



Shelton City Council
Study Session Agenda
October 12, 2021 – 6:00 p.m.
Virtual Platform

A. Call to Order

B. Roll Call

C. Study Agenda

1. Pavement Condition Rating – Presented by Public Works Director Jay Harris
2. Information Technology Update – Presented by Administrative Services Director Michelle Sutherland

D. New Items for Discussion

E. Adjourn



2021-2022 Looking Ahead

(Items and dates are subject to change)

<p>Tues. 10/19 5:45 p.m.</p>	<p>Special SMPD Meeting</p>	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Meeting Minutes <p>Business Agenda</p> <ul style="list-style-type: none"> • Public Hearing Resolution No. SMPD 34-1021 2022 Ad Valorem Taxes • Public Hearing Resolution No. SMPD 35-1021 2022 Preliminary Budget <p>Action Agenda</p> <ul style="list-style-type: none"> • Administration Report 	<p>Packet Items Due: 10/8 – 5:00 p.m.</p>
<p>Tues. 10/19 6:00 p.m.</p>	<p>Regular Meeting</p>	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes • August Financial Status Report • 3rd Quarter LTAC Report – Shelton-Mason County Chamber of Commerce <p>Presentations</p> <ul style="list-style-type: none"> • <p>Business Agenda</p> <ul style="list-style-type: none"> • Public Hearing Ordinance No. 1078-1021 2022 Regular & Ad Valorem Taxes • Public Hearing Ordinance No. 1079-1021 2022 Preliminary Budget • Ordinance No. 1977-0921 Homeless Encampment • Prosecution Services Contract • WSP Latecomer's Agreement Cancellation <p>Action Agenda</p> <ul style="list-style-type: none"> • Resolution No. 1208-0921 Western Gateway Design Contract Amendment No. 3 • Resolution No. 1209-1021 Surplus Property • Resolution No. 1210-1021 SPD Body Worn Cameras • Resolution No. 1211-1021 JAVS A/V System Replacement in Courtroom/Council Chambers • LTAC Grant Recommendations • FCS Contract – ER&R • Agreement with Kitsap Humane Society <p>Administration Report</p> <ul style="list-style-type: none"> • 	<p>Packet Items Due: 10/8 – 5:00 p.m.</p>
<p>Tues. 10/26 6:00 p.m.</p>	<p>Study Session</p>	<p>Study Agenda</p> <ul style="list-style-type: none"> • Animal Ordinance • New City Logo First Presentation 	<p>Packet Items Due: Fri. 10/22 @ noon</p>

Tues. 11/2 6:00 p.m.	Regular Meeting	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes <p>Presentations</p> <ul style="list-style-type: none"> • <p>Business Agenda</p> <ul style="list-style-type: none"> • Resolution No. 1186-1220 Surplus Computer Equipment • Pedestrian Safety Improvements (Safe Routes to School) • Brockdale Rd. Resurfacing Project <p>Action Agenda</p> <ul style="list-style-type: none"> • Ordinance No. 1977-0921 Homeless Encampment • Prosecution Services Contract • WSP Latecomer's Agreement Cancellation <p>Administration Report</p> <ul style="list-style-type: none"> • 	Packet Items Due: 10/22 – 5:00 p.m.
Tues. 11/9 6:00 p.m.	Study Session	<p>Study Agenda</p> <ul style="list-style-type: none"> • Noise Ordinance 	Packet Items Due: Fri. 11/5 @ noon
Tues. 11/16 5:45 p.m.	Special SMPD Meeting	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Meeting Minutes <p>Business Agenda</p> <ul style="list-style-type: none"> • <p>Action Agenda</p> <ul style="list-style-type: none"> • Resolution No. SMPD 34-1021 2022 Ad Valorem Taxes • Resolution No. SMPD 35-1021 2022 Preliminary Budget <p>Administration Report</p> <ul style="list-style-type: none"> • 	Packet Items Due: 11/5 – 5:00 p.m.
Tues. 11/16 6:00 p.m.	Regular Meeting	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes • September Financial Status Report <p>Presentations</p> <ul style="list-style-type: none"> • <p>Business Agenda</p> <ul style="list-style-type: none"> • Park St. Paving Acceptance • 13th St. Paving Acceptance <p>Action Agenda</p> <ul style="list-style-type: none"> • Public Hearing Ordinance No. 1078-1021 2022 Regular & Ad Valorem Taxes • Public Hearing Ordinance No. 1079-1021 2022 Budget • Resolution No. 1186-1220 Surplus Computer Equipment • Pedestrian Safety Improvements (Safe Routes to School) • Brockdale Rd. Resurfacing Project <p>Administration Report</p> <ul style="list-style-type: none"> • 	Packet Items Due: 11/5 – 5:00 p.m.

