



Shelton City Council
Meeting Agenda
October 17, 2023 at 6:00 p.m.
Civic Center & Virtual Platform

A. Call to Order

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

B. Council Reports

C. Consent Agenda (Action)

1. Vouchers numbered 109194 through 109232 in the total amount of \$111,709.78
2. Minutes:
 - Business Meeting of September 5, 2023
 - Study Session of September 12, 2023

D. Presentations

1. Shop Shelton First LTAC Report – Presented by Amy Cooper
2. August Financial Status Report - Presented by Finance Director Mike Githens
3. Shelton Police Department Annual Report - Presented by Captain Chris Kostad

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

1. LTAC Tourism Grant Recommendations – Presented by City Manager Mark Ziegler
2. Designated Crisis Responder Contract – Presented by City Manager Mark Ziegler

F. Action Agenda (Action/Public Comment Taken)

1. Resolution No. 1291-0823 Sale of Surplus Real Estate - Presented Parks & Recreation Supervisor Jordanne Krumpols

G. Administration Reports

1. City Manager Report

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

*The City Council invites members of the public to provide comment on any topic at this time. To make comments in person, please sign in on the public comment sheet and keep an instruction card. If you would like to comment on a Business or Action item, please list the agenda item number on the list. To comment virtually using Zoom, please use the "Raise Hand" feature to alert the City Clerk. If you have joined Zoom on your telephone, dial *9 to use the "Raise Hand" feature. City Councilmembers and City Staff will not enter into a dialogue during public comment. If the Council feels an issue requires follow up, Staff will be directed to respond at an appropriate time.*

I. Executive Session (15 minutes)

1. To Discuss the Potential Purchase of Property – RCW 42.30.110(1)(b)

J. New Items for Discussion

K. Announcement of Next Meeting – November 7, 2023 at 6:00 p.m.

L. Adjourn

Special Note for Virtual Public Participation

The meeting can be viewed at: <https://www.youtube.com/user/cityofshelton>

The public can provide comments virtually by:

Email: donna.nault@sheltonwa.gov (before 5:00pm the day of the meeting)

Telephone: (360) 432-5103 (before 5:00pm the day of the meeting)

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

Your comments will be relayed directly to the Council.



2023 Looking Ahead

(Items and dates are subject to change)

Tues. 10/24 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> Traffic Impact Fees Well #1 Pipeline Pressurization Project Overview Safe Routes to School Improvement Project Overview 	Packet Items Due: 10/20 @ noon
Tues. 11/7 5:45 p.m.	Special SMPD Meeting	Consent Agenda <ul style="list-style-type: none"> Vouchers/Meeting Minutes Business Agenda <ul style="list-style-type: none"> Public Hearing Resolution No. SMPD 38-0923 2024 Preliminary Budget Public Hearing Resolution No. 39-0923 Ad Valorem Taxes Action Agenda <ul style="list-style-type: none"> Designated Crisis Responder Contract for Services Administration Report <ul style="list-style-type: none"> 	Packet Items Due: 10/27 @ 5:00 p.m.
Tues. 11/7 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> Vouchers/Payroll Warrants/Meeting Minutes Presentation <ul style="list-style-type: none"> Cruisin' Through Time Car Show LTAC Report Business Agenda <ul style="list-style-type: none"> Resolution No. 1294-0923 Master Fee Schedule Update Public Hearing Ordinance No. 2013-0923 2024 Preliminary Budget Public Hearing Ordinance No. 2014-0923 2024 Ad Valorem Taxes Action Agenda <ul style="list-style-type: none"> LTAC Tourism Grant Recommendations Civic Center Rotating Art Gallery Administration Report <ul style="list-style-type: none"> 	Packet Items Due: 10/27 @ 5:00 p.m.
Tues. 11/14 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> Property Maintenance Code Safe Routes to School Project Overview 	Packet Items Due: 11/9 @ noon
Tues. 11/21 5:45 p.m.	Special SMPD Meeting	Consent Agenda <ul style="list-style-type: none"> Vouchers/Meeting Minutes Business Agenda	Packet Items Due: 11/9 @ 5:00 p.m.

		<ul style="list-style-type: none"> • <p>Action Agenda</p> <ul style="list-style-type: none"> • Resolution No. SMPD 38-0923 2024 Budget • Resolution No. SMPD 39-0923 Ad Valorem Taxes <p>Administration Report</p> <ul style="list-style-type: none"> • 	
Tues. 11/21 6:00 p.m.	Regular Meeting	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentation • September Financial Status Report • Christmastown Marketing & Events LTAC Report • Overlook Park Mural Installation LTAC Report • School House Rocks LTAC Report <p>Business Agenda</p> <ul style="list-style-type: none"> • <p>Action Agenda</p> <ul style="list-style-type: none"> • Resolution No. 1294-0923 Master Fee Schedule Update • Ordinance No. 2013-0923 2024 Budget • Ordinance No. 2014-0923 2024 Ad Valorem Taxes • Award Contract for Well #1 Pipeline Pressurization Project <p>Administration Report</p> <ul style="list-style-type: none"> • 	Packet Items Due: 11/9 @ 5:00 p.m.
Tues. 11/28 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 11/22 @ noon
Tues. 12/5 6:00 p.m.	Regular Meeting	<p>Consent Agenda</p> <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentation • <p>Business Agenda</p> <ul style="list-style-type: none"> • Ordinance No. 2015-1023 2023 Budget Supplemental <p>Action Agenda</p> <ul style="list-style-type: none"> • Award Contract for Safe Routes to School Project <p>Administration Report</p> <ul style="list-style-type: none"> • 	Packet Items Due: 11/22 @ 5:00 p.m.
Tues. 12/12 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 12/8 @ noon
Tues. 12/19 5:45 p.m.	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>	Packet Items Due: 12/8 @ 5:00 p.m.

		<ul style="list-style-type: none"> • Administration Report • 	
Tues. 12/19 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentation • October Financial Status Report Business Agenda <ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Ordinance No. 2015-1023 2023 Budget Supplemental Administration Report • 	Packet Items Due: 12/8 @ 5:00 p.m.
Tues. 12/26 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 12/22 @ noon

Other – TBD

- Public Hearing Ordinance No. 1990-0522 Amending SMC 17.12
- Project and Funding Authorization for Wallace/Shelton Springs Intersection Improvements
- Property Maintenance Code

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 109194 through number 109232 in the total amount of \$111,709.78 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 29th of September, 2023.


Finance Director

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 _____, 2023.

Mayor Eric Onisko

Deputy Mayor Joe Schmit

Councilmember James Boad

Councilmember Miguel Gutierrez

Councilmember Kathy McDowell

Councilmember Deidre Peterson

Councilmember Sharon Schirman



Shelton, WA

Check Register

Packet: APPKT02874 - SEPTEMBER 29, 2023 AP PAYMENTS

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-Main-APBNK-Main						
002982	APP	09/29/2023	Regular	0.00	2,739.77	109194
002520	ARAMARK	09/29/2023	Regular	0.00	136.65	109195
VEN02338	BHC CONSULTANTS LLC	09/29/2023	Regular	0.00	41,928.51	109196
VEN02340	BLT SHELTON PONY, LLC	09/29/2023	Regular	0.00	78.07	109197
098000	BUILDERS FIRSTSOURCE	09/29/2023	Regular	0.00	127.68	109198
VEN02063	CARL TANNE	09/29/2023	Regular	0.00	700.00	109199
006200	CARLTON INDUSTRIES, L.P.	09/29/2023	Regular	0.00	205.74	109200
VEN01214	CINTAS CORPORATION	09/29/2023	Regular	0.00	191.71	109201
VEN01281	CITY OF SHELTON - UTILITY BILLS/PE	09/29/2023	Regular	0.00	10,887.58	109202
008450	COMMUNITY ACTION COUNCIL	09/29/2023	Regular	0.00	10.00	109203
VEN01228	DAN PATTON	09/29/2023	Regular	0.00	118.00	109204
009200	DAN RUBINO	09/29/2023	Regular	0.00	2,159.68	109205
009351	DELAGE LANDEN FINANCIAL SVCS	09/29/2023	Regular	0.00	866.08	109206
VEN02319	DENALI WATER SOLUTIONS LLC	09/29/2023	Regular	0.00	3,370.21	109207
009595	DEPT. OF LICENSING	09/29/2023	Regular	0.00	21.00	109208
023078	FASTENAL COMPANY	09/29/2023	Regular	0.00	68.42	109209
023108	FCS GROUP	09/29/2023	Regular	0.00	2,912.50	109210
VEN02477	GINA MELTON BUSKIRK	09/29/2023	Regular	0.00	450.00	109211
040960	GRAINGER	09/29/2023	Regular	0.00	1,140.43	109212
VEN01299	GRAY & OSBORNE	09/29/2023	Regular	0.00	6,948.29	109213
045150	HACH COMPANY	09/29/2023	Regular	0.00	299.58	109214
053992	HOOD CANAL COMMUNICATIONS	09/29/2023	Regular	0.00	5,385.90	109215
VEN01832	KIM KILMER - FINANCE PETTY CASH	09/29/2023	Regular	0.00	300.00	109216
VEN02435	LAI GINGER WANG	09/29/2023	Regular	0.00	180.00	109217
VEN02295	MARED INDUSTRIES INC	09/29/2023	Regular	0.00	498.68	109218
129030	MILES SAND & GRAVEL CO.	09/29/2023	Regular	0.00	121.18	109219
VEN02312	ODP BUSINESS SOLUTIONS LLC	09/29/2023	Regular	0.00	913.52	109220
VEN01351	OSCAR MATIAS PABLO	09/29/2023	Regular	0.00	280.00	109221
151000	P. U. D. # 3	09/29/2023	Regular	0.00	14,799.97	109222
VEN01865	PARTNER CONSTRUCTION PRODUC	09/29/2023	Regular	0.00	2,567.68	109223
VEN02470	SIMPLY CONTROLS	09/29/2023	Regular	0.00	4,474.40	109224
VEN02199	TERMINIX PROCESSING CENTER	09/29/2023	Regular	0.00	1,750.58	109225
201255	TOTAL BATTERY & AUTO SUPPLY	09/29/2023	Regular	0.00	82.31	109226
201300	TOZIER BROS INC.	09/29/2023	Regular	0.00	529.34	109227
202392	VERIZON WIRELESS	09/29/2023	Regular	0.00	3,348.02	109228
VEN02437	WALTER E NELSON CO OF WESTERN	09/29/2023	Regular	0.00	84.19	109229
203900	WESMAR COMPANY, INC	09/29/2023	Regular	0.00	1,018.37	109230
053987	WESTBAY NAPA AUTO PARTS	09/29/2023	Regular	0.00	6.44	109231
VEN02139	ZEPPELIN SHIPPING & TECHNOLOGY	09/29/2023	Regular	0.00	9.30	109232

Bank Code APBNK-Main Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	103	39	0.00	111,709.78
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
Virtual Payments	0	0	0.00	0.00
	103	39	0.00	111,709.78

Virtual Payments	0	0	0.00	0.00
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Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	9/2023	111,709.78
			<u>111,709.78</u>



Shelton, WA

Check Register

Packet: APPKT02874 - SEPTEMBER 29, 2023 AP PAYMENTS

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
002982	APP	09/29/2023	Regular	0.00	2,739.77	109194

Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>23-918393</u>	Invoice	09/13/2023	ACCT#AP7500158 FUEL	0.00	2,739.77
<u>503-250-000-58900-0001</u>		Inventory-Gas		ACCT#AP7500158 FUEL	2,739.77

002520	ARAMARK	09/29/2023	Regular	0.00	136.65	109195
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Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>5120317285</u>	Invoice	09/13/2023	ACCT#792105973 COVERALLS,MATS,TOW	0.00	65.71
<u>402-400-000-53580-4900</u>		Miscellaneous		ACCT#792105973 COVERA	65.71
<u>5120321569</u>	Invoice	09/20/2023	ACCT#792105972 COVERALLS,MATS,TOW	0.00	70.94
<u>401-000-000-53480-4901</u>		Miscellaneous - Shop		ACCT#792105972 COVERA	70.94

VEN02338	BHC CONSULTANTS LLC	09/29/2023	Regular	0.00	41,928.51	109196
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Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>0018782</u>	Invoice	09/19/2023	ANGLESIDE STORAGE/PRESSURE ZONE IM	0.00	26,762.26
<u>401-000-000-53480-4100</u>		Professional Services/Adv		ANGLESIDE STORAGE/PRE	26,762.26
<u>0018783</u>	Invoice	09/19/2023	WATER RESERVOIR STORAGE STUDY	0.00	2,702.50
<u>401-000-000-53480-4100</u>		Professional Services/Adv		WATER RESERVOIR STORA	2,702.50
<u>0018784</u>	Invoice	09/19/2023	PEACOCK RIDGE WATER ANALYSIS	0.00	1,383.75
<u>401-000-000-53480-4100</u>		Professional Services/Adv		PEACOCK RIDGE WATER A	1,383.75
<u>0018785</u>	Invoice	09/19/2023	BAYVIEW TERRACE WATER ANALYSIS	0.00	3,549.75
<u>401-000-000-53480-4100</u>		Professional Services/Adv		BAYVIEW TERRACE WATER	3,549.75
<u>0018786</u>	Invoice	09/19/2023	COFFEE CREEK WATER ANALYSIS	0.00	6,975.25
<u>401-000-000-53480-4100</u>		Professional Services/Adv		COFFEE CREEK WATER AN	6,975.25
<u>0018787</u>	Invoice	09/19/2023	SHELTON HILLS HOTEL WATER ANALYSIS	0.00	555.00
<u>401-000-000-53480-4100</u>		Professional Services/Adv		SHELTON HILLS HOTEL WA	555.00

VEN02340	BLT SHELTON PONY, LLC	09/29/2023	Regular	0.00	78.07	109197
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Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>647006</u>	Invoice	09/15/2023	VIN#7853 UNIT 80 MAINTENANCE	0.00	78.07
<u>001-118-000-52122-4805</u>		Repairs and Maintenance		VIN#7853 UNIT 80 MAINT	78.07

098000	BUILDERS FIRSTSOURCE	09/29/2023	Regular	0.00	127.68	109198
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Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>87991083</u>	Invoice	09/19/2023	ACCT#671668 ANCHOR	0.00	4.77
<u>404-000-000-53180-3100</u>		Office and Operating		ACCT#671668 ANCHOR	4.77
<u>88004746</u>	Invoice	09/21/2023	ACCT#671668 LUMBER, NAILS, BRUSH, PA	0.00	37.48
<u>001-142-000-51890-3115</u>		Office and Operating-Civi		ACCT#671668 LUMBER, N	37.48
<u>88029017</u>	Invoice	09/26/2023	ACCT#671668 FOAMULAR	0.00	85.43
<u>401-000-000-53480-3100</u>		Office and Operating		ACCT#671668 FOAMULAR	85.43

VEN02063	CARL TANNE	09/29/2023	Regular	0.00	700.00	109199
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Check Register

Packet: APPKT02874-SEPTEMBER 29, 2023 AP PAYMENTS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
0830-2023-SHELT	Invoice	08/30/2023	0830-2023-SHELTONMUNIC		0.00	700.00
001-112-000-51251-4106		Interpreter Expenses	23-ITC	0830-2023-SHELTONMUNI		700.00
006200	CARLTON INDUSTRIES, L.P.	09/29/2023	Regular	0.00	205.74	109200
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
480364	Invoice	09/21/2023	CUST#6621825	DANGER/CAUTION TAPE	0.00	205.74
101-000-000-54230-3100		Office and Operating		CUST#6621825 DANGER/C		102.87
401-000-000-53480-3100		Office and Operating		CUST#6621825 DANGER/C		102.87
VEN01214	CINTAS CORPORATION	09/29/2023	Regular	0.00	191.71	109201
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
5162848870	Invoice	06/15/2023	CUST#10690213	FIRST AID SUPPLIES	0.00	191.71
001-118-000-52122-3100		Office and Operating		CUST#10690213 FIRST AID		191.71
VEN01281	CITY OF SHELTON - UTILITY BILLS/PE	09/29/2023	Regular	0.00	10,887.58	109202
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
SEPTEMBER/202	Invoice	09/16/2023	SEPTEMBER 2023 CITY UTILITY BILLS		0.00	10,887.58
001-140-000-55430-4700		Utility Services-Animal Sh		SEPTEMBER 2023 CITY UTI		370.06
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		781.67
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		17.69
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		87.91
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		15.66
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		376.64
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		388.92
001-141-000-57680-4700		Utility Services-Park		SEPTEMBER 2023 CITY UTI		12.94
001-142-000-51890-4715		Utility Services-Civic Ctr		SEPTEMBER 2023 CITY UTI		147.32
001-142-000-51890-4715		Utility Services-Civic Ctr		SEPTEMBER 2023 CITY UTI		149.01
001-142-000-51890-4715		Utility Services-Civic Ctr		SEPTEMBER 2023 CITY UTI		747.07
001-142-000-57250-4700		Utility Services-Library		SEPTEMBER 2023 CITY UTI		1,252.08
001-142-000-57530-4700		Utility Services-Museum		SEPTEMBER 2023 CITY UTI		205.54
101-000-000-54265-4700		Utility Services		SEPTEMBER 2023 CITY UTI		154.81
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		22.87
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		49.85
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		38.55
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		24.75
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		20.86
401-000-000-53480-4700		Utility Services-Water		SEPTEMBER 2023 CITY UTI		15.97
401-000-000-53480-4701		Utility Services - Shop		SEPTEMBER 2023 CITY UTI		91.40
401-000-000-53480-4701		Utility Services - Shop		SEPTEMBER 2023 CITY UTI		620.38
401-000-000-53480-4701		Utility Services - Shop		SEPTEMBER 2023 CITY UTI		149.24
401-000-000-53480-4701		Utility Services - Shop		SEPTEMBER 2023 CITY UTI		114.28
401-000-000-53480-4701		Utility Services - Shop		SEPTEMBER 2023 CITY UTI		121.31
402-300-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		15.71
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		3,281.92
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		590.76
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		70.31
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		19.47
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		25.95
402-400-000-53580-4700		Utility Services-Sewer Ma		SEPTEMBER 2023 CITY UTI		25.95
402-500-000-53580-4700		Utility Services-Sewer Sat		SEPTEMBER 2023 CITY UTI		44.15
402-640-000-53580-4700		Utility Services-Sewer Sat		SEPTEMBER 2023 CITY UTI		15.66
402-640-000-53580-4700		Utility Services-Sewer Sat		SEPTEMBER 2023 CITY UTI		537.55
402-640-000-53580-4700		Utility Services-Sewer Sat		SEPTEMBER 2023 CITY UTI		18.11
402-640-000-53580-4700		Utility Services-Sewer Sat		SEPTEMBER 2023 CITY UTI		212.21
404-000-000-53180-4700		Utility Services		SEPTEMBER 2023 CITY UTI		53.05

Check Register

Packet: APPKT02874-SEPTEMBER 29, 2023 AP PAYMENTS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
008450	COMMUNITY ACTION COUNCIL	09/29/2023	Regular	0.00	10.00	109203
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>230930</u>	Invoice	08/30/2023	SEPTEMBER 2023 APPLICATIONS	0.00	10.00	
<u>001-111-000-51421-4100</u>		Professional Services/Adv		SEPTEMBER 2023 APPLICA	10.00	
VEN01228	DAN PATTON	09/29/2023	Regular	0.00	118.00	109204
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>MULLINSBCKGRN</u>	Invoice	09/26/2023	MULLINSBCKGRNDREIMB	0.00	118.00	
<u>001-118-000-52140-3100</u>		Office and Operating-Trai		MULLINSBCKGRNDREIMB	118.00	
009200	DAN RUBINO	09/29/2023	Regular	0.00	2,159.68	109205
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>94952</u>	Invoice	09/25/2023	PROX LOCK	0.00	2,159.68	
<u>001-142-000-51890-4115</u>		Professional Serv/Adverti		PROX LOCK	2,159.68	
009351	DELAGE LANDEN FINANCIAL SVCS	09/29/2023	Regular	0.00	866.08	109206
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>81028839</u>	Invoice	09/23/2023	CONTRACT#500-50265514	0.00	162.12	
<u>402-700-000-59135-7001</u>		Long Term Lease - Sewer		CONTRACT#500-50265514	162.12	
<u>81028852</u>	Invoice	09/23/2023	CONTRACT#500-50499914	0.00	162.12	
<u>401-250-000-59134-7001</u>		Long Term Lease - Water		CONTRACT#500-50499914	162.12	
<u>81034344</u>	Invoice	09/23/2023	CONTRACT#500-50492834	0.00	270.92	
<u>001-111-000-59114-7001</u>		Long Term Lease - Financ		CONTRACT#500-50492834	162.55	
<u>001-130-000-59117-7001</u>		Long Term Lease - Human		CONTRACT#500-50492834	108.37	
<u>81034346</u>	Invoice	09/23/2023	CONTRACT#500-50499916	0.00	270.92	
<u>001-115-000-59148-7001</u>		Long Term Lease - PW Ad		CONTRACT#500-50499916	127.33	
<u>001-120-000-59113-7001</u>		Long Term Lease - Executi		CONTRACT#500-50499916	13.55	
<u>001-140-000-59158-7001</u>		Long Term Lease - Comm		CONTRACT#500-50499916	130.04	
VEN02319	DENALI WATER SOLUTIONS LLC	09/29/2023	Regular	0.00	3,370.21	109207
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>INV599729</u>	Invoice	09/21/2023	CUST#599121378 TRANSPORTATION	0.00	3,370.21	
<u>402-400-000-53580-4100</u>		Professional Services/Adv		CUST#599121378 TRANSP	3,370.21	
009595	DEPT. OF LICENSING	09/29/2023	Regular	0.00	21.00	109208
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>SHP230033</u>	Invoice	09/19/2023	SHP230033	0.00	21.00	
<u>657-000-000-58600-0007</u>		Concealed Pistol Permits		SHP230033	21.00	
023078	FASTENAL COMPANY	09/29/2023	Regular	0.00	68.42	109209
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>WATUM217565</u>	Invoice	09/21/2023	CUST#WATUM1962 MISC SUPPLIES	0.00	68.42	
<u>402-400-000-53580-3100</u>		Office and Operating		CUST#WATUM1962 MISC	68.42	
023108	FCS GROUP	09/29/2023	Regular	0.00	2,912.50	109210
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>3737-22309011</u>	Invoice	09/15/2023	WATER/SEWER RATE & GFC STUDY	0.00	2,912.50	
<u>401-000-000-53480-4100</u>		Professional Services/Adv		WATER/SEWER RATE & GF	1,456.25	
<u>402-400-000-53580-4100</u>		Professional Services/Adv		WATER/SEWER RATE & GF	1,456.25	
VEN02477	GINA MELTON BUSKIRK	09/29/2023	Regular	0.00	450.00	109211

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
JUDGEPROTEMSE Invoice		09/20/2023	JUDGEPROTEMSEP2023		0.00	450.00
001-112-000-51251-4101		Judge Pro-Tem		JUDGEPROTEMSEP2023		450.00
040960	GRAINGER	09/29/2023	Regular	0.00	1,140.43	109212
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
9834843667 Invoice		09/12/2023	ACCT#839177342 PAINT SPRAYER		0.00	1,140.43
503-000-000-54865-3500		Small Tools/Equipment		ACCT#839177342 PAINT S		1,140.43
VEN01299	GRAY & OSBORNE	09/29/2023	Regular	0.00	6,948.29	109213
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
28SEP23 Invoice		09/11/2023	RECLAIMED WATER TANK		0.00	2,947.96
412-000-000-59435-4101		Sewer-Capital Exp-Pro Svc	18-RECLMTANK	RECLAIMED WATER TANK		2,947.96
49SEP23 Invoice		09/11/2023	ENGINEERING SERVICES		0.00	4,000.33
001-115-000-51896-4100		Professional Services/Adv		ENGINEERING SERVICES		228.66
101-000-000-54230-4100		Professional Services/Adv	20-GISASSET	ENGINEERING SERVICES		25.79
401-000-000-53480-4100		Professional Services/Adv		ENGINEERING SERVICES		274.72
401-000-000-53480-4100		Professional Services/Adv	20-GISASSET	ENGINEERING SERVICES		25.81
402-300-000-53580-4100		Professional Services/Adv		ENGINEERING SERVICES		685.98
402-400-000-53580-4100		Professional Services/Adv	20-GISASSET	ENGINEERING SERVICES		25.81
404-000-000-53180-4100		Prof Serv-Stormwater Im		ENGINEERING SERVICES		1,310.25
404-000-000-53180-4105		Professional Services/Adv	20-GISASSET	ENGINEERING SERVICES		25.81
411-000-000-59434-4101		Water Capital Exp-Prof Sv	21-AMR	ENGINEERING SERVICES		698.75
412-000-000-59435-4100		Professional Services	21-AMR	ENGINEERING SERVICES		698.75
045150	HACH COMPANY	09/29/2023	Regular	0.00	299.58	109214
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
13748671 Invoice		09/22/2023	ACCT#341640 AMPULES		0.00	299.58
402-400-000-53580-3100		Office and Operating		ACCT#341640 AMPULES		299.58
053992	HOOD CANAL COMMUNICATIONS	09/29/2023	Regular	0.00	5,385.90	109215
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
10869217 Invoice		10/01/2023	ACCT#00003840-2		0.00	1,117.60
001-119-000-52250-4200		Communication		ACCT#00003840-2		103.71
001-120-000-51310-4200		Communication		ACCT#00003840-2		0.12
001-130-000-51810-4200		Communication		ACCT#00003840-2		41.64
001-140-000-55430-4200		Communication - Animal		ACCT#00003840-2		32.96
001-142-000-51890-4215		Communication-Civic Cen		ACCT#00003840-2		835.22
401-000-000-53480-4201		Communication - Shop		ACCT#00003840-2		103.83
402-400-000-53580-4200		Communication		ACCT#00003840-2		0.12
10869250 Invoice		10/01/2023	ACCT#00017664-7		0.00	4,268.30
001-112-000-51251-4200		Communication		ACCT#00017664-7		180.00
001-132-000-51888-4200		Communication		ACCT#00017664-7		252.80
001-132-000-51888-4801		Repairs and Maintenance		ACCT#00017664-7		405.50
401-000-000-53480-4201		Communication - Shop		ACCT#00017664-7		315.00
401-000-000-53480-4201		Communication - Shop		ACCT#00017664-7		1,260.00
402-400-000-53580-4200		Communication		ACCT#00017664-7		1,855.00
VEN01832	KIM KILMER - FINANCE PETTY CASH	09/29/2023	Regular	0.00	300.00	109216
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
CASHBOXSEP202 Invoice		09/27/2023	CASHBOXSEP2023		0.00	300.00
001-111-000-51421-4900		Miscellaneous		CASHBOXSEP2023		300.00
VEN02435	LAI GINGER WANG	09/29/2023	Regular	0.00	180.00	109217

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Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>INTERPRETATION</u> <u>001-112-000-51251-4106</u>	Invoice	09/20/2023	INTERPRETATION09202023		0.00	180.00
		Interpreter Expenses		INTERPRETATION0920202	180.00	
VEN02295	MARED INDUSTRIES INC	09/29/2023	Regular	0.00	498.68	109218
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>597317</u> <u>402-640-000-53580-3100</u>	Invoice	09/12/2023	CUST#744463 BLADES		0.00	498.68
		Office and Operating		CUST#744463 BLADES	498.68	
129030	MILES SAND & GRAVEL CO.	09/29/2023	Regular	0.00	121.18	109219
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>2004056</u> <u>101-000-000-54230-3100</u> <u>401-000-000-53480-3100</u> <u>402-400-000-53580-3100</u> <u>404-000-000-53180-3100</u>	Invoice	09/20/2023	CUST#050775		0.00	121.18
		Office and Operating		CUST#050775	30.28	
		Office and Operating		CUST#050775	30.30	
		Office and Operating		CUST#050775	30.30	
		Office and Operating		CUST#050775	30.30	
VEN02312	ODP BUSINESS SOLUTIONS LLC	09/29/2023	Regular	0.00	913.52	109220
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>327579121001</u> <u>001-115-000-51895-3100</u>	Invoice	09/06/2023	ACCT#28972108 BOARD		0.00	435.18
		Office and Operating		ACCT#28972108 BOARD	435.18	
<u>327580225001</u> <u>001-115-000-51896-3100</u>	Invoice	09/05/2023	ACCT#28972108 CHAIR		0.00	352.50
		Office and Operating		ACCT#28972108 CHAIR	352.50	
<u>327580233001</u> <u>001-115-000-51895-3100</u>	Invoice	09/05/2023	ACCT#28972108 POST ITS		0.00	7.77
		Office and Operating		ACCT#28972108 POST ITS	7.77	
<u>329650867001</u> <u>001-130-000-51810-3100</u>	Invoice	09/08/2023	ACCT#28972108 HEWLETT		0.00	118.07
		Office and Operating		ACCT#28972108 HEWLETT	118.07	
VEN01351	OSCAR MATIAS PABLO	09/29/2023	Regular	0.00	280.00	109221
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>INTERPRETATION</u> <u>001-112-000-51251-4106</u>	Invoice	09/25/2023	INTERPRETATION09202023		0.00	140.00
		Interpreter Expenses	23-ITC	INTERPRETATION0920202	140.00	
<u>INTERPRETATION</u> <u>001-112-000-51251-4106</u>	Invoice	09/28/2023	INTERPRETATION09252023		0.00	140.00
		Interpreter Expenses		INTERPRETATION0925202	140.00	
151000	P. U. D. # 3	09/29/2023	Regular	0.00	14,799.97	109222
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
<u>101002SEP23</u> <u>101-000-000-54264-4700</u>	Invoice	09/20/2023	101002SEP23		0.00	90.04
		Utility Services		101002SEP23	90.04	
<u>101097001SEP23</u> <u>101-000-000-54264-4700</u>	Invoice	09/19/2023	101097001SEP23		0.00	94.81
		Utility Services		101097001SEP23	94.81	
<u>101149001SEP23</u> <u>401-000-000-53480-4700</u>	Invoice	09/20/2023	101149001SEP23		0.00	59.25
		Utility Services-Water		101149001SEP23	59.25	
<u>101155001SEP23</u> <u>401-000-000-53480-4700</u>	Invoice	09/19/2023	101155001SEP23		0.00	6,765.42
		Utility Services-Water		101155001SEP23	6,765.42	
<u>109397001SEP23</u> <u>101-000-000-54264-4700</u>	Invoice	09/19/2023	109397001SEP23		0.00	95.68
		Utility Services		109397001SEP23	95.68	
<u>109413001SEP23</u> <u>101-000-000-54264-4700</u>	Invoice	09/19/2023	109413001SEP23		0.00	69.41
		Utility Services		109413001SEP23	69.41	
<u>113939001SEP23</u> <u>401-000-000-53480-4700</u>	Invoice	09/18/2023	113939001SEP23		0.00	70.37
		Utility Services-Water		113939001SEP23	70.37	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
252689001SEP23	Invoice	09/20/2023	252689001SEP23	0.00	4,906.10	
402-640-000-53580-4700	Utility Services-Sewer Sat		252689001SEP23		4,906.10	
25911001SEP23	Invoice	09/19/2023	25911001SEP23	0.00	2,235.66	
401-000-000-53480-4700	Utility Services-Water		25911001SEP23		2,235.66	
25913001SEP23	Invoice	09/19/2023	25913001SEP23	0.00	103.29	
401-000-000-53480-4700	Utility Services-Water		25913001SEP23		103.29	
26197001SEP23	Invoice	09/19/2023	26197001SEP23	0.00	90.82	
101-000-000-54264-4700	Utility Services		26197001SEP23		90.82	
82241001SEP23	Invoice	09/18/2023	82241001SEP23	0.00	81.28	
001-141-000-57680-4700	Utility Services-Park		82241001SEP23		81.28	
85079001SEP23	Invoice	09/18/2023	85079001SEP23	0.00	71.25	
402-300-000-53580-4700	Utility Services-Sewer Ma		85079001SEP23		71.25	
85183001SEP23	Invoice	09/18/2023	85183001SEP23	0.00	66.59	
404-000-000-53180-4700	Utility Services		85183001SEP23		66.59	
VEN01865	PARTNER CONSTRUCTION PRODUC	09/29/2023	Regular	0.00	2,567.68	109223
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Project Account Key	Item Description	Dist Amount		
12956	Invoice	09/14/2023	CUST#CITY-SHELTON CRAFCO ROADSaver	0.00	2,567.68	
101-000-000-54230-3100	Office and Operating		CUST#CITY-SHELTON Craf		2,567.68	
VEN02470	SIMPLY CONTROLS	09/29/2023	Regular	0.00	4,474.40	109224
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Project Account Key	Item Description	Dist Amount		
001905	Invoice	08/28/2023	CUST#0001151 WORK FOR ACTUATOR VA	0.00	612.00	
402-400-000-53580-4800	Repairs and Maintenance		CUST#0001151 WORK FOR		612.00	
001909	Invoice	08/29/2023	CUST#0001151 TROUBLESHOT RAS PUMP	0.00	2,203.20	
402-400-000-53580-4800	Repairs and Maintenance		CUST#0001151 TROUBLES		2,203.20	
001910	Invoice	08/29/2023	CUST#0001151 LABOR ON CLAIRIFIER	0.00	1,251.20	
402-400-000-53580-4800	Repairs and Maintenance		CUST#0001151 LABOR ON		1,251.20	
001927	Invoice	09/20/2023	CUST#0001151 TROUBLESHOOT PUMP 1	0.00	408.00	
402-400-000-53580-4800	Repairs and Maintenance		CUST#0001151 TROUBLES		408.00	
VEN02199	TERMINIX PROCESSING CENTER	09/29/2023	Regular	0.00	1,750.58	109225
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Project Account Key	Item Description	Dist Amount		
437913730	Invoice	09/12/2023	CUST#13634132 1437 W HARVARD ST	0.00	69.63	
401-000-000-53480-4100	Professional Services/Adv		CUST#13634132 1437 W H		69.63	
437913761	Invoice	09/12/2023	CUST#13634073 100 TURNER AVE	0.00	69.63	
402-400-000-53580-4100	Professional Services/Adv		CUST#13634073 100 TUR		69.63	
437913782	Invoice	09/12/2023	CUST#13632853 1701 FAIRMOUNT AVE	0.00	233.92	
402-400-000-53580-4100	Professional Services/Adv		CUST#13632853 1701 FAIR		233.92	
437913812	Invoice	09/12/2023	CUST#13633877 1000 W PINE ST	0.00	104.45	
401-000-000-53480-4101	Professional Services - Sh		CUST#13633877 1000 W P		104.45	
437914400	Invoice	09/12/2023	CUST#13632896 10891 N HWY 101	0.00	147.97	
402-640-000-53580-4100	Professional Services/Adv		CUST#13632896 10891 N		147.97	
437914427	Invoice	09/12/2023	CUST#13634026 2401 N SHELTON SPRING	0.00	69.63	
401-000-000-53480-4100	Professional Services/Adv		CUST#13634026 2401 N S		69.63	
437914439	Invoice	09/12/2023	CUST#13638801 51 PUBLIC WORKS DR	0.00	69.63	
401-000-000-53480-4100	Professional Services/Adv		CUST#13638801 51 PUBLI		69.63	
437914468	Invoice	09/12/2023	CUST#13634151 811 S 15TH ST	0.00	69.63	
401-000-000-53480-4100	Professional Services/Adv		CUST#13634151 811 S 15T		69.63	
437914492	Invoice	09/12/2023	CUST#13638814 100 MUNCASTER DR	0.00	69.63	
401-000-000-53480-4100	Professional Services/Adv		CUST#13638814 100 MUN		69.63	
437914529	Invoice	09/12/2023	CUST#13634102 900 W WALLACE KNEELA	0.00	69.63	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<u>401-000-000-53480-4100</u>		Professional Services/Adv	CUST#13634102 900 W W		69.63	
<u>437914562</u>	Invoice	09/12/2023	CUST#13638825 907 W BIRCH ST	0.00	68.54	
<u>401-000-000-53480-4100</u>		Professional Services/Adv	CUST#13638825 907 W BI		68.54	
<u>437914572</u>	Invoice	09/12/2023	CUST#13638789 553 BEAR ST	0.00	69.63	
<u>401-000-000-53480-4100</u>		Professional Services/Adv	CUST#13638789 553 BEAR		69.63	
<u>437915824</u>	Invoice	09/12/2023	CUST#13634265 2001 N 13TH ST	0.00	69.63	
<u>401-000-000-53480-4100</u>		Professional Services/Adv	CUST#13634265 2001 N 1		69.63	
<u>437917222</u>	Invoice	09/12/2023	CUST#13638768 626 MAGNOLIA AVE	0.00	68.54	
<u>401-000-000-53480-4100</u>		Professional Services/Adv	CUST#13638768 626 MAG		68.54	
<u>437917255</u>	Invoice	09/12/2023	CUST#13959345 710 W ALDER ST	0.00	143.62	
<u>001-142-000-57250-4100</u>		Professional Services/Adv	CUST#13959345 710 W AL		143.62	
<u>437917770</u>	Invoice	09/12/2023	CUST#13959326 122 W FRANKLIN ST	0.00	143.62	
<u>001-119-000-52250-4100</u>		Professional Services/Adv	CUST#13959326 122 W FR		143.62	
<u>437918346</u>	Invoice	09/12/2023	CUST#13959313 427 W RAILROAD	0.00	143.62	
<u>001-142-000-57530-4100</u>		Professional Services/Adv	CUST#13959313 427 W RA		143.62	
<u>437919013</u>	Invoice	09/12/2023	CUST#13634000 311 S FRONT ST	0.00	69.63	
<u>402-400-000-53580-4100</u>		Professional Services/Adv	CUST#13634000 311 S FR		69.63	

201255 TOTAL BATTERY & AUTO SUPPLY 09/29/2023 Regular 0.00 82.31 109226

Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description	Dist Amount
<u>002449</u>	Invoice	09/20/2023	BRAKE CLEAN	0.00	82.31
<u>503-000-000-54865-3100</u>		Office and Operating		BRAKE CLEAN	82.31

201300 TOZIER BROS INC. 09/29/2023 Regular 0.00 529.34 109227

Payable #	Payable Type	Payable Date	Payable Description		Discount Amount	Payable Amount
Account Number		Account Name	Project Account Key	Item Description		Dist Amount
<u>465087</u>	Invoice	08/02/2023	CUST#20090	GUNK REMOVER	0.00	14.95
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 GUNK REMO		14.95
<u>465183</u>	Invoice	08/06/2023	CUST#20090	PAINT BRUSH	0.00	5.70
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 PAINT BRUSH		5.70
<u>465674</u>	Invoice	09/01/2023	CUST#20090	SPRAYER	0.00	186.03
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 SPRAYER		186.03
<u>465675</u>	Credit Memo	09/01/2023	CUST#20090	SPRAYER RETURN	0.00	-186.03
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 SPRAYER RET		-186.03
<u>465689</u>	Invoice	09/02/2023	CUST#20090	ROLLER COVER	0.00	4.89
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 ROLLER COVE		4.89
<u>465842</u>	Invoice	09/11/2023	CUST#20090	PAINT STRIPPER	0.00	60.81
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 PAINT STRIPP		60.81
<u>465993</u>	Invoice	09/19/2023	CUST#20090	CLEANER, SPRAY BOTTLE	0.00	39.41
<u>402-400-000-53580-3100</u>		Office and Operating		CUST#20090 CLEANER, SP		39.41
<u>466000</u>	Invoice	09/19/2023	CUST#20090	VINEGAR, SPONGE	0.00	18.66
<u>402-400-000-53580-3100</u>		Office and Operating		CUST#20090 VINEGAR, SP		18.66
<u>466040</u>	Invoice	09/21/2023	CUST#20090	RAKES, MANURE FORK	0.00	121.61
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 RAKES, MAN		121.61
<u>466043</u>	Invoice	09/21/2023	CUST#20090	KICKDOWN STOP	0.00	15.65
<u>402-400-000-53580-3100</u>		Office and Operating		CUST#20090 KICKDOWN S		15.65
<u>466059</u>	Invoice	09/22/2023	CUST#20090	CABLETIE, GREEN HOME FE	0.00	62.02
<u>001-141-000-57680-3100</u>		Office and Operating		CUST#20090 CABLETIE, GR		62.02
<u>466097</u>	Invoice	09/25/2023	CUST#20090	BRASS BUSHING	0.00	15.12
<u>401-000-000-53480-3100</u>		Office and Operating		CUST#20090 BRASS BUSHI		15.12
<u>466123</u>	Invoice	09/26/2023	CUST#20090	BATTERY	0.00	15.49
<u>001-142-000-51890-3115</u>		Office and Operating-Civi		CUST#20090 BATTERY		15.49
<u>466128</u>	Invoice	09/26/2023	CUST#20090	SUMP PUMP	0.00	155.03

Check Register

Packet: APPKT02874-SEPTEMBER 29, 2023 AP PAYMENTS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
402-630-000-53580-3100	Office and Operating		CUST#20090 SUMP PUMP	155.03		
202392	VERIZON WIRELESS	09/29/2023	Regular	0.00	3,348.02	109228
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
9944944297	Invoice	09/20/2023	ACCT#972465947-00001		3,348.02	
001-115-000-51895-4200		Communication		ACCT#972465947-00001	334.21	
001-118-000-52122-4200		Communication		ACCT#972465947-00001	1,892.43	
001-130-000-51810-4200		Communication		ACCT#972465947-00001	82.18	
001-132-000-51888-4200		Communication		ACCT#972465947-00001	82.18	
001-140-000-55850-4200		Communication		ACCT#972465947-00001	90.95	
001-140-000-55860-4200		Communication		ACCT#972465947-00001	48.78	
001-141-000-57680-4200		Communication		ACCT#972465947-00001	42.17	
101-000-000-54264-4200		Communications		ACCT#972465947-00001	42.17	
401-000-000-53480-4200		Communication		ACCT#972465947-00001	253.02	
402-400-000-53580-4200		Communication		ACCT#972465947-00001	295.19	
404-000-000-53180-4200		Communication		ACCT#972465947-00001	137.57	
503-000-000-54865-4200		Communication		ACCT#972465947-00001	47.17	
VEN02437	WALTER E NELSON CO OF WESTERN	09/29/2023	Regular	0.00	84.19	109229
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
945703	Invoice	09/22/2023	CUST#12400 TISSUE DISPENSER		84.19	
001-142-000-51890-3115		Office and Operating-Civi		CUST#12400 TISSUE DISPE	84.19	
203900	WESMAR COMPANY, INC	09/29/2023	Regular	0.00	1,018.37	109230
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
314649	Invoice	09/21/2023	CUST#31175 SODIUM HYPOCHLORITE		1,018.37	
401-000-000-53480-3104		Office and Operating-Chl		CUST#31175 SODIUM HYP	1,018.37	
053987	WESTBAY NAPA AUTO PARTS	09/29/2023	Regular	0.00	6.44	109231
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
052908	Credit Memo	09/18/2023	ACCT#4296 BATTERY DEPOSIT 19932D		-19.58	
503-000-000-54865-3104		Oper Supp-Parts-EM&R V		ACCT#4296 BATTERY DEPO	-19.58	
053280	Invoice	09/21/2023	ACCT#4296 V BELT		26.02	
402-400-000-53580-3100		Office and Operating		ACCT#4296 V BELT	26.02	
VEN02139	ZEPPPELIN SHIPPING & TECHNOLOGY	09/29/2023	Regular	0.00	9.30	109232
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Account Number		Account Name	Project Account Key	Item Description	Dist Amount	
PACKAGEID#1090	Invoice	09/26/2023	WSP TOXICOLOGY LAB		9.30	
001-118-000-52122-4200		Communication		WSP TOXICOLOGY LAB	9.30	

Bank Code APBNK-Main Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	103	39	0.00	111,709.78
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
Virtual Payments	0	0	0.00	0.00
	103	39	0.00	111,709.78

Virtual Payments	0	0	0.00	0.00
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Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	9/2023	111,709.78
			111,709.78



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

City Council Meeting Minutes
September 5, 2023 – 6:00 p.m.
Civic Center & Virtual Platform

COUNCILMEMBERS AND PERSONNEL

Councilmembers:

Mayor Eric Onisko
Deputy Mayor Joe Schmit
Miguel Gutierrez
Kathy McDowell
Deidre Peterson
Sharon Schirman

Personnel:

City Manager Mark Ziegler
City Clerk Donna Nault
Community & Economic Development Director Jae Hill
Public Works Director Jay Harris
Finance Director Mike Githens
Parks & Recreation Supervisor Jordanne Krumpols

CALL TO ORDER

Call to Order: 6:00 p.m.
Pledge of Allegiance: Eric Onisko
Roll Call: City Clerk Nault – Absent Councilmember James Boad

A motion was made by Councilmember McDowell and seconded by Deputy Mayor Schmit to excuse the absence of Councilmember Boad. Passed.

