

**GRANDVIEW CITY COUNCIL  
SPECIAL MEETING MINUTES – BUDGET  
OCTOBER 13, 2015**

**1. CALL TO ORDER**

Mayor Norm Childress called the special meeting to order at 5:30 p.m. in the Council Chambers at City Hall.

Present were: Mayor Childress and Councilmembers Mike Everett, Gloria Mendoza, Jesse Palacios, Javier Rodriguez and Joan Souders. Excused from the meeting were Councilmembers Dennis McDonald and Bill Moore.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Treasurer Matt Cordray, Police Chief Kal Fuller, Fire Chief Pat Mason, Parks & Recreation Director Mike Carpenter, Assistant Public Works Director Santos Trevino, Librarian Elizabeth Jahnke and City Clerk Anita Palacios.

**2. 2016 PRELIMINARY BUDGET & 2016 COUNCIL GOALS**

City Administrator Arteaga explained that following the retreat, the goal was to prepare a balanced budget that maintained the recommended 15% reserves. At the retreat, there were items that Councilmembers placed on the table for discussion with the understanding that should funding be available, Council would consider adding the items to the preliminary budget. At this point, none of the items were included in the preliminary budget. He provided an overview of the 2016 Council Goals from the retreat, copies attached hereto and incorporated herein as part of these minutes.

City Treasurer Cordray presented the 2016 preliminary budget, as follows:

**2016 REVENUE ESTIMATES**

**Current Expense Fund**

Taxes

2015 Budget \$4,007,550

2016 Estimate \$4,165,500

Licenses and Permits

2015 Budget \$139,500

2016 Estimate \$138,500

Intergovernmental Revenues

2015 Budget \$310,700

2016 Estimate \$341,250

Charges for Goods and Services

2015 Budget \$134,480

2016 Estimate \$159,500

Fines and Penalties

2015 Budget \$189,200

2016 Estimate \$188,700

Miscellaneous Revenues

2015 Budget \$101,970  
2016 Estimate \$101,940

Total Current Expense Fund

2015 Budget \$6,741,545  
2016 Estimate \$6,618,415

**2016 EXPENDITURE ESTIMATES**

**Current Expense Fund**

Legislative Services

2015 Budget \$63,470  
2016 Estimate \$64,360  
Notable Changes in 2016 – None

Community Support Services

2015 Budget \$36,095  
2016 Estimate \$36,090  
Notable Changes in 2016 – None

Municipal Court Services

2015 Budget \$267,250  
2016 Estimate \$253,250  
Notable Changes in 2016 – Yakima County District Court costs decreased from \$190,000 in 2015 to \$176,000 in 2016. District Court costs were based on filings over a four year period. Annual public defender costs with the Law Firm of Beck and Phillips, PLLC was \$69,000 in 2016 payable in equal monthly installments. In addition, the Public Defender Agreement reflected a caseload limit, the reimbursement of costs for investigators and experts, warranty of public defender and quarterly reporting requirements.

Executive Services – Mayor/City Administrator

2015 Budget \$89,580  
2016 Estimate \$91,640  
Notable Changes in 2016 – None

Clerk Services – City Clerk

2015 Budget \$48,210  
2016 Estimate \$48,900  
Notable Changes in 2016 – None

Accounting Services – City Treasurer

2015 Budget \$101,340  
2016 Estimate \$104,855  
Notable Changes in 2016 – None

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Risk Management Services

2015 Budget \$171,750

2016 Estimate \$170,500

Notable Changes in 2016 – The City's liability assessment with WCIA decreased from \$159,911 in 2015 to \$153,509 in 2016. The assessment formula was based on two factors: worker hours multiplied by the assessment rate. The assessment rate was determined by an actuarial review of the City's last five years loss history and successful completion of WCIA's COMPACT requirements. Property rates remained the same for 2016. Boiler and machinery, and crime/fidelity rates increased 7.5% or \$163 for 2016.

Legal Services

2015 Budget \$190,800

2016 Estimate \$155,700

Notable Changes in 2016 – None

Human Resource Services

2015 Budget \$54,680

2016 Estimate \$57,400

Notable Changes in 2016 – None

General Facilities Services

2015 Budget \$37,190

2016 Estimate \$31,095

Notable Changes in 2016 – None

Police Administration Services

2015 Budget \$346,550

2016 Estimate \$281,900

Notable Changes in 2016 – Increase in "Misc" for ammunition \$500 and increase in travel/training (Administration Force Science training) \$1,000.

Police Investigation Services

2015 Budget \$277,350

2016 Estimate \$276,950

Notable Changes in 2016 – Create a new "Special Investigations Unit" (YVSIU) line and fund at \$1,000.

Police Patrol Services

2015 Budget \$1,471,320

2016 Estimate \$1,602,700

Notable Changes in 2016 – Replace one patrol vehicle (equipment rental fund); mobile data terminals \$2,500 (Capital Replacement item); vests \$1,000 (Capital Replacement item); TASER \$1,000 (Capital Replacement item); increase "Range Maintenance" (weed control) \$1,500; increase Travel Training (academy costs) \$7,500; increase Misc Training for Ammunition \$3,000 (5k total); fill one vacant supervisor position \$6,000; fill one vacant police officer position \$82,000.

Police Community Programs

2015 Budget \$15,640

2016 Estimate \$15,400

Notable Changes in 2016 – Increase professional services \$400 for an equipment maintenance agreement.

Police Correction Services - Jail

2015 Budget \$151,330

2016 Estimate \$165,030

Notable Changes in 2016 – Increase professional services reserve by \$5,000 (medical bills, if needed); increase van repair and maintenance by \$1,000 (repairs on aging vehicle, if needed); purchase a commercial freezer for jail food \$3,500; purchase video conference system \$5,000 (prisoner visitations).

