

**GRANDVIEW CITY COUNCIL  
COMMITTEE-OF-THE-WHOLE  
MEETING AGENDA  
TUESDAY, NOVEMBER 22, 2016**



**COMMITTEE-OF-THE-WHOLE MEETING – 6:00 PM**

**PAGE**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. CITIZEN PARTICIPATION** – The public may address the Council on items on the agenda.
- 4. NEW BUSINESS**
  - A. Resolution accepting the bid and authorizing the Daily Sun News as the Official City Newspaper for the year 2017 1-5
  - B. Fire Truck Purchase – USDA Funding 6-16
  - C. Resolution authorizing the Mayor to sign Supplemental Agreement Number 2 with Huibregtse, Louman Associates, Inc., for professional engineering services relating to the Old Inland Empire Highway Improvements STP Supplemental Agreement 17-20
  - D. Ordinance approving a Franchise Agreement between the City of Grandview and Mobilitie, LLC 21-56
  - E. Ordinance amending 2016 annual budget 57-66
  - F. Ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to water, sewer, irrigation and roadway improvements south of Wine Country Road between Fir Street and the SVID canal 67-69
  - G. Ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to Euclid/WCR Intersection and widening of Forsell Road from Wallace Way to Euclid Road 70-72
  - H. Ordinance amending the City of Grandview 2017 non-union salary schedule 73-75
  - I. Ordinance adopting the budget and confirming tax levies for revenue to carry on the government for the fiscal year ending December 31, 2017 76-93
- 5. OTHER BUSINESS**
- 6. ADJOURNMENT**

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

**ITEM TITLE**

Resolution accepting the bid and authorizing the Daily Sun News as the Official City Newspaper for the year 2017

**AGENDA NO.** New Business 4 (A)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Clerk

**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

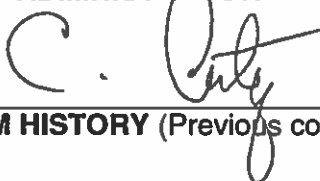
**DEPARTMENT DIRECTOR REVIEW**

Anita Palacios, City Clerk



**CITY ADMINISTRATOR**

**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

RCW 35.23.352(7) provides that bids are required to secure the services of the official newspaper.

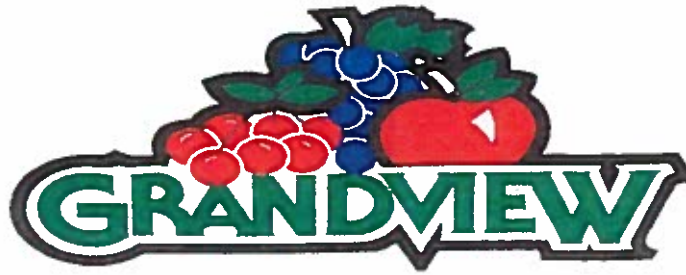
**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

Bids to serve as the Official City Newspaper for the year 2017 were opened on November 16, 2016. The City received one (1) bid from the Daily Sun News. The bid was as follows:

<u>Newspaper</u>	<u>Type of Publication</u>	<u>Rate (per column inch)</u>
Daily Sun News	Legal Notices	\$4.10

**ACTION PROPOSED**

Move Resolution accepting the bid and authorizing the Daily Sun News as the Official City Newspaper for the year 2017 to the next regular Council meeting for consideration.



**CITY OF GRANDVIEW  
CALL FOR BIDS FOR OFFICIAL NEWSPAPER**

NOTICE IS HEREBY GIVEN that the City of Grandview, Washington, will receive sealed bids at the office of the City Clerk, 207 West Second Street, Grandview, WA 98930, until **11:00 a.m., Wednesday, November 16, 2016**, from qualified legal newspapers to serve as the OFFICIAL NEWSPAPER of the City of Grandview for the year **2017**, at which time they will be opened and read aloud.

Bids must comply with the "Specifications for Sealed Bids for Official Newspaper" and be submitted in envelopes marked "Official Newspaper Bid". Bid packets are available from the City Clerk at the above address, PH: (509) 882-9208.

The City of Grandview reserves the right to accept or reject any or all bids, and to waive minor irregularities in the bidding process.

**CITY OF GRANDVIEW**  
Anita G. Palacios, MMC  
City Clerk

Publish: Daily Sun News – November 2, 2016

**RESOLUTION NO. 2016-\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
ACCEPTING THE BID AND AUTHORIZING THE DAILY SUN NEWS AS THE  
OFFICIAL CITY NEWSPAPER FOR THE YEAR 2017**

**WHEREAS**, RCW 35.23.352(7) requires that bids be called annually for the publication in a newspaper of general circulation in the city of all notices or newspaper publications required by law and that the contract be awarded to the lowest responsible bidder; and,

**WHEREAS**, the City has solicited bids from qualified legal newspapers to serve as the official newspaper of the City of Grandview for the year 2017; and,

**WHEREAS**, the City received one (1) bid in response to such solicitation from the Daily Sun News; and,

**WHEREAS**, the City Council finds and determines that the Daily Sun News is the lowest responsible bidder;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON**, as follows:

The City Council hereby waives minor irregularities in the bidding process with respect to the bid submitted by the Daily Sun News. That the bid submitted by the Daily Sun News to serve as the official newspaper of the City of Grandview for the year 2017, including the rate for legal notices of \$4.10 per column inch, all as set forth in the attached proposal, is hereby approved and accepted, and the Mayor is hereby authorized to execute any and all documents necessary or appropriate to accomplish such transaction.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

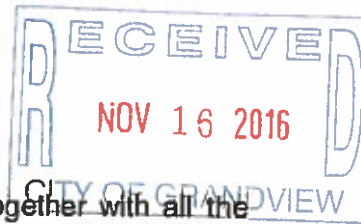
\_\_\_\_\_  
**ATTEST:**

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

**APPROVED AS TO FORM:**

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

**BID FORM  
OFFICIAL NEWSPAPER**



I/We the undersigned, having read all requirements of this call for bids, together with all the special provisions and specifications set forth herein, do agree in every particular, and will provide the service as specified herein as follows:

