

**GRANDVIEW CITY COUNCIL  
REGULAR MEETING AGENDA  
TUESDAY, NOVEMBER 28, 2017**



**REGULAR MEETING – 7:00 PM**

**PAGE**

- 1. CALL TO ORDER & ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PRESENTATIONS**
  - A. Retirement Award – Tony Cavazos, Public Works Maintenance Technician
- 4. PUBLIC COMMENT** – At this time the public may address the Council on any topic whether on the agenda or not, except those scheduled for public hearing.
- 5. CONSENT AGENDA** – Items on the Consent Agenda will be voted on together by the Council, unless a Councilmember requests that items be removed from the Consent Agenda and discussed and voted upon separately. An item removed from the Consent Agenda will be placed under Unfinished and New Business.
  - A. Minutes of the November 13, 2017 Budget special meeting 1-14
  - B. Minutes of the November 14, 2017 Committee-of-the-Whole meeting 15-18
  - C. Minutes of the November 14, 2017 Council meeting 19-22
  - D. Payroll Electronic Fund Transfers (EFT) Nos. 5856-5860 in the amount of \$82,373.30
  - E. Payroll Check Nos. 9964-9979 in the amount of \$83,428.05
  - F. Payroll Direct Deposit 11/1/17 – 11/15/17 in the amount of \$95,628.30
  - G. Claim Check Nos. 114041-114124 in the amount of \$182,660.82
- 6. ACTIVE AGENDA** – Notice: Items discussed at the 6:00 pm Committee-of-the-Whole meeting of an urgent or time sensitive nature may be added to the active agenda pursuant to City Council Procedures Manual Section 3.18(c).
  - A. Public Hearing – 2018 Preliminary Budget 23-24
  - B. Resolution No. 2017-49 authorizing the Mayor to sign an Agreement with the Yakima County District Court for Probation Services 25-31
  - C. Resolution No. 2017-50 authorizing application to the Washington State Department of Health 2017 Drinking Water State Resolving Fund (DWSRF) for a construction loan to fund Water System Capital Improvements 32
- 7. UNFINISHED AND NEW BUSINESS**
- 8. CITY ADMINISTRATOR AND/OR STAFF REPORTS**
- 9. MAYOR & COUNCILMEMBER REPORTS**
- 10. ADJOURNMENT**

**GRANDVIEW CITY COUNCIL  
SPECIAL MEETING MINUTES – BUDGET  
NOVEMBER 13, 2017**

**1. CALL TO ORDER**

Mayor Norm Childress called the special meeting to order at 6:05 p.m. in the Council Chambers at City Hall.

Present were: Mayor Childress and Councilmembers Gaylord Brewer, Gloria Mendoza, Bill Moore and Joan Souders.

Councilmember Mike Everett arrived at 6:10 p.m. Councilmember Javier Rodriguez arrived at 6:30 p.m.

Absent from the meeting was Councilmember Dennis McDonald.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Treasurer Matt Cordray and City Clerk Anita Palacios.

**2. 2018 PRELIMINARY BUDGET**

Staff presented the Mayor's 2018 preliminary annual budget for consideration. The budget was developed with Council's leadership in identifying the operating and capital priorities. This guidance provided the basis for the departments to submit their budget proposals and additional program requests for consideration as the budget was developed. The development of the 2018 annual budget required some creative thinking in order to continue to provide a balanced budget as required by law. City staff was committed in providing the citizens with a financially healthy budget with efficient service delivery within available resources. The 2018 preliminary budget, for the most part, maintained existing services, although there could be areas where lower priority programs could be eliminated and/or reduced. Reducing and/or eliminating lower priority programs would allow the City with the ability to continue to realign resources in order to maintain the current services. Maintaining priority services was possible because of the positive planning efforts that have continued to occur over the past years.

Some of this year's accomplishments were as follows:

- Community Rose Garden pruning party
- Speed display sign on West Wine Country Road
- Grandview Museum renovation
- Swim Pool Improvements – Phase II
- West Fifth Street grind and overlay from Euclid west to Larson
- Street seal-coat project Fir Street from Wine Country Road south to Fourth Street, East Second Street, East Third Street and East Fourth Street from Elm east to Fir
- Emergency pothole repairs to Wine Country Road, Elm Street and Euclid Road
- Asahel Curtis Well Rehabilitation

The budget message commented on each of the key components that were important to a comprehensive understanding of the proposed budget plan for the period of January 1, 2018 to December 31, 2018. The key components were as follows:

- 2018 Budget Highlights

- Enterprise Funds
- Personnel
- Revenue Enhancements
- Capital Improvement Needs
- Vehicle Replacement
- Summary/Recommendations

### 2018 BUDGET HIGHLIGHTS

- The proposed budget included 2018 expenditures of \$6,025,855 in the Current Expense Fund. This represented a 4.4% increase from the 2017 projected expenditures and an overall decrease of 1.0% from the adopted 2017 budget. The projected 12/31/18 Current Expense Fund balance was \$574,430, which represented a fund balance equal to approximately 9.5% of the proposed 2018 expenditures. At this time, this does not meet the Council's direction to maintain a minimum 15% fund balance.
- The 2017/2018 Budget Summary displayed, over a 24-month period, fund balances, revenues and expenditures for each fund. The purpose of this document was to provide the Council and the public with a snapshot of the financial conditions of the City over a period of time.
- It was estimated that property tax revenue for 2018 would increase from the 2017 level of \$1,455,000. This was due to an increase in property assessed value of about 4.8%. Property tax revenue represented about 29% of the Current Expense Fund revenues. The estimated annual tax payment to the City for a house assessed at \$100,000 would be \$329.99 or \$27.50 per month. Attachment A entitled "Where Does Your Tax Dollar Go" was prepared to show how the total property taxes paid by the residents were distributed.
- It was estimated that sales tax revenue in the Current Expense Fund would have a decrease from \$603,000 in 2017 to \$586,250 in 2018. Actual sales taxes collected in 2016 were \$616,370. Sales tax revenue represented about 11% of the Current Expense Fund revenue in 2018.
- Property taxes, sales tax, private utility taxes and City utility taxes were the primary sources to pay for services in the Current Expense Fund and account for 82% of total Current Expense Fund revenue. Attachment B displayed the various sources of revenue and respective percentage allocations.
- The primary service costs in the Current Expense Fund were related to public safety services. Attachment C displayed the various program service costs and respective percentage allocations.
- The proposed budget contained funding to support several community programs and/or organizations, including: Association of Washington Cities – \$7,260; Yakima Valley Conference of Governments – \$7,820; Yakima County Development Association – \$7,200; Yakima Regional Clean Air Agency – \$4,470; Yakima County Emergency Management – \$11,100; D.R.Y.V.E – \$1,000.
- The 2018 budget contained funding for a School Resource Officer with the costs being shared 50% by the School District and 50% by the City.
- As part of the budget process, Department Heads were asked to examine all current rates for fees and charges to determine if adjustments needed to be made. As a result of reviewing fees in the area, the proposed budget included a 1% rate increase for water, 4% rate increase for sewer, 1% rate increase for irrigation and a 1% rate increase for solid waste.

- The budget for 2018 was formatted into specific programs within each department. The purpose of this approach was to identify and segregate services provided by a department into program budgets, and to help understand the total costs of each service. A program statement was prepared for each separate program budget to provide more detailed information.

**ENTERPRISE FUNDS**

Utility rate increases were needed to offset the increasing cost of labor, supplies, fuel, and outside utilities. The base rates listed below were for a typical single family residence. A water and sewer rate analysis was conducted by the City’s engineering firm HLA Engineering and Land Surveying, Inc., in November 2017. This was done on an annual basis to make certain that the various utility rates were sufficient to support operation and maintenance and capital projects in the respective funds. The recommended 1% irrigation rate and 1% solid waste rate increases were needed in order to sustain rate increases from Sunnyside Valley Irrigation District and Yakima County Solid Waste Department. The 2017 rate review and analysis was included as Attachment D. Also included as Attachment E was a survey which showed 2017 and 2018 utility rates of similar sized cities in the area.