Police Communication Services

2015 Budget \$556,500

2016 Estimate \$549,900

Notable Changes in 2016 – Computer replacements \$3,000 (Capital Replacement item); increase overtime \$4,000; increase in "communications" (licenses) \$3,000; increase in "professional services" (cleaning) \$2,500; increase in travel/training (new dispatchers) \$1,000.

Graffiti Removal Services

2015 Budget \$8,250

2016 Estimate \$7,360

Notable Changes in 2016 – None

Fire Administration Services

2015 Budget \$144,720

2016 Estimate \$149,130

Notable Changes in 2016 – There were notable changes in this budget this year. Salaries and associated line items were slightly increased and medical insurance was decreased to reflect changes that would be made in 2016. Public Education had a slight cost of living increase. Communications line item increased a small amount, mostly due to internet access costs and an increase in YAKCORP annual dues. Operating Rentals & Leases and Miscellaneous up slightly.

Fire Suppression Services

2015 Budget \$230,620

2016 Estimate \$238,330

Notable Changes in 2016 – Salaries and associated line items were slightly increased to reflect changes coming in 2016; increase of \$0.85 per call dispatch fees as reflected in "Communications." Dispatch fees were split between Fire Suppression (25%) and EMS (75%); increase in "Public Utility Services" to reflect possible rate increases; increase of \$300 to Uniform and Clothing to cover increases in turnout gear costs; increase of \$3,000 to Repairs and Maintenance to cover increased maintenance costs occurring as equipment ages; increase of \$500 to Travel to provide for personnel to attend state fire training academy.

Fire Chief Mason presented the Fire Department vehicle replacement schedule, copy attached hereto and incorporated herein as part of these minutes.

City Administrator Arteaga recommended the SCBA replacement plan be incorporated in the 2016 budget in the amount of \$33,000 and vehicle replacement in the amount of \$20,000.

Council concurred.

Code Enforcement Services

2015 Budget \$69,460

2016 Estimate \$70,410

Notable Changes in 2016 – None

Animal Control Services

2015 Budget \$29,280

2016 Estimate \$31,000

Notable Changes in 2016 – Contract for services with the Humane Society of Central Washington for animal control (15 hours a week) coverage. Rates for the next 2 years of 3 year contract were: 2016 rate \$29,484 and 2017 rate \$30,960.

Senior Citizen Services

2015 Budget \$12,190

2016 Estimate \$12,400

Notable Changes in 2016 – None

Recreation Services

2015 Budget \$131,810

2016 Estimate \$133,500

Notable Changes in 2016 – None

Aquatics Services

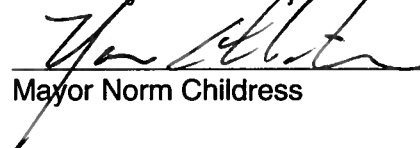
2015 Budget \$88,325

2016 Estimate \$112,200

Notable Changes in 2016 – This budget included provisions to extend the seasonal swim pool season for an additional two weeks. There was \$10,500 included in the capital line item for the replacement of 35 filter grids within the mechanical building.

**3. ADJOURNMENT**

The study session adjourned at 6:55 p.m.

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

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



# Memorandum

**To:** Mayor & Council  
**From:** Cus Arteaga, Public Works Director  
**Date:** September 1, 2015  
**Re:** 2016 Council Goals

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At the July 2015 retreat, Council provided the following goals and/or budget recommendations for consideration:

## **JESSE PALACIOS:**

- Review steps for Dykstra Park from the parking lot to the park.

Staff proposal: Change the pathway location to the north by paving a path to meet the walking pathway in the park at an estimated cost of \$5,000 and eliminate the old steps which will improve the safety to the users of the park (see photo attached).

- Rename Stokely Park to a patriotic theme.

Staff proposal: Consider the renaming of the park and incorporate the renaming with the annual Fourth of July Flag Raising ceremony. In addition, an archway could be added (see photo attached) to the park as part of the ceremony at a cost of approximately \$15,000.

- Continue to maintain a 15% reserve in all department budgets.
- Retrofit street lights to LED's.

Staff proposal: Working with PP&L and the Transportation Improvement Board (TIB) on establishing a conversion program. TIB is establishing a grant program that the City could apply to. The grant program would require a 10% match that could be funded by the Grandview Transportation Benefit District (TBD).

- Continue to improve the trailer court on Wine Country Road.

Staff proposal: Staff contacted the owner and he is not interested in selling the court. He does have plans to renovate the apartment complex portion. The City could do a beautification project by installing a fence (see photo attached) at a cost of \$8,500. The fence would be on City road right-of-way and would be owned by the City.

- Continue to expand what was done in the Downtown area.

## **JAVIER RODRIGUEZ:**

- Thanked Department Directors for a job well done.
- Improve repair garages on East Wine Country Road.

Staff proposal: Install a fence along the road right-of-way (see photo attached) at an estimated cost of \$8,100. The fence would be on City road right-of-way and owned by the City.

**JOAN SOUDERS:**

- Thanked Department Directors.
- Enhance partnerships for economic development purposes.

Staff proposal (\*): Schedule meeting with Port of Grandview and Chamber of Commerce to discuss joint economic development opportunities. Continue to budget funds for EDGE in the event a potential new business needed support. City staff would continue to pursue economic development opportunities and assist developers/business owners in locating and/or expanding their businesses in Grandview.

- Construct golf course.
- Continue to support the Swimming Pool and Library.
- Fire truck replacement.

Staff proposal: Fire Chief exploring the options available to the City. He is looking into loans, grant and/or a revenue bond. Once the truck was purchased, it would then be incorporated into the equipment rental program.

- Supports the addition of additional staffing at the Library.
- Support Parks Director at the Community Center.

**GLORIA MENDOZA:**

- Thanked Department Directors.
- Community and quality of life issues.
- Support Public Safety (Police and Fire).
- Support Economic Development.

Staff proposal (\*)

**MIKE EVERETT:**

- Appreciated and congratulated Councilmember Palacios for what he has done.
- Wants to review the Equipment Rental Fund.

