

**GRANDVIEW CITY COUNCIL  
SPECIAL PLANNING SESSION  
JULY 23, 2009**

**1. CALL TO ORDER**

Mayor Norm Childress called the special planning session to order at 8:30 a.m. at The Vineyard, 150 Division Street, Grandview.

Present were: Mayor Childress and Councilmembers Mike Bren, Pam Horner, Diana Jennings, Jan McDonald, Bill Moore, Jesse Palacios and Joan Souders.

Staff present were: City Administrator Scott Staples, City Attorney Jack Maxwell, City Treasurer John Myers, Police Chief David Charvet, Fire Chief Pat Mason, Public Works Director Cus Arteaga, Parks & Recreation Director Mike Carpenter, Librarian Linda Dunham and City Clerk Anita Palacios.

**2. PURPOSE**

Mayor Childress advised that the purpose of the planning session was to review and discuss an update on the status of the 24 targets established by the Council at the December 2007 retreat; receive updates from Department Directors on 2010 issues, challenges, etc.; receive and discuss presentation from City Treasurer Myers on updated revenue and expenditure projections for 2009-2014; review city service priority list and provide policy guidance to Department Directors for budget preparation; and discuss potential new revenue source from a vehicle license fee.

**3. 2008/2009 ACTION OUTLINES**

City Administrator Staples explained that in December 2007, Council had a two-day planning session to identify priorities for the 2008/2009 period. 24 goals were established. He provided the following update on what had been accomplished to date:

- Five year revenue and expense estimates for the Current Expense Fund were revised in early 2008, which verified the need for additional revenue to sustain city services, such as Police, Fire Streets, Parks, Recreation, Library, etc. Following the failure of a utility tax measure in May 2008, each Councilmember prioritized the services in the Current Expense Fund. Based upon this input, a list was developed for the Council as a whole. Council implemented a series of service reductions affecting animal control, parks maintenance, swimming pool, the museum and recreation. As a result, the Council was able to establish balanced budgets for 2008 and 2009. In early 2009, revised five year projections were prepared for the period 2010-2014. These projections were updated in July 2009.
- The City and School District renewed the joint agreement for a School Resource Officer at the Grandview Middle School, with both paying 50% of the costs. Due to state budget cuts to education, the School District notified the City in June 2009 that the School District would not have funds for an SRO after July 1, 2009. On July 16, 2009, Superintendent Kevin Chase notified the City that the School District funding for this position was reinstated because the District received more state equalization money than anticipated and the program received a high ranking from the potential list of cuts. This would retain another \$28,000 in current expense revenue in 2009 and \$57,000 in 2010.

- The Council approved the concept of establishing a rental registration and inspection program, similar to the program currently in Pasco. This item was on hold due to budget restraints.
- The Council approved the “Alive Downtown” plan for downtown revitalization and design standards for new construction or substantial renovation in the downtown core area. Efforts were underway to secure federal and/or state funding to make the improvements. It was expected that by August 2009, the City would most likely be in a position to bid out both Phase 1 and 2 of the project.
- A revised plan for a new swimming pool facility was developed by a citizens committee and staff to present to the community in the first quarter of 2009. This item was on hold due to budget restraints.
- Efforts were continuing to find a dedicated revenue source to develop a plan for street seal coating and resurfacing. The 2009 budget included \$25,000 for seal coating. These dollars were dedicated to the design of the downtown project because of the federal stimulus fund application requirements.
- The City obtained a grant of \$660,000 to install curb and gutter, sidewalks and water improvements to the neighborhood west of Grandridge and south of Second Street. The project should be completed by September 2009.
- In pursuit of a new joint YVCC/City library facility on the YVCC Grandview Campus, the State had committed \$2 million for the project. Another \$2 million must be raised by June 2009. The Council and YVCC President discussed the College’s revised Master Plan and their interest in potentially purchasing the Senior Center building and/or Westside Park to accommodate growth in school population and programs. Per Council direction in January 2009, the Mayor, City Administrator, Parks & Recreation Director and YVCC Dean met with the American Legion and Senior Citizen Advisory Board to discuss the concept of selling the Senior Center to YVCC, and using the sale proceeds to retrofit the existing library into a community center facility. Both groups were supportive. YVCC has agreed that the existing programming could continue until the transition was complete in 2012. A public hearing on the proposed sale was scheduled for August.
- The Council adopted changes to the City code regarding criminal behavior to provide more tools for police officers. The City continues to work with local legislators to strengthen state laws.
- As part of the Council’s desire to expand the neighborhood block watch program, three additional neighborhoods were now participating.
- A new Water Comprehensive Plan was approved by the State Department of Health in June 2009.
- A new Sewer Comprehensive Plan has been developed and would be submitted to the Council for approval by fall 2009.
- In order to protect the City’s water rights, efforts were underway to certificate each of the City’s existing wells and add future well sites for growth.
- A Centennial Committee was established to develop a plan to celebrate the City’s 100<sup>th</sup> birthday in 2009.
- A grant was secured to install new playground equipment at Westside Park, which was completed in November 2008.
- A new pre-manufactured restroom facility was installed at Dykstra Park.
- As required by State law, a new Comprehensive Plan for the City was approved in January 2008.