Utility	Proposed Rate Increase	Proposed % Rate Increase	2017 Rate	2018 Rate	Last Rate Increase	Additional Revenue
Solid Waste	\$0.15	1%	\$13.80	\$13.95	2017	\$7,500
Water	\$0.29	1%	\$28.95	\$29.24	2015	\$18,500
Wastewater	\$1.28	4%	\$32.01	\$33.29	2015	\$122,000
Irrigation	\$0.11	1%	\$11.28	\$11.39	2017	\$5,000
<b>TOTAL</b>	<b>\$1.83</b>		<b>\$86.04</b>	<b>\$87.87</b>		<b>\$153,000</b>

**PERSONNEL**

The proposed budget provided for 55 full-time and 8 part-time employees in 2018. Since 2006, the City reduced the following 15 full-time employee (FTE) positions:

- 1 FTE – Wastewater Treatment Plant
- 3 FTE – Public Works Department
- 1 FTE – Animal Control Officer
- 1 FTE – City Attorney
- 1 FTE – City Hall Receptionist
- 1 FTE – City Hall Administrative Assistant
- 1 FTE – City Administrator
- 1 FTE – Municipal Court Clerk
- 1 FTE – Deputy Recreation Director
- 1 FTE – Police Detective
- 1 FTE – Police Officer
- 1 FTE – Police Administrative Assistant
- 1 FTE – Library Technician

As positions become vacant, the City has and would continue to evaluate and/or consider alternative staffing strategies. These included the use of seasonal labor, reduction/modification of services, or, in the case of animal control and legal/prosecution services, contracting that

service. Again this year, the City would continue with the combination of the City Administrator/Public Works Director position.

The following general wage increases were incorporated into the salary schedules:

- Public Works Union Employees – 2.25% on 1/1/2018
- Police Sergeants & Patrol Union Employees – 2% on 1/1/2018 & 2% on 7/1/18
- Police Support Union Employees – 3% 1/1/2018
- Non-Union Employees – 2% 1/1/2018

There were no projected rate increases for medical, dental/ortho, vision and life insurance.

City Treasurer Cordray noted that the balanced budget excluded the following staffing level requests:

- Police Department – full-time police officer in the amount of \$68,900
- Fire Department – full-time fire captain in the amount of \$101,000
- Library – part-time staff in the amount of \$6,500

### REVENUE ENHANCEMENTS

As was mentioned earlier, one of the challenges as a City was to maintain current services at current levels, particularly in the Current Expense Fund. Under current state law, cities were quite limited in terms of options available to raise additional general purpose revenue to fund services in the Current Expense Fund. The information outlined below was meant to be for information purposes only:

<u>Revenue Source</u>	<u>Approving Authority</u>	<u>Comments</u>
Utility tax on private utilities	Voters	1% increase = \$170,000
Utility tax on public utilities	City Council	1% increase = \$60,000
Vehicle license fee	Voters	\$100/year = \$680,000

### CAPITAL IMPROVEMENT NEEDS

During the process of developing the proposed 2018 budget, a number of unfunded capital improvements were identified. The greatest challenge in this regard was in the areas of major fire apparatus and local transportation infrastructure. No financing mechanism was currently in place to make certain that the City was protecting these investments. The Grandview Transportation Benefit District (TBD) established an annual vehicle fee in the amount of \$20 which was estimated to generate approximately \$165,000 annually to be used to fund transportation improvements. The following areas were identified as major unfunded potential capital needs:

- Street renovations/reconstruction – \$8,300,000
- Major fire apparatus - \$1,000,000

### VEHICLE REPLACEMENT

The following equipment/vehicles were scheduled for replacement in 2018:

- Replace #311 2008 Ford Escape \$ 23,000
- Replace #310 2007 Peterbuilt Garbage Truck \$335,000
- Replace #396 2005 Ford Explorer \$ 27,000
- Replace #335 concrete mixer \$ 6,800
- Replace #304 2007 Chev Pick-up \$ 27,000
- Replace #305 2007 Chev Pickup \$ 27,000

- Replace #306 2007 Chev Pickup \$ 27,000
- Replace #316 2008 John Deere Gator \$ 7,500
- Replace #335 1984 one-ton dump truck \$ 50,000
- Replace #211 2008 Dodge Charger \$ 45,000

**SUMMARY/RECOMMENDATIONS**

In an effort to continue to reduce 2018 Current Expense Fund expenditures, only minimal proposed capital items were included in this fund. Additionally, capital replacements were either included in the EMS, Yakima County Law and Justice Tax Fund, the Capital Improvement Fund or not funded at all. Ideally, the Current Expense Fund should generate sufficient revenue so that capital outlay items needed to deliver services could be funded from that fund. Under ideal circumstances, the Capital Improvements Fund should only be used for major capital projects. Property tax revenues in 2018 were expected to increase by \$21,830 or 1.4%. While the levy increase was capped at 1%, the cost of delivering services increased approximately 3% per year. This reality necessitated the steps taken over the last several years to reduce or modify services. Sales tax levels were established by the state legislature, or were approved by the voters for specific purposes, such as criminal justice or emergency medical services. In summary, this year’s budget was fiscally healthy and responsible and would provide staff with the means to deliver priority services.

Mayor Childress thanked the Department Head team for carefully reviewing their budget submittals and for recognizing the continued limited resources allocated to City-wide priorities. He also recognized the employees who work diligently every day to implement the City-wide goals and objectives. The Department Directors continued to approach this year’s budget process as a “TEAM” effort and from the perspective of identifying the services citizens expect and deserve and not from their own departmental perspectives. The City would continue to make progress towards realizing the goal of building a more vibrant community for all of us to live, work and play. In addition, he encouraged Council to continue the efforts of improving the City by funding and participating in a community beautification projects.

Discussion took place.

Councilmember Brewer requested a cost savings analysis of the 14 full-time employee positions that had been reduced since 2006.

Following discussion, Council concurred with the Mayor’s 2018 preliminary annual budget as presented and agreed to reconsider staffing level requests at the beginning of the year.

**On motion by Councilmember Everett, second by Councilmember Souders, Council agreed to schedule a Department Head at the second meeting of each month beginning January 2018 to provide a report on their respective department.**

**3. ADJOURNMENT**

The special meeting adjourned at 7:55 p.m.

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Mayor Norm Childress

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Anita Palacios, City Clerk

**2018 BUDGET SUMMARY**  
11/15/2017 15:02

Fund No.	Fund	1/1/2017 Beg. Balance	Projected Est. 2017 Revenue	Projected Est. 2017 Expenditures	2017 Difference Rev/Exp	Projected Beginning Balance 1/1/2018	Estimated 2018 Revenue	Estimated 2018 Expenditures	2018 Difference Rev/Exp	Estimated Ending Balance	Expenditures Plus Ending Balance	Council's Goal (15%)
001	CURRENT EXPENSE FUND	1,688,460	5,369,720	5,772,330	(402,610)	1,285,850	5,314,435	6,025,855	(711,420)	574,430	6,600,285	9.5%
105	EMERGENCY MEDICAL SERVICES	211,060	135,760	143,870	(7,890)	203,190	136,270	154,450	(16,180)	187,010	341,460	121.1%
106	LAW & JUSTICE TAX .3%	159,410	291,200	296,500	(5,300)	153,110	296,000	320,700	(34,700)	118,410	439,110	36.9%
110	STREET	475,370	979,570	1,069,055	(110,485)	364,885	1,562,850	1,728,390	(165,540)	199,345	1,927,735	11.5%
115	TRANSPORTATION BENEFIT DIST	-	349,700	120,830	228,870	228,870	166,000	214,340	(48,340)	180,530	394,870	84.2%
130	CEMETERY	81,835	154,500	145,550	8,950	100,585	145,300	185,440	(40,140)	60,445	245,885	32.6%
205	SIED LOAN - EWC PLAZA FUND	-	59,670	59,670	-	-	59,670	59,670	-	-	59,670	0.0%
210	SIED LOAN - EUCLIDWCR FUND	5	23,300	23,300	-	5	23,300	23,300	-	5	23,305	0.0%
301	CAPITAL IMPROVEMENTS	158,515	196,100	314,700	(118,600)	39,915	80,500	59,000	21,500	61,415	120,415	104.1%
320	CDBG - EAST 4TH STREET	-	-	-	-	-	-	-	-	-	-	0.0%
325	EWC PLAZA	10,265	-	-	-	10,265	-	-	-	10,265	10,265	0.0%
330	EUCLIDWCR IMPROVEMENTS	-	-	-	-	-	-	-	-	-	-	0.0%
410	WATER/SEWER	6,744,380	5,785,645	4,485,240	1,300,405	6,044,785	5,829,905	5,090,090	839,815	8,884,600	13,974,690	174.5%
420	IRRIGATION	241,485	466,400	486,670	(20,270)	221,215	471,000	527,160	(56,160)	165,055	692,215	31.3%
430	SOLID WASTE	435,730	1,107,900	963,125	114,775	550,505	1,117,900	1,089,200	28,700	579,205	1,668,405	53.2%
456	W/S REV. BOND REDEMPTION	152,330	435,500	420,700	14,800	167,130	435,500	424,150	11,350	178,480	602,630	42.1%
510	EQUIPMENT RENTAL	2,290,290	457,500	339,575	117,925	2,408,215	457,000	912,720	(455,720)	1,952,495	2,865,215	213.9%
630	TRANS. BENEFIT DISTRICT	-	-	-	-	-	-	-	-	-	-	0.0%
		12,657,955	15,810,485	14,689,915	1,120,570	13,778,525	18,186,630	16,813,465	(626,835)	13,151,680	29,965,155	

**ATTACHMENT A**  
2018 Budget

**Where Does Your Property Tax Dollar Go?**

For each \$1.00 paid in property taxes, following is the distribution to local and state agencies.