Tues. 11/23 6:00 p.m.	Study Session	Study Agenda •	Packet Items Due: Fri. 11/19 @ noon
Tues. 12/7 5:30 p.m.	Special Meeting	Executive Session • Performance of a Public Employee	N/A
Tues. 12/7	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Business Agenda • Action Agenda • Park St. Paving Acceptance • 13 th St. Paving Acceptance Administration Report •	Packet Items Due: 11/24 – 5:00 p.m.
Tues. 12/14 6:00 p.m.	Study Session	Study Agenda •	Packet Items Due: Fri. 12/10 @ noon
Tues. 12/21 5:45 p.m.	SMPD Meeting	Consent Agenda • Vouchers/Meeting Minutes Business Agenda • Action Agenda • Administration Report •	Packet Items Due: 12/10 – 5:00 p.m.
Tues. 12/21 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations • Business Agenda • Action Agenda Administration Report •	Packet Items Due: 12/10 – 5:00 p.m.
Tues. 1/4 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes • October Financial Status Report Presentations • Business Agenda • Public Hearing Ordinance No. 1968-0321 Water Comp Plan Adoption Action Agenda • Administration Report •	Packet Items Due: 12/24 – 5:00 p.m.
Tues. 1/11 6:00 p.m.	Study Session	Study Agenda •	Packet Items Due: 1/7 @ noon
Tues. 1/18 6:00 p.m.	Regular Meeting	Consent Agenda • Vouchers/Payroll Warrants/Meeting Minutes Presentations	Packet Items Due: 1/7 – 5:00 p.m.

		<ul style="list-style-type: none"> • Business Agenda • Action Agenda <ul style="list-style-type: none"> • Ordinance No. 1968-0321 Water Comp Plan Adoption • Administration Report • 	
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Other – TBD

- UGA/Annexation Policy (Water/Sewer Extensions)
- More Standing Committees by the Council
- Surplus Property
- December 7, 2021 – C Street Update
- Downtown Street Trees
- Transportation Benefit District (TBD) Public Hearing by Council per SMC 12.40

DRAFT



Pavement Preservation Program Discussion



Park Street before 2021 overlay



Park Street during 2021 overlay paving

Classification of Pavement Condition



VERY GOOD (PCI=95)



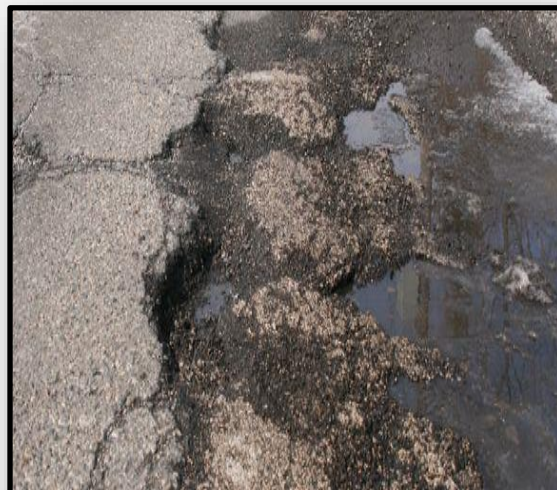
GOOD (PCI=70)



FAIR (PCI=60)



POOR (PCI=45)



VERY POOR (PCI=20)



GRAVEL (PCI=0)

The City of Shelton has approximately 54.0 centerline miles of paved streets and about 5.0 miles of gravel roadways. The replacement value is approximately \$140 million dollars.

