

# **Gig Harbor City Council Meeting**

**January 23, 2012  
5:30 p.m.**



**AGENDA FOR  
GIG HARBOR CITY COUNCIL MEETING  
Monday, January 23, 2012 – 5:30 p.m.**

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of Jan. 9, 2012.
2. Correspondence / Proclamations: a) Random Acts of Kindness Month.
3. Liquor License Action: Renewals - El Pueblito Restaurant; Albertson's No. 406; Hy lu Hee Hee; and 7 Seas Brewing Company.
4. Receive and File: a) Parks Commission Minutes Dec. 7, 2011; b) Boards and Commission Candidate Review Minutes Jan. 4, 2012.
5. Appointment to Lodging Tax Advisory Committee.
6. Appointment to Parks Commission.
7. Appointment to Planning Commission.
8. Facility Use Agreement – City of Port Orchard Shooting Range.
9. Crescent Creek Property/Rohwer House – Asbestos Abatement/Hazardous Material Removal – Contract Award.
10. Approval of Payment of Bills for Jan. 23, 2012: Checks #68755 through #68891 in the amount of \$1,595,431.14.

**SWEARING IN CEREMONY:** Officer Darius Aldridge.

**PRESENTATIONS:**

1. Shane's Inspiration – Together We Play Contest.
2. 30-Year Recognition – Lt. Bill Colberg.
3. Proclamation: Random Acts of Kindness Month – Charlyne Gilbert.
4. Port of Tacoma Update – Commissioner Petrich.

**OLD BUSINESS:**

**NEW BUSINESS:**

1. First Reading of Ordinance – Shorecrest Community Sewer System Bi-Monthly Rate and General Facility Charge Establishment.
2. Appointments to Council Committees, Appointment of Mayor Pro Tem, and Appoint PCRC and PTIC Representatives for 2012.

**STAFF REPORT:** Police Department 2011 Year-End Update.

**PUBLIC COMMENT:**

**MAYOR'S REPORT / COUNCIL COMMENTS:**

**ANNOUNCEMENT OF OTHER MEETINGS:**

Planning / Building Committee: Mon. Feb. 6th at 5:15 p.m.

**EXECUTIVE SESSION:** For the purpose of discussing pending litigation per RCW 42.30.110(1)(i).

**ADJOURN:**

**MINUTES OF GIG HARBOR CITY COUNCIL MEETING – JANUARY 9, 2012**

**PRESENT:** Councilmembers Ekberg, Young, Payne, Kadzik and Mayor Chuck Hunter.

**CALL TO ORDER:** 5:30 p.m.

**PLEDGE OF ALLEGIANCE:**

**SWEARING IN CEREMONIES:**

Mayor Hunter asked Ken Malich, Jill Guernsey, and Michael Perrow to come forward to be sworn in as Councilmembers. After the ceremony, each took their position on the dais.

**CONSENT AGENDA:**

Mayor Hunter announced the Councilmembers Jill Guernsey and Michael Perrow would both abstain from voting on the Consent Agenda due to a conflict of interest.

1. Approval of the Minutes of City Council Meeting of Dec. 12, 2011.
2. Correspondence / Proclamations: a) Letter from Rotary Club regarding Cushman Trail Project; b) Letter from Conan Fuel.
3. Receive and File: a) Planning / Building Committee Minutes – Dec. 5, 2011; b) Lodging Tax Advisory Committee Minutes – Oct. 7, 2011.
4. Resolution No. 888 - Emergency Declaration Manhole Replacement on Soundview Drive.
5. Harborview Drive Right-of-Way Dedication Agreement – Perrow.
6. Stanich/Judson Pedestrian Improvement Project Closeout Deductive Change Order No. 1 – Henderson Partners LLC.
7. Resolution Authorizing Interlocal Agreement with Pierce County Amending Countywide Planning Policies for Consistency with VISION 2040.
8. Resolution Authorizing Interlocal Agreement with Pierce County Amending Countywide Planning Policies to Designate Three New Candidate Regional Growth Centers.
9. Approval of Payment of Bills for Dec. 26, 2011: Checks #68560 through #68659 in the amount of \$778,134.71.
10. Approval of Payment of Bills for Jan 9, 2012: Checks #68660 through #68754 in the amount of \$259,548.59.
11. Approval of Payroll for the month of December: Checks #6391 though #6413 in the amount of \$477,321.67.

**MOTION:** Move to adopt the Consent Agenda as presented.  
**Kadzik / Payne** – unanimously approved.

**PRESENTATIONS:**

1. Recognition of Service - Dick Bower, Building Official / Fire Safety Manager.  
Mayor Hunter gave a brief overview of Mr. Bower's accomplishments during the past nine years with the city and presented him with a plaque recognizing his service.

City Administrator Rob Karlinsey also talked about how fortunate Gig Harbor was to have Dick as the Building Official / Fire Safety Manager and wished him the best at his new job in California.

Don Lee. Mr. Lee said that Dick has been the “sparkplug for preparedness” and has kept several agencies working together for the common good. He thanked Dick for being instrumental in leading the community into a cohesive response plan.

John Burgess – PCFPD #5. Chief Burgess commented on Dick’s commitment to partnering and the creative solution to continue the fire inspection program. He said thank you on behalf of Fire District #5, and that Dick will be missed.

Ken Roberts. Mr. Roberts said that he and Dick worked together on the Multi-agency Coordinating Council. He said that the community is a safer place because of the work Dick has performed.

Dave Watson. Mr. Watson said he appreciates that Dick has been able to work well with all different types of groups. He recommend for Dick to keep it in perspective and to have a sense of humor. He said thanks from PEP-C.

Patty McGallian. Ms. McGallian said that she is grateful for all the Dick has taught her while working together the past nine years. She said that Monterey’s gain is Gig Harbor’s loss.

Dick Bower talked about how interesting the past nine years have been and complimented his staff for their professionalism, technical capability, and customer service. He thanked the Mayor and Council, and invited everyone to look him up if they come to Monterey Bay.

2. Pierce County Flood Control District – Pierce County Executive Pat McCarthy, County Councilmember Joyce McDonald, and County Councilmember Stan Flemming.

County Councilmember Stan Flemming said he was here as part of the presentation team and to listen to the city’s concerns.

Executive Pat McCarthy presented the background information for the continued effort to create a flood control district to mitigate the impact of catastrophic flooding.

Harold Smelt, Manager of Surface Water for Pierce County, talked about the economic impacts, outreach efforts, and the next steps to form the flood district.

Mr. Smelt, Executive McCarthy, and Sharla Newman responded to several Council questions and concerns with the proposed flood district, including the Opportunity Fund, taxing rate and distribution, sub-zones, and how this model has worked successfully in King County.

3. Peninsula School District Levy – Superintendent Terry Bouck. Superintendent Bouck gave a detailed presentation on the proposed levy.

Chuck Cuzetto – Deputy Superintendent. Mr. Cuzetto gave an overview of what it costs the taxpayers for this levy. He explained how our low bond rate is a result of higher property values, future forecasts for property values, and levy equalization and how it affects our district.

Mr. Bouck finalized by describing how the school district has been addressing past revenue shortfalls through budget cuts and partnering. He thanked Council, saying that the levy is about giving our kids a quality education and being fiscally responsible.

**OLD BUSINESS:** None scheduled.

**NEW BUSINESS:**

1. Public Hearing and Resolution in Support of Peninsula School District No. 401 Special Election Proposition No. 1 – Educational Programs and Operations Levy.

After City Administrator Rob Karlinsey introduced the resolution, Mayor Hunter opened the public hearing at 6:40 p.m.

Randy Boss (no address given) - Mr. Boss pointed out that the last chart illustrating the rate drop from 2006 to 2010 is explanatory because when the rates dropped the value of homes in Gig Harbor went up which explains why our rates are low. He asked how the new McClary Ruling is going to affect this levy then talked about how this replacement levy is at a higher percentage rate than the one it replaces. Mr. Boss talked further about the Supreme Court ruling, and then said he just wants Council to know this is an unconstitutional levy.

There were no further public comments and the public hearing closed at 6:45 p.m.

Legal Counsel Wayne Tanaka commented that he is familiar with school funding and the McClary ruling has an implication as to the over-reliance on levies of some districts that are property tax poor.

Mr. Bouck responded that the school received a ruling from its attorney and the Ways and Means Committee in Olympia saying that this levy is legal.

Councilmembers took turns speaking in favor of the levy, praising the school district's performance and how budget restrictions have been handled.

**MOTION:** Move to adopt Resolution No. 891 supporting the Peninsula School District Replacement Levy on the February 14, 2012 special election ballot.

**Payne / Malich** – unanimously approved.

2. Resolution – Evergreen Business Center Amendment to the Wastewater Comprehensive Plan. Senior Engineer Jeff Langhelm presented the background for this amendment to the wastewater comprehensive plan to allow the Evergreen Business Center project to connect to the city’s sewer collection through Basin #3 even though the project is located in Basin #17. He explained that the technical amendment would amend the boundary between Basin #3 and Basin #17.

Jeff Sherman – Apex Engineering, responded to council questions by explaining several reasons for moving forward with the amendment at this time rather than waiting for the construction of a lift station.

**MOTION:** Move to adopt Resolution No. 892 amending the wastewater comprehensive plan by revising sewer collection basin boundaries.  
**Malich / Payne** – unanimously approved.

3. Harbor Hill Residential Phase I - Request for New Street Names. Building / Fire Safety Director Dick Bower presented this request to name a street within the Harbor Hill residential plat as “North Spring Way.”

**MOTION:** Move to approve the naming of the street within the Harbor Hill residential plat as “North Spring Way.”  
**Kadzik / Guernsey** – six voted yes. Councilmember Malich voted no.

4. Request for Small Scale Model (Maquette) of Proposed Public Art. Representing the Gig Harbor Arts Commission, Charlee Glock-Jackson presented the background information for the proposed bronze statue of a man holding a salmon to be placed at the maritime pier location. She explained the importance of a small scale model of the statue to ensure an authentic recreation of what is seen in the photograph.

**MOTION:** Move to approve and authorize the request for a small-scale model (maquette) of the proposed life-like bronze statue of a man holding a salmon as public art at the Maritime Pier location.  
**Malich / Kadzik** – unanimously approved.

#### **STAFF REPORT:**

Text Amendment for the B-2 Zone. Planning Director Tom Dolan explained that the Peninsula School District has requested that schools be added to the B-2 zone. In addition, it was discovered that churches were inadvertently left out of that zone. He said staff is recommending a text amendment for both and asked if Council would be willing to sponsor the amendment.

Council concurred with this request.

Sound System Update. City Administrator Rob Karlinsey reported that a sound system tech from Seattle had come and adjusted the sound system in the chambers, which seems to be working quite well. The tech will make another visit, possibly during a council meeting, to further fine-tune the system.

**PUBLIC COMMENT:** None.

**MAYOR'S REPORT / COUNCIL COMMENTS:**

Council Committees. Mayor Hunter asked that Councilmembers turn in their ranked preference for appointments to the Council Committees by January 17th.

Councilmember Young reported that he attended the first Public Transportation Improvement Conference. He said he was pleased that the map they presented preserves services to Gig Harbor and part of the city's UGA up to the Purdy Park 'n Ride. He asked for any comments to be forwarded to him before January 20th. He then encouraged other Councilmembers to attend the upcoming PCRC General Assembly meeting on January 29th.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. Operations Committee – Thu. Jan 19th CANCELLED.
2. 56th Street / Point Fosdick Improvement Project Public Meetings: Jan 25th and Feb. 2nd at 6:00 p.m.
3. Wilkinson Farm Park Trail Open House – Wed. Feb 1st at 5:00 p.m.

**EXECUTIVE SESSION:** For the purpose of discussing pending litigation per RCW 42.30.110(1)(i), and Guild Negotiations per RCW 42.30.140(4)(a).

**MOTION:** Move to adjourn to Executive Session at 7:42 p.m. for approximately 45 minutes for the purpose of discussing pending litigation per RCW 42.30.110(1)(i) and Guild Negotiations per RCW 42.30.140(4)(a).  
**Payne / Young** – unanimously approved.

**MOTION:** Move to return to regular session at 8:28 p.m.  
**Young / Malich** – unanimously approved.

**MOTION:** Move to return to Executive Session for an additional fifteen minutes.  
**Payne / Malich** - unanimously approved.

**MOTION:** Move to return to regular session at 8:46 p.m.  
**Kadzik / Payne** – unanimously approved.

**ADJOURN:**

**MOTION:** Move to adjourn at 8:47 p.m.  
**Kadzik / Payne** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1038

---

Chuck Hunter, Mayor

---

Molly Towslee, City Clerk



## PROCLAMATION OF THE MAYOR OF THE CITY OF GIG HARBOR

WHEREAS, Acts of Random Kindness are those considerate things that are done for no reason; and

WHEREAS, kindness transcends those boundaries we place among ourselves and fosters a sense of belonging and community; and

WHEREAS, kindness is an important tool we can use to connect with one another and help us to recognize that things that unite us far outweigh our differences; and

WHERE, doing acts of random kindness gives people a measurable boost of happiness; and

WHEREAS, acts of random kindness are a way to bring about important systemic change. While apathy and indifference can demoralize a community, kindness can empower and uplift it;

WHEREAS, the daily acts of kindness already being performed by the citizens of Gig Harbor often go unrecognized and uncelebrated;

WHEREAS, one simple act of kindness has the potential to generate others that help to lift spirits and create goodwill; and

WHEREAS, Random Acts of Kindness Week will remind our citizens that showing respect, generosity patience and consideration will help build positive attitudes and a more peaceful place to live;

NOW, THEREFORE, I, Charles Hunter, Mayor of the City of Gig Harbor, do proclaim February, 2012 as

### ***RANDOM ACTS OF KINDNESS MONTH***

and urge all citizens to practice acts of random kindness for family, friends, acquaintances, and strangers, and to live their lives in keeping with this attitude every day.

---

**Mayor, City of Gig Harbor**

---

**Date**

C091080-2

WASHINGTON STATE LIQUOR CONTROL BOARD

DATE: 01/06/2012

LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF GIG HARBOR  
(BY ZIP CODE) FOR EXPIRATION DATE OF 20120430

LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1. LA FAMILIA LOPEZ, INC.	EL PUEBLITO FAMILY MEXICAN RESTAURANT 3226 HARBORVIEW DR STE 7 GIG HARBOR WA 98332 2182	358890	SPIRITS/BR/WN REST LOUNGE +
2. NEW ALBERTSON'S, INC.	ALBERTSON'S NO. 406 11330 51ST AVE NW GIG HARBOR WA 98332 7890	083474	GROCERY STORE - BEER/WINE BEER AND WINE TASTING
3. GMAS 2 CORP.	HY IU HEE HEE 4309 BURNHAM DR GIG HARBOR WA 98335 0000	367497	SPIRITS/BR/WN REST LOUNGE -
4. 7 SEAS BREWING LLC	7 SEAS BREWING COMPANY 3207 57TH ST CT NW UNIT B GIG HARBOR WA 98335 0000	404873	MICROBREWERY
5. D & L JONES, INC.	BLAZING ONION, BEER, WINE, AND SPIRITS 4701 POINT FOSDICK DR NW GIG HARBOR WA 98335 2319	405241	SPIRITS/BR/WN REST LOUNGE +

**CITY OF GIG HARBOR  
COMMITTEE OUTLINE MINUTES**

Parks Commission

Date: December 7, 2011 Time: 5:30 p.m. Location: Community Rooms A&B Scribe: Terri Reed

**Commission Members and Staff Present:** Commissioners Nick Tarabochia, Michael Perrow and Stephanie Payne; Staff Members: Rob Karlinsey, City Administrator and Terri Reed, Community Development Assistant.

**Others Present:** \_\_\_\_\_

<b>Topic / Agenda Item</b>	<b>Main Points Discussed</b>	<b>Recommendation/Action Follow-up (if needed)</b>
<b>APPROVAL OF MINUTES:</b>	Approval of November 2, 2011 Meeting Minutes	MOTION: Move to approve November 2, 2011 minutes as presented.
<b>OLD BUSINESS:</b>		Perrow / Payne - unanimously approved
<b>Stay Active &amp; Independent for Life (SAIL)/Sign Locations</b>	The Parks Commission was updated on the locations approved by Public Works for the senior exercise signs.	Signs will be installed by Public Works at KLM Veterans Memorial Park and the Hollycroft trailhead for Cushman Trail.
<b>Wilkinson Farm Park Trail Plan/Open House</b>	City Administrator Karlinsey asked the Parks Commissioners when they would prefer to hold the Open House for the trail plan.	Open House will be on Wed., February 1, 2012 starting at 5pm, at the beginning of the regular Parks Commission meeting.
<b>McDonald Street Right-of-Way</b>	City Administrator Karlinsey asked the Parks Commissioners what their ideas were for improving the street right-of-way. Commission member Payne mentioned that it would be a good location for a bench. Commission Chair Tarabochia asked if Lita Dawn Stanton could provide a conceptual for the area.	City Administrator Karlinsey will ask Lita Dawn Stanton to draft some conceptual ideas showing a possible bench location.
<b>NEW BUSINESS:</b>		
<b>Maritime Pier - Parks Naming Process</b>	City Administrator Karlinsey outlined the process for naming of the new pier.	Parks Commission will review public input and discuss at January 4, 2012 meeting and forward recommendation(s) to City Council.
<b>Park Impact Fees</b>	City Administrator Karlinsey explained how the park impact fees are received and the conditions for use of the funds. Commission member Payne asked about including commercial and retail properties in the fees. She recommended that improvements to KLM	

Topic / Agenda Item	Main Points Discussed	Recommendation/Action Follow-up (if needed)
<b>Park Commission Residency Requirements/Term Limits</b>	Veterans Memorial park be considered for use of park impact fees since the majority of the fees for 2011 came in from the west side of the city. The requirement for Parks Commission members to live within City limits was discussed. Commission member Perrow was not in favor of opening it up to others beside city residents. Commission Chair Tarabochia discussed the term limit condition in the by-laws.	Moved to January meeting, if desired by Commission member Denson.
<b>Woodworth Water Tank Property</b>	Possible uses for the water tank property were reviewed. The neighborhood around the tank property is having a meeting in the near future and their input will be forwarded.	
<b>Old Burnham Drive Property</b>	Commission member Perrow discussed the Pierce County Surface Water Management parcels off old Burnham Drive. He thought the property would be good for possibly having some non-paved trails through the property if they could be obtained from Pierce County.	City Administration to contact Pierce County for more details on the property.
<b>PUBLIC COMMENT:</b>	Commission member Perrow discussed the possibility of having some ivy removal done at Donkey Creek Park on Parks Appreciation Day.	Commission member Perrow will seek more information on ivy eradication from Forterra (formerly Cascade Land Conservancy).
<b>PARK UPDATES</b>	City Administrator Karlinsey gave an update on the 2012 budget. Approved items included funds for Harbor WildWatch and KGHP programs and the Pioneer corner improvement project. Commission Chair Tarabochia said that he hadn't seen any plans for the corner yet.	
<b>NEXT PARKS MEETING:</b>		January 4, 2012 @ 5:30 p.m.
<b>ADJOURN:</b>		MOTION: Move to adjourn @ 6:30 p.m.  Perrow /Payne – unanimously approved



## BOARDS AND COMMISSIONS CANDIDATE REVIEW COMMITTEE

**DATE:** January 4, 2012  
**TIME:** 4:00 p.m.  
**LOCATION:** Executive Conference Room  
**SCRIBE:** Molly Towslee, City Clerk  
**MEMBERS PRESENT:** Councilmembers Ekberg and Kadzik.