City of Grandview	\$ 0.261
Yakima County	\$ 0.158
Local & State School Total	\$ 0.547
Port of Grandview	\$ 0.034
<b>TOTAL</b>	<b>\$ 1.000</b>

Grandview School District \$.39

State Schools \$.16

City of Grandview \$.26

\* Yakima County \$.16

Port of Grandview \$.03



\* Yakima County general, Emergency Services & Flood Control

Below is an illustration of the distribution of property taxes paid on a \$100,000 valued parcel.

Assessed Value: \$ 100,000.00				
Tax Code Area 440 - City	2017			Total Tax
	Tax Levy Rates/\$1,000 AV *			
	Non-Voted	Voted	Total Rate	
City of Grandview	3.30	-	3.30	329.99
County Emergency Services	0.25	-	0.25	24.62
County Flood Control	0.09	-	0.09	8.95
Grandview Port District #2	0.43	-	0.43	42.60
Grandview School M&O	-	1.91	1.91	190.69
Grandview School Bonds	-	2.27	2.27	227.27
Grandview School Capital Project	-	0.69	0.69	68.58
State School Levy	2.05	-	2.05	205.49
Yakima County	1.67	-	1.67	166.79
<b>Total</b>	<b>7.78</b>	<b>4.87</b>	<b>12.65</b>	<b>1,264.98</b>

City Total	329.99	26%
County Total	200.36	16%
Local & State School Total	692.03	55%
Port Total	42.60	3%
<b>Total</b>	<b>1,264.98</b>	<b>100%</b>

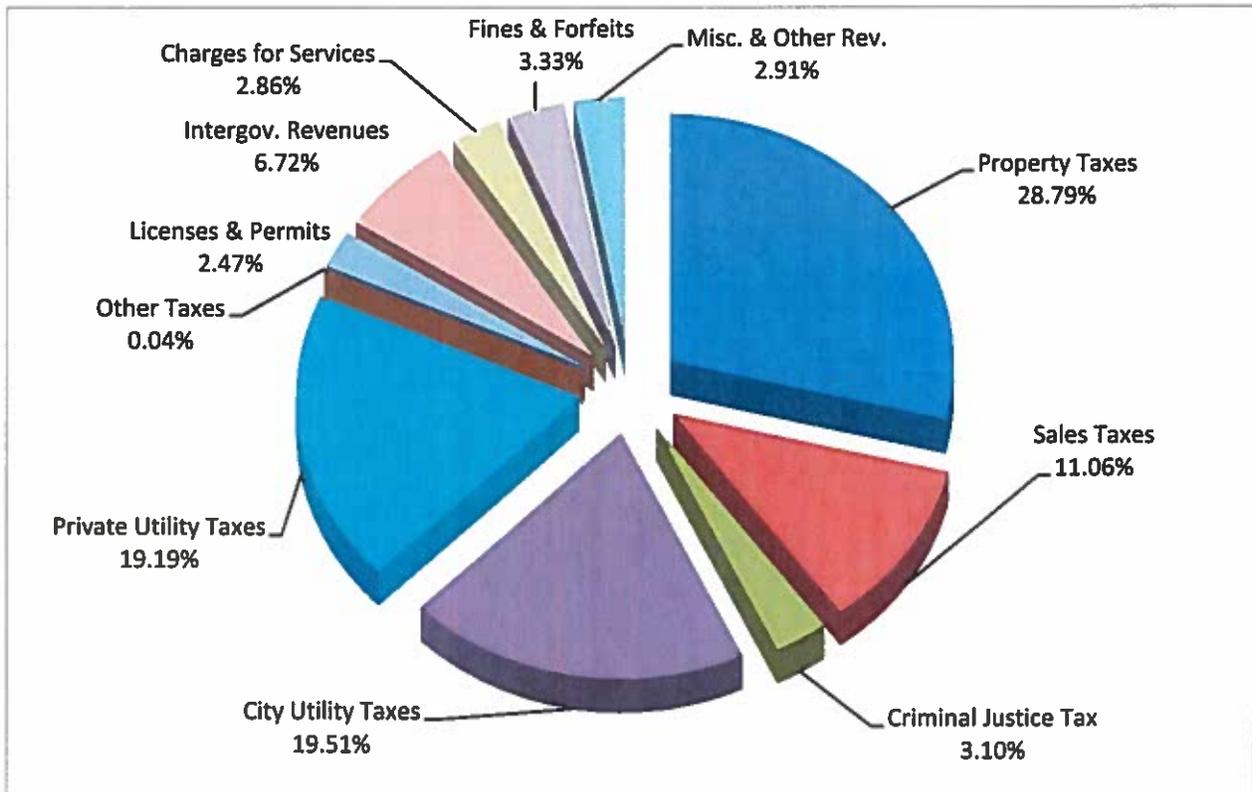
\* Rates rounded to nearest cent

## ATTACHMENT B

### City of Grandview 2018 Budget

#### Current Expense Revenues

Revenue Type	Amount	
Property Taxes	\$ 1,530,000	28.79%
Sales Taxes	587,750	11.06%
Criminal Justice Tax	165,000	3.10%
City Utility Taxes	1,037,000	19.51%
Private Utility Taxes	1,020,000	19.19%
Other Taxes	2,000	0.04%
Licenses & Permits	131,500	2.47%
Intergov. Revenues	357,300	6.72%
Charges for Services	152,160	2.86%
Fines & Forfeits	177,210	3.33%
Misc. & Other Rev.	154,515	2.91%
<b>Total Revenue</b>	<b>\$ 5,314,435</b>	