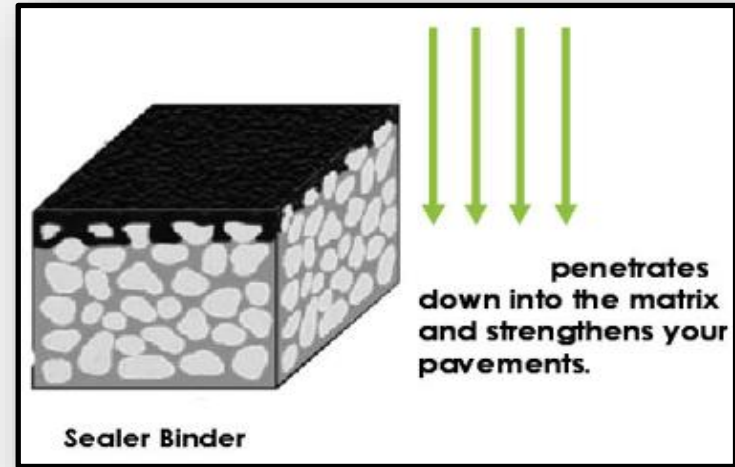
Types of Pavement Maintenance



Crack Sealing: The least expensive treatment. Crack sealing prevents most of the moisture from entering the underlying aggregate base rock.



Slurry seal: Crack seal, then apply a mixture of asphalt emulsion with fine sand aggregate and water. Mixture is spread over entire surface @3/8" thick. Protects pavement from water damage and provides a minimal wearing surface.



Fog Seal: Rejuvenates the oils in the top layer of asphalt. Fills small gaps between the aggregate in pavement. Reduces deterioration of the surface.

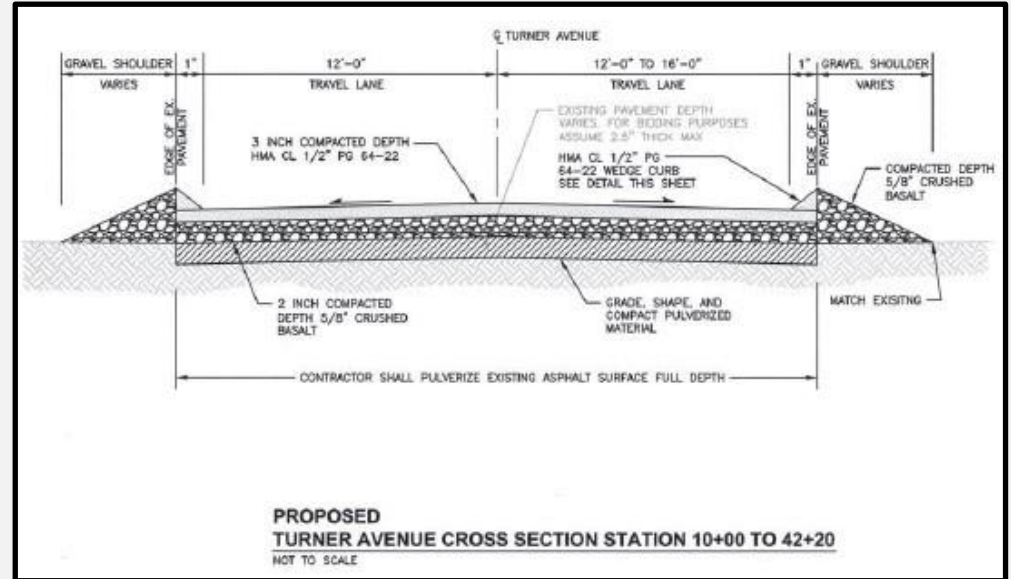


Chip seal: Crack seal, then apply a asphalt tack coat, apply 3/8" rock layer, then finish with a fog seal. Final thickness is approximately 3/4". Protects pavement from water damage and provides a wearing surface. 13th Street 2021

Types of Pavement Rehabilitation & Reconstruction



Pavement overlay: Thin lift overlays, thickness of 1-inch. Standard overlays are about 2-3 inches of asphalt. Park Street 2021.