LATE CHANGES TO THE AGENDA

None

CITY COUNCIL REPORTS

None

CONSENT AGENDA

1. Vouchers numbered 108795 through 108837 in the total amount of \$285,616.48
2. Vouchers numbered 108847 through 108909 in the total amount of \$238,812.62
3. Voucher numbered 108910 through 108940 in the total amount of \$105,366.69
4. Letter of Support – Comprehensive Planning Grant Application

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

Mayor Onisko recessed from the regular meeting to open a Public Hearing.

BUSINESS AGENDA

1. Public Hearing Ordinance No. 2003-0523 Adoption of 2021 International Fire Code – Presented by Community & Economic Development Director Jae Hill

Community & Economic Development Director Jae Hill presented information regarding adoption of the 2021 International Fire Code. Discussion followed. No public testimony. City Clerk Nault provided a reading of Ordinance No. 2003-0523.

A motion was made by Deputy Mayor Schmit and seconded by Councilmember Schirman to move Ordinance No. 2003-0523 to the September 19, 2023 City Council meeting action agenda for further consideration. Passed.

Mayor Onisko closed the Public Hearing and opened another Public Hearing.

2. Public Hearing Ordinance No. 2004-0523 Adoption of 2021 International Building Code – Presented by Community & Economic Development Director Jae Hill

Community & Economic Development Director Jae Hill presented information regarding adoption of the 2021 International Building Code. Discussion followed. Public testimony: Thomas Wolf and Dean Jewett. City Clerk Nault provided a reading of Ordinance No. 2004-0523.

A motion was made by Councilmember Gutierrez and seconded by Councilmember McDowell to move Ordinance No. 2004-0523 to the September 19, 2023 City Council meeting action agenda for further consideration. Passed.

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

3. Ordinance No. 2010-0723 Amending SMC Related to Sewer Rates – Presented by Public Works Director Jay Harris

Public Works Director Jay Harris presented information regarding amending the Shelton Municipal Code related to sewer rates. Discussion followed. Public comment: Thomas Wolf and Dana Anderson. City Clerk Nault provided a reading of Ordinance No. 2010-0723.

A motion was made by Councilmember Gutierrez and seconded by Councilmember Peterson to move Ordinance No. 2010-0723 to the September 19, 2023 City Council action agenda for further consideration. Passed.

4. Ordinance No. 2011-0723 Amending SMC Related to Water Rates - Presented by Public Works Director Jay Harris

Public Works Director Jay Harris presented information regarding amending the Shelton Municipal Code related to water rates. Discussion followed. Public comment: Mike Olsen, Thomas Wolf, and Susan Jenk. City Clerk Nault provided a reading of Ordinance No. 2011-0723.

A motion was made by Councilmember Peterson and seconded by Councilmember Gutierrez to forward Ordinance No. 2011-0723 the September 19, 2023 City Council Action Agenda for further consideration. Passed.

5. Resolution No. 1287-0823 Amending Petty Cash Monies – Presented by Finance Director Mike Githens

Finance Director Mike Githens presented information regarding petty cash monies. No discussion. No public comment.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to forward Resolution No. 1287-2023 to the September 19, 2023 City Council action agenda for further consideration. Passed.

6. ILA with Mason County for Joint Comprehensive Planning – Presented by Community & Economic Development Director Jae Hill

Community & Economic Development Director Jae Hill presented information regarding an Interlocal Agreement with Mason County for joint comprehensive planning. No discussion. No public comment.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to move the Interlocal Agreement with Mason County to the September 19, 2023 action agenda for further consideration. Passed.

ACTION AGENDA

1. Resolution No. 1286-0823 Civic Center Exterior Rehabilitation Project – Presented by Parks & Recreation Supervisor Jordanne Krumpols

Parks & Recreation Supervisor Jordanne Krumpols presented information regarding the Civic Center exterior rehabilitation project. Discussion followed. Public comment: Thomas Wolf. City Clerk Nault provided a reading of Resolution No. 1286-0823.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to adopt Resolution No. 1286-0823 as presented. Passed.

2. Resolution No. 1279-0723 Consultant Services for Comprehensive Plan Updates – Presented by Community & Economic Development Director Jae Hill

Community & Economic Development Director Jae Hill presented information regarding consultant services for comprehensive plan updates. No discussion followed. No public comment. City Clerk Nault provided a reading of Resolution No. 1279-0723.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to approve Resolution No. 1279-0723 as presented. Passed.

3. Resolution No. 1281-0723 Signatory Authorization to Invest in Local Government Investment Pool – Presented by Finance Director Mike Githens

Finance Director Mike Githens presented information regarding the signatory authorization to invest in Local Government Investment Pool. No discussion. No public comment. City Clerk Nault provided a reading of Resolution No. 1281-0723.

A motion was made by Deputy Mayor Schmit and seconded by Councilmember Gutierrez to approve Resolution No. 1281-0723 as presented. Passed.

4. Resolution No. 1282-0723 Wastewater System Comprehensive Plan Update – Presented by Public Works Director Jay Harris

Public Works Director Jay Harris presented information regarding an update to the Wastewater System Comprehensive Plan. Discussion followed. Public comment: Thomas Wolf. City Clerk Nault provided a reading of Resolution No. 1282-0723.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to approve Resolution No. 1282-0723 as presented. Passed.

5. Resolution No. 1283-0723 Water System Comprehensive Plan Update – Presented by Public Works Director Jay Harris

Public Works Director Jay Harris presented information regarding an update to the Water System Comprehensive Plan. No discussion. No public comment. City Clerk provided a reading of Resolution No. 1283-0723.

A motion was made by Councilmember Gutierrez and seconded by Councilmember Peterson to approve Resolution No. 1283-0723 as presented. Passed.

6. Resolution No. 1284-0723 Design & Construction Standards Manual Update-Chapter 1 & 2 – Presented by Public Works Director Jay Harris

Public Works Director Jay Harris presented information regarding an update to the Design & Construction Standards Manual-Chapter 1 & 2. Discussion followed. No public comment. City Clerk Nault provided a reading of Resolution No. 1284-0723.

A motion was made by Councilmember Gutierrez and seconded by Deputy Mayor Schmit to approve Resolution No. 1284-0723 as presented. Passed.

ADMINISTRATION REPORT

City Manager Report:

- September 6, 2023 - Sealant being applied to Kneeland Park play structure
- September 7, 2023 - Fence being installed at the Civic Center basketball/pickleball court
- September 12, 2023 – Next Homelessness Task Force Committee Meeting
- Property swap with US Postal Service regarding Brewer Park and Post Office Park

GENERAL PUBLIC COMMENT (3-minute time limit)

In-Person:

Robert Freund
Chriss Brickert
Dana Anderson
Susan Jenk
Thomas Wolf
Dean Jewett

Zoom:

Colleen Carmichael

NEW ITEMS FOR DISCUSSION

None

ANNOUNCEMENT OF NEXT MEETING

Study Session – September 12, 2023 at 6:00 p.m.

City Council Meeting – September 19, 2023 at 6:00 p.m.

MEETING ADJOURN

Mayor Onisko adjourned the meeting at 7:56 p.m.

Mayor Eric Onisko

City Clerk Donna Nault



CITY OF SHELTON, WASHINGTON - CITY COUNCIL

Study Session Minutes
September 12, 2023 – 6:00 p.m.
Civic Center & Virtual Platform

COUNCILMEMBERS AND PERSONNEL

Councilmembers:

Mayor Eric Onisko
Deputy Mayor Joe Schmit
James Boad
Miguel Gutierrez
Kathy McDowell
Deidre Peterson
Sharon Schirman

Personnel:

City Manager Mark Ziegler
City Clerk Donna Nault
Public Works Superintendent Brent Armstrong
Finance Director Mike Githens

Guest – Matthew Rosales, Evergreen Treatment Services

CALL TO ORDER

Call to Order: 6:00 p.m.
Roll Call: City Clerk Nault – All present

STUDY AGENDA

1. Evergreen Treatment Services-Mobile Medical Unit – Presented by City Manager Mark Ziegler

City Manager Mark Ziegler, as well as guest speaker Matthew Rosales presented information regarding mobile medical treatment services. Discussion followed.

2. Street Fund Discussion – Presented by Public Works Superintendent Brent Armstrong

Public Works Superintendent Brent Armstrong presented information regarding the street fund. Discussion followed.

3. 2024 Budget Discussion – Presented by Finance Director Mike Githens.

Mike Githens presented information regarding the 2024 budget. Discussion followed.

NEW ITEMS FOR DISCUSSION

None

ADJOURN

Mayor Onisko adjourned the meeting at 7:59 p.m.

Mayor Eric Onisko

City Clerk Donna Nault



Shelton Downtown Merchants

LTAC Report • 2022 Funding

10/5/2023

Dear Mr. Mayor and Council Members,

The Shelton Downtown Merchants Association have been working hard this year to bring forward new events and to continue our “Shop Shelton First” shop local campaign.

Shop Shelton First Promotional events included: Holiday Magic, Halloween Spooktacular, Summer Sidewalk Sale and Cruisin’ Through Time Car Show.
New events we’d like to add for 2024 are Restaurant Week, Arts Walks and Girls Night Out.

During the holiday season we also had our rewards card active. Patrons receive a punch for each \$25 spent in businesses downtown, cards are entered for prizes after 10 punches. During Holiday Magic, we hold our Photo Hunt event, with clues directing teams to specific businesses and holiday event sites to raise awareness for the wonderful things to see and do downtown during the holidays. The cash prizes enticed many to participate.

In addition to our community members, our goal is to remind tourists, while they’re visiting mason county for other reasons, that they should come by Downtown Shelton for a bite to eat, a latte, and some shopping.

Shop local campaigns are important for tourism because visitors get a more authentic experience within the cities they are visiting. Going where the locals go gives visitors a feel for the character of a city. Visitors are often treated more like family than a customer when business owners are members of the community themselves, their business is more than just a place to get great products. It becomes part of the landscape of the community.

I know when I am vacationing, I always prefer to check out the local dining and shopping options. When traveling, people generally aren’t looking to eat at the same fast food or chain restaurants they have at home, and they don’t have a desire to spend their time in big-box stores, they want to check out the local wares.

In the coming year, we will continue to hold events and work to add-to and sustain wonderful shopping opportunities, delicious restaurants and more. Though we have been denied funding for the next LTAC period, it will be the sole responsibility of the businesses and the volunteers (who also own the businesses) to fund events that create interest for tourists and locals alike. It's vital that we support our local downtown businesses. Without them, those visiting our city will likely travel in to attend the conference or private event they came for and not venture around town, check out a new experience or spend any additional money in Shelton. We look forward to continuing to add to what Shelton has to offer. We thank the LTAC committee for their support during the 2022-23 LTAC period and hope for more support in the future.

Thank you.

August 2023 Monthly Financial Report

City of Shelton, Washington

General Fund Overview

	2023 Revised Budget	2023 thru August	2023 Est Actual	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Revenues	14,513,102	9,726,992	14,510,841	(2,261)	0.0%
Expenditures	15,891,620	8,964,219	14,764,367	1,127,253	7.1%
Net Revenues Less Expenditures	(1,378,518)	762,774	(253,526)	1,124,992	
Beginning Fund Balance	5,047,716		5,047,716		
Ending Fund Balance	3,669,198		4,794,190		
	23.1%		30.2%		
Ending Fund Balance Breakdown:					
Reserved - 20% of Budget	3,178,324		3,178,324		
Unreserved Fund Balance	490,874		1,615,866		
Total Fund Balance	3,669,198		4,794,190		

Summary

2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.
2022 amounts included in this report are unaudited.

Analysis through August shows an overall Positive budget variance of \$1.1 million.

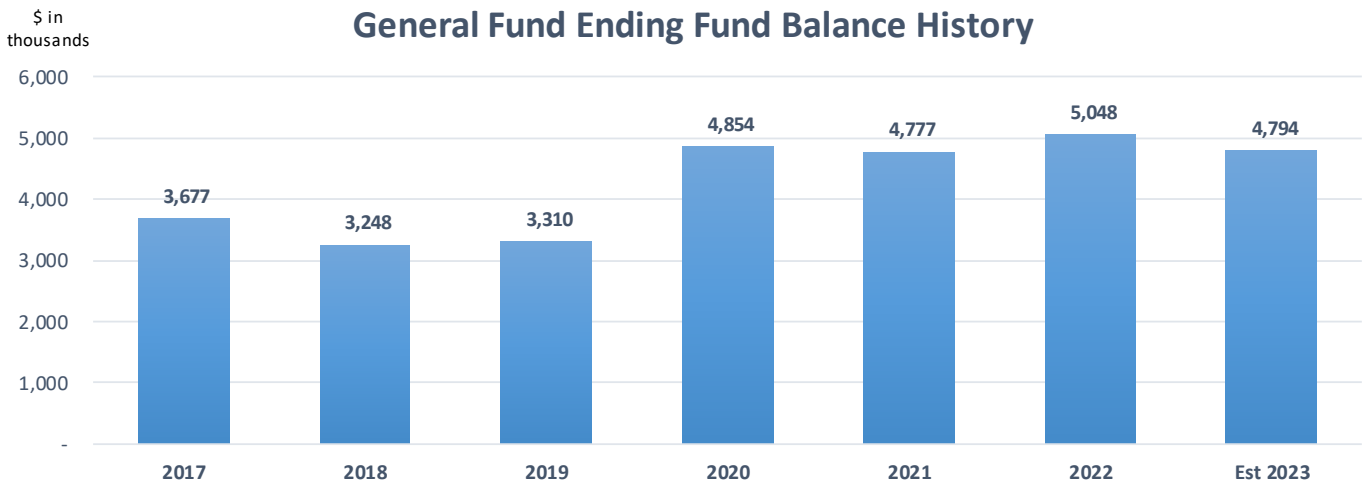
General Fund Reserves are estimated to end the year at \$4.8 million, or 30.2% of 2023 revised budgeted expenditures.

Revenue Overview

Revenues are currently estimated to end the year approximately \$2 thousand, or -.0% lower than budgeted.

Expenditure Overview

Expenditures are currently estimated to end the year approximately \$1.1 million, or 7.1% less than budgeted.



August 2023 Monthly Financial Report

City of Shelton, Washington

General Fund Overview - Revenues

Revenue Categories	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Taxes:					
Property	2,846,399	1,548,864	2,846,399	-	0.0%
Sales & Use	3,515,360	2,361,585	3,436,630	(78,730)	-2.2%
City Utility	1,276,600	934,761	1,402,140	125,540	9.8%
Non-City Utility	1,301,400	932,985	1,289,760	(11,640)	-0.9%
Business & Occupation	1,007,475	582,416	807,475	(200,000)	-19.9%
Other	48,930	39,591	55,960	7,030	14.4%
Licenses & Permits	301,900	217,184	304,440	2,540	0.8%
Intergovernmental Revenue	632,086	428,086	569,350	(62,736)	-9.9%
Charges for Goods/Services	3,159,306	2,386,437	3,334,590	175,284	5.5%
Fines and Penalties	92,550	35,745	53,620	(38,930)	-42.1%
Miscellaneous Revenue	153,096	259,338	304,477	151,381	98.9%
Transfers In	178,000	-	106,000	(72,000)	-40.4%
Total Revenues	14,513,102	9,726,992	14,510,841	(2,261)	0.0%

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

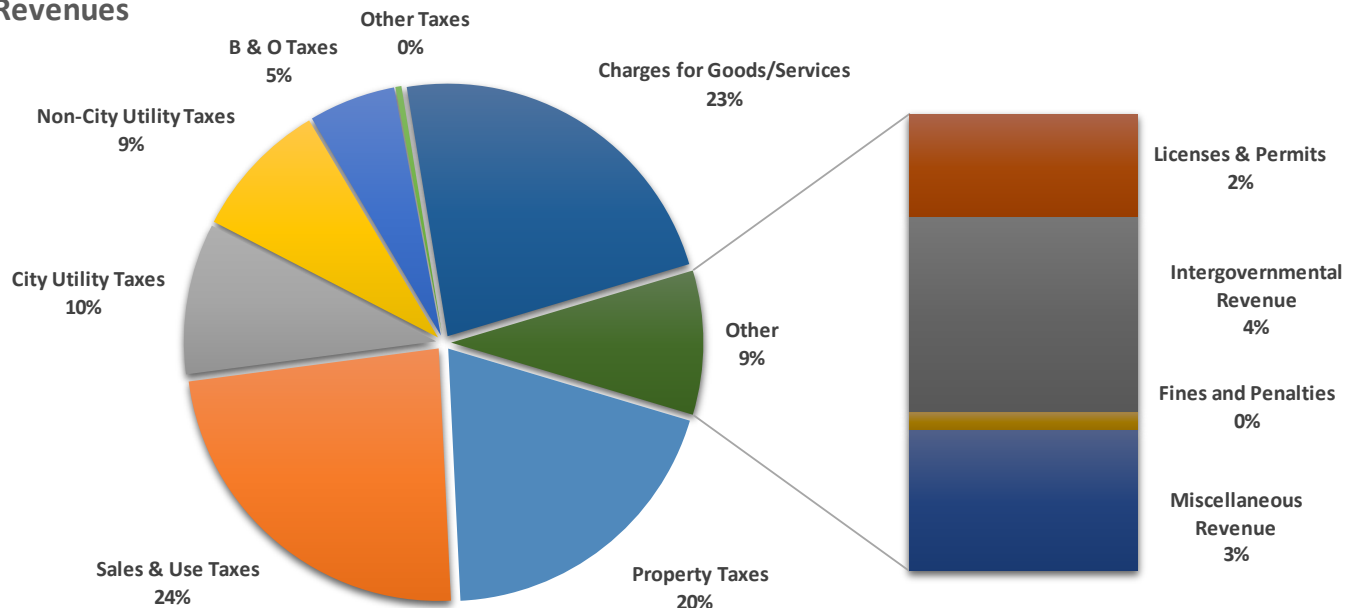
Variance analysis for revenues is provided for particular line items or those in which the estimated actual amount differs from the budgeted amount by at least 10% and \$75,000.

Variance Notes

B&O Taxes: Estimated to be under budget by \$200 thousand due to lower taxes received so far this year.

Miscellaneous: Over budget due to parks donations, investment interest & facility rentals.

2023 Estimated General Fund Revenues



August 2023 Monthly Financial Report

City of Shelton, Washington

General Fund Overview - Expenditures

Department	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Administrative Services					
Human Resources	324,148	222,812	323,280	868	0.3%
Information Technology	411,911	264,470	410,664	1,247	0.3%
Risk Management	141,556	116,537	146,390	(4,834)	-3.4%
City Clerk	273,030	162,452	248,960	24,070	8.8%
City Council	70,438	41,583	64,856	5,582	7.9%
City Manager					
City Manager	405,609	298,011	430,932	(25,323)	-6.2%
Legal	328,170	194,866	302,410	25,760	7.8%
Detentions/Corrections-Contract	1,137,280	100,856	304,110	833,170	73.3%
Community Dev, Parks, Facilities					
Civic Center Activities	81,540	43,182	63,710	17,830	21.9%
Community Development	1,044,298	623,802	1,036,396	7,902	0.8%
Facility Services	923,360	441,894	786,170	137,190	14.9%
Parks & Recreation	720,339	431,753	696,804	23,535	3.3%
Finance	1,171,129	784,598	1,198,170	(27,041)	-2.3%
Fire & Emergency Services	2,195,161	1,655,842	2,482,840	(287,679)	-13.1%
Municipal Court	729,432	502,514	743,630	(14,198)	-1.9%
Non-Departmental	905,228	127,937	837,643	67,585	7.5%
Police	4,043,910	2,494,753	3,867,502	176,408	4.4%
Public Works	985,081	456,356	819,899	165,182	16.8%
Total Expenditures	15,891,620	8,964,219	14,764,367	1,127,253	7.1%

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

Variance analysis for expenditures is provided for particular departments which have an estimated actual amount that differs from the budgeted amount by at least 10% and \$75,000.

Variance Notes

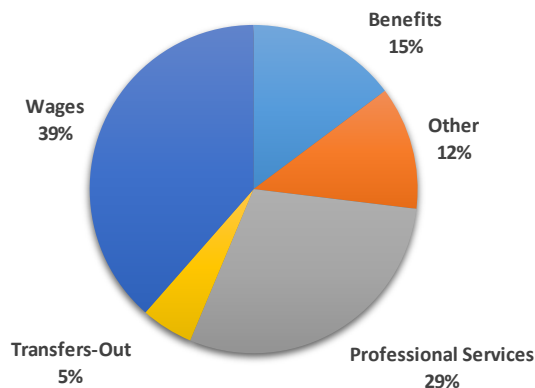
Detention/Corrections: Jail fees estimated to be below budget due to limited implementation of new jail contract.

Facility Services: Library deck repair delayed until 2024.

Fire & Emergency Services: Budgeted for a 33% estimated increase and final increase came in much higher.

Public Works: below budget due to open positions during 2023.

2023 Estimated General Fund Expenditures



August 2023 Monthly Financial Report

City of Shelton, Washington

General Fund Year-to-Year

	2021 Actual	2022 Actual	2023 Revised Budget	2023 thru August	2023 Est Actual
Beginning Fund Balance	4,853,628	4,777,607	5,047,716	5,047,716	5,047,716
Revenues					
Taxes:					
Property	2,502,891	2,546,998	2,846,399	1,548,864	2,846,399
Sales & Use	3,368,713	3,436,648	3,515,360	2,361,585	3,436,630
City Utility	1,241,561	1,474,584	1,276,600	934,761	1,402,140
Non-City Utility	1,165,125	1,205,659	1,301,400	932,985	1,289,760
Business & Occupation	980,007	985,461	1,007,475	582,416	807,475
Other	56,304	60,421	48,930	39,591	55,960
Licenses & Permits	281,260	306,329	301,900	217,184	304,440
Intergovernmental Revenue	2,240,637	2,147,469	632,086	428,086	569,350
Charges for Goods/Services	2,904,696	3,060,577	3,159,306	2,386,437	3,334,590
Fines and Penalties	78,453	51,581	92,550	35,745	53,620
Miscellaneous Revenue	141,622	260,291	153,096	259,338	304,477
Transfers In	-	128	178,000	-	106,000
Total Revenues	14,961,269	15,536,147	14,513,102	9,726,992	14,510,841
Expenditures					
Administrative Services					
Human Resources	259,811	327,848	324,148	222,812	323,280
Information Technology	279,243	374,562	411,911	264,470	410,664
Risk Management	115,849	136,360	141,556	116,537	146,390
City Clerk	198,328	238,028	273,030	162,452	248,960
City Council	100,744	77,768	70,438	41,583	64,856
City Manager					
City Manager	385,264	344,279	405,609	298,011	430,932
Legal	286,726	277,979	328,170	194,866	302,410
Detentions/Corrections-Contract	314,238	339,327	1,137,280	100,856	304,110
Community Dev, Parks, Facilities					
Civic Center Activities	50,348	51,915	81,540	43,182	63,710
Community Development	619,739	728,236	1,044,298	623,802	1,036,396
Facility Services	524,991	652,720	923,360	441,894	786,170
Parks & Recreation	521,872	575,245	720,339	431,753	696,804
Finance	928,469	1,079,083	1,171,129	784,598	1,198,170
Fire & Emergency Services	1,560,701	1,690,846	2,195,161	1,655,842	2,482,840
Municipal Court	528,267	666,977	729,432	502,514	743,630
Non-Departmental	4,252,020	3,220,764	905,228	127,937	837,643
Police	3,410,746	3,587,265	4,043,910	2,494,753	3,867,502
Public Works	699,932	896,836	985,081	456,356	819,899
Total Expenditures	15,037,288	15,266,038	15,891,620	8,964,219	14,764,367
Net Revenues less Expenditures	(76,021)	270,109	(1,378,518)	762,774	(253,526)
Ending Fund Balance	4,777,607	5,047,716	3,669,198	5,810,490	4,794,190
General Fund Reserves	4,777,607	5,047,716	3,669,198		4,794,190
based on same year actuals/budget	31.8%	33.1%	23.1%		32.5%

August 2023 Monthly Financial Report

City of Shelton, Washington

General Fund Month-to-Month

	2021 thru August	2022 thru August	2023 thru August	2023 - 2022 Variance	% of Budget
Revenues					
Taxes:					
Property	1,647,620	1,429,501	1,548,864	119,362	8.3%
Sales & Use	2,253,131	2,232,441	2,361,585	129,144	5.8%
City Utility	771,755	978,778	934,761	(44,017)	-4.5%
Non-City Utility	831,054	877,750	932,985	55,235	6.3%
Business & Occupation	742,340	749,006	582,416	(166,590)	-22.2%
Other	31,824	35,776	39,591	3,815	10.7%
Licenses & Permits	187,270	232,654	217,184	(15,470)	-6.6%
Intergovernmental Revenue	1,855,970	1,985,994	428,086	(1,557,908)	-78.4%
Charges for Goods/Services	1,939,482	2,046,381	2,386,437	340,056	16.6%
Fines and Penalties	51,223	35,275	35,745	470	1.3%
Miscellaneous Revenue	92,511	134,152	259,338	125,186	93.3%
Transfers In	-	-	-	-	0.0%
Total Revenues	10,404,180	10,737,708	9,726,992	(1,010,715)	-9.4%
Expenditures					
Administrative Services					
Human Resources	174,675	231,413	222,812	(8,600)	-3.7%
Information Technology	190,959	189,353	264,470	75,117	39.7%
Risk Management	87,660	95,001	116,537	21,536	22.7%
City Clerk	127,422	162,832	162,452	(380)	-0.2%
City Council	67,866	57,307	41,583	(15,725)	-27.4%
City Manager					
City Manager	254,941	252,541	298,011	45,470	18.0%
Legal	177,368	172,550	194,866	22,316	12.9%
Detentions/Corrections-Contract	194,845	233,507	100,856	(132,651)	-56.8%
Community Dev, Parks, Facilities					
Civic Center Activities	34,661	32,831	43,182	10,351	31.5%
Community Development	400,425	457,448	623,802	166,354	36.4%
Facility Services	335,640	420,710	441,894	21,184	5.0%
Parks & Recreation	333,011	355,303	431,753	76,451	21.5%
Finance	690,320	639,956	784,598	144,642	22.6%
Fire & Emergency Services	1,046,620	1,126,157	1,655,842	529,685	47.0%
Municipal Court	354,027	439,395	502,514	63,119	14.4%
Non-Departmental	173,303	2,183,239	127,937	(2,055,302)	-94.1%
Police	2,331,223	2,404,731	2,494,753	90,022	3.7%
Public Works	401,135	592,453	456,356	(136,098)	-23.0%
Total Expenditures	7,376,101	10,046,728	8,964,219	(1,082,510)	-10.8%

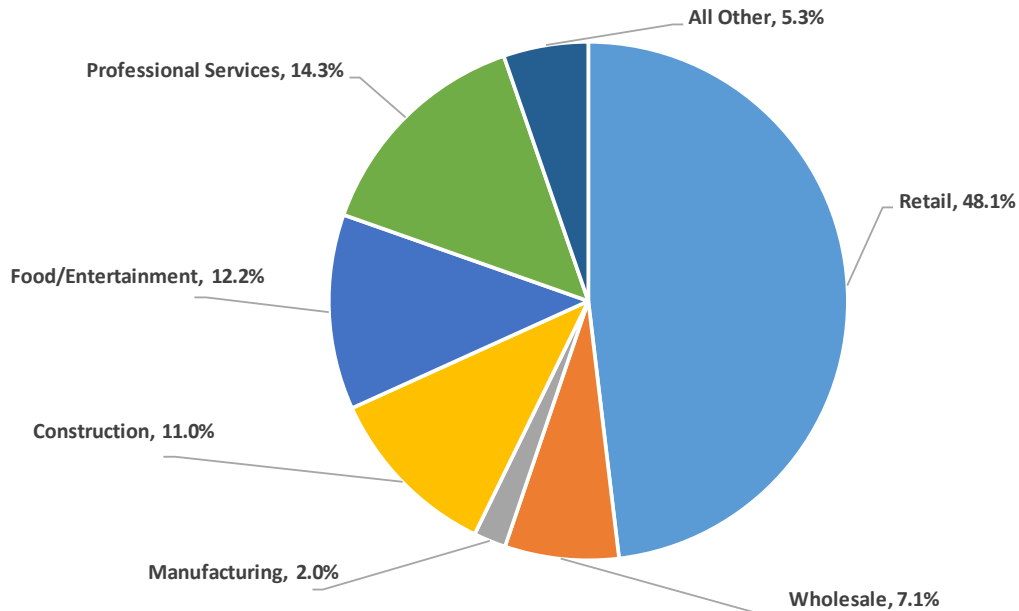
This Month-to-Month presentation does not include variance notes. Common variances are due to timing of receipts and expenditures. Totals reported are year-to-date through August which is 66.7% of the year.

August 2023 Monthly Financial Report

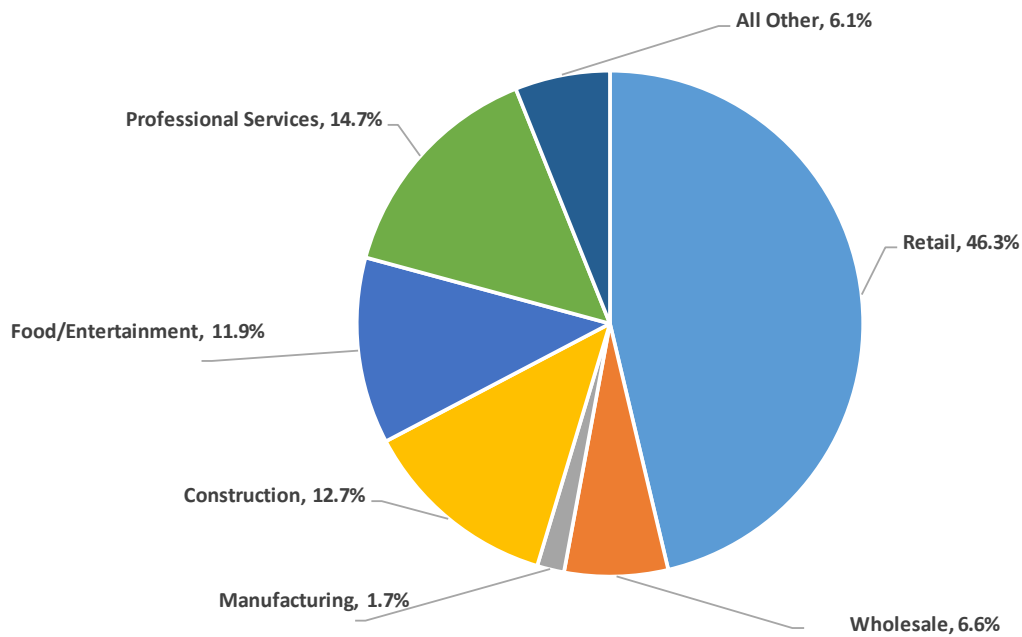
City of Shelton, Washington

Sales Tax Breakdown by Type

2023 thru August



August 2023



August 2023 Monthly Financial Report

City of Shelton, Washington

Fund Balances

Fund	2023 Beginning Fund Balance	2023 Estimated Revenue	2023 Estimated Expenditure	2023 Estimated Fund Balance	\$ Change	% Change
City-wide Fund Balances						
General Fund	5,047,716	14,510,841	14,764,367	4,794,190	(253,526)	-5.0%
Street Fund	432,336	2,080,438	2,002,935	509,839	77,503	17.9%
Capital Resource Funds						
Real Estate Excise Tax -1	505,896	176,000	128,574	553,322	47,426	9.4%
Real Estate Excise Tax -2	592,438	178,000	30,000	740,438	148,000	25.0%
Transport Benefit District	1,540,535	563,000	579,500	1,524,035	(16,500)	-1.1%
Traffic Impact Fees	706,764	80,000	100,000	686,764	(20,000)	-2.8%
General Resources	1,222,689	333,204	934,204	621,689	(601,000)	-49.2%
Tourism Fund	91,844	52,700	70,445	74,099	(17,745)	-19.3%
Bond Fund	7,592	183,900	183,900	7,592	-	0.0%
Capital Improvement Fund	860,451	1,674,358	2,181,868	352,941	(507,510)	-59.0%
Water Fund	2,003,551	3,746,830	3,476,417	2,273,964	270,413	13.5%
Water Capital Fund	1,042,911	671,000	1,098,260	615,651	(427,260)	-41.0%
Sewer Fund	4,162,000	6,699,162	7,077,741	3,783,421	(378,579)	-9.1%
Sewer Capital Fund	1,317,368	748,210	1,301,843	763,735	(553,633)	-42.0%
Solid Waste Fund	955,208	2,083,200	2,799,153	239,255	(715,953)	-75.0%
Storm Drainage Fund	612,365	1,629,246	1,402,660	838,951	226,586	37.0%
Storm Drainage Capital Fund	185,194	80,000	129,210	135,984	(49,210)	-26.6%
Payroll Benefits Fund	196,855	111,980	95,591	213,244	16,389	8.3%
Equipment Rental Fund	564,289	672,107	1,082,448	153,948	(410,341)	-72.7%
Firefighters Pension Fund	426,890	21,634	68,311	380,213	(46,677)	-10.9%
Library Endowment Fund	122,928	5,900	-	128,828	5,900	4.8%
City-wide Fund Totals	22,597,820	36,301,710	39,507,428	19,392,102	(3,205,718)	-14.2%

City-Wide FTE by Fund

General Fund	2023 Budget	2023 Revised	August 31 Vacancies
City Council	7.00	7.00	-
Municipal Court	4.50	4.50	-
City Clerk*	2.00	2.00	-
City Manager	2.00	2.00	-
Human Resources	2.85	2.85	1.00
Information Technology	1.15	1.15	-
Finance	9.00	7.00	-
Public Works	5.10	5.10	1.00
Police	21.00	21.00	1.00
Community Development	5.85	5.85	1.00
Parks, Rec & Facilities	9.00	8.00	1.00
Total General Fund	69.45	66.45	5.00

Other City Funds	2023 Budget	2023 Revised	August 31 Vacancies
Street Operating	4.65	4.65	1.00
Water Utility	8.80	8.80	0.50
Sewer Utility	11.70	11.70	0.50
Storm Drainage Utility	7.60	7.60	1.00
Equip. Maint. & Rental	1.30	1.30	-
Total Other Funds	34.05	34.05	3.00
Total City	103.50	100.50	8.00

August 2023 Monthly Financial Report

City of Shelton, Washington

City-Wide Overview - Revenues & Expenditures

Fund	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
General Fund					
Taxes	9,996,164	6,400,202	9,838,364	(157,800)	-1.6%
Licenses & Permits	301,900	217,184	304,440	2,540	0.8%
Intergovernmental Revenue	632,086	428,086	569,350	(62,736)	-9.9%
Charges for Goods/Services	3,159,306	2,386,437	3,334,590	175,284	5.5%
Fines and Penalties	92,550	35,745	53,620	(38,930)	-42.1%
Miscellaneous Revenue	153,096	259,338	304,477	151,381	98.9%
Transfers In	178,000	-	106,000	(72,000)	-40.4%
Total Revenues	14,513,102	9,726,992	14,510,841	(2,261)	0.0%
Wages	5,952,128	3,709,746	5,688,823	263,305	4.4%
Benefits	2,415,223	1,433,218	2,183,234	231,989	9.6%
Professional Services	4,843,823	2,616,770	4,340,845	502,978	10.4%
Transfers-Out	872,022	50,106	759,812	112,210	12.9%
Other	1,808,424	1,154,379	1,791,653	16,771	0.9%
Total Expenditures	15,891,620	8,964,219	14,764,367	1,127,253	7.1%
Net Revenues Less Expenditures	(1,378,518)	762,774	(253,526)	1,124,992	
Street Fund					
Taxes	675,000	480,840	675,000	-	0.0%
Licenses & Permits	10,000	8,305	10,000	-	0.0%
Intergovernmental Revenue	199,000	131,092	200,191	1,191	0.6%
Charges for Goods/Services	56,120	41,190	61,051	4,931	8.8%
Miscellaneous Revenue	1,500	6,437	7,500	6,000	400.0%
Transfers In	1,126,696	-	1,126,696	-	0.0%
Total Revenues	2,068,316	667,864	2,080,438	12,122	0.6%
Wages	378,476	227,487	372,735	5,741	1.5%
Benefits	177,468	105,065	164,628	12,840	7.2%
Professional Services	107,440	7,324	92,400	15,040	14.0%
Transfers-Out	525,000	-	525,000	-	0.0%
Other	852,441	539,505	848,172	4,269	0.5%
Total Expenditures	2,040,825	879,380	2,002,935	37,890	1.9%
Net Revenues Less Expenditures	27,491	(211,517)	77,503	50,012	
Capital Resources - Real Estate Excise Tax - 1 (REET-1)					
Taxes	52,500	139,685	160,000	107,500	204.8%
Miscellaneous Revenue	-	12,361	16,000	16,000	
Total Revenues	52,500	152,046	176,000	123,500	235.2%
Transfers-Out	128,574	91,739	128,574	-	0.0%
Total Expenditures	128,574	91,739	128,574	-	0.0%
Net Revenues Less Expenditures	(76,074)	60,307	47,426	123,500	

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

August 2023 Monthly Financial Report

City of Shelton, Washington

City-Wide Overview - Revenues & Expenditures

Fund	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Capital Resources - Real Estate Excise Tax - 2 (REET-2)					
Taxes	52,500	139,685	160,000	107,500	204.8%
Miscellaneous Revenue	-	15,428	18,000	18,000	
Total Revenues	52,500	155,113	178,000	125,500	239.0%
Transfers-Out	30,000	-	30,000	-	0.0%
Total Expenditures	30,000	-	30,000	-	0.0%
Net Revenues Less Expenditures	22,500	155,113	148,000	125,500	
Capital Resources -Transportation Benefit District (TBD)					
Miscellaneous Revenue	-	33,411	38,000	38,000	
Transfers In	525,000	-	525,000	-	0.0%
Total Revenues	525,000	33,411	563,000	38,000	7.2%
Transfers-Out	779,500	180,000	579,500	200,000	25.7%
Total Expenditures	779,500	180,000	579,500	200,000	25.7%
Net Revenues Less Expenditures	(254,500)	(146,589)	(16,500)	238,000	
Capital Resources - Traffic Impact Fees (TIF)					
Charges for Goods/Services	80,000	53,379	60,000	(20,000)	-25.0%
Miscellaneous Revenue	-	16,977	20,000	20,000	
Total Revenues	80,000	70,356	80,000	-	0.0%
Transfers-Out	100,000	-	100,000	-	0.0%
Total Expenditures	100,000	-	100,000	-	0.0%
Net Revenues Less Expenditures	(20,000)	70,356	(20,000)	-	
Capital Resources - General					
Intergovernmental Revenue	303,204	302,944	303,204	-	0.0%
Miscellaneous Revenue	-	22,685	30,000	30,000	
Total Revenues	303,204	325,629	333,204	30,000	9.9%
Transfers-Out	654,000	-	631,000	23,000	3.5%
Other	303,204	302,944	303,204	-	0.0%
Total Expenditures	957,204	302,944	934,204	23,000	2.4%
Net Revenues Less Expenditures	(654,000)	22,685	(601,000)	53,000	
Tourism Fund					
Taxes	48,000	37,493	50,000	2,000	4.2%
Miscellaneous Revenue	100	2,377	2,700	2,600	2600.0%
Total Revenues	48,100	39,869	52,700	4,600	9.6%
Professional Services	68,000	18,695	70,445	(2,445)	-3.6%
Total Expenditures	68,000	18,695	70,445	(2,445)	-3.6%
Net Revenues Less Expenditures	(19,900)	21,174	(17,745)	2,155	

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

August 2023 Monthly Financial Report

City of Shelton, Washington

City-Wide Overview - Revenues & Expenditures

Fund	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Bond Fund					
Taxes	-	-	-	-	
Transfers In	183,900	44,450	183,900	-	0.0%
Total Revenues	183,900	44,450	183,900	-	0.0%
Other	183,900	44,450	183,900	-	0.0%
Total Expenditures	183,900	44,450	183,900	-	0.0%
Net Revenues Less Expenditures	-	0	-	-	

Capital Improvement Fund					
Intergovernmental Revenue	1,845,085	789,463	894,858	(950,227)	-51.5%
Charges for Goods/Services	50,000	-	50,000	-	0.0%
Transfers In	929,500	260,000	729,500	(200,000)	-21.5%
Total Revenues	2,824,585	1,049,463	1,674,358	(1,150,227)	-40.7%
Professional Services	-	111,932	128,025	(128,025)	
Other	2,824,585	1,482,128	2,053,843	770,742	1.3%
Total Expenditures	2,824,585	1,594,060	2,181,868	642,717	22.8%
Net Revenues Less Expenditures	-	(544,597)	(507,510)	(507,510)	

Water Fund					
Charges for Goods/Services	2,916,210	1,934,988	2,841,929	(74,281)	-2.5%
Miscellaneous Revenue	46,100	882,439	904,900	858,800	1862.9%
Total Revenues	2,962,310	2,817,428	3,746,830	784,520	26.5%
Wages	679,386	440,952	661,430	17,956	2.6%
Benefits	300,270	183,964	275,960	24,310	8.1%
Professional Services	290,070	233,486	350,240	(60,170)	-20.7%
Transfers-Out	390,000	59,387	390,000	-	0.0%
Other	1,846,225	929,178	1,798,787	47,438	2.6%
Total Expenditures	3,505,951	1,846,967	3,476,417	29,534	0.8%
Net Revenues Less Expenditures	(543,641)	970,461	270,413	814,054	

Water Fund

Revenues: Includes sale of land.