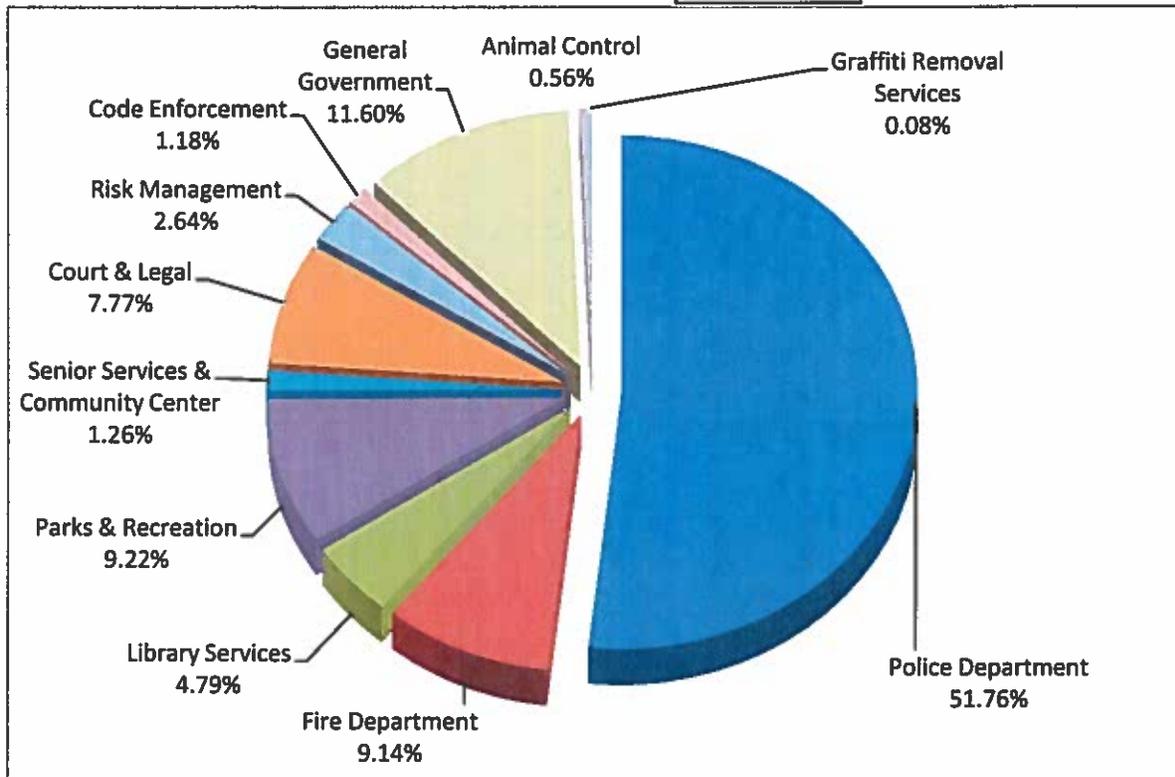


## ATTACHMENT C

### City of Grandview 2018 Budget Current Expense Expenditures

Department/Services	Amount	
Police Department	\$ 3,119,125	51.76%
Fire Department	550,510	9.14%
Library Services	288,775	4.79%
Parks & Recreation	555,740	9.22%
Senior Services & Community Center	75,840	1.26%
Court & Legal	468,000	7.77%
Risk Management	159,370	2.64%
Code Enforcement	70,970	1.18%
General Government	699,205	11.60%
Animal Control	33,600	0.56%
Graffiti Removal Services	4,720	0.08%
<b>Total Expenditures</b>	<b>\$ 6,025,855</b>	

See Note below \*



\*Note: General Government includes the following services: Legislative Services, Community Support Services, General Management Services, Clerk Services, Accounting Services, Human Resource Services, General Facilities Services, Planning Services, Economic Development Services, Inspection & Permitting Services, Museum Services and transfers out to the Street Fund.

**ATTACHMENT D**  
**2018 Budget**

City of Grandview  
2018 Water and Sewer Rate Analysis

**RATE ANALYSIS REVIEW**  
October 30, 2017

**Project Background**

Revenues and expenditures for Grandview's water and sewer fund are reviewed annually as part of the budget planning process. The analysis process began in earnest in 2008 to evaluate the loss of revenue caused by the Wild River Foods fire. Had Wild River Foods remained in operation, they would have generated an estimated \$130,000 in annual water charge revenue and \$750,000 in annual sewer charge revenue. As a result of this significant loss of revenue, a long-term plan was developed to bring water and sewer revenues back to the level where each department is self-sufficient.

Over the ensuing years, annual rate increases were implemented. In 2014, the sewer department fund balance became positive, and the water department was no longer supporting cash flow in the sewer department. Significant increases in industrial wastewater discharges from 2012 through 2015 led to this favorable revenue picture in the sewer department. In 2015, increases of 2% for water and 1% for sewer were recommended by HLA and adopted by Council. With the improved revenues in both the water department and sewer department, no rate increases were necessary in 2016 and 2017.

While increased revenues are noteworthy, the City's control of expenditures is also an important factor. In 2017 alone, year-end water department operating expenses are projected to be \$192,000 below budget, and sewer department operating expenses are projected to be \$254,000 below budget. This control of expenses, and the conservative approach to budgeting, has placed the City of Grandview Water/Sewer Fund in a good financial position.

**October 2017 Analysis**

Our recent analysis included the following major work items:

- A review of 2017 revenues and expenses;
- Projection of 2017 year-end revenues and expenses using historical seasonal distribution of water consumption, sewer discharges, and expenditures;
- Examination of current and proposed capital improvements; and
- Preparation of a cash flow analysis to review projected revenue needs.

The cash flow analysis relies on reasonable revenue projections. Year-end 2016 revenues were lower than past revenue projections. This downturn was probably due to decreased water consumption and decreased industrial wastewater discharges. However, for 2017, we are seeing a slight increase in projected year-end water revenues, and a significant increase in projected year-end sewer revenues. To be conservative, we assumed the projected increase in water revenues would not continue, and only one-half of the projected increase in sewer revenues would

apply to the estimated future revenues. The cash flow analysis was then updated to reflect the revised revenue projections and to account for adjustments in planned capital improvements. A few key items in the analysis are worth noting:

- The Department of Ecology requested an analysis and report to address groundwater concerns at the wastewater treatment facility. A draft report was prepared recommending improvements at the facility in 2020. The estimated cost of those improvements (\$14 million and the associated debt service) is included in the cash flow analysis.
- Since preparing past sewer rate analyses, a new major sewer system capital improvement project was identified: replacement of the trunk sewer line between the City and the Euclid Road Pump Station. Recent failures of the pipeline highlighted the poor condition of the sewer, and the City has applied for Department of Ecology SRF loan funding of the \$4.6 million project to be constructed over two years (2018 and 2019). Debt service to repay the full loan amount is included in the analysis.
- Another proposed sewer system capital improvement project is construction of additional paved sludge drying beds. Timing of this \$1.2 million project is flexible and City funds are proposed to pay for the improvements.
- The sewer department paid off the PWTF portion of the sewer debt in 2016, reducing annual expenses by about \$240,000. The revenue bond portion of the sewer debt will be paid off in 2019, further reducing sewer expenses by \$420,000 per year.
- Water department expenditures include 2017 capital improvement expenses for telemetry system upgrades, water meters, and the remaining costs for rehabilitation of the Asahel Curtis Well.
- Future improvements outlined in the Water System Plan are considered in the cash flow analysis. Major improvements in 2019 (\$1,425,000), 2020 (\$1,773,000), and 2021 (\$6,200,000) are proposed to be funded from reserves and through DWSRF loans, with associated debt service in the following years.
- Ending fund balances are adequate to provide a typical minimum balance of at least 50% of annual expenditures, which provides more than six months of reserve.

## **Results**

### **Water Department**

- Future water system capital improvements are consistent with the recommendations found in the City's Water System Plan. Capital improvements should be re-examined each year as part of the budget process, and the long-term financial plan should be updated accordingly.
- Since projected water revenues and expenditures continue to show a positive Water Department fund balance, no water rate increase is recommended for 2018. Based on the current timing of future capital improvements, rate increases may not be needed for several years.

## Sewer Department

- Our rate analysis includes future improvements to the wastewater treatment plant needed to address potential groundwater contamination. The report, required by the City's NPDES permit and outlining recommended improvements, has not been approved by the Department of Ecology, so timing of the future improvements may change. The current plan is to construct the future improvements after the existing debt is retired to minimize the impact to customers. The financing plan also includes building reserves to pay for a portion of the project cost to reduce future debt.
- Our analysis also included replacement of the City's trunk sewer. The first part of the project will be a detailed video inspection of the pipeline to determine the condition and verify the length of pipe that needs to be replaced. For the Department of Ecology SRF funding application, cost estimates assumed pipe replacement may need to extend northward into the industrial section of town. Depending on the results of inspection, the actual replacement length may be shorter. However, the financial plan is based on the full replacement cost.
- Sewer revenues decreased by \$186,000 from 2015 to 2016, but are projected to increase by about \$390,000 from 2016 to 2017. Given this fluctuation in sewer revenues, our projections assume only half of this increase would continue in the future. Using this conservative revenue projection, and the need to fund anticipated capital improvements, we recommend a 4% increase in sewer rates in 2018.
- Additional sewer rate increases will be needed in the future, but the timing and amount of the increase will depend on when capital improvements are completed, as well as the type of financing. Therefore, the City should continue to monitor sewer revenues and update the rate analysis as more information concerning capital improvements is available. Gradual adjustments to rates could then be made to pay for the proposed year 2020 treatment plant upgrades.

