected Every 2 Years**
Utility and Miscellaneous Group	Inspected Every 2 Years**

** After an inspection, the Fire Marshal may extend the next inspection by 1 year.

If a complaint is made on an occupancy, then an inspection will be completed no matter when the next scheduled inspection.

If a commercial occupancy has submitted for a remodel permit, then an inspection will be conducted.



**CITY OF SHELTON
COUNCIL BRIEFING REQUEST
(Agenda Item F10)**

Touch Date: 10/26/2020
Brief Date: 11/17/2020
Action Date: 11/17/2020

Department: Executive
Presented By: Jeff Niten

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- Dept. Head _____
- Finance Director _____
- Attorney _____
- City Clerk _____
- City Manager JN

PROGRAM/PROJECT TITLE:
Legal Services Contract

ATTACHMENTS:
- Agreement for Services with
Haggard & Ganson LLP

- Ordinance
- Resolution
- Motion
- Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Mrs. Haggard has served as City Attorney since mid-2018, and has formed a new law firm with Mr. Ganson. Continuity of legal advice is important as staff navigate issues as they surface, and Mrs. Haggard has provided the City with sound legal opinions since mid-2018, and for a substantial time frame prior to 2017.

ANALYSIS/OPTIONS/ALTERNATIVES:

City staff propose the following as alternatives:

- Adopt the agreement as presented.
- Seek a different City Attorney through an RFP or other method.

BUDGET/FISCAL INFORMATION:

Legal services shall be billed at \$275.00 per hour. The City will not be charged for mileage, long distance telephone or other typical overhead costs.

PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained through the City Clerk.

STAFF RECOMMENDATION/MOTION:

Staff recommends the Council approve the attach contract and suggests the following motion: "I recommend approval of the attached contract and allow the City Manager to sign for the City".

AGREEMENT FOR LEGAL SERVICES

Between
THE CITY OF SHELTON
and
HAGGARD & GANSON LLP

- 1. Agreement.** This Agreement for Legal Services (“Agreement”) is between the City of Shelton (“City”) and Haggard & Ganson LLP (“Attorneys”). The City and Attorneys are each a “Party” and collectively the “Parties” to this Agreement. The Parties agree as follows.
- 2. Services; Standards.** The Attorneys shall provide legal services as general counsel to the City. The Attorneys shall perform all legal services under this Agreement in a capable and efficient manner, consistent with professional standards of care, and in accordance with the Rules of Professional Conduct of the Washington Supreme Court. Attorneys shall not render services in the areas of municipal bonds, criminal prosecution, matters covered by insurance for which the insurance carrier has appointed separate legal counsel, or other matters for which the City Manager and City Attorney have determined separate legal counsel is needed.
- 3. Fees; Costs; Billing.**

 - 3.1 Attorneys’ services shall be billed by Attorneys at current hourly rates. Current hourly rates are \$275/hour.
 - 3.2 Attorneys shall not charge for mileage, long distance telephone calls, faxes, office copies, secretarial services or any other costs that are a part of regular overhead costs. Attorneys shall bill for reimbursement of any outside costs, such as process service and court filing fees that are specifically incurred on behalf of the City.
 - 3.3 Attorneys shall maintain accurate time records describing the services performed and the dates upon which said services were performed and shall provide a monthly statement to the City setting forth the time expended for such services. At the City’s request, Attorneys shall maintain separate accounts and statements for discrete matters or services.
 - 3.4 Fees and costs shall be billed monthly by Attorney’s statement following the month in which services are provided. Payment is due in full within thirty (30) days of the date the statement is received by the City. A service charge shall accrue, beginning on the thirty-first (31st) day after the date the statement is received by the City, at the rate of 12% per annum, but shall only be added to any subsequent statement if the underlying balance not paid by the City within sixty (60) days after the statement is received by the City.
- 4. Termination.** Consistent with the Rules of Professional Responsibility, this Agreement may be terminated at any time by either Party. The City shall pay for Attorneys’ work prior to termination consistent with this Agreement.
- 5. No Discrimination.** In the hiring of employees for the performance of work under this

Agreement, Attorneys, or any person acting on behalf of Attorneys shall not, by reason of race, religion, color, sex, sexual orientation, marital status, national origin or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

6. Indemnification.

6.1 Attorneys agree to hold harmless, indemnify and defend the City, its elected officials, officers, and employees from and against any and all claims, costs, judgments, losses, liability or suits including attorney's fees or awards for damage to property and/or for injuries, sickness or death of persons, including claims by Attorneys' own employees to which Attorneys might otherwise be immune under Title 51 RCW, arising out of or in connection with any acts, error or omission of the Attorneys, their officers, agents, sub-contractor or employees, in connection with the services required by this Agreement; *provided*, however, the Attorneys' obligations under this Agreement Section 6.1 shall not extend to injuries, sickness, death or damage caused by or resulting from the sole negligence of the City, its elected officials, officers, or employees.

6.2 It is specifically and expressly understood that this Section 6 constitutes Attorneys' waiver of immunity under Title 51 RCW, solely for purposes of this indemnification. This waiver has been mutually negotiated by the parties.

6.3 The City's inspection or acceptance of any of the Attorneys' work, when completed, shall not be grounds to avoid any of obligations under this Section 6. This Section 6 shall survive the Agreement Term and shall continue to be in effect for any claims or causes of action arising hereunder.

7. Insurance.

7.1 Insurance Required. Attorneys shall procure and maintain for the Agreement Term insurance against claims for injuries to persons or damage to property, and for professional negligence which may arise from or in connection with the performance of the work hereunder by the Attorneys, their agents, representatives, employees or subcontractors. Attorneys shall obtain and maintain insurance of the following types.

7.2 *Commercial General Liability* insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. Such insurance shall be written with limits no less than \$1,000,000 each occurrence and \$2,000,000 general aggregate.

7.3 *Workers' Compensation*, coverage as required by the Industrial Insurance laws of the State of Washington.

7.4 *Professional Liability* (legal malpractice) insurance, including errors and omissions coverage. Such insurance shall be written with limits no less than \$3,000,000 per

claim and \$3,000,000 policy aggregate limit. Any self-insured retention or deductible pertaining to the professional liability insurance shall not exceed \$50,000.

8. General.

8.1 Entire Agreement. The written provisions and terms of this Agreement, together with all Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.

8.2 Modification. No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Attorneys.

8.3 Assignment. Any assignment of this Agreement by Attorneys without the written consent of the City shall be void.

8.4 Non-Waiver of Breach. The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements or options, and the same shall be and remain in full force and effect.

8.5 Independent Contractor. Attorneys are an independent contractor of the City. Nothing contained herein shall be deemed to create a relationship of employer and employee. Unless specifically restricted by this agreement, Attorneys may hold itself out to the general public for the provision of similar services.

8.6 Conflicts. Attorneys shall advise the City of any conflicts of interest that may arise from Attorneys representation of other clients.

8.7 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The venue for any action under this Agreement shall be in the Mason County Superior Court.

8.8 Certain Representations and Warranties of The Parties. Each Party represents and warrants to the other that the execution, delivery and performance of this Agreement have been, or will be prior to the Effective Date, duly approved by all required government or corporate action, and that the person or persons signing on behalf of such Party have full authority to do so.

9. Term; Effective Date. This Agreement shall take effect on January 1, 2021 (the "Effective Date") and continue thereafter until terminated by either Party (the "Agreement Term").

CITY OF SHELTON

HAGGARD & GANSON LLP

Jeff Niten, City Manager

Kathleen Haggard, Partner

Date: _____

Date: _____