- In the 2008 budget, funds were budgeted in the Capital Improvement Fund for the placement of an automated electronic reader board, but the project was placed on hold after the failure of the utility tax measure in May 2008. A newsletter was sent to City residents three to four times per year, and efforts continue to expand the use of the City's website to provide information.
- Funds were included in the budget to support training opportunities for all City employees, based upon availability and priority.
- Design plans were developed for a new animal shelter facility and the project went out to bid. The project was placed on hold due to funding restraints.
- The Council met with the Port Commissioners and Dave McFadden of Yakima County Development Association to review the current economic development environment and efforts. The Council approved a new contract with YCDA for 2009 to 2013.

#### **4. DEPARTMENT UPDATES**

##### **Police Department – Police Chief Charvet**

Gang Issues & Shootings – Detective Abarca has been working full-time on gang related issues and the Department has solved a majority of the gang related shootings.

3/10ths of 1% Sales Tax Initiative – The 3/10ths of 1% sales tax initiative to renew the county-wide law and justice funding would be presented to the voters this fall. He asked for volunteers to form a local group who would help promote the ballot issue. Failure of the ballot issue would result in a loss of funding for 2.5 officers and the Lower Valley District Court in our community. Councilmember Palacios volunteered.

Dispatch Hiring Process – At the April 20<sup>th</sup> meeting, Council agreed to proceed with the necessary steps to establish a civil service eligibility list with the intent of hiring a full-time police dispatcher. As mentioned earlier, the City was notified in June that the School District would not fund the SRO position after July 1<sup>st</sup> and staff placed a hold on the dispatcher testing process. On July 16<sup>th</sup>, the District notified the City that funding for the SRO position would be reinstated. Staff requested Council direction with regard to the testing process. Council consensus was to proceed with the Civil Service testing and establish an eligibility list for the position of dispatcher.

New Police Department Facility – The current Police Department was built in 1937 and has been remodeled several times in the past following the construction of the new Fire Station and the consolidation of the Municipal Court with the Lower Valley District Court. The Department has outgrown the space and the age of the facility was beginning to require additional maintenance. He recommended Council develop a long-term plan for the construction of a new Police Department facility including property acquisition and funding options.

Remote Surveillance Cameras – Discussion took place regarding the option of installing remote surveillance cameras on public property (i.e., parks) in the community in order to deter crime.

Railroad Viaduct – Concern was expressed regarding the condition of the abandoned viaduct along West Main Street and the criminal activity occurring in that area. Staff advised that the viaduct was owned by the railroad. Following discussion, Council directed staff to pursue a partnership with the railroad to improve the area surrounding the viaduct in order to discourage pedestrian access.

### **Fire Department – Fire Chief Mason**

Joint Fire Truck Purchase – At the June 15<sup>th</sup> meeting, Council instructed staff to pursue the joint purchase of a fire truck with Yakima County Fire District #5. The new fire truck would replace Engine 13. To date, preliminary specifications have been developed. Once complete, YCFD #5 would be the lead agency on going out to bid. Also working on the details for the Interlocal Agreement between YCFD #5 and the City in regards to the dual ownership of the fire truck.

Personal Protection Equipment – In early December 2008, the City was awarded a grant in the amount of \$59,920 from the Department of Homeland Security to purchase 30 sets of personnel protective equipment. The grant funded 95% of the PPE purchase and the City would be responsible for 5%. On July 17<sup>th</sup>, bids were opened for the equipment and five bids were received. A recommended bid award would be presented to Council for approval at the August 3<sup>rd</sup> meeting.

Sprinkler System Grant Application – A grant application was submitted to the Homeland Securities Assistance to Firefighter's Grant Program for funding to install a sprinkler system at the Fire Department with the idea of starting a resident program. Award announcements would be expected at the end of the year.