Pavement grinding and inlay: Used on severely distressed pavement that has an adequate baserock section, or when existing surface elevations need to be maintained.



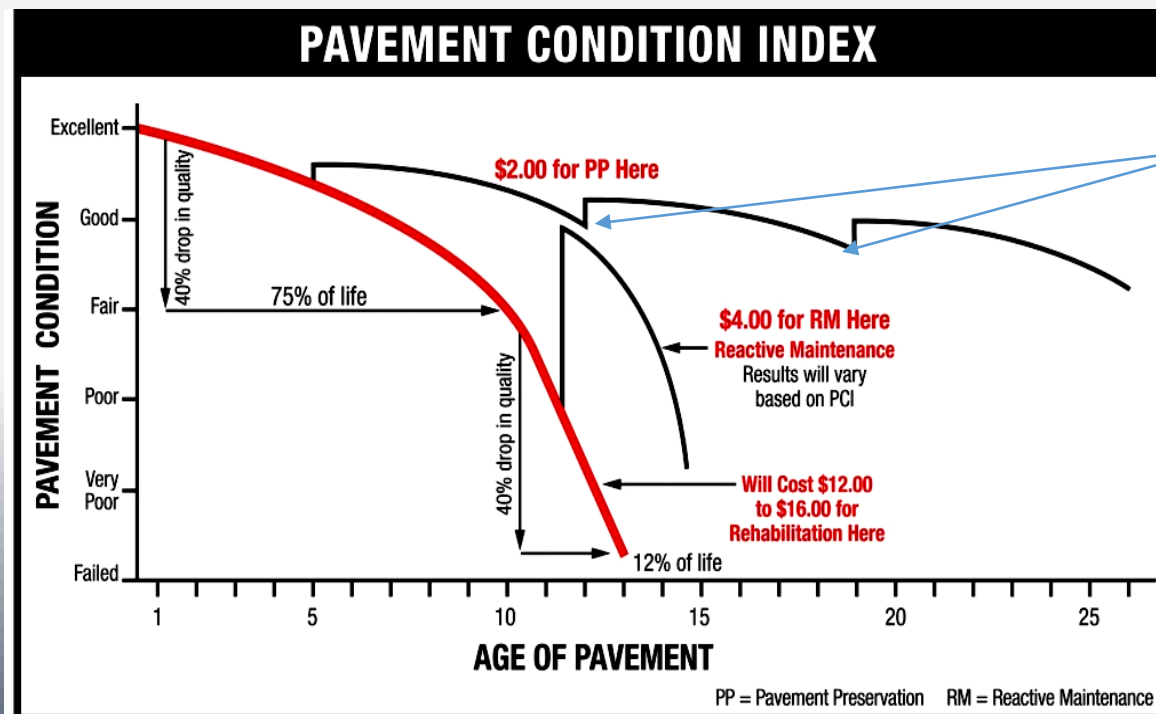
Full Depth Replacement: The existing pavement section is pulverized and reused or replaced. Very expensive when compared to street overlays. Turner Avenue 2018.

General Pavement Maintenance Guidelines:

- Crack seal roads every 3 to 5 years.
- Fog and slurry seal coats every 7 to 10 years.
- Chip seals every 10-15 years.
- After multiple slurry or chip seals an overlay is usually required to address surface issues.
- All pavement surfaces will eventually need an overlay or complete reconstruction.
- Full removal of pavement and base-rock is needed when:
 - The surface is highly fractured, and the underlying base-rock section is inadequate, contaminated with silt, or at the end of its service life.
 - Full removal and replacement of the pavement and baserock sections provide the longest service life but is the most expensive.
- The interval schedules between maintenance treatments and full pavement rehabilitation depends upon the road classification, traffic volumes, soil subgrade support, and the design of the original pavement structure.
- Roads with higher traffic volume, speeds, and loads require a higher level of service and maintenance intervals.