Staff proposal: Equipment and/or vehicles must be purchase before they can be added to the Equipment Rental Fund and must pay into a monthly depreciation account. The department budget would then contribute funds to replace the equipment in the future.

- Review Council Procedures Manual.

Staff proposal: Revise the Council Procedures Manual to reflect the current council structure for committees and meeting dates.

- Community reader board.

Staff proposal: On September 9, 2014, the City entered into an Operating Agreement between the City and CEIS (Community Electronic Information Signage), LLC for gateway signs to be installed at the west entrance. Design has been completed. Installation is scheduled for 2016.

- Expand Legion Park by purchasing the Anderson Property.

Staff proposal: Staff attempted contact with the property owner. The property owner is currently marketing the property for commercial use. Commercial use of the property would generate additional revenue for the City rather than utilizing the property for additional park space. (Additional information received 9/14/15 – 1 acre lot for sale for \$300,000)

- Increase numbers at the Community Center.
- Paper reduction.

Staff proposal: Laptops have been purchased. Paper copies would continue to be available for the Council and public depending on preference.

- Review staffing levels.

Staff proposal: Each year, Department Directors review staffing levels and available funding during the budget process. The general fund is stronger because of the steps we have taken and adding employees will reduce the reserve if we cannot provide new revenue to support the additional staff.

**DENNIS McDONALD:**

- Promote Grandview.

Staff proposal: Continue to establish partnerships and staff participation in programs throughout the Yakima Valley such as YCDA, YVCOG, RTP/MPO and the HOME Consortium.

- Encourage Economic Development.

Staff proposal (\*)

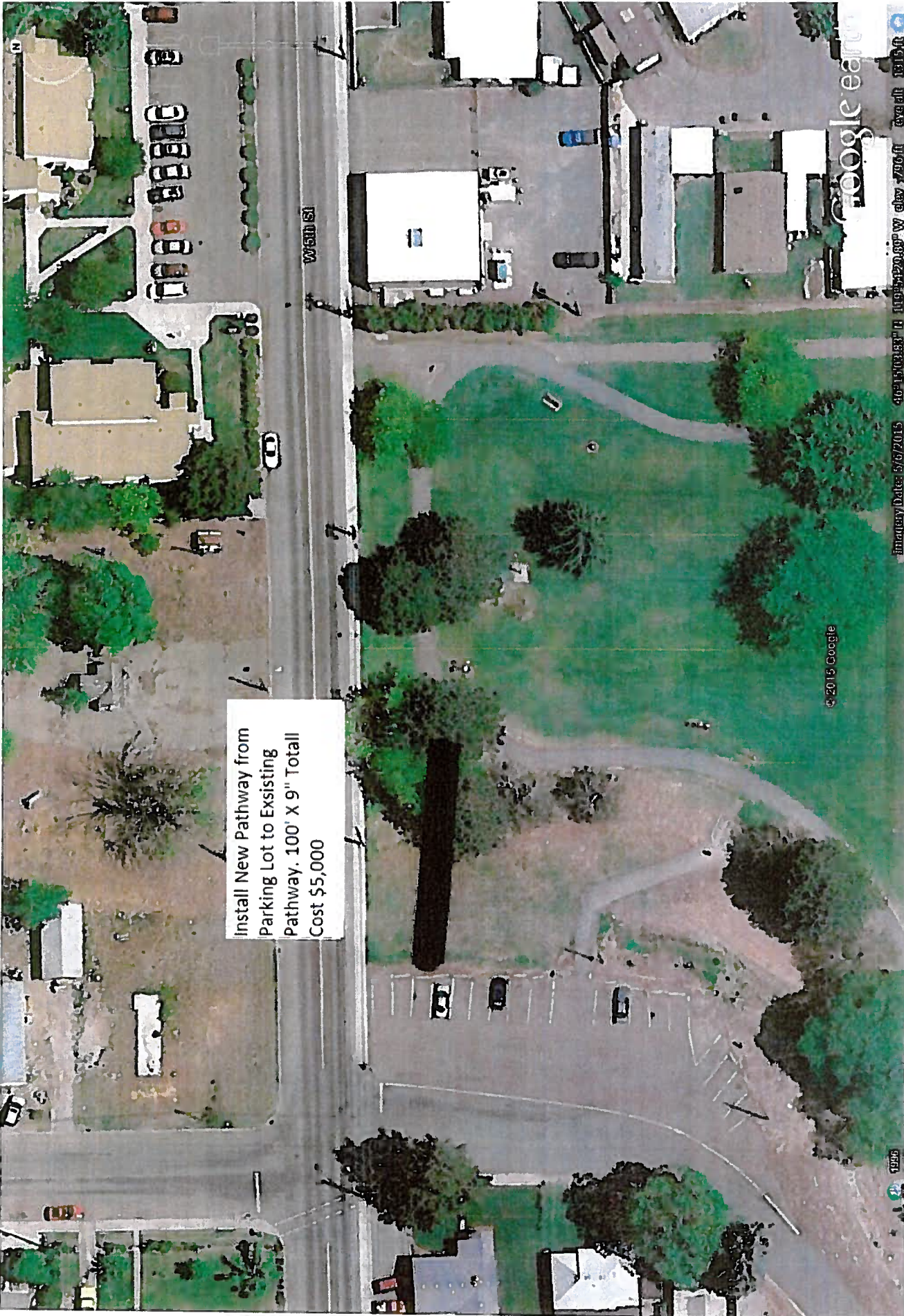
**BILL MOORE:**

- Good quality of life promotes economic growth.

Staff proposal (\*)

- Good processes in place to promote Grandview.
- Be fiscally responsible (maintain 15% reserve in all departments).