Name of Newspaper: Daily Sun News

Number of days per week newspaper is published: 5(five) days per week. Approx. 189

Size of column inch: 1.583 inches Number of characters in column inch: (31 per line)

Total circulation: 14,235/week Total circulation for 98930 zip code: 1,223/week

**Services and Rates.**

Describe rate(s) to be charged to the City of Grandview for publications. Please describe all rates to be charged, and note different rates, if any, for different types of publication (i.e., legal notices, advertising, etc.). Please describe rate per column inch of publication:

<u>Type of Publication</u>	<u>Rate (per column inch)</u>
Legal/Public notice	\$4.10 PCI
Full-color display advertising	\$10.00 PCI
Employment classified advertising	\$110.00 for 10 lines for 2 weeks or \$150.00 for 4 weeks
Preprint insertion	\$61.00 per 1,000

Advertising appearing in our print edition appears in our e-edition free of additional charges

NOTE: Rates must not exceed the national advertising rate as defined in RCW 65.16.091.

Bidder's Name: Daily Sun News

Address (Office of Publication): 600 S. Sixth St., Sunnyside, WA 98944

Mailing Address: P.O. Box 878, Sunnyside, WA 98944

Telephone Number: 509-837-4500 Fax Number: 509-837-6397

Signature of Authorized Official: 

Print Name: Roger Harnack Title of Official: Publisher

4

1. Are there any charges, surcharges, taxes or other fees in addition to the above-described rates? If so, please describe:

There are no other charges, fees or taxes.

In the event direct taxation is imposed on advertising, such tax is to be paid by the advertiser unless otherwise specified by law.

2. If the City of Grandview desires publication of an item on a particular date, how much lead time is required by the bidder?

Legal notices must be in our office at 10 a.m. the day before publication.

More is appreciated when possible. When special situations come up, and are communicated, our staff will make every effort to accommodate the city.

3. Please describe the services to be provided by bidder to the City of Grandview, together with any other information which bidder feels makes its newspaper the best choice for the Official Newspaper of the City of Grandview:

The Daily Sun is always willing to work with city staff when special situations come up. In the past, we have been able to accommodate a legal notice with just a couple of hours' notice. While we cannot guarantee this level of service all the time, it is a service we have provided to help the city of Grandview meet certain legal deadlines. We are always willing to work with the city when special needs arise. We also post all legal notices on the Washington Newspaper Publisher's Association's statewide database and website at no cost to the city. To access the legal advertising go to: <http://www.wnpa.com/public-notices> Legal notices are also posted to the Daily Sun News' webpage and mobile platform.

Although not required under the Revised Code of Washington, we can also provide 100 percent household penetration of legal advertising with our Daily Sun Shopper at a nominal pick-up price. The shopper is a total-market product delivered to every home in the city not receiving the daily newspaper.



## Memorandum

To: Mayor & Council

From: Cus Arteaga, City Administrator/Public Works Director

Date: November 3, 2016

RE: USDA Funding – Fire Truck Purchase

This memorandum is a follow-up to the information presented at the October 25<sup>th</sup> C.O.W. meeting regarding a possible fire truck and equipment purchase.

During the 2016 budget process, Council made a decision to start setting aside funds for replacing fire trucks and SCBA's. The funding sources are limited so Council agreed to start setting aside approximately \$50,000 per year with the goal of purchasing a new truck within the next five-years. Currently, the Fire Department has a truck that is approaching the recommended replacement time frame and is estimated to cost approximately \$500,000. It would take approximately ten years, at \$50,000 per year, but inflation could increase the replacement schedule by at least an additional two years.

The Mayor and I attended the IACC Conference in Wenatchee and were informed that the City is no longer eligible for USDA Infrastructure Funding Program because the City is over the 10,000 population threshold. However, we are still eligible to apply to the USDA Community Facilities Direct Loan Program which can fund police departments, museums and fire equipment. The loan term can be extended up to 40-years depending on the life of the purchase.

For example, a fire truck could have a 30 year life and a 30 year term could be applied as a repayment schedule. The estimate term would be as follows:

- \$500,000 (at 30-years) would cost approximately \$16,667 plus interest.

USDA has funds available at an interest rate of 2.375% for the 30 year term for the remainder of 2016. They are predicting that the interest rates will go up in 2017 and they strongly recommend that we apply in order to lock in at the low interest rate.

**The pros of applying for the USDA loan are as follows:**

- We would expedite the fire truck and SCBA's replace schedule.
- We could take advantage of the low interest rate which would provide us with a lower repayment schedule.

- We could reduce our required annual funding set aside by at least \$25,000 per year.
- Currently, we have approximately \$100,000 in the replacement reserve and we could continue to add the \$25,000 per year savings in order to continue to increase the replacement fund for future trucks.
- The new truck purchase would help keep the City at the lower fire rating which would benefit the community as a whole.

**The cons for applying to USDA:**

- We would have a 30-year loan repayment commitment.

**RECOMMENDATION:**

I strongly encourage that Council consider applying to the USDA Facilities Direct Loan Program for the replacement of a fire truck and equipment. I am aware, that the City has many needs and funding is limited, but Council has made public safety the number one priority. We must consider funding opportunities as they become available and improve our aging equipment in order to continue to provide the protection our citizens expect.

I know that Council might have numerous questions and I would recommend that we have a representative from USDA attend a C.O.W. Meeting in order to truly understand the program and how it could benefit the community.

We are limited to time therefore, please let me know how we should proceed.