Pavement Condition Index (PCI):

- A city-wide pavement study was completed in 2020 and the average PCI rating was 69.
- Using current revenue sources, the city-wide maintenance & rehabilitation projects are budgeted at approximately \$580,000 per year. The projects consist of crack sealing, overlays of arterial/collector roads, and chip sealing of the local roadways.
- In five-years the city-wide average PCI is expected to fall from 69 to 64 at the \$580,000 per year funding level,
- At a \$1.2 million dollar level of funding, the city-wide PCI is estimated to remain at about 69.

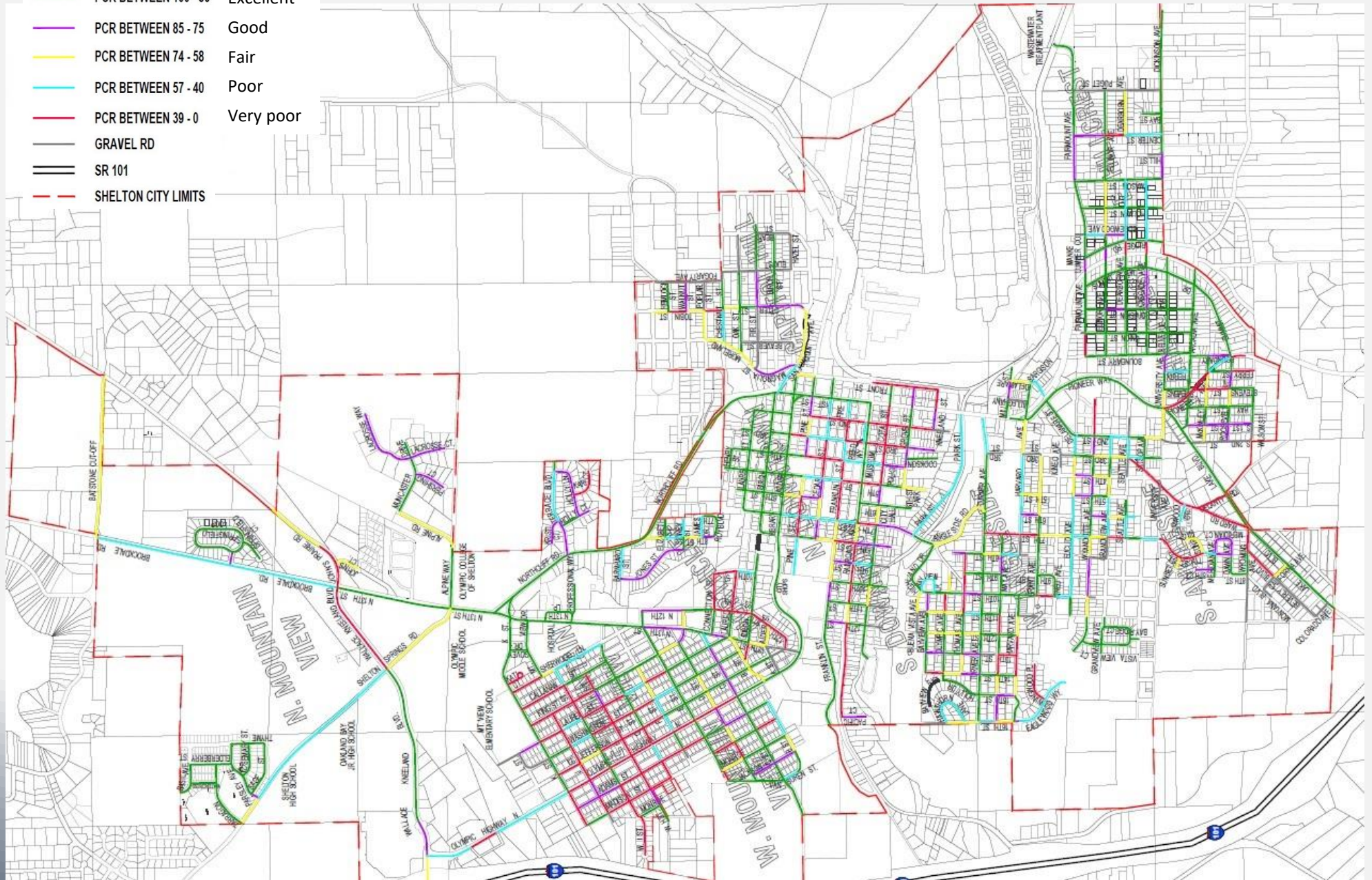


If major pavement maintenance/preservation work is completed about every 10 years, long term costs are greatly reduced.