Install New Pathway from  
Parking Lot to Existing  
Pathway. 100' X 9" Total  
Cost \$5,000

© 2015 Google

google earth

Imagery Date: 5/6/2015 40°15'03.83" N 109°51'20.69" W elev 706 ft eye alt 1315 ft

1996





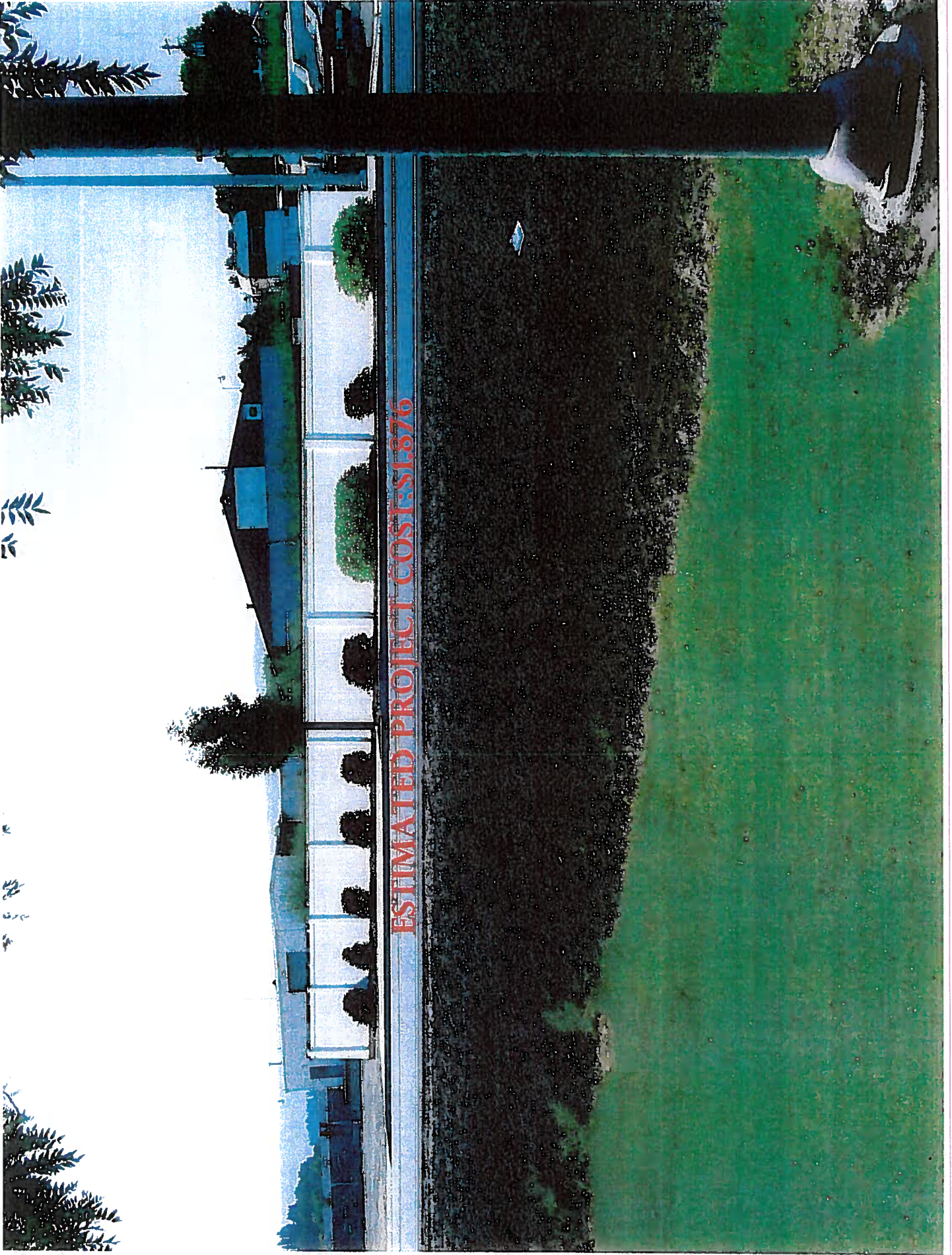
**ESTIMATED  
PROJECT COST:  
\$15,000**