CC: Anita Palacios, City Clerk  
Matt Cordray, City Treasurer



# GRANDVIEW FIRE DEPARTMENT

## MEMORANDUM

**TO:** Cus Arteaga, City Administrator  
**COPY:** Mayor / Council  
**FROM:** Pat Mason, Fire Chief  
**DATE:** November 16, 2016  
**SUBJECT:** Vehicle Purchase Information

Listed below you will find several different categories of information as it applies to the decision of replacing fire department apparatus. The topics in this memo include: Property Insurance Comparisons, Washington Survey and Rating Bureau Apparatus Replacement information, National Fire Protection Association Standards on Apparatus Replacement, and some general information on my recommendation as to what trucks should be replaced and in what order. You can also get additional information pertaining to our apparatus fleet in the two (2) accompanying memos entitled "Fire Department Fleet Overview" and "Vehicle Fleet Maintenance and Repair Report."

### **PROPERTY INSURANCE COMPARISONS:**

In regards to your question of trying to put a dollar value to the possibility of our Community Protection Class Rating going from a 5 to a 6. I have contacted several of the local insurance agent offices and have received a multitude of different responses.

A large percentage of the agents are telling me that they no longer have the ability to tell you how that would affect the insurance rate for their customers. They only have the ability to put the customer information into the computer form and then the program tells them what the rate is. But they don't have the ability to go in and change the rating classification to see how that would change the premium amount.

I also spoke with an agent for State Farm who couldn't do that locally so they contacted the underwriter. The underwriter informed them that State Farm no longer uses the Protection Class Rating as part of their formula. So if the Rating changed from a 5 to a 6, that change by itself would not make any difference in their premium amounts.

With that said, I did find four examples of what the increase would be for someone if the rating went from a 5 to a 6:

- Example 1, Safeco Insurance / \$2,500,000 Policy Limit / PC 5 Annual Premium - \$6,104 / PC 6 Annual Premium - \$6,419 / Increase of \$315 annually.
- Example 2, Safeco Insurance / \$250,000 Policy Limit / PC 5 Annual Premium - \$980 / PC 6 Annual Premium - \$1,116 / Increase of \$136 annually.

- Example 3, Mutual of Enumclaw Insurance / \$250,000 Policy Limit / PC 5 Annual Premium - \$741 / PC 6 Annual Premium - \$884 / Increase of \$143 annually.
- Example 4, Unknown Insurance Company / \$300,000 Policy Limit / PC 5 Annual Premium - \$1,591 / PC 6 Annual Premium - \$1,816 / Increase of \$225 annually.

I think it should be noted that if we let our Protection Class Rating rise to a 6 then a large share of our constituents would end up paying more in insurance premiums. Delaying the purchase of a fire truck does not eliminate the fact that eventually we will have to buy one. And by the time we did buy one at a later date then it is virtually guaranteed that the cost will be even higher. And so at whatever point we do end up buying a truck, the taxpayers could be paying a higher insurance premium as well as paying for a new fire truck.

#### **WASHINGTON SURVEY AND RATING BUREAU (WSRB):**

The WSRB is the organization that evaluates our community and sets the Community Protection Class Rating. They evaluate us in four categories: Water Supply, Fire Department, Emergency Communications and Fire Safety Control. Each category is evaluated and deficiency points are assigned. These points are then tallied for a total number of deficiency points and after some other factors are considered the community is assigned a Protection Class Rating. (I can explain this further in some one on one conversation if someone would like, but the process is much too complex for me to try and explain here.) In our case, the fire department section deficiency points far outweigh any other category. So if it is the desire of the Mayor, City Council and yourself to further secure or improve the cities Class Rating then it would seem prudent to invest in things that would improve the fire department category. When a fire department apparatus becomes sixteen (16) years old then we receive an additional 10% deficiency points in that category for that truck. When that truck reaches twenty-five (25) years old then we receive another additional 10% deficiency points. So not allowing our apparatus to get twenty-five (25) years old does help our deficiency point score. With that said, I don't believe that based on our current overall rating that allowing one of our trucks to reach that twenty-five (25) year mark, if all other areas remained exactly the same, would give us enough additional points to cause us to lose our Protection Class 5 rating. Of course the possibility of all other areas remaining exactly the same is probably not a reasonable expectation either. So every little bit we can do to cut down on our deficiency points is helpful. So there is some benefit in this area in not allowing our apparatus to reach that twenty-five (25) year of age mark.

#### **NATIONAL FIRE PROTECTION ASSOCIATION (NFPA) STANDARDS ON APPARATUS REPLACEMENT:**

The NFPA Standards, although technically not always a legal requirement, set the firefighting industry standards. They contain standards that cover anything related to the fire service and are updated regularly much like the Fire and Building Codes. And even though they may not all be legally required, they would be referenced in any legal action being taken against a fire department as to what the industries best practices are expected to be.

NFPA 1901 Standard for Automotive Fire Apparatus (2016 Edition) sets the standard for how fire apparatus should be constructed. In Annex D, Section D. 1 General it says: "To maximize

fire fighter capabilities and minimize risk of injuries, it is important that fire apparatus be equipped with the latest safety features and operating capabilities. In the last 10 to 15 years, much progress has been made in upgrading functional capabilities and improving the safety features of fire apparatus.” It then goes on to recommend that any fire apparatus that is more than 15 years old should be placed in reserve status and updated as much as possible to today’s standards. It also goes on to say that any fire apparatus over 25 years old should be replaced.

NFPA 1911 Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus sets the standard for how fire apparatus should be maintained once they are in-service. In Annex D, Section D.1 General of this standard it says the same thing as NFPA 1901 about the improvements to modern day standards which relates to increased safety and capability for the fire service. It then goes on to make the same recommendation that apparatus 15 years old should be put in reserve status and updated and that apparatus 25 years old should be replaced.