Pavement Condition Index Map: City wide Weighted Average PCI=69

LEGEND

- PCR BETWEEN 100 - 86 Excellent
- PCR BETWEEN 85 - 75 Good
- PCR BETWEEN 74 - 58 Fair
- PCR BETWEEN 57 - 40 Poor
- PCR BETWEEN 39 - 0 Very poor
- GRAVEL RD
- SR 101
- SHELTON CITY LIMITS



Proposed FY 2022 Budget :

STREET FUND (Fund 101):

	<u>FY 2022 Budget</u>
Beginning Fund Balance	\$382,320
<u>Funding Sources:</u>	
TBD Sales Tax (rate=0.023)	\$ 675,000 (see note 1)
Licenses & Permits	\$ 5,500
Intergovernmental Revenue	\$ 214,000 (State gas tax)
Charges for Goods/Service	\$ 56,120
Miscellaneous Revenue	\$ 1,500
Transfer In (General Fund)	\$ 600,000
Total Revenue	\$1,552,120
<u>Expenditures:</u>	
Maint. Adm & Overhead	\$ 678,780
Parking Facilities	\$ 1,130
Roadside	\$ 220,670
Sidewalks	\$ 12,120
Snow and Ice Control	\$ 14,680
Special Purpose Paths	\$ 10,710
Street Cleaning	\$ 35,190
Street Lighting	\$ 130,000
Traffic Control Devices	\$ 106,700
Transfer Out	\$ 500,000
Total Expenditures	\$1,872,280
Ending Fund Balance	\$ 63,160

STREET FUND STAFFING:

<u>POSITION</u>	<u>FTE</u>
Superintendent	0.40
Field Supervisor	1.0
Operator	1.25
Truck Driver	1.0
Maint. Worker	1.0
Devel. Tech.	0.25
Total:	4.90

CAPITAL RESOURCES FUND (Fund 107):

	<u>FY 2022 Budget</u>
Beginning Fund Balance	\$2,295,466
<u>Funding Sources:</u>	
REET 1 & REET 2 Taxes	\$ 105,000 (see note 2)
Charges for Goods/Service (TIFF)	\$ 80,000 (see note 3)
Transfer In	<u>\$1,988,610</u>
Total Revenue	\$2,173,610
<u>Expenditures:</u>	
Transfer Out	<u>\$2,895,820</u> (see below)
Total Expenditures	\$2,895,820
Ending Fund Balance	\$1,483,256

CAPITAL RESOURCES FUND FY 2022 BUDGET TRANSFERS OUT:

\$414,100 of Traffic Impact Fees for Western Gateway – Capital Projects Fund
 \$46,830 of REET 1 for 2020 refunding bond payment – Bond Fund
 \$1,114.500 of ARPA funds for Western Gateway for Water Infrastructure
 \$225,000 of ARPA funds for Western Gateway for Storm Drainage Infrastructure
 \$400,000 of ARPA funds for Automated Meter Reading – Water Capital Fund
 \$400,000 of ARPA funds for Automated Meter Reading – Sewer Capital Fund
 \$51,000 of TBD funds for Civic Center Parking Lot – Capital Projects Fund (\$277,340 grant)
 \$80,000 of TBD funds for Paving Brockdale Rd – Capital Projects Fund (see note 4)
 \$120.190 of TBD funds for Safe Routes to School – Capital Projects Fund (\$770,103 grant)
 \$134,200 of TBD funds for Western Gateway – Capital Projects Fund (\$760,400 grant)

NOTES:

1. Transportation Benefit District (TBD) can be used for transportation improvements that improve, preserve, maintain, and operate existing transportation infrastructure. FY 2022 budget is using TBD funds that leverage State & Federal Grant Funds.
2. Real Estate Excise Taxes (REET 1 & 2), can be used for planning, construction, reconstruction, of streets, sidewalks, water, storm, and sewer systems, but have maximum funding caps.
3. Traffic Impact Fee (TIF) can only be used on vehicle, pedestrian, or bicycle capacity improvement projects.
4. TBD Funds to match recently acquired \$278,000/year of Federal STP Funds. Federal funds can only be used for rehabilitation projects such as pavement overlays, and not for maintenance projects such as crack sealing or chip seal work.