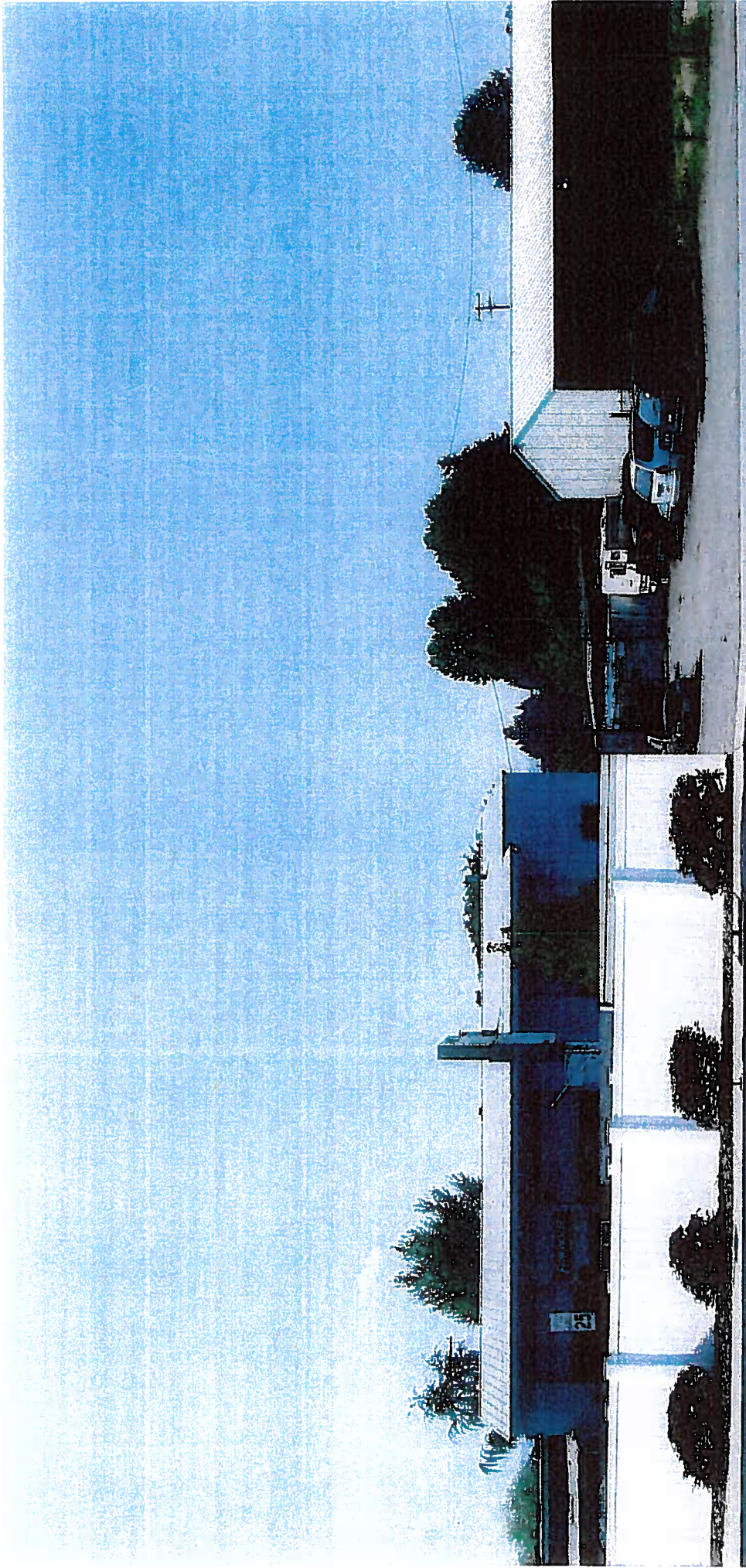
ESTIMATED PROJECT COST: \$8,500



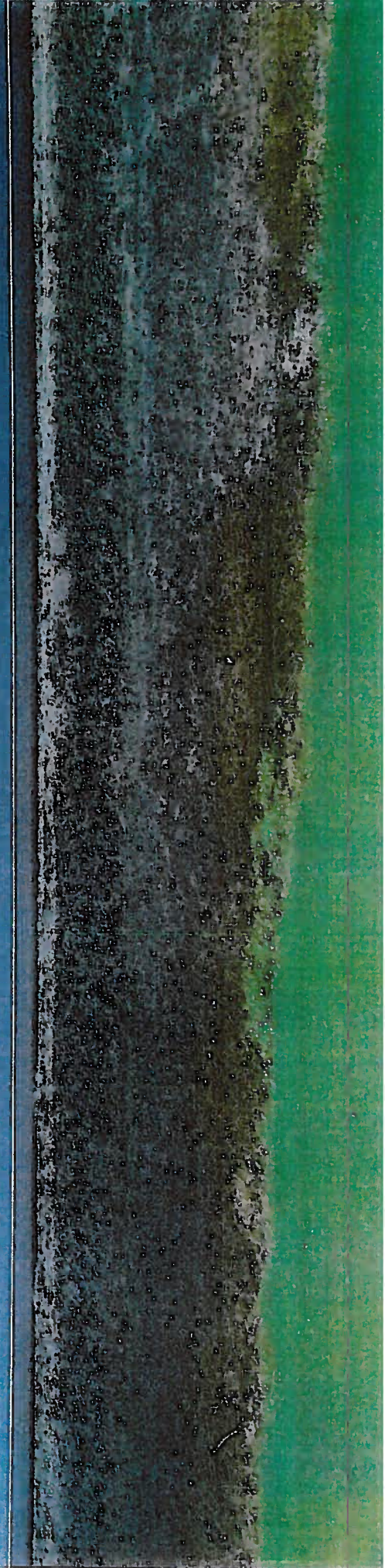
ESTIMATED PROJECT COST: \$3,000



ESTIMATED PROJECT COST: \$1.876



ESTIMATED PROJECT COST: \$3,200



# Memorandum

**TO:** Mayor & Council

**FROM:** Michael Everett, Council Member

**DATE:** September 5, 2015

**RE:** 2016 Council Goals

I appreciate the Staff responding to the comments at the Council Retreat. In order to clarify that situation, I am submitting this Memorandum.

- **Wants to review the Equipment Fund.**
  - It would be helpful if the basis for the statement that the "...vehicles must be purchase..." The question is whether or not the City has an adopted policy to add items to the Equipment Rental Fund. If it does what is it? If it does not then the City Council needs to develop such a policy. It is very concerning that we find that almost nothing in the Fire Department has a source of replacement funds. I believe that the Council needs to direct the staff to develop a proposed policy and submit it to the Council for evaluation.
  
- **Review Council Procedures Manual.**
  - The Staff apparently did not understand this suggestion. It is certainly not appropriate for the Mayor or Staff to make a determination of Council procedures. The Council is the body that should make decision as to how it will function. I believe that Grandview like most Cities should continue and strength the Council Committee system. A study session should be scheduled to have the Council review the current procedures and determine how to proceed.



- **Community reader board.**

- I have reviewed the Council minutes and don't find any authorization of the "Operating Agreement". Nor can I find a copy of the agreement itself. Staff's statement consists of only one sign and I cannot find where the Council has ever reviewed the design that is now "complete". I have not been on the Council very long and I may have overlooked this in my research. Nevertheless, I was not talking about one sign and I don't feel that the comments address what I was suggesting.