---

### **New Business:**

#### 1. Interview Candidate for the Parks Commission – one opening, four applicants.

During each interview the candidates were asked to share their background and interest in serving on the Parks Commission.

Heidi Holmes explained that she is the mother of six children that were raised with an emphasis on contributing. She said that now that the children are raised, she would like to find a place to continue her contribution and Rob Karlinsey encouraged her to apply.

Ms. Holmes said her family has been a participant in the Parks Day clean-up and they enjoy taking their grandchildren to the area parks. She described her active participation in Gig Harbor North Rotary and described some of the extraordinary parks she has visited and how she would like to see some of that here. She said she would also like to become active in Disaster Aid.

When asked about her assessment of city parks, she talked about Sehmel Park, and the popularity of the Big Toy at Discovery Park. She said she sees room for growth at Wilkinson Farm Park and the potential to make it special. She wasn't aware of the fundraising efforts for the City Park play equipment. She stressed that she would like to continue to contribute to the community.

Kyle Rohrbaugh explained that he grew up here and moved back after graduating from Pepperdine in 2002. He and his wife live close to downtown and he said he feels the need to get involved with the town that did so much for him. Mr. Rohrbaugh is a local mortgage and construction lending business owner. He voiced appreciation for what the elected officials and volunteers do for the city, adding that the Parks Commission would be a good way for him to get involved and to influence the shape of what Gig Harbor will be in 20 years. Mr. Rohrbaugh talked about utilizing the city's parks and trail system while training for a ½ marathon and how much he appreciates what we have here. He said that Tim Payne and Michael Perrow have explained what would be involved and encouraged him to apply.

When asked what he would like to see in our parks, Mr. Rohrbaugh responded that he needs to become more aware of what currently exists and the resources available. He would then pay attention to the community concerns and encourage partnerships such as PenMet Parks. He said keeping Gig Harbor's unique identity intact is important and the city's park policy and other policies help to keep property values stable.

Mr. Rohrbaugh was asked if he was familiar with the fundraising efforts for the play equipment at City Park at Crescent Creek. He responded that while employed at Olympic Pharmacy, he worked with challenged children and their families. He said he knows the importance of assessable playgrounds to these families and is glad Stephanie Payne is moving forward with the project.

Norma Dompier shared that she moved to the Gig Harbor area from Kirkland five years ago, owns an Executive Coaching and Business Consulting Business, and rides a Harley Davidson. She said that she became interested in our parks when asked by Stephanie Payne to help raise funds. She said that parks are very important and she enjoyed the park events in Kirkland. She participated in a café chat session at Java and Clay where the question of "what is necessary for the vitality of Gig Harbor" was discussed. They discussed families and parks and the lack of things for the kids to do. She said that she began to take notice of that when taking her husband's grandchildren to the city park (at Crescent Creek). She said that parks are part of what attract families to live here; we are fortunate that living in Gig Harbor is like being on vacation because there are plenty of places to go to the water.

Ms. Dompier suggested that Gig Harbor parks could have themes which could be used as a marketing tool, and that the local service organizations could each sponsor a park. She mentioned that lots of kids and adults have disabilities so it's important to consider that. She stressed that parks should be an interesting, fun place to go and meet and mingle with the community.

When asked if she goes to other parks in the city she responded that she spends time at Jerisich during concerts and other more quiet times. She said that she always takes visitors to the Old Ferry Landing to enjoy the view. She said you can capitalize on the diversity of our parks to draw people here to live, visit and spend their dollars.

Ms. Dompier asked what the city is looking for in a Parks Commissioner. Councilmember Kadzik responded that the goal is to find someone with good ideas, enthusiasm and who is willing to put in the time and work necessary; someone willing to learn and who plays well with others. Councilmember Ekberg responded that we are looking for an interested citizen with a passion for parks who is willing to work well with others and would promote the parks; someone with varied interests.

Ms. Dompier then asked about plans for the decommissioned water tower off Peacock and suggested getting the coffee place to sponsor a park there. She then asked about

the responsibilities of a Park Commissioner and the city's relationship with PenMet Parks.

After the interviews were concluded, Councilmembers discussed the qualifications and interests of the three candidates and agreed to recommend the appointment of Heidi Holmes.

2. Review Candidates for Planning Commission – one opening, two candidates.

Guy Hoppen was unable to attend the interview session.

Rick Gagliano explained that he has 20 years experience contributing to the city and though he no longer lives in the UGA, he still owns the property off 58th and a business downtown. He suggested that it comes down to what skill set the city needs. He presented an overview of his service to the city which started in 1990 on the Design Review Board. He said he would like to see several of the things through that he has worked by continuing to serve on the DRB and serving on the Planning Commission. He offered to act as the liaison if the opportunity arises.

Mr. Gagliano said that he has an existing rapport with several Planning Commission members and he would like to continue to contribute to the decisions being made for the community. He said that he enjoys working through complex issues while trying to find simple solutions and how fascinating it is to watch the community change over the years and to have input on legislative changes to protect Gig Harbor. He said that he has no particular agenda and would take each issue on a case by case basis.

When asked, Mr. Gagliano explained that attending meetings four times a month would not be a burden. He said that the Shoreline Master Program Updates are almost done and so the expanded Planning Commission schedule should go back to normal soon.

When the interview concluded, the Councilmembers discussed residency issues, serving on two boards simultaneously, experience and skills, and absence from meetings.

Councilmember Ekberg said he would recommend Guy Hoppen for the position. Councilmember Kadzik said that he would recommend Rick Gagliano. Both suggested that because it's the Mayor's decision, it might be valuable for him to contact the Chair of the Planning Commission and the Planning Director to gain their input.

3. Lodging Tax Advisory Committee – one opening. Tom Drohan is the incumbent and submitted a letter asking to be re-appointed. There were no other applicants.

Councilmembers agreed to forward a recommendation for Tom Drohan to serve another term.

These recommendations will be forwarded to Council at the January 23, 2012 City Council meeting.

There were no further comments; the meeting adjourned at 5:20 p.m.





Business of the City Council  
City of Gig Harbor, WA

**Subject: Re-appointment to the Lodging Tax Advisory Committee**

**Proposed Council Action: Move to re-appoint Tom Drohan to serve a two-year term.**

**Dept. Origin:** Administration

**Prepared by:** Board and Candidate Review

**For Agenda of:** January 23, 2012

**Exhibits:** BCCR Minutes of Jan. 4, 2012

Initial & Date

**Concurred by Mayor:** CH 1/19/12

**Approved by City Administrator:** POK

**Approved as to form by City Atty:** \_\_\_\_\_

**Approved by Finance Director:** \_\_\_\_\_

**Approved by Department Head:** \_\_\_\_\_

Expenditure Required	\$0	Amount Budgeted	\$ 0	Appropriation Required	0
----------------------	-----	-----------------	------	------------------------	---

**INFORMATION / BACKGROUND**

One position came open on the LTAC and Tom Drohan submitted a letter asking to be re-appointed.

The committee reviewed the recommendation by the Lodging Tax Advisory Committee to re-appoint Tom Drohan.

**FISCAL CONSIDERATION**

None

**BOARD OR COMMITTEE RECOMMENDATION**

The Committee concurred with the recommendation by the LTAC.

**RECOMMENDATION / MOTION**

**Move to:** Re-appoint Tom Drohan to serve another two-year term.



## BOARDS AND COMMISSIONS CANDIDATE REVIEW COMMITTEE

**DATE:** January 4, 2012  
**TIME:** 4:00 p.m.  
**LOCATION:** Executive Conference Room  
**SCRIBE:** Molly Towslee, City Clerk  
**MEMBERS PRESENT:** Councilmembers Ekberg and Kadzik.

---

### **New Business:**

1. Interview Candidate for the Parks Commission – one opening, four applicants.

During each interview the candidates were asked to share their background and interest in serving on the Parks Commission.

Heidi Holmes explained that she is the mother of six children that were raised with an emphasis on contributing. She said that now that the children are raised, she would like to find a place to continue her contribution and Rob Karlinsey encouraged her to apply.

Ms. Holmes said her family has been a participant in the Parks Day clean-up and they enjoy taking their grandchildren to the area parks. She described her active participation in Gig Harbor North Rotary and described some of the extraordinary parks she has visited and how she would like to see some of that here. She said she would also like to become active in Disaster Aid.

When asked about her assessment of city parks, she talked about Sehmel Park, and the popularity of the Big Toy at Discovery Park. She said she sees room for growth at Wilkinson Farm Park and the potential to make it special. She wasn't aware of the fundraising efforts for the City Park play equipment. She stressed that she would like to continue to contribute to the community.

Kyle Rohrbaugh explained that he grew up here and moved back after graduating from Pepperdine in 2002. He and his wife live close to downtown and he said he feels the need to get involved with the town that did so much for him. Mr. Rohrbaugh is a local mortgage and construction lending business owner. He voiced appreciation for what the elected officials and volunteers do for the city, adding that the Parks Commission would be a good way for him to get involved and to influence the shape of what Gig Harbor will be in 20 years. Mr. Rohrbaugh talked about utilizing the city's parks and trail system while training for a ½ marathon and how much he appreciates what we have here. He said that Tim Payne and Michael Perrow have explained what would be involved and encouraged him to apply.

When asked what he would like to see in our parks, Mr. Rohrbaugh responded that he needs to become more aware of what currently exists and the resources available. He would then pay attention to the community concerns and encourage partnerships such as PenMet Parks. He said keeping Gig Harbor's unique identity intact is important and the city's park policy and other policies help to keep property values stable.

Mr. Rohrbaugh was asked if he was familiar with the fundraising efforts for the play equipment at City Park at Crescent Creek. He responded that while employed at Olympic Pharmacy, he worked with challenged children and their families. He said he knows the importance of assessable playgrounds to these families and is glad Stephanie Payne is moving forward with the project.

Norma Dompier shared that she moved to the Gig Harbor area from Kirkland five years ago, owns an Executive Coaching and Business Consulting Business, and rides a Harley Davidson. She said that she became interested in our parks when asked by Stephanie Payne to help raise funds. She said that parks are very important and she enjoyed the park events in Kirkland. She participated in a café chat session at Java and Clay where the question of "what is necessary for the vitality of Gig Harbor" was discussed. They discussed families and parks and the lack of things for the kids to do. She said that she began to take notice of that when taking her husband's grandchildren to the city park (at Crescent Creek). She said that parks are part of what attract families to live here; we are fortunate that living in Gig Harbor is like being on vacation because there are plenty of places to go to the water.

Ms. Dompier suggested that Gig Harbor parks could have themes which could be used as a marketing tool, and that the local service organizations could each sponsor a park. She mentioned that lots of kids and adults have disabilities so it's important to consider that. She stressed that parks should be an interesting, fun place to go and meet and mingle with the community.

When asked if she goes to other parks in the city she responded that she spends time at Jerisich during concerts and other more quiet times. She said that she always takes visitors to the Old Ferry Landing to enjoy the view. She said you can capitalize on the diversity of our parks to draw people here to live, visit and spend their dollars.

Ms. Dompier asked what the city is looking for in a Parks Commissioner. Councilmember Kadzik responded that the goal is to find someone with good ideas, enthusiasm and who is willing to put in the time and work necessary; someone willing to learn and who plays well with others. Councilmember Ekberg responded that we are looking for an interested citizen with a passion for parks who is willing to work well with others and would promote the parks; someone with varied interests.

Ms. Dompier then asked about plans for the decommissioned water tower off Peacock and suggested getting the coffee place to sponsor a park there. She then asked about

the responsibilities of a Park Commissioner and the city's relationship with PenMet Parks.

After the interviews were concluded, Councilmembers discussed the qualifications and interests of the three candidates and agreed to recommend the appointment of Heidi Holmes.

2. Review Candidates for Planning Commission – one opening, two candidates.

Guy Hoppen was unable to attend the interview session.

Rick Gagliano explained that he has 20 years experience contributing to the city and though he no longer lives in the UGA, he still owns the property off 58th and a business downtown. He suggested that it comes down to what skill set the city needs. He presented an overview of his service to the city which started in 1990 on the Design Review Board. He said he would like to see several of the things through that he has worked by continuing to serve on the DRB and serving on the Planning Commission. He offered to act as the liaison if the opportunity arises.

Mr. Gagliano said that he has an existing rapport with several Planning Commission members and he would like to continue to contribute to the decisions being made for the community. He said that he enjoys working through complex issues while trying to find simple solutions and how fascinating it is to watch the community change over the years and to have input on legislative changes to protect Gig Harbor. He said that he has no particular agenda and would take each issue on a case by case basis.

When asked, Mr. Gagliano explained that attending meetings four times a month would not be a burden. He said that the Shoreline Master Program Updates are almost done and so the expanded Planning Commission schedule should go back to normal soon.

When the interview concluded, the Councilmembers discussed residency issues, serving on two boards simultaneously, experience and skills, and absence from meetings.

Councilmember Ekberg said he would recommend Guy Hoppen for the position. Councilmember Kadzik said that he would recommend Rick Gagliano. Both suggested that because it's the Mayor's decision, it might be valuable for him to contact the Chair of the Planning Commission and the Planning Director to gain their input.

3. Lodging Tax Advisory Committee – one opening. Tom Drohan is the incumbent and submitted a letter asking to be re-appointed. There were no other applicants.

Councilmembers agreed to forward a recommendation for Tom Drohan to serve another term.

These recommendations will be forwarded to Council at the January 23, 2012 City Council meeting.

There were no further comments; the meeting adjourned at 5:20 p.m.



Business of the City Council  
City of Gig Harbor, WA

**Subject: Appointment to Parks Commission**

**Proposed Council Action:**

A motion for the appointment of Heidi Holmes to serve a three-year term on the Parks Commission.

**Dept. Origin:** Administration

**Prepared by:** Boards/Commission Review Committee

**For Agenda of:** January 23, 2012

**Exhibits:**

Initial & Date

**Concurred by Mayor:** CLH 1/23/12

**Approved by City Administrator:** RAK

**Approved as to form by City Atty:** \_\_\_\_\_

**Approved by Finance Director:** \_\_\_\_\_

**Approved by Department Head:** \_\_\_\_\_

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
----------------------	-----	-----------------	-----	------------------------	-----

**INFORMATION / BACKGROUND**

After advertising for the position vacated by, we received three applications. The Committee interviewed all three: Heidi Holmes, Kyle Rohrbaugh, and Norma Dompier.

After the interviews were concluded, Councilmembers discussed the qualifications and interests of the three candidates and agreed to recommend the appointment of Heidi Holmes.

**FISCAL CONSIDERATION**

N/A

**BOARD OR COMMITTEE RECOMMENDATION**

Appointment of Heidi Holmes to serve a three-year term on the Parks Commission.

**RECOMMENDATION / MOTION**

**Move to:** A motion for the appointment of Heidi Holmes to serve a three-year term on the Parks Commission.



## BOARDS AND COMMISSIONS CANDIDATE REVIEW COMMITTEE

**DATE:** January 4, 2012  
**TIME:** 4:00 p.m.  
**LOCATION:** Executive Conference Room  
**SCRIBE:** Molly Towslee, City Clerk  
**MEMBERS PRESENT:** Councilmembers Ekberg and Kadzik.

---

### **New Business:**

1. Interview Candidate for the Parks Commission – one opening, four applicants.

During each interview the candidates were asked to share their background and interest in serving on the Parks Commission.

Heidi Holmes explained that she is the mother of six children that were raised with an emphasis on contributing. She said that now that the children are raised, she would like to find a place to continue her contribution and Rob Karlinsey encouraged her to apply.

Ms. Holmes said her family has been a participant in the Parks Day clean-up and they enjoy taking their grandchildren to the area parks. She described her active participation in Gig Harbor North Rotary and described some of the extraordinary parks she has visited and how she would like to see some of that here. She said she would also like to become active in Disaster Aid.

When asked about her assessment of city parks, she talked about Sehmel Park, and the popularity of the Big Toy at Discovery Park. She said she sees room for growth at Wilkinson Farm Park and the potential to make it special. She wasn't aware of the fundraising efforts for the City Park play equipment. She stressed that she would like to continue to contribute to the community.

Kyle Rohrbaugh explained that he grew up here and moved back after graduating from Pepperdine in 2002. He and his wife live close to downtown and he said he feels the need to get involved with the town that did so much for him. Mr. Rohrbaugh is a local mortgage and construction lending business owner. He voiced appreciation for what the elected officials and volunteers do for the city, adding that the Parks Commission would be a good way for him to get involved and to influence the shape of what Gig Harbor will be in 20 years. Mr. Rohrbaugh talked about utilizing the city's parks and trail system while training for a ½ marathon and how much he appreciates what we have here. He said that Tim Payne and Michael Perrow have explained what would be involved and encouraged him to apply.

When asked what he would like to see in our parks, Mr. Rohrbaugh responded that he needs to become more aware of what currently exists and the resources available. He would then pay attention to the community concerns and encourage partnerships such as PenMet Parks. He said keeping Gig Harbor's unique identity intact is important and the city's park policy and other policies help to keep property values stable.

Mr. Rohrbaugh was asked if he was familiar with the fundraising efforts for the play equipment at City Park at Crescent Creek. He responded that while employed at Olympic Pharmacy, he worked with challenged children and their families. He said he knows the importance of assessable playgrounds to these families and is glad Stephanie Payne is moving forward with the project.

Norma Dompier shared that she moved to the Gig Harbor area from Kirkland five years ago, owns an Executive Coaching and Business Consulting Business, and rides a Harley Davidson. She said that she became interested in our parks when asked by Stephanie Payne to help raise funds. She said that parks are very important and she enjoyed the park events in Kirkland. She participated in a café chat session at Java and Clay where the question of "what is necessary for the vitality of Gig Harbor" was discussed. They discussed families and parks and the lack of things for the kids to do. She said that she began to take notice of that when taking her husband's grandchildren to the city park (at Crescent Creek). She said that parks are part of what attract families to live here; we are fortunate that living in Gig Harbor is like being on vacation because there are plenty of places to go to the water.

Ms. Dompier suggested that Gig Harbor parks could have themes which could be used as a marketing tool, and that the local service organizations could each sponsor a park. She mentioned that lots of kids and adults have disabilities so it's important to consider that. She stressed that parks should be an interesting, fun place to go and meet and mingle with the community.

When asked if she goes to other parks in the city she responded that she spends time at Jerisich during concerts and other more quiet times. She said that she always takes visitors to the Old Ferry Landing to enjoy the view. She said you can capitalize on the diversity of our parks to draw people here to live, visit and spend their dollars.

Ms. Dompier asked what the city is looking for in a Parks Commissioner. Councilmember Kadzik responded that the goal is to find someone with good ideas, enthusiasm and who is willing to put in the time and work necessary; someone willing to learn and who plays well with others. Councilmember Ekberg responded that we are looking for an interested citizen with a passion for parks who is willing to work well with others and would promote the parks; someone with varied interests.

Ms. Dompier then asked about plans for the decommissioned water tower off Peacock and suggested getting the coffee place to sponsor a park there. She then asked about



the responsibilities of a Park Commissioner and the city's relationship with PenMet Parks.

After the interviews were concluded, Councilmembers discussed the qualifications and interests of the three candidates and agreed to recommend the appointment of Heidi Holmes.

2. Review Candidates for Planning Commission – one opening, two candidates.

Guy Hoppen was unable to attend the interview session.

Rick Gagliano explained that he has 20 years experience contributing to the city and though he no longer lives in the UGA, he still owns the property off 58th and a business downtown. He suggested that it comes down to what skill set the city needs. He presented an overview of his service to the city which started in 1990 on the Design Review Board. He said he would like to see several of the things through that he has worked by continuing to serve on the DRB and serving on the Planning Commission. He offered to act as the liaison if the opportunity arises.