Summary Statements:

- 1. The street fund provides for the maintenance and operation of the largest asset of the City.**
- 2. To properly operate and maintain the street system, additional City staff (operator & assistant field supervisor), and other materials, contract services, training, and equipment purchase budget line-item increases should be considered.**
- 3. To maintain the existing pavement condition index, additional revenue will be needed to complete additional maintenance and restoration projects each year.**
- 4. Locally acquired street funds is largest source of revenue for the majority of Cities in Washington, not State or Federal funds. Recently, the City has been very successful in acquiring State and Local funds by leveraging our local funds.**
- 5. The State motor fuel tax revenue is decreasing, as the number of miles driven each year is decreasing, and the use of more fuel efficient and electric vehicles increase.**
- 6. The City of Shelton's situation is not unique, most Washington Cities have similar funding issues.**
- 7. The local Transportation Benefit District (TBD) sales tax revenue will sunset in FY 2026.**
- 8. 40% of the pavement in the City is classified as fair to poor condition. Maintenance to these surfaces sooner can defer higher costs later, such as dig-out and replacement repairs.**
- 9. Proper preventative maintenance of all surfaces will reduce the number of higher cost overlays and full reconstruction.**
- 10. Planned proactive pavement maintenance projects reduces the reactive labor and material costs for the street maintenance division.**
- 11. Improved and well-maintained streets increase livability, decrease automobile maintenance costs, improves property values and business activity for the entire community.**

City Street Funding Source Comparison:

Exhibit 25. Evaluation of Existing Local Funding Tools

Revenue Sources	Burden	Voted	Magnitude	Applicability	
				Requirements	Participation*
Local Sources: Transportation-Restricted					
Border Area Motor Vehicle Fuel Tax	Individuals purchasing motor fuel	Yes, simple majority.	\$	Must be located on the Canadian border	3 cities
Commercial Parking Tax	Individuals parking in a commercial parking lot	No	\$\$	Must have commercial parking lots	12 cities
Local Improvement District	Property owners benefiting from improvement	No.	\$	Must have capital improvement project with benefitting properties	5 cities
Transportation Benefit District – Sales and Use Tax	Individuals purchasing goods within the taxing district	Yes	\$\$\$	Must have retail transactions	27 cities
Transportation Benefit District – Vehicle Licensing Fee	Individuals or businesses with a vehicle under 6,000 lbs registered in the district	No, up to \$50. Yes, above \$50 up to \$100.	\$\$	Must have individuals or businesses with vehicles registered in district	49 cities
Transportation Impact Fees (GMA)	Property owners benefiting from improvement	No	\$\$\$	Must have new development requiring transportation system improvements	83 cities
Transportation Impact Fees (LTA)	Property owners benefiting from improvement	No	\$\$	Must have new development requiring transportation system improvements	25 cities
Local Sources: Non-Restricted					
Property Tax	Property Owners	No. Yes, for levy lid lift.	\$\$\$\$	Must have properties with AVs	281 cities
Business and Occupation Tax (local)	Businesses with gross earnings in city limits	No, up to 0.2% of gross receipts.	\$\$\$	Must have businesses with gross receipts	62 cities
Retail Sales & Use Tax	Individuals purchasing goods within the city	No, up to 1%. Yes, simple majority above 1%.	\$\$\$	Must have retail transactions	281 cities
Utility Tax (local)	Utility users	No, up to 6%. Yes, above 6%**	\$\$\$\$	Must have utility providers	246 cities
Real Estate Excise Tax 1 (REET 1)	Property Owners/ Purchasers	No	\$	Must have property sales	231 cities
Real Estate Excise Tax 2 (REET 2)	Property Owners/ Purchasers	No, if required to plan under GMA. Yes, if voluntarily planning under GMA.	\$\$	Must have property sales	130 cities
Additional REET 3	Property Owners/ Purchasers	No, but subject to referendum.	\$	Must have property sales, and city must not implement 0.5% sales tax	5 cities
Local Debt Financing					
Limited Tax General Obligation (LTGO) Bonds	Taxpayers	No, cannot exceed 1.5% of AV	\$\$\$\$	Must have properties with AVs	22 cities
Unlimited Tax General Obligation (UTGO) Bonds		Yes			