**PROJECTED RATE INCREASES - October 2017 ANALYSIS**

	2012	2013	2014	2015	2016	2017	2018
<b><u>Water Department</u></b>							
October 2011 Presentation	6%	6%	2%	2%	2%	2%	2%
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$33.82	\$35.85	\$36.56	\$37.30	\$38.04	\$38.80	\$39.58
Increase Over Previous Year		\$2.03	\$0.72	\$0.73	\$0.75	\$0.76	\$0.78
Proposed Rates	6%	2%	2%	2%	0%	0%	0%
October 2016 Review	Adopted by Council	Revised and Adopted	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$33.82	\$34.49	\$35.18	\$35.89	\$35.89	\$35.89	\$35.89
Increase Over Previous Year		\$0.68	\$0.69	\$0.70	\$0.00	\$0.00	\$0.00
Proposed Rates	6%	2%	2%	2%	0%	0%	0%
October 2017 Review	Adopted by Council	Revised and Adopted	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Recommended
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$33.82	\$34.49	\$35.18	\$35.89	\$35.89	\$35.89	\$35.89
Increase Over Previous Year		\$0.68	\$0.69	\$0.70	\$0.00	\$0.00	\$0.00
<b><u>Sewer Department</u></b>							
October 2011 Presentation	6% 7% Adopted by Council	6%	6%	6%	6%	2%	2%
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$42.91	\$45.49	\$48.22	\$51.11	\$54.18	\$55.26	\$56.37
Increase Over Previous Year		\$2.57	\$2.73	\$2.89	\$3.07	\$1.08	\$1.11
Proposed Rates	7%	6%	4%	1%	0%	0%	2%
October 2016 Review	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Did not include new capital imp.
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$43.32	\$45.92	\$47.75	\$48.23	\$48.23	\$48.23	\$49.20
Increase Over Previous Year		\$2.60	\$1.84	\$0.48	\$0.00	\$0.00	\$0.96
Proposed Rates	7%	6%	4%	1%	0%	0%	4%
October 2017 Review	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Adopted by Council	Recommended
Monthly Charge for "Typical" Residential User (8,200 gal/month)	\$43.32	\$45.92	\$47.75	\$48.23	\$48.23	\$48.23	\$50.16
Increase Over Previous Year		\$2.60	\$1.84	\$0.48	\$0.00	\$0.00	\$1.93

**ATTACHMENT E  
2018 Budget**

**Comparison of Water/Sewer/Garbage Billing - Similar Size, Local Communities**

**2017/Current Rates**

Water/Sewer billing for 5,000 gallons

	Water Charges	Water Tax	Sewer Charges	Sewer Tax	min. Garbage Charges	Garbage Tax	Total
Selah	21.60	21.0% 4.54	38.96	21.0% 8.18	14.85	21.0% 3.12	91.25
Union Gap	24.09	-	41.53	-	12.14	-	77.76
Toppenish	32.81	33.0% 10.83	63.90	33.0% 21.09	16.28	33.0% 5.37	150.28
Sunnyside	24.40	18.0% 4.39	41.46	18.0% 7.46	11.32	18.0% 2.04	91.07
Prosser	27.48	20.6% 5.66	40.77	22.1% 9.01	14.56	5% 0.73	98.21
West Richland	40.40	13.5% 5.45	40.00	13.5% 5.40	17.21	16.0% 2.75	111.21
Grandview	28.95	24.2% 7.01	32.01	6.0% 1.92	13.80	38.0% 5.24	88.93

**2018 Adopted or Anticipated Rates**

Water/Sewer billing for 5,000 gallons

	Water Charges	Water Tax	Sewer Charges	Sewer Tax	min. Garbage Charges	Garbage Tax	Total	Utility Tax Total	note/comment
Selah	22.46	21.0% 4.72	40.13	21.0% 8.43	15.44	21.0% 3.24	94.42	16.39	(1)
Union Gap	24.57	-	42.36	-	12.38	-	79.31	-	(2)
Toppenish	34.45	33.0% 11.37	65.18	33.0% 21.51	16.28	33.0% 5.37	154.16	38.25	(3)
Sunnyside	25.01	18.0% 4.50	41.46	18.0% 7.46	11.32	18.0% 2.04	91.79	14.00	(4)
Prosser	27.48	20.6% 5.66	40.77	22.1% 9.01	14.56	5% 0.73	98.21	15.40	(5)
West Richland	31.89	13.5% 4.31	43.50	13.5% 5.87	17.21	16.0% 2.75	105.53	12.93	(6)
Grandview	29.24	24.2% 7.08	33.29	6.0% 2.00	13.95	38.0% 5.30	90.86	14.38	(7)

- 1) Water +4%, sewer +3%, garbage +4%
- 2) Water, sewer and garbage +2%
- 3) Water +5%, sewer + 2%. Garbage is contracted with BDI, zero increase
- 4) Water +2.5%
- 5) There will be increases. Amount unknown.
- 6) Fees are already established in their master fee schedule. Garbage is contracted with BDI.
- 7) Water 1%, Sewer +4%, Garbage and irrigation +1%

**GRANDVIEW CITY COUNCIL  
COMMITTEE-OF-THE-WHOLE MEETING MINUTES  
NOVEMBER 14, 2017**

**1. CALL TO ORDER**

Mayor Norm Childress called the Committee-of-the-Whole meeting to order at 6:00 p.m., in the Council Chambers at City Hall.

**2. ROLL CALL**

Present were: Mayor Childress and Councilmembers Gay Brewer, Gloria Mendoza, Bill Moore and Joan Souders.

Councilmember Mike Everett arrived at 6:05 p.m. Councilmember Dennis McDonald arrived at 6:10 p.m. Councilmember Javier Rodriguez arrived at 6:20 p.m.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Attorney Quinn Plant, City Treasurer Matt Cordray, Police Chief Kal Fuller and City Clerk Anita Palacios.

**3. PUBLIC COMMENT – None**

**4. NEW BUSINESS**

**A. Probation Services Agreement – Therese Murphy, Yakima County District Courts Manager**

Therese Murphy, District Court Manager with the Yakima County Courts, explained that Yakima County District Court Probation Services provides probation services to all municipalities in Yakima County. Probation Services was an enterprise fund that relied on revenue collected from probationers as well as programming to meet the annual operating budget. Routine monitoring of the budget had seen a downward trend in overall revenue collection. A closer examination of the past revenue and future revenue projections resulted in the development of this proposal as a means of attempting to bridge the budget shortfall. The cost allocation model provided for a \$70 per case formula. The District Court judges agreed to a phase-in approach in the agreement. For years one and two, the City would be responsible for 75% of the total cost. For years three and four, the City would be responsible for 100% of the total cost. For 2018, the cost to the City was \$4,462.50. It was the goal of Yakima County District Court and Probation Services to continue to provide probation services to all municipalities.

**B. Resolution authorizing the Mayor to sign an Agreement with the Yakima County District Court for Probation Services**

Grandview Municipal Court contracts with Yakima County District Court for court services. In the past, probation services were included in the court contract. For 2018, Yakima County District Court would be separating out probation services from the court contract and the City would be entering into another agreement with Yakima County District Court for probation services. The proposed Probation Services Agreement provided for a flat fee of \$70 per case for which probation supervision was ordered by the Court. For 2018, the cost to the City for supervision services would be \$4,462.50. For year one and two of the agreement, the County agreed to accept 75% of the total cost that the City would be responsible to pay. For years

three and four, the City agreed to pay 100% of the total cost the City was responsible for.

Discussion took place.

**On motion by Councilmember Everett, second by Councilmember Moore, the C.O.W. moved a resolution authorizing the Mayor to sign an Agreement with the Yakima County District Court for Probation Services to a regular Council meeting for consideration.**

**C. Resolution authorizing application to the Washington State Department of Health 2017 Drinking Water State Resolving Fund (DWSRF) for a construction loan to fund Water System Capital Improvements**

City Administrator Arteaga explained that at the October 23, 2017 special COW meeting, he advised that the City's Water System Plan identified Major Capital Improvements in 2019 as follows: Cedar Street water main upsizing - \$372,000; North Elm Street water main upsizing - \$256,000; West Third Street water main upsizing - \$360,000; West Fourth Street water main upsizing - \$233,000; and Glen Street water main upsizing - \$205,000. The funding identified for these improvements was a Drinking Water State Resolving Fund (DWSRF) loan. The loan costs were included in the existing rate structure. To construct these improvements in 2019, a DWSRF application would need to be completed before the November 30, 2017 deadline. At the October 30, 2017 special budget meeting following discussion on the 2018 Water and Sewer Rate Analysis, Council consensus was to proceed with the DWSRF funding application in the amount of \$1.5 million for the 2019 Water System Plan capital improvements.

Discussion took place.

**On motion by Councilmember Mendoza, second by Councilmember Souders, the C.O.W. moved a resolution authorizing application to the Washington State Department of Health 2017 Drinking Water State Resolving Fund (DWSRF) for a construction loan to fund Water System Capital Improvements to a regular Council meeting for consideration.**

**D. Retirement Handgun Retention**

Police Chief Fuller explained that the Police Department currently has pistols set up on a 10-year capital replacement plan. In 2013, pistols were replaced and would be replaced again in 2023. Old pistols were traded in on new replacement pistols. In the past, the vendor then offered to sell the traded-in handguns back to each officer. Most officers chose to purchase their handgun. The pistols currently being carried retailed new for approximately \$850. When the last pistols were traded in, the City was given credit for approximately \$400 each. A police pistol gets more use and wear than a normal handgun and their value depreciates relatively quickly. The last time, the City had officers retire coincided with one of the regular replacement cycles. The retiring officers were able to purchase the firearms they carried as duty firearms. This was a common practice in law enforcement and the ability to retire with the firearm you carried for years on duty was very important to retiring officers and a morale booster for currently employed officers. It was common for that handgun to be passed down to the officer's children. The City has two officers scheduled to retire over the next two years. He requested approval to allow an officer who retires in good standing to be presented with his duty firearm upon retirement at no cost to him.