Mr. Gagliano said that he has an existing rapport with several Planning Commission members and he would like to continue to contribute to the decisions being made for the community. He said that he enjoys working through complex issues while trying to find simple solutions and how fascinating it is to watch the community change over the years and to have input on legislative changes to protect Gig Harbor. He said that he has no particular agenda and would take each issue on a case by case basis.

When asked, Mr. Gagliano explained that attending meetings four times a month would not be a burden. He said that the Shoreline Master Program Updates are almost done and so the expanded Planning Commission schedule should go back to normal soon.

When the interview concluded, the Councilmembers discussed residency issues, serving on two boards simultaneously, experience and skills, and absence from meetings.

Councilmember Ekberg said he would recommend Guy Hoppen for the position. Councilmember Kadzik said that he would recommend Rick Gagliano. Both suggested that because it's the Mayor's decision, it might be valuable for him to contact the Chair of the Planning Commission and the Planning Director to gain their input.

3. Lodging Tax Advisory Committee – one opening. Tom Drohan is the incumbent and submitted a letter asking to be re-appointed. There were no other applicants.

Councilmembers agreed to forward a recommendation for Tom Drohan to serve another term.

These recommendations will be forwarded to Council at the January 23, 2012 City Council meeting.

There were no further comments; the meeting adjourned at 5:20 p.m.



Business of the City Council  
City of Gig Harbor, WA

**Subject: Appointment to the Planning Commission**

**Proposed Council Action:**

A motion for the appointment of Rick Gagliano to serve the remainder of the vacant term on the Gig Harbor Planning Commission ending June 2012

**Dept. Origin:** Administration

**Prepared by:** Mayor Chuck Hunter and the Board/Commission Review Committee

**For Agenda of:** Jan. 23, 2012

**Exhibits:** BCCR Minutes Jan. 4, 2012  
Initial & Date

**Concurred by Mayor:** CLH 1/19/12  
**Approved by City Administrator:** \_\_\_\_\_  
**Approved as to form by City Atty:** \_\_\_\_\_  
**Approved by Finance Director:** \_\_\_\_\_  
**Approved by Department Head:** \_\_\_\_\_

Expenditure Required	\$0	Amount Budgeted	\$0	Appropriation Required	\$0
----------------------	-----	-----------------	-----	------------------------	-----

**INFORMATION / BACKGROUND**

Jill Guernsey was elected to the City Council and submitted a letter of resignation from the Planning Commission. Her term expires in June 2015. From the call for interested applicants, the city received two applications: Rick Gagliano and Guy Hoppen.

The appointed will serve until the term ends June 2015 and if he wishes to continue, will be required to submit a letter for re-appointment at that time.

**FISCAL CONSIDERATION**

N/A

**BOARD OR COMMITTEE RECOMMENDATION**

The Committee interviewed Rick Gagliano. Guy Hoppen could not attend the meeting. Councilmember Kadzik recommended the appointment of Rick Gagliano. Councilmember Ekberg recommended the appointment of Guy Hoppen. Both suggested that Mayor Hunter contact the Chair of the Planning Commission Harris Atkins, and Planning Director Tom Dolan to obtain their input.

After talking with both Harris and Tom, Mayor Hunter is making the recommendation to appoint Rick Gagliano because of his 20 years of service to the city both on the Design Review Board and the drafting of the original Design Review Manual.

Mayor Hunter recognizes that Guy Hoppen is a valuable candidate, but worries that his absence during fishing season might cause difficulty with obtaining a quorum on the committee. The ability for him to attend meetings telephonically is problematic.

**RECOMMENDATION / MOTION**

**Move to:** Appoint Rick Gagliano to serve the remainder of the vacant term ending June 31, 2015.



Business of the City Council  
City of Gig Harbor, WA

**Subject:** Approval of a Facility Use Agreement with the City of Port Orchard allowing the Gig Harbor Police Department to utilize the City of Port Orchard Shooting Range for firearms training.

**Proposed Council Action:** Approve and authorize the Mayor to execute the attached Facility Use Agreement with the City of Port Orchard.

**Dept. Origin:** Police Department

**Prepared by:** Chief Mike Davis *MD #1*

**For Agenda of:** January 23, 2012

**Exhibits:** Facility Use Agreement

Initial & Date

**Concurred by Mayor:**

*CLA 1/12/12*

**Approved by City Administrator:**

*POK*

**Approved as to form by City Atty:** via email

*SP 1/12/12*

**Approved by Finance Director:**

**Approved by Department Head:**

*PO 1/12/12*

Expenditure		Amount		Appropriation	
Required	\$500.00	Budgeted	\$500.00	Required	0

**INFORMATION / BACKGROUND**

The Gig Harbor Police Department currently utilizes the Port Orchard Firearm Range for firearms training and qualifications. This agreement will formalize the conditions under which we use the facility and set the rental rate.

**FISCAL CONSIDERATION**

We have budgeted \$500.00 to cover our scheduled shooting qualifications in 2012.

**RECOMMENDATION / MOTION**

**Move to:** Approve and authorize the Mayor to execute the attached Facility Use Agreement with the City of Port Orchard.

**FACILITY USE AGREEMENT  
(Range - Firearms Training)**

THIS FACILITY USE AGREEMENT is made and entered into between the CITY OF PORT ORCHARD and the CITY OF GIG HARBOR on behalf of the GIG HARBOR POLICE DEPARTMENT("Renter") for use by the Renter of the Port Orchard Firearms Range located at the Port Orchard Industrial Park, Port Orchard, Washington, on the following terms and conditions:

1. **TERM.** This Agreement shall become effective on January 1, 2012, and end on December 31, 2012. This Agreement shall automatically be renewed on a calendar year basis unless written notice of termination is given by either party by the proceeding November 30th of any such year. This agreement may be executed in counter-parts.

2. **USE OF RANGE.** During the Term of this Agreement Renter shall be entitled to use the Firing Range at such times and on such dates as are mutually agreed by the parties. Days of use shall be scheduled at least thirty (30) days in advance and will be accommodated on a first scheduled basis. Requests made with less than thirty (30) days notice shall be accommodated when possible. Use by the City of Port Orchard shall have priority over any requested use by Renter. Range hours will be set by the City of Port Orchard or its authorized agent and must be adhered to by renting agencies.

3. **RENTAL RATE.** The rate for use of the firing range shall be \$65 per day payable to the City of Port Orchard. In lieu of monetary payment, the Renter may provide supplies, services and/or manpower of equivalent value if mutually agreed by the parties. Renter shall submit to the City of Port Orchard Treasurer invoices, receipts or other documentation for verification that equivalent value has been provided. City of Port Orchard reserves the right to increase the rental rate at any time upon 30 days written notice.

4. **EXPENSES.** Renter shall supply all weapons, ammunition, targets and other supplies used in the target exercise.

5. **RANGE SUPERVISION.** Renter shall provide and require the presence of a qualified range officer at all times during which the Renter's personnel are using the premises. To assure safe operations, the range officer shall have full authority and responsibility to direct the activities of those using the range and shall halt any activity found to be unduly hazardous. Posted range rules shall be adhered to at all times. A copy of the current range rules are attached. City of Port Orchard reserves the right to modify the range rules at any time.

6. **MAINTENANCE AND REPAIR.** City of Port Orchard shall, unless herein specified to the contrary, maintain the premises in good repair and condition during the continuance of this agreement, except in case of damage arising from the negligence of the Renter's agents or employees. For the purposes of so maintaining the premises, City of Port Orchard reserves the right, at reasonable times, to enter and inspect the premises and to make any necessary repairs to the building. Renter shall clean up all garbage and debris after use.

7. **INSURANCE** For the duration of the Agreement, Renter shall maintain a self-insurance fund or equivalent insurance against claims for injuries to persons or damage to property which may arise from or in connection with the use of the Premises. The fund or insurance shall provide general liability coverage of no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate. Renter's insurance coverage shall be primary insurance with respect to City of Port Orchard. Any insurance, self-insurance, or insurance pool coverage maintained by City of Port Orchard shall be excess of the Renter's insurance and shall not contribute to it. Renter shall provide a certificate of insurance evidencing the required insurance before using the Premises.

8. **ATTORNEY'S FEES.** In any action brought to enforce any provision of this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable costs and reasonable attorney's fees incurred.

9. **TERMINATION.** This agreement may be terminated by either party, without cause, by giving written notice of not less than thirty (30) days prior to the effective date of termination.

10. **INDEMNIFICATION/HOLD HARMLESS.** It is understood and agreed that this Agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. Renter shall defend, indemnify and hold harmless the City of Port Orchard, its officers, officials, employees and volunteers from and against any and all claims, suits, actions or liabilities for injury or death of any person, or for loss of damage to property, which arises out of the use of the Premises or from any activity, work or thing done, permitted, or suffered by Renter in or about the Premises, except only for injury or damage as shall have been occasioned by the sole negligence of the City of Port Orchard.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the date and year indicated.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012

CITY OF PORT ORCHARD

CITY OF GIG HARBOR

By: \_\_\_\_\_  
TIM MATTHES, Mayor

By: \_\_\_\_\_  
Chuck Hunter, Mayor

ATTEST:

ATTEST:

\_\_\_\_\_  
Patricia Kirkpatrick, City Clerk

\_\_\_\_\_  
Molly Towslee, City Clerk

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Alan L. Townsend, Chief of Police

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory Jacoby, City Attorney

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Mike Davis, Chief of Police

APPROVED AS TO FORM:

\_\_\_\_\_, City Attorney





**Business of the City Council  
City of Gig Harbor, WA**

**Subject:** Crescent Creek Property/Rohwer House – Asbestos Abatement/Hazardous Material Removal – Contract Award

**Proposed Council Action:**  
Award and authorize the Mayor to execute a Small Public Works Contract with Thermatech Northwest, Inc. in an amount not exceed \$3,840.61 for Asbestos Abatement/Hazardous Material Removal.

**Dept. Origin:** Public Works/Operations

**Prepared by:** Marco Malich  
Public Works Superintendent

**For Agenda of:** January 23, 2012

**Exhibits:** Public Works Contract

**Concurred by Mayor:** \_\_\_\_\_  
**Approved by City Administrator:** CLH 1/19/12  
**Approved as to form by City Atty:** POK  
**Approved by Finance Director:** by email 1-13-12  
**Approved by Department Head:** JP 1/18/12

<b>Expenditure Required</b>	\$3,840.61	<b>Amount Budgeted</b>	See Fiscal Consideration Below	<b>Appropriation Required</b>	\$0
-----------------------------	------------	------------------------	--------------------------------	-------------------------------	-----

**INFORMATION/BACKGROUND**

In 2008, the City purchased property located at 9702 Crescent Valley Drive, adjacent to Crescent Creek Park, which included a single family dwelling with a current tenant. In early 2011, the tenant moved out of the property. Upon inspection of the condition of the house, Public Works determined that demolition of the house was the best option for future use of the property. In September 2011, the City hired Parametrix to perform a Hazardous Material Assessment on the property. This survey found the presence of asbestos and hazardous material in the house that requires removal prior to demolition by City staff.

In accordance with the City's Small Works Roster Process (Resolution No. 797), staff solicited quotes from six firms and obtained the following bids for this work:

1	Thermatech Northwest Inc.	\$3,840.61
2	Tri-Point Industries	\$4,927.86

**FISCAL CONSIDERATION**

The 2012 Parks Operating Repairs and Maintenance budget provides sufficient funds for this work.

**BOARD OR COMMITTEE RECOMMENDATION**

N/A

**RECOMMENDATION/MOTION**

Award and authorize the Mayor to execute a Public Works contract with Thermatech Northwest, Inc. in an amount not exceed \$3,840.61 for Asbestos Abatement/Hazardous Material Removal.

**CITY OF GIG HARBOR  
SMALL PUBLIC WORKS CONTRACT**

THIS CONTRACT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Gig Harbor, Washington, hereinafter referred to as the City, and Thermatech Northwest Inc., hereinafter referred to as the Contractor.

FOR AND IN CONSIDERATION of the mutual benefits and conditions hereinafter contained, the parties hereto agree as follows:

1. Scope of Work.

The Contractor agrees to furnish all material, labor, tools, equipment, apparatus, etc. necessary to perform and complete in a workmanlike manner the work set forth in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference.

2. Time of Performance and Completion.

The work to be performed under this Contract shall commence as soon as the Contractor has received a Notice to Proceed from the City and in accordance with the schedule set forth in the Scope of Work.

3. Payments.

The Contractor agrees to perform all work called for at the rate of Three Thousand Five Hundred Forty-Three Dollars and Zero Cents (\$3,543.00), plus applicable Washington State Sales Tax. Said sum shall constitute full compensation for all labor, materials, tools, appliances, etc. required to perform the required services. Total compensation shall not exceed Three Thousand Eight Hundred Forty Dollars and Sixty-One Cents (\$3,840.61).

4. Indemnity.

A. The Contractor shall indemnify, defend and hold harmless the City, its officers, agents and employees, from and against any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, including costs and attorneys fees in defense thereof, for injuries, sickness or death of persons, or damage to property, which is caused by or arises out of the Contractor's acts, errors or omissions in the performance of this Contract, provided, however, that

(1) the Contractor's obligation to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole negligence of the City, its officers, agents or employees; and

(2) the Contractor's obligation to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence of the City and the Contractor shall apply only to the extent of the Contractor's negligence.

B. With respect to the obligations to hold harmless, indemnify and defend provided for herein, but only as they relate to claims brought against the City, its officers, agents and employees, the Contractor agrees to waive the Contractor's immunity under industrial insurance, Title 51 RCW, for any injury or death suffered by the Contractor's employees which is caused by or arises out of the Contractor's acts, errors or omissions in the performance of this Contract, and the Contractor further agrees that the obligation to indemnify, defend and hold harmless provided for herein extends to any claim brought by or on behalf of any employee of the Contractor. This waiver is mutually negotiated by the parties.

5. Insurance.

The Contractor shall secure and maintain in force throughout the duration of this Contract, comprehensive general liability insurance with a minimum coverage of not less than a single limit of \$1,000,000 for bodily injury, including death, and property damage per occurrence. The insurance will be written on an occurrence basis. The general liability policy shall name the City as an additional insured and shall include a provision prohibiting cancellation, changes and reductions of coverage under said policy except upon thirty (30) days prior written notice to the City. Certificates of coverage as required by this Section shall be delivered to the City with the signed Contract. In addition, the Contractor shall secure and maintain workers' compensation insurance pursuant to the laws of the State of Washington.

6. Prevailing Wage.

A. The prevailing rate of wage to be paid to all workmen, laborers, or mechanics employed in the performance of any part of this Contract shall be in accordance with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries. The rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where this Contract will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are attached hereto and by reference made a part of this Contract as though fully set forth herein.

B. On or before the date of commencement of the work, the Contractor shall file a statement under oath with the City and with the Director of Labor and Industries certifying the rate of hourly wage paid and to be paid each classification of laborers, workmen, or mechanics employed upon the work by the Contractor or any Subcontractor, which shall not be less than the prevailing rate of wage. Such statement and any subsequent statement shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

{ASB850433.DOC;1\00008.900000\ }

7. Termination.

A. Termination for Contractor's Default. If the Contractor refuses or fails to make adequate progress of the work, or to prosecute the work or any separable part thereof with such diligence that will insure its completion within the time specified in this Contract, or defaults under any provision or breaches any provision of this Contract, the City may serve notice upon the Contractor and its surety of the City's intention to terminate by default the right of the Contractor to perform the Contract, and unless within ten (10) days after the serving of such notice, the Contractor shall satisfactorily arrange to cure its failure to perform and notify the City of the corrections to be made, the right of the Contractor to proceed with the work shall terminate. In the event of any such termination, the City shall serve notice thereof upon the Surety and the Contractor, provided, however, that if the Surety does not commence performance thereof within twenty (20) days from the date of the mailing to such Surety of the notice of termination, the City may take over the work and prosecute the same to completion by Contract or otherwise for the account and at the expense of the Contractor. In the case of termination for default, the Contractor shall not be entitled to receive any further payment until the work is finished.

B. Termination by City for Convenience. The performance of work under this Contract may be terminated by the City in accordance with this paragraph in whole or in part, whenever the City shall determine that such termination is in the best interest of the City. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance or work under the Contract is terminated, and the date upon which such termination becomes effective. The Contractor shall stop work on the project upon the date set forth in the Notice of Termination and shall take such actions as may be necessary, or as the City may direct, for the protection and preservation of the work. After receipt of a Notice of Termination, the Contractor shall submit to the City its termination claim, in the form and with the certification prescribed by the City. Such claim shall be submitted promptly but in no event later than 3 months from the effective date of the termination. Upon approval by the City, the termination claim shall be paid.

C. Termination by Contractor. If the work should be stopped under an order of any court, or other public authority, for a period of thirty (30) days, through no act or fault of the Contractor or of anyone employed by him, then the Contractor may, upon seven (7) days written notice to the City, terminate this Contract and recover from the City payment for all work executed and any proven loss sustained. Should the City fail to pay to the Contractor, within the payment period provided for in this Contract, any sum due and owing, then the Contractor may, upon seven (7) days written notice to the City, stop the work or terminate this Contract.

8. Compliance with Laws. The Contractor shall at all times comply with all applicable state and local laws, rules, ordinances and regulations.

9. Nondiscrimination. Except to the extent permitted by a bona fide occupational qualification, the Contractor agrees that the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, natural origin, sex, sexual orientation, or age.

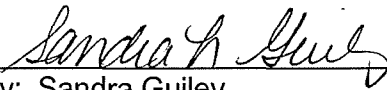
10. Independent Contractor. No agent, employee or representative of the Contractor shall be deemed to be an agent, employee or representative of the City for any purpose. Contractor shall be solely responsible for all acts of its agents, employees, representatives and subcontractors during the performance of this contract.

11. Legal Action. In the event that either party shall bring suit to enforce any provision of this Contract or to seek redress for any breach, the prevailing party in such suit shall be entitled to recover its costs, including reasonable attorneys' fees.

CITY OF GIG HARBOR

THERMATECH NORTHWEST INC.