* # of cities collecting revenue in 2017 according to SAO data

** There is no limit on sewer, solid waste, stormwater, and water. The 6% limit applies to telephone, steam, natural gas, and electricity.

Legend

Magnitude

Magnitude ranking based on median revenue collected by cities in 2017.	\$	<\$130k
	\$\$	>\$130k, <\$370k
	\$\$\$	>\$370k, <\$540k
	\$\$\$\$	>\$540k

Source: SAO LGFRS 2017; BERK 2019.

Street Fund Policy Considerations

Street fund projects using existing revenue sources are currently prioritized as follows:

- a. Preventative maintenance projects on arterial and collector roadways with fair to good pavement condition indexes.
- b. Preventative maintenance projects on local roadways with fair to good pavement condition indexes.
- c. Rehabilitation or reconstruction projects on arterial and collector roadways with failed, poor, or very poor pavement condition indexes.
- d. Rehabilitation or reconstruction projects on local roadways with failed, poor, or very poor pavement condition indexes.
- e. Reconstruction projects of gravel roadways.

Note that the sewer, water, storm drainage, and franchise utilities are evaluated and repaired or replaced as a part of most major street construction projects at an additional cost to each utility fund.



Lake Boulevard, 2013



Lake Boulevard Grand Opening, 2016



Lake Boulevard, 2016

Discussion:

1. Potential development of additional funding source(s) to increase the street fund operations and maintenance activities (people, materials, contractual services, equipment)?
2. Potential development of additional funding source(s) to increase the number of pavement maintenance and rehabilitation projects (pavement sealing, overlays, & replacement)?
3. By Council direction, staff will complete further research and continue the discussion with Council in the future.



Olympic Highway North, 2017



Olympic Highway North, 2019

QUESTIONS ?



For more information, please contact:

James (Jay) Harris
Public Works Director
City of Shelton
360-432-5125
jay.harris@sheltonwa.gov

Railroad Avenue, 1912

**CITY OF
SHELTON**

**TECHNOLOGY
UPDATE**





- IT Update – Tim Audorff
- Tyler Software Suite – Michelle Sutherland
- City Website – Michelle Sutherland
- OpenGov – Michelle Sutherland
- NEOGOV – Michelle Sutherland
- Geographic Information Systems (GIS) – Jay Harris





IT Update

- Managed Service Provider: Right Systems, Inc.
- Network & Server Infrastructure
- Dell Laptops & Thin Clients
- Cradlepoint Routers for SPD Patrol Cars
- Microsoft 365



Tyler Software Suite

- InCode Cloud
- MyCivic/311
- EnerGov
- Asset Management



City Website Sheltonwa.gov

- New attractive and innovative web design
- Enhanced functionality and navigability
- Streamlined design to enhance accessibility to City information and services
- Improved content management
- Fully functional mobile version




OpenGov

- Collaborative Budgeting
- Improved Decision-making
- Operating Budgets
- Capital Planning
- Budgetary Reporting
- Community Engagement
- Financial Projections
- Transparency



NEOGOV

- [GovernmentJobs.com](https://www.governmentjobs.com)
- Insight
- Onboard
- Perform



Geographic Information Systems (GIS)

- GIS Consortium (AWC)
- Survey & Update of City Utility information in GIS
- Asset Verification
- Public GPS correction station
- Staff Training
- GIS integration with current software