Water Capital Fund					
Intergovernmental Revenue	950,000	187,335	281,000	(669,000)	-70.4%
Transfers In	390,000	59,387	390,000	-	0.0%
Total Revenues	1,340,000	246,722	671,000	(669,000)	-49.9%
Other	1,340,000	389,722	1,098,260	241,740	18.0%
Total Expenditures	1,340,000	389,722	1,098,260	241,740	18.0%
Net Revenues Less Expenditures	-	(143,000)	(427,260)	(427,260)	

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

August 2023 Monthly Financial Report

City of Shelton, Washington

City-Wide Overview - Revenues & Expenditures

Fund	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Sewer Fund					
Charges for Goods/Services	6,445,320	4,579,242	6,604,162	158,842	2.5%
Miscellaneous Revenue	18,000	63,235	95,000	77,000	427.8%
Total Revenues	6,463,320	4,642,477	6,699,162	235,842	3.6%
Wages	896,320	575,607	863,390	32,930	3.7%
Benefits	414,152	248,459	372,700	41,452	10.0%
Professional Services	476,760	316,918	475,390	1,370	0.3%
Transfers-Out	642,000	176,433	642,000	-	0.0%
Other	4,601,432	3,606,114	4,724,261	(122,829)	-2.7%
Total Expenditures	7,030,664	4,923,531	7,077,741	(47,077)	-0.7%
Net Revenues Less Expenditures	(567,344)	(281,054)	(378,579)	188,765	
Sewer Capital Fund					
Intergovernmental Revenue	400,000	70,805	106,210	(293,790)	-73.4%
Transfers In	642,000	176,433	642,000	-	0.0%
Total Revenues	1,042,000	247,238	748,210	-	0.0%
Other	1,042,000	926,712	1,301,843	(259,843)	-24.9%
Total Expenditures	1,042,000	926,712	1,301,843	(259,843)	-24.9%
Net Revenues Less Expenditures	-	(679,474)	(553,633)	(553,633)	
Solid Waste Fund					
Intergovernmental Revenue	1,392,918	2,067,723	2,070,000	677,082	48.6%
Miscellaneous Revenue	-	12,118	13,200	13,200	
Total Revenues	1,392,918	2,079,841	2,083,200	690,282	49.6%
Professional Services	228,185	232,056	302,500	(74,315)	-32.6%
Other	1,678,225	2,496,650	2,496,653	(818,428)	-48.8%
Total Expenditures	1,906,410	2,728,706	2,799,153	(892,743)	-46.8%
Net Revenues Less Expenditures	(513,492)	(648,865)	(715,953)	(202,461)	
Storm Drainage Fund					
Intergovernmental Revenue	25,000	47,673	47,673	22,673	90.7%
Charges for Goods/Services	1,537,340	1,029,799	1,544,700	7,360	0.5%
Miscellaneous Revenue	500	29,633	36,873	36,373	7274.6%
Total Revenues	1,562,840	1,107,105	1,629,246	66,406	4.2%
Wages	556,387	244,520	437,960	118,427	21.3%
Benefits	242,846	107,687	175,400	67,446	27.8%
Professional Services	133,090	33,302	93,550	39,540	29.7%
Transfers-Out	80,000	-	80,000	-	0.0%
Other	605,668	374,649	615,750	(10,082)	-1.7%
Total Expenditures	1,617,991	760,158	1,402,660	215,331	13.3%
Net Revenues Less Expenditures	(55,151)	346,947	226,586	281,737	
Storm Drainage Capital Fund					
Intergovernmental Revenue	-	80,000	80,000	80,000	
Transfers In	80,000	-	-	(80,000)	-100.0%
Total Revenues	80,000	80,000	80,000	-	0.0%
Other	80,000	112,804	129,210	(49,210)	-61.5%
Total Expenditures	80,000	112,804	129,210	(49,210)	-61.5%
Net Revenues Less Expenditures	-	(32,804)	(49,210)	(49,210)	

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

August 2023 Monthly Financial Report

City of Shelton, Washington

City-Wide Overview - Revenues & Expenditures

Fund	2023 Revised Budget	2023 thru August	2023 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Payroll Benefits Fund					
Charges for Goods/Services	40,000	32,703	49,050	9,050	22.6%
Miscellaneous Revenue	350	4,041	5,140	4,790	1368.6%
Transfers In	120,000	17,396	57,790	(62,210)	-51.8%
Total Revenues	160,350	54,139	111,980	(48,370)	-30.2%
Benefits	160,350	41,339	95,591	64,759	40.4%
Total Expenditures	160,350	41,339	95,591	64,759	40.4%
Net Revenues Less Expenditures	-	12,800	16,389	16,389	

Equipment Maint & Rental Fund					
Charges for Goods/Services	578,000	440,101	660,150	82,150	14.2%
Miscellaneous Revenue	5,000	10,917	11,957	6,957	139.1%
Total Revenues	583,000	451,017	672,107	89,107	15.3%
Wages	107,565	70,797	106,200	1,365	1.3%
Benefits	51,899	34,330	51,500	399	0.8%
Professional Services	14,308	2,727	14,178	130	0.9%
Other	931,304	468,620	910,570	20,734	2.2%
Total Expenditures	1,105,076	576,474	1,082,448	22,628	2.0%
Net Revenues Less Expenditures	(522,076)	(125,456)	(410,341)	111,735	

Firefighter's Pension Fund					
Taxes	100	-	-	(100)	-100.0%
Miscellaneous Revenue	9,000	19,082	21,634	12,634	140.4%
Transfers In	50,000	-	-	(50,000)	-100.0%
Total Revenues	59,100	19,082	21,634	(37,466)	-63.4%
Benefits	80,600	36,455	68,311	12,289	15.2%
Total Expenditures	80,600	36,455	68,311	12,289	15.2%
Net Revenues Less Expenditures	(21,500)	(17,374)	(46,677)	(25,177)	

Firefighters Pension Fund Notes

Revenues: Current estimate does not include a transfer-in from general fund in 2023.

Library Endowment Fund					
Miscellaneous Revenue	1,600	5,400	5,900	4,300	268.8%
Total Revenues	1,600	5,400	5,900	4,300	268.8%
Transfers-Out	24,000	-	-	24,000	100.0%
Total Expenditures	24,000	-	-	24,000	100.0%
Net Revenues Less Expenditures	(22,400)	5,400	5,900	28,300	

*2023 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

Shelton Police Department



2022
Annual Report
Washington State
Accredited Police Department

Mission Statement

Our mission is to provide excellent service and protection through leadership and partnership[with the community. Protecting the community is at the core of what we do, but we also provide a variety of traditional and non-traditional services. We will accomplish our mission by being leaders in the community an working hand-in-had with the public to make Shelton a great place to live.

LOYALTY - BE FAITHFUL TO THE LAW, COMMUNITY, EACH OTHER, AND OUR FAMILIES

We will be faithful to the United States Constitution and laws of Washington, the public trust and the community we serve, the Shelton Police Department, our fellow officers, and our families.

DUTY - FULFILL OUR OBLIGATIONS

We will strive to fulfill our duty to the best of our abilities. We will conduct ourselves with self-discipline, professionalism and confidence. We will exercise self-restraint and objectivity in the face of emotions and extreme circumstances. We will always work towards excellence through constant self-improvement.

RESPECT - TREAT OTHERS AS THEY SHOULD BE TREATED

We will treat everyone as we would want to be treated, even in negative situations. We will be courteous and respectful in our dealings with each other and the public. We will provide fair access, whenever possible, to information that people require to make decisions about their lives.

SERVICE - PUT OTHERS BEFORE OURSELVES

We will put the welfare of others before our own interests. We will do our job with caring and compassion. We will foster teamwork, both within our department and with other agencies.

HONOR - LIVE UP TO ALL OF OUR VALUES

We will lead honorable lives both on and off-duty. This honor will be the source of our leadership and pride.

INTEGRITY - DO THE RIGHT THING

We will consistently do what is right, legally and morally. We will communicate with honesty and candor. We will earn the trust of the community and each other.

PERSONAL COURAGE - CONQUER FEAR, DANGER, AND ADVERSITY

We will recognize our fears and put them aside to do what is necessary. We understand that one needs both moral and physical courage.

While 2021 was a year of transition, I would have to describe 2022 as a year of growth for the Shelton Police Department, Sadly, that growth isn't in numbers as we still struggle to fill sworn vacancies that existed prior to my appointment. The Shelton Police Department had two officers leave in 2022- Officer Trent Porter resigned to join the Kitsap County Sheriff's Office so he could be closer to home and Officer Paul Campbell retired. We were fortunate to hire two lateral officers, Justin Whitley from the Skokomish Police Department and Mike Gettle from the McCleary Police Department. Both are exemplary officers and have proven to be wonderful additions to our department. In 2022, we also hired our first entry level officer since my appointment. Recruit Will Gano started academy training at the Criminal Justice Training Center in October and is doing well in his studies.

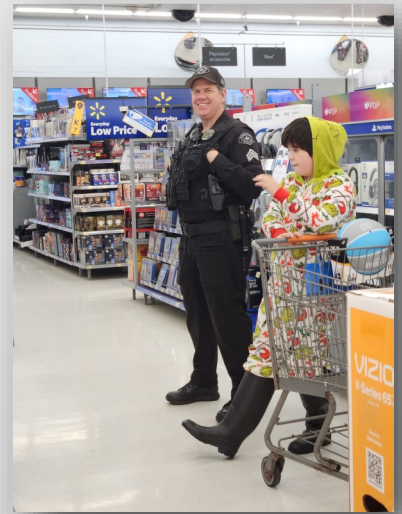


When I say 2022 has been a year of growth, I'm referring to an emphasis on training and professional development throughout the department. 2022 started with a schedule change that incorporated 72 more training hours into every officer's regular work schedule. The additional training hours were used to provide every sworn officer with active shooter response and scenario training, defensive tactics and less lethal weapons refresher training, more time practicing and qualifying with firearms on the range, as well as training on writing search warrants. This is not an exhaustive list of training topics covered- it is more of a sampling- but it does reflect our commitment to excellence when providing professional law enforcement services to our community. In addition to the training all officers received, several officers were selected to attend various leadership training classes as they became available to include the Criminal Justice Training Center's 21st Century Policing Leadership, Mason County Sheriff's Office's GOLD Leadership training, 21st Century Sergeant's Academy, and Field Training Officer classes. I expect every member of the Shelton Police Department to be a leader in the community and it is my goal to make sure everyone has an opportunity to attend leadership training at every level in our organization.

In 2021, several laws were enacted that hampered our ability to effectively protect our community. Thankfully, the 2022 legislative session "fixed" some of the laws that were passed in 2021, but we still have significant challenges with laws that were not amended. One of the most problematic issues we face in Shelton is the Blake decision that essentially decriminalized drug possession and use in Washington. We've seen a drastic increase in calls related to drug use in 2022 and, unfortunately, we've also seen an increase in deaths as a result of drug overdoses. Another law that wasn't amended was the pursuit law which requires officers to have probable cause to arrest for a violent felony or reasonable suspicion for driving under the influence AND a sergeant's approval prior to pursuing a motor vehicle. As a result of this law and the narrow scope where a pursuit can be authorized, we've seen an increase in subjects fleeing from police because they know police can't give chase. In spite of these challenges, the Shelton Police Department still works hard to keep Shelton safe while following the laws as they are written.

I am so proud of the committed officers who represent the Shelton Police Department and all of their efforts to take care of their community every day. "Adapt and Overcome" continues to be our mantra as we are always striving to find better ways to serve our community.

Carole Beason
Chief of Police
Shelton Police Department



Chief of Police: Carole Beason
 Address: 525 W Cota St., Shelton, WA 98584
 Business Office: (360)432-5145
 Non-Emergency: (360)426-4441
 Emergency: 911
 Website: <https://sheltonwa.gov/government/departments/police/index.php>

PATROL—Traffic Enforcement

125 Criminal Traffic Citations

113 Traffic Infractions

50 DUIs

The Shelton Police Department responded to 286 reportable traffic accidents, of those accidents 85 involved were hit & run, 21 DUI. There were 63 people injured, 7 of those were pedestrians and 4 were pedal cyclists. Unfortunately we had 3 fatality accidents, one was medically related the other 2 were drug/alcohol related.

CITATION REVENUE:

City Share

\$72,313.74

County Share

\$817.24

State Share

\$119,878.02



Sgt. DeRoche



Sgt. Downs



Sgt. Lawson



Sgt. Moran



Det. Sgt. Patton



Officer Campbell



Officer Ohlson



Officer Porter



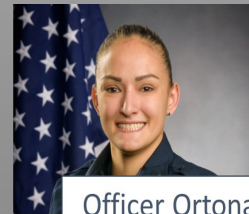
Officer Belleville



Officer Pickens



Officer Diaz



Officer Ortona



Officer Portillo



Officer Ford



Officer Whitley



Officer Gettle



Officer Gano



School Resource Officer (SRO):

SRO – provides service to 8 schools int the Shelton School District.

SRO - provides a deterrent to criminal activities, provides education and mentorship to students.

SRO - assumes many roles and are committed to supporting the students. They build a stronger relationship with schools, parents & students.

Detective Cases:

	<u>2022</u>	<u>2021</u>
Homicide	3	1
Arson	2	0
Burglary	41	14
Fraud/Forgery	22	33
Vehicle Theft	44	30
Robbery	6	2
Unlawful Imprisonment	1	1
Sexual Assault	31	35
Weapons Offense	4	1
Other	<u>91</u>	<u>98</u>
	251	228

School District Stats:

	<u>2022</u>	<u>2021</u>
Calls for Service	415	276
Assaults	19	1
Burglary	3	4
Drug Offenses	4	1
Sex Offenses	0	1
Thefts	5	4
All other	384	265

Field Training Program:

The FTO Program is an intensive 12 week on-the-job training for newly hired officers. The program is comprised of multiple training phases with job-related tasks are instructed. The new officers steadily assume more and more independent workload, but under guidance. Once training is complete the officer is ready to work alone.



SHOP WITH A COP

The Shelton Police Department has partnered with Walmart to provide a Christmas shopping opportunity for kids in need. Each child is chosen by the Shelton School District. Then officers from Shelton Police Department, Mason County Sheriff's Office, Washington State Patrol and Central Mason Fire take the children shopping. The partnership with Walmart is amazing and they generously donated all the money for these purchases.



Kuddos -

Night Shift Crew, Sgt. Down, Officer Belleville, Officer Ortona and Officer Whitley. All responded to a Welfare Check of a crying baby. Once arrived they discovered an infant left alone in an apartment. Our officers found the baby without clothing and hungry. Our officers picked up the baby and called CPS for emergency temporary custody. Officer Ortona went out and bought everything for this young baby. She went and bought diapers, bottles, formula, clothing, and a binkie for the infant. Once they took custody of the infant was brought back to the PD and each officer took turns taking care of the baby. The baby finally settled down and fell asleep on Officer Whitley.



October of 2022 both Sgt. Diaz and Sgt. Downs and their K9 partners, K9 Lex and K9 Valor completed the required 200 hours of training and successfully certified as K9 Patrol teams. The hours of training were spent conducting obedience training, scent tracking, building searches, area searches, article searches, and apprehension.

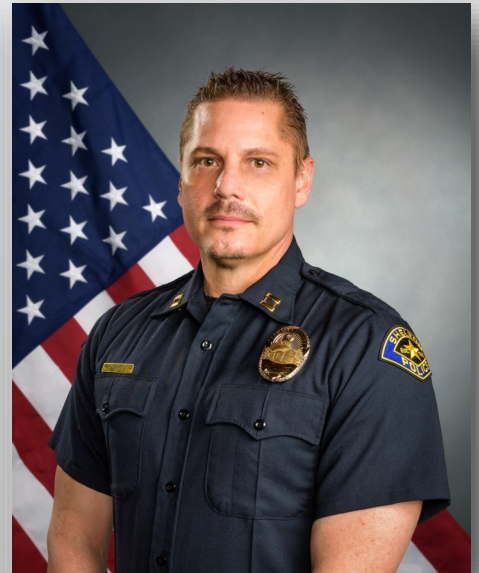
Sgt. Diaz, partnered with K9 Lex has been deployed multiple times and for various reasons to include tracking wanted subjects and locating discarded weapons involved in crimes. K9 Lex's most notable deployment was his apprehension of a felony warrant subject attempting to elude the Police.

Sgt. Downs, partnered with K9 Valor has also been deployed multiple times. K9 Valor's most notable deployment was his apprehension of a suspect in a residential burglary who was also violating several protection orders.

The Shelton Police K9 team has assisted several outside agencies as well to include the Mason County Sheriffs Office and the Bremerton Police Department.

The Shelton Police K9 Team trains in partnership with the Mason County Sheriffs Office K9 Teams. The success of this program would not be possible without the continued support and donations from the public, as the teams are funded purely by public donations.

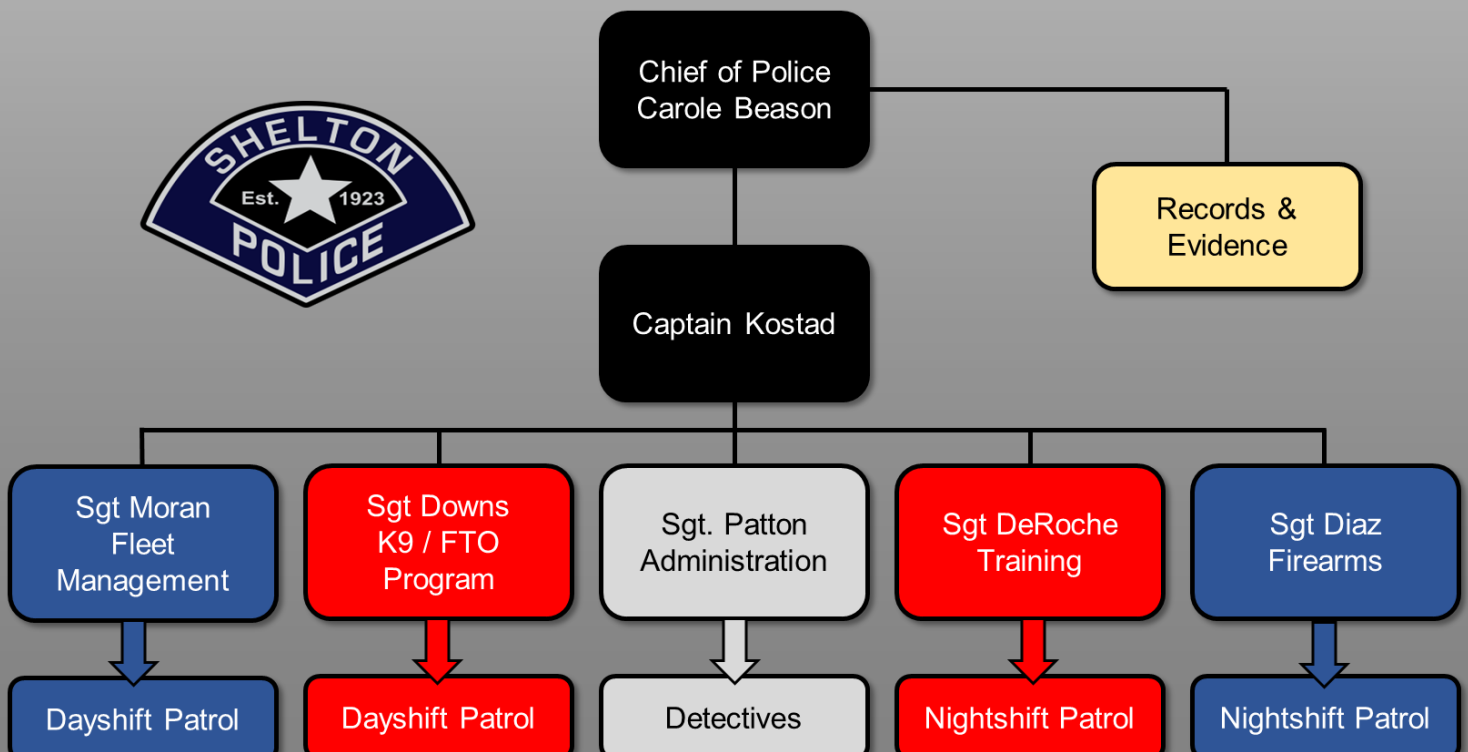




Administration Division

Chief Carole Beason and Captain Chris Kostad

The Administration Division is responsible for the overall function of the department. Primary duties cover: accreditation, budgeting, grant management, hiring, payroll, policy/procedures, professional standards, purchasing and strategic planning.



Professional Standards

The Professional Standards Officer maintains the Division's policies and procedures. These are the guidelines for officers to carry out the mission of the Shelton Police Department. Shelton Police Department subscribes to Lexipol. Lexipol provides police policies based on state law, federal law and best practices. All employees must review and acknowledge each policy.

20 Use of Force:

12,070 Calls for Service

Aggravating Factors

Intoxication (7) Mental Health (5)

Subject of Race

White(15) Native American (1)

Hispanic (3) Unknown (1)

Bias-Based Policing:

	<u>Arrests</u>	<u>Tickets Issued</u>
White	308	170
Black	26	1
Hispanic	60	53
Asian	3	3
Native American	39	9
Not Known	28	4

3 Complaints:

1 Exonerated

The alleged act occurred but the act was justified, lawful and/or proper. No Action Taken

1 Not Sustained

There is insufficient evidence to sustain the complain or fully exonerate the employee. No Action Taken

1 Sustained

The act occurred and it constituted misconduct. Verbal Warning.

Shelton's
Population

10,430

Commissioned
Officers

17

Rate of Officers
Per 1,000 citizens

1.63

Total
Employees

19

Basic Law Enforcement Academy

Officers attending the Law Enforcement Academy must complete 720 hours of basic law enforcement training. This academy is open to recruits who have been hired by a recognized Washington State law enforcement agency.

MISSION: Establish high standards and exceptional training to ensure that criminal justice professional in Washington State have the knowledge and skills to safely and effectively protect life, liberty and property of the people they serve.



Officer Whitley, was hired as a lateral officer from Skokomish Tribal Police. He began his career with Washington State Department of Corrections, 2020 he completed Lakewood Police Department Police Academy and was hired as a full time Police Officer by the Skokomish Triable Police in 2020. Officer Whitley is a life long resident of Mason County, in his free time he enjoys fishing, camping, being in the gym and time with his family.



Officer Gettle, was hired as a lateral from the McCleary Police Department. He began his career in 2011 as a Reserve Deputy with Mason County, 2012 was hired by Skokomish Dept. of Public Safety, 2014 was hired by Squaxin Is. PD, 2018 was hired by McCleary PD. Officer Gettle has been a Field Training Officer, K9 Officer, he has a Bachelors of Science in Applied Management. When not working he enjoys trips on his motorcycle, camping, hunting, fishing and landscaping.



Officer Gano, spent 24 years in the US Army with the Military Police, with most of that time served with Criminal Investigations and Special Reaction Teams. He deployed 6 times in support of Operation Enduring Freedom and Operation Iraqi Freedom. He has lived in the city of Shelton since 2019 with his Wife and two children. Officer Gano graduated BLEA in mid February and was the Vice president for his class.



Promotions

Sgt. DeRoche, was promoted to Sergeant in 2022. He began his career with the Shelton Police Department as a lateral officer. Sgt. DeRoche, is known for his positive attitude, unselfish work ethic and eagerness to help any team member. He has worked as a patrol officer and detective.

Sgt Lawson, was promoted to Sergeant in 2022. He began his career with the Shelton Police Department as a lateral officer. Sgt. Lawson has a positive attitude and has worked as a patrol officer, detective and school resource officer.

Officer Ohlson

20 years service with the
Shelton Police Department

Det. Sgt. Patton

15 years service with the
Shelton Police Department



Officer of the Year

Officer Diaz was voted as officer of the Year 2022. Officer Diaz began with the Shelton Police Department as a Reserve Officer in 2015 and then as a full time officer in 2016.

Officer Diaz was chosen as Officer of the Year by his peers, for his dedication to service, willingness to help and he is a positive role model.

A collage of 20 photographs showing various scenes of police officers and community members. The photos include group portraits of police departments, officers interacting with the public, officers on bicycles, officers holding awards, and officers standing in front of a "SHELTON POLICE" sign. The photos are arranged in a grid-like fashion with some overlapping.

Records

The Records Division strives for quality customer service and professionalism to the public and the Department. One of the divisions responsible is for processing public records requests, which utilizes a significant amount of staff time and resources.

Evidence

The Records Division also manages the Property/Evidence Room. This division is charged with preserving a strict chain of custody that must be maintained at all times. This ensures credibility of the investigation and prosecution.

Stats

Disclosure Requests	1,000
CPL Issued	56
Daily Reports Entered	12,070
Fingerprints Taken	63
Gun Transfers	262
Validations Processed	70
Warrants Entered	406
WSP Audit Completion	1

Evidence

Items in Evidence	2,828
Found Property	233
Returned /Auctioned	323
Destroyed	418
Money Forfeited	\$1,024.53
Unclaimed Money	\$173.00

Animal Control

Animal Control Officers worked in a partnership with Adopt-A-Pet and other shelters for help dogs find their fur-ever homes!

Shelton PD received over 396 calls regarding animal issues.

Code Enforcement

Code Enforcement Officers enforce quality of life issues, while making the city a safer and more comfortable place to live and visit. They responded to 258 vehicle complaints & 63 Code complaints.

A group of five people, two men in police uniforms and three women in casual attire, are standing in front of a brick building with a wooden door. A dark-colored police vehicle is partially visible behind them. The scene is outdoors during the day.

Behavioral Health Navigator Program:

The Behavioral Health Navigator Program and the Shelton Police Department offers assistance engaging in and navigating the behavioral health system. Recovery is a journey, the Behavioral Health Navigator, offers services to people with substance abuse, mental health disorders, housing, detox, treatment, peer support, employment, and more.

The Navigator works to get people proper help and assistance instead of taking them to jail or sending them to an overcrowded emergency room. They help people with behavior health needs or substance use disorders.

A close-up of two street signs mounted on a metal pole against a blue sky with clouds. The sign on the left points left and says 'HOPE'. The sign on the right points right and says 'ADDICTION'.

LEAD Program

Law Enforcement Assisted Diversion program, has the ability to assist people get the help they may need, and reduce the criminal justice system involvement.

The City of Shelton, Mason County Sheriff's Office, the Mason County Prosecutors Office and the Mason County Public Health Department have partnered together to create improve community health and safety.

Crimes Against Persons

	Reported 2022	Reported 2021	Crime Rate Per 1,000	Arrests 2022	2022 DV
Murder	2	1	.2	1	0
Manslaughter	1	0	.1	0	0
Rape	14	13	1.8	5	2
Fondling	21	27	2.3	8	4
Incest	1	0	.1	0	1
Statutory Rape	3	0	.2	0	1
Aggravated Assault	35	38	3.6	21	18
Simple Assault	133	117	13.3	66	57
Intimidation	1	8	.2	0	0
Unlawful Imprisonment	5	5	.5	4	5
Violation No Contact Order	<u>46</u>	<u>39</u>	<u>4.6</u>	<u>28</u>	<u>35</u>
TOTAL	264	248	26.9	111	123

Crimes Against Property

	Reported 2022	Reported 2021	Crime Rate Per 1,000	Arrests 2022	2022 DV
Robbery	14	3	1.4	8	1
Burglary	74	35	7.4	21	2
Theft/Larceny	255	305	25.4	95	1
Motor Vehicle Theft	56	44	5.7	5	4
Arson	3	1	.3	1	0
Vandalism	100	137	10.1	27	13
Counterfeit/Forgery	17	15	1.7	0	0
Fraud/Extortion/Blackmail	24	0	.1	0	0
Embezzlement/Bribery	0	25	.0	0	0
Stolen Property	<u>5</u>	<u>0</u>	<u>.5</u>	<u>4</u>	<u>0</u>
TOTAL	548	568	54.8	161	21

Crimes Against Society

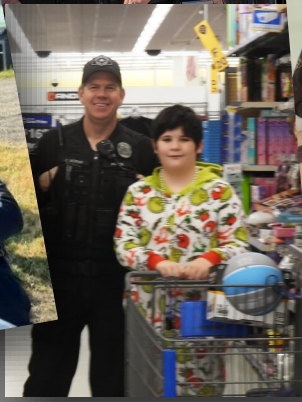
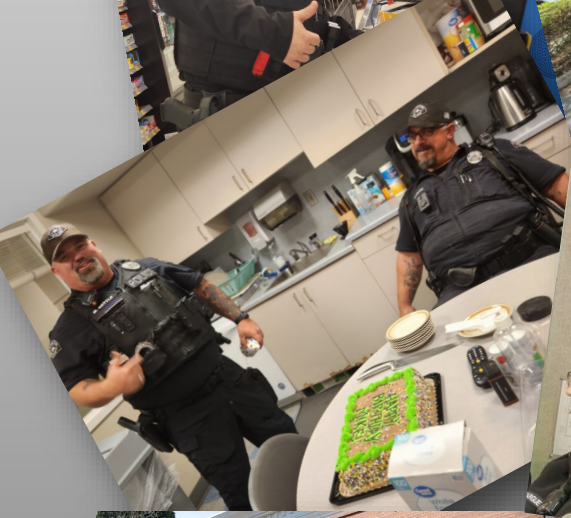
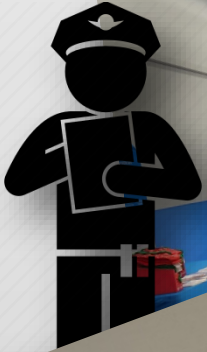
	Reported 2022	Reported 2021	Crime Rate Per 1,000	Arrests 2022
Animal Cruelty	0	0	0	0
Drugs/Narcotics Sales	9	9	.9	4
Drug Equipment	6	9	.6	3
Gambling	0	0	0	0
Pornography	2	1	.2	0
Prostitution	0	0	0	0
Weapon Law Violations	<u>12</u>	<u>8</u>	<u>1.2</u>	<u>7</u>
TOTAL	29	27	2.9	14

Juvenile Arrests

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
Rape	0	1	Motor Vehicle Theft	1	1
Fondling	1	1	False Pretence	1	0
Aggravated Assault	2	9	Impersonation	1	1
Simple Assaults	34	10	Stolen Property	1	0
Statutory Rape	1	0	Vandalism	11	8
Violation No Contact Order	2	2	Drug Possession/Sale	5	1
Robbery	6	0	Drug paraphernalia	1	0
Burglary	4	1	Pornography	0	1
Thefts	11	3	Weapon Violation	2	0
			TOTAL	84	39

2022	<u>Stolen</u>	<u>Recovered</u>
Vehicle	\$650,700.00	\$406,201.00
All Other	<u>\$337,303.46</u>	<u>\$34,820.56</u>
	\$983,003.46	\$441,021.56
Vandalism	\$216,618.68	
Arson	\$1,010.00	

2022	Population	10,430
Total Commissioned Officers		17
Commission Rate Per 1,000		1.63
Civilian Employees		2
Total Employees		19
State Average of Commission Officers Per 1,000		1.29



Shelton Police Department



Now Hiring

Learn More:

<https://www.governmentjobs.com/careers/sheltonwa>



CITY OF SHELTON COUNCIL BRIEFING REQUEST (AGENDA ITEM E1)

Touch Date: 09/28/2023
Brief Date: 10/17/2023
Action Date: 11/07/2023

Department: Executive
Presented By: Mark Ziegler

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

- ☐ Dept. Head _____
- ☐ Finance Director _____
- ☐ Attorney _____
- ☒ City Clerk D. Nault
- ☒ City Manager M. Ziegler

PROGRAM/PROJECT TITLE:
Lodging Tax Advisory Committee
Tourism Grant Recommendations

ATTACHMENTS:

- ☐ Ordinance
- ☐ Resolution
- ☒ Motion
- ☐ Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Each year the city accepts grant applications to request funding from a dedicated revenue source provided by the collection of lodging taxes from motels/hotels in the City of Shelton. The city tourism budget is a fund that may only be used on facilities or events as authorized under state law RCW 67.28. In addition, as directed by state law, the city has appointed a Lodging Tax Advisory Committee with the Mayor serving as chairperson.

Tourism Grants Awarded in 2023	
Bluegrass from the Forest (Kristmas Town Kiwanis)	\$9,000
Mason County Forest Festival	\$12,000
Mason County Historical Society Museum/Visitors Center	\$18,000
Cruisin' Through Time Car Show (Mason County Historical Society)	\$2,000
Overlook Park Mural Installation (NW Event Organizers)	\$3,000
Christmas Town Marketing & Events (NW Event Organizers)	\$13,000
Cinco Rocks (PNW Raised Events)	\$3,500
Schoolhouse Rocks (PNW Raised Events)	\$3,500
Shop Shelton First (Shelton Downtown Merchants)	\$4,000
Total Grant Award for 2023	\$68,000

The LTAC met on September 15, 2023, and again on September 28, 2023, to review tourism fund grant applications submitted for 2024. In attendance was Mayor/Chairperson Eric Onisko, Duane Wilson (Kristmas Town Kiwanis), Leanne Gunter (PNW Raised Events) and Danielle Dedmon (Secretary). Howard Kim (Shelton Inn) and Space Kim (Super 8 Motel) were not present. 13 grant applications were received.

2024 Tourism Grant Requests/Recommendations	Requested	Recommended
Bluegrass from the Forest (Kristmas Town Kiwanis)	\$9,000	\$9,000
Mason County Forest Festival Association	\$12,000	\$10,000
Christmas Town Marketing & Events (NW Event Organizers)	\$14,200	\$12,000
Overlook Park Mural Installation (NW Event Organizers)	\$3,300	\$3,300
Downtown Get Down (PNW Raised Events)	\$3,500	\$2,000
Mason County Disc Golf Association	\$14,197.50	\$14,197.50
Shelton-Mason County Chamber of Commerce	\$27,890	\$20,000
Cruisin' Through Time Car Show (Mason County Historical Society)	\$1,750	\$1,750
Museum/Visitors Center (Mason County Historical Society)	\$25,000	\$25,000
Shop Shelton First (Shelton Downtown Merchants)	\$4,000	\$0
<i>Declined due to the lack of driving tourism to Shelton</i>		
Arts Walk & Community Engagement (Marmo Gallery)	\$15,000	\$0
<i>Declined due to the business not yet being established</i>		
Cinco Rocks (PNW Raised Events)	\$3,500	\$0
<i>Declined due to the lack of driving tourism to Shelton</i>		
Schoolhouse Rocks (PNW Raised Events)	\$3,500	\$0
<i>Declined due to the lack of driving tourism to Shelton</i>		
Total Grant Requests/Recommendations for 2024	\$110,838	\$97,247.50

ANALYSIS/OPTIONS/ALTERNATIVES:

State law declares that the legislative body (City Council) may only choose recipients from the list of applications presented and approve the recommended amounts provided by the local lodging tax advisory committee. There is not a requirement to fund the full list as recommended by the Lodging Tax Advisory Committee. The City Council may make awards in the recommended amounts to all, some, or none of the applicants on this list. In the event the awards are changed, the Lodging Tax Advisory Committee shall be notified and provided with an opportunity to comment.

BUDGET/FISCAL INFORMATION:

The Lodging Tax Advisory Committee is recommending a total tourism fund grant award of \$97,247.50.

PUBLIC INFORMATION REQUIREMENTS:

Applications may be viewed by the public by contacting LTAC Secretary Danielle Dedmon at (360) 432-5131

STAFF RECOMMENDATION/MOTION:

"I move to forward the Lodging Tax Advisory Committee's recommendations to the action agenda on November 7, 2023, for further consideration."



CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item E2)

Touch Date: 10/06/2023
Brief Date: 10/17/2023
Action Date: 11/07/2023

Department: Executive
Presented By: Mark Ziegler, City Manager

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:

Designated Crisis Responder

☐

Ordinance

☐ Dept. Head

☐ Finance Director

☒ Attorney

☒ City Clerk

☒ City Manager

MZ

ATTACHMENTS:

- Contract with Olympic Health and Recovery Services

- Contract with Thurston Mason Behavioral Health Administrative Service Organization

☐

Resolution

☒

Motion

☐

Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

Throughout the summer and early fall of 2022, the city convened a Homelessness Task Force to address concerns in the community and determine consensus recommendations which should be considered by the City Council. One of the consensus recommendations from the task force is support for a Designated Crisis Responder (DCR) within the city to assist individuals experiencing mental health crisis.

The City subsequently contracted with Olympic Health and Recovery Services (OHRS) for DCR services in February 2023, with funding provided by the Association of Washington Cities, through June 30, 2023. These services have been maintained to present date with the understanding that Thurston-Mason Behavioral Health Administrative Service Organization (TMBHO-ASO) has funding to reimburse the City through December 31, 2023.

The DCR is placed with the Shelton Police Department, operating independently, Tuesday through Friday from 10am to 8pm. The DCR is authorized to act as a DCR by the Washington State Healthcare Authority.

ANALYSIS/OPTIONS/ALTERNATIVES:

Council may choose to modify the terms of this contract or disapprove this contract and seek another provider.

BUDGET/FISCAL INFORMATION:

This program will be supported by grant dollars obtained through Thurston Mason Behavioral Health Services.

PUBLIC INFORMATION REQUIREMENTS:

More information can be obtained through the City Clerk's Office.

STAFF RECOMMENDATION/MOTION:

"I move to place the contracts with Thurston Mason Behavioral Health Administrative Services Organization and Olympic Health and Recovery Services for designated crisis responder services to the November 7, 2023 City Council action agenda for further consideration.

AGREEMENT FOR DESIGNATED CRISIS RESPONDER SERVICES

The City of Shelton (“City”) and Olympic Health and Recovery Services (“OHRs”) enter into the following Agreement for Designated Crisis Responder (“DCR”) services.

1. OVERVIEW

Olympic Health and Recovery Services (OHRs) shall provide dedicated Involuntary Treatment Act (“ITA”) Services including all services required for the evaluation for involuntary detention or involuntary treatment of individuals in accordance with WAC 246-341-0810, RCW 71.05, RCW 71.24.300, and RCW 71.34.700.

2. SERVICE REQUIREMENTS

- 2.1.** OHRs shall provide continuous services in four 10 hour shifts, Tuesday through Friday from 10 a.m. to 8 p.m. During these agreed upon hours, OHRs will provide ITA services to persons who have mental disorders and substance use disorders in accordance with state law and without regard to the individual’s ability to pay.
- 2.2.** OHRs will incorporate the statewide Designated Crisis Responder (DCR) protocols approved by the Health Care Authority into its practice.
- 2.3.** OHRs will respond to referrals immediately upon request during the mutually agreed upon hours of service and not later than the timelines outlined by the RCW 71.05.153. The City may utilize the regional 24/7 hotline for service requests outside the agreed-upon hours.
- 2.4.** OHRs will provide services in the community and hospital settings, as deemed appropriate in its sole discretion.
- 2.5.** The City will allow OHRs to utilize office space in the police department during the agreed upon hours. OHRs shall be responsible for supplying its own equipment including computer equipment and transportation services.
- 2.6.** OHRs shall provide all services required for the evaluation for involuntary detention or involuntary treatment of Individuals of all ages, including all clinical services. The DCR shall exercise independent decision-making authority when evaluating individuals for involuntary treatment. OHRs shall continue to provide ITA services to an individual until the end of the involuntary commitment or until the individual is appropriately passed on to a relieving DCR.

3. PROGRAM REQUIREMENTS

- 3.1.** All OHRs staff shall have the necessary training defined within the DCR protocol and be designated as a DCR by the Thurston Mason Behavioral Health-Administrative Service Organization (TMBH-ASO).
- 3.2.** OHRs shall fully participate in the Quality Management program of their, as it relates to the function of the DCR and ITA work. The quality assurance/improvement program will include tracking of timely investigations,

quality of documentation, training of the DCR teams in SUD ITA process, and reporting timeliness of detainment.

- 3.3.** OHRS must have policies and procedures for ITA services that adhere to WAC 246-341-0810, 246-341-0300 through 246-341-0650.

4. PERFORMANCE MEASURES AND REPORTING

- 4.1.** OHRS shall track the following items:

- Number of referrals and referral source
- Number of attempted evaluations
- Number of completed evaluations
- ITA Evaluation dispositions (e.g., hospital placement, not detained, single bed certification, etc.)

- 4.2.** For AWC Grant Reporting requirements, OHRS will report the following information to the City of Shelton on a monthly basis, or as needed::

- Number of individuals served
- Gender (Male, Female, Nonbinary, etc.) of individuals served
- Age of individuals served
- Veteran status of individuals served
- Substance abuse or mental health issues of individuals served
- Reason for contact
- Outcome of contact (No outcome, referral to services, involuntary transport, etc.)
- Long-term outcome of individual receiving services (No outcome, permanent housing, shelter, etc.)
- Program successes and challenges

5. ELIGIBILITY

- 5.1.** OHRS will primarily provide ITA services to Individuals referred by the City of Shelton Police Department.
- 5.2.** OHRS will respond to referrals from the Mason County Sheriff's Office, the OHRS Crisis Team, and community referrals as appropriate.