### **GENERAL INFORMATION AND MY RECOMMENDATIONS:**

Let’s take a moment and consider what we as a community are expecting our firefighters and our fire department apparatus to do. The first expectation is that when my house catches on fire that a fire truck will show up at my house. If that truck fails on the way then it could cost that homeowner their life or all of their property. Another expectation is that when a building catches on fire and most people are running out of the building there is an expectation that a firefighter will take a charged hose line and go into the building. That firefighter is entering a place where he could be seriously hurt or killed if that fire truck sitting out front breaks down and quits supplying him with water. And an aerial apparatus is utilized to allow firefighters to operate over the top of a burning building. If it breaks down then it has the potential to halt our ability to save a citizen from an elevated position or stop a fire from spreading to adjacent properties. And in a worst case scenario it could cause a firefighter to be dropped into a burning building. We do everything we possibly can to keep our equipment in top shape, but I think we all know that as equipment gets older its potential to fail becomes more likely. And when a fire truck fails it doesn’t always just mean that you coast over to the curb and you are inconvenienced for a little while. When a fire truck fails it can make the difference between whether somebody lives or dies.

In regards to the areas of discussion I have already covered (Property Insurance Premiums, the Washington Survey and Rating Bureau and the National Fire Protection Standards) I believe that adhering to the NFPA Standards are the most important. It is my humble opinion that not following those standards leaves the city in the most vulnerable position as it relates to regulatory agencies, the legal system if something bad happens and also the court of public opinion. But I would follow that up with the thought that anything we can do that helps with maintaining or improving our Protection Class rating is always a good thing as well. Unfortunately as it relates to Insurance Premiums, whether we purchase a fire truck or not, I believe it is evident that it is going to cost the taxpayers more money. It’s just a matter of whether they spend the additional monies to buy fire apparatus or pay higher insurance premiums. And in the end, if we let their insurance premiums rise then eventually they are going

to end paying both higher insurance premiums and the replacement cost of their fire apparatus. Because the fire trucks will eventually have to be replaced, it's just a question of when.

In conclusion, I would recommend that we stay with my previous recommendation that we consider the life expectancy of a fire truck to be twenty-four (24) years for the following reasons:

- First – It is the right thing to do as it relates to the safety of our citizens as well as the safety of our firefighters who are quite literally putting their lives on the line to help others in our community. It also gives our fire department the best possible chance we can to limit property loss for those who experience a fire.
- Second – It maintains our position of being in compliance with the NFPA Standards. This in turn gives us the best possible chance of protecting the City of Grandview's reputation and financial resources. It does this by ensuring that we are staying in compliance with regulatory agencies who have oversight over us, protecting us from a liability standpoint as much as possible if some type of accident or failure were to occur, and protecting us to the extent possible in the court of public opinion by showing we are being diligent in our efforts to meet the emergency needs of our citizens as well as the firefighters tasked with protecting them.
- Third – It is a small step in the right direction to help maintain our Protection Class rating of 5. As I mentioned earlier, the fire department is by far the area of WSRB's evaluation process where the City of Grandview receives the most deficiency points. And it is evident that if we let that rating get higher, it will cost most of the city's taxpayers more money. And although it delays the expenditure to buy a fire truck, it doesn't change the fact that eventually that money will have to be spent as well probably at an even higher cost. And so ultimately the taxpayers would end up having to pay higher insurance premiums and the cost of purchasing a fire truck.
- Fourth – I believe that for the reasons stated above that replacing fire trucks at twenty-four (24) years of age results in us being diligent in getting the most value for the taxpayer's dollar.

By using twenty-four (24) years as a guide it also gives us a one (1) year cushion in case something unforeseen happens to still meet the twenty-five (25) year requirement.

In regards to the question of what order the trucks should be replaced in I will share the following thoughts. As with any piece of mechanical equipment there is always the potential for it to have mechanical problems that need to be fixed. And our equipment has been no exception to that. And we have also experienced some additional difficulties at times being able to get our equipment fixed because of the American La France Company going out of business. Unfortunately we have two (2) trucks that were made by that manufacturer. With that said I am confident that in almost every possibility, if a mechanical problem did occur we would eventually figure out a way to get it fixed. The only exception I can think of in this regard would be a poor "Repair Cost to Life Expectancy Ratio." As an example of what I'm saying: if something major happened to our aerial and it was going to cost \$150,000 to get it fixed and it only had 3 or 4 years of service life left, then I would seriously question whether we should take that \$150,000 and just apply it to the cost of a new aerial. Rather than investing that much money in a truck that is almost ready to be replaced. Unfortunately used fire apparatus of that

age has very little resale value. But there is no way we can predict something like that happening.

And so my recommendation would be that we replace trucks solely based on their age unless extenuating circumstances of some type actually do occur. This allows us the opportunity to get the maximum useful life out of each apparatus. And getting that maximum useful life results in us getting the maximum value for the money we spend on taxpayer's behalf. So I would recommend that we follow the recommendations I have in my "Fire Department Fleet Overview" memo as outlined below in the order they would need to be replaced.

GV-11 / 1995 E-One Pumper / Replace by 2019 / \$500,000  
GV-18 / 1999 American La France Quint / Replace by 2023 / \$1,000,000  
GV-12 / 2004 American La France Pumper / Replace by 2028 / \$500,000  
GV-214 / 2010 International Pumper / Replace by 2034 / \$500,000

It should also be noted that the time line for the process to replace a fire truck once the decision has been made to move forward can take from fourteen (14) to twenty-four (24) months to complete. The spec/bidding process can take up to one (1) year. And once the bid is accepted and the order placed to purchase the truck with the manufacture, then they have one (1) year to build and deliver the truck.

I have not discussed Rescue 14 in this memo. It is a 1997 heavy rescue truck that I would recommend be replaced in 2022. We share ownership in this truck with Yakima County Fire District #5. The funding for the replacement of this truck is currently being addressed in the EMS Funds category of my budget.

I apologize for the length of this memo, but it is a tremendous amount of information to try and share in regards to a very important decision.

If you have any questions or need further information please let me know.

Thanks,  
Pat

# GRANDVIEW FIRE DEPARTMENT

## MEMORANDUM

**TO:** Cus Arteaga, City Administrator  
**COPY:** Mayor / Council  
**FROM:** Pat Mason, Fire Chief  
**DATE:** November 14, 2016  
**SUBJECT:** Vehicle Fleet Maintenance and Repair Report

The following is an overview of the maintenance that is done on our vehicles routinely as well as any significant maintenance issues that we have experienced in recent years. I have included only the apparatus that would normally be charged to the current expense fund.