Discussion took place.

**On motion by Councilmember Everett second by Councilmember Rodriguez, the C.O.W. directed the City Administrator, City Attorney and Police Chief to draft an agreement to allow an officer to retain his duty firearm upon retirement for consideration at a future C.O.W. meeting.**

**E. Municipal Engineering Services Request for Statement of Qualifications (2018-2020) – HLA Engineering and Land Surveying, Inc.**

City Administrator Arteaga explained that the City's Professional Municipal Engineering Services Agreement with HLA Engineering and Land Surveying, Inc., for the years 2015, 2016 and 2017 would expire December 31, 2017. The City advertised for Municipal Engineering Services Request for Statement of Qualifications and received eight (8) proposals for a new three-year agreement from 2018 through 2020.

The eight (8) engineering firms and evaluation combined scores were as follows:

- HLA Engineering and Land Surveying, Inc., Yakima, WA – 240
- Gray & Osborne, Inc., Yakima, WA – 196
- RH2 Engineers, Richland, WA – 160
- TD&H Engineering, Spokane, WA – 145
- Perteet, Inc., Ellensburg, WA – 122
- TranTech Engineering, Pasco, WA – 113
- Game Plan Civil, LLC, Richland, WA – 76
- Baer Testing, Inc., Yakima, WA – 58

The three evaluating the applications were Mayor Childress, City Clerk Palacios, and City Administrator/Public Works Director Arteaga.

He recommended the selection of the Municipal Engineering Services Request for Statement of Qualifications (2018-2020) from HLA Engineering and Land Surveying, Inc., as the most qualified municipal engineering firm and requested staff be directed to negotiate a three-year engineering services agreement, in accordance with State Law, for consideration at the next C.O.W. meeting.

Discussion took place.

**On motion by Councilmember Everett, second by Councilmember Souders, the C.O.W. moved the selection of the Municipal Engineering Services Request for Statement of Qualifications (2018-2020) to the November 28, 2017 C.O.W. meeting for consideration and directed staff to provide the RFQ's for Council review.**

- F. Ordinance amending Grandview Municipal Code Section 13.28.050 setting domestic sewer rates**
- G. Ordinance amending Grandview Municipal Code Section 13.28.010 setting domestic water rates**
- H. Ordinance amending Grandview Municipal Code Section 13.28.085 setting garbage rates**

I. **Ordinance amending Grandview Municipal Code Section 13.28.060(B) setting irrigation water rates**

These items were previously discussed at the November 6, 2017 and November 13, 2017 special budget meetings.

On motion by Councilmember Everett, second by Councilmember Moore, the C.O.W. moved an ordinance amending Grandview Municipal Code Section 13.28.050 setting domestic sewer rates; an ordinance amending Grandview Municipal Code Section 13.28.010 setting domestic water rates; an ordinance amending Grandview Municipal Code Section 13.28.085 setting garbage rates; and an ordinance amending Grandview Municipal Code Section 13.28.060(B) setting irrigation water rates to the regular Council meeting for consideration.

5. **OTHER BUSINESS** – None

6. **ADJOURNMENT**

The study session adjourned at 7:00 p.m.

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Mayor Norm Childress

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Anita Palacios, City Clerk

**GRANDVIEW CITY COUNCIL  
REGULAR MEETING MINUTES  
NOVEMBER 14, 2017**

**1. CALL TO ORDER**

Mayor Norm Childress called the regular meeting to order at 7:00 p.m. in the Council Chambers at City Hall.

Present were: Mayor Childress and Councilmembers Gaylord Brewer, Mike Everett, Dennis McDonald, Bill Moore, Gloria Mendoza, Javier Rodriguez and Joan Souders.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Attorney Quinn Plant, City Treasurer Matt Cordray, Police Chief Kai Fuller and City Clerk Anita Palacios.

**2. PLEDGE OF ALLEGIANCE**

Mayor Childress led the pledge of allegiance.

**3. PRESENTATIONS**

**A. 2017 Proclamation – Grandview High School DECA**

Mayor Childress proclaimed November 13-17, 2017 as Grandview High School (GHS) DECA week and the month of November as GHS DECA month.

**B. Pacific Power – Bill Clemens, Regional Community Manager**

City Administrator Arteaga introduced Bill Clemens, Regional Community Manager and Lori Froehlich, Regional Business Manager with Pacific Power. Mr. Clemens advised that the Washington State Transportation Improvement Board (TIB) offers a funding program called Relight Washington. The main goal of the Relight Washington program was to lower City's street light costs by helping cities convert to more energy efficient LED streetlights. Currently, the only service area providers partnering in this project were Puget Sound Energy and Avista Utilities. He explained that Pacific Power's tariffs would need to be re-structured to provide the savings for TIB to implement the program in our service area. Pacific Power has filed new tariffs with the Washington Utilities and Transportation Commission. Once approved, the City would be able to take advantage of this program. It was noted that cost savings from this program would fund transportation improvements.

**4. PUBLIC COMMENT**

Jon Egan, 1201 Ella Loop, Grandview, advised that he was a new resident to the City and thanked the Council for their support of the Police Department. He and his wife do a lot of walking and he appreciated the Police Department keeping the community safe.

**5. CONSENT AGENDA**

**On motion by Councilmember Rodriguez, second by Councilmember McDonald, Council approved the Consent Agenda consisting of the following:**

- A. Minutes of the October 23, 2017 Committee-of-the-Whole special meeting
- B. Minutes of the October 23, 2017 Council special meeting
- C. Minutes of the October 30, 2017 Budget special meeting
- D. Minutes of the November 6, 2017 Budget special meeting
- E. Payroll Electronic Fund Transfers (EFT) Nos. 5846-5851 in the amount of \$95,226.99
- F. Payroll Check Nos. 9930-9963 in the amount of \$27,111.93
- G. Payroll Direct Deposit 10/16/17 – 10/31/17 in the amount of \$107,033.52
- H. Claim Check Nos. 113923-114040 in the amount of \$393,109.66

6. **ACTIVE AGENDA**

- A. **Resolution No. 2017-47 authorizing the Mayor to sign the 2018 Corrections/ Detention Agreement with Yakima County**

This item was previously discussed at the October 23, 2017 special C.O.W. meeting.

**On motion by Councilmember Rodriguez, second by Councilmember Souders, Council approved Resolution No. 2017-47 authorizing the Mayor to sign the 2018 Corrections/ Detention Agreement with Yakima County.**

- B. **Resolution No. 2017-48 authorizing the Mayor to sign an Interlocal Agreement between the City of Sunnyside and the City of Grandview for housing of inmates**

This item was previously discussed at the October 23, 2017 special C.O.W. meeting.

**On motion by Councilmember McDonald, second by Councilmember Souders, Council approved Resolution No. 2017-48 authorizing the Mayor to sign an Interlocal Agreement between the City of Sunnyside and the City of Grandview for housing of inmates.**

- C. **Ordinance No. 2017-10 levying the 2018 ad valorem property taxes and excess levy taxes**

This item was previously discussed at the October 23, 2017 special C.O.W. meeting.

**On motion by Councilmember Brewer, second by Councilmember Rodriguez, Council approved Ordinance No. 2017-10 levying the 2018 ad valorem property taxes and excess levy taxes.**

- D. **Ordinance amending Grandview Municipal Code Section 13.28.050 setting domestic sewer rates**

This item was previously discussed at the November 6, 2017 and November 13, 2017 special budget meetings and the November 14, 2017 C.O.W. meeting.

**On motion by Councilmember Everett, second by Councilmember Mendoza, Council approved Ordinance amending Grandview Municipal Code Section 13.28.050 setting domestic sewer rates.**

**E. Ordinance amending Grandview Municipal Code Section 13.28.010 setting domestic water rates**

This item was previously discussed at the November 6, 2017 and November 13, 2017 special budget meetings and the November 14, 2017 C.O.W. meeting.