6. COMPENSATION

The City shall compensate OHRS for its services in an amount not to exceed fifty thousand dollars (\$50,000). OHRS shall invoice the City on a monthly basis. Invoices shall include a breakdown of costs for salary, benefits, training, supplies, travel, and administration. Invoices shall be paid within thirty (30) days of receipt.

7. TERM

This Agreement shall take effect upon execution and shall remain in effect through December 31, 2024.

Agreement for DCR Services Page 2 of 3

2023.

8. INSURANCE/INDEMNITY

Indemnification / Hold Harmless. OHRS shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the negligent or other tortious acts, errors or omissions of the OHRS in connection with the performance of this Agreement, except for injuries and damages caused by sole negligence of the City.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of OHRS and the City, its officers, officials, employees, and volunteers, OHRS's liability hereunder shall be only to the extent of OHRS's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the OHRS's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or Termination of this Agreement.

Insurance. OHRS shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the Work hereunder by the OHRS, their agents, representatives, employees or subcontractors.

No Limitation. OHRS's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of OHRS to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance. OHRS shall obtain insurance of the types described below:

1. 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 or substitute providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The City shall be named as an insured under OHRS's Commercial General Liability insurance policy with respect to the Work performed for the City using additional insured endorsement at least as broad as ISO endorsement from CG 20 26 or substitute endorsements providing equivalent coverage.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to OHRS's profession.

B. Minimum Amounts of Insurance. OHRS shall maintain the following insurance limits:

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

C. Other Insurance Provisions. OHRS's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of OHRS's insurance and shall not contribute with it.

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

E. Verification of Coverage. OHRS 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 OHRS before commencement of the Work.

F. Notice of Cancellation. OHRS shall provide the City with written notice of any policy cancellation, within two (2) business days of their receipt of such notice.

G. Failure to Maintain Insurance. Failure on the part of OHRS to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days' notice to OHRS to correct the breach, immediately terminate the contract 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, or at the sole discretion of the City, offset against funds due OHRS from the City.

H. City's Full Availability of OHRS Limits. If OHRS 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 OHRS, irrespective of whether such limits maintained by OHRS 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 OHRS.

9. MISCELLANEOUS

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

9.2. This Contract contains Federal Block Grant funds, and any subcontracts must be

subcontracted according to the terms set forth by the Community Behavioral Health Advisory Board-approved Mental Health Block Grant project plan and/or Substance Abuse Block Grant (SABG) project plan. The approved Subcontractor must adhere to the applicable requirements in the Thurston-Mason BH-ASO Non-Medicaid Professional Services Contractor Guide and Crisis Provider Guide.

- 9.3. 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.
- 9.4. Resolution of Disputes, Governing Law.** Should any dispute, misunderstanding or conflict arise as to the terms and conditions contained in this Agreement, the matter shall be referred to the City Manager, whose decision shall be final. In the event of any litigation arising out of this Agreement, the Parties shall bear their own costs and fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington and the jurisdiction of any dispute under this Agreement shall be the Superior Court of Mason County, Washington.
- 9.5. Public Records Act.** OHRS acknowledges that the City is a public agency subject to the Public Records Act codified in Chapter 42.56 RCW and documents, notes, emails, and other records prepared or gathered by OHRS in its performance of this Agreement may be subject to public review and disclosure, even if those records are not produced to or possessed by the City of Woodinville. As such, OHRS agrees to cooperate fully with the City in satisfying the City's duties and obligations under the Public Records Act as allowable by law.
- 9.6. Ratification.** Each Party shall take such action as is necessary by law to approve this Agreement via appropriate motion of its governing body or by other allowable means.

Executed this _____ day of November, 2023.

Signatures on following page

OLYMPIC HEALTH AND REHABILITATIVE SERVICES

DATE: _____

Name/Title

CITY OF SHELTON

Date: _____

Mark Ziegler, City Manager

Attest:

Donna Nault, City Clerk

THURSTON-MASON BEHAVIORAL HEALTH ADMINISTRATIVE SERVICE ORGANIZATION (TMBH-ASO)

CONTRACT FOR PROFESSIONAL SERVICES WITH

Contractor:	City of Shelton				
Contact:	Mark Ziegler	Title:	City Manager		
Phone:	360.432.5194	Email:	mark.ziegler@sheltonwa.gov		
Mailing Address:	525 West Cota Street, Shelton WA 98584				
Contract Number:	2023-3635	Start Date:	July 1, 2023	End Date:	December 31, 2023
Thurston-Mason BH-ASO Contacts:					
Tara Smith, Finance Director		Phone:	360.763.5809	Email:	tara.smith@tmbho.org
Mark Freedman, ASO Administrator		Phone:	360.763.5791	Email:	mark.freedman@tmbho.org
Amy Martin, Care Manager		Phone:	360.763.5828	Email:	amy.martin@tmbho.org
Mailing Address:	612 Woodland Square Loop Rd SE Ste 401 Lacey WA 98503				
Is this Contractor a Subrecipient for the purposes of this contract? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N				CFDA#: 93.959; 93.958	
				Contract Total	\$50,000
INCORPORATION OF EXHIBITS AND ATTACHMENTS					
The Provider shall provide services and comply with the requirements set forth in the following attached exhibits, attachments, or any other materials which are incorporated herein by reference. To the extent that the terms and conditions of any Exhibit or Attachments conflicts with the terms and conditions of this base contract, the terms of this Contract shall control.					
<input checked="" type="checkbox"/> Exhibit A: Scope of Services <input checked="" type="checkbox"/> Exhibit B: Compensation <input checked="" type="checkbox"/> Exhibit C: Business Associate Agreement (BAA)			<input checked="" type="checkbox"/> TMBH-ASO Non-Medicaid Professional Services Contractor Guide <input checked="" type="checkbox"/> TMBH-ASO Non-Medicaid Crisis Services Provider Guide		
This Professional Service Contract is entered into in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes, between the Thurston-Mason Behavioral Health Administrative Service Organization (TMBH-ASO) and the Contractor. This Contract, including all Exhibits, Attachments, and other documents incorporated by reference, contains all of the terms and conditions agreed upon by the parties. No other understandings and representations, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or bind the parties. The parties signing below warrant that they have read and understand this Contract and have authority to enter into this Professional Service Contract. THE PARTIES HERETO ACKNOWLEDGE THAT THE WAIVER OF IMMUNITY SET OUT IN SECTION 17 WAS MUTUALLY NEGOTIATED AND SPECIFICALLY AGREED TO BY THE PARTIES HEREIN.					
Contractor Signature:		Printed Name and Title:		Date:	
		Mark Ziegler, City Manager			
Thurston-Mason BH-ASO Signature:		Printed Name and Title:		Date:	
		Mark Freedman, ASO Administrator			

GENERAL TERMS AND CONDITIONS

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1. SERVICES PROVIDED BY THE CONTRACTOR

- 1.1. The CONTRACTOR shall perform the services as identified in Exhibit A: Scope of Work.

2. SERVICES PROVIDED BY TMBH-ASO

- 2.1. In order to assist the CONTRACTOR in fulfilling its duties under this Contract, TMBH-ASO shall provide the following as identified in Exhibit A: Scope of Work.

3. COMPENSATION

- 3.1. For the services performed hereunder, the CONTRACTOR shall be paid based upon mutually agreed rates contained in Exhibit B - Compensation, attached hereto and incorporated herein by reference.
- 3.2. No payment shall be made for any work performed by the CONTRACTOR, except for work identified and set forth in this Contract or supporting exhibits or attachments incorporated by reference into this Contract.
- 3.3. The CONTRACTOR may, in accordance with Exhibit B - Compensation, submit invoices to TMBH-ASO not more often than once per month during the progress of the work for partial payment of work completed to date. Invoices shall cover the time CONTRACTOR performed work for TMBH-ASO during the billing period. TMBH-ASO shall pay the CONTRACTOR for services rendered in the month following the actual delivery of the work and will remit payment per Exhibit B - Compensation.
- 3.4. The CONTRACTOR shall not be paid for services rendered under the Contract unless and until they have been performed to the satisfaction of TMBH-ASO.

4. AMENDMENT AND CHANGES IN WORK

- 4.1. In the event of any errors or omissions by the CONTRACTOR in the performance of any work required under this Contract, the CONTRACTOR shall make any and all necessary corrections without additional compensation. All work submitted by the CONTRACTOR shall be certified by the CONTRACTOR and checked for errors and omissions. The CONTRACTOR shall be responsible for the accuracy of the work, even if the work is accepted by TMBH-ASO.
- 4.2. The CONTRACTOR shall not make any changes to service delivery requirements under this Contract due to changes in federal or State law, rules or regulations applicable to said service delivery without TMBH-ASO approval.
- 4.3. Except as described below, an amendment to this Contract shall require the approval of both TMBH-ASO and the CONTRACTOR. The following shall guide the amendment process:
- 4.3.1. Any amendment shall be in writing and shall be signed by the CONTRACTOR's authorized officer and an authorized representative of TMBH-ASO. No other understandings, verbal or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.
- 4.3.2. TMBH-ASO reserves the right to issue unilateral amendments which provide corrective or clarifying information.
- 4.3.3. The CONTRACTOR shall submit all feedback or questions to TMBH-ASO at contracts@tmbho.org or other email address as expressly stated.
- 4.3.4. The CONTRACTOR shall submit written feedback within the expressed deadline provided to the CONTRACTOR upon receipt of any amendments. TMBH-ASO is not obligated to accept CONTRACTOR feedback after the written deadline provided by TMBH-ASO.
- 4.3.5. The CONTRACTOR shall return all signed amendments within the written deadline provided by TMBH-ASO contracts administration.

5. ASSIGNMENT, DELEGATION, AND SUBCONTRACTING

- 5.1. The CONTRACTOR shall not assign or subcontract any obligations and duties of the Contract to any person, partnership, corporation, association or organization, without the prior written consent of TMBH-ASO. If approved, the CONTRACTOR shall:
 - 5.1.1. Provide copies of all Subcontracts, including exhibits, attachments, and Subcontract amendments to TMBH-ASO within 15 days of contract execution.
 - 5.1.2. Retain the responsibility for monitoring Subcontractor compliance and oversight of delegated functions, which shall be documented and provided to TMBH-ASO no less than annually.
- 5.2. All Subcontracts must be in writing and specify all duties, responsibilities and reports that are appropriate to the service or activity delegated under the Subcontract and require compliance with all applicable local, State and federal laws, rules and regulations. No Subcontract terminates the legal responsibility of the CONTRACTOR to TMBH-ASO to perform the terms of this Contract. The CONTRACTOR shall be responsible for the acts and omissions of any Subcontractor, and the CONTRACTOR is responsible for all contractual obligations, financial or otherwise, to its Subcontractors. TMBH-ASO has no contractual obligations to any Subcontractor under contract to the CONTRACTOR. Subcontractors must abide by the requirements of Section 1128A(b) of the Social Security Act prohibiting BHO'S and other providers from making payments directly or indirectly to physicians or other providers as an inducement to reduce or limit services provided to recipients.
 - 5.2.1. This Contract contains Federal Block Grant funds, and any subcontracts must be subcontracted according to the terms set forth by the Community Behavioral Health Advisory Board-approved Mental Health Block Grant project plan and/or Substance Abuse Block Grant (SABG) project plan. The approved Subcontractor must adhere to the applicable requirements in the Thurston-Mason BH-ASO Non-Medicaid Professional Services Contractor Guide and Crisis Provider Guide.
- 5.3. The CONTRACTOR certifies that no person or selling agent has been employed or retained to solicit or secure this Contract for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONTRACTOR for the purpose of securing business. TMBH-ASO shall have the right, in the event of breach of this clause by the CONTRACTOR, to terminate this Contract or, in its discretion, to deduct from amounts due the CONTRACTOR under the Contract recover by other means the full amount of any such commission, percentage, brokerage or contingent fee.

6. COMPLIANCE WITH APPLICABLE LAW

- 6.1. In the provision of services under this Contract, the CONTRACTOR and any approved Subcontractors shall comply with all applicable federal, State and local laws and Regulations, and all amendments thereto, that are in effect when the Contract is signed or that come into effect during the term of this Contract. The provisions of this Contract that are in conflict with applicable State or federal laws or Regulations are hereby amended to conform to the minimum requirements of such laws or Regulations.
- 6.2. The Contractor and any approved Subcontractors shall comply with these General Terms and Conditions, Provider Guides, Subdelegation Grids, Exhibits, Attachments, TMBH-ASO and/or the Department Data Reporting Guidelines, TMBH-ASO Data Dictionary, TMBH-ASO Policies and Procedures, TMBH-ASO Protocols, TMBH-ASO and/or the Department required forms, and any other documents attached hereto or incorporated herein by reference.

- 6.3. A provision of this Contract that is stricter than such laws or Regulations will not be deemed a conflict.

7. CONFIDENTIALITY

- 7.1. The CONTRACTOR shall protect and preserve the confidentiality of TMBH-ASO's data or information that is defined as confidential under State or federal law or Regulation or data that TMBH-ASO has identified as confidential.
- 7.2. The CONTRACTOR shall comply with all applicable federal and state laws and Regulations concerning collection, use, and disclosure of Personal Information set forth in Governor Locke's Executive Order 00-03 and Protected Health Information (PHI), defined at 45 C.F.R. §160.103, as may be amended from time to time.
- 7.3. The CONTRACTOR shall not release, divulge, publish, transfer, sell, or otherwise make known to unauthorized third parties Personal Information or PHI without the advance express written consent of the individual who is the subject matter of the Personal Information or PHI or as otherwise required in this Contract or as permitted or required by state or federal law or Regulation.
- 7.4. The CONTRACTOR shall implement appropriate physical, electronic and managerial safeguards to prevent unauthorized access to Personal Information and PHI. The CONTRACTOR shall require the same standards of confidentiality of any approved Subcontractors.
- 7.5. The CONTRACTOR agrees to share Personal Information regarding Individuals in a manner that complies with applicable state and federal law protecting confidentiality of such information (including but not limited to the Health Insurance Portability and Accountability Act (HIPAA) of 1996, codified at 42 U.S.C. §1320(d) et. seq. and 45 C.F.R. parts 160, 162, and 164., the HIPAA Regulations, 42 C.F.R. §431 Subpart F, RCW 5.60.060(4), and Chapter 70.02 RCW). The CONTRACTOR and the CONTRACTOR's Subcontractors shall fully cooperate with TMBH-ASO efforts to implement HIPAA requirements.
- 7.6. The CONTRACTOR shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss.
- 7.7. This duty requires that CONTRACTOR employ reasonable security measures, which include restricting access to the Confidential Information by:
- 7.7.1. Encrypting electronic Confidential Information during Transport;
 - 7.7.2. Physically securing and tracking media containing Confidential Information during Transport;
 - 7.7.3. Limiting access to staff that have an authorized business requirement to view the Confidential Information;
 - 7.7.4. Using access lists, Unique User ID and Hardened Password authentication to protect Confidential Information;
 - 7.7.5. Physically securing any computers, documents or other media containing the Confidential Information; and
 - 7.7.6. Encrypting all Confidential Information that is stored on portable devices including but not limited to laptop computers and flash memory devices.
- 7.8. Upon request by TMBH-ASO the CONTRACTOR shall return the Confidential Information or certify in writing that the CONTRACTOR employed a TMBH-ASO approved method to destroy the information. CONTRACTOR may obtain information regarding approved destruction methods from the TMBH-ASO contact identified in this Contract.

- 7.9. In the event of a breach, meaning an acquisition, access, use, or disclosure of PHI in a manner not permitted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule which compromises the security or privacy of an Individual's PHI, the CONTRACTOR shall notify TMBH-ASO in writing, as described in the Notices Section of the General Terms and Conditions, within two (2) business days after determining notification must be sent to Individuals. CONTRACTOR must also take actions to mitigate the risk of loss and comply with any notification or other requirement imposed by law (45 C.F.R. Part 164, Subpart D, WAC 284-04-625, RCW 19.255.010).
- 7.10. TMBH-ASO reserves the right to monitor, audit, or investigate the use of Personal Information and PHI of Individuals collected, used, or acquired by CONTRACTOR during the term of this Agreement to the extent permitted by law. All TMBH-ASO representatives conducting onsite audits of CONTRACTOR agree to keep confidential any patient- identifiable information which may be reviewed during the course of any site visit or audit.
- 7.11. Any material breach of this confidentiality provision may result in termination of this Contract. The CONTRACTOR shall indemnify and hold TMBH-ASO harmless from any damages related to the CONTRACTOR's or Subcontractor's unauthorized use or release of Personal Information or PHI of Individuals.
- 7.12. To the extent allowed by law, when the Contract term has ended or the Contract terminated, or when Confidential Information is no longer needed, the CONTRACTOR shall return the Confidential Information or certify in writing the destruction of Confidential Information upon written request by TMBH-ASO.
- 7.13. Paper documents with Confidential Information may be recycled through a contracted firm, provided the contract with the recycler specifies that the confidentiality of information will be protected, and the information destroyed through the recycling process. Paper documents with Confidential Information must be destroyed through shredding, pulping, or incineration.
- 7.14. The CONTRACTOR shall obtain written consent from an individual prior to the use of the individual's picture(s) or personal story.

8. CONTRACTOR CERTIFICATION REGARDING ETHICS

- 8.1. The CONTRACTOR certifies that the CONTRACTOR is now, and shall remain, in compliance with Chapter 42.52 RCW, Ethics in Public Service, throughout the term of this Contract, as a recipient of public funding under this Contract.

9. DEFENSE OF LEGAL ACTIONS

- 9.1. The CONTRACTOR shall advise TMBH-ASO as to matters that come to its attention with respect to potential substantial legal actions involving allegations that may give rise to a claim for indemnification from TMBH-ASO. The CONTRACTOR shall fully cooperate with TMBH-ASO in the defense of any action arising out of matters related to this Contract by providing without additional fee all reasonably available information relating to such actions and by providing necessary testimony.

10. DISPUTES

- 10.1. Differences between the CONTRACTOR and TMBH-ASO, arising under and by virtue of this Contract shall be brought to the attention of TMBH-ASO at the earliest possible time in order that such matters may be settled, or other appropriate action promptly taken. Any dispute relating to the quality or acceptability of performance and/or compensation due to the CONTRACTOR shall be decided by the TMBH-ASO Contract representative or designee. All rulings, orders, instructions and decisions of TMBH-ASO'S contract representative shall be final and conclusive, subject to the CONTRACTOR'S right to seek judicial relief pursuant to Section, Governing Law and Venue.

11. ENTIRE CONTRACT

- 11.1. The parties agree that this Contract, including all documents attached or incorporated by reference, is the complete expression of its terms and conditions. Any verbal or written representations or understandings not incorporated in this Contract are specifically excluded.

12. FORCE MAJEURE

- 12.1. If the CONTRACTOR is prevented from performing any of its obligations hereunder in whole or in part as a result of a major epidemic, act of God, war, civil disturbance, court order or any other cause beyond its control, such nonperformance shall not be a ground for termination for default. Immediately upon the occurrence of any such event, the CONTRACTOR shall commence to use its best efforts to provide, directly or indirectly, alternative and, to the extent practicable, comparable performance. Nothing in this Section shall be construed to prevent TMBH-ASO from terminating this Contract for reasons other than for default during the period of events set forth above, or for default, if such default occurred prior to such event.

13. FUTURE SUPPORT

- 13.1. TMBH-ASO makes no commitment to future support and assumes no obligation for future support of the services contracted for, except as expressly set forth in this Contract.

14. GOVERNING LAW AND VENUE

- 14.1. This Contract has been and shall be construed as having been made and delivered in accordance with the laws of the state of Washington, and it is agreed by each party hereto that this Contract shall be governed by the laws of the State of Washington, both as to its interpretation and performance.
- 14.2. Any action at law, suit in equity, or judicial proceedings arising out of this Contract shall be instituted and maintained only in any of the courts of competent jurisdiction in Thurston County or Mason County. In the event that an action is removed to U.S. District Court, venue shall be in the Western District of Washington in Tacoma.

15. HEADINGS

- 15.1. The headings used in this Contract are for reference and convenience only, and in no way define, limit, or decide the scope or intent of any provisions or Sections of this Contract.

16. HEALTH AND SAFETY

- 16.1. The CONTRACTOR shall perform any and all of its obligations under this Contract in a manner that does not compromise the health and safety of any TMBH-ASO individual with whom the CONTRACTOR has contact.

17. INDEMNIFICATION AND HOLD HARMLESS

- 17.1. The CONTRACTOR shall hold harmless, indemnify and defend THURSTON COUNTY, MASON COUNTY, TMBH-ASO, its officers, officials, employees and agents, from and against any and all claims, actions, suits, liability, losses, expenses, damages, and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the CONTRACTOR's acts, errors or omissions or the acts, errors or omissions of its employees, agents, Subcontractors or anyone for whose acts any of them may be liable, in the performance of this Contract. PROVIDED HOWEVER, that the CONTRACTOR's obligations hereunder shall not extend to injury, sickness, disability, death or damage caused by or arising out of the sole negligence of THURSTON COUNTY, MASON COUNTY, TMBH-ASO, its officers, officials, employees or agents. PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, the

CONTRACTOR's obligations hereunder shall apply only to the percentage of fault attributable to the CONTRACTOR, its employees, agents or Subcontractors. Claims shall include, but not be limited to, assertions that information supplied or used by the CONTRACTOR or Subcontractor infringes any patent, copyright, trademark, trade name, or otherwise results in an unfair trade practice.

- 17.2. In any and all claims against THURSTON COUNTY, MASON COUNTY, TMBH-ASO, its officers, officials, employees and agents by any employee of the CONTRACTOR, Subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the CONTRACTOR or Subcontractor under Worker's Compensation acts, disability benefits acts, or other employee benefits acts, it being clearly agreed and understood by the parties hereto that the CONTRACTOR expressly waives any immunity the CONTRACTOR might have had under Title 51 RCW. By executing the Contract, the CONTRACTOR acknowledges that the foregoing waiver has been mutually negotiated by the parties and that the provisions of this Section shall be incorporated, as relevant, into any contract the CONTRACTOR makes with any Subcontractor or agent performing work hereunder.
- 17.3. The CONTRACTOR's obligations hereunder shall include, but are not limited to, investigating, adjusting and defending all claims alleging loss from action, error or omission, or breach of any common law, statutory or other delegated duty by the CONTRACTOR, the CONTRACTOR's employees, agents or Subcontractors
- 17.4. The CONTRACTOR shall indemnify and hold harmless the State from any claims by the CONTRACTOR related to the provision of services to Individuals according to the terms of this Contract; this obligation shall not apply to any services that were unpaid due to non-payment of installment moneys by the State to TMBH-ASO. The CONTRACTOR agrees to promptly notify TMBH-ASO in writing of any claim and provide the State and TMBH-ASO the opportunity to defend and settle the claim. The CONTRACTOR waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.

18. INDEPENDENT CONTRACTOR

- 18.1. The parties intend that an independent CONTRACTOR relationship between the CONTRACTOR and TMBH-ASO shall be created by this Contract. The CONTRACTOR specifically has the right to direct and control CONTRACTOR'S own activities in providing the agreed services in accordance with the specifications set out in this Contract.
- 18.2. The CONTRACTOR acknowledges that the entire compensation for this Contract is set forth in Section, Compensation and Exhibit B - Compensation of this Contract, and the CONTRACTOR is not entitled to any TMBH-ASO benefits, including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, fringe benefits, or any other rights or privileges afforded to TMBH-ASO employees.
- 18.3. The CONTRACTOR shall have and maintain complete responsibility and control over all of its subcontractors, employees, agents, and representatives. No subcontractor, employee, agent or representative of the CONTRACTOR shall be or deem to be or act or purport to act as an employee, agent or representative of TMBH-ASO.
- 18.4. The CONTRACTOR shall assume full responsibility for the payment of all payroll taxes, use, sales, income or other form of taxes, fees, licenses, excises, or payments required by any city, county, federal or state legislation which is now or may during the term of this Contract be enacted as to all persons employed by the CONTRACTOR and as to all duties, activities and requirements by the CONTRACTOR in performance of the work on this project and under this Contract and shall assume exclusive liability therefore, and meet all requirements thereunder pursuant to any rules or

regulations.

- 18.5. The CONTRACTOR agrees to immediately remove any of its employees or agents from assignment to perform services under this Contract upon receipt of a written request to do so from TMBH-ASO'S contract representative or designee.

19. INSPECTION OF BOOKS AND RECORDS

- 19.1. TMBH-ASO has the right to inspect the books and records of the CONTRACTOR relating to the performance of this Contract. The CONTRACTOR and any approved Subcontractors shall cooperate with TMBH-ASO regarding any audits and investigations initiated by TMBH-ASO or other funding entities that support the services under this Contract – Federal, State, or local government.

19.2. Records

- 19.2.1. The CONTRACTOR shall provide access to its records and place of business during the term of this Contract and for one (1) year following termination or expiration of this Contract for the purposes of monitoring, auditing, and evaluating CONTRACTOR's compliance with this Contract, and compliance with applicable State and federal laws, rules, and regulations as existing now or as later amended.
- 19.2.2. The CONTRACTOR and any approved Subcontractors shall maintain all financial, program and other records pertinent to this Contract. All financial records shall follow generally accepted accounting principles. Other records shall be maintained as necessary to clearly reflect all actions taken by the CONTRACTOR related to this Contract.
- 19.2.3. The CONTRACTOR shall maintain books, records, documents and other material relevant to this Contract which sufficiently and properly reflects all direct and indirect costs expended in the performance of the services described herein and the performance of all acts required by the Contract and applicable laws, rules, and regulations.
- 19.2.4. Records will enable identification of all federal funds received and expended by Catalog of Federal Domestic Assistance Number (CFDA#), federal program, award number and year, name of federal, state and pass-through agency. Records will meet the requirements of OMB Circular A-102 Grants and Cooperative Contracts with state and local Governments, and also OMB Circular A-110 Uniform Administrative Requirements for Grants and Contracts with institutions of higher education, hospitals and other non-profit organizations.
 - 19.2.4.1. The CONTRACTOR will include in their financial statements a schedule of expenditures of all federal awards. The schedule will include the name of the federal agency, the pass-through entity, the CFDA#, any other identification number, the amount of expenditures for the program, identification of any major programs, and any notes that pertain to the significant accounting policies used to account for the federal programs.
- 19.2.5. All records and reports relating to this Contract shall be retained by the CONTRACTOR and any approved Subcontractors for a minimum of ten (10) years after final payment is made under this Contract. When an audit, litigation, or other action involving records is initiated prior to the end of said period, records shall be maintained for a minimum of ten (10) years following resolution of such action.
- 19.2.6. The CONTRACTOR acknowledges the TMBH-ASO is subject to the Public Records Act (Chapter 42.56 RCW). This Contract shall be a "public record" as defined in Chapter

42.56 RCW. Any documents submitted to TMBH-ASO by the CONTRACTOR may also be construed as “public records” and therefore subject to public disclosure.

20. INSURANCE

- 20.1. Depending upon contracted services to be delivered, some or all insurance requirements may be waived by TMBH-ASO. The CONTRACTOR or any approved Subcontractor understands, no Sections of the insurance terms will be removed, if “waived” it will be noted next to “insurance” or next to each individual insurance requirement, as applicable.
- 20.2. **Professional Legal Liability:** The CONTRACTOR or any approved Subcontractor, if a licensed professional, shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the CONTRACTOR’s profession and shall be written subject to limits of not less than \$1,000,000 per loss and a \$3,000,000 aggregate.
 - 20.2.1. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the CONTRACTOR’s or any approved Subcontractor’s services defined in this Contract. Coverage shall not exclude bodily injury or property damage. Coverage shall not exclude hazards related to the work rendered as part of the Contract or within the scope of the CONTRACTOR’s or any approved Subcontractor’s services as defined by this Contract including testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the Contract.
- 20.3. **Commercial General Liability:** The CONTRACTOR or any approved Subcontractor shall maintain Commercial General Liability coverage for bodily injury, personal injury and property damage, subject to limits of not less than \$1,000,000 per loss. Coverage shall include: liability that arises out of the ownership, maintenance or use of real property, arises out of operations away from the business premises by employees or agents of the insured, or liability assumed by Contract. The general aggregate limit shall apply separately to this Contract and be no less than \$3,000,000.
 - 20.3.1. The CONTRACTOR or any approved Subcontractor will provide Commercial General Liability coverage that does not exclude any activity to be performed in fulfillment of this Contract. Specialized forms specific to the industry of the CONTRACTOR will be deemed equivalent, provided coverage is no more restrictive than would be provided under a standard Commercial General Liability policy, including contractual liability coverage.
 - 20.3.2. The CONTRACTOR or any approved Subcontractor shall secure employers’ liability coverage with limits not less than \$100,000 as part of their CGL policy or separately.
- 20.4. **Automobile Liability:** The CONTRACTOR or any approved Subcontractor shall maintain automobile liability insurance as follows:
 - 20.4.1. The CONTRACTOR shall maintain Business Automobile Liability Insurance with a limit of not less than \$1,000,000 each accident combined Bodily Injury and Property Damages. Coverage shall include owned, hired and non-owned automobiles.
- 20.5. **Industrial Insurance Coverage**
 - 20.5.1. The CONTRACTOR or any approved Subcontractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR or any approved Subcontractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, TMBH-ASO may collect from the CONTRACTOR or any approved Subcontractor the full amount payable to the Industrial Insurance accident fund. TMBH-ASO may deduct the amount owed by the CONTRACTOR or any approved Subcontractor to the accident

fund from the amount payable to the CONTRACTOR or any approved Subcontractor by TMBH-ASO under this Contract and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

- 20.6. **Privacy Breach Response Coverage:** For the term of this Contract and three (3) years following its termination, the CONTRACTOR or any approved Subcontractor shall maintain insurance to cover costs incurred in connection with a Security Incident, privacy Breach, or potential compromise of data including:

- 20.6.1. Computer forensics assistance to assess the impact of a data Breach, determine root cause, and help determine whether and the extent to which notification must be provided to comply with Breach notification laws (45. C.F.R. Part 164, Subpart D; RCW 42.56.590, RCW 19.255.010; and WAC 284-04-625).
- 20.6.2. Notification and call center services for individuals affected by a Security Incident or privacy Breach.
- 20.6.3. Breach resolution and mitigation services for individuals affected by a Security Incident or privacy Breach including fraud prevention, credit monitoring and identity theft assistance.
- 20.6.4. Regulatory defense, fines and penalties from any claim in the form of a regulatory proceeding resulting from a violation of any applicable privacy or security law(s) or regulation(s).

- 20.7. **Verification of Coverage and Acceptability of Insurers:** The CONTRACTOR shall place insurance with insurers licensed to do business in the State of Washington and having A.M. Best Company ratings of no less than A minus with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the State of Washington.

- 20.7.1. The CONTRACTOR shall furnish TMBH-ASO with properly executed Certificates of Insurance or a signed policy endorsement which shall clearly evidence all insurance required in this Section prior to commencement of services. The certificates will, at a minimum, list limits of liability and coverage. The certificate will provide that the underlying insurance contract will not be canceled, allowed to expire, or be materially reduced in coverage except on 30 days prior written notice to TMBH-ASO.
- 20.7.2. The CONTRACTOR shall furnish TMBH-ASO with evidence that the additional insured provision required above has been met. Acceptable form of evidence is the endorsement page(s) of the policy showing TMBH-ASO, THURSTON COUNTY, MASON COUNTY, their respective elected and appointed officers, officials, employees, agents, and WASHINGTON STATE as additional insureds.
- 20.7.3. Written notice of cancellation or change shall be mailed to TMBH-ASO to the address on the cover page.

21. The CONTRACTOR or its broker shall provide a copy of any, and all insurance policies specified in this Contract annually upon renewal and upon request of TMBH-ASO.

22. **MERGERS AND ACQUISITIONS**

- 22.1. If the CONTRACTOR is involved in an acquisition of assets or merger with another TMBH-ASO CONTRACTOR after the effective date of this Contract, TMBH-ASO reserves the right, to the extent permitted by law, to require that each CONTRACTOR maintain its separate business lines for the

remainder of the Contract period. The CONTRACTOR does not have an automatic right to a continuation of the Contract after any such acquisition of assets or merger.

23. NON-WAIVER OF RIGHTS

- 23.1. The parties agree that the excuse or forgiveness of performance, or waiver of any provision(s) of this Contract does not constitute a waiver of such provision(s) or future performance or prejudice the right of the waiving party to enforce any of the provisions of this Contract at a later time.

24. NOTICES

- 24.1. Whenever one party is required to give notice to the other under this Contract, it shall be deemed given if either (a) emailed or (b) mailed by United States Postal Services, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

- 24.1.1. In the case of notice from TMBH-ASO to the CONTRACTOR, notice will be sent to:

City of Shelton
Mark Ziegler
Executive Director
525 West Cota Street
Shelton WA 98584
Or
mark.ziegler@shelton.wa.gov

- 24.1.2. In the case of notice from the Contractor to TMBH-ASO, notice will be sent to:

TMBH-ASO Contract Manager
612 Woodland Square Loop SE Suite 401
Lacey WA 98503
Or
contracts@tmbho.org

- 24.2. Notices delivered through the United States Postal Service will be effective on the date delivered as evidenced by the return receipt. Notices delivered by email to contracts@tmbho.org, will be deemed to have been received when the recipient acknowledges, by email reply, having received that email.
- 24.3. Either party may, at any time, change its mailing address or email address for notification purposes by sending a notice in accord with this Section, stating the change and setting forth the new address, which shall be effective on the tenth (10th) day following the effective date of such notice unless a later date is specified.

25. NOTIFICATION OF ORGANIZATIONAL CHANGES

- 25.1. The CONTRACTOR shall provide TMBH-ASO with sixty (60) calendar days' prior written notice of any change in the CONTRACTOR's ownership or legal status. The CONTRACTOR shall provide TMBH-ASO written notice of any changes to the CONTRACTOR's leadership including management, executive officers, and/or executive board members within five (5) business days.

26. OWNERSHIP OF MATERIAL

- 26.1. TMBH-ASO recognizes that nothing in this Contract shall give TMBH-ASO ownership rights to the systems developed or acquired by the CONTRACTOR during the performance of this Contract. The CONTRACTOR recognizes that nothing in this Contract shall give the CONTRACTOR ownership rights to the systems developed or acquired by TMBH-ASO during the performance of this Contract.
- 26.2. Both Parties agree that if either uses any materials prepared by TMBH-ASO or the CONTRACTOR

for purposes other than those intended by this Contract, they do so at their sole risk and agree to hold one another harmless therefore.

27. SEVERABILITY

- 27.1. If a court of law determines any provision of this Contract to be unenforceable or invalid, the parties hereto agree that all other portions of this Contract shall remain valid and enforceable.

28. SUBRECIPIENTS

- 28.1. If the CONTRACTOR or approved Subcontractor is a Subrecipient of federal awards as defined by 2 CFR Part 200 and this Contract, the CONTRACTOR shall:
- 28.1.1. Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - 28.1.2. Maintain internal controls that provide reasonable assurance that the CONTRACTOR is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant contracts that could have a material effect on each of its federal programs;
 - 28.1.3. Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
 - 28.1.4. Incorporate 2 CFR Part 200, Subpart F audit requirements into all contracts between the CONTRACTOR and its Subcontractors who are Subrecipients;
 - 28.1.5. Comply with any future amendments to 2 CFR Part 200 and any successor or replacement CFR or regulation;
 - 28.1.6. Comply with the applicable requirements of either 2 CFR Part 225 (OMB Circular A-87) or 2 CFR Part 230 (OMB Circular A-122), any future amendments, and any successor or replacement Circular or regulation; and
 - 28.1.7. Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations at 28 CFR Part 42, Subparts C, D, E, and G, and 28 CFR Parts 35 and 39. (See www.ojp.usdoj.gov/ocr/ for additional information and access to the aforementioned federal laws and regulations.)

29. SURVIVABILITY

- 29.1. The terms and conditions contained in this Contract that shall survive the expiration or termination of this Contract include but are not limited to: Indemnification and Hold Harmless, Inspection Books and Records, Records, and Confidentiality. After termination of this Contract, the CONTRACTOR remains obligated to:
- 29.1.1. Submit all reports required in this Contract per the Termination Section.
 - 29.1.2. Provide access to records required in accord with the Inspection provisions of this Section.

30. TERMINATION

- 30.1. This Contract shall continue until, subject to termination by either party upon thirty (30) days written notice to the other party.

31. WAIVER

- 31.1. Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the Governing Board of TMBH-ASO or its designee has the authority to waive any term or condition of this Contract, as approved by legal counsel, on behalf of TMBH-ASO.



City of Shelton

Exhibit A: Scope of Work

1. SERVICES PROVIDED BY THE CONTRACTOR

1.1. The CONTRACTOR shall perform the following services:

1.1.1. Provide Involuntary Treatment Act (ITA) services including all services required for the evaluation for involuntary detention or involuntary treatment of individuals in accordance with WAC 246-341-0912 RCW 43.20A.890, 70.02, 71.05, 71.24, 71.34, 74.08.090, 74.50. A behavioral health agency providing DCR services must meet the general requirements for crisis services in WAC 246-341-0901.

1.2. A detailed description of the services to be performed by the CONTRACTOR is set forth in the Thurston-Mason BH-ASO Non-Medicaid Crisis Services Provider Guide, attached hereto and incorporated herein by reference.

1.3. The CONTRACTOR shall complete its work in a timely manner and in accordance with the schedule agreed to by the parties.

1.4. The CONTRACTOR or SUBCONTRACTOR shall track agreed upon data, including but not limited to, weekly accomplishments and number of:

- 1.4.1. Referrals
- 1.4.2. Follow Ups
- 1.4.3. Law Enforcement Referrals
- 1.4.4. Mason General Hospital ITA Referrals
- 1.4.5. Mason General Hospital Voluntary Referrals
- 1.4.6. Mason County Jail Referrals
- 1.4.7. Community Referrals (CLL, family, etc.)
- 1.4.8. Contact Made
- 1.4.9. Attempted
- 1.4.10. ITA Investigations
- 1.4.11. Crisis Investigations
- 1.4.12. Detained
- 1.4.13. Not Detained
- 1.4.14. No Bed Reports

2. SERVICES PROVIDED BY TMBH-ASO

2.1. In order to assist the CONTRACTOR in fulfilling its duties under this Contract, TMBH-ASO shall provide the following:

- 2.1.1. Relevant information as it exists to assist the CONTRACTOR with the performance of the CONTRACTOR'S services.
- 2.1.2. Coordination with other Consultants as necessary for the performance of the CONTRACTOR'S services.

Commented [AM1]: This would be passed onto the provider. I used the same information from the Shelton CR Data Excel spreadsheets that Tim (now Jim) sends & included weekly accomplishments.



City of Shelton

Exhibit B: Compensation

1. COMPENSATION

- 1.1. Program funding is based on the services as set forth in Exhibit A: Scope of Work in this Contract. The Contractor shall use all funds provided pursuant to this Contract, including interest earned to support only the services as described within this Contract.
- 1.2. Funding allocations are contingent upon the receipt of funds from contractual agreements between TMBH-ASO and other government agencies.
- 1.3. The Contractor shall be reimbursed for services delivered in the following manner:

City of Shelton				
Payment Period: July 1, 2023 through December 31, 2023				
Service Designation	Rate Method	Fund Source	Project Code	Not to Exceed
Co-Responder	Actual Cost	MHBG	41401	\$37,500
		SABG	41601	\$12,500
Contract Total				\$50,000

2. FEDERAL FUNDING REQUIREMENTS

- 2.1. If the Contractor has been awarded federal funding, as outlined below, the Contractor is required to report on the Schedule of Expenditures of Federal Awards (SEFA).

CFDA#	Funding Amount	Federal Award Identification Number	Federal Award Date	Indirect Cost Rate
93.959	\$12,500	B08TI083519	3/15/2021	10%
93.958	\$37,500	B09SM083829	3/15/2021	10%

- 2.2. If the Contractor has been awarded federal funding, the Contractor must follow the Single Audit Act requirements of the General Terms and Conditions, or any successor.
- 2.3. Block Grant funding as described below is awarded by the Department of Health and Human Services (DHHS), Catalog of Federal Domestic Assistance. Each Block Grant fund source has restrictions and may not be used for the following:

Restrictions	MHBG (CFDA #93.958)	SABG (CFDA #93.959)
Services and programs that are covered under the capitation rate for Medicaid covered services to Medicaid enrollees	X	X
Construction and/or renovation	X	X
Capital assets or the accumulation of operating reserve accounts	X	X
Equipment costs over \$5,000.00	X	X
Cash payments to consumers	X	X

State match for other federal funds	X	
Any mental health services (inpatient or outpatient)		X
Purchase or improve land – purchase, construct, or permanently improve any building or other facility or the purchase of medical equipment		X
Satisfy any requirement for the expenditure of non-Federal funds as a condition for receipt of Federal funds		X
Provide financial assistance to any entity other than public or nonprofit private entity		X
Make payments to intended recipients of health services		X
Provide individuals with hypodermic needles/syringes		X
Provide treatment services in penal or correctional institutions of the State		X

3. OTHER FUNDING SOURCES

- 3.1. The Contractor shall make all reasonable effort to collect from Third Party Insurers, when available. The Contractor shall report monthly, the total collections of third party reimbursement. The Contractor shall be able to show by individual, those clients eligible for third party benefits, including which services, amount billed by service, and amount collected.
- 3.2. The Contractor shall maintain records in such a manner to reasonably ensure that all third party resources available to clients are identified and pursued, in accordance with TMBH-ASO funds being the payer of last resort. Third party revenue received by the Contractor for TMBH-ASO funded services will be deducted from the TMBH-ASO payment for same services.
 - 3.2.1. Failure to seek third party payments and complying with the requirements under *TMBH-ASO Policy 3044 Third Party* shall result in a corrective action and/or TMBH-ASO may enact Remedial Actions per Provider Guide, Section 11.1, Compliance and Oversight Monitoring, including contract termination.

4. FISCAL MANAGEMENT

- 4.1. The Contractor shall provide services in the most effective, efficient and economical manner possible to establish a prudent financial management system. This shall include, but not be limited to:
 - 4.1.1. The Contractor may establish a sliding fee scale. The sliding fee scale schedule shall be posted and accessible to staff and clients and may not require payment from clients with income levels equal to or below the grant standards for the general assistance program.
 - 4.1.2. In accordance with Federal and State regulations and statutes, ensuring TMBH-ASO funds are not utilized to support administrative and/or direct services to non-TMBH-ASO authorized clients.