### APPARATUS OVERVIEW:

	MILEAGE	HOURS	HOURL'S TO MILEAGE (50)
• GV-11 / 1995 E-One Pumper	23,626	2,482	124,100
• GV-12 / 2004 American La France Pumper	9,722	741	37,050
• GV-18 / 1999 American La France Quint	27,835	2,578	128,900
• GV-214 / 2010 International pumper	7,823	735	36,750
• GV-6 / 2005 Ford Expedition	66,631		

### ANNUAL MAINTENANCE DONE:

#### **Command Vehicles:**

- Lube, oil filter service performed as needed based on mileage or time interval.

#### **Apparatus:**

- Lube, oil, filter service performed annually.
- Department of Transportation safety inspection performed annually.
- Pump capacity test performed annually.
- Pump drafting test performed annually.
- Pump and manifold vacuum test performed annually.
- GV-18 Aerial Ladder – inspected and put through a stress test annually.

All of the above listed service, evaluation, inspection and testing for apparatus is performed by an independent third party contractor. These items are done by third party contractors because they typically require specialized equipment and/or certifications to perform the work. Having a third party contractor perform the work also protects us from audits from regulatory agencies, the Washington Survey and Rating Bureau and such other oversight agencies.

In addition we have someone internal that does a monthly in depth inspection of each apparatus to check for any problems or issues that may arise. And each apparatus is given an abbreviated check weekly by personnel at our weekly training drill.

### **APPARATUS MAINTENANCE ISSUES:**

#### **GV-11**

- Heater cores replaced
- Pump packing replaced
- Multiple A/C issues diagnosed, repaired
- Front right spring pack rebuilt
- Multiple air valve and air leaks repaired
- All water valves rebuilt or replaced at least once
- Multiple electrical issues diagnosed, repaired
- Alternator replaced on multiple occasions
- Cab lift hydraulic system broke, repaired

#### **GV-12**

- Electronic governor/pump controller diagnosed, repaired
- Pump manifold cracked, repaired

#### **GV-18**

- PTO driven generator had to be replaced. Truck had to be modified to install new PTO driven generator because original equipment no longer available.
- PTO drive on transmission broke, rebuilt
- Multiple air valve and air leaks repaired
- Tank to pump valve replaced
- Multiple water valves rebuilt or replaced
- Hydraulic leak on left rear outrigger control valve. We have been working for several months with multiple vendors to try and find a solution to this problem. One of our obstacles is that the company that built the main components of the truck (American La France) went bankrupt approximately 4 years ago. So we are still looking for a solution to this problem.

#### **GV-214**

- The last two months we have been experiencing problems with the onboard 120 volt electrical system popping breakers. Since this truck is dual owned with Yakima County Fire District #5, their mechanics have been working on trying to diagnose the problem so they can get it fixed.

If you have any questions or need further information please let me know.

Thanks,  
Pat

# **GRANDVIEW FIRE DEPARTMENT MEMORANDUM**

**TO:** Cus Arteaga, City Administrator  
**COPY:** Mayor / Council  
**FROM:** Pat Mason, Fire Chief  
**DATE:** November 16, 2016  
**SUBJECT:** Fire Department Fleet Overview

The following is an overview of the fire department's fleet to include: Year and type of vehicle, its use, its expected life expectancy, when we suggest it be replaced, the projected cost of that replacement based on today's prices, and whether the vehicle is in the Equipment Rental fund or not.

## **Equipment Overview**

### **THESE VEHICLES ARE FUNDED IN THE EQUIPMENT RENTAL FUND**

#### **GV – 1 / 2015 Chevrolet Tahoe**

- In Equipment Rental Fund / charged to Fire Administration Program
- Chief Mason command vehicle
- 9 year life expectancy / scheduled to be replaced in 2024
- Replacement cost at today's dollars - \$44,000

#### **GV – 2 / 2009 Chevrolet Tahoe**

- In Equipment Rental Fund / charged to EMS Program
- Captain Saenz command vehicle
- 9 year life expectancy / scheduled to be replaced in 2018
- Replacement cost at today's dollars - \$44,000

#### **GV – 3 / 2009 Chevrolet Tahoe**

- In Equipment Rental Fund / charged to Fire Suppression Program
- Volunteer Officer command vehicle
- 9 year life expectancy / scheduled to be replaced in 2018
- Replacement cost at today's dollars - \$44,000

### **THE FOLLOWING VEHICLES ARE NOT FUNDED IN THE EQUIPMENT RENTAL FUND – THERE WAS \$20,000 SET ASIDE IN THE 2016 BUDGET TO GO TOWARDS FIRE TRUCK REPLACEMENT**

#### **GV – 6 / 2005 Ford Expedition**

- Covered under Fire Suppression Program
- Used for training new officers, classes, as a backup vehicle and etc.



- Will be traded out with other command vehicles as they are replaced

**GV 11 / 1995 E – One Pumper**

- First out pumper (due to pump capacity and six man cab)
- Six man cab / 1750 GPM pump
- Recommended life expectancy – 24 years
- **Recommended replacement in 2019**
- Replacement cost at today's dollars - \$476,000.00

**GV 12 / 2004 American La France Pumper**

- Third out pumper (mutual aid pumper)
- Five man cab / 1250 GPM pump (recommend 1750 GPM when replaced)
- Recommended life expectancy – 24 years
- Recommended replacement in 2028
- Replacement cost at today's dollars - \$476,000.00

**GV 18 / 1999 American La France Quint**

- 75' aerial
- Six man cab / 1500 GPM pump (recommend 2000 GPM when replaced)
- Recommended life expectancy – 24 years
- **Recommended replacement in 2023**
- Would recommend 102' platform truck for replacement - \$1,000,000.00

**Rescue 14 / 1997 Braun (50/50 split with Yakima County Fire Dist. #5)**

- Transport capable
- Recommended life expectancy – 25 years
- Recommended replacement in 2022
- Replacement cost at today's dollars - \$250,000.00
- This item could be replaced with EMS Levy dollars if levy still in effect and budgeting allows us to build up necessary reserve dollars

**214 / 2010 International Pumper (50/50 split with Yakima County Fire Dist. #5)**

- Second out pumper
- Five man cab / 1750 GPM pump
- Recommended life expectancy – 24 years
- Recommended replacement in 2034
- Replacement cost at today's dollars - \$475,000.00

It should be noted that the time line to replace a fire engine or aerial truck once funding is in place can take approximately 18 to 24 months. It should also be noted that the Washington Rating Bureau would recommend that we have one more additional Pumper based on the size of the fire load in our community.