- **Expanding Legion Park by purchasing the Anderson Property.**

- While I appreciate the contact that the Staff made, however, it does not answer the question. "The property owner is currently marketing the property for commercial use." Does this mean that the owner would not sell it for any other reason? That seems peculiar, since it would suggest that the owner wasn't really interested in selling it for money but for a single purpose. While it may be true that commercial use might generate some money for the City the likelihood of that happening in the reasonable future must be weight with the fact that within one or two blocks there is a large section of vacant commercial lots. Further, it is not the responsibility of the Staff to determine this. Rather the Staff needs to provide the Council with the research on this issue and schedule a time when it can come before the Council for consideration.

- **Review Staffing levels**

- Apparently my request was misunderstood. I would like to know *specifically* what it costs to add a staff person in each department. I done understand the last sentence. If the "general fund is stronger" does that mean there is more money? If that is the case then it is not

necessarily accurate to say that “adding employees will reduce the reserve”. This needs clarification

- **Renaming Stokely Square**

- I think that Councilmember Palacios’ idea of renaming the square is a good one. However, I would much prefer to keep with the tradition and name it after those who have served the City of Grandview, such as Dystra Park and Palacios Pathway. I suggest that we name it after former Mayor and Councilmember Mike Bren.

## FIRE DEPARTMENT VEHICLE REPLACEMENT SCHEDULE

VEHICLE NUMBER	VEHICLE	REPLACEMENT YEAR	* REPLACEMENT COST	IN ER & R
GV 1/123	2015 CHEVROLET TAHOE	2024	50,000	YES
Command Vehicle / Quick Response Vehicle / Assigned to Chief Mason				
GV 2/121	2009 CHEVROLET TAHOE	2018	50,000	YES
Command Vehicle / Quick Response Vehicle / Assigned to Capt. Saenz				
GV 3 / 122	2009 CHEVROLET TAHOE	2018	50,000	YES
Command Vehicle / Quick Response Vehicle / Assigned to Duty Officer				
GV 6 / 105	2005 FORD EXPEDITION	N/A	N/A	NO
Command Training Vehicle / Backup Vehicle / Misc. Uses				
Traded Out With Other Command Vehicles As They Are Replaced				
GV 11	1995 E-ONE PUMPER	2019	350,000	NO
First Out Structural Fire Engine				
GV 12	2004 AMER LA FRANCE PUMPER	2028	350,000	NO
Third Out Structural Fire Engine				
GV 18	1999 AMER LA FRANCE QUINT	2023	1,000,000	NO
75' Aerial Ladder / 1500 GPM Pump				
GV 214	2010 INTERNATIONAL PUMPER	2034	350,000	NO
Second Out Structural Fire Engine				
Shared Ownership With YCFD #5 / 50 - 50 Split				
RESCUE 14	1997 BRAUN	2022	250,000	NO
Transport Capable Heavy Rescue Vehicle				
Shared Ownership With YCFD #5 / 50 - 50 Split				
Funded Through EMS Funds / Currently \$50,000 Set Aside For Replacement				
SCBA'S	MSA	2020	158,400	NO
24 Self Contained Breathing Apparatus (complete units include pack, bottle & mask)				
24 Spare Bottles				

\* REPLACEMENT COST BASED ON TODAY'S PRICES

## FIRE TRUCK / SCBA REPLACEMENT SCHEDULE

VEHICLE NUMBER	VEHICLE	REPLACEMENT YEAR	* REPLACEMENT COST	IN ER & R
GV 11	1995 E-ONE PUMPER	2019	350,000	NO
1. Purchase in 4 Years (2019) \$87,500 per Year or \$7,292 per Month				
2. Add to E.R. Fund to be Replaced in 24 Years \$14,584 per Year or \$1,216 per Month				
GV 18	1999 AMER LA FRANCE QUINT	2023	1,000,000	NO
1. Purchase in 8 Years (2023) \$125,000 per Year or \$10,417 per Month				
2. Add to E.R. Fund to be Replaced in 24 Years \$41,667 per Year or \$3,473 per Month				
GV 12	2004 AMER LA FRANCE PUMPER	2028	350,000	NO
1. Purchase in 13 Years (2028) \$26,923 per Year or \$2,244 per Month				
2. Add to E.R. Fund to be Replaced in 24 Years \$14,584 per Year or \$1,216 per Month				
GV 214	2010 INTERNATIONAL PUMPER	2034	350,000	NO
Shared Ownership With YCFD #5 / 50 - 50 Split				
1. Purchase in 19 Years (2034) \$9,211 per Year or \$768 per Month				
2. Add to E.R. Fund to be Replaced in 24 Years \$7,292 per Year or \$608 per Month				
RESCUE 14	1997 BRAUN	2022	250,000	NO
Shared Ownership With YCFD #5 / 50 - 50 Split				
Currently \$55,000 in EMS Reserve - Capital Replacement				
1. Purchase in 7 Years (2022) \$10,000 per Year or \$834 per Month				
2. Add to E.R. Fund to be Replaced in 24 Years \$5,209 per Year or \$434 per Month				
SCBA'S	MSA	2020	158,400	NO
24 Self Contained Breathing Apparatus (complete units include pack, bottle & mask)				
24 Spare Bottles				
1. Purchase in 5 Years (2020) \$31,680 per Year or \$2,640 per Month				
2. Add to E.R. Fund to be Replaced in 15 Years \$10,560 per Year or \$880 per Month				

\* REPLACEMENT COST BASED ON TODAY'S PRICES

## FD SCBA REPLACEMENT PLAN

**24 Self Contained Breathing Apparatus (Complete Unit Includes Pack, Bottle & Face Mask)**

**24 Spare Bottles**

**All 48 Bottles Required to be Replaced After 15 Years (in 2020)**

**All 24 Packs Recommended to be Replaced After 15 Years (in 2020)**

		Funds To Replace Packs & Bottles	E.R. Fund for 15 Year Replacement	Dollar Total Annually	Dollar Total Monthly
<b>2016</b>	5 Complete Packs w/ Spare Bottle	33,000		33,000	2,750
<b>2017</b>	5 Complete Packs w/ Spare Bottle	33,000	2,200	35,200	2,934
<b>2018</b>	5 Complete Packs w/ Spare Bottle	33,000	4,400	37,400	3,117
<b>2019</b>	5 Complete Packs w/ Spare Bottle	33,000	6,600	39,600	3,300
<b>2020</b>	4 Complete Packs w/ Spare Bottle	26,400	8,800	35,200	2,934
<b>2021</b>	All SCBA's & Spare Bottles Replaced & in E.R. Fund to be Replaced at 15 Year Time frame		10,560	10,560	880

## FD Vehicle Replacement Options

The process of purchasing a new fire truck takes approximately 18 months to accomplish. It can take approximately 4 to 6 months to draw up the bid specs and go through the bid process. Once the truck is ordered, it can take up to a year to receive it from the manufacturer.