5. ACCOUNTING AND REPORTING REQUIREMENTS

- 5.1. Except for SUD residential and withdrawal management services, the Contractor will submit service encounters through the Information System for the TMBH-ASO Invoice by the 10th of each month.
- 5.2. Funding for all programs under this Contract is only to be used to provide the services, as depicted in the Program Contract, and may not supplement any other programs or fund sources.
- 5.3. The Contractor shall have an annual audit performed by an outside CPA firm if the Contractor receives any federal funds indicated in the Compensation Section (above) and in the Provider Guide, or from any other funding sources, see the General Terms and Conditions for Single Audit requirements, or any successor.

6. BILLING PROCEDURE AND INVOICE SCHEDULE

- 6.1. Invoices must be submitted by the Contractor to TMBH-ASO by the 10th calendar day of the month to receive payment by the last calendar day of the month. Cost reports of actual expenses must be submitted with the invoice to TMBH-ASO to the following email address: Invoices@tmbho.org.
 - 6.1.1. Submit the AJA Monthly Progress Report and the Covid Enhancement MHBG Monthly Report as backup with the invoices.
- 6.2. The Contractor must invoice Thurston-Mason BH-ASO for all services rendered within thirty (30) calendar days of the end of the state fiscal year or grant funding year for GFS and FBG funding. TMBH-ASO must submit an A-19 to HCA within forty-five (45) calendar days of the end of the state fiscal year or grant funding year.
- 6.3. The contractor shall invoice for services using the specified Excel invoice form provided by TMBH-ASO.
 - 6.3.1. Invoices must be signed with an original or electronic signature and received prior to payment.
 - 6.3.2. All invoices must contain a unique invoice number in the identified field on the invoice form. No invoice number shall be repeated.
- 6.4. TMBH-ASO reserves the rights to amend, delete, or add to the invoice or reporting forms required in this Exhibit.
- 6.5. TMBH-ASO shall not release payment until the Contractor provides required reports identified in this Contract.

7. DELIVERABLES

- 7.1. A copy of the annual audit must be submitted to the TMBH-ASO upon receipt of the audit report by the Contractor, if applicable.
- 7.2. Financial Statements that include Contractor assets, liabilities, fund balances, and third-party payers when applicable, must be submitted to the TMBH-ASO upon the agency's fiscal year end or annual audit, whichever occurs first, for this contracting period. An individual financial statement for services sets forth in this contract shall be itemized. Financial Statements may be sent electronically or via mail.
- 7.3. When submitting annual audit reports and financial statements, send to invoices@tmbho.org. Any information mailed to the fiscal department should be sent to:

TMBH-ASO Fiscal Department
612 Woodland Square Loop SE, Suite 401
Lacey, WA 98503
- 7.4. If receiving Covid Enhancement MHBG funds, complete the MHBG Annual Report. The annual report is due to contracts@tmbho.org by July 10th of each year.



Business Associate Agreement



OLYMPIC
HEALTH &
RECOVERY
SERVICES

☒ **Thurston Mason Behavioral Health Administrative Service Organization**
☐ **Olympic Health and Recovery Services**

THIS BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is effective this 1st day of July 2023 (the "Effective Date") between Thurston-Mason Behavioral Health Administrative Service Organization ("TMBH-ASO") and/or Olympic Health and Recovery Services ("OHRS") as identified above ("Covered Entity"), and City of Shelton ("Business Associate").

RECITALS

WHEREAS, Covered Entity and Business Associate are parties entering into one or more agreements or contracts, incorporated herein by reference (the "Underlying Agreement" and collectively "Agreements") pursuant to which Business Associate will perform the services as outlined in Agreements and such services involve the use and disclosure of Individually Identifiable Health Information that is subject to protection under HIPAA and the HIPAA Rules (all as hereinafter defined); and

WHEREAS, Business Associate has created and maintains security safeguards for the protection from unlawful disclosure of Protected Health Information (as hereinafter defined); and

WHEREAS, Covered Entity and Business Associate are committed to complying with the Standards for Privacy of Individually Identifiable Health Information set forth under the HIPAA and HITECH Act and any regulations promulgated thereunder the "HIPAA Privacy Rule";

WHEREAS, this BAA, in conjunction with the HIPAA Rules, sets forth the terms and conditions pursuant to which protected health information (in any format) that is created, received, maintained, or transmitted by, the Business Associate from or on behalf of the Company, will be handled between the Business Associate and the Company and with third parties during the term of the Agreement(s) and after its termination.

NOW, THEREFORE, for and in consideration of the recitals above and the mutual covenants and conditions herein contained, Covered Entity and Business Associate enter into the following Agreement to provide a full statement of their respective responsibilities as more fully described below:

ARTICLE 1 – DEFINITIONS

Unless otherwise provided herein terms used shall have the same meaning as set forth in HIPAA and the HIPAA Rules.

- 1.1. **Agreement** means this Business Associate Agreement.
- 1.2. **Business Associate** as used in this Agreement means the Business Associate named in this Agreement and generally has the same meaning as the term "business associate" at 45 CFR § 160.103. Any reference to Business Associate in this Agreement includes Business Associate's employees, agents, officers, subcontractors, volunteers, or directors.
- 1.3. **CFR** means and refers to the Code of Federal Regulations.

- 1.4. **Covered Entity** means TMBH-ASO and/or OHRS, as specified above, which are each a Covered Entity as defined at 45 CFR § 160.103, in its conduct of covered functions by its health care components.
- 1.5. **Designated Record Set** means a group of records maintained by or for the Covered Entity that is: the medical records and billing records about Individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or used, in whole or in part, by or for the Covered Entity to make decisions about Individuals.
- 1.6. **Electronic Protected Health Information or “EPHI”** means Protected Health Information that is transmitted by electronic media or maintained in electronic media.
- 1.7. **HIPAA** means the Health Insurance Portability and Accountability Act of 1996, Pub.L. No. 104-191, as amended by the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as Title XIII of The American Recovery and Reinvestment Act of 2009, H.R. 1, Pub.L. 111-5 (February 17, 2009), as amended or superseded, and any current and future regulations promulgated under HIPAA.
- 1.8. **HIPAA Rules** means the Privacy, Security, Enforcement, and Breach Notification Rules at 45 CFR Part 160 and Part 164, in effect or as amended.
- 1.9. **Individual** means the person who is the subject of Protected Health Information and includes a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- 1.10. **Material Alteration** means any addition, deletion or change to the PHI of any subject other than the addition of indexing, coding and other administrative identifiers for the purpose of facilitating the identification or processing of such information.
- 1.11. **Privacy Rule** means the Privacy Standards at 45 CFR Part 164, Subpart E, in effect or as amended.
- 1.12. **Protected Health Information or “PHI”** means individually identifiable health information created, received, maintained or transmitted by Business Associate on behalf of a health care component of the Covered Entity that relates to the provision of health care to an Individual; the past, present, or future physical or mental health or condition of an Individual; or the past, present, or future payment for provision of health care to an Individual. 45 CFR § 160.103. PHI includes demographic information that identifies the Individual or about which there is reasonable basis to believe can be used to identify the Individual. 45 CFR § 160.103. PHI is information transmitted or held in any form or medium and includes Electronic Protected Health Information. 45 CFR § 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20USCA 1232g (a)(4)(B)(iv) or employment records held by the Covered Entity in its role as employer.
- 1.13. **Security Rule** means the Security Standards at 45 CFR Part 164, Subparts A and C, in effect or as amended.
- 1.14. **Subcontractor** as used in this Agreement means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.
- 1.15. **Underlying Agreement** means one or more agreements or contracts, incorporated herein by reference pursuant to which Business Associate will perform the services as outlined in Agreements and all accompanying documents.

ARTICLE 2 – SCOPE OF USE OF PHI

2.1. Services

- 2.1.1. Except as otherwise specified herein, the Business Associate may use PHI solely to perform its duties as set forth in the Underlying Agreement. Except as otherwise limited in this Agreement, Business Associate may use and disclose PHI for the proper management and administration of the Business Associate, to carry out the legal responsibilities of the Business Associate and to provide any data aggregation services pursuant to the Underlying Agreement.
 - 2.1.1.1. Business Associate may disclose PHI for the purposes pursuant to the Underlying Agreement only to its employees, subcontractors and agents, in accordance with Section 2.3.1.5. as directed by the Covered Entity.
 - 2.1.1.2. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that such disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that the PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which the PHI was disclosed to the person, the person implements reasonable and appropriate security measures to protect the PHI, and the person notifies the Business Associate of any instances of which it is aware where the confidentiality of the PHI has been breached.

2.2. Breach or Misuse of PHI

Business Associate recognizes that any breach of confidentiality or misuse of information found in and/or obtained from records may result in the termination of the Underlying Agreement and this Agreement and/or legal action. Unauthorized disclosure of PHI may give rise to irreparable injury to the Individual or to the owner of such information, and the Individual or owner of such information may seek legal remedies against Business Associate.

2.3. Responsibilities of Business Associate

- 2.3.1. With regard to its use and/or disclosure of PHI, the Business Associate hereby agrees to do the following:
 - 2.3.1.1. Use or disclose PHI only to perform functions, activities, or services for, or on behalf of, Covered Entity, as expressly permitted or required by this Agreement or the Underlying Agreement or as otherwise required by applicable law. Further, Business Associate agrees that it will not use or disclose PHI in any manner that violates federal law, including but not limited to HIPAA and any regulations enacted pursuant to its provisions, or applicable provisions of Washington State law. The Business Associate agrees that it is subject to and directly responsible for full compliance with the Privacy Rule that applies to the Business Associate to the same extent as the Covered Entity.
 - 2.3.1.2. Use commercially reasonable efforts to maintain the security of the PHI and to prevent unauthorized use and/or disclosure of such PHI, including, but not limited to the following:
 - 2.3.1.3. Any physical files on location at the agency must be kept in locked cabinets. Any PHI transported must be safeguarded against

unauthorized access at all times.

- 2.3.1.4. In addition, the Business Associate agrees to implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Covered Entity in accordance with 45 CFR Part 164, subpart C for as long as the PHI is within its possession and control, even after the termination or expiration of this Agreement. The Business Associate agrees that it is subject to and directly responsible for full compliance with the HIPAA Security Rule that applies to Business Associates, including sections 164.308, 164.310, 164.312, and 164.316 of title 45 CFR, to the same extent as the Covered Entity. Business Associate shall apply the HIPAA Minimum Necessary standard to any use or disclosure of PHI necessary to achieve the purposes of the Underlying Agreement. See 45 CFR 164.514(d)(2) through (d)(5).
- 2.3.1.5. Require all of its employees, representatives, subcontractors and agents that create, receive, maintain, or transmit PHI or use or have access to PHI under the Underlying Agreement to agree in writing to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply herein, including the obligation to return or destroy the PHI if feasible, as provided under Sections 5.4 and 5.5 of this Agreement.
- 2.3.1.6. Promptly report to the designated privacy officer of the Covered Entity, any use and/or disclosure of the PHI that is not permitted or required by this Agreement, or any Security Incident involving Covered Entity's PHI, by telephoning the privacy officer within twenty-four (24) hours of becoming aware of it and providing a written report of the unauthorized disclosure within five (5) business days.
- 2.3.1.7. The name and contact information for the Covered Entity's privacy officer is as follows:

Contact Officer: Chris Foster

Telephone: 360.763.5798

E-mail: chris.foster@tmbho.org

Address: 612 Woodland Square Loop SE Ste 401
Lacey, WA 98503

- 2.3.1.8. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement or the law.
- 2.3.1.9. Within twenty-four (24) hours of the discovery of a breach as defined at 45 CFR § 164.402, notify the Covered Entity's privacy officer of any breach of unsecured PHI and take actions as may be necessary to identify, mitigate and remediate the cause of the breach. A breach shall be treated as

discovered by the Business Associate in accordance with the terms of 45 CFR § 164.410. The notification shall include the following information which shall be updated promptly and provided to the Covered Entity as requested by the Covered Entity:

- 2.3.1.9.1. The identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been accessed, acquired, used, or disclosed during such breach;
 - 2.3.1.9.2. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
 - 2.3.1.9.3. A description of
 - 2.3.1.9.4. the types of unsecured PHI that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
 - 2.3.1.9.5. Any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - 2.3.1.9.6. A brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches;
 - 2.3.1.9.7. Contact procedures of the Business Associate for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address; and
 - 2.3.1.9.8. Any other information required to be provided to the individual by the Covered Entity pursuant to 45 CFR § 164.404, as amended.
- 2.3.2. To the extent the Covered Entity deems warranted, the Covered Entity may provide notice or may, in its sole discretion, require Business Associate to provide notice at Business Associate's expense to any or all individuals whose unsecured PHI has been or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed as a result of such breach. In such case, the Business Associate shall consult with the Covered Entity regarding appropriate steps required to notify third parties. The Business Associate shall reimburse the Covered Entity, without limitation, for all costs of investigation, dispute resolution, notification of individuals, the media, and the government, and expenses incurred in responding to any audits or other investigation relating to or arising out of a breach of unsecured PHI by the Business Associate.

2.4. Covered Entity Obligations

- 2.4.1. With regard to the use and/or disclosure of PHI by the Business Associate, the Covered Entity hereby agrees to:
 - 2.4.1.1. Upon request, provide the Business Associate with a copy of the notice of privacy practices that the Covered Entity provides to Individuals

pursuant to 45 CFR § 164.520, and inform the Business Associate of any changes in the form of the notice that materially affects the Business Associate's uses and disclosures of PHI under this Agreement;

2.4.1.2. Inform the Business Associate of any changes in, or withdrawal of, the authorization provided to the Covered Entity by Individuals that materially affects Business Associate's ability to use and/or disclose PHI under this Agreement; and

2.4.1.3. Notify the Business Associate, in writing and in a timely manner, of any restrictions on the use and/or disclosure of PHI agreed to by the Covered Entity in accordance with 45 CFR § 164.522, to the extent that such restriction materially affects Business Associate's use or disclosure of PHI under this Agreement.

ARTICLE 3 – AMENDMENT OF PHI

3.1. Amendments by Business Associate

Should Business Associate make any Material Alteration to PHI, Business Associate shall provide Covered Entity with notice of each Material Alteration to any PHI and shall promptly cooperate with Covered Entity in responding to any request made by any subject of such information to Covered Entity to inspect and/or copy such information. Business Associate shall not deny Covered Entity access to any such information if, in Covered Entity's sole discretion, such information must be made available to the subject seeking access to it. To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 within ten (10) days of the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.

ARTICLE 4 – AVAILABILITY, ACCOUNTING OF DISCLOSURES, AUDITS AND INSPECTIONS

4.1. Availability of PHI

To the extent Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make PHI available to Covered Entity or, as directed by Covered Entity, to an Individual, within ten (10) days of the request of the Covered Entity and in the manner designated by Covered Entity in accordance with 45 CFR § 164.524.

4.2. Accounting of Disclosures

Business Associate agrees to make available the information required for Covered Entity to provide an accounting of disclosures in accordance with 45 CFR § 164.528. Business Associate will provide such accounting of disclosures to Covered Entity as soon as possible, but no more than ten (10) days from request by Covered Entity. Each accounting shall provide (i) the date of each disclosure; (ii) the name and address of the organization or person who received the PHI; (iii) a brief description of the PHI disclosed; and (iv) the purpose for which the PHI was disclosed, including the basis for such disclosure, or a copy of a written request for disclosure under §§ 164.502(a)(2)(ii) or 164.512.

Business Associate shall maintain a process to provide the accounting of disclosures for as long as Business Associate maintains PHI received from or on behalf of Covered Entity.

4.3. Access to Department of Health and Human Services

Business Associate shall make its facilities, internal practices, books, records, documents,

electronic data and all other business information relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary of the Department of Health and Human Services, governmental officers and agencies for purposes of determining Covered Entity's compliance with HIPAA. Business Associate shall promptly, and in no event later than five (5) business days after a request by the Secretary, notify Covered Entity in writing of any request made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request..

4.4. Access to Covered Entity

Upon written request, Business Associate agrees to make its facilities, internal practices, books, records, documents, electronic data and all other business information available to Covered Entity within five (5) business days during normal business hours so that Covered Entity can monitor compliance with this Agreement.

ARTICLE 5 – TERM AND TERMINATION

5.1. Term

This Agreement is valid as of the Effective Date and remains effective for the entire term of the Underlying Agreement, or until terminated as set forth herein.

5.2. Termination

This Agreement may be terminated by Covered Entity for convenience upon the same number of days prior written notice to the Business Associate as set out in the Underlying Agreement, otherwise upon thirty (30) days prior written notice. The notice will specify the date of termination.

5.3. Termination for Cause

Covered Entity may immediately terminate this Agreement and the Underlying Agreement without penalty if Covered Entity, in its sole discretion, determines that Business Associate has: (a) improperly used or disclosed PHI in breach of this Agreement; or (b) violated a material provision of this Agreement. Alternatively, the Covered Entity may choose to provide the Business Associate with written notice of the existence of an alleged material breach and a period of fifteen (15) days in which to cure the alleged material breach upon mutually agreeable terms. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Agreement and the Underlying Agreement.

5.4. Alternative to Termination

If termination is not feasible, the Covered Entity shall report the breach to the Secretary of the Department of Health and Human Services.

5.5. Return/Destruction of PHI

Business Associate agrees that, upon termination of the Underlying Agreement, for whatever reason, it will return or destroy, in Covered Entity's sole discretion, all PHI, if feasible, received from, or created or received by it on behalf of Covered Entity which Business Associate maintains in any form, and retain no copies of such information. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. An authorized representative of Business Associate shall certify in writing to Covered Entity, within five (5) days from the date of termination or other expiration of the Underlying Agreement, that all PHI has been returned or disposed of as provided above and that Business Associate no longer retains any such PHI in any form.

5.6. No Feasible Return/Destruction of PHI

If Business Associate determines that the return or destruction of PHI is not feasible, Business Associate shall notify Covered Entity of the conditions that make return or destruction infeasible. To the extent that Covered Entity agrees that the return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Agreement to the PHI retained and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible. Business Associate shall remain bound by the provisions of this Agreement notwithstanding termination of the Underlying Agreement, until such time as all PHI has been returned or otherwise destroyed as provided in this section.

ARTICLE 6 – INDEMNIFICATION/INSURANCE

6.1. Defense and Indemnification

Business Associate shall defend, indemnify and hold Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards or other expenses, of any kind or nature whatsoever, including, without limitation attorney's fees, expert witness fees, and costs of investigation, litigation, or dispute resolution, relating to or arising out of any use or disclosure of PHI in a manner not permitted by HIPAA or breach of this Agreement by Business Associate, its employees, officers, agents, or subcontractors.

6.2. Disclaimer

Covered Entity makes no warranty or representation that compliance by Business Associate with the Agreement or HIPAA or the HIPAA Rules will be adequate or satisfactory for Business Associate's own purposes or that any information in the possession of Business Associate or Business Associate's control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure; nor shall Covered Entity be liable to Business Associate for any claim, loss or damage relating to the unauthorized use or disclosure of any information received by Business Associate from Covered Entity or from any other source. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

6.3. Insurance

Business Associate shall obtain and maintain cyber liability insurance coverage against improper uses and disclosures of PHI by Business Associate naming Covered Entity as an additional named insured. Promptly following a request by Covered Entity for the maintenance of such insurance coverage, Business Associate shall provide a certificate evidencing such insurance coverage.

ARTICLE 7 – COMPLIANCE WITH 42 CFR PART 2 REQUIREMENTS

In the event that Business Associate is also considered to be a Qualified Service Organization ("QSO") under the federal regulations governing the Confidentiality of Substance Use Disorder Patient Records found at 42 C.F.R. Part 2 ("Part 2"), with access to PHI that is protected by Part 2, Business Associate agrees to the following:

- a) In receiving, storing, processing, or otherwise dealing with any PHI protected by Part 2 from Covered Entity, Business Associate is fully bound by the provisions of Part 2; and
- b) If necessary, Business Associate will resist in judicial proceedings any efforts to obtain access to such PHI covered by Part 2 unless such access is expressly

permitted under Part 2.

ARTICLE 8 – MISCELLANEOUS

8.1. Construction

This Agreement shall be construed as broadly as necessary to implement and comply with HIPAA and the HIPAA Rules. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with the HIPAA Rules.

8.2. Notice

All notices and other communications required or permitted pursuant to this Agreement shall be in writing, addressed to the party at the address set forth in the Underlying Agreement, or to such other address as either party may designate from time to time. All notices and other communications shall be mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery or telegram. All notices shall be effective as of the date of delivery of personal notice or on the date of receipt, whichever is applicable.

8.3. Modification of Agreement

The parties agree to take such action as is necessary to modify this Agreement to ensure consistency with amendments to and changes in the applicable federal and state laws and regulations, including, but not limited to, HIPAA and the HIPAA Rules. This Agreement shall not be waived or altered, in whole or in part, except in writing signed by the parties.

8.4. Invalid Terms

In the event that any provision of the terms and conditions are held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect.

8.5. Transferability

Covered Entity has entered into this Agreement in specific reliance on the expertise and qualifications of Business Associate. Consequently, Business Associate's interest under this Agreement may not be transferred or assigned or assumed by any other person, in whole or in part, without the prior written consent of Covered Entity.

8.6. Governing Law and Venue

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington in accordance with HIPAA and the HIPAA Rules without giving effect to the conflict of laws provisions. Thurston County, Washington, shall be the sole and exclusive venue for any litigation, special proceeding or other proceeding as between the parties that may be brought under, or arise out of, this Agreement.

8.7. No Third-Party Beneficiaries

Nothing express or implied in this Agreement is intended to confer, nor anything herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever.

8.8. Binding Effect

This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto

and their respective permitted successors and assigns.

8.9. Execution

This Agreement may be executed in multiple counterparts, each of which shall constitute an original, all of which shall constitute but one agreement.

8.10. Gender and Number

The use of the masculine, feminine or neuter genders, and the use of the singular and plural, shall not be given an effect of any exclusion or limitation herein. The use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership or other entity.

8.11. Priority of Agreements

If any portion of the Agreement is inconsistent with the terms of the Underlying Agreement, the terms of this Agreement shall prevail. Except as set forth above, the remaining provisions of the Underlying Agreement are ratified in their entirety.

8.12. Survival

The obligations of Business Associate shall survive the termination of this Agreement and the Underlying Agreement.

8.13. Recitals

The preamble to this Agreement is not a mere recital of facts but consists of binding agreed upon statements that form the basis of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have signed this Agreement effective the day and year firstabove written.

FOR BUSINESS ASSOCIATE:		FOR TMBH-ASO and/or OHRS:	
Name:	Mark Zeigler	Name:	Mark Freedman
Title:	City Manager	Title:	TMBH-ASO Administrator
Address:	525 West Cota Street	Address:	612 Woodland Square Loop SE Ste 401
City, ST, Zip:	Shelton, WA 98584	City, ST, Zip:	Lacey WA 98506
Email:	mark.zeigler@sheltonwa.gov	Email:	mark.freedman@tmbho.org
Phone:	360.432.5194	Phone:	360.763.5828

Signature (Authorized Representative)

Signature

Date

Date



CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item F1)

Touch Date: 08/28/2023
Brief Date: 10/03/2023
Action Date: 10/17/2023

Department: Parks, Recreation & Facilities
Presented By: Jordanne Krumpols

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:
Sale of Surplus Real Estate

☐ Ordinance

☐ Dept. Head

☐ Finance Director

☐ Attorney

☒ City Clerk

☐ City Manager

ATTACHMENTS:
Resolution No. 1291-0823
Appraisal
Survey Map

☒ Resolution

☒ Motion

☐ Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

A property line conflict has been identified at Northcliff Neighborhood Park. Staff have identified a fence line that is within the park's boundary and upon further examination has been in place for around 13 years. The neighboring property owner purchased the property with the fence in place and assumed the subject area to be in their ownership.

The subject land area is 2,019 sq. ft.; a portion of the parcel which is considered Northcliff Neighborhood Park (72, 461 sq. ft. total). After reviewing options to resolve the conflict with the property owner and the Parks and Recreation Citizens Advisory Committee staff is recommending the surplus and sale of the area in question as there is no negative impact on the recreational value of the park.

The property owner has provided a survey, boundary line adjustment application, and agreed to pay for appraised value of the area.

Staff and the advisory committee recommend surplus and selling 2,019 square feet of property to the neighboring property owner upon approval by the City Council.

ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

BUDGET/FISCAL INFORMATION:

Market Value as is - \$200,000

Market Value w/o the subject portion - \$194,000

Implied Value of subject portion - \$6,000

PUBLIC INFORMATION REQUIREMENTS:

N/A

STAFF RECOMMENDATION/MOTION:

Staff recommends: "I move to approve Resolution No. 1291-0823 as presented."

RESOLUTION NO. 1291-0823

**A RESOLUTION OF THE CITY OF SHELTON, WASHINGTON DECLARING CERTAIN REAL ESTATE
UNDER CITY OWNERSHIP SURPLUS TO THE NEEDS OF THE CITY**

WHEREAS, the City owns the property located at 1518 Northcliff Rd, identified on Exhibit A as #1, and a small piece of the parcel that is shown on Exhibit A as #2 ("Subject Property"); and

WHEREAS, 1518 Northcliff Road is reserved for park use but is currently vacant; and

WHEREAS, a survey of the property showed that the adjacent property owner's fence line and shed are encroaching on the City's property; and

WHEREAS, as the City does not need the Subject Property, it is preferable to convey the Subject Property to the adjacent property owner rather than requiring the property owner to remove the encroachments; and

WHEREAS, the Subject Property has been appraised for six thousand dollars (\$6,000); and

WHEREAS, the property owner has agreed to apply for a boundary line adjustment to include the Subject Property within its property and, has agreed to compensate the City in the amount of \$6,000.

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

1. The Subject Property is declared surplus to the needs of the City.
2. In lieu of requiring the adjacent property owner to remove the encroachment, the Subject Property may be conveyed to the property owner.
3. The property owner shall be responsible for obtaining a boundary line adjustment in accordance with the Shelton Municipal Code.
4. City staff shall not approve the boundary line adjustment until the property owner conveys to the City the appraised value of \$6,000.

Passed by the City Council at its regular meeting held on the 17th day of October 2023.

Eric Onisko, Mayor

ATTEST:

Donna Nault, City Clerk



CITY OF SHELTON

RESOLUTION NO. 1291-0823

EXHIBIT A

Appraisal Report

**Northcliff Road Land
1518 Northcliff Road
Shelton, Washington**

Prepared For:

Karl Ostheller

ANDERSON APPRAISAL, INC.

Real Estate Appraisers and Consultants

ANDERSON APPRAISAL, INC.

EIN: 91-1486688 • TELEPHONE (360) 943-8400 • EMAIL: DEREKJ@ANDERSONAPPRAISALINC.COM
P. O. BOX 2694 • OLYMPIA, WASHINGTON 98507

Date of Report: August 11, 2023

Mr. Karl Ostheller
Karl Ostheller
705 Holly Lane
Shelton, WA 98584

Re: Northcliff Road Land
1518 Northcliff Road
Shelton, Washington
File No. 6415-23ADS

Dear Mr. Ostheller:

In accordance with our engagement, Anderson Appraisal, Inc. evaluated the above referenced property, utilizing best practice appraisal standards for this property type. The appraisal was conducted in compliance with our understanding of the following: Uniform Standards of Professional Appraisal Practice (USPAP) and all applicable state and federal laws and regulations including licensing and registration. The undersigned hereby certifies that no attempt was made by the client or any third party to influence the valuation through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner. The Appraisal Report is as defined by USPAP Standards Rule 2-2(a).

The purpose of this appraisal is to develop an opinion of the Market Value of the subject property's Fee Simple Estate. The subject is a portion of parcel 32018-65-00900. To estimate the value of the subject, the value of the overall parcel with, and without, the subject portion is concluded with the difference being the implied value of the subject portion. The following table conveys the final opinions of market value that are developed within the body of the report.

Value Type	Value Premise	Value Perspective	Interest Appraised	Effective Date	Indicated Value
Market Value	A-As Is assuming entirety of subject parcel	Current	Fee Simple	7/17/2023	\$200,000
Market Value	B-As Is less the 2,019 SF of area within the fence line	Current	Fee Simple	7/17/2023	\$194,000
Market Value	C-Implied Value of Subject (A - B)	Current	Fee Simple	7/17/2023	\$6,000

The appraisal report has been prepared for the exclusive benefit of Karl Ostheller and the City of Shelton. It may not be used or relied upon by any other party without our written consent. The reader's attention is directed to the Underlying Assumptions and Limiting Conditions, on page 53. We appreciate the opportunity to serve you, and if you have any questions regarding this report, please feel free to call.

Sincerely,



Derek R. Jolliff, MAI

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Summary of Salient Facts and Conclusions

Introduction:

The subject is the 2,019 SF portion of parcel 320186500900 located within the fence line of the neighboring parcel. Parcel 320186500900 is owned by the City of Shelton and is vacant land planned to be developed as a park but zoned Neighborhood Residential. The owner of the neighboring parcel wishes to purchase the section within the fence line. To arrive at an opinion of value for the subject it is necessary to estimate the value of the whole parcel 320186500900 with, and without, the subject portion. The difference in value is the implied value for the subject.

Property Identification: Northcliff Road Land.

Parcel Number(s): 320186500900.

Ownership: City of Shelton.

Property Type: Land Other.

Land Area: 2,019 SF – Subject.
72,461 SF - Parcel 320186500900 As Is.
70,442 SF - Parcel 320186500900 w/o the subject portion.

Sizes per provided proposed Boundary Line Adjustment.

Zoning: NR, Neighborhood Residential.

Highest & Best Use: Residential Use.

Type of Appraisal: As requested, this is an Appraisal Report, which is USPAP compliant.

Effective Date(s) of Value: July 17, 2023.

Date of Report: August 11, 2023.

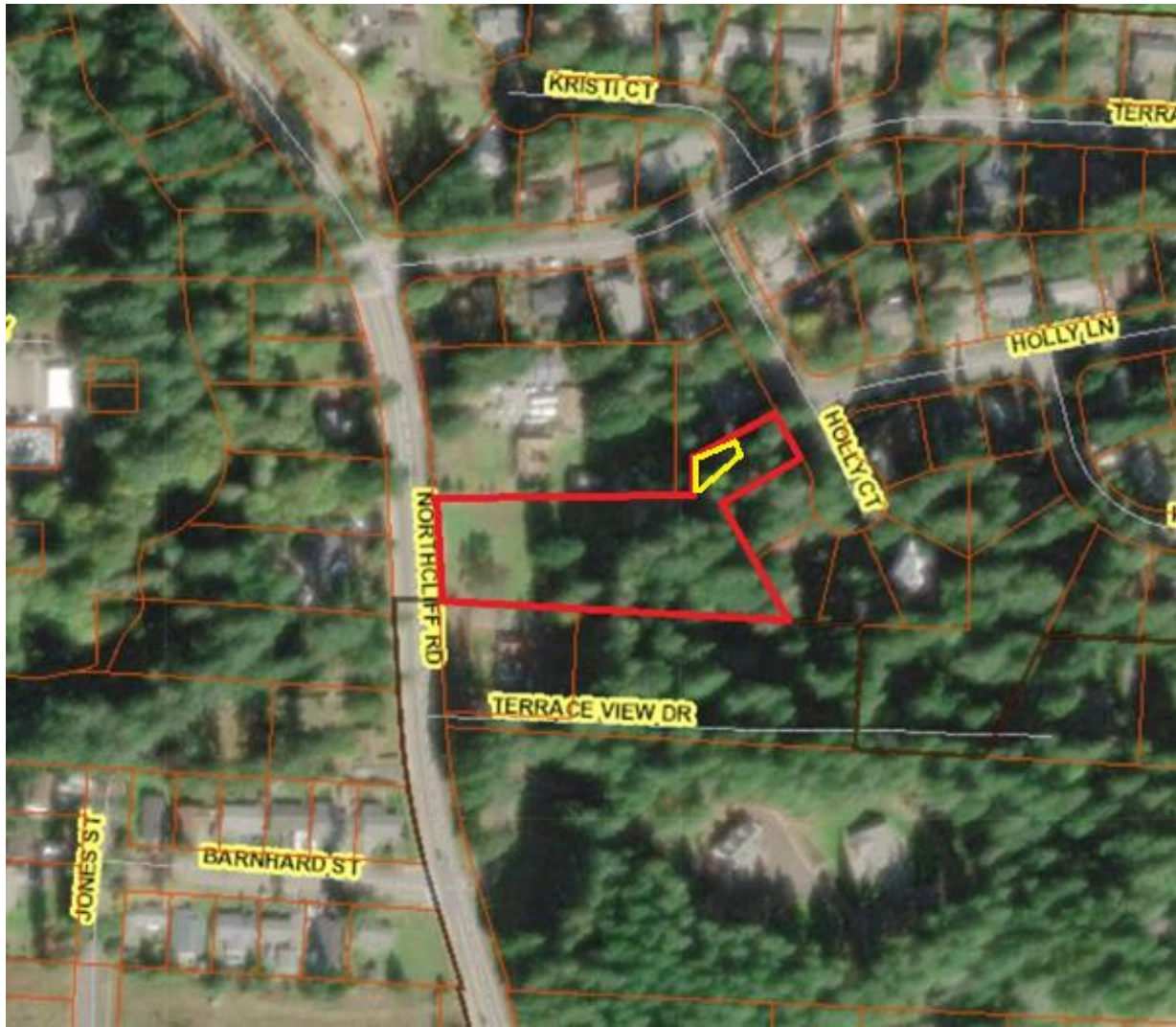
Rights Appraised: Market Value of the Fee Simple Estate.

Client & Intended Use: The client (intended user) is Karl Ostheller and the City of Shelton. The function (intended use) of this appraisal is to assist the client in the purchase of the subject property.

<i>Value Indicated in Scenario "A" Parcel 320186500900 As Is</i>	
Cost Approach:	Not Completed
Sales Comparison Approach	\$200,000
Income Approach:	Not Completed
FINAL ESTIMATE OF MARKET VALUE:	\$200,000

<i>Value Indicated in Scenario "B" Parcel 320186500900 w/o the subject portion</i>	
Cost Approach:	Not Applicable
Sales Comparison Approach	\$194,000
Income Approach:	Not Completed
FINAL ESTIMATE OF MARKET VALUE:	\$194,000

Subject Photographs



Aerial view of parcel 320186500900. Subject portion outlined in Yellow.



Northcliff Rd, Looking S



Northcliff Rd, Looking N



Subject Streetview



Subject, Looking E from Northcliff



Subject parcel, Looking SW from narrowest part of parcel



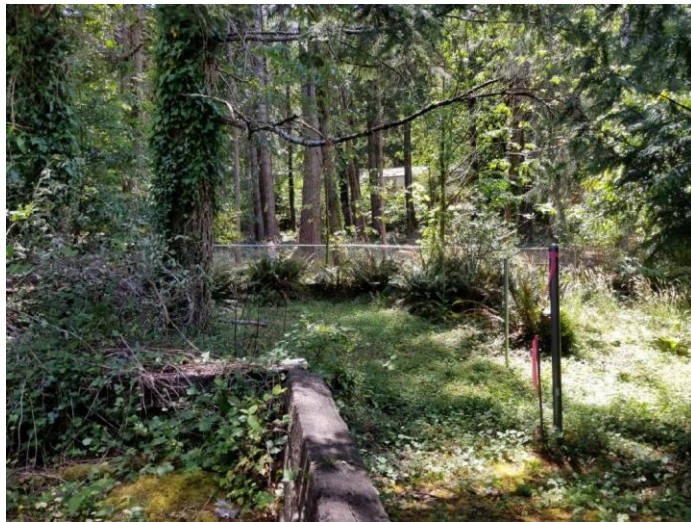
Subject Interior



Subject Interior, Looking NE, BLA fence line to left and fence with neighbor to S on right



Standing on 320186500037, Looking SW, original boundary marked in pink



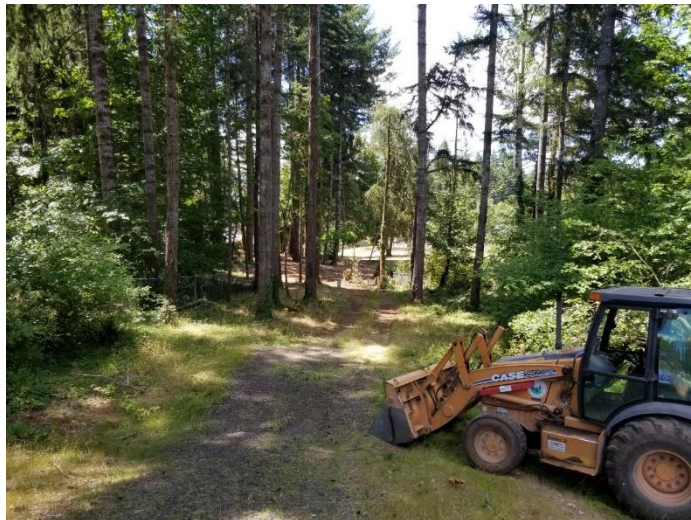
Standing on 320186500037, Looking S at BLA area, original parcel marked in pink



Standing on 320186500037, Looking NE, pick marker far left



Fence placed on subject parcel, marking E border of BLA



Subject, looking SE from Holly Ln/Ct



Fence line marking BLA



Holly Lane, Looking SE to Holly Court



Holly Lane, Looking NNE toward Terrace Blvd

Introduction

<i>Type of Property:</i>	Northcliff Road Land.
<i>Address of Property:</i>	1518 Northcliff Road, Shelton, Washington.
<i>Location:</i>	East side of Northcliff Road on the eastern edge of Shelton city limits.
<i>Owner of Record:</i>	City of Shelton.

Legal Description

No title report has been furnished. The legal description, as defined in Boundary Line Adjustment Proposal is as follows:

"TRACT A OF TERRACE HEIGHTS DIVISION TWO VOLUME 9, PAGE 162 RECORDS OF MASON COUNTY, WASHINGTON. AND LOT 5 OF CITY OF SHELTON BOUNDARY LINE ADJUSTMENT, RECORDED JULY 15, 1992, UNDER AUDITOR'S FILE NO. 547777, BEING LOT 37, PLAT OF TERRACE HEIGHTS DIVISION TWO, RECORDED IN VOLUME 9 OF PLATS, PAGE(S) 162-163, RECORDS OF MASON COUNTY, WASHINGTON AND A PORTION OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 20 NORTH, RANGE 3 WEST, WM., IN MASON COUNTY, WASHINGTON."

Purpose of Appraisal

The purpose of this appraisal was to estimate the Market Value a buyer would be justified in paying for the subject property, Fee Simple Estate, as of July 17, 2023.

Intended Use of Appraisal

This appraisal report is intended for the sole and exclusive use of Karl Ostheller and the City of Shelton. The intended use is to assist the client Karl Ostheller in the purchase of the subject property.

Definition of Client

The term "Client" is defined in USPAP as:

"The party or parties who engage an appraiser (by employment or contract) in a specific assignment."

The client (intended user) of this appraisal report is Karl Ostheller and the City of Shelton..

Unavailability of Information

The following information was not provided or available to the appraisers:

Title Report.

Environmental Reports.

Extraordinary Assumptions

None.

Hypothetical Conditions

In Scenario B there is a Hypothetical Condition that the 2,019 SF within the fence line of the adjoining property 705 Holly Lane, Shelton WA (Parcel 32018-65-00037) is no longer part of the subject parcel.

Definitions

Market Value¹

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

¹The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 142.

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994).*

Fee Simple Estate²

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Property Rights Appraised

The Fee Simple Estate is appraised herein, subject to zoning, easements, and other governmental restrictions of record.

Date of Inspection

The last date of physical property inspection was July 17, 2023. Present during the inspection were the following individuals: Derek Jolliff, Appraiser; Ali Anderson Snodgrass, Assistant Appraiser; Karl Ostheller, client.

During the inspection, the appraiser visually surveyed the subject by walking the site perimeter, road frontages, and portions of the interior. The appraiser is not a surveyor, environmental, or geotechnical specialist. The client is urged to retain such if so desired. Should there be damage, defects, or hazardous materials not commensurate with the observed areas that are later discovered, we reserve the right to modify the report and value conclusions presented within.

² The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 90.

Property History

The subject property is a portion of parcel 320186500900 which is owned by the City of Shelton. The adjacent property, 705 Holly Lane, was purchased by the client, Mr. Ostheller, in 2010 for \$220,000. The subject of this appraisal was within the fenced area of the property purchased by Mr. Ostheller. Surveys conducted by the City of Shelton for the purpose of building a park on the site revealed that the fence line for the neighboring property encroached on City property.

The subject land has not sold in the three years prior to the date of value and is not currently under contract or being marketed for sale.

Scope of Work

This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP), as formulated by the Appraisal Foundation.

The subject property is appraised based on the following Scope of Work:

- The property is identified as: Northcliff Road Land.
- The property was inspected on July 17, 2023.
- The research of the local and regional economy and Mason County Land market data included reference to various sources that include Mason County Assessor, Washington State Office of Financial Management, CoStar, Washington State Department of Labor and Industry, and our in-house surveys of the market.
- Specific data concerning the subject was obtained from various sources including the property owner, (zoning), and Mason County (assessed values and real estate taxes).
- Data compiled in the analysis of the building sales and leases was obtained from Mason County Assessor, NWMLS, CoStar, CBA (Commercial Broker Association), as well as our own in-house data files.
- All of the data were confirmed with a party involved in the transaction and/or through public records and each was inspected.
- The Cost Approach was not developed.
- The Sales Comparison Approach was fully developed.
- The Income Approach was not developed.

- The reconciliation and final value estimate(s) are based on an overview of the weight applied to each approach by buyers and sellers in the current market, also taking into consideration the quality of the data available for each.
- Alison D. Snodgrass, License # 21018996, provided significant real property appraisal assistance to the person signing this report by assisting in the: defining of the appraisal problem, performing preliminary analysis and planning, selecting and collecting data, performing an analysis of the subject property, estimating the subject's highest and best use, developing the approaches to value, reconciling value indicators, reaching defined value conclusions and reporting value conclusions as defined.