If you have any questions or need further information please let me know.

Thanks,  
Pat

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>  Resolution authorizing the Mayor to sign Supplemental Agreement Number 2 with Huibregtse, Louman Associates, Inc., for professional engineering services relating to the Old Inland Empire Highway Improvements	<b>AGENDA NO.:</b> New Business 4 (C)  <b>AGENDA DATE:</b> November 22, 2016
<b>ORIGINATING SOURCE</b>  Public Works Department	<b>FUNDING CERTIFICATION</b> (City Treasurer) (If applicable)  N/A

**DEPARTMENT HEAD REVIEW**

Cus Arteaga, City Administrator/Public Works Director

**CITY ADMINISTRATOR**

**MAYOR**

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

Currently, the City is under contract with HLA for the design of the Old Inland Empire (OIE) Highway Improvements which are funded through an STP Grant. The agreement was executed on January 14, 2014, with a maximum payable amount of \$242,900 and the design was to be completed on June 30, 2015. Due to the lack of available construction funding, we have extended the completion of the design work.

On May 12, 2015, Council approved Resolution No. 2015-28 authorizing the Mayor to sign Supplemental Agreement Number 1 with HLA Engineering and Land Surveying, Inc., to extend the completion date for design of the OIE Highway improvements to December 31, 2016.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

In order to provide the City with additional time to apply for construction funds, staff recommends Council approve Supplement Agreement Number 2 with HLA to extend the completion date for design to December 31, 2020. The supplemental agreement does not increase the cost and only extends the completion date.

**ACTION PROPOSED**

Move a resolution authorizing the Mayor to sign Supplemental Agreement Number 2 with Huibregtse, Louman Associates, Inc., for professional engineering services relating to the Old Inland Empire Highway Improvements to the next regular Council meeting for consideration.

17



**\* TRANSMITTAL \***

Phone: (509) 966-7000 / FAX: (509) 965-3800  
2803 River Road, Yakima, WA 98902

**Date:** November 7, 2016

**Project No.:** 13134

**To:** City of Grandview  
207 West Second Street  
Grandview, WA 98930

**Attention:** Cus Arteaga  
City Administrator

**From:** Terry D. Alapeteri, PE

**Re:** Old Inland Empire Highway Improvements (STP)

---

**We are sending you the attached following items:**

Two (2) original Local Agency Standard Consultant Supplemental Agreements

---

**Comment:**

Attached for City consideration are two original Local Agency Standard Consultant Supplemental Agreements for the Old Inland Empire Highway Improvements STP project extending the completion date of the PE phase to 12/31/2020. The original contract amount and scope of work remain unchanged.

Following your review and council approval of these agreements, please have the Mayor sign and date the documents, and return one (1) executed copy to our office. To avoid a lapse in contract, the new Supplemental Agreement must be signed by 12/31/2016.

If you have any questions or need additional information, please contact me.

Copy to: \_\_\_\_\_ Signed: Terry D. Alapeteri

**RESOLUTION NO. 2016-\_\_\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING THE MAYOR TO SIGN SUPPLEMENTAL AGREEMENT  
NUMBER 2 WITH HUIBREGTSE, LOUMAN ASSOCIATES, INC.  
FOR PROFESSIONAL ENGINEERING SERVICES RELATING TO THE  
OLD INLAND EMPIRE HIGHWAY IMPROVEMENTS**

**WHEREAS**, the Yakima Valley Regional Transportation Planning Organization has awarded Surface Transportation Program (STP) funds to the City for the Old Inland Empire Highway Improvements; and

**WHEREAS**, the City must execute Supplemental Agreement Number 2 with Huibregtse, Louman Associates, Inc., extending the completion date of the professional engineering phase of the project to December 31, 2020 in order to remain in compliance for said funding;

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

The Mayor is hereby authorized to sign Supplemental Agreement Number 2 with Huibregtse, Louman Associates, Inc., in the form attached hereto and incorporated herein by reference for the Old Inland Empire Highway Improvements.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_

**CITY CLERK**

**APPROVED AS TO FORM:**

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



Washington State  
Department of Transportation

<b>Supplemental Agreement Number</b> <u>2</u>		<b>Organization and Address</b> HLA Engineering and Land Surveying, Inc. 2803 River Road Yakima, WA 98902 Phone: 509-966-7000	
<b>Original Agreement Number</b> 13134E			
<b>Project Number</b> STPUS-8052(003)	<b>Execution Date</b> 1/14/2014	<b>Completion Date</b> 12/31/2020	
<b>Project Title</b> Old Inland Empire Highway Improvements	<b>New Maximum Amount Payable</b> \$ 242,900.00		
<b>Description of Work</b> Reconstruct roadway including widening, excavation, gravel surfacing, hot mix asphalt, curb and gutter, sidewalk, storm drainage improvements, landscaping, and street lights.			

The Local Agency of City of Grandview

desires to supplement the agreement entered into with HLA Engineering and Land Surveying, Inc.

and executed on 1/14/2014 and identified as Agreement No. 13134E

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

SCOPE OF WORK shall remain unchanged.

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion Date shall be changed to December 31, 2020

III

Section V, PAYMENT, shall be amended as follows:

PAYMENT shall remain unchanged.