### OPTION 1 / General Obligation Bond

- Typically lower interest rates than lease or rent to own programs
- Possibly longer term to repay which could mean lower annual payments
- Separate source of funding from General Fund
- Opportunity to pay more money up front for purchase which provides larger discounts (see attached)
- Possibly opens up the opportunity to start funding replacement cost of equipment in to the Equipment Rental Fund right away at a lower cost for the life of the vehicles
- Cost involved in holding election (anywhere from \$4,000 to \$10,000)
- Voters could vote it down and we would still need to fund replacement somehow

### OPTION 2 / Lease – Purchase Financing

- See attached examples

### OPTION 3 / Loan from Equipment Rental Fund

- No election costs
- Don't believe there are interest fees
- If paying back Equipment Rental fund out of the General fund, it makes it extremely difficult to be setting money aside for future replacement costs at the same time to eliminate the current problem we have
- Not sure the Equipment Rental Fund has enough capital to meet the needs of replacement for all of the trucks as needed

### OPTION 4 / Fund Replacement Out of the General Fund Budget

- No election costs
- No interest fees
- If paying out of the General fund to purchase new trucks, it makes it extremely difficult to be setting money aside for future replacement costs at the same time to eliminate the current problem we have

### RECOMMENDATION

- Fund replacement of SCBA's over next 5 years through General Fund
- Start SCBA replacement funding through the Equipment Rental Fund following the year of purchase each year so all are funded by 2021
- Include funding in 2016 budget to put General Obligation Bond before voters to replace GV 11 and GV 18
- If GO Bond is successful, start funding truck replacement through Equipment Rental Fund in next 3 to 4 years.

**Pat Mason**

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**From:** Mark Merritt <markm@cfireinc.com>  
**Sent:** Thursday, October 01, 2015 9:19 AM  
**To:** Pat Mason  
**Subject:** Pre pay and finance numbers  
**Attachments:** Grand View, WA KME Pumper 10AAR 9-30-15.pdf; Grand View, WA KME Ladder 10AAR 9-30-15.pdf; Grand View, WA KME Pumper & Ladder 12AAR 9-30-15.pdf

Good morning Pat, it was good to see you on Tuesday. Here are the numbers that we discussed. Please take a look and let me know if you have any questions. I am back at KME so I might be a little slow in responding.

Commercial Pumper approximately \$335K. The reason this is so low is that the Commercial Chassis is a pass through cost, so there is no investment value in that.

100% (\$6,000)  
75% (\$4,500)  
50% (\$3,000)  
25% (\$1,500)

Custom Pumper for reference \$400K

100% (\$15,080)  
75% (\$11,310)  
50% (\$7,540)  
25% (\$3,770)

Aerial at approximately \$1.0M

100% (\$34,873)  
75% (\$26,155)  
50% (\$17,437)  
25% (\$8,718)

**Mark Merritt**  
**markm@cfireinc.com**  
**(W) 800-572-3939**  
**(M) 509-930-1786**



847-247-0771



847-247-0772



www.taxexemptleasing.com

September 30, 2015

City of Grandview, WA

Re: Lease-Purchase Financing of a KME Pumper

Ladies and Gentlemen:

We are pleased to provide the City of Grandview with the following lease-purchase financing proposal. Tax-exempt leasing is a financing tool that allows municipal entities to purchase needed equipment immediately and pay for it over time. It's also a terrific way to avoid inflation by protecting you from future price increases! Under a lease-purchase financing arrangement, each payment you make is applied to principal and interest and, at the end of the term, YOU own the equipment outright.

The illustration below shows annual payments for a 10-year term:

Est. Equipment Cost:	\$335,000.00
Payment Frequency:	Annually in Arrears
Term:	<u>10-years</u>
Interest Rate:	2.99%
Rate Factor:	.11717
Annual Payment:	\$39,251.95

*Interest rates, factors and payments assume that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

First annual payment is due one year from the date of lease contract with subsequent payments due annually thereafter.

**QUOTED RATES ARE VALID FOR 14 DAYS AND ARE SUBJECT TO CREDIT APPROVAL AND PROPER DOCUMENTATION.**

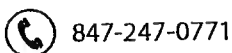
Tax-Exempt Leasing Corp. is a privately-held equipment finance company providing innovative financing solutions to tax-exempt entities nationwide. We understand our customers' needs and provide them with competitive rates and superior customer service.

We appreciate this opportunity and look forward to hearing from you. Please let me know if I can answer any questions, if you need any additional proposals or options, or if you wish to proceed. I can be reached at 888-247-0771 or via cell phone at 708-347-6367.

Kind Regards,

Joanne Deigan  
Senior Account Executive





847-247-0771



847-247-0772



www.taxexemptleasing.com

September 30, 2015

City of Grandview, WA

Re: Lease-Purchase Financing of a KME Ladder Truck

Ladies and Gentlemen:

We are pleased to provide the City of Grandview with the following lease-purchase financing proposal. Tax-exempt leasing is a financing tool that allows municipal entities to purchase needed equipment immediately and pay for it over time. It's also a terrific way to avoid inflation by protecting you from future price increases! Under a lease-purchase financing arrangement, each payment you make is applied to principal and interest and, at the end of the term, YOU own the equipment outright.