Exposure Time

"The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."³

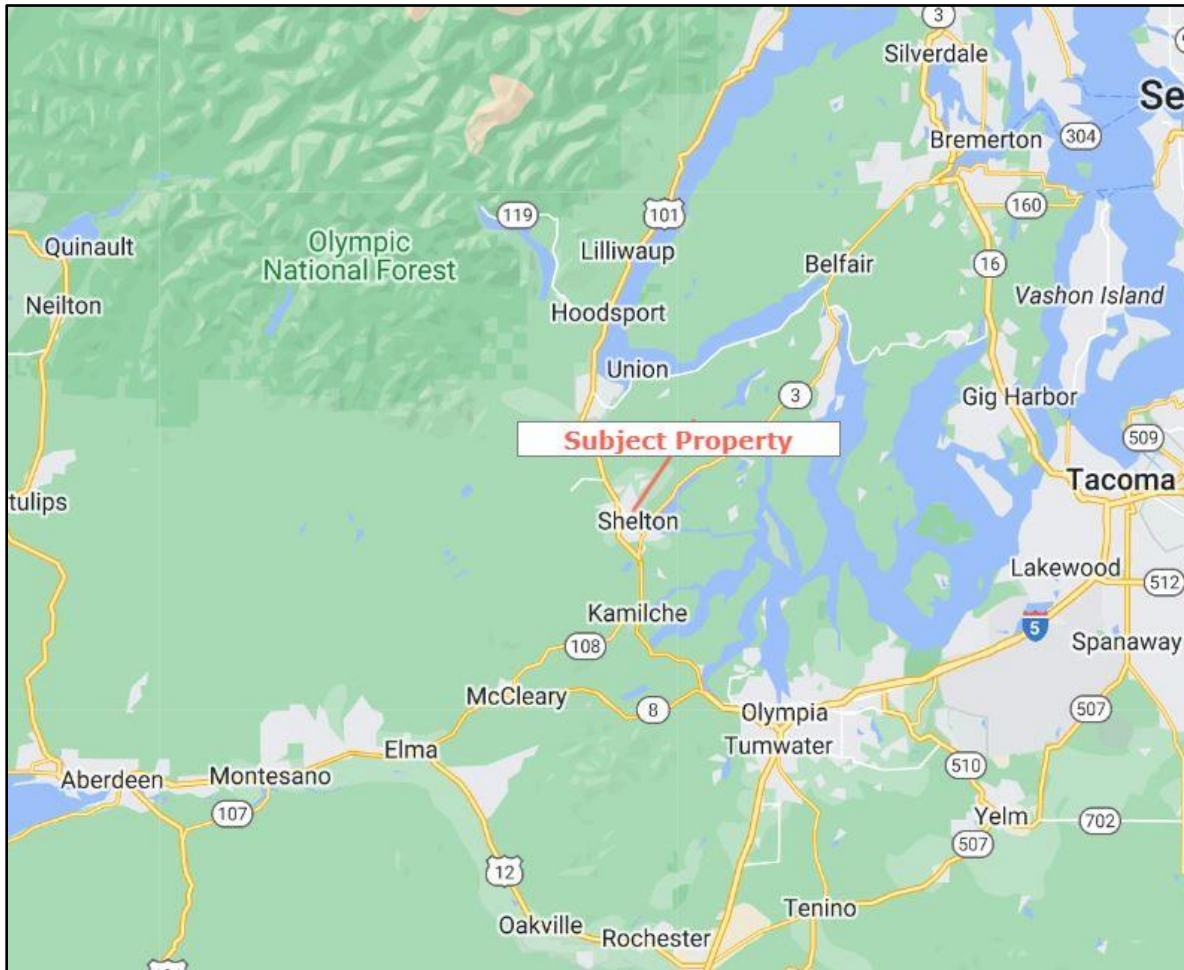
The following information was taken into consideration to develop an estimate of exposure time for the subject property: recent comparable sale and current listing experience (i.e. days on market), interviews with real estate brokers/agents with experience marketing this property type, interviews with lenders who finance this type of real estate, and the subject property's overall physical and locational characteristics.

Based upon our research for this assignment, required marketing periods ranging between one week and fourteen (14) months were observed. Considering all of the preceding factors, the exposure period has been estimated at approximately 12 months or less. Exposure time is always presumed to occur prior to the effective date of the appraisal.

³ The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 83.

Market Area Summary

A market area is defined as "the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users."⁴



Location

Mason County, comprising a total land mass of 961 square miles, is located in western Washington at the southwest end of Puget Sound. It is bordered to the north by Jefferson County, to the west and southwest by Grays Harbor County and to the southeast by Thurston County. The county's eastern boundary is shared with Kitsap, Pierce and Thurston Counties, and is primarily delineated by the rugged contours of Hood Canal and Case Inlet. Mason County's topography was heavily influenced by prehistoric glacial activity. After the ice retreated, the more mountainous areas in the county's interior evolved into dense forest land. This is particularly true in the north county, much of which is incorporated in the Olympic National Forest and Olympic National Park (elevations in this part of the county reach 6,000 feet above sea level). Hood Canal and Puget Sound account for most of Mason County's 90 square miles of water. Two-thirds of Hood Canal, two to three miles wide in some places, runs through Mason County. Case Inlet forms the lower

⁴Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 139.

half of Mason County's eastern boundary and includes two large inhabited islands, Hartstene and Squaxin – and three smaller ones: Hope, Reach and Stretch.

Infrastructure and Public Services

The primary transportation route in Mason County is US Highway 101, which travels north and south through Shelton and along Puget Sound inlets and the Hood Canal. Extending from US Highway 101 are State Routes 3, 106 and 108. State Routes 3 and 106 travel northeast along the county's waterways, taking travelers toward the town of Bremerton and points beyond in neighboring Kitsap County. State Route 108 extends southwest from US Highway 101 providing a link to the town of Aberdeen in neighboring Grays Harbor County as well as the Pacific Ocean. Several smaller, provincial roads connect the county's numerous townships. The county is located approximately 20 miles west of US Interstate 5.

Of the six port districts in Mason County, the largest is the Port of Shelton which oversees more than 1,600 acres of developed and undeveloped property. The Port developed and manages four main properties: Sanderson Field Industrial Complex, Johns Prairie Industrial Complex, the Shelton Yacht Club and Marina, and the Hiawatha Business Park. The other Mason County Port Districts are: The Port of Allyn, the Port of Hoodport, the Port of Grapeview, the Port of Tahuya and the Port of Dewatto. Sanderson Field, owned and operated by the Port of Shelton is the only airport in Mason County. The runway measures 5,050 feet and is primarily for use by private aircraft and charters. There are no deepwater ports or shipping facilities in Mason County, however, there are private barge facilities that serve Oakland Bay and Hood Canal. Burlington Northern Railroad and Bayshore Loading Company share three active railroad spurs in Mason County and the companies primarily handle lumber and wood products.

Mason County has one hospital, Mason General Hospital, which is part of the Public Hospital District 1 of Mason County, which also includes 11 clinics.

Law enforcement is provided by Shelton Police Department in Shelton and Mason County Sheriff in the smaller rural communities and unincorporated areas of the County. Residents of Mason County are provided fire protection by fire districts in unincorporated parts of the county and the Shelton Fire Department within the city of Shelton.

Mason County has seven school districts, the Shelton School District being the largest, then North Mason School District in Belfair, the Mary M. Knight School District in Dayton and Matlock, and four smaller K-8 districts: Grapeview, Hood Canal, Pioneer and Southside. Olympic College, part of the State's community college system, has a branch in Shelton on a 27-acre campus north of Shelton.

Population

Mason County had a population of 60,699 as of the 2010 census, 65,726 as of the 2020 census and 66,200 as of the April 1, 2022 estimate⁵. Shelton, the only incorporated city in Mason County, had a population of 9,834 as of the 2010 census, 10,371 as of the 2020 census, and 10,430 as of the April 1, 2022 estimate. The balance of the population resides in and around the county's unincorporated townships: Hoodport, Union, Lilliwaup, Allyn, Belfair, Grapeview, Kamilche, Dayton and Matlock. Mason County is home to two Native American Tribes: The Skokomish

⁵ 2020 State Population Estimate, April 1, 2022 Office of Financial Management

tribe at the southern end of Hood Canal at the mouth of the Skokomish River and the Squaxin Tribe, located in the southeast county near Kamilche. It should be noted that the county's population estimates include institutional residents (1,300 person capacity).

	2010C	2020C	2021est	2022est
Mason County	60,699	65,726	65,750	66,200
Unincorporated	50,865	55,355	55,340	55,770
Incorporated	9,834	10,371	10,410	10,430
Shelton	9,834	10,371	10,410	10,430

Employment

The region's forest lands have provided well-paying employment for several generations of loggers and mill workers, and while the industry has fallen on difficult times, it nevertheless remains the backbone of the county's economy. However, the area's population has grown to the point where it cannot be sustained by that industry and the economy is diversifying. The greatest growth has occurred in the non-manufacturing sector. Services, trade, and government, all occupy prominent niches in employment. Government, if all its levels are considered (federal, state, and local), is the largest employer in the county.

Economy

Mason County's economy has long been dominated by the timber industry. The region's forestlands have provided well-paying employment for several generations. Yet, the most significant economic feature of the recent past and the foreseeable future is the relative decline of timber's importance. In 1970, led by lumber and wood products, manufacturing held a tight grip on county employment, accounting for 36 percent of all jobs and far out-pacing the nearest industry division. By September 2020, manufacturing accounts for just 6.4 percent of jobs, trailing government, trade and services.

The remarkable transformation of Mason County's economy has not come without a cost. While the tremendous growth of the services and trade industries has provided an outlet for jobseekers, it has also created many lower paying jobs. These sectors have low wages throughout the state. In Mason County, the sectors pay even less as they lack the elements that tend to boost wages – high tech and wholesale trade industries. The result has been a stagnation of services.

On the upside, Mason County residents have maintained a relatively stable median household income, due in part to its proximity to Thurston County and its status as State Capitol and easy commute distance. Indeed, according to the Washington State Employment Security's "Mason County Profile", Mason County also has become an important bedroom community for commuters to Thurston and Pierce counties. Median household income levels in Mason County are below State median levels.

Additionally, Mason County has seen tremendous in-migration during periods of economic restructuring, an unusual combination. The draw of the area is its relatively low cost of living, its natural beauty and its accessibility to adjacent employment centers.

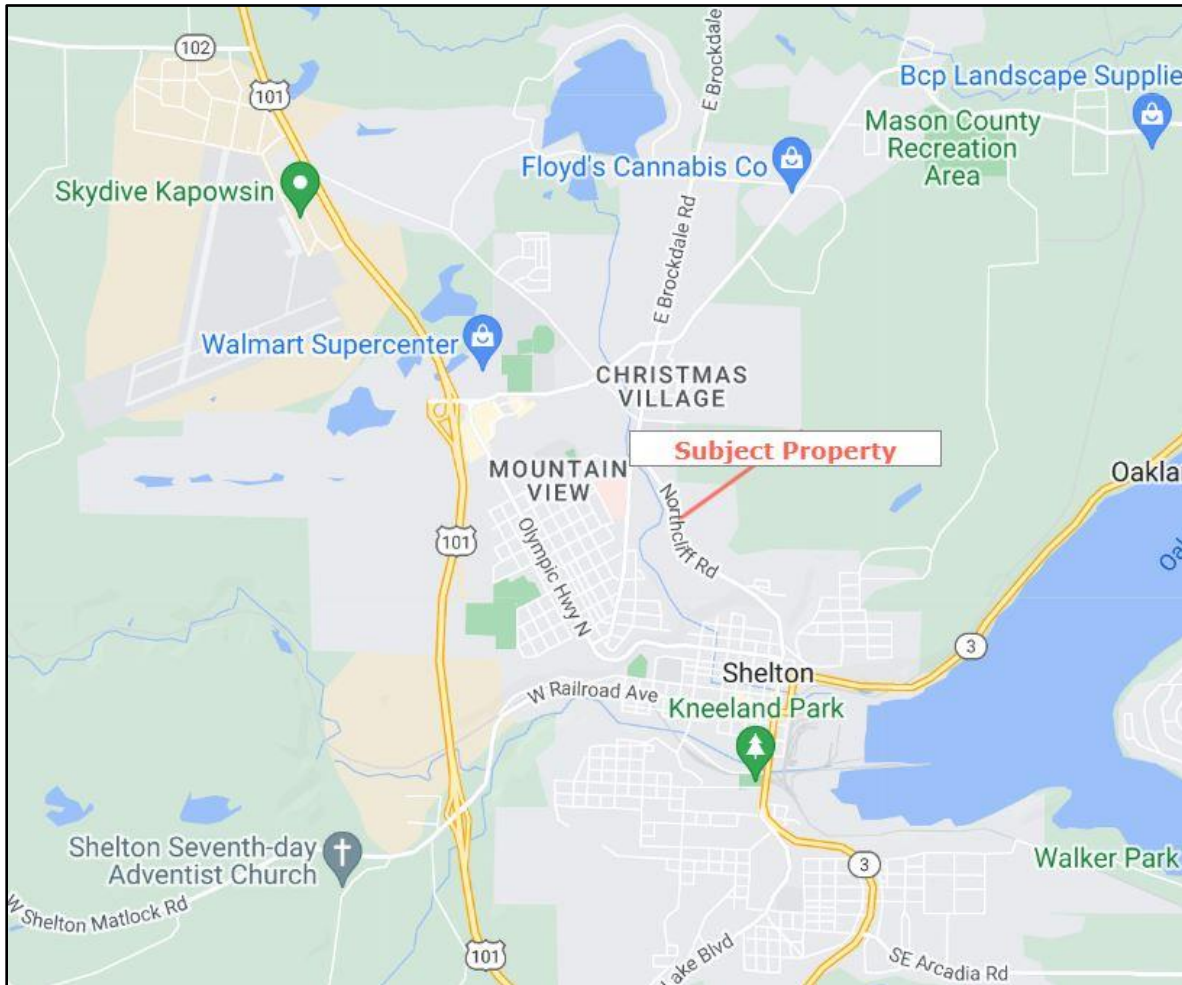
Summary

In summary, the future of Shelton and Mason County looks to bring more of a shift toward service and trade industries. And with over half of income earned in Mason County coming from workers commuting outside the county, it has become more of a bedroom community. Casinos owned, and operated by the two tribal nations, Squaxin and Skokomish, now offer a more diverse entertainment setting to complement the natural beauty of Hood Canal and the Olympic Mountains.

As congestion grows and home prices escalate in other urban areas of the Puget Sound, Mason County's attractiveness will grow. Still, the blue-collar roots will remain strong. Despite its relative decline, timber is still the single most important economic factor in the county and will remain as such for the foreseeable future. Jobs in the services and trade sectors will simply expand and diversify the economic base, but the real driver for the economy must be the growth of base industry.

Neighborhood and/or District Summary

A neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁶ A district is defined as "a market area characterized by homogeneous land use, e.g. apartment, commercial, industrial, agricultural."⁷



Boundaries

North:	E Peacock Hill; change in use to institutional and commercial uses
South:	Bluff and green space between Northcliff Rd and downtown Shelton
East:	Shelton City Limit; Undeveloped land
West:	Shelton Creek

Environmental Influences

<i>Construction Types, Ages:</i>	Largely single family residential uses built between 1930s to a few recently built structures, the majority of which were built in the 1970s.
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⁶Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 156.

⁷Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 68.

<i>General Maintenance:</i>	Overall maintenance in the neighborhood is considered average.
<i>New Development & Construction:</i>	There are a few homes built since 2000, but there is minimal development in the neighborhood.
<i>Life Cycle:</i>	Stable There has been limited infill residential construction and remodeling of existing homes in the subject's neighborhood.
<i>Nuisances & Hazards:</i>	None noted.
<i>Public Utilities & Infrastructure:</i>	Typical public utilities are all available throughout the neighborhood.
<i>Linkages:</i>	Northcliff Rd provides north/south connection to Wallace-Kneeland Road to the North and thence, Highway 101; and 1 st St and thence SR 3 to the south.
<i>Street Patterns:</i>	Streets patterns are a mix of grid and topographical.
<i>Public Transportation:</i>	The neighborhood is served by Mason County Trnsit with the following routes: 8.
<i>Goods & Services:</i>	Basic goods and services are available within a five minute drive northwest of the property. Most typical goods and services are available within a 30 minute drive, in Olympia.

Governmental Influences

<i>Zoning & Land Use Policy:</i>	The City of Shelton controls the zoning and land use policy in the neighborhood.
<i>Protective Services:</i>	City of Shelton, police, fire and emergency medical.
<i>Tax Burden, LID's, etc.:</i>	None noted.
<i>Environmental Regulations:</i>	No extraordinary environmental regulations were noted.

Economic Influences

<i>Income Characteristics:</i>	Median household income within the neighborhood is approximately \$56,794 (2-mi radius, CoStar).
<i>Owner Occupancy:</i>	Approximately 60% of homes in a 2-mile radius are owner-occupied; 40% are renter occupied
<i>Industry Employment:</i>	The following table summarizes which industries employ the most people living in the subject's neighborhood (2-mi radius, CoStar)

<u>Industry, Top 5</u>	<u># Employed</u>	<u>% Employed</u>
Educational Services, Health Care, Social Assistance:	3,232	38%
Trade Transportation & Utilities	1,339	16%
Public Administration	985	12%
Leisure & Hospitality	686	8%
Financial Activities	605	7%

Social Influences

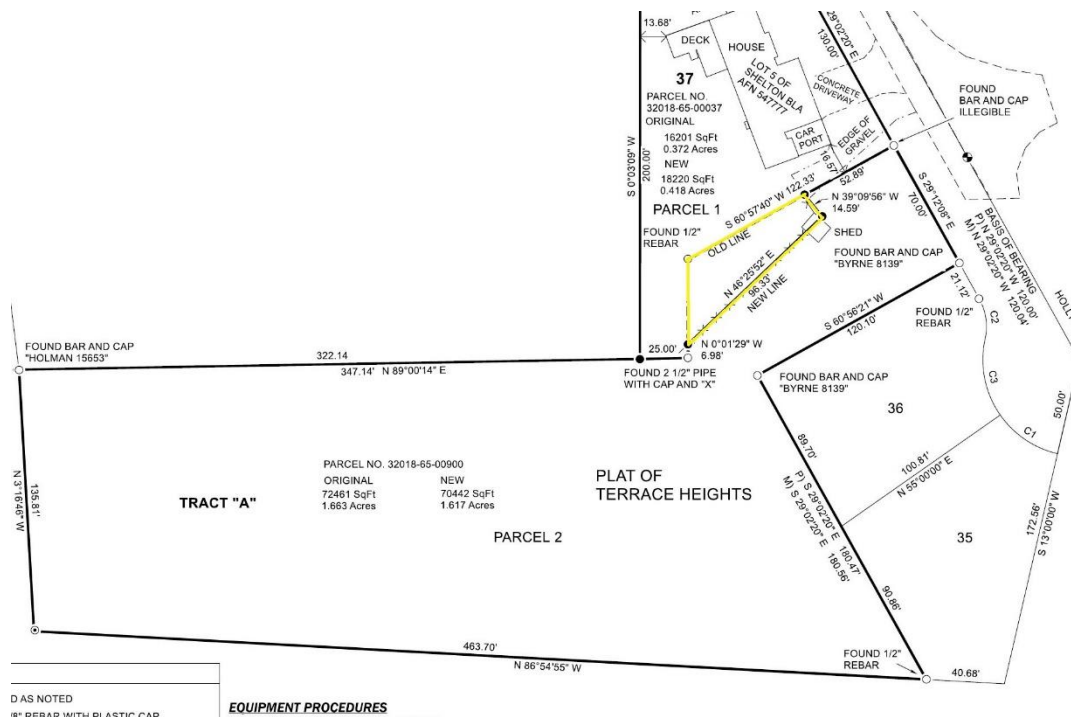
<i>Population Density:</i>	Low to moderate, typical of residential neighborhoods.
<i>Educational Characteristics:</i>	84% have a high diploma or greater; 14% have a bachelors degree or greater.
<i>Age Levels:</i>	The median age in the neighborhood is 37.1. The median age for Washington State is 36.9.
<i>Quality of Community Services:</i>	Fair to Average, common for small town services.

Summary and Conclusions:

The neighborhood is a predominantly semi-rural area on the eastern edge of the Shelton City limits. The neighborhood is zoned neighborhood residential, allows single-family, duplex, or triplex development, and generally allows up to nine units per acre. The neighborhood is an established area of predominantly single-family residences. The neighborhood is established, though some vacant lots remain.

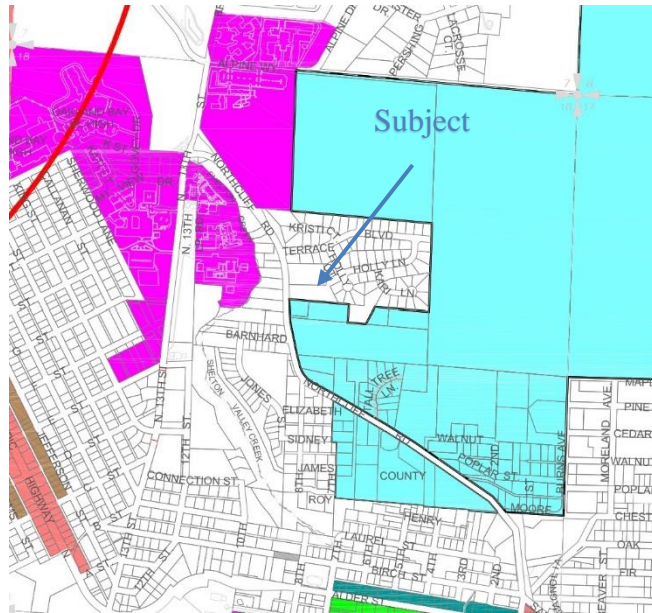
Site Summary – Parcel 32018-65-00900

No site plan has been furnished. The exhibit below is a depiction of the site from the Boundary Line Adjustment Proposal, prepared by Chehalis Valley Associates, LLC on June 8, 2023, showing the basic orientation and configuration, with the proposed boundary line adjustment highlighted. The following description is based upon public records and/or a personal inspection of the site.



Zoning:

The subject property is zoned NR, Neighborhood Residential, under the City of Shelton zoning ordinance. The most relevant aspects of the designation are reprinted or summarized below. The white area is the neighborhood residential zoning. The teal is the urban growth area. The hot pink is a medical/educational zoning district. The neighborhood residential zoning is the predominant zoning within the city.



Intent: These regulations recognize the need for flexibility to be exercised relative to the types and density of housing allowed but also recognize the value that good site design, interesting architecture, and thoughtful landscaping play in providing compatible infill development and more livable communities.

Allowed Uses: Single family uses; ADUs; Duplexes; Triplexes; Conditional Uses- neighborhood serving commercial uses: Bakery; Banks and other financial services; Barber shop; Beauty salon; Book store; Business and professional offices; Candy stores; Community clubs; Convenience stores, no gas pumps; Day care, preschool; Deli; Drug stores; Eating and drinking places (no drive-thrus); Florist; Food store; Gallery; Gift store; Groceries and related products; Health club, gym; Instruction studio; Laundromat; Neighborhood meeting hall; Parks; Post office; Residential uses above commercial; Tailor; Telecommuting services; Theater, under fifty seats; Travel and other agencies; Variety store; Video rental- no larger than 6,000 SF.

Development Standards: Min Lot Size: 4,500 SF (6,000 SF duplexes & 7,500 SF triplexes); Min Lot Width: 30'; Front Setback: 10'; Side setback: 5'; Rear setback: 15'; Building Hgt: 35'; Max Coverage: 50%.

Conclusion: By zoning, the subject could support up to 15 or 16 single family units, 12 duplexes, 9 triplexes, or up to 6,000 SF of neighborhood-serving commercial space, such as a daycare center.

Location: The east side of Northcliff Road in Shelton, and small frontage along Holly Lane.

Abutting Subject Property:

Abuts	Description
North:	Residential Use w/comm. home occupation
South:	Residential Use
East:	Residential Use
West:	Northcliff Rd, thence Residential Use

Shape: Irregular, slightly detrimental. The irregular shape creates a narrow point at the southeast corner and a narrow angled sliver and 'neck' to the eastern portion of the site that fronts Holly Lane. These two narrow areas effectively reduce the number of units the site could support due to minimum lot sizes and setbacks, as well as access.

Size: 72,461 SF - Parcel 320186500900 As Is.
70,442 SF - Parcel 320186500900 w/o the subject portion.

Visibility Rating: Average to Good. The site has direct frontage along Northcliff Road, a residential north/south arterial in Shelton. Maximizing the development potential of the site would require building an access road through the parcel from Northcliff Rd.

Access Rating: Good. The site has direct frontage on both Northcliff Rd and Holly Lane. The site has a transit stop directly in front on Northcliff Rd.

Frontage:

Street/Attribute	Descriptor
Northcliff Rd	Residential Arterial
Direction	Generally North/South
Lanes	Two
Sidewalks/Lights	Yes (Bus stop, N and on W side of Northcliff) /No
On-Street Parking	No
Traffic Volume	Light
Speed Limit	30 MPH

Street/Attribute	Descriptor
Holly Lane	Residential
Direction	Generally North/South
Lanes	Two
Sidewalks/Lights	No
On-Street Parking	No
Traffic Volume	Low
Speed Limit	25 MPH

Topography: Level to slight slope on western half of the site, slope increases to moderate over eastern half with a total elevation change of about 15 feet.

Soils: No soil tests were provided. No settling or other disturbance noted in immediately surrounding area. It is an assumption of the report that the soil qualities are adequate to support the Highest and Best Use of the subject property.

Drainage: Vacant lot, utilizes natural drainage. Stormwater drainage in Northcliff Rd.

<i>Utilities:</i>	Provider
<i>Electricity:</i>	Mason County PUD 3
<i>Gas:</i>	Cascade Natural Gas
<i>Sewer:</i>	City of Shelton
<i>Water:</i>	City of Shelton

Utilities are available in Northcliff Road.

Site Improvements & Coverage: The site is a vacant lot. It is mostly cleared, with the majority of the remaining trees in the southeast corner of the site. There are street frontage improvements along most of the site frontage with Northcliff Road but not with Holly Court.

Parking: The site is vacant.

Environmental Concerns: No site environmental assessment information has been furnished.

There was no visual evidence of solid waste materials dumping, soil erosion, overuse of pesticides or other hazardous elements. This statement does not mean that Anderson Appraisal, Inc. warrants the non-existence of any potential environmental concerns, but rather that none were visually evident on the date of inspection. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Flood Zone: According to FEMA Community Panel No. 53045C0605E, effective 06/20/2019, the subject site is part of a larger surrounding area all designated "X", with minimal flood risk.

Earthquake Zone:

The International Building Code (IBC) is the newly adopted building code effective in the state of Washington. The IBC uses the Seismic Design Category (SDC), which is a function of ground motion, soil type, and building occupancy, to classify areas of expected ground shaking. Most buildings in Puget Sound region would fall under category D or greater. The categories range from A to F, with A having the lowest structural requirements and F having the highest structural requirements.

A seismic study has not been provided and the appraisers do not possess the expertise in seismic or structural engineering.

Critical Areas:

According to public mapping, there are no wetlands or other critical areas on the property.

Easements:

There are no known detrimental easements.

*Covenants, Conditions &
Restrictions:*

No adverse covenant, conditions, and restrictions noted.

Summary and Conclusions:

The subject parcel is well located on a residential arterial within the Shelton city limits. It is served by a public transit stop directly in front of the parcel on Northcliff. The zoning allows for up to 18 dwelling units. However, due to slope, an irregular shape, the need to build an access road through the property from Northcliff, and required setbacks for each lot, and the surrounding low density uses, the site would more realistically support up to an estimated eight or nine single family units or four duplexes or triplexes. It is possible the site could support a small neighborhood-serving commercial use, such as a medical office or childcare center. When considering parcel 320186500900 w/o the 2,019 SF section, the usable area is slightly reduced but all other physical characteristics remain similar.

Assessed Valuation and Tax Load

The subject property is currently assessed for real estate taxes as shown below:

Tax Parcel No. (s)	Tax Land Value	Tax Buildings Value	Tax Market Value	Tax Amount
320186500900	\$46,390		\$46,390	\$0.00
Totals	\$46,390	\$0	\$46,390	\$0.00

The subject property has a tax exemption due to its current ownership. A purchaser of this property may not receive a similar exemption.

Market Study

"An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area."⁸

Product Definition

There are a number of characteristics that determine the marketability of any property. The characteristics generally fall under the broad categories of legal, physical (site and improvements) and locational. To understand how the market perceives the subject, it is necessary to compare it to similar properties in its market area. The following table rates the subject's primary characteristics in comparison to similar competitive properties.

Subject—Property Rating							
Sub-rate	Inferior			Typical	Superior		
	High	Moderate	Slight	Neutral	Slight	Moderate	High
Legal Characteristics							
Zoning				X			
Site Characteristics							
Accessibility					X		
Visibility					X		
Site Improvements/Parking				X			
Utilities						X	
Topography/Shape			X				
Locational Characteristics							
Linkages				X			
Proximity to Goods & Services				X			
Proximity to Employment Drivers				X			
Quality of the Neighborhood				X			

Conclusion

Overall, the subject parcel 320186500900 has slightly above average competitiveness compared to other similar properties in the market area. The subject is located along a north/south arterial for the east side of Shelton. The subject has an irregular shape, with narrow angles that limit full utilization of the site. The site has utilities in the road directly in front of the property; many of the recently sold properties do not have as easy access to utilities and the majority of UGA parcels do not have utilities available yet or would need to be extended a long distance.

Market Delineation

The market delineation in this marketability study includes determination of the market area, and the most likely buyer and user of the property.

⁸The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 140.

Market Area

Based on the subject's location, it competes directly with other residential parcels in Shelton city limits and the Shelton UGA, and to a lesser degree, other small communities located in Mason, Thurston, and possibly Kitsap Counties.

Most Likely Buyer/User

Based on the subject's product definition, the most likely buyer is a developer for the purpose of developing either six to nine single family units or three or four duplex or triplex units. Less likely, but still a possibility, is an individual looking to build a single-family home or an owner-user for the purpose of building a small neighborhood-serving retail building, such as F.I.R.E office use or daycare.

The most likely users of the subject are residential users. Less likely, but possible, is a small-scale retail/office use. The parcel is currently owned by the City of Shelton and has a bus stop directly in front of it. Therefore, it is possible it could be used for civic purposes such as a park.

Current Conditions

Commercial

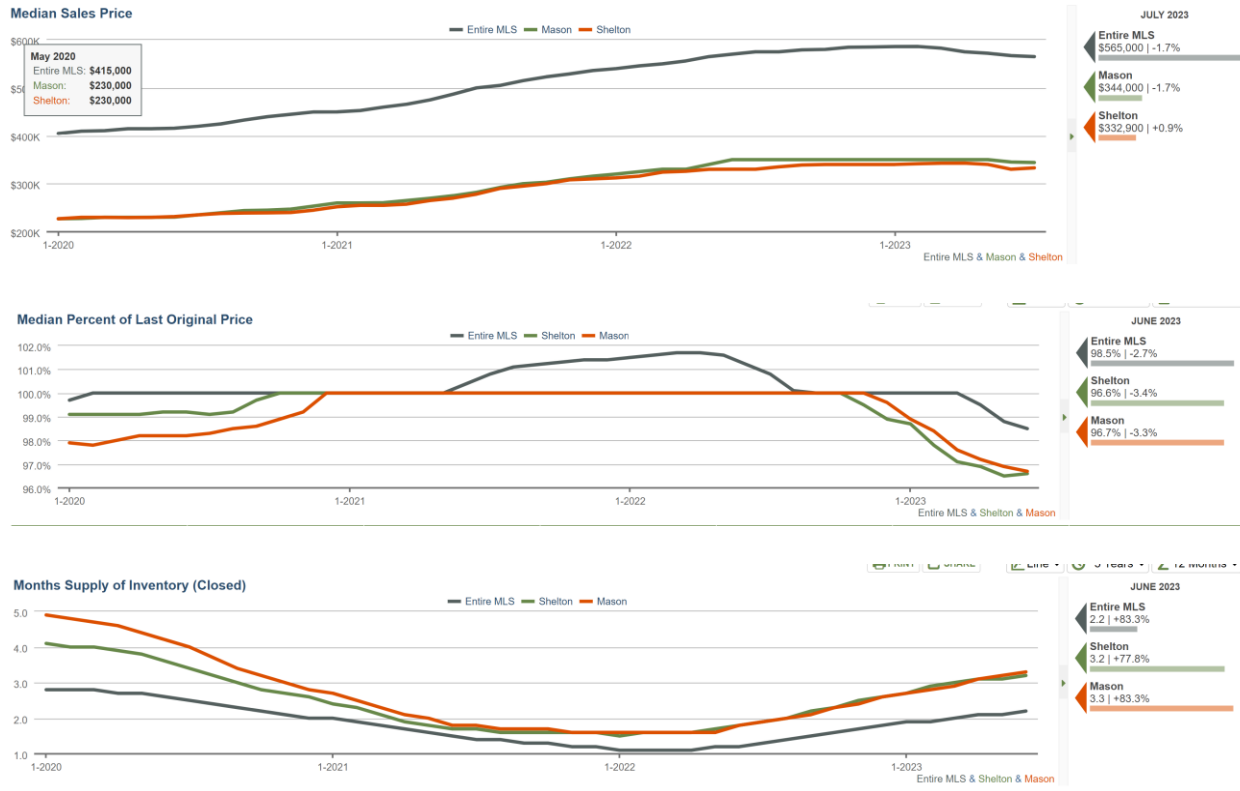
The following are statistics from CoStar Property related to the "commercial" market in Shelton. CoStar only tracks 215 retail properties for Mason County, which limits the reliability of the data. It does indicate positive trends in absorption, vacancy, rent per square foot, and sale price. Of the 13 improved commercial properties sold in Shelton since the beginning of 2022, three of them are properties that sold multiple times between 2020 and 2023. Four of the 13 were in the Wallace Kneeland commercial node and five were in the downtown area. Reports from market participants indicate the reliability of the Mason County data is low. Due to Shelton's location 30 minutes from employment nodes in Thurston and Kitsap Counties, market demand tends to follow these markets' trends, though it does lag. The majority of the demand for any commercial use in subject neighborhood will be driven more by population growth than investment in the commercial nodes.

Residential

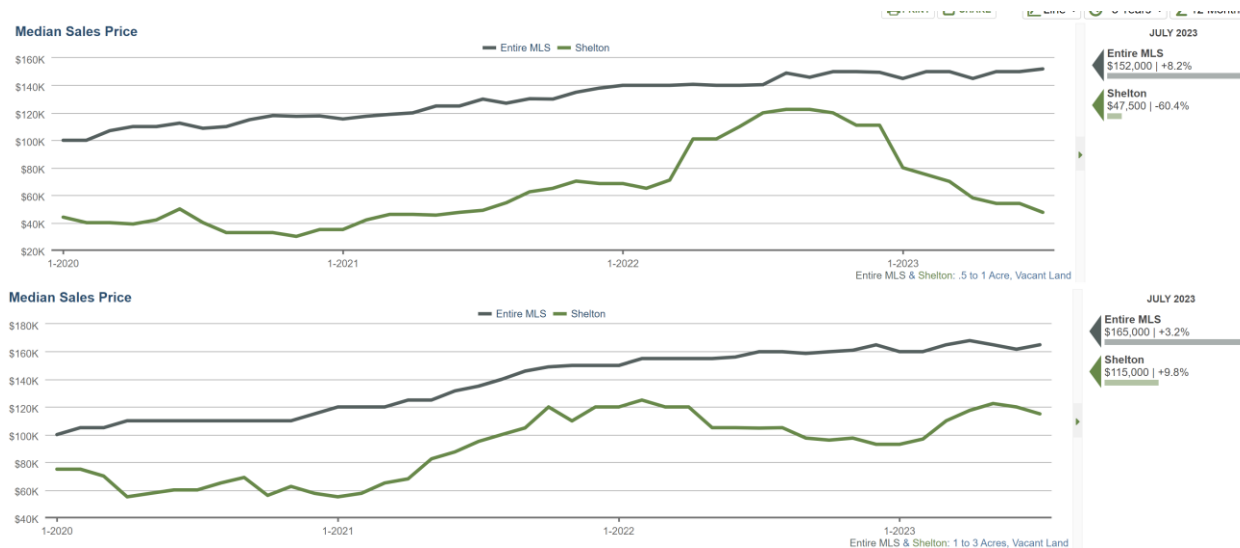
While zoning does allow up to 27 units on the subject parcel, much of the neighborhood is single family and some duplex use. According to the University of Washington Housing Study, the number of active listings and the months' supply statewide have trended down over the last ten years, generally moving together, until 2022 where months supply has trended up since the end of 2021 and active listings have dropped dramatically since mid-2022. Seasonally Adjusted sales for Mason County for Q1 2023 are down over 16% over the prior year and the median sale price countywide is down just over 4% over the prior year. Sales of existing homes in Mason County have been trending down every quarter for the last five quarters. The annual sales ranged between 14,500 and 16,000 from 2016 through 2020, with no clear upward or downward trend. However, after topping 17,000 sales in 2021, sales dropped dramatically to just over 13,000 in 2022⁹. After

⁹ NWMLS, Infostats, July 29, 2023

peaking in Q2 2022, the median price has been trending downward for the county. The following graphs give an indication of the slowing that is occurring in the residential sales market.

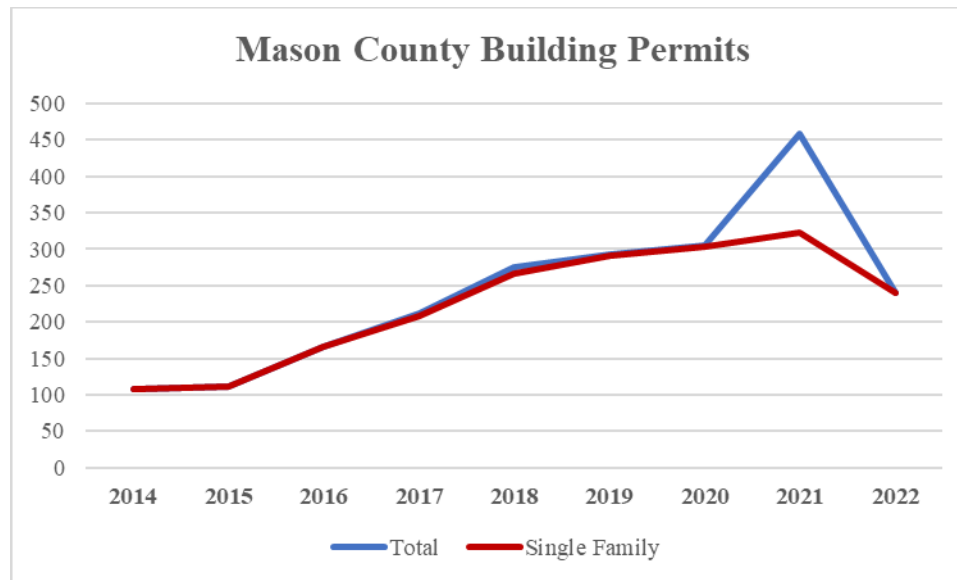


The subject is vacant land zoned for neighborhood residential use. As demand for existing homes peaked during the pandemic and the historically low interest rates seen in 2020 and 2021, demand for vacant land gained momentum. However, tracking by NWMLS implies that the land market has softened. It does indicate that the market for parcels less than 1 acre has returned to pre-pandemic levels while parcels greater than 1 acre, that could support more units or types of development, have dipped but remain well above pre-pandemic prices.



Trends in building permits give a lagging indication in demand for vacant land and are seen as a strong indicator of residential demand for an area. Building permits have trended upward over

the last ten years but dropped dramatically in 2022. Discussions with the Shelton Planning department indicate this is, in part, due to the restrictions on development that would require extension or expansion of utility service while the city determines its capacity to provide water. It is unknown how the restrictions, current economic uncertainty, and prolonged period of higher interest rates may impact building trends, but trends that existed prior to the pandemic point to a range of 200 to 300 building permits per year. According to the Mason County 2016 Comprehensive Plan, the Shelton UGA was projected to absorb 44% of the population growth between 2016 and 2036. Current trends in building permit applications will not keep pace with projected demand.



Multifamily

According to CoStar Property, which tracks approximately 927 multifamily units across 28 properties in Mason County, the total vacancy rate is estimated to be extremely high around 28.5%, up from 14% the prior period, which is likely due to the number of units that delivered to the market in the 12 months. However, the amount of data is limited as there are no comprehensive surveys of the Mason County multifamily market. However, it does generally align with numbers from the University of Washington Housing Report. In neighboring Kitsap County and Thurston County, where there is more data available, the vacancy rate for multifamily is around 10%, up from 4.7% and 8.4%, up from 4.8%, respectively. The increases are likely due to the approximately 2,000 units that were delivered to market over the 12 month period in both counties.

According to CoStar Property, asking rents in Mason County have been generally increasing since 2010, with current reported average rent of \$1,169, a 3.1% increase. Interviews with local property managers in Shelton indicate that the most recent rents for two- and three-bedroom homes in the Shelton area range from \$1500/mo to around \$3,000/mo.

A search for "multifamily" sales on Northwest Multiple Listing Service in Mason County revealed the following:

Multifamily Sales		
<i>Year</i>	<i># of Sales</i>	<i>Ave \$ per Unit</i>
2017	6	\$101,500
2018	10	\$90,000
2019	9	\$91,600
2020	5	\$102,500
2021	9	\$155,000
2022	9	\$165,000
2023YTD	2	\$179,750

Source: NWMLS

One 2022 sale was not included because it is a mixed-use property with only one residential unit upstairs. It sold for \$550,000 in January of 2022. The majority of sold properties were duplexes. It is difficult to draw any reliable conclusions due to the low number of sales. It was a common practice, especially in more rural areas of western Washington, for multifamily sales to occur ‘off-market’ during the pandemic, meaning they were not openly marketed. It is unknown how many multifamily sales occurred off-market during the pandemic in Mason County. However, it is clear that the median price per unit has experienced significantly higher annual appreciation since the pandemic. It is worth noting that with only three current listings, all of which have been on the market for approximately two to six months, there is less than one year of supply actively on the market.

Demand Analysis

Demand for commercial and residential properties tends to come from a contiguous market or trade area. Demand in this marketability analysis is interpreted from historical, current and projected market data.

Population

The following table summarizes population growth in the subject’s Neighborhood/Market Area (2-mile radius), Mason County, and Washington State:

Projected Population			<i>Annual Growth Rate</i>
	2023 Proj	2028 Proj	2023-2028
Market Area (2-mile Radius)	13,326	13,683	0.54%
Mason County	67,000	71,512	1.35%
Washington State	7,951,150	8,343,906	0.99%

Sources: CoStar, WA State Office of Financial Management

The subject market area has received below average increases in demand from population growth compared to Washington State and less than half that of Mason County. This is likely due to the developed single-family nature of the neighborhood. Much of the land in the UGA just east of the subject is currently owned by regional timber companies. As construction costs and interest rates moderate, and demand picks up, it is likely some of that land will become more attractive for residential development.