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: HLA Engineering and Land Surveying, Inc.

By: City of Grandview

  
Consultant Signature

\_\_\_\_\_  
Approving Authority Signature

\_\_\_\_\_  
Date

November 17, 2016

City of Grandview, WA  
603 North Willoughby  
Grandview, WA 98930

RE: CLEC Telecommunications Utility Installation

Dear Cus Arteaga,

Mobilitie, LLC is a CLEC Telecommunications Utility company regulated by the Washington Public Utilities Commission to provide telephone related services, such as facilities based competitive local exchange and interexchange services. To meet the growing demand for connectivity, Mobilitie is deploying a hybrid transport network that provides high-speed, high-capacity bandwidth in order to facilitate the next generation of devices and data-driven services. This network can support a variety of technologies and services that require connectivity to the internet, including, but not limited to, driverless and connected vehicles (commercial, personal and agricultural), remote weather stations and mobile service providers. These transport utility poles and facilities are not dedicated to any particular customer, and, to the extent capacity on the structures is available, and available to be used by other municipal entities.

Mobilitie plans to construct the utility infrastructure within the next 18 months. Our hybrid transport network is an industry changing approach that seeks to improve backhaul connectivity for the City's residents. We are excited to work with you and are available to answer questions. If you have questions, please contact me at 509-290-4472.

Thank you for your attention to this matter.

Respectfully submitted,

*Jason Verduzco*

Jason Verduzco  
Permitting Manager

\*Enclosure

WASHINGTON

UTC

UTILITIES AND TRANSPORTATION  
COMMISSION

REGISTRATION  
OF

Mobilitie, LLC

AS A COMPETITIVE  
TELECOMMUNICATIONS COMPANY

Docket Number UT-070510

April 13, 2007

Effective Date



CAROLE J. WASHBURN

Executive Secretary

CERTIFICATE IS NOT TRANSFERABLE

12







Mobilitie, LLC  
2220 University Drive  
Newport Beach, CA 92660  
USA Tel: 949 515 1500  
www.mobilitie.com

November 2, 2016

Quinn Plant  
Menke Jackson Beyer, LLP  
807 North 39<sup>th</sup> Avenue  
Yakima, WA 98902

RECEIVED

NOV 03 2016

MJBE&H

Re: Mobilitie, LLC/ City of Grandview, WA – Franchise Agreement

Dear Ms. Plant,

On behalf of Mobilitie, LLC, please find enclosed two (2) partially executed originals of the Franchise Agreement made by and between Mobilitie, LLC and the City of Grandview, WA.

Please contact me at your earliest convenience should you have any questions or require additional information from Mobilitie. My contact information is (949) 999-4542 or [nmorales@mobilitie.com](mailto:nmorales@mobilitie.com). Thank you for your assistance with this matter.

Best Regards,  
MOBILITIE

  
Natalia Morales  
Legal Assistant

24

ORDINANCE NO. 2016-\_\_\_\_

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
APPROVING A FRANCHISE AGREEMENT BETWEEN THE CITY OF  
GRANDVIEW AND MOBILITIE, LLC**

**WHEREAS**, the City is authorized to grant franchises for the installation, operation and maintenance of telecommunications services within the City; and,

**WHEREAS**, the grantee, Mobilitie, LLC, has represented to the City that it provides a telephone business as defined by RCW 82.16.010, and has applied to the City for a telecommunications service franchise to construct, operate and maintain a telecommunications service within the City; and,

**WHEREAS**, the City is willing to accept such a franchise subject to the terms and conditions stated herein and to abide by these terms and conditions; and,

**WHEREAS**, the City Council finds that it would serve the public interest of the residents of the City to grant a non-exclusive telecommunications services franchise to Mobilitie, LLC, subject to the terms and conditions set forth below.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. The Mayor is hereby authorized to sign and otherwise execute the franchise agreement with Mobilitie, LLC. The terms and conditions governing the franchise shall be those set forth in the franchise agreement attached hereto as Exhibit A.

Section 2. This Ordinance shall be in full force and effect five (5) day after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and approved by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

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

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

**APPROVED AS TO FORM:**

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

**PUBLICATION:  
EFFECTIVE:**

25

**FRANCHISE AGREEMENT BETWEEN THE  
CITY OF GRANDVIEW AND MOBILITIE, LLC,  
FOR THE USE OF PUBLIC RIGHTS-OF-WAY**

**TABLE OF CONTENTS**

<b>SECTION</b>	<b>PAGE</b>
<b>SECTION 1. DEFINITIONS .....</b>	<b>2</b>
<b>SECTION 2. GRANTING CLAUSE .....</b>	<b>4</b>
<b>SECTION 3. PERMITTED USE OF RIGHTS-OF-WAY .....</b>	<b>5</b>
<b>SECTION 4. TERM AND AMENDMENTS.....</b>	<b>5</b>
<b>SECTION 5. COMPENSATION AND FINANCIAL PROVISIONS .....</b>	<b>7</b>
<b>SECTION 6. APPROVAL OF COMMUNICATION SITES.....</b>	<b>10</b>
<b>SECTION 7. CONSTRUCTION WORK-REGULATION BY CITY .....</b>	<b>12</b>
<b>SECTION 8. CONSTRUCTION, RESTORATION AND MAINTENANCE ACTIVITIES .....</b>	<b>12</b>
<b>SECTION 9. SUPERVISION BY CITY OF LOCATION OF POLES.....</b>	<b>15</b>
<b>SECTION 10. INTERFERENCE WITH OTHER FACILITIES PROHIBITED .....</b>	<b>15</b>
<b>SECTION 11. COMPLIANCE WITH UTILITY REGULATIONS.....</b>	<b>16</b>
<b>SECTION 12. EMERGENCY CONTACTS.....</b>	<b>16</b>
<b>SECTION 13. INDEMNITY.....</b>	<b>16</b>
<b>SECTION 14. INSURANCE REQUIREMENTS.....</b>	<b>18</b>
<b>SECTION 15. ADMINISTRATION OF FRANCHISE.....</b>	<b>19</b>
<b>SECTION 16. ASSIGNMENT OF FRANCHISE .....</b>	<b>20</b>
<b>SECTION 17. FUTURE CONTINGENCY.....</b>	<b>21</b>
<b>SECTION 18. AGREEMENT VIOLATIONS LEADING TO TERMINATION.....</b>	<b>21</b>
<b>SECTION 19. GOVERNING LAW, JURISDICTION AND VENUE .....</b>	<b>21</b>
<b>SECTION 20. NON-DISCRIMINATION .....</b>	<b>22</b>
<b>SECTION 21. MISCELLANEOUS PROVISIONS .....</b>	<b>22</b>