\_\_\_\_\_  
MAYOR CHARLES L. HUNTER

  
\_\_\_\_\_  
By: Sandra Guiley  
Title: President  
Date: 1-9-2012

Date: \_\_\_\_\_

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
MOLLY TOWSLEE, CITY CLERK

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

\_\_\_\_\_

EXHIBIT A

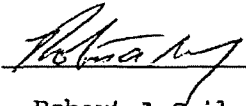
**CRESCENT CREEK PARK HOUSE  
ASBESTOS ABATEMENT/HAZARDOUS MATERIAL REMOVAL  
QUOTE FORM**

---

TO: City of Gig Harbor  
3510 Grandview Street  
Gig Harbor, Washington 98335

CONTACT: Terri Reed, Public Works/Operations  
Phone: (253) 851-6170; Fax: (253) 853-7597; Email: [reedt@cityofgigharbor.net](mailto:reedt@cityofgigharbor.net)

Bid Item	Description	Amount
	Scope of Work to include furnishing all labor, equipment, permits, materials, insurance, tools, equipment and notifications in accordance with EPA, WISHA & OSHA standards to complete removal and disposal of all Asbestos Containing Material (ACM)/Hazardous Material identified in the following reports:	
	<ul style="list-style-type: none"><li>Crescent Creek Property, Hazardous Materials Assessment, dated September 2011</li><li>Report Revision 1, dated October 2011</li></ul>	\$ 3,543.00
	Applicable Washington State Sales Tax (8.4%)	\$ 297.61
	<b>Total Bid</b>	<b>\$ 3,840.61</b>

Signature:  Date: 12-20-11  
Printed Name: Robert A Guiley  
Company Name: Thermatech Northwest Inc.  
Address: 10312 Sales Road South  
Lakewood, WA 98499  
Phone: 253.984.1818 Fax: 253.984.1886  
Email: bobg@ttnw-inc.com  
UBI Number: 601 725 020  
State of WA Contractor License No.: THERMNI044NT



**Business of the City Council**  
**City of Gig Harbor, WA**

**Subject:** First Reading – Ordinance  
 Establishing Shorecrest Community Sewer  
 System Rates.

**Proposed Council Action:** Adopt ordinance.

**Dept. Origin:** Finance/Engineering Dept.

**Prepared by:** David Rodenbach, Finance  
 Director

**For Agenda of:** January 23, 2012

**Exhibits:** Ordinance, PFC Rate Study

**Concurred by Mayor:**

Initial & Date  
*CLA 1/12/12*

**Approved by City Administrator:**

*ROK*

**Approved as to form by City Atty:**

*Per email*

**Approved by Finance Director:**

*DR 1/11/12*

Expenditure	Amount	Appropriation
Required 0	Budgeted 0	Required 0

**INFORMATION / BACKGROUND**

The City of Gig Harbor owns and operates the Shorecrest Community Sewer System located on Ray Nash Drive (outside the UGA). This system was designed to provide sanitary sewer service to 20 single family residences and was transferred to the City by Pierce County in 1988. The system is comprised individual S.T.E.P. systems (Septic Tank Effluent Pump) that pump effluent from the properties to a gravity sewer main located in Pierce County right of way on Ray Nash Drive. This gravity sewer drains to a lift station and is pumped approximately 1,700 ft to a large drain field located on City owned property where it perks back into the ground. Currently, there are 15 residences connected and using the system. Out of the remaining 5 connections 2 have been allocated to existing properties and the other 3 connections have been obtained by the City and are available for connection. Currently, the monthly customer service charge has been calculated at the one and a half times the unmetered City sewer connection flat rate (\$96.15 per month). The ordinance also establishes a general facility charge (GFC) of \$13,300 per new residential connection that will be charged to any of the 5 additional residential connections that the Shorecrest system has been evaluated to have the capacity to serve.

**FISCAL CONSIDERATION**

The intent of this ordinance is to establish policy and procedures whereby the Shorecrest System will pay for itself. The rate in this ordinance is at the low end of what was recommended by the rate study (see attached). This rate is equal to the current rate being charged to Shorecrest customers.

A dedicated fund which will account for all Shorecrest sewer revenues and expenditures is also established. The regular maintenance and operations and capital replacements will be accounted for in this fund.

**BOARD OR COMMITTEE RECOMMENDATION**

The proposed rate was presented to the Operations Committee on December 12, 2011. The committee suggested the City establish policy to have the Shorecrest System “pay for itself” through connection fee charges and monthly rates based upon the recent studies that the City’s consultant Peninsula Financial Consulting completed.

**RECOMMENDATION / MOTION**

**Move to:** Adopt the ordinance.



ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON; RELATING TO UTILITY RATES; ESTABLISHING THE MONTHLY SEWER SERVICE RATE TO BE PAID FOR THE PROVISION OF SEWER SERVICES TO THE SHORECREST COMMUNITY SYSTEM AND REMOVING THE FIFTY PERCENT SURCHARGE ON SEWER SERVICE TO CUSTOMERS OUTSIDE OF THE CITY; ESTABLISHING THE GENERAL FACILITY CHARGE (GFC) FOR NEW CONNECTIONS TO THE SHORECREST SYSTEM; ESTABLISHING A "SHORECREST SEWER RESERVE FUND" AND PROVIDING A BEGINNING CASH RESERVE FOR THIS FUND; AMENDING GIG HARBOR CODE SECTIONS 13.32.015, 13.32.030 AND 13.32.060; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE OF MARCH 1, 2012.

---

WHEREAS, the Shorecrest Community Septic System is self-contained and does not use conveyance or treatment systems provided by the Gig Harbor Sewer System; and

WHEREAS, it is desirable to account for operations of the Shorecrest Community Septic System separately from the Gig Harbor Sewer System; and

WHEREAS, a rate study was performed in 2011 by Peninsula Financial Consulting and attached herein as Exhibit 'A' and recommends rates and general facilities charges that will adequately fund the Shorecrest Community Septic System operations and equipment replacement; and

WHEREAS, the rate study was performed in 2011 by Peninsula Financial Consulting identified a cash reserve equal to the amount that would have been saved by the Shorecrest Community Septic System beginning in 1988 to present; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Section 13.32.015 - Amended. Section 13.32.015 of the Gig Harbor Municipal Code is hereby amended to read as follows:

**13.32.015 Sewer Rates – Community Systems.**

Effective March 1, 2012, the monthly sewer service rates for the Shorecrest community system shall be set at the \$96.15 per month.

Section 2. Section 13.32.030 - Amended. Section 13.32.030 of the Gig Harbor Municipal Code is hereby amended as follows:

**13.32.030 Outside Sewer Service.**

Sewer service extended outside the city limits shall be charged at 1.5 times the city rates established in this chapter. This surcharge shall not apply to the Shorecrest Community Septic System.

Section 3. Section 13.32.060 - Amended. Section 13.32.060 of the Gig Harbor Municipal Code is hereby amended as follows:

**13.32.060 Sewer general facilities charges.**

A. The city shall impose a sewer general facilities charge of \$8,540 per equivalent residential unit to connect to the sewer system. The sewer general facilities charge for connection to the Shorecrest Community Septic System is \$13,300 per equivalent residential unit.

Section 4. Shorecrest Sewer Reserve Fund - Created. A special fund of the City known as the "Shorecrest Sewer Reserve Fund" is created by the City. This fund will be used for the sole purpose of receiving Shorecrest Community Septic System revenues and to pay the costs of maintenance and operation of the Shorecrest Community Septic System. The beginning balance of this fund shall be \$29,482 plus any fees collected from Shorecrest customers in 2011 and 2012. The funds shall be transferred from the Sewer Operating fund.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, clause or phrase of this Ordinance.

Section 6. Effective Date. This ordinance shall be in full force and take effect March 1, 2012.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this \_\_\_\_ day of February 13, 2012.

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

---

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:  
Office of the City Attorney

---

Angela S. Belbeck

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO:

## MEMORANDUM

TO: City of Gig Harbor  
Date: 12/22/11  
Prepared by: Peninsula Financial Consulting

*NOTE: The original memo documenting this analysis and presented earlier to Shorecrest residents was dated 5/26/11. In the original memo proposed rates were specified as ranging from \$75 to \$112 per month before taxes are applied. The rates proposed in this memo are unchanged from \$75 to \$112 per month but have been modified to reflect a 2 month billing cycle and the addition of taxes (State tax of 3.852% and City tax of 5%).*

### EXECUTIVE SUMMARY

This memo addresses the financial impact of establishing the Shorecrest community septic system as a separate rate class that can self-finance the operation of its septic system. The analysis includes proposed Bi-Monthly rates that range from \$192.30 to \$243.40 per 2 months (previously identified as \$75 to \$112 per month before taxes) as well the establishment of a general facility charge (GFC) of \$13,300 per new residential connection that will be charged to any of the 5 additional residential connections that the Shorecrest system has been evaluated to have the capacity to serve.

In recognition of this change to existing Shorecrest customers the City will undertake the following actions:

- Establish a cash reserve fund equal to the amount that would have been saved by the existing customers beginning in 1988 until present;
- Waive application of the 50% surcharge on sewer service to customers outside of the City;
- All revenues and GFCs collected minus costs to operate the Shorecrest system will be saved within a dedicated Shorecrest sewer reserve fund.

The most significant impact of becoming self-financing is the need to “catch up” with depreciation funding. The Shorecrest system was installed in 1983 and therefore all components are 27 years old. As can be inferred from the cash reserve analysis in a subsequent section of this memo (see Table 2), even with \$29,500 accumulated depreciation reserves, the Shorecrest system has not been charged rates since 1988 sufficient to pay for annual depreciation. If appropriate rates had been charged, after 22 years of City operation the cash reserve fund for the Shorecrest system would have a total balance of from \$150K to \$290K depending on whether original or replacement cost depreciation was used to set monthly rates. Thus the most critical aspect of setting an appropriate rate for Shorecrest is the question of how quickly Shorecrest reserve funds are to be accumulated and what target balance is acceptable after which the rate component for depreciation can be decreased.

While it is expected that rates over the near term will be higher than other City rate classes, over the long term it is reasonable to expect Shorecrest rates to be lower due to the relative inexpensiveness of septic treatment and longevity of system components as well as the lessening of rates after sufficient depreciation reserves are accumulated

## INTRODUCTION

This memo documents the calculation of a sewer general facility charge (GFC) and a range of monthly service rates for customers served by the Shorecrest community septic sewer system. The City's goal is that the Shorecrest system be self financing. Therefore this analysis includes the establishment of cash reserves for the Shorecrest system as well as a forecast of cash flows from operations.

A GFC, also referred to as a connection or system development charge, is a one-time charge paid by a new customer connecting to a utility system. A GFC may include a pro-rata share of the cost of existing facilities (existing facility component) and a pro-rata share of planned facilities (future facility component). The existing facility component offsets the historical contributions from existing customers used to acquire existing assets of benefit to a new customer. The future facility component is a new customer's proportional share of the cost of capital improvements required to serve future growth and is intended to minimize the impact to existing customers to fund the construction of growth related facilities. The GFC calculated herein is stated in terms of a cost per ERU or equivalent residential unit. By definition an ERU equals an average single family residence. Note that the calculation of the GFC for the Shorecrest subdivision utilizes the same methodology previously utilized in the determination of the GFC for the entire City municipal sewer system in 2007.

This analysis utilizes asset information about the Shorecrest sewer system provided by the City and a study by the engineering consulting firm of Parametrix.

The Revised Code of Washington (RCW) addresses some aspects of how a GFC should be determined. However, GFCs are determined primarily based on practices that have been upheld by State courts and are consistent with industry standards (e.g. American Water Works Association). RCW 35.92.025, which authorizes cities and towns to charge for connecting to a water, wastewater, or stormwater system, requires that the charge be an equitable share of the cost of the existing system and may include up to ten years of interest charges at a rate commensurate with the rate of interest applicable to the City at the time of construction. RCW 57.08.005, which address connection charges for special purpose districts, also specifically allows districts to charge a pro rata share of the cost of future facilities planned in the next ten years. An opinion provided by Foster, Pepper, and Shefelman, PLLC concluded that cities might also include costs of future facilities intended to serve growth.

Under RCW 57.08.005, special districts are not allowed to include costs associated with facilities that are funded from grants or donations. In 1999, the Washington State Supreme Court ruled in the case

Landmark Development, Inc. versus the City of Roy that there was no implied statutory requirement that a city include an offset for grants or donations when calculating water connection charges. Therefore, this analysis includes the costs of all existing facilities that will benefit future customers, regardless of how these assets were funded.

**GFC CALCULATION**

The Shorecrest septic system has a capacity to serve 20 single family residences and all of the existing communal components are in good working order and will therefore provide benefit to both the existing 15 customers as well as an additional 5. The community system consists of the following components: 700 feet of 8" pipe and 3 manholes, a lift station and storage tank, and 1,700 feet of drain field PVC piping. The existing community system was constructed in 1983 without utilization of debt. The City was unable to obtain original construction cost data for the system in 1983 so an alternative method was used to estimate the original system cost. The City provided estimated costs to replace each of the existing system components as summarized in Table 1.

**TABLE 1**  
**Estimated Replacement Costs for the Shorecrest Septic System & Drain Field**

DESCRIPTION	Year Installed	Est. Replacement Cost	Useful Life
700' 8" Gravity Sewer and 3 Manholes	1983	\$ 111,400	50
Lift Station and Storage Tank	1983	\$ 50,000	25
1700' 4" PVC Force Main	1983	\$ 265,100	40
Drain Field (property not included)	1983	\$ 90,400	40
<b>Total</b>		<b>\$ 516,900</b>	

The total cost to replace the system today of \$516,900 must now be converted into 1983 dollars in order to estimate the original construction cost. This conversion is accomplished using the construction cost index (CCI) from the Engineering News Record for the Seattle area. The CCI for Jan 2011 is 8,703.51 and the CCI from Dec of 1982 is 4,490.38, or a ratio of .5159. Therefore the original cost of the system can be estimated at \$266,700 (.5159 x \$516,885).

Since there is no outstanding debt, the entire original cost of \$266,700 can be included in the GFC. As previously discussed, a GFC can also include 10 years of accumulated interest. An appropriate interest rate for use is 6.99% that is the average US Treasury Bill rate from 1983 through 1992. Based on a total original cost of \$266,700 and 6.99% annual interest, 10 years of accumulated simple interest is \$186,400. The existing facility component of the GFC can now be calculated based on the total original cost plus accumulated interest divided by the total number of connections, or \$22,650 per connection ( $[\$266,700 + \$186,400] / 20$  connections). Although staff has compiled a preliminary list of potential

capital projects for the system the projects have not been adopted by the City and therefore to be conservative none of these potential capital costs are included in the determination. Hence the total GFC equals the existing facility component, or \$22,650.

However, after consultation with City staff it was concluded that the estimated replacement cost of \$516,700 likely overestimates the original cost to some extent. The use of the CCI method to estimate original costs using current replacement costs sometimes overestimates the original cost of construction due to factors that change over time such as safety procedures, equipment, technological changes, etc. The negative impact these changes can have on the accuracy of the method can be exacerbated when it is applied to a relatively small project (installation of a septic system) that occurs within a larger project such as the construction of a 15 house subdivision. Therefore the City elected to compensate for this possible overestimation by revising the GFC to not include 10 years of accumulated interest. As a result the recommended GFC is **\$13,300 per connection** (\$266,700/20 connections).

#### **CASH RESERVES**

The County turned the Shorecrest sewer system over to the City in 1988 at which time the City began to operate the system as well as collect monthly rates from Shorecrest customers. As discussed the City's goal is that the Shorecrest sewer system be self financing and as a result the City has elected to establish the Shorecrest operating fund with a transfer of money from the sewer general fund. Table 2 provides an estimate of how much cash would have been generated assuming net revenues after paying operating expenses were saved and invested at an average annual interest rate of 3.5%. Note that records for historical operating expenses back to 1988 are unavailable and therefore known expenses from 2006 through 2010 were used with the cost from 2006 of \$5,442 deflated for earlier years using the construction cost index (CCI) from the engineering news record. Metrics other than the CCI such as the CPI for urban wages were investigated but the CCI from ENR resulted in the maximum amount of cash reserves and was therefore the most conservative. As shown in Table 2, it is estimated that the Shorecrest sewer fund would have a total balance of approximately \$29,500 if Shorecrest revenues had been segregated beginning in 1988.

**TABLE 2**  
**Estimated Cash Reserves**

Year	No. of New Cust.	No. of Cust.	Bi-Monthly Rate	Annual Revenue	ENR Index	Est. Annual O&M Exp.	Total Est. Net Revenue	Earned Interest	Total Funds
1988	9	9	\$60.00	\$3,240	4,738.35	\$ 2,984	\$256		\$ 256
1989	1	10	\$60.00	\$3,600	4,898.01	\$ 3,085	\$515	\$ 9	\$780
1990	1	11	\$60.00	\$3,960	4,933.39	\$ 3,107	\$853	\$ 27	\$1,660
1991		11	\$60.00	\$3,960	5,120.63	\$ 3,225	\$735	\$ 58	\$2,453
1992		11	\$60.00	\$3,960	5,320.37	\$ 3,351	\$609	\$ 86	\$3,149
1993	2	13	\$66.00	\$5,148	5,630.25	\$ 3,546	\$1,602	\$ 110	\$4,861
1994		13	\$66.00	\$5,148	5,818.49	\$ 3,664	\$1,484	\$ 170	\$6,514
1995		13	\$66.00	\$5,148	5,924.09	\$ 3,731	\$1,417	\$ 228	\$8,159
1996		13	\$66.00	\$5,148	6,086.77	\$ 3,833	\$1,315	\$ 286	\$9,760
1997		13	\$48.51	\$3,784	6,639.85	\$ 4,182	-\$398	\$ 342	\$9,703
1998		13	\$48.51	\$3,784	6,957.81	\$ 4,382	-\$598	\$ 340	\$9,445
1999		13	\$50.94	\$3,973	7,137.17	\$ 4,495	-\$522	\$ 331	\$9,253
2000		13	\$50.94	\$3,973	7,368.25	\$ 4,641	-\$667	\$ 324	\$8,910
2001		13	\$50.94	\$3,973	7,335.24	\$ 4,620	-\$646	\$ 312	\$8,576
2002		13	\$53.49	\$4,172	7,561.98	\$ 4,763	-\$590	\$ 300	\$8,285
2003		13	\$53.49	\$4,172	7,866.58	\$ 4,954	-\$782	\$ 290	\$7,793
2004		13	\$81.66	\$6,369	8,165.36	\$ 5,143	\$1,227	\$ 273	\$9,293
2005		13	\$81.66	\$6,369	8,458.55	\$ 5,327	\$1,042	\$ 325	\$10,661
2006		13	\$85.74	\$6,688	8,640.58	\$ 5,442	\$1,246	\$ 373	\$12,280
2007	1	14	\$94.35	\$7,925		\$ 5,442	\$2,484	\$ 430	\$15,193
2008	1	15	\$103.77	\$9,339		\$ 5,572	\$3,767	\$ 532	\$19,492
2009		15	\$119.31	\$10,738		\$ 5,978	\$4,760	\$ 682	\$24,934
2010		15	\$137.21	\$12,349		\$ 8,673	\$3,676	\$ 873	\$29,482

**BI-MONTHLY SERVICE RATES**

Bi-monthly service rates are typically set at a level sufficient to pay for annual maintenance and operation costs as well as annual depreciation. The City retrieved recent expense data associated with the Shorecrest system and identified required operating and maintenance activities. These annual expenses are listed in Table 3. As shown under the Forecasted row in Table 3, this analysis utilizes an annual expense total of \$5,900. The forecasted amount of \$5,900 does not include the relatively large expense in 2010 to clear the entire drain field site but does include the average annual cost over 5 years for corrective work orders.

**TABLE 3**  
**Shorecrest System Annual O&M Expenses**

Year	Weekly Maintenance	6 Month Maintenance	6 Month Amp. Draws	Corrective Work Orders	Air Compressor Cost	Avg. Power	Side Mowing Drain Field	Fuel Truck/Maint.	Annual Total
2006	\$ 3,398	\$ 697	\$ 349	\$ -	\$ 150	\$ 540	\$ 137	\$ 171	\$ 5,442
2007	\$ 3,398	\$ 697	\$ 349	\$ -	\$ 150	\$ 540	\$ 137	\$ 171	\$ 5,442
2008	\$ 3,398	\$ 697	\$ 349	\$ 120	\$ 160	\$ 540	\$ 137	\$ 171	\$ 5,572
2009	\$ 3,398	\$ 697	\$ 349	\$ 525	\$ 162	\$ 540	\$ 137	\$ 171	\$ 5,978
2010	\$ 3,398	\$ 697	\$ 410	\$ 1,107	\$ 165	\$ 540	\$ 2,134	\$ 221	\$ 8,673
Forecasted	\$ 3,398	\$ 697	\$ 410	\$ 350	\$ 165	\$ 540	\$ 137	\$ 221	\$ 5,900



The City also will incur indirect or administrative costs such as management, supervision, billing, and accounting costs. By policy the City utilizes an administrative and overhead fee of 20% to cover undocumented overhead costs and therefore this analysis utilizes the same rate. The annual cost of depreciation is calculated based on the cost of existing components divided by their estimated lives as shown in Table 1. Table 4 shows the determination of a range of annual depreciation from \$6,800 to \$13,100 per year based on the original costs as well as replacement costs of the system. Depreciation as used in rate setting is properly defined as a range because if it is calculated solely based on the original cost of an asset then at the end of the useful life there will not be enough money collected to replace the asset because the asset's cost will have increased.