According to the 2016 Mason County Comprehensive Plan, the City of Shelton is projected to capture 28.5% of the projected population growth and the Shelton UGA would absorb 16.2% of the projected population growth. The current Mason County population, reported by the Washington State Office of Financial Management, and the population of Shelton, as reported on the City of Shelton website, are both below 2016 projections, based on average annual population growth. The Mason County 2016 Comprehensive Plan projects that the Shelton UGA will absorb 44% of Mason County's projected population growth.

Median Household Income

The following table summarizes median household income growth in Mason County and Washington State.

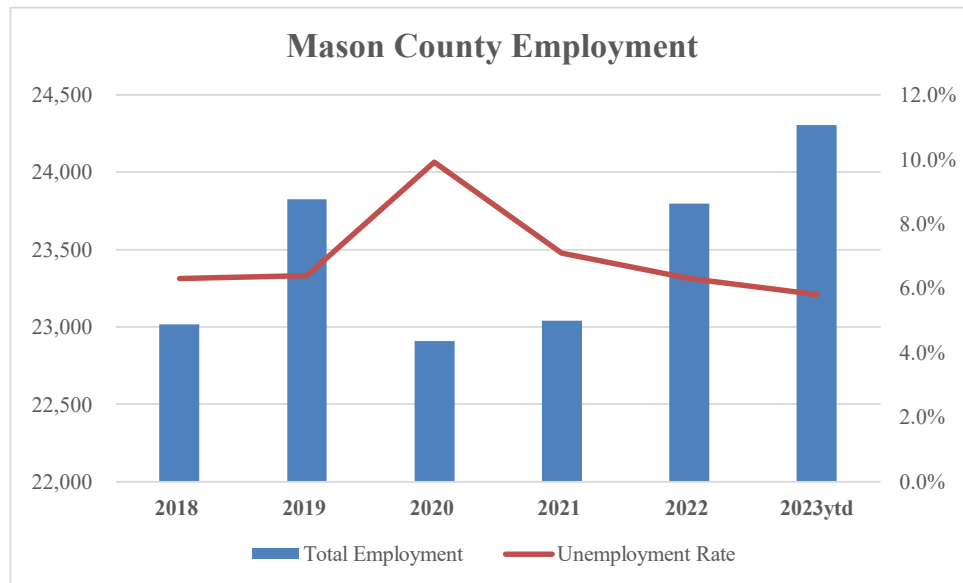
Current and Projected Median Household Income			
	2021 Est.	2022 Proj.	Annual Growth Rate 2021-2022
Mason County	\$73,696	\$77,936	5.75%
Washington State	\$84,155	\$86,343	2.60%

Source: WA State Office of Financial Management

As can be seen in the table above, income levels in Mason County are below that of Washington State, but they appear to be growing at a significantly higher rate. The above estimates are for Mason County as a whole. According to CoStar data, the median income within 2 miles of the subject is only \$56,794, with a similar 5% increase over the previous year.

Employment

Mason County has generally had unemployment rates hover between 6% and 8% historically, remaining consistently around 6.5% in the three years prior to the pandemic. Around 2006 unemployment was low near 6% until the great recession when unemployment ballooned to a high of nearly 12% in 2010 and slowly began decreasing over the next 9 years to 6.3% in 2019. While unemployment did spike during the Covid-19 quarantines, the unemployment rate has returned to pre-pandemic levels while total employment has continued to increase, currently sitting above the pre-pandemic high.

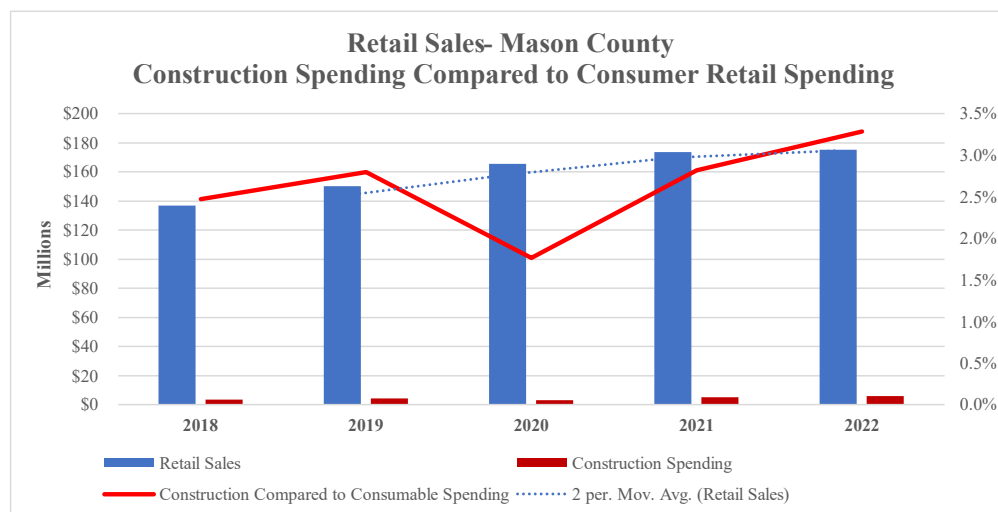


Source: Washington State Employment Security Dept.

According to the Washington State Employment Security Department, employment in the Pacific Mountain Workforce Development area, which includes Mason County, is projected to increase 1.90% on an annual basis from 2021 to 2026, slowing to 1.07%, annually from 2026-2031.

Retail Sales

The following graph summarizes the taxable sales for retail trade in Shelton. Retail sales have been steadily increasing since 2016. During 2020, at the onset of the pandemic, retail spending grew slightly faster than average, but construction spending fell compared to consumer retail spending. As a result of the spike in building permit applications in 2020 and 2021, and the lag created by the pre-construction entitlement process, construction spending increased in 2021 and 2022, especially when compared to the growth in consumer retail spending in a period of ‘sticky’ inflation and rising interest rates. Those factors, and the return of permit applications to pre-pandemic averages, will likely lead to a drop in overall construction spending and as compared to consumer retail spending.



Source: Washington State Department of Revenue.

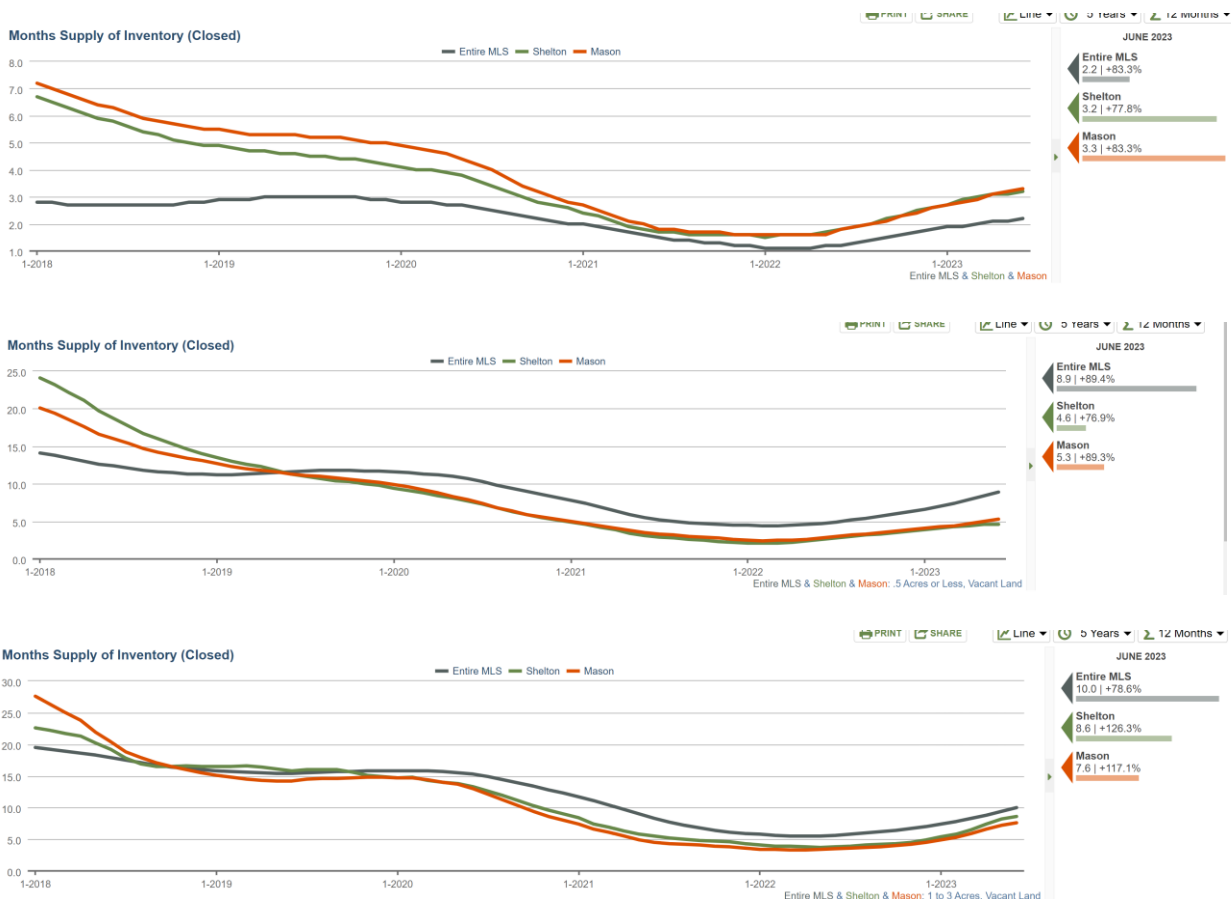
Supply Analysis

Supply in this market analysis is interpreted from estimates of existing competing properties plus planned and potential construction of competing properties.

Existing Supply

The subject is zoned such that commercial development is permitted. However, it is zoned to encourage lower to medium density residential use. The surrounding land uses are largely single-family residential east of Shelton Creek and south of Olympic College.

According to the University of Washington housing market report, Mason County had 1.7 months of supply in Q1 of 2023. According to the NWMLS, the Shelton MLS area had around 2.7 months' supply of closed sales in the first quarter of 2023. There are currently 85 active listings of residential properties between .11 and 1.75 acres for sale in the Shelton MLS area. There are 34 active listings of vacant land less than .5 acres and 34 listings between 1 and 3 acres in the Shelton MLS area. Based on NWMLS tracking of supply, months' supply has crept up over the last 18 months, which coincides with 'sticky' inflation and rising interest rates used to combat inflation.



There are nine pending sales of vacant land between 4,500 SF and 80,000 SF in the Shelton MLS area. However, the majority of them are at the outer edges of the MLS boundary, in areas zoned for low density residential use. Only one pending sale is in the city limits with higher allowed zoning.

The 2016 Mason County Comprehensive Plan (most recently released data) estimates residential land capacity to be 1,650 net acres in the City of Shelton and 3,100 net acres in the Shelton UGA. These lands allow up to 4 dwelling units per acre. There are approximately 500 acres of largely undeveloped land just east of the subject in the Shelton UGA and zoned for neighborhood residential use.

Construction

Commercial

According to Jason Dose, Senior Planner, there has been some new commercial construction in the north end of the city. This includes a 60,000 SF hospital expansion and a new dialysis clinic; an expansion of the high school, a new elementary school, and the Shelton Family YMCA. None of the 2022 building permits applications for Mason County were for commercial development.

Multifamily

Two triplexes that had been planned on Park Street near S 7th Street, with two more planned, actually became single family residences because the developer did not want the additional construction cost required by the city for multifamily units (interview with Jason Dose, Senior Planner). The only multifamily to have been proposed in Shelton development area was first reduced in scope and has since indefinitely stalled, both for permitting/entitlement reasons and significant cost.

Single Family

Jill Dickinson, Building Permits manager for the City of Shelton, sent over the following for single family home permits within the Shelton city limits:

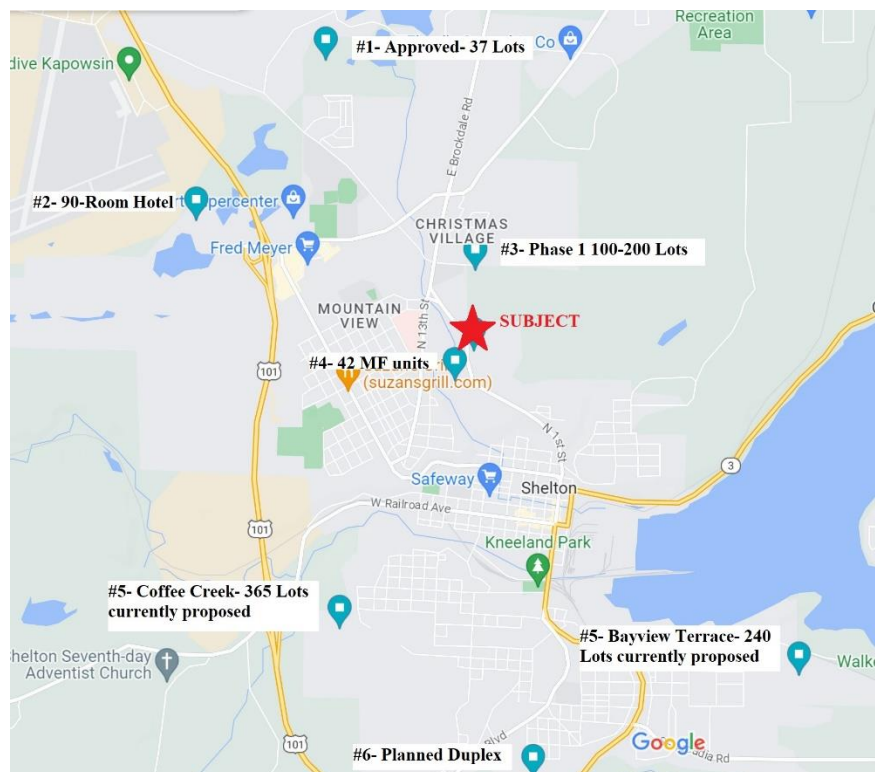
Shelton SF Construction	
Year	Single Family Permits Issued
2019	20
2020	13
2021	16
2022	12
2023ytd	3

Potential Construction

There is another large development that has been brought to the city in recent years. This development was proposed on the west side of 101 near Walmart in the north end. This would include approximately 700 housing units and 2.8 million square feet of commercial/industrial space. An environmental Impact Statement was issued in 2014, however, no movement on that project has taken place since then. According to Jason Dose, the same developer has changed plans

and now is proposing a hotel on this same parcel. The 90-room hotel is currently in pre-submission meetings with the city. Mr. Dose stated that the City has been working with this developer on this same parcel for over 15 years. This exemplifies the uncertainty of this potential project.

According to Mr. Dose, of the almost 1,000 residential units that were proposed to the city two years ago, only 19 have moved forward in the last two years. Currently, of the 800 to 900 single family and multifamily units proposed, only 37 single-family units are approved and moving forward. The last 18 to 24 months, the city has imposed restrictions on any new development that required extension of water mains or upsizing of existing mains. The city is currently working on confirmation of its capacity to provide adequate water service, a fix for existing limitations to capacity, and a phasing plan for new development. Reportedly, the fix and phasing will likely involve a fee to developers for what are essentially ‘options’ for a predetermined number of connections that will remain valid for ‘x’ amount of time. If the developers do not build the connections in the prescribed period of time, the fee is forfeited and the connection rights can be sold to others for development. This limitation and fee requirement applies to all development that would require extension or expansion of existing service, both within city limits and in the UGA.



Proposed Developments:

- 1) The only approved development able to move forward- 37 lots on 40 acres being developed by MTT Development.
- 2) The Phase I hotel in the long awaited commercial and residential development at Wallace Kneeland and 101.
- 3) Phase I – 100-200 lots being planned by Mitchell Development. The developer has options on 300± acres to the east and northeast, currently classified and used as timber land.
- 4) The only multifamily development even under consideration in Shelton. Originally proposed as 58 units, recently reduced to 42 units: 32 one- and two-bedroom

- apartments and 10 three-bedroom row houses and associated outdoor amenity space. However, due to delays and increased cost to develop, developer would sell the property if the right buyer comes along.
- 5) Coffee Creek- Originally proposed as 271 single family lots; according to Jason Dose, currently proposed as 365 single family lots and a neighborhood park
 - 6) Bayview Terrace- Proposed 240 single family lots and outdoor amenity space to include trails and parks.

Interaction of Supply & Demand

The supply and demand factors in the subject's market indicate that the market is currently in balance to slightly undersupplied. Building has consistently been below projected housing needs, even prior to the restrictions being in place. However, population growth has been a little below the growth projections used to calculate the housing needs. Employment is now stronger than it was prior to the pandemic and wage growth continues to outpace state averages. Should these fundamental demand drivers remain strong, it is likely the demand for housing will rebound as construction delays, construction costs, and interest rates begin to decline.

A cloud of economic uncertainty still looms over smaller, tertiary markets that are more susceptible to downturns. While investment still lags in the Shelton market, several businesses that delayed opening during the pandemic have since opened or are moving forward with opening, plus a few others. The impact of high inflation and high interest rates, and general economic uncertainty, shows in the residential market. In the last three months, months' supply of inventory has doubled, or almost doubled. The median sale price has flattened in the last 12 months. The median sale price in Shelton actually dropped slightly below that of Mason County.

Multifamily

There is minimal movement in the multifamily segment with a developer that had planned triplexes changing those to single family units due to what was considered onerous building requirements for the multifamily units. Vacancy data from multiple reporting sources, but with emphasis on area leasing agents, implies that the rental market is slightly undersupplied. Rent data shows rents in Mason County, including downtown Shelton, are significantly lower than surrounding areas. This further supports the idea that the market is likely only slightly under supplied or balanced, given income and employment in Shelton. New inventory that has delivered to market in the last twelve months has spiked vacancy in Mason County, but that will likely return to the historical average as the market absorbs the units and no units are currently in the pipeline. Continued strength in the underlying economic demand drivers and state requirements for a wider variety of housing types, driven by the Growth Management Act, will likely encourage development of duplexes, triplexes, and small multifamily developments in the Shelton market.

Conclusions

The only commercial development the subject would likely support would be a low intensity, neighborhood serving commercial use, such as a daycare. However, given the minimal growth expected in the 2-mile radius in the near term, it is unlikely the market would currently support such a use in a largely established residential neighborhood.

Current restrictions on new residential development and the likely requirement of increased connection fees for new development that requires extension or expansion of existing water service

capacity will likely slow development in the near term. Higher vacancy due to new multifamily units delivered across Mason County and the lack of multifamily building permit applications indicates the market is likely in a holding pattern, waiting to see how higher inflation and interest rates, and broader economic uncertainty, affect demand. Market participants report that the residential market is likely in balance to only slightly undersupplied. It is expected that demand is adequate to begin building once new entitlement requirements are finalized. However, developers will likely slow delivery of new inventory to ensure demand is great enough to justify higher costs. However, employment and income growth, should they remain above surrounding county and state averages, will drive demand in the medium term. Building permit applications have been below what is needed to meet projected demand. Population growth has also been slightly below projections. That is likely factor in the downsizing and timing of phases of currently planned development. The subject, since according to Mr. Dose it would be easier than most to subdivide into three or four lots and would not be subject to current development restrictions, would be more desirable than many larger vacant lots in the Shelton development area (city limits and UGA).

Should the economy continue to recover from the Covid-19 pandemic and subsequent inflation and interest rate hikes, population growth will likely begin to pick up in Mason County. Single family development in the Shelton city limits has lagged behind the rural areas of the county. According to Jef Conkling, a longtime broker, appraiser, developer, and investor in the county, this is due to the relatively high cost to develop inside the city limits. There is a large portion of the Shelton UGA, just northeast of the subject, that is planned and under option for development. That could drive demand for neighborhood service commercial use but would be prime competition for residential uses. However, the subject's relative ease to subdivide, access to existing utilities, and ease of development mean that it would likely be able to be developed well before the land to the northeast.

The sale of the old Shelton Bank building, the former Smokin' Mo's site at the corner of Railroad and 2nd Street, gives indication of the change in the market that occurred from early 2020 to early 2022. The site first sold, after Smokin' Mo's vacated, in 2020 for \$355,000. The property sold within 7 days to an absentee investor. After not being able to tenant the restaurant building during the pandemic, the absentee investor relisted the property in October of 2021. The property took two months to go pending and over four months to close, at \$460,000 or 94% of asking price. That represents a 29.6% appreciation in less than two years, for a well-outfitted, but vacant, restaurant with historical character and a prime location in the commercial core, but no parking or ability to provide drive-through or curbside service. This sale closed before interest rates increased over 200 basis points.

In August of 2020, the Evergreen Meadows Cannabis shop, a converted home on Pine Street at the edge of town, sold for \$399,999. The property sold at a 13% capitalization rate due to the tenant being a cannabis retailer; the higher capitalization rate was intended to account for the significantly above market rents and the risk associated with a cannabis retailer and that the cannabis permit conveys with the tenant, not the property. The tenant did, in fact, break the lease in 2021, and the property has been relisted, vacant, for \$339,999 and the property finally closed in June 2023 for \$225,000.

These two sales point to the challenges of the Shelton market. For well-appointed commercial properties on Railroad Ave and a small section of 1st Street, in the downtown commercial corridor, the risk is lower and there has been appreciation. But, there have been no sales since interest rates spiked. For properties with some functional obsolescence for their permitted uses, outside the primary commercial corridor, the risk of vacancy is much higher, sales

take longer, and especially with changing capital markets, appreciation is not guaranteed. This is strong indication of weak demand in the Shelton market.

The subject is vacant land, zoned to allow medium density, with few impediments to development, utilities in the road directly in front of the subject, and a transit stop directly in front. The subject is slightly more attractive for residential use, both due to the relative restrictions on commercial use (size and types of uses) and the Growth Management Act requirements to build a wider variety of 'middle housing'. While the subject would require access be built through it, as well as stubbing in utilities and building minimal street frontage, it would not require approval or additional 'option' fees and time to connect to existing utilities. The largest challenges to development for the subject are the likely requirement to curb in access closer to the southern edge of the Northcliff frontage, and the awkward narrow angles at the southeastern corner and where the subject narrows between lots under separate ownership, fronting Holly Lane. These challenges will impact lot placement and may make the subject more marketable for duplex or triplex development for lots accessed from Northcliff Road. In a recent interview, Mr. Dose opined that the subject parcel, in theory, could feasibly, easily be divided into three lots, one single family fronting Holly Lane and two lots accessed from Northcliff that could support triplex development. Conversations with Mr. Dose and Mr. Conklin both implied that emergency services and the neighborhood would have concerns about any development with higher density. Recently built or sold duplexes in the market do indicate there is a market for these housing types. However, Mr. Dose stated any potential development would have to go through the pre-submission process to find out what would actually be approved.

The Covid-19 pandemic was unprecedented so long-term effects on the real estate market are unknown. Questions include: Will inflation spurred by the Covid-19 pandemic prove to be persistent? How high will the Fed raise interest rates to combat inflation? How long will high interest rate persist? What impact will higher inflation and interest rates have on the economy? What impact will they have on real estate sales? How will this impact rent payments? There are some signs that the unprecedented rent increases seen over the last two years have plateaued. Rents have even decreased in some markets or in some product types in primary and secondary markets. High interest rates have impacted sales in 2022 and especially in 2023. It was the opinion of some analysts at large real estate services firms, such as CBRE, Colliers, and Kidder Mathews in 2022 that persistent inflation and high interest rates will nudge up capitalization rates and investors will pull back from tertiary markets, such as Shelton. This does appear to be occurring in 2023.

There are some signs of market corrections across all property types. However, it is too early to predict the long-term impacts on real estate markets. Making any value predictions is speculative at this point but expect market participants to reevaluate their properties considering the changing situation. Proposed development in Shelton and its UGA imply there is still market demand for residential uses.

Highest and Best Use Analysis

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value."¹⁰

Summarizing the above:

- The use must be *legal*.
- The use must be *physically possible*.
- The use must be *financially feasible*.
- The use must be *maximally productive* (highest net return to the land).

The definition above applies specifically to the highest and best use of the land. It should be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use.

Application of the Highest and Best Use Criteria:

As Vacant

Legal Considerations:

The site is zoned NR, Neighborhood Residential. This zone allows for single-family, duplex, and triplex development, and well as small neighborhood-serving commercial use. The zone is most prohibitive of industrial uses. It should also be noted that the following development standards apply: All development is approved on a case-by-case basis that factors in utility capacity and impact of the density on surrounding uses; duplex and triplex development require minimum 7,500 SF lot size.

Physical & Locational Considerations:

Physical characteristics of a property that may impact the development of a site include the site's physical location, size, shape, topography, and/or location within a floodway or floodplain.

Size: 1.67 acres or 72,745 SF.

Shape: Irregular. The subject has multiple narrow angled 'corners' and a narrow 'neck' between the western and eastern edge of the parcel that impact the ability to fully utilize the site.

¹⁰The Dictionary of Real Estate, Sixth Edition, Page 109.

Topography: Level to sloping. The subject slopes where the larger, western portion of the site transitions to the smaller, more narrow, eastern portion, further complicating development in the center of the parcel.

Hazards: None noted.

Utilities: All utilities available in the street on both Northcliff and Holly. However, a small extension or review of capacity on Holly may impact development of the Holly side of the subject.

Location: The location provides for good access to transit and access to downtown and commercial and institutional nodes to the north.

Overall, the physical characteristics of the subject site are conducive to most uses allowed by zoning.

Financial Feasibility:

The financial feasibility test is a test of the ability of a potential property use to generate enough income to support the use. The following information are market indicators of the most financially feasible uses:

- Employment and Income growth are strong in Mason County.
- Building has not kept up with projected demand since projections were last published in 2016.
- Population growth has been slightly below projections since 2016.
- Several developments in the pipeline have not moved forward due to restrictions stemming from the City's concerns about water and sewer capacity.
- Those delays may have negatively impacted population growth.
- The subject has utility service directly in front of the portion fronting Northcliff Rd and the portion facing Holly Lane would only require a small extension, once improved. Any development fronting Northcliff would not require expansion or extension of utility service.
- The subject has access to transit services directly in front of the parcel on Northcliff.
- The subject has easy access to goods and services in the newer, larger Wallace Kneeland commercial node and the downtown core.
- Discussions with Jason Dose indicate the subject would be an easy, less expensive candidate for subdivision.

Maximally Productive:

Residential use emerges as the dominant use based on the legal, physical and financially feasible tests.

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Valuation Methods

Cost Approach

The Cost Approach is based on the understanding that market participants typically relate value to cost. In the Cost Approach, the value of a property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e. deterioration and obsolescence) in the structures from all causes. Entrepreneurial profit and/or incentive may be included in the value indication.

Sales Comparison Approach

In the Sales Comparison Approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are currently under contract to be sold.¹¹ The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property's market.

Income Approach

The Income Approach is based on the concept that an investor who purchases income-producing real estate is essentially trading present dollars for the expectation of receiving future dollars. The income capitalization approach consists of methods, techniques, and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and to convert these benefits into an indication of present value.

Conclusion:

The Cost Approach is not utilized in this assignment. The Cost Approach is not applicable because the subject is unimproved land.

The Sales Comparison Approach has been completed. There were adequate comparable land sales to complete a credible Sales Comparison Approach. Overall, this is considered to be the procedure which most closely represents market attitude and decision making basis.

The Income Approach has not been completed. Undeveloped and unentitled land such as the subject is not generally purchased for its income generating potential.

¹¹ The Appraisal of Real Estate, Fifteenth Edition, (Appraisal Institute, Chicago, Illinois, 2020), page 351.

Land (or Site) Analysis – Scenario A

The direct sales comparison approach is usually the preferred methodology for developing a land value conclusion. When sales of similar parcels of land are not plentiful enough for the application of sales comparison, alternative methods such as the following, may be used.

- Allocation.
- Extraction.
- Subdivision development analysis.
- Land residual technique.
- Ground rent capitalization.

In this appraisal assignment, the sales comparison approach is the primary method which has been utilized. The most recent comparable land sales are shown in the following summary table. Each sale is then individually described; and is also presented in greater detail in the Comparable Market Data section of the report, including photographs, legal references, and other information.

Comparable Sales Search & Selection

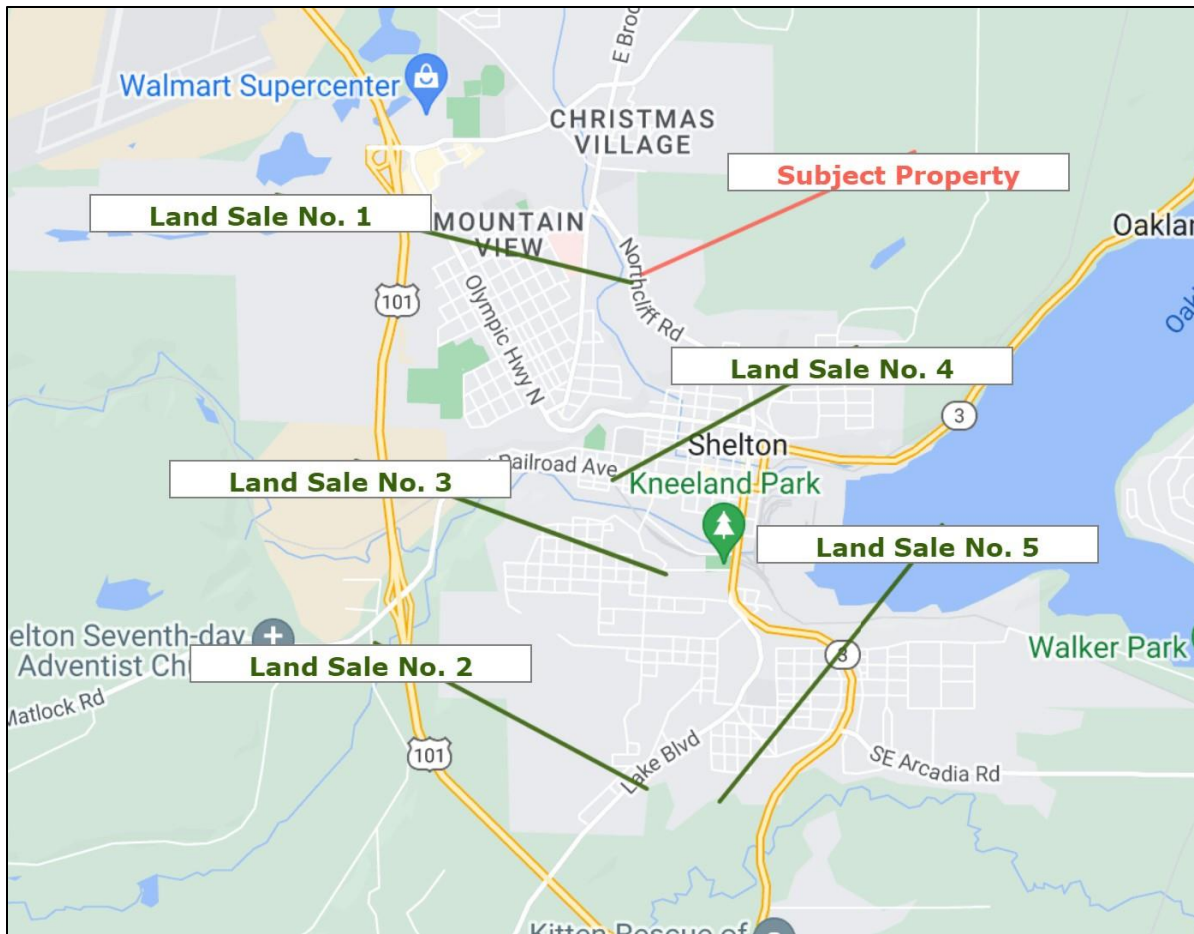
The search for comparable sales focused on developable residential land in the city limits and urban growth area of Shelton.

Unit of Comparison

The price per square foot is the primary unit of comparison. Most market participants utilize price per lot for single family land and price per supportable unit or price per square foot for land that allows multifamily development. The subject and all the comparable sales could reasonably support two to seven residences, either as single-family, duplex, or triplex units. Recent sales indicate that parcels marketed and purchased for the potential development of duplex or triplex units, ultimately got developed with single-family residences. Therefore, since the number of units is unknown for most of the sales, price per square foot is utilized herein.

Please note: This Sales Comparison Approach is based on the Hypothetical Condition that under this "A" scenario, the property maintains the entirety of the parcel, approximately 72,461 SF.

The table below is a summary of the best sale examples discovered--more information on each property is included in the Comparable Market Data section of the report. Confirmation of each sale has been obtained from buyer, seller, broker, or other parties believed to be knowledgeable about the details of the transaction, whenever possible. When direct verification was not possible, we have relied upon public records or similar data sources. A map, showing the location of pertinent sales, is shown below.



Land Sales						
	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Name	Northcliff Park Land	Northcliff Rd Land	Beverly Heights Land	Turner Ave Land	Cota Street Land	Delanty Rd Land
Address	1518 Northcliff Road	1441 Northcliff Rd	XXX Lake Blvd	XXX Turner Ave	928 W Cota St	410 E Delanty Rd
City	Shelton	Shelton	Shelton	Shelton	Shelton	Shelton
Sale Price	N/A	\$68,500	\$40,000	\$60,000	\$60,000	\$155,500
Date of Sale	N/A	4/9/2021	11/18/2022	5/19/2023	5/27/2023	6/30/2023
Adjusted Sale Price	N/A	\$68,500	\$40,000	\$110,000	\$60,000	\$155,500
Land Sq Ft	72,461	36,115	43,560	47,916	9,583	56,192
Price / SF of Land	N/A	\$1.89	\$.92	\$2.30	\$6.26	\$2.77
Land Acres	1.66	0.83	1.00	1.10	0.22	1.29
Price / Acre	N/A	\$82,530	\$40,000	\$100,000	\$272,685	\$120,543

Adjustments must be made for the following ten elements of comparison, which are listed below:

Real Property Rights Conveyed

The subject's fee simple rights are being appraised. All of the comparable sales were transactions of fee simple property rights. Thus, no adjustments are required.

Financing terms

All of the comparable transactions sold based on payment equivalent to cash or financing that was neither superior nor inferior to that which is obtainable in the market and thus no adjustment for financing is necessary.

Conditions of sale

Conditions of sale is an element of comparison that considers the motivation of the buyer and seller. None of the buyers or sellers were noted to be unduly motivated, thus, no adjustment is necessary.

Expenditures made immediately after purchase

A buyer that anticipates having to make an expenditure immediately after purchase will consider this expenditure when agreeing on a price to pay. Some of the sales may have required quantitative adjustments for expenditures made immediately after purchase such as for demolition. Those adjustments are included in the analyzed prices shown in the table above. Sale L-3 required extension of the utilities and an estimate, prior to the city's restriction on extension or expansion of utilities, had been obtained. The analyzed price includes the cost to extend water and sewer to the sale site.

Market conditions

The comparables sold over a period from April 2021 to June 2023. Market conditions for vacant rural residential land properties in Mason County had been relatively flat over the long term, but beginning in 2014, the rural residential market began an upcycle. More in depth analysis of sales over 2020 and 2021, sales transaction volume and the days on market point to signs of strengthening during the Covid-19 pandemic. However, sales transactions began to slow in 2021 and brokers in the market report buyers are more discerning about what land they are willing to buy. Market participants report that residential land inside Shelton city limits and the surrounding UGA has been stagnant due to the temporary restrictions put in place in the last two years on expansion of utility service and the higher cost to develop within city and UGA limits. Sale L-1 is the only sale to occur before interest rates spiked and construction costs proved to be stubbornly high. However, sale L-1 is across the street from the subject, has the same zoning, and also is not impacted by the restrictions on the expansion of utilities. Therefore, Sale L-1 requires an upward adjustment for market conditions.

Location

There are mild to moderate locational differences between the sales and the subject which are discussed with each individual sale below.

Physical characteristics

There are a number of physical characteristics that can affect the value of the comparable sales. The primary characteristics analyzed herein are access, utilities, size, critical areas, site coverage, topography, street frontage, and amenities such as views.

Economic characteristics

Economic characteristics include attributes of a property that directly affect its income. The economic characteristics of the sales are the same as the subject and require no adjustment.

Use/zoning

All sales were zoned for neighborhood residential use, allowing up to nine residences per acre, and allows single-family, duplex, and triplex development. The zoning (and/or entitlement) differences between the sales and the subject are discussed with each individual sale below.

Non-realty components of value

Non-realty components include personal property, business value, goodwill, and other items that are not considered part of the real property. While some of the properties reportedly had marketable timber, no timber cruises were provided, and none reported the timber being a factor in sale. Thus, no adjustment for non-realty components of value is necessary.

Sale L-1 (\$1.89/SF) is the April 2021 sale of a mostly rectangular shaped parcel on the west side of Northcliff Road. The 36,155 SF parcel had 11,000 SF on the western side impacted by Shelton Creek and the steep slope leading down to it. It did reduce the buildable area and likely would have impacted the ability to subdivide, since it was at the ‘back’ of the parcel, it did not impact the ability to get utilities to a building site or access to the building site. The creek and slope also provided an amenity in that it provided territorial views not available with most vacant lots. The parcel is zoned NR, Neighborhood Residential. Pre-development feasibility done for the purpose of marketing the property determined the site would support a triplex. The Seller’s Broker reported the property benefited from an easement that effectively added 2,070 SF along the southern border of the property. The easement was the result of the location of the fence of the neighbor to the south.

<u><i>Element</i></u>	<u><i>Rating</i></u>	<u><i>Comment</i></u>
Market Conditions	Inferior	Sold apprx 30 months prior to date of value
Location	Similar	Sale is across the street from subject
Access	Similar	Good frontage along Northcliff road, no built access onto property
Utilities	Similar	All utilities avail in road, not subject to restrictions
Size	Superior	Half the size of subject
Critical Areas	Similar	No impact from creek due to slope
Coverage	Slightly Inferior	Heavily treed
Topography/Shape	Inferior	Back 1/3 of site impacted by slope
Amenities	Slightly Superior	Sale has superior views with of slope and creek
Use/Zoning	Similar	NR zoning
Overall Rating	Inferior	This sale is inferior largely because of slope and older date of sale outweighing the smaller size and amenities.

Sale L-2 (\$0.92/SF) is the November 2022 sale of a three-parcel property, totaling 1 acre off Lake Boulevard, at the southern edge of the Shelton City limits. The triangular-shaped parcels are one block southeast of Lake Blvd and south of the intersection of Lake Blvd and Wyoming St but lacked access; City of Shelton utility maps identifies the undeveloped future road along the northwest border of the parcels as “Idaho Blvd” and marketing identifies a future “Arizona St” but the city has no plans to construct either road in the near term. Water and sewer are installed along Lake Blvd. One of the parcels was separated from the northern two by an undeveloped future alley. The parcels are heavily treed. The parcels are zoned NR but due to the lack of access and need to extend utilities, it is unlikely any development of the parcel will be approved in the near term, given the current restrictions and number of projects in pipeline waiting for connection approval. The Seller’s Broker stated there was healthy interest in the property until buyers began due diligence and discovered the restrictions on connections and requirements and time required to get connections approved. The property was on the market for over a year and was ultimately purchased by an adjacent neighbor for 80% of the original asking price.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Conditions	Similar	Sold in November 2022, restrictions have largely stalled land market in town and UGA
Location	Slightly Inferior	Located at southern edge of town, farther from goods and services
Access	Inferior	No access w/no plans to build it
Utilities	Inferior	Water and sewer in Lake Blvd, extension not likely to be approved in near term
Size	Slightly Superior	~2/3 the size of subject, which tends to increase \$/SF
Critical Areas	Similar	Sale is not impacted by critical areas
Coverage	Slightly Inferior	Site is heavily treed
Topography/Shape	Slightly Superior	Site is not impacted by slope, triangular shape prevents full utilization of site, similar to subject
Amenities	Similar	Sale does not have creek or territorial views or other amenities that would drive value
Use/Zoning	Similar	Sale has same zoning
Overall Rating	Inferior	Sale is inferior mostly due to lack of access and unavailability of utilities, as well as significant tree coverage outweighing the smaller size and slight benefit from lack of slope. Sale has similar loss of area created by the triangular shape.

Sale L-3 (\$2.30/SF) is the May 2023 sale of a 1.1-acre parcel on the south side of Turner Ave, south of downtown Shelton. The parcel is bisected by an undeveloped alleyway running east to west. Water and sewer service end 450' to the east and 600-650' to the east, essentially leaving the undeveloped block of Turner Ave without utility service. The same buyer purchased seven other vacant parcels on the block at the same time, creating an almost six-acre contiguous, flag shaped property along Turner, 7th, and Harvard Ave. Similarly shaped and sized portions of blocks in the neighborhood have been short platted into as many as nine lots. However, most are subdivided into five or six lots. This sale is one of the only two openly marketed parcels in the sale. The property was one of two that did not have utilities already in the street in front. The Seller's Broker had worked with the owner on feasibility work done prior to marketing. The cost to extend utilities to the site, before the city council instituted the restrictions on utility extension, was \$50,000-\$60,000. The site slopes from northeast to southwest. A much smaller parcel on the southern side of this sale, owned by the same seller and marketed by the same broker, was purchased for the purpose of storm water management for the larger development. The Seller's Broker knew the buyer intended to subdivide but did not know what the buyers exact plans were. There are no plans current in pre-submission with the city. Since the other parcels that were part of the assemblage of this sale were not openly marketed, they are discussed in the Additional Market Data section at the end of comparable sale write-up.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Conditions	Similar	Sold approximately 2 months prior to date of value
Location	Similar	Sale property is south of downtown Shelton
Access	Similar	Direct frontage, no developed access, less than 1 block from transit
Utilities	Slightly Inferior	Even with the known cost to extend utilities before the restrictions is added, the uncertainty of getting approval and the additional cost to purchase a 'claim' is inferior to subject
Size	Slightly Superior	Sale is apprx 2/3 size of subject, which tends to increase \$/SF
Critical Areas	Similar	Sale is not impacted by critical areas
Coverage	Slightly Inferior	Sale is heavily treed
Topography/Shape	Similar	Sale is more impacted by slope but rectangular shape allows greater utilization of site
Amenities	Similar	Sale does not have particularly desirable views amenities that drive value
Use/Zoning	Similar	Sale has same zoning as subject
Overall Rating	Slightly Inferior	The sale is slightly inferior largely due to the lack of utilities. The more significant slope is mitigated by the stable soils and the ability to fully utilize the parcel due to its rectangular shape.