The illustration below shows annual payments for a 10-year term:

Est. Equipment Cost:	\$1,000,000.00
Payment Frequency:	Annually in Arrears
Term:	<u>10-years</u>
Interest Rate:	2.99%
Rate Factor:	.11717
Annual Payment:	\$117,170.00

*Interest rates, factors and payments assume that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

First annual payment is due one year from the date of lease contract with subsequent payments due annually thereafter.

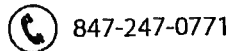
**QUOTED RATES ARE VALID FOR 14 DAYS AND ARE SUBJECT TO CREDIT APPROVAL AND PROPER DOCUMENTATION.**

Tax-Exempt Leasing Corp. is a privately-held equipment finance company providing innovative financing solutions to tax-exempt entities nationwide. We understand our customers' needs and provide them with competitive rates and superior customer service.

We appreciate this opportunity and look forward to hearing from you. Please let me know if I can answer any questions, if you need any additional proposals or options, or if you wish to proceed. I can be reached at 888-247-0771 or via cell phone at 708-347-6367.

Kind Regards,

Joanne Deigan  
Senior Account Executive



September 30, 2015

City of Grandview, WA

Re: Lease-Purchase Financing of a KME Pumper and a KME Ladder Truck

Ladies and Gentlemen:

We are pleased to provide the City of Grandview with the following lease-purchase financing proposal. Tax-exempt leasing is a financing tool that allows municipal entities to purchase needed equipment immediately and pay for it over time. It's also a terrific way to avoid inflation by protecting you from future price increases! Under a lease-purchase financing arrangement, each payment you make is applied to principal and interest and, at the end of the term, YOU own the equipment outright.

The illustration below shows annual payments for a 12-year term:

Est. Equipment Cost:	\$1,335,000.00
Payment Frequency:	Annually in Arrears
Term:	<u>12-years</u>
Interest Rate:	3.29%
Rate Factor:	.10221
Annual Payment:	\$136,450.35

*Interest rates, factors and payments assume that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

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Kind Regards,

Joanne Deigan  
Senior Account Executive

## Pat Mason

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**From:** Kathy Fisher <kathy.fisher@co.yakima.wa.us>  
**Sent:** Monday, October 12, 2015 2:54 PM  
**To:** Pat Mason  
**Attachments:** city of grandview\_may 2002.pdf; city of grandview\_november 2001.pdf

Hi Pat ~

Attached are the Ordinances from the November 2001 and May 2002 bond elections held in the City of Grandview.

At the 2001 General Election, total costs for the election for the City were \$3,649. At this election, the City had a combined 4 council members/issues on the ballot.

In May 2002, total costs for the election for the City were \$4,871.

To give you a more current view of costs, in 2013, the City had 3 council positions on the ballot for a total General Election cost of \$4,365. Adding an additional issue to the ballot would have increased the costs by approximately \$200.00

To give you another example if the City was the only district on a spring election ballot... Highland School District was the only district on the April 2014 ballot and their total election costs were over \$9,000; and Highland SD has about 600 fewer voters than the City of Grandview.

I hope you find this information helpful.

**Kathy A Fisher**  
Yakima County Elections Manager  
509.574.1343 | [www.yakimacounty.us/vote](http://www.yakimacounty.us/vote)

## Funding for replacement of trucks

### How WSRB rating applies?

- Used by insurance companies to set rates for property owners in most cases.
- Reevaluated approximately every 5 to 7 years.
- Just completed evaluation in June. – **Rating stayed at 5.**

### How we determine numbers and types of trucks needed?

- Number of pumpers and aerials needed are determined by WSRB based on size and types of commercial and industrial buildings in Grandview that could catch on fire.
- We are currently at our minimum requirement. 4 trucks with pumps, minimum of 4,500 GPM pumping capacity (we currently have 6,500 GPM). 1 aerial.
- 22 deficiency points for lack of reserve apparatus. (2 pumping capacity, 20 aerial)
- Removal of aerial truck would add 123 deficiency points and move us to a 6 rating.

### How does age of trucks count against us?

- WSRB follows NFPA recommendations. (NFPA, National Fire Protection Association, recommends trucks should be replaced after 15 years)
- WSRB starts giving deficiency points for the age of trucks starting at 15 years. As trucks get older and/or more trucks get 15 years old or older deficiency points increase. If a truck reaches 25 years old, additional deficiency points are added on.

### How does rating change effect insurance rates?

- Rating change of 5 to 6 for \$300,000 property - \$225.00 increase in annual rate.
- Kenyon's – rate would increase, but they weren't willing to share numbers
- Grandview school District – never heard back

### How are other departments scheduling truck replacement?

- Fire Districts are setting money aside – but typically don't have enough to replace everything that needs replaced.
- City departments – **Toppenish:** no equip. rental fund. Each dept. puts \$10,000 per year into a combined account for the city to use to initially purchase major equipment and then budgets the payoff. **Sunnyside:** equip. rental fund only for maintenance and repairs. No money being put away for vehicle replacement of any dept.

### Buying new versus retrofitting old trucks?

- Not cost effective – required retrofit to get credit would cost approximately 80-90% of the cost of a new truck and only gets you additional 10 years of service

### How have we funded the replacement of trucks?

GV 11 – Purchased new. Bought with same bonds that funded new fire station.

GV 18 – Purchased used. Not sure how it was paid for.

GV 12 – Bought with grant from USDA and some in-house funding.

GV 214 see below

### Current purchasing info for GV 214:

2010 Pumper purchased for \$300,664.76

50/50 Split with YCFD #5 / our half \$150,332.38

Loan from Equip Rental / paying back at \$1,250 per month for 10 years

WSRB – Washington Surveying and Rating Bureau

NFPA – National Fire Protection Association