**TABLE 4**  
**Annual Depreciation**

DESCRIPTION	Year Installed	Est. Replacement Cost	Useful Life	Est. Original Cost	Annual Depreciation Based on Original Cost	Depreciation Based on Replacement Cost
700' 8" Gravity Sewer and 3 Manholes	1983	\$ 111,400	50	\$ 57,500	\$ 1,200	\$ 2,200
Lift Station and Storage Tank	1983	\$ 50,000	25	\$ 25,800	\$ 1,000	\$ 2,000
1700' 4" PVC Force Main	1983	\$ 265,100	40	\$136,800	\$ 3,400	\$ 6,600
Drain Field (property not included)	1983	\$ 90,400	40	\$ 46,600	\$ 1,200	\$ 2,300
<b>Total</b>		<b>\$ 516,900</b>		<b>\$266,700</b>	<b>\$ 6,800</b>	<b>\$ 13,100</b>

A Bi-monthly rate to operate and maintain the Shorecrest sewer system can now be estimated based on an annual operating cost of \$5,900, a range of depreciation from \$6,800 to \$13,100, an overhead factor of 20%, taxes (both City and State), and 17 connections. The City has elected to waive the City's 50% surcharge for sewer service outside the City due to the fact that the Shorecrest system is self contained and therefore Shorecrest customers receive no benefit from the municipal sewer system. There are currently 15 active connections but this analysis assumes that 2 additional connections will soon become active. The resulting bi-monthly rates range from \$163 to \$243 per month per connection as shown in Table 5. Based on the City's current sewer rate schedule, Shorecrest customers will be charged a total bi-monthly rate of \$192.30 per bi-month (including taxes) beginning in 2012. Based on this the City has determined that the minimum bi-monthly rate to be considered for Shorecrest in 2012 must be at least \$192.30. Therefore the range of rates to be considered for Shorecrest customers beginning in 2012 is **\$192.30 to 243.40 per bi-month**.

**TABLE 5**  
**BI-Monthly Rate Range for Shorecrest with 17 Customers**

	O&M	Depreciation	SubTotal	Bi-Monthly Rate for	Admin Fee (20%)	SubTotal	State Sewer Tax	City Utility Tax	Total Bi-Monthly Rate
Monthly Rate with Depreciation using original costs	\$ 5,900	\$ 6,800	\$ 12,700	\$ 124.51	\$ 24.90	\$ 149.41	\$ 5.76	\$ 7.47	\$ 162.70
Monthly Rate with Depreciation using replacement costs	\$ 5,900	\$ 13,100	\$ 19,000	\$ 186.27	\$ 37.25	\$ 223.53	\$ 8.61	\$ 11.18	\$ 243.40

Please note that as shown in Table 5 the subtotal rates shown of \$149.41 and \$223.53 for 2 months are twice the rates specified in the original memo of \$75 to \$112 per month (minor differences are due to the effect of rounding).

**CASH FLOW FORECAST**

The most difficult aspect of maintaining self financing in the Shorecrest system is the ability of such a small system to finance large repairs and improvements. City staff has reviewed the system and has developed a list of potential capital improvements that the system may have to fund in the future. Table 6 lists potential capital improvements and their costs for the Shorecrest system.

**TABLE 6**  
**Shorecrest Capital Improvements**

Capital Improvements	Cost
Pumps & Controls	\$ 35,000
lining of Settling Tanks	\$ 25,000
Coating of Man Holes	\$ 24,000
Easement Verification	\$ 8,000
<b>Total</b>	<b>\$ 92,000</b>

The most expensive future improvement would occur if the Shorecrest system is ever required to be connected to the municipal sewer system. Staff has reviewed this eventuality and estimated the current cost for this improvement at almost \$1.9 M. However, unlikely this eventuality is, it illustrates the vulnerability of the Shorecrest system and the need to establish a healthy cash reserve fund for future repairs and improvements. As with the City municipal system, the City will look towards best available technologies and practices in order to operate the Shorecrest system with minimal cost to the customers.

Tables 7 and 8 provide forecasted cash flows for the Shorecrest sewer fund assuming the lowest and highest recommended rates are utilized. As shown in the tables, the Shorecrest fund should be capable of financing the list of capital improvements in Table 6 while providing adequate reserves for contingencies. Note that as shown in Tables 7 and 8, the 20% administrative charge is an expense and

will be paid to the general sewer fund. Also note that both monthly rates as well as expenses are increased to reflect 2.5% annual inflation.

**TABLE 7**  
**Forecast of Shorecrest Sewer Fund Cash Flows with Minimum Rate of \$192.30/2-month in 2012**  
**(Values are adjusted for 2.5% annual inflation)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bi-Monthly Rate (assumes an annual 2.5% cost of living increase)	\$ 192.30	\$ 197.11	\$ 202.04	\$ 207.09	\$ 212.26	\$ 217.57	\$ 223.01	\$ 228.58	\$ 234.30	\$ 240.16
<b>Cash generated over next 10 years with 17 Connections</b>										
Initial Transfer from Sewer General Fund	\$ 29,500									
Annual revenue from Bi-Monthly Rates	\$ 19,610	\$ 20,100	\$ 20,610	\$ 21,120	\$ 21,650	\$ 22,190	\$ 22,750	\$ 23,320	\$ 23,900	\$ 24,500
Less O&M Cost	\$ (6,900)	\$ (6,050)	\$ (6,200)	\$ (6,360)	\$ (6,520)	\$ (6,680)	\$ (6,850)	\$ (7,020)	\$ (7,200)	\$ (7,380)
Less 20% Overhead	\$ (3,000)	\$ (3,080)	\$ (3,160)	\$ (3,230)	\$ (3,320)	\$ (3,400)	\$ (3,480)	\$ (3,570)	\$ (3,660)	\$ (3,750)
Less State & City Taxes	\$ (1,590)	\$ (1,630)	\$ (1,680)	\$ (1,720)	\$ (1,760)	\$ (1,800)	\$ (1,850)	\$ (1,900)	\$ (1,940)	\$ (1,990)
Total Reserve funds available at end of year	\$ 38,620	\$ 9,340	\$ 9,570	\$ 9,810	\$ 10,050	\$ 10,310	\$ 10,570	\$ 10,830	\$ 11,100	\$ 11,380
<b>Total Reserve Fund Balance (w/o earned interest)</b>	<b>\$ 38,620</b>	<b>\$ 47,960</b>	<b>\$ 57,530</b>	<b>\$ 67,340</b>	<b>\$ 77,390</b>	<b>\$ 87,700</b>	<b>\$ 98,270</b>	<b>\$109,100</b>	<b>\$120,200</b>	<b>\$131,580</b>

**TABLE 8**  
**Forecast of Shorecrest Sewer Fund Cash Flows with Maximum Rate of \$243.40/2-month in 2012**  
**(Values are adjusted for 2.5% annual inflation)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bi-Monthly Rate (assumes an annual 2.5% cost of living increase)	\$ 243.40	\$ 249.49	\$ 255.72	\$ 262.12	\$ 268.67	\$ 275.38	\$ 282.27	\$ 289.33	\$ 296.56	\$ 303.97
<b>Cash generated over next 10 years with 17 Connections</b>										
Initial Transfer from Sewer General Fund	\$ 29,500									
Annual revenue from Bi-Monthly Rates	\$ 24,830	\$ 25,450	\$ 26,080	\$ 26,740	\$ 27,400	\$ 28,090	\$ 28,790	\$ 29,510	\$ 30,250	\$ 31,010
Less O&M Cost	\$ (6,900)	\$ (6,050)	\$ (6,200)	\$ (6,360)	\$ (6,520)	\$ (6,680)	\$ (6,850)	\$ (7,020)	\$ (7,200)	\$ (7,380)
Less 20% Overhead	\$ (3,800)	\$ (3,900)	\$ (3,990)	\$ (4,090)	\$ (4,190)	\$ (4,300)	\$ (4,410)	\$ (4,520)	\$ (4,630)	\$ (4,750)
Less State & City Taxes	\$ (2,020)	\$ (2,070)	\$ (2,120)	\$ (2,170)	\$ (2,230)	\$ (2,280)	\$ (2,340)	\$ (2,400)	\$ (2,460)	\$ (2,520)
Total Reserve funds available at end of year	\$ 44,630	\$ 15,500	\$ 15,890	\$ 16,290	\$ 16,690	\$ 17,110	\$ 17,530	\$ 17,970	\$ 18,420	\$ 18,880
<b>Total Reserve Fund Balance (w/o earned interest)</b>	<b>\$ 44,630</b>	<b>\$ 60,130</b>	<b>\$ 76,020</b>	<b>\$ 92,310</b>	<b>\$109,000</b>	<b>\$126,110</b>	<b>\$143,640</b>	<b>\$161,610</b>	<b>\$180,030</b>	<b>\$198,910</b>

As indicated in Tables 7 and 8, if rates are properly set the Shorecrest sewer fund will slowly build reserves over time. These reserves are solely earmarked for the capital needs of the Shorecrest system.

Also note that all cash flows in Tables 7 and 8 reflect the impact of 2.5% annual inflation. However, even though total cash flows into reserves increase each year as a result of the impact of 2.5% inflation being applied to both rates as well as expenses, this increased reserve funding is appropriate because annual depreciation will also increase each year as inflation impacts capital replacement costs.

Tables 7 & 8 do not include any revenue from connections associated with the remaining 5 ERUs of available capacity. While it is expected that two new connections will be utilized in the near future both of these connections were previously vested and are therefore not eligible to be charged the new GFC proposed in this analysis. There is no time frame associated with the remaining 3 ERUs of capacity and therefore no new GFC revenue is forecasted over the next ten years.

Lastly, as indicated the City should annually adjust the Shorecrest rate for inflation and should further review the basic rate after several years of additional operating and maintenance costs are available.



**Business of the City Council**  
**City of Gig Harbor, WA**

**Subject:** First Reading – Ordinance  
 Establishing Shorecrest Community Sewer  
 System Rates.

**Proposed Council Action:** Adopt ordinance.

**Dept. Origin:** Finance/Engineering Dept.

**Prepared by:** David Rodenbach, Finance  
 Director

**For Agenda of:** January 23, 2012

**Exhibits:** Ordinance, PFC Rate Study

**Concurred by Mayor:**

Initial & Date  
*CLA 1/12/12*

**Approved by City Administrator:**

*ROK*

**Approved as to form by City Atty:**

*Per email*

**Approved by Finance Director:**

*DR 1/11/12*

Expenditure	Amount	Appropriation
Required 0	Budgeted 0	Required 0

**INFORMATION / BACKGROUND**

The City of Gig Harbor owns and operates the Shorecrest Community Sewer System located on Ray Nash Drive (outside the UGA). This system was designed to provide sanitary sewer service to 20 single family residences and was transferred to the City by Pierce County in 1988. The system is comprised individual S.T.E.P. systems (Septic Tank Effluent Pump) that pump effluent from the properties to a gravity sewer main located in Pierce County right of way on Ray Nash Drive. This gravity sewer drains to a lift station and is pumped approximately 1,700 ft to a large drain field located on City owned property where it perks back into the ground. Currently, there are 15 residences connected and using the system. Out of the remaining 5 connections 2 have been allocated to existing properties and the other 3 connections have been obtained by the City and are available for connection. Currently, the monthly customer service charge has been calculated at the one and a half times the unmetered City sewer connection flat rate (\$96.15 per month). The ordinance also establishes a general facility charge (GFC) of \$13,300 per new residential connection that will be charged to any of the 5 additional residential connections that the Shorecrest system has been evaluated to have the capacity to serve.

**FISCAL CONSIDERATION**

The intent of this ordinance is to establish policy and procedures whereby the Shorecrest System will pay for itself. The rate in this ordinance is at the low end of what was recommended by the rate study (see attached). This rate is equal to the current rate being charged to Shorecrest customers.

A dedicated fund which will account for all Shorecrest sewer revenues and expenditures is also established. The regular maintenance and operations and capital replacements will be accounted for in this fund.

**BOARD OR COMMITTEE RECOMMENDATION**

The proposed rate was presented to the Operations Committee on December 12, 2011. The committee suggested the City establish policy to have the Shorecrest System “pay for itself” through connection fee charges and monthly rates based upon the recent studies that the City’s consultant Peninsula Financial Consulting completed.

**RECOMMENDATION / MOTION**

**Move to:** Adopt the ordinance.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON; RELATING TO UTILITY RATES; ESTABLISHING THE MONTHLY SEWER SERVICE RATE TO BE PAID FOR THE PROVISION OF SEWER SERVICES TO THE SHORECREST COMMUNITY SYSTEM AND REMOVING THE FIFTY PERCENT SURCHARGE ON SEWER SERVICE TO CUSTOMERS OUTSIDE OF THE CITY; ESTABLISHING THE GENERAL FACILITY CHARGE (GFC) FOR NEW CONNECTIONS TO THE SHORECREST SYSTEM; ESTABLISHING A "SHORECREST SEWER RESERVE FUND" AND PROVIDING A BEGINNING CASH RESERVE FOR THIS FUND; AMENDING GIG HARBOR CODE SECTIONS 13.32.015, 13.32.030 AND 13.32.060; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE OF MARCH 1, 2012.

---

WHEREAS, the Shorecrest Community Septic System is self-contained and does not use conveyance or treatment systems provided by the Gig Harbor Sewer System; and

WHEREAS, it is desirable to account for operations of the Shorecrest Community Septic System separately from the Gig Harbor Sewer System; and

WHEREAS, a rate study was performed in 2011 by Peninsula Financial Consulting and attached herein as Exhibit 'A' and recommends rates and general facilities charges that will adequately fund the Shorecrest Community Septic System operations and equipment replacement; and

WHEREAS, the rate study was performed in 2011 by Peninsula Financial Consulting identified a cash reserve equal to the amount that would have been saved by the Shorecrest Community Septic System beginning in 1988 to present; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Section 13.32.015 - Amended. Section 13.32.015 of the Gig Harbor Municipal Code is hereby amended to read as follows:

**13.32.015 Sewer Rates – Community Systems.**

Effective March 1, 2012, the monthly sewer service rates for the Shorecrest community system shall be set at the \$96.15 per month.

Section 2. Section 13.32.030 - Amended. Section 13.32.030 of the Gig Harbor Municipal Code is hereby amended as follows:

**13.32.030 Outside Sewer Service.**

Sewer service extended outside the city limits shall be charged at 1.5 times the city rates established in this chapter. This surcharge shall not apply to the Shorecrest Community Septic System.

Section 3. Section 13.32.060 - Amended. Section 13.32.060 of the Gig Harbor Municipal Code is hereby amended as follows:

**13.32.060 Sewer general facilities charges.**

A. The city shall impose a sewer general facilities charge of \$8,540 per equivalent residential unit to connect to the sewer system. The sewer general facilities charge for connection to the Shorecrest Community Septic System is \$13,300 per equivalent residential unit.

Section 4. Shorecrest Sewer Reserve Fund - Created. A special fund of the City known as the "Shorecrest Sewer Reserve Fund" is created by the City. This fund will be used for the sole purpose of receiving Shorecrest Community Septic System revenues and to pay the costs of maintenance and operation of the Shorecrest Community Septic System. The beginning balance of this fund shall be \$29,482 plus any fees collected from Shorecrest customers in 2011 and 2012. The funds shall be transferred from the Sewer Operating fund.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, clause or phrase of this Ordinance.

Section 6. Effective Date. This ordinance shall be in full force and take effect March 1, 2012.

PASSED by the Council and approved by the Mayor of the City of Gig Harbor, this \_\_\_\_ day of February 13, 2012.

CITY OF GIG HARBOR

\_\_\_\_\_  
Mayor Charles L. Hunter

ATTEST/AUTHENTICATED:

---

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:  
Office of the City Attorney

---

Angela S. Belbeck

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO:



## MEMORANDUM

TO: City of Gig Harbor  
Date: 12/22/11  
Prepared by: Peninsula Financial Consulting

*NOTE: The original memo documenting this analysis and presented earlier to Shorecrest residents was dated 5/26/11. In the original memo proposed rates were specified as ranging from \$75 to \$112 per month before taxes are applied. The rates proposed in this memo are unchanged from \$75 to \$112 per month but have been modified to reflect a 2 month billing cycle and the addition of taxes (State tax of 3.852% and City tax of 5%).*

### EXECUTIVE SUMMARY

This memo addresses the financial impact of establishing the Shorecrest community septic system as a separate rate class that can self-finance the operation of its septic system. The analysis includes proposed Bi-Monthly rates that range from \$192.30 to \$243.40 per 2 months (previously identified as \$75 to \$112 per month before taxes) as well the establishment of a general facility charge (GFC) of \$13,300 per new residential connection that will be charged to any of the 5 additional residential connections that the Shorecrest system has been evaluated to have the capacity to serve.

In recognition of this change to existing Shorecrest customers the City will undertake the following actions:

- Establish a cash reserve fund equal to the amount that would have been saved by the existing customers beginning in 1988 until present;
- Waive application of the 50% surcharge on sewer service to customers outside of the City;
- All revenues and GFCs collected minus costs to operate the Shorecrest system will be saved within a dedicated Shorecrest sewer reserve fund.

The most significant impact of becoming self-financing is the need to “catch up” with depreciation funding. The Shorecrest system was installed in 1983 and therefore all components are 27 years old. As can be inferred from the cash reserve analysis in a subsequent section of this memo (see Table 2), even with \$29,500 accumulated depreciation reserves, the Shorecrest system has not been charged rates since 1988 sufficient to pay for annual depreciation. If appropriate rates had been charged, after 22 years of City operation the cash reserve fund for the Shorecrest system would have a total balance of from \$150K to \$290K depending on whether original or replacement cost depreciation was used to set monthly rates. Thus the most critical aspect of setting an appropriate rate for Shorecrest is the question of how quickly Shorecrest reserve funds are to be accumulated and what target balance is acceptable after which the rate component for depreciation can be decreased.

While it is expected that rates over the near term will be higher than other City rate classes, over the long term it is reasonable to expect Shorecrest rates to be lower due to the relative inexpensiveness of septic treatment and longevity of system components as well as the lessening of rates after sufficient depreciation reserves are accumulated

## INTRODUCTION

This memo documents the calculation of a sewer general facility charge (GFC) and a range of monthly service rates for customers served by the Shorecrest community septic sewer system. The City's goal is that the Shorecrest system be self financing. Therefore this analysis includes the establishment of cash reserves for the Shorecrest system as well as a forecast of cash flows from operations.

A GFC, also referred to as a connection or system development charge, is a one-time charge paid by a new customer connecting to a utility system. A GFC may include a pro-rata share of the cost of existing facilities (existing facility component) and a pro-rata share of planned facilities (future facility component). The existing facility component offsets the historical contributions from existing customers used to acquire existing assets of benefit to a new customer. The future facility component is a new customer's proportional share of the cost of capital improvements required to serve future growth and is intended to minimize the impact to existing customers to fund the construction of growth related facilities. The GFC calculated herein is stated in terms of a cost per ERU or equivalent residential unit. By definition an ERU equals an average single family residence. Note that the calculation of the GFC for the Shorecrest subdivision utilizes the same methodology previously utilized in the determination of the GFC for the entire City municipal sewer system in 2007.

This analysis utilizes asset information about the Shorecrest sewer system provided by the City and a study by the engineering consulting firm of Parametrix.