**On motion by Councilmember Everett, second by Councilmember Souders, Council approved Ordinance amending Grandview Municipal Code Section 13.28.010 setting domestic water rates.**

**F. Ordinance amending Grandview Municipal Code Section 13.28.085 setting garbage rates**

This item was previously discussed at the November 6, 2017 and November 13, 2017 special budget meetings and the November 14, 2017 C.O.W. meeting.

**On motion by Councilmember Souders, second by Councilmember Mendoza, Council approved Ordinance amending Grandview Municipal Code Section 13.28.085 setting garbage rates.**

**G. Ordinance amending Grandview Municipal Code Section 13.28.060(B) setting irrigation water rates**

This item was previously discussed at the November 6, 2017 and November 13, 2017 special budget meetings and the November 14, 2017 C.O.W. meeting.

**On motion by Councilmember Mendoza, second by Councilmember Souders, Council approved Ordinance amending Grandview Municipal Code Section 13.28.060(B) setting irrigation water rates.**

**7. UNFINISHED AND NEW BUSINESS – None**

**8. CITY ADMINISTRATOR AND/OR STAFF REPORTS**

Personnel Reduction Cost Savings Analysis – City Administrator Arteaga reported that at the November 13, 2017 special budget meeting, Councilmember Brewer requested a cost savings analysis of the employee positions that have been reduced since 2006. He distributed an analysis of the combined City Administrator/Public Works Director position. From 2010 through 2017, the total cost savings in salary and benefits to the City with combining the City Administrator and Public Works Director positions was \$979,905.83.

Department Head Monthly Council Meeting Report – City Administrator Arteaga reported that at the November 13, 2017 special budget meeting, Council agreed to schedule a Department Head at the second meeting of each month beginning in January to provide a report on their respective departments. He requested that Council submit questions prior to the meeting in order for the Department Head to formulate their presentation. It was decided that the City Administrator would provide the first presentation on economic development at the second meeting in January 2018.

**9. MAYOR & COUNCILMEMBER REPORTS**

Yakima Valley Homeless Planning & Policy Council – Councilmember Souders attended the Yakima Valley Homeless Planning & Policy Council meeting today. She reported that at this point in time, there would be no cold weather shelter location in the Lower Valley. The Homeless Council would continue to work with community churches to provide shelter for the homeless during the winter months.

Henningsen Cold Storage – Mayor Childress thanked the Port of Grandview for locating the Henningsen Cold Storage facility at the Port’s Byam Business Park. The new facility would be more than 111,000 square feet and would be the first of three planned phases.

YVC Grandview Campus Grand Opening Celebration – Yakima Valley College (YVC) Grandview Campus would be holding their grand opening celebration on November 21<sup>st</sup> at 10 am. YVC recently completed major changes to the Grandview Campus including a new entrance to the campus off of Wine Country Road with new landmark signage and an additional 153 parking spaces.

**10. ADJOURNMENT**

**On motion by Councilmember Moore, second by Councilmember Rodriguez, Council adjourned the meeting at 8:00 p.m.**

\_\_\_\_\_  
Mayor Norm Childress

\_\_\_\_\_  
Anita Palacios, City Clerk



**CITY OF GRANDVIEW  
NOTICE OF FILING AND PUBLIC HEARING  
2018 PRELIMINARY BUDGET**

**NOTICE IS HEREBY GIVEN** that the Mayor of the City of Grandview has filed the 2018 Preliminary Budget with the City Clerk. Copies of the Preliminary Budget will be available to the public on November 20, 2017 at City Hall, 207 West Second Street, Grandview, Washington.

The City Council will conduct a Public Hearing on the 2018 Preliminary Budget at 7:00 p.m., on Tuesday, November 28, 2017. The public is invited to attend this hearing and provide written and oral comments on the proposed Budget. The hearing will be held in the Council Chambers at City Hall. If you have a disability for which you will need reasonable accommodations, please contact the City Clerk, at the preceding address or telephone (509) 882-9208 one week prior to the meeting.

**CITY OF GRANDVIEW**

Anita G. Palacios, MMC  
City Clerk

Publish: Daily Sun News - November 7 & 14, 2017

**CITY OF GRANDVIEW  
CITY COUNCIL**

**PUBLIC HEARING PROCEDURE**

THE FOLLOWING PROCEDURE IS USED BY THE GRANDVIEW CITY COUNCIL TO MEET APPEARANCE OF FAIRNESS REQUIREMENTS:

MAYOR

1. The public hearing for the purpose of receiving comments on the **2018 Preliminary Budget** is now open.
2. Public comments will now be received. When you address the Council, begin by stating your name and address for the record.
3. Comments received by mail will now be entered in the record. The City Clerk will read any received.
4. The public testimony portion of this hearing is now closed. No further comments will be received.

**RESOLUTION NO. 2017-49**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH THE YAKIMA  
COUNTY DISTRICT COURT FOR PROBATION SERVICES**

**WHEREAS**, the City of Grandview and Yakima County District Court desire to continue the existing arrangement whereby the County provides probation supervision services for cases/individuals referred to Probation Services by the Grandview Municipal Court; and,

**WHEREAS**, a Probation Services Agreement has been prepared for the provision of those services,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON AS FOLLOWS:**

The Mayor is hereby authorized to sign a Probation Services Agreement with the Yakima County District Court, in the form as is attached hereto and incorporated herein by reference.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on November 28, 2017.

**MAYOR**

\_\_\_\_\_  
**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

## Probation Services Agreement

**THIS PROBATION SERVICES AGREEMENT** (“Agreement”) is entered into by and between the City of Grandview (“City”), a Washington State municipal corporation and its Municipal Court (“Municipal Court”); and the County of Yakima (“County”) a Washington State political subdivision and its District Court (“District Court”) under the authority and in conformance with RCW 39.34, the Interlocal Cooperation Act.

**WHEREAS**, the City and the County desire to continue the existing arrangement whereby the County provides probation supervision services for cases/individuals referred to Probation Services by the Grandview Municipal Court;

**NOW, THEREFORE**, in consideration of mutual promises and conditions contained herein, the parties hereto mutually agree as follows:

1. **PURPOSE:** The purpose of this Agreement is to set forth the terms and conditions upon which the parties agree to continue probation services and to enumerate other related provisions that contribute to their mutual benefit.
2. **DURATION:** This Agreement shall be effective from January 1, 2018 and shall remain in effect until midnight on December 31, 2021, unless terminated earlier by either party in accordance with Section 11 of this Agreement.
3. **COMPENSATION:**
  - a. *Cost Per Case:* The City agrees to pay the County a flat fee of \$70.00 per case for which probation supervision has been ordered for the duration of this Agreement subject to paragraph four of this Agreement. For 2018, the cost to the City for supervision services is \$4,462.50. The calculation of that amount is detailed below and further explained in paragraphs 3(b) and 3(c).

Year	Average Active Caseload	Average BW Caseload	Total Average Caseload	Flat Fee Cost Per Case	Annual Cost at 100%	75% Phase In	Quarterly Cost
2018	68	17	85	\$70	\$5,950	\$4,462.50	\$1,115.63

- b. *Phase – In:* For year one and year two of this Agreement, the County agrees to accept 75% of the total cost that the City would be responsible to pay. For years three, and four the City agrees to pay 100% of the total cost the City is responsible for.

c. *Calculation and Timing:* The County will project the total number of active and bench warrant cases that we expect to supervise for the upcoming year by the first of August of the preceding year for which services will be rendered. The County will provide the City with an accounting that includes the average active caseload and average bench warrant caseload for the upcoming year as well as the calculation of cost based upon the accounting.

For 2018, the County will project the number of cases based on the daily average number of cases supervised (includes active and bench warrant cases) in 2017. For 2019, the County will project the number of cases based on the daily average number of cases supervised (includes active and bench warrant cases) in 2017 and 2018. For 2020, the County will project the number of cases based on the daily average number of cases supervised (includes active and bench warrant cases) in 2017, 2018 and 2019. For 2021, the County will project the number of cases based on the daily average number of cases supervised (includes active and bench warrant cases) in 2017, 2018, 2019 and 2020.

d. *Payment:* The County will invoice the City on a quarterly basis for costs and fees determined as set forth in paragraph 3, above, with the total amount owed for the previous quarter. The first invoice will be for County probation services provided from January 1, 2018 through March 31, 2018. The City will remit payment within 30 days after receipt of the County's invoice.

4. REVIEW: If it is determined that the flat fee of \$70.00 per case is inadequate to cover costs associated with supervision, the parties agree that the cost per case can be reviewed by August 1 of each contract year and adjusted based on those discussions, to become effective on January 1 the following year. At the time of review, the County will provide the City with notice as well as supporting documentation detailing their findings as it relates to case numbers, operational costs and revenue shortfalls.

