

**GRANDVIEW CITY COUNCIL
SPECIAL MEETING MINUTES – BUDGET
OCTOBER 19, 2020**

1. CALL TO ORDER

Mayor Gloria Mendoza called the special meeting to order at 6:00 p.m. in the Council Chambers at City Hall.

Governor Proclamation 20-28.10 continued the prohibition on “in-person” meetings through November 9, 2020. This meeting was available via teleconference.

Present: Mayor Mendoza and Councilmembers David Diaz, Mike Everett, Diana Jennings, Bill Moore, Robert Ozuna and Joan Souders

Councilmember Javier Rodriguez signed in to the teleconference at 6:30 p.m.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Treasurer Matt Cordray, Library Director Elizabeth Jahnke, Parks & Recreation Director Gretchen Chronis, Fire Chief Pat Mason and City Clerk Anita Palacios

2. 2021 PRELIMINARY BUDGET

City Treasurer Cordray continued the presentation of the 2021 preliminary budget.

2021 EXPENDITURE ESTIMATES

Current Expense Fund

Library Services

2020 Budget \$323,465

2021 Estimate \$306,720

Notable Changes in 2021 –

- Overall decrease in salaries after buyout at Ruth Dirk’s retirement in January.
- Federal funding decreased for the OCLC bibliographic database and the e-books/e-audio subscription which made the costs increase.
- YVC continued to contribute to the cost for the OCLC bibliographic database.
- Depend on Friends of Grandview Library to pay for four newspaper subscriptions.
- Revenue was not consistent year-to-year.
- Cancelled downloadable music due to very low or non-usage. Replaced with much lower cost Newsbank online database.

Senior Citizen Services

2020 Budget \$13,395

2021 Estimate \$14,330

Notable Changes in 2021 – None

Recreation Services

2020 Budget \$140,350

2021 Estimate \$144,450

Notable Changes in 2021 – None

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Aquatics Services

2020 Budget \$37,080

2021 Estimate \$143,175

Notable Changes in 2021 –

- Municipal pool was closed in 2020 due to COVID-19. This budget anticipated the pool being open in 2021.
- An additional \$60,000 (for a total of \$180,000) earmarked for a future Swim Pool Splash Pad within the Capital Improvement Fund.

Museum

2020 Budget \$35,340

2021 Estimate \$34,040

Notable Changes in 2021 – None

Community Center

2020 Budget \$52,500

2021 Estimate \$54,200

Notable Changes in 2021 – None

Fire Administration Services

2020 Budget \$175,100

2021 Estimate \$183,190

Notable Changes in 2021 – Salaries and associated line items were slightly increased to reflect possible changes by the City Council in 2020.

Fire Suppression Services

2020 Budget \$492,560

2021 Estimate \$349,660

Notable Changes in 2021 –

- Salaries and associated line items were slightly increased to reflect possible changes by the City Council in 2020 as well as expected insurance cost increases.
- Anticipated increase of \$0.92 per call dispatch fees as reflected in “Communications.” Dispatch fees were split between Fire Suppression (25%) and EMS (75%). In addition there was a 25% increase in call volume in 2019 and anticipate a 10% increase in 2020.
- Increase of \$6,000 to “Repairs and Maintenance” to cover anticipated higher maintenance costs and replacement of the fire alarm system.

Emergency Medical Services Fund

2020 Budget \$326,860

2021 Estimate \$358,720

Notable Changes in 2021 –

- Salaries and associated line items were slightly increased to reflect possible changes by the City Council in 2020 as well as expected insurance cost increases.
- Slight increase in “Volunteer Compensation” to reflect increase in call volume. This line item was split between Fire Suppression (40%) and EMS (60%).
- Increase to “Ambulance Service” to cover the increase in cost of the Sunnyside Interlocal Agreement for Sunnyside Fire Department to provide ambulance service in 2021.
- Anticipated increase of \$0.92 per call dispatch fees as reflected in “Communications.” Dispatch fees were split between Fire Suppression (25%) and EMS (75%).

2021 Revenue Estimates – Emergency Medical Services Fund

2020 Budget \$368,820
2021 Estimate \$185,710

Ambulance Service Utility Fee – Report and Recommendation

Fire Chief Mason distributed a memo dated October 12, 2020 entitled Ambulance Service Utility Fee – Report and Recommendation, which read in part:

Background History: Prosser Hospital Ambulance (or their predecessor) had been providing ambulance services to the City of Grandview for over 30-years at no cost to Grandview residents. In 2018, Prosser Hospital Ambulance informed the City that they would no longer provide this service free of charge and were requesting the City to implement an ambulance fee to help support their annual financial shortfall.

Currently, the City has the option of two ambulance providers: Prosser Hospital Ambulance and Sunnyside Fire Department Ambulance.

In 2018, the City requested contract proposals from both ambulance providers. It was determined that partnering with the City of Sunnyside would provide the most benefit for the following reasons:

- The Sunnyside Fire Department Ambulance crew are also certified firefighters which allows their employees to assist our Fire Department, should the need arise.
- The City of Grandview Fire Department also receives credit from the Washington Surveying and Rating Bureau because of the additional certified firefighters.
- Having two cities working together allows us to jointly apply for grant funding, should it become available.
- Partnering with the City of Sunnyside allows Grandview’s staff to participate in training opportunities sponsored by the City of Sunnyside.