The Revised Code of Washington (RCW) addresses some aspects of how a GFC should be determined. However, GFCs are determined primarily based on practices that have been upheld by State courts and are consistent with industry standards (e.g. American Water Works Association). RCW 35.92.025, which authorizes cities and towns to charge for connecting to a water, wastewater, or stormwater system, requires that the charge be an equitable share of the cost of the existing system and may include up to ten years of interest charges at a rate commensurate with the rate of interest applicable to the City at the time of construction. RCW 57.08.005, which address connection charges for special purpose districts, also specifically allows districts to charge a pro rata share of the cost of future facilities planned in the next ten years. An opinion provided by Foster, Pepper, and Shefelman, PLLC concluded that cities might also include costs of future facilities intended to serve growth.

Under RCW 57.08.005, special districts are not allowed to include costs associated with facilities that are funded from grants or donations. In 1999, the Washington State Supreme Court ruled in the case

Landmark Development, Inc. versus the City of Roy that there was no implied statutory requirement that a city include an offset for grants or donations when calculating water connection charges. Therefore, this analysis includes the costs of all existing facilities that will benefit future customers, regardless of how these assets were funded.

**GFC CALCULATION**

The Shorecrest septic system has a capacity to serve 20 single family residences and all of the existing communal components are in good working order and will therefore provide benefit to both the existing 15 customers as well as an additional 5. The community system consists of the following components: 700 feet of 8" pipe and 3 manholes, a lift station and storage tank, and 1,700 feet of drain field PVC piping. The existing community system was constructed in 1983 without utilization of debt. The City was unable to obtain original construction cost data for the system in 1983 so an alternative method was used to estimate the original system cost. The City provided estimated costs to replace each of the existing system components as summarized in Table 1.

**TABLE 1**  
**Estimated Replacement Costs for the Shorecrest Septic System & Drain Field**

DESCRIPTION	Year Installed	Est. Replacement Cost	Useful Life
700' 8" Gravity Sewer and 3 Manholes	1983	\$ 111,400	50
Lift Station and Storage Tank	1983	\$ 50,000	25
1700' 4" PVC Force Main	1983	\$ 265,100	40
Drain Field (property not included)	1983	\$ 90,400	40
<b>Total</b>		<b>\$ 516,900</b>	

The total cost to replace the system today of \$516,900 must now be converted into 1983 dollars in order to estimate the original construction cost. This conversion is accomplished using the construction cost index (CCI) from the Engineering News Record for the Seattle area. The CCI for Jan 2011 is 8,703.51 and the CCI from Dec of 1982 is 4,490.38, or a ratio of .5159. Therefore the original cost of the system can be estimated at \$266,700 (.5159 x \$516,885).

Since there is no outstanding debt, the entire original cost of \$266,700 can be included in the GFC. As previously discussed, a GFC can also include 10 years of accumulated interest. An appropriate interest rate for use is 6.99% that is the average US Treasury Bill rate from 1983 through 1992. Based on a total original cost of \$266,700 and 6.99% annual interest, 10 years of accumulated simple interest is \$186,400. The existing facility component of the GFC can now be calculated based on the total original cost plus accumulated interest divided by the total number of connections, or \$22,650 per connection ( $[\$266,700 + \$186,400] / 20$  connections). Although staff has compiled a preliminary list of potential

capital projects for the system the projects have not been adopted by the City and therefore to be conservative none of these potential capital costs are included in the determination. Hence the total GFC equals the existing facility component, or \$22,650.

However, after consultation with City staff it was concluded that the estimated replacement cost of \$516,700 likely overestimates the original cost to some extent. The use of the CCI method to estimate original costs using current replacement costs sometimes overestimates the original cost of construction due to factors that change over time such as safety procedures, equipment, technological changes, etc. The negative impact these changes can have on the accuracy of the method can be exacerbated when it is applied to a relatively small project (installation of a septic system) that occurs within a larger project such as the construction of a 15 house subdivision. Therefore the City elected to compensate for this possible overestimation by revising the GFC to not include 10 years of accumulated interest. As a result the recommended GFC is **\$13,300 per connection** (\$266,700/20 connections).

#### **CASH RESERVES**

The County turned the Shorecrest sewer system over to the City in 1988 at which time the City began to operate the system as well as collect monthly rates from Shorecrest customers. As discussed the City's goal is that the Shorecrest sewer system be self financing and as a result the City has elected to establish the Shorecrest operating fund with a transfer of money from the sewer general fund. Table 2 provides an estimate of how much cash would have been generated assuming net revenues after paying operating expenses were saved and invested at an average annual interest rate of 3.5%. Note that records for historical operating expenses back to 1988 are unavailable and therefore known expenses from 2006 through 2010 were used with the cost from 2006 of \$5,442 deflated for earlier years using the construction cost index (CCI) from the engineering news record. Metrics other than the CCI such as the CPI for urban wages were investigated but the CCI from ENR resulted in the maximum amount of cash reserves and was therefore the most conservative. As shown in Table 2, it is estimated that the Shorecrest sewer fund would have a total balance of approximately \$29,500 if Shorecrest revenues had been segregated beginning in 1988.

**TABLE 2**  
**Estimated Cash Reserves**

Year	No. of New Cust.	No. of Cust.	Bi-Monthly Rate	Annual Revenue	ENR Index	Est. Annual O&M Exp.	Total Est. Net Revenue	Earned Interest	Total Funds
1988	9	9	\$60.00	\$3,240	4,738.35	\$ 2,984	\$256		\$ 256
1989	1	10	\$60.00	\$3,600	4,898.01	\$ 3,085	\$515	\$ 9	\$780
1990	1	11	\$60.00	\$3,960	4,933.39	\$ 3,107	\$853	\$ 27	\$1,660
1991		11	\$60.00	\$3,960	5,120.63	\$ 3,225	\$735	\$ 58	\$2,453
1992		11	\$60.00	\$3,960	5,320.37	\$ 3,351	\$609	\$ 86	\$3,149
1993	2	13	\$66.00	\$5,148	5,630.25	\$ 3,546	\$1,602	\$ 110	\$4,861
1994		13	\$66.00	\$5,148	5,818.49	\$ 3,664	\$1,484	\$ 170	\$6,514
1995		13	\$66.00	\$5,148	5,924.09	\$ 3,731	\$1,417	\$ 228	\$8,159
1996		13	\$66.00	\$5,148	6,086.77	\$ 3,833	\$1,315	\$ 286	\$9,760
1997		13	\$48.51	\$3,784	6,639.85	\$ 4,182	-\$398	\$ 342	\$9,703
1998		13	\$48.51	\$3,784	6,957.81	\$ 4,382	-\$598	\$ 340	\$9,445
1999		13	\$50.94	\$3,973	7,137.17	\$ 4,495	-\$522	\$ 331	\$9,253
2000		13	\$50.94	\$3,973	7,368.25	\$ 4,641	-\$667	\$ 324	\$8,910
2001		13	\$50.94	\$3,973	7,335.24	\$ 4,620	-\$646	\$ 312	\$8,576
2002		13	\$53.49	\$4,172	7,561.98	\$ 4,763	-\$590	\$ 300	\$8,285
2003		13	\$53.49	\$4,172	7,866.58	\$ 4,954	-\$782	\$ 290	\$7,793
2004		13	\$81.66	\$6,369	8,165.36	\$ 5,143	\$1,227	\$ 273	\$9,293
2005		13	\$81.66	\$6,369	8,458.55	\$ 5,327	\$1,042	\$ 325	\$10,661
2006		13	\$85.74	\$6,688	8,640.58	\$ 5,442	\$1,246	\$ 373	\$12,280
2007	1	14	\$94.35	\$7,925		\$ 5,442	\$2,484	\$ 430	\$15,193
2008	1	15	\$103.77	\$9,339		\$ 5,572	\$3,767	\$ 532	\$19,492
2009		15	\$119.31	\$10,738		\$ 5,978	\$4,760	\$ 682	\$24,934
2010		15	\$137.21	\$12,349		\$ 8,673	\$3,676	\$ 873	\$29,482

**BI-MONTHLY SERVICE RATES**

Bi-monthly service rates are typically set at a level sufficient to pay for annual maintenance and operation costs as well as annual depreciation. The City retrieved recent expense data associated with the Shorecrest system and identified required operating and maintenance activities. These annual expenses are listed in Table 3. As shown under the Forecasted row in Table 3, this analysis utilizes an annual expense total of \$5,900. The forecasted amount of \$5,900 does not include the relatively large expense in 2010 to clear the entire drain field site but does include the average annual cost over 5 years for corrective work orders.

**TABLE 3**  
**Shorecrest System Annual O&M Expenses**

Year	Weekly Maintenance	6 Month Maintenance	6 Month Amp. Draws	Corrective Work Orders	Air Compressor Cost	Avg. Power	Side Mowing Drain Field	Fuel Truck/Maint.	Annual Total
2006	\$ 3,398	\$ 697	\$ 349	\$ -	\$ 150	\$ 540	\$ 137	\$ 171	\$ 5,442
2007	\$ 3,398	\$ 697	\$ 349	\$ -	\$ 150	\$ 540	\$ 137	\$ 171	\$ 5,442
2008	\$ 3,398	\$ 697	\$ 349	\$ 120	\$ 160	\$ 540	\$ 137	\$ 171	\$ 5,572
2009	\$ 3,398	\$ 697	\$ 349	\$ 525	\$ 162	\$ 540	\$ 137	\$ 171	\$ 5,978
2010	\$ 3,398	\$ 697	\$ 410	\$ 1,107	\$ 165	\$ 540	\$ 2,134	\$ 221	\$ 8,673
Forecasted	\$ 3,398	\$ 697	\$ 410	\$ 350	\$ 165	\$ 540	\$ 137	\$ 221	\$ 5,900

The City also will incur indirect or administrative costs such as management, supervision, billing, and accounting costs. By policy the City utilizes an administrative and overhead fee of 20% to cover undocumented overhead costs and therefore this analysis utilizes the same rate. The annual cost of depreciation is calculated based on the cost of existing components divided by their estimated lives as shown in Table 1. Table 4 shows the determination of a range of annual depreciation from \$6,800 to \$13,100 per year based on the original costs as well as replacement costs of the system. Depreciation as used in rate setting is properly defined as a range because if it is calculated solely based on the original cost of an asset then at the end of the useful life there will not be enough money collected to replace the asset because the asset's cost will have increased.

**TABLE 4**  
**Annual Depreciation**

DESCRIPTION	Year Installed	Est. Replacement Cost	Useful Life	Est. Original Cost	Annual Depreciation Based on Original Cost	Depreciation Based on Replacement Cost
700' 8" Gravity Sewer and 3 Manholes	1983	\$ 111,400	50	\$ 57,500	\$ 1,200	\$ 2,200
Lift Station and Storage Tank	1983	\$ 50,000	25	\$ 25,800	\$ 1,000	\$ 2,000
1700' 4" PVC Force Main	1983	\$ 265,100	40	\$136,800	\$ 3,400	\$ 6,600
Drain Field (property not included)	1983	\$ 90,400	40	\$ 46,600	\$ 1,200	\$ 2,300
<b>Total</b>		<b>\$ 516,900</b>		<b>\$266,700</b>	<b>\$ 6,800</b>	<b>\$ 13,100</b>

A Bi-monthly rate to operate and maintain the Shorecrest sewer system can now be estimated based on an annual operating cost of \$5,900, a range of depreciation from \$6,800 to \$13,100, an overhead factor of 20%, taxes (both City and State), and 17 connections. The City has elected to waive the City's 50% surcharge for sewer service outside the City due to the fact that the Shorecrest system is self contained and therefore Shorecrest customers receive no benefit from the municipal sewer system. There are currently 15 active connections but this analysis assumes that 2 additional connections will soon become active. The resulting bi-monthly rates range from \$163 to \$243 per month per connection as shown in Table 5. Based on the City's current sewer rate schedule, Shorecrest customers will be charged a total bi-monthly rate of \$192.30 per bi-month (including taxes) beginning in 2012. Based on this the City has determined that the minimum bi-monthly rate to be considered for Shorecrest in 2012 must be at least \$192.30. Therefore the range of rates to be considered for Shorecrest customers beginning in 2012 is **\$192.30 to 243.40 per bi-month**.

**TABLE 5**  
**BI-Monthly Rate Range for Shorecrest with 17 Customers**

	O&M	Depreciation	SubTotal	Bi-Monthly Rate for	Admin Fee (20%)	SubTotal	State Sewer Tax	City Utility Tax	Total Bi-Monthly Rate
Monthly Rate with Depreciation using original costs	\$ 5,900	\$ 6,800	\$ 12,700	\$ 124.51	\$ 24.90	\$ 149.41	\$ 5.76	\$ 7.47	\$ 162.70
Monthly Rate with Depreciation using replacement costs	\$ 5,900	\$ 13,100	\$ 19,000	\$ 186.27	\$ 37.25	\$ 223.53	\$ 8.61	\$ 11.18	\$ 243.40

Please note that as shown in Table 5 the subtotal rates shown of \$149.41 and \$223.53 for 2 months are twice the rates specified in the original memo of \$75 to \$112 per month (minor differences are due to the effect of rounding).

**CASH FLOW FORECAST**

The most difficult aspect of maintaining self financing in the Shorecrest system is the ability of such a small system to finance large repairs and improvements. City staff has reviewed the system and has developed a list of potential capital improvements that the system may have to fund in the future. Table 6 lists potential capital improvements and their costs for the Shorecrest system.

**TABLE 6**  
**Shorecrest Capital Improvements**

Capital Improvements	Cost
Pumps & Controls	\$ 35,000
lining of Settling Tanks	\$ 25,000
Coating of Man Holes	\$ 24,000
Easement Verification	\$ 8,000
<b>Total</b>	<b>\$ 92,000</b>

The most expensive future improvement would occur if the Shorecrest system is ever required to be connected to the municipal sewer system. Staff has reviewed this eventuality and estimated the current cost for this improvement at almost \$1.9 M. However, unlikely this eventuality is, it illustrates the vulnerability of the Shorecrest system and the need to establish a healthy cash reserve fund for future repairs and improvements. As with the City municipal system, the City will look towards best available technologies and practices in order to operate the Shorecrest system with minimal cost to the customers.

Tables 7 and 8 provide forecasted cash flows for the Shorecrest sewer fund assuming the lowest and highest recommended rates are utilized. As shown in the tables, the Shorecrest fund should be capable of financing the list of capital improvements in Table 6 while providing adequate reserves for contingencies. Note that as shown in Tables 7 and 8, the 20% administrative charge is an expense and

will be paid to the general sewer fund. Also note that both monthly rates as well as expenses are increased to reflect 2.5% annual inflation.

**TABLE 7**  
**Forecast of Shorecrest Sewer Fund Cash Flows with Minimum Rate of \$192.30/2-month in 2012**  
**(Values are adjusted for 2.5% annual inflation)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bi-Monthly Rate (assumes an annual 2.5% cost of living increase)	\$ 192.30	\$ 197.11	\$ 202.04	\$ 207.09	\$ 212.26	\$ 217.57	\$ 223.01	\$ 228.58	\$ 234.30	\$ 240.16
<b>Cash generated over next 10 years with 17 Connections</b>										
Initial Transfer from Sewer General Fund	\$ 29,500									
Annual revenue from Bi-Monthly Rates	\$ 19,610	\$ 20,100	\$ 20,610	\$ 21,120	\$ 21,650	\$ 22,190	\$ 22,750	\$ 23,320	\$ 23,900	\$ 24,500
Less O&M Cost	\$ (6,900)	\$ (6,050)	\$ (6,200)	\$ (6,360)	\$ (6,520)	\$ (6,680)	\$ (6,850)	\$ (7,020)	\$ (7,200)	\$ (7,380)
Less 20% Overhead	\$ (3,000)	\$ (3,080)	\$ (3,160)	\$ (3,230)	\$ (3,320)	\$ (3,400)	\$ (3,480)	\$ (3,570)	\$ (3,660)	\$ (3,750)
Less State & City Taxes	\$ (1,590)	\$ (1,630)	\$ (1,680)	\$ (1,720)	\$ (1,760)	\$ (1,800)	\$ (1,850)	\$ (1,900)	\$ (1,940)	\$ (1,990)
Total Reserve funds available at end of year	\$ 38,620	\$ 9,340	\$ 9,570	\$ 9,810	\$ 10,050	\$ 10,310	\$ 10,570	\$ 10,830	\$ 11,100	\$ 11,380
<b>Total Reserve Fund Balance (w/o earned interest)</b>	<b>\$ 38,620</b>	<b>\$ 47,960</b>	<b>\$ 57,530</b>	<b>\$ 67,340</b>	<b>\$ 77,390</b>	<b>\$ 87,700</b>	<b>\$ 98,270</b>	<b>\$109,100</b>	<b>\$120,200</b>	<b>\$131,580</b>

**TABLE 8**  
**Forecast of Shorecrest Sewer Fund Cash Flows with Maximum Rate of \$243.40/2-month in 2012**  
**(Values are adjusted for 2.5% annual inflation)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bi-Monthly Rate (assumes an annual 2.5% cost of living increase)	\$ 243.40	\$ 249.49	\$ 255.72	\$ 262.12	\$ 268.67	\$ 275.38	\$ 282.27	\$ 289.33	\$ 296.56	\$ 303.97
<b>Cash generated over next 10 years with 17 Connections</b>										
Initial Transfer from Sewer General Fund	\$ 29,500									
Annual revenue from Bi-Monthly Rates	\$ 24,830	\$ 25,450	\$ 26,080	\$ 26,740	\$ 27,400	\$ 28,090	\$ 28,790	\$ 29,510	\$ 30,250	\$ 31,010
Less O&M Cost	\$ (6,900)	\$ (6,050)	\$ (6,200)	\$ (6,360)	\$ (6,520)	\$ (6,680)	\$ (6,850)	\$ (7,020)	\$ (7,200)	\$ (7,380)
Less 20% Overhead	\$ (3,800)	\$ (3,900)	\$ (3,990)	\$ (4,090)	\$ (4,190)	\$ (4,300)	\$ (4,410)	\$ (4,520)	\$ (4,630)	\$ (4,750)
Less State & City Taxes	\$ (2,020)	\$ (2,070)	\$ (2,120)	\$ (2,170)	\$ (2,230)	\$ (2,280)	\$ (2,340)	\$ (2,400)	\$ (2,460)	\$ (2,520)
Total Reserve funds available at end of year	\$ 44,630	\$ 15,500	\$ 15,890	\$ 16,290	\$ 16,690	\$ 17,110	\$ 17,530	\$ 17,970	\$ 18,420	\$ 18,880
<b>Total Reserve Fund Balance (w/o earned interest)</b>	<b>\$ 44,630</b>	<b>\$ 60,130</b>	<b>\$ 76,020</b>	<b>\$ 92,310</b>	<b>\$109,000</b>	<b>\$126,110</b>	<b>\$143,640</b>	<b>\$161,610</b>	<b>\$180,030</b>	<b>\$198,910</b>

As indicated in Tables 7 and 8, if rates are properly set the Shorecrest sewer fund will slowly build reserves over time. These reserves are solely earmarked for the capital needs of the Shorecrest system.

Also note that all cash flows in Tables 7 and 8 reflect the impact of 2.5% annual inflation. However, even though total cash flows into reserves increase each year as a result of the impact of 2.5% inflation being applied to both rates as well as expenses, this increased reserve funding is appropriate because annual depreciation will also increase each year as inflation impacts capital replacement costs.