Sale L-4 (\$6.26/SF) is the May 2023 sale of a 0.22-acre two-parcel property located on W Cota St at the western edge of downtown. The property is bisected by a defunct, vacated rail line, now owned by the City of Shelton, which plans to build a multimodal trail through town. The future trail effectively cuts off the .02 acres at the corner of Cota St and 10th Ave, leaving .2 acres northeast of the trail as usable area. The site has rear alley access which mitigates the loss of frontage on Cota and 10th. Utilities are available both along Cota and 10th Ave. The parcel is zoned for neighborhood residential use. The property just to the east was redeveloped into a triplex in the early 2010s.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Conditions	Similar	Sold two months prior to date of value
Location	Superior	Sale is located in the downtown core
Access	Similar	Road frontage is impacted by location of future trail but has alley access that mitigates the impact
Utilities	Similar	Utilities are available and would not be impacted by the city imposed restrictions
Size	Highly Superior	Parcel is 1/8 size of subject, would still allow triplex development
Critical Areas	Similar	Sale not impacted by critical areas
Coverage	Similar	Sale is mostly cleared with only a few trees remaining
Topography/Shape	Slightly Superior	Sale is level
Amenities	Similar	Sale has a public use trail through the front yard, possibly adding an amenity but reducing privacy; subject has bus stop, but more room to create buffer
Use/Zoning	Similar	Sale has same zoning as subject
Overall Rating	Superior	This sale is superior due to the small size with zoning that allows duplex or triplex development, as well as location close to downtown, outweighing the public use trail going through the front yard. The loss of developable area is similar to the loss in the subject due to odd angles and slope.

Sale L-5 (\$2.77/SF) is the June 2023 sale of a 1.29-acre parcel at the southern terminus of Delanty Rd, just south of the Shelton city limits. The square shaped parcel had been cleared and had the driveway installed. It is outside the city of Shelton utility service area but had a well and a 6-bedroom septic installed. Permits for the well and septic that would allow development of a duplex were first filed before the last recession and again in early 2020. The sellers moved forward with installation of the well and septic, but never moved forward with development of the duplex. The buyer intended to move forward with building a duplex. The site was in the UGA and zoned for neighborhood residential.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Conditions	Similar	Sold approx. 1 mo prior to date of value
Location	Slightly Inferior	Located outside the city limits, south of the city, farther from goods and services
Access	Slightly Inferior	At terminus of paved rural residential road with driveway installed
Utilities	Similar	No water/sewer service but had well and septic installed
Size	Slightly Superior	Sale is smaller than subject
Critical Areas	Similar	Sale not impacted by critical areas
Coverage	Similar	Large, cleared area, trees remain around parcel boundaries
Topography/Shape	Slightly Superior	Gentle slope affects only southeastern corner of parcel and shape would allow maximum utilization and slope would not prevent dev.
Amenities	Similar	Sale has similar views and amenities that drive value
Use/Zoning	Similar	Sale has same zoning as subject, but entitlement work makes the sale build ready, but limits density
Overall Rating	Similar	Sale is basically similar to subject because the entitlement work makes the sale build ready but limits density. The sale property is farther from goods, services, and transit than the subject.

Additional Market Data: The six parcels that totaled approximately 4.5 acres along Turner Ave, 7th St, and Harvard Ave all sold within two days of sale L-3, to the same buyer. These parcels were owned by two separate owners and were not openly marketed. All of the purchased parcels were undeveloped and heavily treed. The two parcels that fronted 7th had utility service in the street directly in front; the parcel that fronted Turner Ave was similar to sale L-3. The 3.3-acre combined property owned by the Manke family sold for \$250,000, or \$1.74/SF.

The other three parcels, totaling 1.22 acres that fronted Harvard Ave sold for \$110,000, or \$2.06/SF. These three parcels had utility access in the road. There was a single-family residence in the parcel to the east. Given that sale L-3 sold at the same time, to the same buyer, was of similar size, but did not have utility service and it was uncertain when utility service could be established, these sales support the adjusted sale price for L-3. Sale L-3 would likely be slightly more desirable due to the lack of development and unlikelihood of development across Turner from the parcel.

Conclusion

The goal of the sales comparison approach is to select the most comparable market sales and then adjust for differences that cannot be eliminated within the selection process. Elements of comparison include property rights conveyed, financing terms, conditions of sale (motivation), expenditures made immediately after purchase, market conditions (time), location, physical characteristics (e.g. size, soils, access, shape, frontage, topography), economic characteristics, use (zoning), and non-realty components.

The actual adjustments may be quantitative, where precise dollar or percentage adjustments can be developed from market evidence, or qualitative, where the adjustments may be simply an acknowledgement of a property's superiority or inferiority. In this appraisal, due to the lack of sufficient market evidence with which to support quantitative adjustments, we have utilized a qualitative adjustment process known as "relative comparison analysis", also referred to as "bracketing analysis".

In the following table is a representation of the qualitative adjustment and comparison process, in an effort to estimate a supportable value range for the subject site. It also represents the sequence in which adjustments are made, if necessary, and applicable. Please note that "plus" or "minus" adjustments shown are relative; for example, a physical adjustment may carry more weight than adjustments made to other elements of comparison.

Land Sale Adjustment Grid											
Adjustments*	A	B	C	D	E	F	G	H	I	J	</> Price/SF
Sale 1	0	0	0	0	++	0	0	0	0	0	> \$1.89
Sale 2	0	0	0	0	0	+	+++	0	0	0	> \$0.92
Sale 3	0	0	0	0	0	0	+	0	0	0	> \$2.30
Sale 4	0	0	0	0	0	--	----	0	0	0	< \$6.26
Sale 5	0	0	0	0	0	+	-	0	0	0	~ \$2.77
<i>*A=Rights Conveyed; B=Financing Terms; C=Sale Conditions; D=Expenditures; E= Market Conditions F=Location; G=Physical Characteristics; H=Economic Factors; I=Use (Zoning); J=Non-Realty Components Note: + Symbol means inferior to subject or upward adjustment; - Symbol means superior to subject or downward adjustment; > Symbol means "greater than"; < Symbol means "less than"</i>											

Following the comparison and adjustment process, a refined value range of approximately \$2.30/SF to \$2.77/SF was indicated.

The subject is most similar to Sales L-1, L-3 (adjusted for the cost to extend utilities), and L-5. Sale L-2 is virtually undevelopable in the near term and was not purchased for development, but to prevent development. Sale L-4 is significantly smaller than the subject and downtown. So, while it had similar public access directly in front and the highest and best use was similar, the size makes it difficult to compare directly to the subject. Sale L-4 represents the top of the comparable land market.

Sale L-1 is across the street from the subject, had similar zoning, and similar utility access. Sale L-1 is half the size of the subject and it has an even smaller usable area due to slope at the western end of the parcel. While buyers will typically pay more per square foot for smaller parcels, this relationship is strongest for parcels that support the same development. Vacant land sales of parcels greater than 1 acre, those that can reasonably be subdivided into multiple single family or

possibly duplex lots, have not seen the same degree of correction that parcels between .5 and 1 acre have seen.

Sale L-3, even once it is adjusted for the cost to extend utilities (before the restrictions were put in place) has uncertainty on the timing and additional expenses to provide utilities to the site and subdivide it. It was also part of a larger assemblage of property. The slope impacts this parcel more than the others in the larger sale, meaning it is possible there would only be six units/lots rather than eight on parcels less impacted. Sale L-5 is outside the city of Shelton utility area, but already had a well and septic installed, negating the uncertainty and expense of utility service. It also means the parcel is essentially 'build ready' for the buyer. However, the well and septic limited development to one duplex on land that could have supported approximately 10 units.

The subject could support more than 10 units, by size. However, based on discussions with Jason Dose, Senior Planner for the City of Shelton, the awkward corners, slope, emergency access requirements, and surrounding uses would likely limit the subject to four or five single family lots, at most, or one single family lot and two to three lots for duplex or triplex development. However, discussions with Mr. Dose indicated that the increased building requirements for triplex, and to a lesser extent duplex, development have limited smaller builders' interest in developing so-called 'middle housing'. Therefore, the subject would likely fall moderately above sale L-1, which sold two years ago for development of one single-family home and somewhat above sale L-3 which will likely support six to eight single family lots. The subject would likely be similar to L-5, which was build ready, but due to the well and septic in place, limited to lower density than the subject would likely support. The subject is a prime candidate to support duplex or triplex development, determined to be much needed in the market. However, builders' reluctance to build these units limits demand. The subject's relative ease of development would allow a builder to bring single family units to market much faster than those in the pipeline but would involve higher costs and a longer entitlement period than sale L-5. Therefore, the subject would likely fall above sale L-3 because it does not have the uncertainty and additional costs involving utility service, but similar to or only slightly below L-5 which is build ready for a duplex unit, lower density than the subject could support but no additional time or expense is required to build the duplex units.

We are of the opinion a value of approximately \$2.75/SF, was reasonably supported, as of the date of appraisal.

Summary, Land Value Conclusion:

$$(72,461 \text{ SF})(\$2.75 \text{ Per SF}) = \$199,268$$

Indication of Value by the Sales Comparison Approach [rounded to]

\$200,000

Land (or Site) Analysis – Scenario B

This assignment was to estimate the market value of the subject under the following scenarios:

A. Estimate the Fee Simple Interest of the property at 1518 Northcliff Road, Shelton, WA (Parcel 32018-65-00900) including the area estimated to be within the fence line of the adjoining property 705 Holly Lane, Shelton, WA (Parcel 32018-65-00037).

B. Estimate the Fee Simple Interest of the property at 1518 Northcliff Road, Shelton, WA (Parcel 32018-65-00900) under the Hypothetical Condition that the area estimated to be within the fence line of the adjoining property 705 Holly Lane, Shelton, WA (Parcel 32018-65-00037) is no longer part of parcel 32018-65-00900.

C. $A - B =$ Implied Value of Subject 2,019 SF Portion of Parcel 32018-65-00900.

Scenario A: For scenario A, the value of the subject was estimated via a Sales Comparison Approach which resulted in a value indication of \$200,000 for the unimpaired property.

Scenario B: In scenario B, the subject is losing approximately 2,019 SF of site area. The loss does not effectively change the clearance, or width across the narrow portion of the parcel, connecting the Holly Lane facing portion to the Northcliff facing portion. This area is also affected by slope and would likely be an issue for emergency service, even without the loss of site area. Thus, making it most likely the Holly Lane portion would be subdivided as a single family lot with access from Holly Lane. The loss of site area may impact placement of improvements on the site and reduce the size of any resulting yard area but would not effectively change the likely development potential of the overall parcel. Thus, the same estimated value of \$2.75 per square foot as already estimated for scenario A is applied to parcel 32018-65-00900's size in scenario B.

Summary, Land Value Conclusion:

$$(70,442 \text{ SF})(\$2.75 \text{ Per SF}) = \$193,716$$

Indication of Value by the Sales Comparison Approach [rounded to]	<u>\$194,000</u>
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Scenario C: This is the estimated value from Scenario A minus the estimated value from Scenario B.

$$\$200,000 \text{ (Scenario A Value)} - \$194,000 \text{ (Scenario B Value)} = \$6,000$$

Indication of Value [rounded to]	<u>\$6,000</u>
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Reconciliation of Value Indications – Scenario A

Three independent approaches to value were considered by the appraisers. The resultant value indications were:

Cost Approach	Not Completed
Sales Comparison Approach	\$200,000
Income Approach	Not Completed

The Sales Comparison Approach provides a meaningful indication of value when:

- The amount of available market data is adequate.
- The relative advantages and deficiencies of the property being appraised and the comparative sale properties are not too extensive and have been correctly weighed.

The Sales Comparison Approach was a good indicator of value. All of the sales are from the general Shelton city limits or directly outside, in the UGA, and all were within two years of the date of value, and all the sales had the same zoning. However, there were some differences in size, location, and availability of utilities. Overall, the Sales Comparison Approach best reflects the analysis of the most likely buyer and is given all weight in reconciliation.

As a result of our investigations and analyses, it is our opinion that the market value of the identified interest in the subject real property, as of July 17, 2023, was:

Two Hundred Thousand Dollars

(\$200,000).

Reconciliation of Value Indications – Scenario B

Three independent approaches to value were considered by the appraisers. The resultant value indications were:

Cost Approach	Not Completed
Sales Comparison Approach	\$194,000
Income Approach	Not Completed

The Sales Comparison Approach provides a meaningful indication of value when:

- The amount of available market data is adequate.
- The relative advantages and deficiencies of the property being appraised and the comparative sale properties are not too extensive and have been correctly weighed.

The Sales Comparison Approach was a good indicator of value. All of the sales are from the general Shelton city limits or directly outside, in the UGA, and all were within two years of the date of value, and all the sales had the same zoning. However, there were some differences in size, location, and availability of utilities. Overall, the Sales Comparison Approach best reflects the analysis of the most likely buyer and is given all weight in reconciliation.

As a result of our investigations and analyses, it is our opinion that the market value of the identified interest in the subject real property, as of July 17, 2023, was:

ONE HUNDRED NINETY-FOUR THOUSAND

(\$194,000).

Certification

We certify that, to the best of my knowledge and belief,

- The statement of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved. We have not performed any services regarding the subject property within the three years preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report.
- Alison D. Snodgrass, License # 21018996, provided significant professional assistance to the person(s) signing this report.
- The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.



Derek R. Jolliff, MAI*

*As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser's Qualifications

Derek R. Jolliff, MAI

Experience:

- **Appraiser**, Anderson Appraisal, Inc., Olympia, Washington
- **Appraiser**, Capital Valuation Group, Salem, Oregon 1/06 – 10/10

Over a decade of appraising various property types, including office, retail, industrial, multifamily, institutional, vacant land, easements, subdivisions, special use and agricultural properties.

Education:

Western Washington University, Bellingham, Washington (BA - Business Administration)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Appraisal Institute Courses:

- "Basic Appraisal Procedures"
- "Basic Income Capitalization"
- "Real Estate Finance Statistics and Valuation"
- "Report Writing and Valuation Analysis"
- "Evaluating Commercial Construction"
- "Litigation Appraising: Specialized Topics and Applications"
- "Appraising Convenience Stores"
- "Fundamentals of Separating Real Property, Personal Property, & Intangible Assets"
- "Advanced Sales Comparison and Cost Approach"
- "General Appraiser Report Writing and Case Studies"
- "General Appraiser Market Analysis and Highest and Best Use"
- "General Appraiser Site Valuation and Cost Approach"
- "General Appraiser Sales Comparison Approach"
- "Advanced Income Capitalization"
- "Advanced Applications"
- "Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications"

Matthew Larabee:

- "Case Studies in Income Property Appraisal"

McKissock Appraisal Education:

- "USPAP - Uniform Standards of Professional Appraisal Practice"
- "Appraisal of Assisted Living Facilities"
- "Appraisal of Self-Storage Facilities"

International Right of Way Association:

- "Appraisal of Partial Acquisitions"
- "Easement Valuation"

American Society of Farm Managers and Rural Appraisers

- "Advanced Rural Case Studies"
- "Introduction to the Valuation of Permanent Plantings"

Business and Professional Organizations:

Member, Appraisal Institute (#468211)

Washington State Certified General Real Estate Appraiser (#1101978)

Appraiser's Qualifications

Alison Snodgrass

Experience:

Appraisal Assistant, Anderson Appraisal, Inc., Olympia, Washington
January 2021-Present

Business Manager, ProBuild Construction, Tacoma, Washington
One year of experience estimating and procuring materials for small scale residential and assisted living remodeling projects in western Washington.

Real Estate Analyst, KLNb, Washington D.C.
One year experience in all aspects of valuation: due diligence, lease abstracting, market analysis, and financial modeling, using Argus DCF and Excel.

Real Estate Analyst Intern, The Equity Group, Colorado Springs, Colorado
Training in all aspects of valuation and development: due diligence, site selection, valuation, market analysis, and financial modeling, entitlements.

Education:

Georgetown University, Washington, D.C. (M.S.- Real Estate Development and Finance)
University of Colorado, Colorado Springs, CO- (B.S.- Finance)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Georgetown University:

- "Foundations of Real Estate"
- "Foundations of Real Estate Finance"
- "Foundations of Real Estate Markets"
- "Foundations of Real Estate Law"
- "Foundations of Real Estate Accounting"
- "Construction Estimating and Procurement"
- "Lease and Negotiation"
- "Multi-Family and Affordable Housing"
- "Software for Real Estate Finance"
- "Urban Plan"

Argus:

- "Argus DCF"

Appraisal Institute Courses:

- "15-Hour Equivalent USPAP Course 2020-2021"
- "Basic Appraisal Principles"
- "Basic Appraisal Procedures"
- "Supervisory Appraiser/Trainee Appraiser Course"
- "Appraising Automobile Dealerships"

Business and Professional Organizations:

State Registered Real Estate Appraiser Trainee (#21018996)

Statement of Limiting Conditions and Assumptions

- One (or more) of the signatories of this appraisal report is a Member or Candidate of the Appraisal Institute.
- The legal description furnished the appraisers is assumed to be correct. Title to the property appraised in this report is assumed to be merchantable in the parties stated to be the owners. For the purpose of this report, the property is assumed to be free of liens and encumbrances.
- The information contained in this report, other than facts observable by a physical examination of the property, is from sources considered to be reliable, but such information is in no sense guaranteed.
- No responsibility is assumed because of matters of legal character affecting the property, such as title defects, encroachments, liens, and overlapping property lines. The appraisal is based on the premise that, there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.
- In computing values, various figures have been rounded off to the nearest significant amount, for the sake of clarity, in arriving at the valuation. The distribution of the total value between land and improvements applies only under the utilization of the property to its Highest and Best Use.
- Compensation for services is dependent only upon delivery of this report. The values found by the appraiser are in no way contingent upon the compensation to be paid for services.
- The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given third parties without the prior written consent of the signatories of this appraisal report.
- This report is made in accordance with the Uniform Standards of Professional Appraisal Practice, adopted by the Appraisal Standards Board of the Appraisal Foundation.
- Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for the purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to revision upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

- Any drawings and/or diagrams are for illustrative purposes only and are not drawn necessarily to scale and should not be construed as surveys or engineering reports.
- It is called to the reader's attention the fact that this report is delivered subject to the stipulation that neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraisers or review appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation.
- The opinion of value, as set forth in this report, is based solely upon information available at and prior to the date of valuation, and no responsibility is assumed with respect to facts that may develop subsequent to such date and which might have a bearing on the opinion of value at the date noted as expressed herein.
- The appraisers and/or officers of Anderson Appraisal, Inc. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there become known to us facts pertinent to the appraisal process that were unknown to us when the report was finished.
- It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super efficient.
- The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.
- The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
- The appraiser assumes no responsibility for hidden or unapparent conditions of the property, which would render it more or less valuable, and further assumes no responsibility for surveys or engineering which might be required to discover such factors.
- The above conditions include soil composition, drainage characteristics, load bearing capacity, seasonal or permanent water table elevation, seismic susceptibility, hazardous materials contamination (including, but not limited to hydrocarbons, PCB's, asbestos, radon, urea-formaldehyde foam insulation, pesticides, mold/mildew), radioactivity, emissions or disruptions caused from high voltage transmission lines, the location of underground facilities, illegal dumping, leaking underground storage tanks, and so forth.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous

materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on, in or around the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
- It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
- Federal Government Regulations: The Federal Government has special requirements for appraisals to be utilized for some types of loans, resulting from Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. This appraisal was not written in accordance with FIRREA guidelines, unless so stated, in the letter of transmittal.
- Additional research, analysis, and report writing may be required because of the variety of standards and interpretations among certain financial institutions, and appraisal reviewers; and will be undertaken upon client request, at additional fees, for time and costs.
- Where the discounted cash flow analysis has been used it has been prepared on the basis of information and assumptions stipulated in this report. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy.
- The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variation may be material.
- This appraisal was obtained from Anderson Appraisal, Inc. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or in part.
- **APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IT IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER FOR THIS REPORT. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY IS PRIMA FACIE EVIDENCE THAT THE USER UNDERSTANDS AND AGREES TO THESE CONDITIONS.**

Comparable Market Data

Land Sale No. 1



Property Name Northcliff Road Residential Land
Address 1441 Northcliff Road
City, State Zip Shelton, Washington 98584
County Mason
Location West side of Northcliff Rd in northeast Shelton
Tax ID 32018-58-03004
Property Type Multi-Family Land, Duplex and 3-4 Plex
Zoning Code NR, Neighborhood Residential

Comp ID No. 2567

Physical Characteristics

Land Size 0.83 acres or 36,155 SF
Utilities All typical utilities available in the road
Visibility Average
Site Comments steep slope on west 'back' one-third or so of the parcel down to Shelton Creek, referred to as "the Canyon"
Gas pipeline easement - Between gas line easement and slope, buildable area is focused on NE portion of site
~2,070 SF along the southern border of the parcel and the parcel just to the south determined to be an easement benefitting sale parcel because of the location of the southern neighbor's fence.

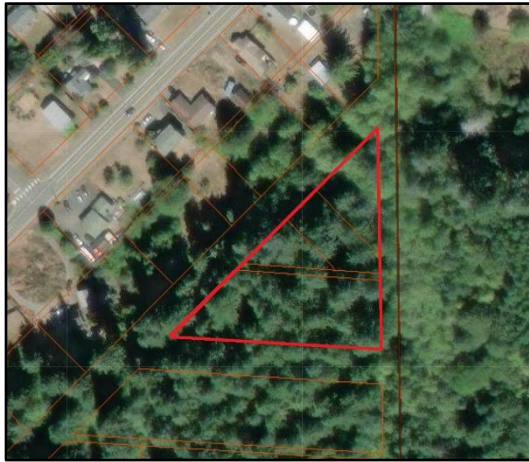
Recording Information

Sale Date 04-09-2021
Contract Price \$68,500
Adjusted Price \$68,500
Seller Robert & Kristina Johnson
Buyer EVG Northwest LLC
Property Rights Fee Simple Estate
Financing Cash to Seller
Market Time 7 days
Price/SF \$1.89
Price/Acre \$82,530
Sale Comments Seller had done initial feasibility and determined the parcel could support a triplex. Buyer was a developer/builder that built a single family on spec. Buyer knew the potential to build triplex, opted to build single family
Seller's Broker stated that the ~2,070 SF beneficial easement created because the neighbor's fence was well into their property line would not have changed the asking price at all because the zoning and surrounding single family uses allowed max of a triplex, the addition or subtraction of 2,000+/- SF would not have changed that.
Confirmed By Jef Conklin, Seller's Broker 360-280-0874

Recording No. 2154376

Comp ID No. 2567

Land Sale No. 2



Property Name	Beverly Heights Land	Comp ID No. 2568
Address	XXX Lake Boulevard	
City, State Zip	Shelton, Washington 98584	
County	Mason	
Location	Approx 1 block SE of Lake Boulevard, along the southern edge of Shelton city limit	
Tax ID	32030-51-12003, 32030-51-12001, 32030-51-12002	
Property Type	Multi-Family Land, Duplex and 3-4 Plex	
Zoning Code	NR, Neighborhood Residential	

Physical Characteristics

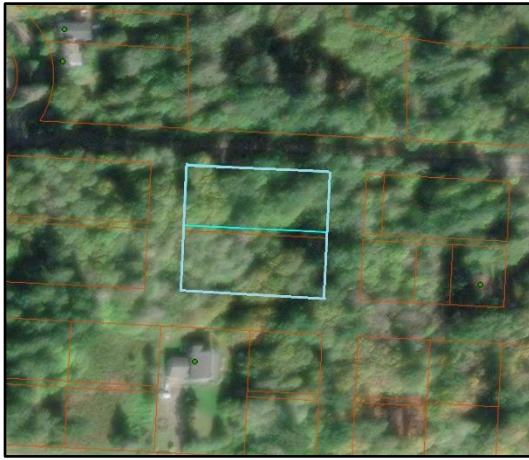
Land Size	1.00 acres or 43,560 SF
Visibility	Poor
Site Comments	Water, Sewer, and Power available in Lake Blvd. Would need to be extended ~\$40,000 and \$80,000, estimated by brokers in the market. Access would also need to be built. The City currently has no plans to construct proposed Arizona St that would run along east side or Idaho which would run parallel to Lake Boulevard on the northwest side of parcels. No critical area impact

Recording Information

Sale Date	01-20-2023	Recording No.	2190811
Contract Price	\$40,000		
Adjusted Price	\$40,000		
Seller	Leonard & Cynthia McConahey		
Buyer	Jaime Romero		
Property Rights	Fee Simple Estate		
Financing	Cash to Seller		
Market Time	60 days		
Price/SF	\$.92		
Price/Acre	\$40,000		
Sale Comments	Property was landlocked. There are indefinitely plans for a "future Arizona St" but the Seller's Broker did not know of any near term plans by the city to build the street. There is no address because there is no access. There is a vacated, but undeveloped alley between the two small triangular parcels and the larger parcel to the south. Seller's Broker stated there was a lot of interest until potential buyers checked with the County regarding development requirements. The requirements scared off buyers. There is currently a building moratorium in the city and UGA for any parcels that require extension of water and sewer due to city's concerns over ability to supply services. Seller's Broker stated there was a moratorium based on recently redone Lake Blvd. Buyer was the neighbor at the northwest corner of the sale property- Buyer has house at 2022 Lake Blvd. Long closing period, but all cash sale.		
Confirmed By	Jodie Guedon, Seller's Broker 360-589-9694		

Comp ID No. 2568

Land Sale No. 3



Turner aerial



PWW Dev assemblage

Property Name Turner Ave Land
Address XXX Turner Ave
City, State Zip Shelton, Washington 98584
County Mason
Location S side of Turner Ave in the Angleside neighborhood of Shelton
Tax ID 32019-56-02001
Property Type Multi-Family Land, Duplex and 3-4 Plex
Zoning Code NR, Neighborhood Residential

Comp ID No. 2571

Physical Characteristics

Land Size 1.10 acres or 47,916 SF
Visibility Average
Site Comments Utilities end 450' to west and 650' to east, would need to be extended
Parcel is bisected by a city planned, but undeveloped, alley that has been vacated in other parcels in the block
Site does have some slope but soils are stable

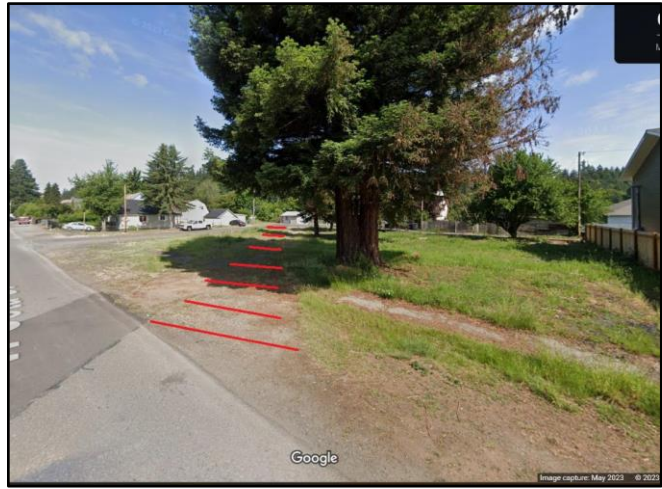
Recording Information

Sale Date 05-19-2023
Contract Price \$60,000
Adjusted Price \$60,000
Seller Cecilia Santodomingo
Buyer PWW Property Development
Property Rights Fee simple
Financing Cash
Market Time 45 days
Price/SF \$1.25
Price/Acre \$54,545
Sale Comments Buyer was a home builder, likely going to build single family or duplexes. However, water and sewer end approximately 450' to the west and/or 650' to the east and would need to be extended. A parcel on Harvard was purchased for stormwater retention for development on this sale. The buyer also purchased six other contiguous parcels off-market from two separate buyers. All transactions were filed within a few days of each other; the buyer assembled almost 6 acres in the combined purchases. This sale is the only property that would require utilities be extended. The purchase price of this sale is approximately equal to the similarly sized 3-parcel sale minus the cost quoted by the Seller's Broker to extend the utilities.
Confirmed By Don Sparks, Seller's Broker, 360-490-3008

Recording No. 2197308

Comp ID No. 2571

Land Sale No. 4



2023 Google Streetview w aprx trail marked

Property Name Cota Infill Land
Address 928 W Cota St
City, State Zip Shelton, Washington 98584
County Mason
Location N side of Cota, at corner with 10th, western edge of downtown
Tax ID 32019-52-16005, 32019-52-16006
Property Type Multi-Family Land, Duplex and 3-4 Plex
Zoning Code NR, Neighborhood Residential

Comp ID No. 2572

Physical Characteristics

Land Size 0.22 acres or 9,583 SF
Utilities All typical public and private utilities are available
Visibility Average to good
Site Comments The site is bisected by a former rail line that is now owned by the city for the purpose of creating a trail. It effectively cuts off the corner at Cota and 10th, and creates a buildable area of approximately .2 acres with rear alley access. The site has all utilities available and is not impacted by critical areas. Zoning allows a triplex and the adjacent property to the east is a triplex, proving feasibility

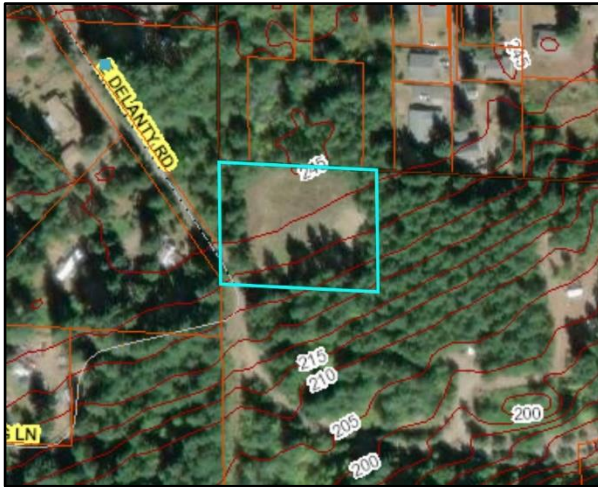
Recording Information

Sale Date 05-27-2023
Contract Price \$60,000
Adjusted Price \$60,000
Seller WOPO LLC
Buyer Ernesto Puebla
Property Rights Fee Simple Estate
Financing Cash to Seller
Market Time 27 days
Price/SF \$6.26
Price/Acre \$272,727
Price/Lot
Sale Comments Seller was a RE investor that had purchased the property in November 2022 for \$25,000 for potential development, but was able to sell at a profit without dealing with current development challenges. Seller's Broker did not know the buyer's intent
Confirmed By JC Nowacki, Seller's Broker 360-239-9270

Recording No. 2197618

Comp ID No. 2572

Land Sale No. 5



Property Name	Delanty Land	Comp ID No.	2573
Address	410 E Delanty Rd		
City, State Zip	Shelton, Washington 98584		
County	Mason		
Location	At terminus of paved Delanty Rd, just south of Shelton city limit in the SW part of town		
Tax ID	32030-14-00150		
Property Type	Multi-Family Land, Duplex and 3-4 Plex		
Zoning Code	NR, Neighborhood Residential		

Physical Characteristics

Land Size	1.29 acres or 56,192 SF
Utilities	Not available, well and septic installed
Visibility	Fair to Average
Site Comments	Site not impacted by critical areas, gentle slope, cleared, driveway installed drilled well and 6-bedroom septic installed, installed with plan to develop duplex

Recording Information

Sale Date	06-30-2023	Recording No.	2198933
Contract Price	\$155,500		
Adjusted Price	\$155,500		
Seller	Harold & Margarete Dohring		
Buyer	Marianne Wilson-Gumm		
Property Rights	Fee Simple Estate		
Financing	Equivalent to cash.		
Market Time	10 days		
Price/SF	\$2.77		
Price/Acre	\$120,544		
Price/Lot			
Sale Comments	Seller had plans to build duplex in 2010, delayed, again in early 2020, delayed again, both due to economic conditions, opted to sell rather than submit building permit application. Multiple offers, sold \$6,000 or 4% over asking price Buyer intended to move forward with duplex plans		
Confirmed By	Keith Fuller, Seller's Broker 360-490-3811		

Comp ID No. 2573

ANDERSON APPRAISAL, INC.

TELEPHONE (360) 943-8400 • EMAIL: derekj@andersonappraisalinc.com

P. O. BOX 2694 • OLYMPIA, WASHINGTON 98507

June 30, 2023

Dear Mr. Ostheller,

Please consider this letter to be our proposal. The appraisal will be completed in accordance with the most recent edition of Uniform Standards of Professional Appraisal Practice (USPAP).

Purpose of the appraisal: To estimate the market value of the subject property identified as that area of parcel 32018-65-00900 within the fence line of the adjoining parcel 705 Holly Lane, Shelton, WA (Parcel 32018-65-00037).

Intended use: To assist the client in the purchase of the subject property.

Methodology: A) Estimate the Fee Simple Interest of the property at 1518 Northcliff Road, Shelton, WA (Parcel 32018-65-00900) including the area estimated to be within the fence line of the adjoining property 705 Holly Lane, Shelton, WA (Parcel 32018-65-00037).

B) Estimate the Fee Simple Interest of the property at 1518 Northcliff Road, Shelton, WA (Parcel 32018-65-00900) under the Hypothetical Condition that the area estimated to be within the fence line of the adjoining property 705 Holly Lane, Shelton, WA (Parcel 32018-65-00037) is no longer part of parcel 32018-65-00900.

C) $A - B =$ Subject Value Indication

Intended users: Karl Ostheller. City of Shelton.

Client: Karl Ostheller.

Date of Value: Current.

Due date: Approximately (6) weeks from engagement.

Fee: \$2,500.

Reporting format: Appraisal Report. The report will be in narrative format.

Number of Copies: (1) Electronic Report.

Requested Information: Survey.

Contact Information:

Karl Ostheller

Email: kwostheller@gmail.com

If this scope meets your approval, please sign below and return. Thank you for the opportunity to provide this proposal, and we look forward to working with you.

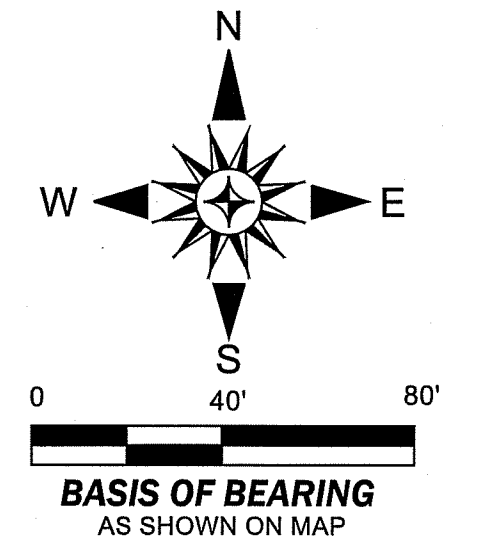


Authorized By:

Date:

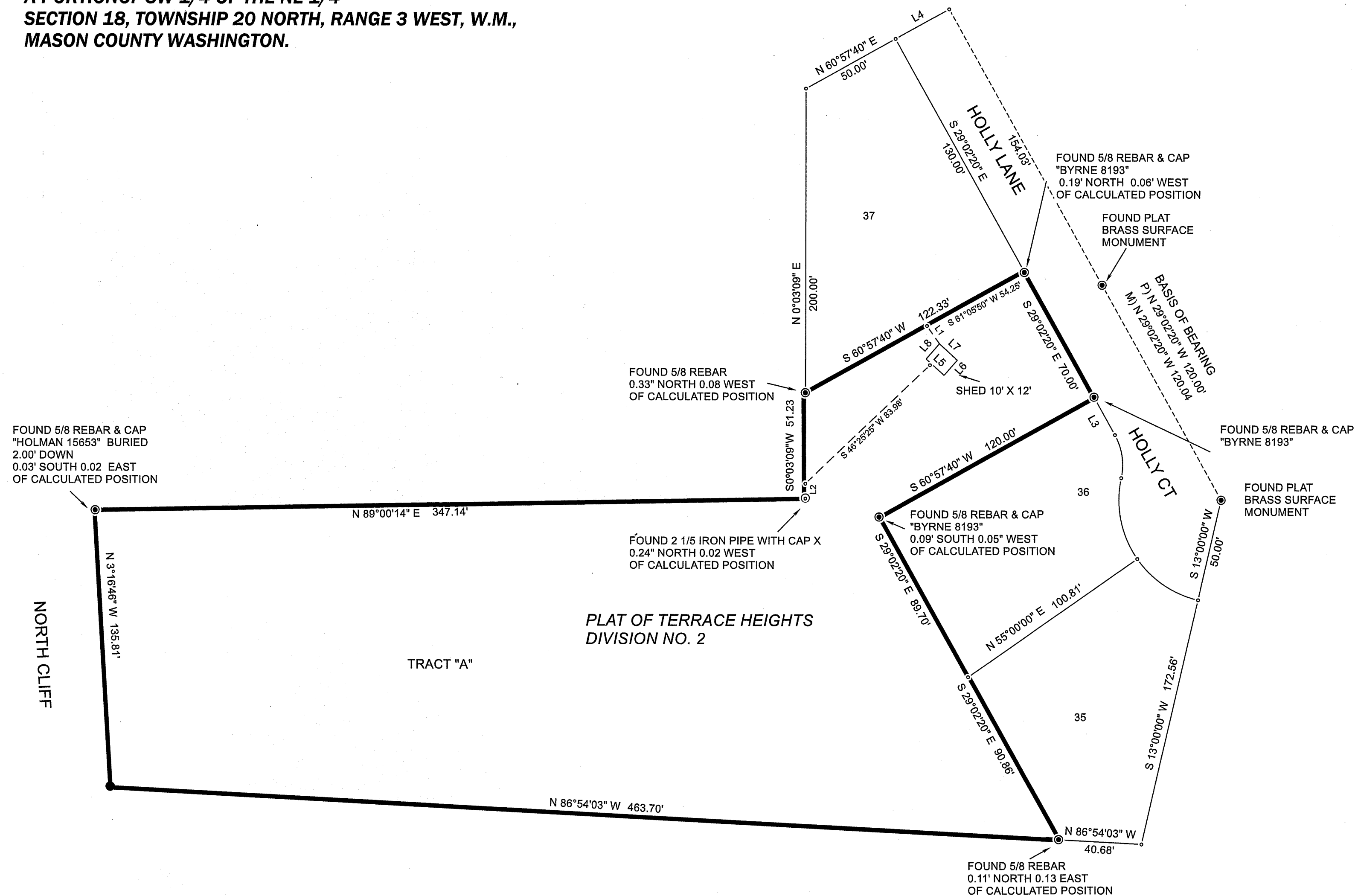
6/30/2023

RECORD OF SURVEY
A PORTION OF SW 1/4 OF THE NE 1/4
SECTION 18, TOWNSHIP 20 NORTH, RANGE 3 WEST, W.M.,
MASON COUNTY WASHINGTON.

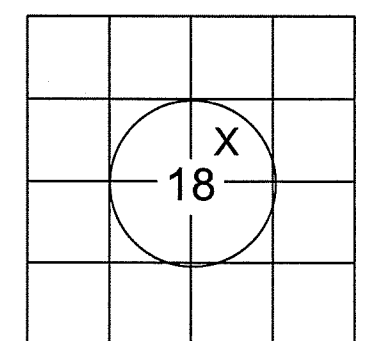


LEGAL DESCRIPTION
TRACT A, TERRACE HEIGHTS
DIVISION TWO, VOLUME 9 OF PLATS,
PAGES 162-163 COUNTY OF MASON,
STATE OF WASHINGTON

REFERENCE SURVEYS
PLAT OF TERRACE HEIGHTS
DIVISION TWO VOLUME 9 PAGE 162



LINE	BEARING	HORIZ DIST
L1	S34°49'18"E	10.58'
L2	S0°03'08"W	7.24'
L3	S29°02'20"E	21.12'
L4	N60°57'40"E	30.00'
L5	S47°37'48"E	11.80'
L6	N41°00'21"E	9.82'
L7	N47°37'48"W	11.80'
L8	S41°00'21"W	9.82'



SECTION 18
TOWNSHIP 20 NORTH
RANGE 3 WEST, W.M.

LEGEND

- FOUND AS NOTED ON MAP
- SET 5/8 REBAR WITH PLASTIC CAP "ROSE44654"
- CHAINLINK FENCE
- CALCULATED POSITION
- P) PLAT DIMENSION
- M) MEASURED DIMENSION

EQUIPMENT/PROCEDURE

NIKON DTM 322 TOTAL STATION AND CONTENTIONAL FIELD TRAVERSE
NOTE:
THIS SURVEY MEETS OR EXCEEDS THE ACCURACY STANDARDS SET FORTH IN W.A.C. 323-130-090
NOTE:
THIS SURVEY DOES NOT INTENDED TO SHOW ALL EASEMENTS WHICH MAY OR MAY NOT BE OF RECORD, CHEHALIS VALLEY ASSOCIATES MAKES NO WARRANTIES AS WHERE EASEMENTS MAY AFFECT PROPERTY RIGHTS

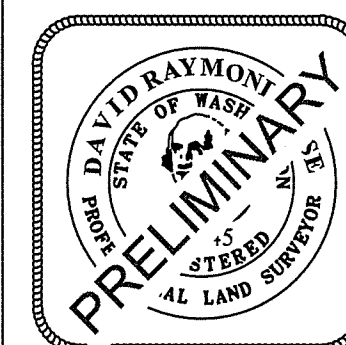
AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS ____ DAY OF ____, 20__ AT ____
M, IN BOOK ____ OF SURVEYS AT PAGE ____
AT THE REQUEST OF DAVID RAYMOND ROSE
COUNTY AUDITOR ____

SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF CITY OF SHELTON
AUGUST 2021

DAVID RAYMOND ROSE - LICENSE NO. 44645



CHEHALIS VALLEY ASSC

PROFESSIONAL LAND SURVEYING
222 SE SNIDER RD
SHELTON, WA. 98584
(360) 427-8392
drsurveying@yahoo.com

DRAWN BY: JLVG	DATE: 08/16/2021	JOB NO. 2021-102
CHECKED BY: D. ROSE	SCALE: 1" = 40'	SHEET 1 OF 1
SW 1/4 OF NE 1/4	SECTION 18	TOWNSHIP 20 NORTH
		RANGE 3 WEST
		W.M.