5. PROBATION SERVICES: The parties agree that the most effective way to continue consolidated probation services to reduce costs and provide better services is for District Court Probation Department to continue providing probation services to any and all individuals subject to probation supervision by order of the Municipal Court ("City Probationers").

a. The City shall continue to refer applicable probationers to the Probation Department.

b. The County shall provide all necessary personnel, equipment and facilities to perform the foregoing services in the manner required by law and court rule. The County shall provide the City with notice of any changes that may impact the staffing and service levels applicable to City Probationers.

6. **NO THIRD PARTY RIGHTS.** This Agreement is entered into for the sole benefit of the District Court and the Municipal Court. It shall confer no benefits or rights, direct or indirect, on any third persons or entities. No person or entity other than the parties themselves may rely upon or enforce any provision of this Agreement. The decision to assert or waive any provision of this Agreement is solely that of each party.
7. **IMPLEMENTATION.** The Presiding Judge of the Municipal Court and the Presiding Judge of the District Court shall be jointly responsible for implementation and proper administration of this Agreement.
8. **INDEPENDENT CONTRACTOR.** The District Court and the County understand and expressly agree that the County, the District Court and its employees, officials, and agents are not City or Municipal Court employees and shall make no claim of City or Municipal Court employment nor shall claim against the City or the Municipal Court any employment benefits, social security, and/or retirement benefits.
9. **COMPLIANCE WITH LAW.** All parties to this Agreement shall comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Agreement, including Administrative Rule for Courts of Limited Jurisdiction (ARLJ) 11 regarding Misdemeanant Probation Departments.
10. **LIABILITY.**
  - a. The City agrees to hold harmless, indemnify, and defend the County, its officers, elected officials, employees, and agents from and against any and all suits, actions, claims, liability, damages, judgments, costs and expenses (including costs and reasonable attorney's fees) which result from or arise out of any intentional or negligent act or omission of the City, its officers, elected officials, employees, and agents in connection with or incidental to the performance of this Agreement.
  - b. The County agrees to hold harmless, indemnify, and defend the City, its officers, elected officials, employees, and agents from and against any and all suits, actions, claims, liability, damages, judgments, costs and expenses (including costs and reasonable attorney's fees) which result from or arise out of any intentional or negligent act and/or omission of the County, its officers, elected officials, employees, and agents in connection with or incidental to the performance of this Agreement.
  - c. In the event that both the County and the City are negligent in a matter arising out of the activities of the parties pursuant to this Agreement, each part shall be liable for its contributory share of negligence for any resulting suits, actions, claims, liability,

damages, judgments, costs and expenses including costs and reasonable attorney's fees.

- d. Nothing contained in this section of this Agreement shall be construed to create a liability or a right of indemnification in any third party.
- e. Notwithstanding any provision to the contract, the terms of this section shall survive any expiration or termination of this Agreement.

11. **TERMINATION**. Termination of this Agreement by either party may be accomplished upon one year's written notice of the intent to terminate to the other party. At the termination of the agreement, all pending probation cases, together with all relevant and necessary case files and records associated therewith, shall be transferred to the City.

12. **INSURANCE**. Yakima County is insured by the Washington Counties Risk Pool. The City of Grandview is insured by the Washington Cities Insurance Authority.

a. At all times during provision of the Probation Services for Grandview Municipal Court probationers, Yakima County shall secure and maintain in effect insurance to protect the City from and against all claims, damages, losses, and expenses arising out of or resulting from the negligent performance or non-performance of this Contract by Yakima County officials or employees. Yakima County shall provide and maintain in force insurance in limits no less than that stated below, as applicable. The City reserves the right to require higher limits should it deem it necessary in the best interest of the public.

b. **Commercial General Liability Insurance**. Before this Contract is fully executed by the parties, Yakima County shall provide the City with a certificate of insurance as proof of commercial liability insurance and commercial umbrella liability insurance with a total minimum liability limit of Two Million Dollars (\$2,000,000.00) per occurrence combined single limit bodily injury and property damage, and Two Million Dollars (\$2,000,000.00) general aggregate (per project). The policy shall include employer's liability (Washington Stop Gap). The certificate shall clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. Said policy shall be in effect for the duration of this Contract.

c. **Professional Liability Coverage**. Before this Contract is fully executed by the parties, Yakima County shall provide the City with a certificate of insurance as proof of professional liability coverage with a total minimum liability limit of Two Million Dollars (\$2,000,000.00) per claim combined single limit bodily injury and property damage, and Two Million Dollars (\$2,000,000.00) aggregate. The certificate shall

clearly state who the provider is, the coverage amount, the policy number, and when the policy and provisions provided are in effect. The insurance shall be with an insurance company or companies rated A-VII or higher in Best's Guide. If the policy is written on a claims made basis the coverage will continue in force for an additional two years after the completion of this contract.

13. INTEGRATION, SUPERSESSON AND MODIFICATION. This Agreement sets forth all of the terms, conditions and agreements of the parties relative to the subject matter hereof and supersedes any and all prior negotiations, discussions, agreements and understandings between the parties as to the subject matter hereof. There are no terms, conditions, or agreements with respect thereto, except as herein provided and no amendment or modification of this Agreement shall be effective unless reduce to writing and executed by the parties.

14. SEPARATE LEGAL OR ADMINISTRATIVE AGENCY. No separate legal or administrative agency is created by this Agreement.

15. SEVERABILITY.

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal, or invalid in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

16. NON-WAIVER. The waiver by the County or the City of the breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provision.

17. NOTICES. Unless stated otherwise herein, all notices and demands shall be in writing and sent to the parties to their addresses as follows:

TO CITY:

Cus Arteaga, City Administrator  
City of Grandview  
207 West Second Street  
Grandview, Wa. 98930

TO COUNTY/DISTRICT COURT: Donald Engel, Presiding Judge  
Yakima County District Court  
128 N. 2<sup>nd</sup> Street Room 225  
Yakima, Wa. 98901

or to such addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid or hand delivered. Such notices shall be deemed effective when mailed or hand delivered at the addresses specified above.

17. SURVIVAL. Any provision of this Agreement that imposes an obligation after termination or expiration of this Agreement shall survive the term or expiration of this Agreement and shall be binding on the parties to this Agreement.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

19. BINDING AUTHORITY. As presiding judges of the heretofore mentioned courts, the parties signing hereto have the power and authority to execute this agreement for consolidation of probation services and to bind the City of Grandview Municipal Court and the Yakima County District Court in performance thereof.

**CITY OF GRANDVIEW**

By: \_\_\_\_\_  
Mayor

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

Attest:

By: \_\_\_\_\_  
City Clerk

Approved as to form:

By: \_\_\_\_\_  
City Attorney

**YAKIMA COUNTY**

By: \_\_\_\_\_  
Donald W. Engel, Presiding Judge

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

Approved as to Form:

\_\_\_\_\_  
Deputy Prosecuting Attorney,  
WSBA # \_\_\_\_\_  
Date: \_\_\_\_\_

**RESOLUTION NO. 2017-50**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING APPLICATION TO THE WASHINGTON STATE DEPARTMENT OF  
HEALTH 2017 DRINKING WATER STATE RESOLVING FUND (DWSRF) FOR A  
CONSTRUCTION LOAN TO FUND WATER SYSTEM CAPITAL IMPROVEMENTS**

**WHEREAS**, the Washington State Department of Health Drinking Water State Revolving Fund (DWSRF) makes funds available to drinking water systems to pay for infrastructure improvements; and,

**WHEREAS**, the DWSRF program provides low-interest preconstruction and construction loans to publicly owned (municipal) drinking water systems to cover capital improvements that increase public health and compliance with drinking water regulations; and,

**WHEREAS**, the City's Water System Plan identified Major Capital Improvements in 2019 to include water main upsizing on Cedar Street, North Elm Street, West Third Street, West Fourth Street, and Glen Street; and,

**WHEREAS**, the City Council wishes to authorize application to the 2017 Drinking Water State Resolving Fund (DWSRF) for a construction loan to be used to fund Water System Capital Improvements as mentioned above,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, AS FOLLOWS:**

The Public Works Director is authorized to submit an application to the Washington State Department of Health 2017 Drinking Water State Revolving Fund (DWSRF) for a construction loan in the amount of \$1,503,764.76 to fund said Water System Capital Improvements.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on November 28, 2017.

**MAYOR**

\_\_\_\_\_  
**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**