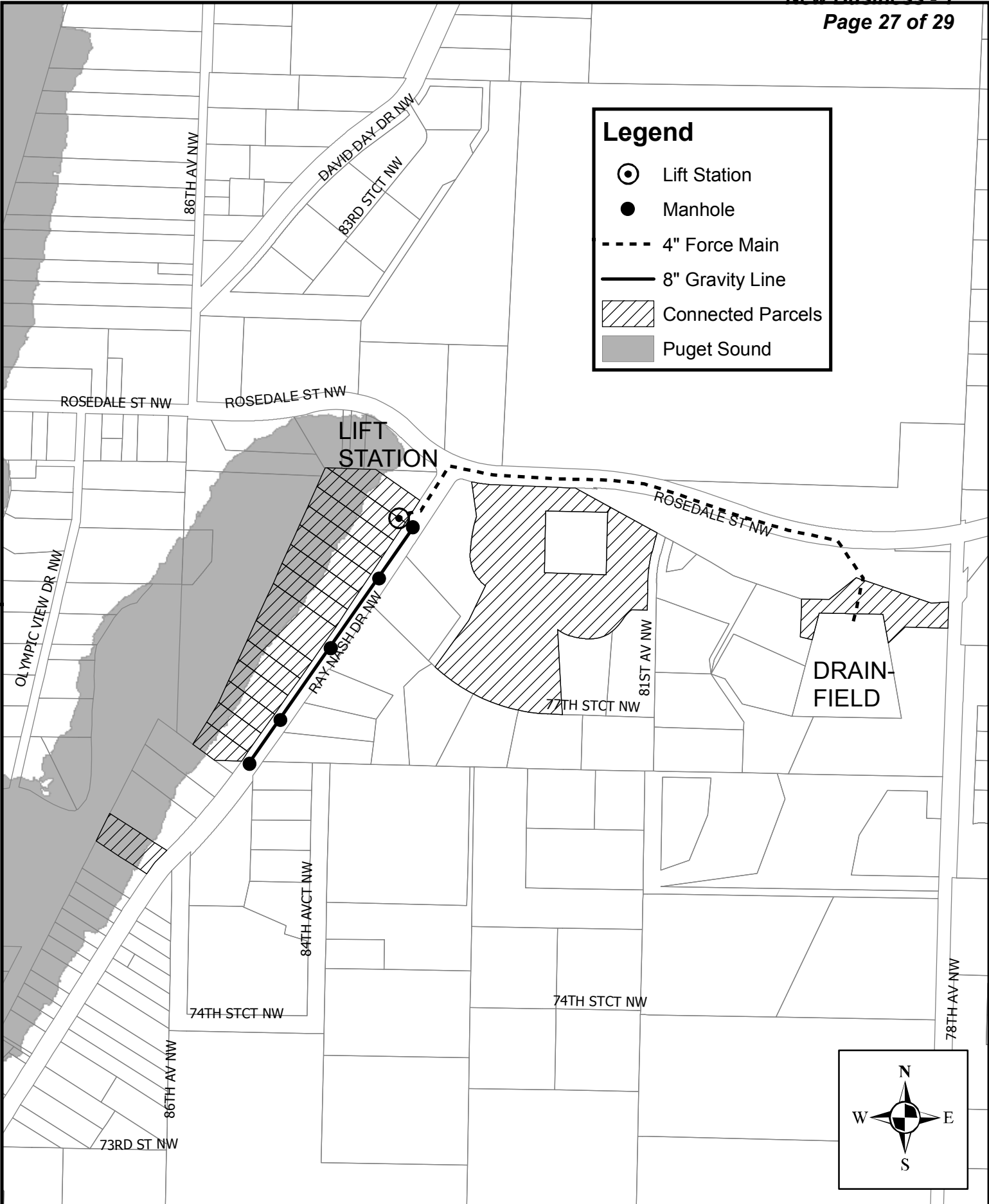
Tables 7 & 8 do not include any revenue from connections associated with the remaining 5 ERUs of available capacity. While it is expected that two new connections will be utilized in the near future both of these connections were previously vested and are therefore not eligible to be charged the new GFC proposed in this analysis. There is no time frame associated with the remaining 3 ERUs of capacity and therefore no new GFC revenue is forecasted over the next ten years.

Lastly, as indicated the City should annually adjust the Shorecrest rate for inflation and should further review the basic rate after several years of additional operating and maintenance costs are available.

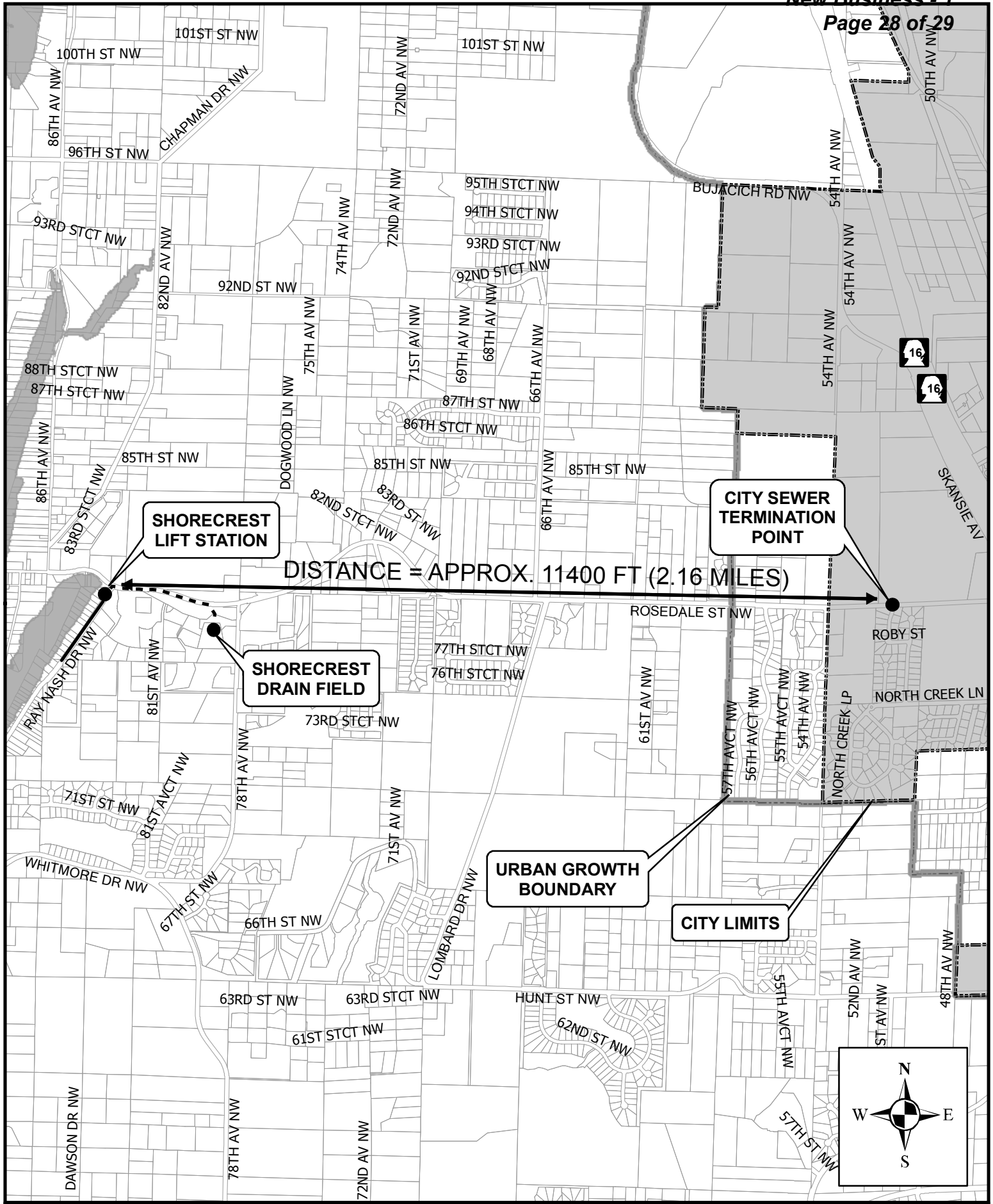


**Legend**

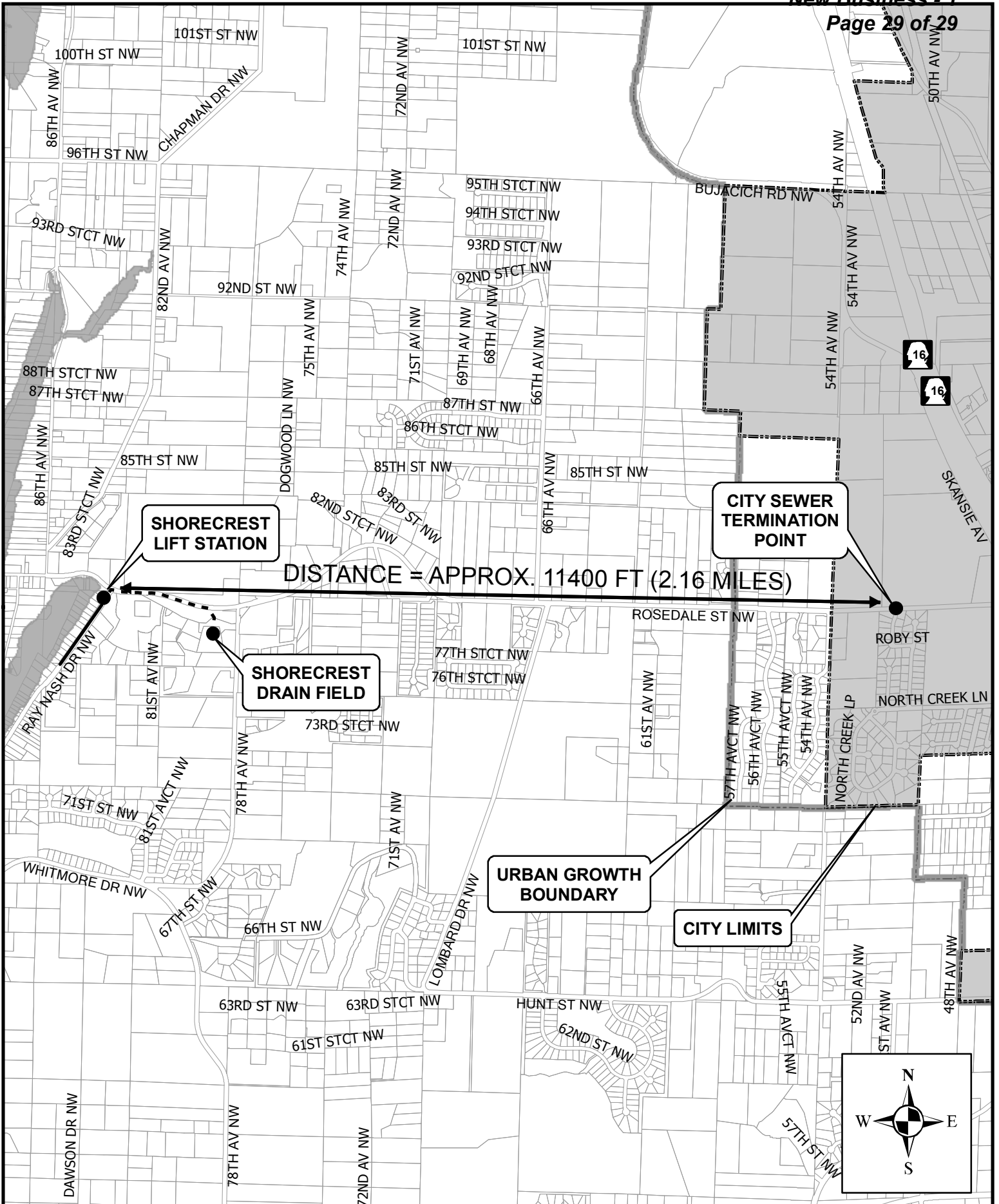
- ⊙ Lift Station
- Manhole
- - - 4" Force Main
- 8" Gravity Line
- ▨ Connected Parcels
- Puget Sound



SHORECREST SEWER SYSTEM EXHIBIT  
LOCATION MAP



**SHORECREST SEWER SYSTEM EXHIBIT  
DISTANCE TO NEAREST SEWER CONNECTION**



SHORECREST SEWER SYSTEM EXHIBIT  
DISTANCE TO NEAREST SEWER CONNECTION



Business of the City Council  
City of Gig Harbor, WA

**Subject:** Council Committees

**Proposed Council Action:**

To accept these appointments for the Council Committees and to appoint Mayor Pro Tem for 2012

**Dept. Origin:** Administration

**Prepared by:** Chuck Hunter, Mayor

**For Agenda of:** January 23, 2012

**Exhibits:** Council Tally Sheets

Initial & Date

**Concurred by Mayor:**

*CLH 1/19/12*

**Approved by City Administrator:** N/A

**Approved as to form by City Atty:** N/A

**Approved by Finance Director:** N/A

**Approved by Department Head:** N/A

Expenditure Required	0	Amount Budgeted	0	Appropriation Required	0
----------------------	---	-----------------	---	------------------------	---

**INFORMATION / BACKGROUND**

Below are the results of the Councilmembers' selection for the 2012 Council Committees.

	Finance & Safety	Operations & Public Projects	Planning & Building	Inter-Govt'l Affairs	Candidate Review
<b>Ekberg</b>	3	1	-	-	2
<b>Guernsey</b>	2	5	2	4	3
<b>Kadzik</b>	-	-	1	-	2
<b>Malich</b>	4	1	5	2	3
<b>Payne</b>	5	1	4	2	3
<b>Perrow</b>	3	1	5	2	4
<b>Young</b>	3	2	1	-	-

I would like to recommend the following committee assignments:

**Finance & Safety:** Guernsey, Malich, Young

**Operations & Public Projects:** Ekberg, Payne, Perrow

**Planning & Building:** Guernsey, Kadzik, Young

**Inter-governmental Affairs:** Malich, Payne, Perrow

**Board / Commission Candidate Review:** Ekberg, Kadzik, Guernsey

I would also like to recommend that Councilmember Derek Young continue to serve as the City's representative on the Pierce County Regional Council and Public Transportation Improvement Conference. I will continue to be the alternate for the PCRC.

**RECOMMENDATION / MOTION**

**Move to:** Accept these appointments for the Council Committees for 2012, make a motion to appoint Steve Ekberg Mayor Pro Tem for 2012, and a motion to appoint Derek Young as the PCRC and PTIC Representative for 2012.



Business of the City Council  
City of Gig Harbor, WA

**Subject:** 2011 Police Year End Report

**Dept. Origin:** Police Department

**Proposed Council Action:** Review and file

**Prepared by:** Chief Mike Davis *MDH*

**For Agenda of:** January 23, 2012

**Exhibits:** Council Report

Initial & Date

**Concurred by Mayor:**

*CLH 1/19/12*

**Approved by City Administrator:**

*PKK*

**Approved as to form by City Atty:**

*N/A*

**Approved by Finance Director:**

**Approved by Department Head:**

*MDH 1/18/12*

Expenditure Required	Amount Budgeted	Appropriation Required
-------------------------	--------------------	---------------------------

**INFORMATION / BACKGROUND**

N/A

**FISCAL CONSIDERATION**

N/A



POLICE

TO: MAYOR CHUCK HUNTER AND CITY COUNCIL  
 FROM: CHIEF OF POLICE MIKE DAVIS *WD#1*  
 SUBJECT: 2011 4<sup>th</sup> QUARTER YEAR END REPORT  
 DATE: JANUARY 23, 2012

DEPARTMENTAL ACTIVITIES SUMMARY

- 2011 YEAR END calls *for service* when compared to 2010 YEAR END *calls for service* show a *decrease* in calls for service of 417 in 2011.
- *DUI arrests* for 2011 YEAR END increased by 18 when compared to 2010.
- Our 2011 YEAR END *traffic infractions* are up by 163 when compared to 2010 and our *criminal traffic citations* increased by 78 in 2011 when compared to 2010. Most of our criminal traffic citations are for driving while license suspended violations.
- Our *traffic accidents* in 2011 YEAR END increased slightly with 16 more accidents reported when compared to 2010. We had eight (8) roundabout accidents in the 4th quarter with none reporting injuries.
- 2011 YEAR END statistics show our *misdemeanor* arrests increased by 75 compared to 2010 and our *felony arrests* in 2011 YEAR END were down by 13 when compared to 2010.

Category	DECEMBER 2011					
	December 2010	December 2011	Change	YTD 2010	YTD 2011	Change
Calls for Service	703	606	-97	8385	7968	-417
General Reports	179	138	-41	2130	2000	-130
Criminal Traffic	29	17	-12	260	338	78
Infractions	90	64	-26	1020	1183	163
Criminal Citations	23	12	-11	213	198	-15
Warrant Arrests	7	5	-2	47	62	15
Traffic Reports	15	13	-2	156	172	16
DUI Arrests	10	6	-4	68	86	18
Misdemeanor Arrests	50	27	-23	421	496	75
Felony Arrests	4	4	0	65	52	-13

## SPECIAL PROJECTS COMPLETED IN 2011

### SECTOR

We have completed the implementation of SECTOR which stands for Statewide Electronic Collision & Ticket Online Records. SECTOR is an automated data-collection system providing our officers the ability to create and submit tickets & collision reports electronically from their patrol car or other agency computer. SECTOR provides an automated, fully electronic process in place of current paper-based processes for issuing tickets and collision reports. Officers 'download' tickets as needed right to their patrol car computer instead of being issued paper ticket books.

There was no cost to our department for the software. We purchased the scanners and printers for the patrol vehicles for the most part via grants. When an officer sends their tickets and collision reports in for processing the software not only sends that data, but also checks and automatically downloads any available program updates, as well as data updates to include RCWs, local municipal codes, and even new vehicle makes and models. New laws and bail schedules are automatically updated as well.

SECTOR allows our officers to complete tickets and collision reports much quicker, allowing for improved safety for both our officers and the public. In using barcode scanning technology, officers and support staff also experience time savings since pen on paper manual data entry and manual writing of information is no longer necessary. Since bringing SECTOR online 2,837 tickets and 50 collisions have been completed using this technology. It now takes about 5 minutes for our officers to issue a ticket utilizing SECTOR and about 30 minutes to complete a traffic collision report. Using paper it used to take 10 minutes to issue a ticket and about 1.5 hours to complete a traffic collision report. According to Traffic Officer Mike Allen, SECTOR has saved our department over 523 hours since its inception. The court has realized time savings with this program as well because they no longer have to manually input tickets into the system. **Big thanks to Mike Allen for overseeing the implementation of this very effective program!**

### POLICY MANUAL

We have completed a new draft Policy and Procedures Manual that is currently in the staff review process. This has been a very involved and arduous project that has taken several years to complete. When we complete the review process we will have a manual that will provide updated and comprehensive guidance for our staff. **Thanks to Sergeant Kelly Busey who over saw the project and all our staff members who provided input.**

### DERELICT BOATS

Our Marine Services Unit began the process of eradicating Gig Harbor of derelict and abandoned vessels this past year. Some of these vessels have been in Gig Harbor for years. Working under an Inter-local Agreement with Pierce County, Gig Harbor now has the authority under state law to remove these vessels with very little cost exposure.



Already, four vessels have been removed and nine more are expected to be departing Gig Harbor in the first quarter of 2012.

### **INTERN ALEX JONES**

As in years past, we sponsored a summer intern named Alex Jones who is a criminal justice major at Gonzaga University. While she was here, Alex worked on updating our website, which if you haven't had a chance to see, please take a look. I receive positive feedback all the time about how easy it is to access information on our website. Alex also worked with Officer Mike Allen on creating a Domestic Violence pamphlet that provides important resources and phone numbers for victims of domestic violence. Alex spent time with the Reserves, Explorers, and went on several ride-alongs. She was a real joy to have on board during the summer.