Evening Duty Coverage – Currently, the City pays evening duty coverage for volunteer firefighters who cover evening duty on Sunday through Thursday from 10:00 pm to 6:00 am. During the budget process, a request would be submitted to include funding for Friday and Saturday evening coverage.

Fireworks – The Fire Department held their annual 4<sup>th</sup> of July potluck for members of the department and their families so that the station was manned for quicker response during the firework festivities. This year was fairly quiet with the exception of a house fire at 1401 E. Wine Country Road. The fire started in the backyard and then spread to the house. Fireworks were suspected as the cause of the fire.

### **Parks & Recreation Department – Parks & Rec Director Carpenter**

Country Park Events Center – As a result of the assessment and prioritization process in 2008, progress was being completed on some of the top priorities that the Assessment Committee outlined during their initial walk through of the facility. Utilizing dollars from the Capital Improvement Fund, grants and donations, the second phase of the paved pathway had been installed and the George Young building had been completely refurbished. On July 24<sup>th</sup>, the Committee would meet on site to conduct a second walk through to help re-evaluate and prioritize the next round of improvements prior to the 2010 budget preparation. A celebration was scheduled to acknowledge groups and individuals instrumental in the recent improvements.

The Seahawks Playground unit had been ordered and Columbia River Steel and Construction Company would be assembling and installing the unit in September. A celebration/ribbon cutting would be scheduled on October 6<sup>th</sup> with representatives from the Seahawk organization.

Centennial Activities – The Centennial Committee had been working throughout the 2009 year to offer a host of activities for the community. The upcoming fair week would include the following festivities:

- August 5-8 – R.E. Powell Museum open from 2-4 each of these days for public tours.

- August 5 & 6 – Tours at the Fire, Police and Waste Water Treatment facilities.
- August 6 – Chamber of Commerce Centennial Parade. The Committee made arrangements for several area dignitaries to ride through the parade. Following the parade, a Centennial ceremony would take place at Country Park.
- August 7 – Fun run/walk at the east entrance of town starting at 9:00 a.m.
- August 7 – Grandview Alumni banquet at Westside Park and Centennial photo display at the Senior Center.

During fair week, the Department would also hold their annual Diaper Derby, Water Carnival, Disabled Adults Adaptive Aquatics, and ice-cream/parade viewing event at the Senior Center.

Swim Pool – The swim pool issue continued to be a top priority of Council as outlined in the Parks and Rec Comp Plan update. In February, Council directed staff to put the swim pool project on hold due to the economic climate. Despite being an outdated facility, the pool continued to show an increase in attendance for both open swim and family swim sessions. In 2008, an average of 70 patrons per day for open swim and 51 patrons for family swim. In 2009, an average of 90 patrons per day for open swim and 60 for family swim. In addition, the swim team participation and swim lessons continued to thrive.

He noted the following items that needed consideration at the swim pool facility:

- The City continued to subsidize the pool operation within the Current Expense Fund in the amount of \$55,000 per year.
- Over half of the operating expenditures were salaries and benefits (2009-\$44,000). Another increase in the minimum wage rate was expected for 2010.
- In order to operate next year, a new drain cover would need to be installed that protects against entrapment hazards relating to the main pool drains. The cost was estimated at \$2,000.
- When the crack repair work for the main pool tank was conducted in 2006, the project engineer estimated that the work would prolong the life of the tank another 4 to 5 years.
- If the pool continued to remain open consideration must be given to change the way the pool water was disinfected. The current method of using gas chlorine would need to be changed to a chlorine tablet system. The transition was estimated to cost \$6,500.
- Within the next couple years, the City would need to look at replacing the filter grids and covers at the filter vault.
- The pool continued to receive excellent health inspection reports from the Yakima Health district each year; however, it was becoming more difficult to maintain this high standard due to the overall age of the pool. For example, the City spent \$8,000 this spring to have the main pool pump rebuilt.

Council was reminded that Grandview would be hosting the Swim Team Championships the weekend of July 31<sup>st</sup>, August 1 and 2.

East Entrance Project – In the 2009 Capital Improvement Fund, \$20,000 was budgeted for Phase 1 improvements to the East Entrance project that involved the relocation of a portion of the rose garden facility at Westside Park to the east entrance to make it more visible and to reduce maintenance costs. The original relocation area was north of the existing flagpole, but after further review, staff recommended the site be further east to utilize the existing parking area. This area was flatter, the base was in place for the new paved parking area, the site was

more visible from the I-82 interchange and Wine Country Road, and there would be no curb cut required for the existing driveway off WCR. The City would save money by having the parking area paved in conjunction with the Euclid Road project. The paving project would be completed by the middle of next week. Phase 1 included the paved parking area, gravel for the pathway, concrete curb planting areas, and drip system. The relocation of approximately 200 rose plants from Westside Park to the new site would take place this fall. The hole being filled across from Bleyhl's was scheduled to be finished in late September.