The City of Grandview entered into an Interlocal Agreement in the fall of 2019 with the City of Sunnyside. The agreement is ongoing, but can be terminated by either party by submitting a termination letter with 6–12 months advance notice.

Options And Recommendation: In this report, staff will provide three options for Council to consider. The first option will utilize 2021 financial numbers established by Sunnyside Fire Department as shown in “Exhibit A” of the current Interlocal Agreement with Sunnyside to determine our cost.

Option 1: Continue with the current agreement with the City of Sunnyside. This is 24/7 ambulance coverage with 12-hours coverage responding from Grandview and 12-hours coverage responding from Sunnyside.

The cost for this service is as follows:

• Payroll	\$575,388
• Professional Services	\$ 43,377
• Training & Consumable Supplies	<u>\$ 27,729</u>
Total Expenses	<u>\$646,494</u>

This option is supported by the following:

• EMS Billing	\$156,492
• Yakima County EMS Levy (Sunnyside Ambulance share)	\$ 97,440
• City of Sunnyside	\$205,000
• City of Grandview	<u>\$187,562</u>
Total Revenue	\$646,494

The formula that we would use to determine the number of accounts for an ambulance utility fee would need to be determined by the Council. For my current estimated number, I am using the system that Sunnyside uses and estimating the numbers for government, business and industry since I don't know the actual numbers of employees they each have. Sunnyside's system is based on 1 residence, mobile home or apartment being 1 account. For government, business and industry they divide the number of employees by 3.6 (1 Equivalent Residential Unit) up to a maximum of 200 employees. Wal-Mart, as an example, would have a rate equal to 55 accounts monthly. The Council would be the one to set the formula, which then determines the number of accounts. They would then determine the monthly fee to be charged per account.

We are currently estimating approximately 3,561 accounts in Grandview. In this option, Grandview will need approximately \$4.39 per month per account to support the annual cost.

Providing ambulance service through this option has been in place for approximately 1.5 years and we have not received any negative feedback. **This is an affordable service that is also meeting the current needs of the community.**

Option 2: Expand Option 1, by providing building accommodations to house the ambulance staff and equipment. This option will improve the response time to the residents because the ambulance service will respond from the City of Grandview 24-hours a day, seven days a week.

The cost for this service is the same as Option 1 with the addition of the one-time capital cost for the building accommodations. The cost of a new building could be in the \$300,000 range and is something that the City of Grandview could accomplish within a five-year period if the monthly fee was increased to approximately \$5.60 per month.

For example: A \$5.60 per month fee using the 3,561 accounts will generate approximately \$239,299 per year. This will provide an additional \$51,700 per year that could be dedicated for building accommodations and it would provide the revenue resources to meet the five-year construction plan. In addition, once the building is constructed this fee would also provide revenue for the monthly utilities to keep the building in operation.

In staff's opinion, this is the best option. This option is affordable to our residents and it improves the ambulance response time because they will be housed in Grandview. It also, provides assistance to our two-person Fire Department.

Option 3: This option would be for the City to own and operate the ambulance service. In this option, the City will lose all the funding revenue support with the exception of EMS Billing and will also be responsible for the entire cost of ambulance expenses. Since our service would have to stand on its own and not have the SSFD employee personnel pool to draw from, it would be even more expensive to operate than it is for Sunnyside. As an example, Sunnyside's service is built

on 4 FTE's. We would need to hire 10 FTE's to make sure we had at least 2 FTE's working at all times. These numbers are based off the memo, I shared with Council dated August 20,2020.

Under this option, the City will need to fund the following:

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| • Personnel costs (wages/overtime/benefits) | \$1,042,000 |
| • Building costs | \$ 300,000 |
| • Equipment purchase | \$ 700,000 |
| • Annual professional expenses | \$ 42,000 |
| • Annual operating, training & consumables expenses | \$ 50,000 |

Estimated revenue generated based on 600 calls: Billing for service (Avg. \$189 per call) = \$113,400.

This is the most expensive option and we are not sure if the cost outweighs the benefits. We serve an approximately 70% low income population, and, in our opinion, this service option will place a financial burden on our residents.

Recommendation: This recommendation took into consideration that we have 70% of families surviving in the low to moderate income level. Due to the current economic struggles placed on residents from the COVID-19 pandemic, we offer the following:

- Continue with Option 1 for the year 2021 and implement the \$4.39 per month fee effective January 1, 2021 by Council approval. The \$4.39 amount could change slightly based on the formula Council approves and the official account number determined.
- Re-evaluate the program during the 2022 budget process with the goal of moving forward into Option 2 in year 2022 and adjusting the fee to provide the needed revenue to support this option.
- Continue to evaluate the ambulance program annually and adjust and/or modify as needed.

Discussion took place. No action was taken.

The next preliminary budget meeting would be held on Monday, October 26, 2020 at 6:00 p.m.

3. ADJOURNMENT

The special meeting adjourned at 7:00 p.m.

Mayor Gloria Mendoza

Anita Palacios, City Clerk