### **TRAUMA KITS**

Sergeant Cox took information that Officer Dennis provided and with additional research she completed and developed a list of contents for a trauma first aid kit. Sergeant Cox contacted several local businesses and received assistance in purchasing many of the items at a reduced cost. She then arranged to have Fire District #5 provide training on using the kits. These kits, which contain special gear such as tactical tourniquets and a special blood clotting dressing, will be a real asset if any of our officers sustain a serious injury or gunshot wound.

### **LIFE-SAVING AWARD**

On 09/11/11 a Pierce County deputy was traveling E/B over the Narrows Bridge when he noticed a vehicle parked in the outside lane with its hazards flashing. Several feet from the vehicle the deputy noticed an older gentleman who had climbed over the railing and was leaning toward the water below. The deputy was able to get to the individual and grabbed him around the chest pinning him to the railing before he could jump. The deputy was able to keep the individual secured until GHPD Officer Chet Dennis arrived and together they were able to pull the man over the railing to safety. This was a great job and valiant effort by the PCSD Deputy Aaron Thompson and Officer Dennis. If they hadn't shown up this man would have surely jumped. He was intoxicated and distraught over the fact that his son was killed in the WTC Towers on 9/11. For his actions, Officer Chet Dennis was presented with the Departmental "Life-saving" Award at a council meeting. Chet was also recognized this last year for having the highest number of DUI arrests.

### **COLLABORATIVE INVESTIGATIVE EFFORTS**

As all of you know, the crime du jour in our city is thefts from vehicles. Many times the culprits steal purses out of unlocked vehicles which is very frustrating for all of us. This last year our detectives and patrol officers responded in force in dealing with these thefts by coordinating with other local law enforcement agencies. Earlier in the year our detectives noticed a pattern of thefts from vehicles at the Maritime Chevron on Stinson. The thefts were occurring on the same day (Wednesday) and at the same approximate time—around 1:30 in the morning. Our detectives had video of the thefts, but unfortunately it wasn't of high enough quality to identify the thieves. So, in the spirit of

“Problem-Oriented Policing” Detectives Fred Douglas and Mike Cabacungan set up a surveillance operation at the store. Fred was staking the parking lot out while sitting inside a motor home and Cab was dressed in a clerk’s outfit monitoring the surveillance cameras inside the store while dusting counters. (That picture brings a smile to my face). Sure enough, around 0135 hours Fred observed a subject walk toward the parking lot acting suspicious by hiding when a vehicle pulled into the parking lot. When the suspect realized he had been detected he ran off with Fred and Cab in pursuit. The boys in blue finally outlasted the fleeing suspect and ended up arresting him and gathering additional information on others involved in our rash of car prowls. Another pattern of thefts from vehicles started occurring at our local Park and Ride on Kimball Drive. Working closely with the Pierce County Sheriff’s Department and with the aid of a “decoy vehicle” we eventually arrested a suspect for the thefts. Later in November, we experienced another rash of thefts from vehicles from the YMCA parking lot. Our detectives developed a vehicle description which they shared with local law enforcement agencies. Eventually through this sharing of information, we along with other local agencies were able to identify and arrest the people responsible for the thefts. These are just a few examples of the “teamwork’ approach our staff utilized this last year in solving crimes that normally may have gone unsolved.

Last of all, our volunteer units have been a tremendous help this last year in supporting our outreach efforts in support of a host of community events. Please see the special unit reports below for specifics.

#### **Citizens Offering Police Support (C.O.P.S.) Volunteers**

In 2011, the COPS Volunteers put in over 820 hours of volunteer time in support of our police department operations. They were invaluable in taking evidence to the various crime labs and running other administrative errands. They were active in disabled parking enforcement and wrote approximately 44 tickets for violations. (There were likely triple that number of warnings issued for disabled parking offenses.)

Our COPS Volunteers perform vacation security checks and are launching a home security survey program in which they work with homeowners to offer advice to make their homes less vulnerable to burglaries.

In October, we were able to put most of our COPS Volunteers through a free driving improvement course sponsored by the Kitsap County Sheriff’s Department. They have been called upon to assist with traffic and crowd control for events such as the Maritime Gig and Concerts in the Park.

We currently have five COPS Volunteers, but expect to expand that unit by one or two more people in 2012.

#### **Marine Services Unit (MSU)**

In 2011, the Gig Harbor Marine Services Unit was on the water for 279 hours (286 officer hours). Our MSU officers conducted 107 vessel safety inspections (19 passing / 88 failing) and wrote three citations. The patrol boat participated in five search and

rescue cases, as well as at least one pollution control response in and around Gig Harbor. Twenty-four boats were assisted in various forms ranging from dewatering sinking vessels to towing disabled boats back to the dock. The patrol boat was used in the capture of one assault suspect.

Our patrol boat and several MSU officers participated in a large scale regional water rescue exercise in June – both as participants and as instructor/coordinator.

**Reserve Unit:**

The year has presented changes within the unit; with a long time reserve officer moving on to a different career, followed by another in August hiring on to a full-time L/E dispatching job and finally a third officer submitting a 6-month leave of absence in October, due to primary job commitments. We thank each for their unselfish service and devotion to the safety of our community and wish each success in their future endeavors.

In March GHPD sponsored and graduated 3 (three) officers from the Fife Police Reserve Academy, subsequently retaining 2 officers, James Oxier and Jennifer Moots. Both, including Reserve Officer Adam Blodgett continue to do well in our department's Field Training Officer program. These reserves have also received training in officer safety, interview techniques, baton, OC, firearms and Standard Field Sobriety.

Our Reserve Unit continues to support the Department's Sexual Offender monitoring program which ensures the compliance of an average of 10 (ten) level I and II sex offenders residing within the city limits. The unit has also supported the department's Maritime Gig Festival deployment ensuring the safety of all participants and numerous fun runs, events and crime scene security and processing.

The unit has totaled over 850 hours of police volunteer hours. Though the numbers are slightly down from last year's total hours of 994, the unit continues to thrive with new, enthusiastic and motivated officers.

With a new Reserve Coordinator, Officer Fred Douglas coming onboard at the start of 2012, the unit is poised to continue its endless support of the department's mission of providing exceptional law enforcement service to its citizens; by always looking for ways to improve our performance through strong partnerships with our communities. Big thanks to Detective Mike Cabacungan, who has led the unit for the last several years. Mike has done a great job in keeping the unit focused on our departmental mission.

**Explorer Post**

During the 4<sup>th</sup> Quarter, the Explorer's had six training meetings and received training in the following: building searches, high risk vehicle stops, domestic violence, firearms safety, range qualification, and field interviews)

The Explorer's worked the following assignments: Scarecrow Fest at Sehmel park, Fire and Police Safety Day at Home Depot, Security for Tidefest, and helped Target with

crowd control on Black Friday. The Explorer's also volunteered time with the Basket Brigade during Thanksgiving and put together and delivered food baskets to families in need.

There are currently 14 active Explorers in the program with several interested applicants on a wait list.

In July, the Explorers participated in evening security for the Art Festival and assisted Seattle PD with their annual Seafair event. Six of our Explorers attended a week long academy in Yakima during the month of August. Five of the six attended the basic academy and one attended the advanced academy. All six represented the Gig Harbor Police Department well and brought back several awards to include: 3<sup>rd</sup> overall for the advanced academy classes, 3<sup>rd</sup> for firearms and 3<sup>rd</sup> for academics. This was a great accomplishment as there were 200+ kids in attendance. In September the explorers assisted with traffic control for the Annual Harbor Hounds and First Responder Appreciation events.

We had seven (7) Explorers attend the Winter Explorer Academy from December 26<sup>th</sup> to December 31<sup>st</sup> at the Yakima Training Center. Three attended the Basic Academy and we had four (4) for the Advanced Academy. Explorer Bryce Roatch took second place in Firearms for the Basic Academy.

**Response times**

Below are our officer average response times for our Priority 1, 2 and 3 calls for the 4th quarter of 2011. This chart also gives us the yearly average response times in 2011 for our three categories of calls. Priority 1 calls are the most serious calls and usually involve an in-progress crime. Our goal is to respond to Priority 1 calls within 4 minutes 90% of the time. Our 2011YTD Priority 1 response time average is 4.43 which is within our goal. Our overall average for all calls in 2011 was 7.46 up just a little from the 2010 average of 7.14. We had an open position most of the year and one of our officers was off work for several months due to a serious illness.

FINAL 2011			
	P1	P2	P3
January	2.28	7.7	9.79
February	5.04	7.51	9.58
March	3.15	5.78	11.18
April	3.1	7.12	11.35
May	4.25	7.72	9.55
June	1.08	8.17	10.79
July	9.2	7.84	10.86
August	6.47	6.92	11.37
September	3.93	6.27	10.57
October		7.95	12.35

November	4.73	7.43	10.06
December	5.53	7.65	9.94
<b>YEARLY AVERAGE Minutes</b>	<b>4.43</b>	<b>7.34</b>	<b>10.62</b>

Below are our 2011 4<sup>th</sup> Quarter (Year End) performance measures and workload indicators.

**POLICE**  
**2011 4rd Quarter (Year End)**  
**Performance Measures**

	2010 4th Qtr	2011 4th Qtr	2010 Year	2011 Year
Number of traffic infractions and citations written	314	276	1280	1521
Number of felony arrests	10	11	65	52
Number of misdemeanor arrests	122	93	421	496
Number of DUI arrests	20	22	68	86
Number of warrant arrests	14	17	54	62
UCR Violent crimes per 1000 population	NA	NA	61.8	*
UCR Property crimes per 1000 population	NA	NA	58.4	*
Average police emergency response time in minutes	6.96	7.86	7.17	7.46

Note: UCR stats are published yearly. 2011 rates will be published in June 2012

**Workload Measures**

	2010 4th Qtr	2011 4th Qtr	2010 Year	2011 Year
Number of dispatched calls for service	2265	1921	8385	7968
Number of office walk in requests for service	666	751	2614	2526
Number of cases assigned for follow-up	43	44	214	277
Number of reportable traffic accidents	39	57	156	172
Number of police reports written	573	486	2130	2000

Below you will find the reported traffic accidents for the 4th Quarter of 2011. Eight (8) of our accidents in the 4th quarter involved our roundabouts with no injuries reported. 2011 saw sixteen more reportable traffic accidents than in 2010.

TRAFFIC ACCIDENTS FOR 4th QUARTER 2011					
DATE	TIME	LOCATION	CROSS STREET	TYPE	INJURY
10.01.11	16:00	Harborview Dr.	3313		N
10.05.11	9:25	Wollochet Dr.	Hunt St.	*	N
10.05.11	9:15	Olympic Dr.	5500		N
10.06.11	13:45	Olympic Dr.	SR16	*	N
10.10.11	14:57	Borgen Blvd.	Burnham Dr.	* Roundabout	N
10.11.11	8:25	Borgen Blvd.	Harbor Hill Dr.	* Roundabout	N
10.11.11	9:37	N. Harborview Dr.	8805		N
10.14.11	12:48	Kimball Dr.	6565		N
10.17.11	16:00	Olympic Dr.	Pt. Fosdick Dr.	*	N
10.18.11	19:20	Sehmel Dr.	6400		N
10.20.11	11:17	Burnham Dr.	10706	* Roundabout	N
10.20.11	11:33	Burnham Dr.	Borgen Blvd.	* Roundabout	N
10.20.11	22:28	Burnham Dr.	Harborview Dr.	*	N
10.22.11	0:57	Briarwood	33rd Ave. Ct.	*	N
10.22.11	9:00	122nd St.	5816		N
10.22.11	17:52	Olympic Dr.	Pt. Fosdick Dr.	*	N
10.23.11	10:15	Olympic Dr.	5000	*	Y
10.23.11	16:34	Olympic Dr.	5500		N
10.26.11	16:54	Burnham Dr.	Canterwood Blvd.		N
10.28.11	13:48	Stinson Ave.	Spadoni Ln	*	N
11.01.11	10:35	Burnham Dr.	Canterwood Blvd.	* Roundabout	N
11.2.11	21:17	Olympic Dr.	On Ramp SR16	*	N
11.2.11	0:05	Hunt St.	56th St.	*	N
11.07.11	14:10	Rosedale St.	Schoolhouse Ln	*	N
11.15.11	19:00	Pt. Fosdick Dr.	4800		N
11.18.11	16:58	Soundview Dr.	Ryan St.	*	N
11.20.11	10:01	Vernhardson St.	N. Harborview Dr.	*	N
11.20.11	11:10	Borgen Blvd.	Burnham Dr.	*	N
11.21.11	16:30	Harbor Hill Dr.	10990		N
11.16.11	9:45	Grandview St.	3500	*	N
11.17.11	16:22	Hunt St.	Wollochet Dr.	*	Y
11.17.11	17:57	Soundview Dr.	Hunt St.	*	Y
11.18.11	14:39	Shyleen St.	3422		N
11.23.11	21:51	Peacock Hill Dr.	Ringold St.	*	Y
11.28.11	22:50	Vernhardson St.	3419		N
11.29.11	12:20	Wollochet	SR 6	*	N
11.29.11	13:40	Olympic Dr.	SR16	*	N
12.1.11		51st St. NW	11330		N

TRAFFIC ACCIDENTS FOR 4th QUARTER 2011 (Cont.)					
DATE	TIME	LOCATION	CROSS STREET	TYPE	INJURY
12.02.11	15:45	Olympic Dr.	SR16	*	N
12.6.11	6:53	Skansie Ave.	68th St. Ct.	*	Y
12.6.11	17:26	Stinson Ave.	Rosedale St.	*	Y
12.8.11	6:50	Olympic Dr.	SR16	*	N
12.8.11	14:37	Burnham Dr.	SR16	* Roundabout	N
12.10.11	16:00	Olympic Dr.	Pt. Fosdick Dr.	*	Y
12.13.11	0:00	Wagner Way	Wollochet Dr.	*	N
12.16.11	14:00	Harbor Hill Dr.	10990		N
12.21.11	19:50	Borgen Blvd.	51st Ave.	* Roundabout	N
12.22.11	16:12	Burnham Dr.	Borgen Blvd.	* Roundabout	N
12.29.11	15:25	Stinson Ave.	Grandview St.	*	N

**4<sup>th</sup> Quarter Crime Report/Year to Date** (through December 2011) there were **1119 crimes investigated** within the city of **Gig Harbor compared to 946 in 2010**. Overall we saw an 18% increase in all reported crime in 2011. Interestingly, In 2010 we saw a 18% decrease in overall crime when compared to 2009. The most notable increases have been in shoplifting at 55%, burglaries at 31% and motor vehicle thefts at 43%.

Year-to-date (through December 2011) there were **1119 incidents** within the city of **Gig Harbor**.

Kidnap/Child Lure					
	December 2010	December 2011	Year-To-Date (through Dec 2010)	Year-To-Date (through Dec 2011)	Year-To-Date Percent Change
<a href="#">Child Luring</a>	0	0	1	0	-100%
<a href="#">Kidnapping (restrain or abduct)</a>	0	0	0	1	N/A
<b>Kidnap/Child Lure Total:</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0%</b>

Violent Crimes					
	December 2010	December 2011	Year-To-Date (through Dec 2010)	Year-To-Date (through Dec 2011)	Year-To-Date Percent Change
<a href="#">Aggravated Assault</a>	1	0	5	4	-20%
<a href="#">Non Aggravated Assault</a>	3	1	29	26	-10%
<a href="#">Homicide</a>	0	0	0	0	0%
<i>Business Robbery:</i>	0	0	6	4	-33%
<i>Residential Robbery:</i>	0	0	1	0	-100%
<i>Street Robbery:</i>	0	0	0	3	N/A
<i>Other Robbery:</i>	0	0	0	0	0%
<a href="#">Robbery</a>	0	0	7	7	0%
<b>Violent Crimes Total:</b>	<b>4</b>	<b>1</b>	<b>41</b>	<b>37</b>	<b>-10%</b>

Property Crimes					
	December 2010	December 2011	Year-To-Date	Year-To-Date	Year-To-Date

			(through Dec 2010)	(through Dec 2011)	Percent Change
<i>Residential Arson:</i>	0	0	0	0	0%
<i>Non-Residential Arson:</i>	0	0	2	1	-50%
<u>Arson</u>	0	0	2	1	-50%
<u>Motor Vehicle Theft</u>	0	1	23	33	43%
<i>Gas Station Runouts:</i>	1	1	4	3	-25%
<i>Mail Theft:</i>	1	0	4	3	-25%
<i>Shoplifting:</i>	1	7	47	73	55%
<i>Theft from Vehicle:</i>	10	6	139	163	17%
<i>Trailer Theft:</i>	0	0	2	0	-100%
<i>Boat Theft:</i>	0	0	1	1	0%
<i>Other Theft:</i>	5	2	49	38	-22%
<u>Theft</u>	18	16	246	281	14%
<i>Residential Burglary:</i>	2	3	25	32	28%
<i>Non-Residential Burglary:</i>	2	5	39	52	33%
<u>Burglary</u>	4	8	64	84	31%
<i>Residential Vandalism:</i>	10	7	117	122	4%
<i>Non-Residential Vandalism:</i>	2	1	8	8	0%
<u>Vandalism</u>	12	8	125	130	4%
<b>Property Crimes Total:</b>	<b>34</b>	<b>33</b>	<b>460</b>	<b>529</b>	<b>15%</b>

<b>Drug Crimes</b>					
	December 2010	December 2011	Year-To- Date (through Dec 2010)	Year-To- Date (through Dec 2011)	Year-To- Date Percent Change
<u>Drug Possession (Methamphetamine)</u>	0	1	5	2	-60%
<u>Drug Sale/Manufacture (Methamphetamine)</u>	1	0	1	1	0%
<u>Drug Possession (Other)</u>	8	6	57	50	-12%
<u>Drug Sale/Manufacture (Other)</u>	0	2	3	5	67%
<b>Drug Crimes Total:</b>	<b>9</b>	<b>9</b>	<b>66</b>	<b>58</b>	<b>-12%</b>

<b>Warrant Arrests, Fraud, Traffic, and Other Incidents</b>					
	December 2010	December 2011	Year-To- Date (through Dec 2010)	Year-To- Date (through Dec 2011)	Year-To- Date Percent Change
<u>Weapons Violations</u>	1	0	2	6	200%
<u>Warrant Arrests</u>	7	2	64	83	30%
<u>Fraud or Forgery</u>	4	2	58	64	10%
<u>Criminal Traffic</u>	26	17	186	290	56%
<u>Liquor Law Violations</u>	5	0	35	16	-54%
<u>Telephone Harassment</u>	0	0	4	1	-75%
<u>Intimidation</u>	0	0	2	4	100%



Possession of Stolen Property	0	2	13	9	-31%
<b>Warrant Arrests, Fraud, Traffic, and Other Incidents Total:</b>	<b>43</b>	<b>23</b>	<b>364</b>	<b>473</b>	<b>30%</b>

<b>Other Crimes</b>					
	December 2010	December 2011	Year-To-Date (through Dec 2010)	Year-To-Date (through Dec 2011)	Year-To-Date Percent Change
Criminal Trespass	3	2	12	15	25%
Failure to Register/Sex Offender	0	0	0	0	0%
Simple assaults	0	0	0	0	0%
Trafficking in Stolen Property	0	0	2	6	200%
<b>Other Crimes Total:</b>	<b>3</b>	<b>2</b>	<b>14</b>	<b>21</b>	<b>50%</b>

<b>Totals</b>					
	December 2010	December 2011	Year-To-Date (through Dec 2010)	Year-To-Date (through Dec 2011)	Year-To-Date Percent Change
<b>Grand Total:</b>	<b>93</b>	<b>68</b>	<b>946</b>	<b>1119</b>	<b>18%</b>

###