Phase 2 funding would be submitted as a budget request for consideration in 2010 and included a gazebo in the center of the rose area, recognition signage depicting names associated with original rose garden, chain linked barrier fencing along newly paved parking area, extension of lighting, and irrigation and seeding for newly filled area.

Phase 3 would be conducted in 2011 and included a new flagpole, a monument area to honor veterans, and benches.

### **Public Works Department – Public Works Director Arteaga**

#### **2009 Projects:**

- Country Park improvements included the renovation of the George Young Building, renovations to the Beavan's Building and paving of the pathways.
- Euclid Road overlay project was on schedule for the grinding to begin on July 22<sup>nd</sup>. In addition, a new sidewalk in front of the Westside Market would be installed as part of the project.
- The Grandridge Area Neighborhood Improvement project had been graded and the water main replacement was underway.
- The East Entrance parking lot paving was underway.

#### **2010 Proposed Projects:**

- In 2009, a low to moderate income (LMI) survey was completed as part of the Wine Country Road CDBG application. The survey resulted in a 53% LMI for the community which made the City eligible to apply for additional CDBG grants. He recommended that the City consider applying for a grant to construct new water main improvements, sewer, curb/gutter sidewalks, streets and illumination in the area of North Birch/ Adams/ Washington. If the TIGER (Transportation Investment Generating Economic Recovery) program becomes available, he recommended the City submit an application for the Wine Country Road from Ash to east city limits.
- In addition, he recommended the City continue to pursue grant funding for improvements to Euclid from Groom Lane to south City limits.

**Department Staffing Levels** – To date, employees had been reduced in the parks maintenance department by one FTE and two seasonal, however, the parks maintenance department continued to be responsible for the maintenance of approximately 70-acres of parks. He noted that with the lack of staff, items within the park system were not being addressed, mowed or repaired. In addition, the street department was being manned by one employee and a minimum of 1.5 FTE's was needed to accomplish all of the required tasks.

**Equipment** – A request would be submitted for the purchase of a mini-track-hoe with trailer. This new unit would replace one of the existing backhoes. The automated radio read meters for

residential customers had been completed and a budget request for funding would be submitted for installation of commercial water meters (two-inch water meters).

Employees – In 2009, Allen Wallingford retired and his position was not filled in the street department. Instead Tony Cavazos was transferred from the parks department to the street department. Roy Elizondo resigned this year and his position had not been filled as of this meeting. Greg Rodriguez was planning to retire at the end of January 2010.

### **Library – Librarian Dunham**

Technology Plan – The state library had confirmed the approval of the two year technology plan. An agreement had been signed with the state library which, with the technology plan, would allow the City to continue to receive financial help for the cost of providing public access internet for the next two years through the Federal e-rate reimbursement program.

Circulation and Catalog System – The circulation and catalog system was 20 years old and the maintenance agreement would not be renewed due to lack of service from the vendor.

Librarian Retirement – Linda announced her retirement as the City's Librarian would take place at the end of the year.

Joint Library Staffing Levels – She recommended Council consider restoring the library staffing level to 3.75 FTE's upon the construction and consolidation of the joint library with YVCC.

Computer Reservation System – Staff had been researching an over-the-counter computer reservation system that would require no additional programming and at a reduced cost. This system would reduce the need for staff assistance when patrons utilized the public computers.

Rural Digitalization Project and Library Website – There was a need to update the rural digitalization project and library website.

Gates Foundation – All of the computer equipment purchased with the Gates Foundation grant money had been received.

## **5. FIVE-YEAR CURRENT EXPENSE FUND PROJECTIONS**

Summary Review of 2<sup>nd</sup> Quarter 2009 Budget Report – City Treasurer Myers explained that at the mid-year point and end of the second quarter of 2009, the budget report continued to provide no surprises. There remained some concerns, but these were earlier identified.

As highlighted at the end of the first quarter, there continued to be a couple areas in the Current Expense fund that were worthy of discussion. To date, sales tax collections were approximately 5.4% below estimate. This had increased over the past quarter. This equated to about \$40,000 "short" at mid-year and could be \$80,000 to \$100,000 by year-end. It was anticipated that successful summer and fall harvests and construction project sales taxes could mitigate the shortfall. Building permit fees continued to be behind estimate. It was likely the annual estimate would fall \$60,000 short. City-County Assistance also continued to lag behind estimate. He anticipated this revenue source to be \$35,000 to \$40,000 "short" by year end. Offsetting the above shortfalls were other taxes that were slightly above estimate and brokered natural gas use taxes were well above estimate. It was noted that brokered natural gas use taxes had been

very erratic and unpredictable over the past five years. The state legislature's failure to act on brokered natural gas "use" definitions during this year's session left the possibility of the City being required to refund already collected taxes and reduction or elimination of future collections. He was hesitant to rely on this as a dependable revenue source.

Current Expense fund expenditures, with the exception of a few departments, were at or below 50% of appropriations. In summary, the Current Expense fund was doing well, but continued to warrant ongoing close monitoring. The national and state economies gave reason to proceed with caution.

The EMS and Law and Justice funds continued to be "on track". The Street fund was also on track.

The Cemetery fund reflected increased costs of preparation for Memorial Day. Charges for services were about 5% below estimate at mid-year. Fund balance was trending low and this fund would need to be monitored closely during the next quarter.

The Water/Sewer, Irrigation and Solid Waste funds were healthy at mid-year. The charges for services continued to generate necessary operating revenues.

Debt service funds were in a position to meet upcoming debt service obligations in November and December.

The bottom line, with the exception of a couple Current Expense fund revenue sources, the City was in a good mid-year financial position.

While the City was in a good financial position, he did not expect improvement in tax or state shared revenues. He believed the Council's conservative budgeting practices had held the City in good stead. There had also been some "luck" factor in the past year.

2009 Budget Projection Charts & Scenarios – As requested, City Treasurer Myers updated the five (5) year projection chart with anticipated changes in 2009 revenue projections.

Scenario 1:

The chart entitled "'09 Budget," copy attached hereto and incorporated herein as part of these minutes, included a \$51,000 decrease in estimated revenues which were listed by revenue type below the worksheet table. Reductions were anticipated in sales taxes, building permits, and city assistance. Increases were in brokered natural gas use taxes and miscellaneous taxes. The resulting current year deficit was approximately \$66,000. It would be reflected in a reduction of the ending fund balance should no changes be made in expenditure levels through the balance of the year. Note that the revenue and expenditure growth rates used were 2% and 5% respectively. These were consistent with prior worksheets.

Scenario 2:

The chart entitled "'09 Budget & 1% Revenue Growth," copy attached hereto and incorporated herein as part of these minutes, included the decrease in estimated 2009 revenues, a 2010 revenue growth rate of 1%, 2010 expenditure growth of 3% and 2010 Expenditures "adjusted" to equal the anticipated revenues. Given the current economic environment and no sure signs of improvement, a conservative revenue growth rate of 1% was being used. A 3% growth rate in

Current Expense operating costs was estimated. Assuming a 0% increase in wages and salaries, an 8% to 10% increase in insurance benefits and anticipated standard cost increases, was probably a reasonable “working number” at this time. It was noted that with the above assumptions, an expenditure reduction of approximately \$160,000 would be necessary to arrive at a 2010 balanced budget.

**6. 2010 BUDGET PROCESS**

The Council reviewed the city service priority list to provide policy guidance for budget preparation. Following discussion, Council instructed staff to develop a budget based upon guidance provided in the 2010 Annual Budget Preparation Handbook which included a 0% base pay increase, 8-10% health benefit increase, and 5% operations and maintenance increase. Council also instructed staff to prepare a list of options for budget reductions.

**7. VEHICLE LICENSE FEE**

City Administrator Staples advised that a law passed in 2007, allowed city or county governments to create local transportation benefit district and impose a local vehicle registration fee to fund local transportation projects. Once a local transportation benefit district was established, the district’s board of directors may vote to charge a local vehicle licensing fee due when a vehicle owner buys new tabs. The transportation benefit district board has the authority to impose a fee of up to \$20 per vehicle without voter approval. A transportation benefit district may impose a vehicle renewal fee of up to \$100 per vehicle or seek other sources of funding if approved by voters. Currently, six cities have adopted transportation benefit districts, but no cities or counties were charging local transportation benefit district fees. According to the Department of Licensing, the estimated data showing the number of vehicles eligible for the \$20 fee in fiscal year 2008 sorted by zip code 98930 was 12,974.

Following discussion, Council consensus was to proceed with the public hearing process for implementation of a transportation benefit district.

**8. ADJOURNMENT**

The planning session was adjourned at 3:15 p.m.

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Mayor Norm Childress

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Anita Palacios, City Clerk