**FRANCHISE AGREEMENT BETWEEN THE  
CITY OF GRANDVIEW AND MOBILITE, LLC,  
FOR THE USE OF PUBLIC RIGHTS-OF-WAY**

This FRANCHISE AGREEMENT FOR THE USE OF PUBLIC RIGHTS OF WAY ("Agreement") is made and entered into by and between the City of Grandview ("City" or "Franchisor"), and Mobilite, LLC, a Nevada limited liability company ("Franchisee"). The City and Franchisee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

**WHEREAS**, The City has the power to regulate the public rights-of-way within its territorial boundaries;

**WHEREAS**, Franchisee is a registered Competitive Telecommunications Company in the State of Washington, Docket # UT-070510;

**WHEREAS**, Franchisee desires the use of the public rights-of-way for the purpose of installing, maintaining and operating communications facilities as defined by this Agreement pursuant to applicable law, in a manner consistent with the City's public rights-of-way regulations, and all other applicable local, state and federal regulations; and

**NOW THEREFORE, IN RECOGNITION OF MUTUAL CONSIDERATION, THE ABOVE PARTIES AGREE TO THE FOLLOWING:**

**SECTION 1. DEFINITIONS**

For purposes of this Agreement the following terms shall have the same meanings herein. When not inconsistent with the context, words in the plural number include the singular number, and words in the singular include the plural.

- (a) "Annual License Fee" means the annual rate described in Section 5 of this Agreement.
- (b) "Backhaul Equipment" means broadband backhaul transmission facilities, whether provided by landline communications infrastructure (including, without limitation, fiber, conduit and related equipment and improvements) ("Landline Backhaul Equipment") and/or wireless communications infrastructure (including, without limitation, wireless microwave and related cables, wires, equipment and improvements) ("Wireless Backhaul Equipment") that interconnects with Wireless Communication Equipment at the Point-of-Demarcation and is for the purpose of providing Backhaul Service.
- (c) "Backhaul Service" means communications transport service, whether provided by Landline Backhaul Equipment or Wireless Backhaul Equipment that interconnects with the Wireless Communication Equipment at the Point-of-Demarcation.

- (d) "City Representative" means the then current person at the City that oversees administration of this Agreement, or his/her designee.
- (e) "Communication Facility" means Wireless Communication Equipment and/or Backhaul Equipment.
- (f) "Communication Service" means Wireless Communication Service and/or Backhaul Service.
- (g) "Communication Site" means a location in the Public Rights-of-Way selected for the Communication Facility.
- (h) "Communication Site Application" means a document, substantially in the form attached as Exhibit A, which shall identify the location of the proposed Communication Site, describe the characteristics of the proposed Communication Facility installation, and be accompanied by relevant documents to support approval of the proposed installation.
- (i) "Communication Sites Inventory" means an accurate and current inventory of all Communication Sites approved by the City pursuant to this Agreement.
- (j) "Effective Date" means the latest date on which this Agreement is signed by both Parties.
- (k) "Gross Revenues" means any and all revenue, of any kind, nature, or form, without deduction for expenses in the City, but exclusive of (1) any payments, reimbursements or pass-throughs from any third party to Franchisee for utility charges, taxes and other pass-through expenses, or in connection with maintenance work performed or Communication Facilities installed by Franchisee, (2) site acquisition, construction management or supervision fees related to the installation of the Communication Facilities, and (3) contributions of capital by any third party to reimburse Franchisee in whole or in part for the installation of the Communication Facilities. All such revenue remains subject to applicable FCC rules and regulations which exclude revenues from internet access services while prohibited by law.
- (l) "Point of Demarcation" means the point of where the Wireless Communication Equipment terminate and interconnect with Backhaul Equipment.
- (m) "Rights-of-Way" or "Public Rights-of-Way" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, path, public way or place, sidewalk, alley, boulevard, parkway, drive, or other easement now or hereafter-held by the City or over which the City exercises any rights of management control.

- (n) "Rights-of-Way Regulations" means all portions of City ordinances that concern the regulation or management of Public Rights-of-Way, which are applicable to all utilities operating within the City.
- (o) "Rights-of-Way Manager" means the then current person at the City that oversees the Public Rights-of-Way, or his/her designee.
- (p) "Supplemental License" means a document, substantially in the form attached as Exhibit B. Each Communication Site installation will be subject to a Supplemental License.
- (q) "Transmission Media" means radios, antennas, transmitters, wires, fiber optic cables, and other wireless transmission devices which are part of the Wireless Communication Equipment.
- (r) "Unauthorized Communication Site" means use of Public Rights-of-Way for the installation of Communication Facility on City poles or poles owned by another party, or for the installation of Franchisee poles or any other facilities, for which Franchisee did not receive approval under this Agreement.
- (s) "Unauthorized Installation Charge" means the license fee payable by Franchisee to the City under this Agreement for an Unauthorized Communication Site.
- (t) "Wireless Communication Service" means wireless, Wi-Fi, voice, data, messaging, or similar type of wireless service now or in the future offered to the public in general using spectrum radio frequencies, whether or not licensed by the Federal Communication Commission ("FCC") or any successor agency.
- (u) "Wireless Communication Equipment" means the Transmission Media attached, mounted, or installed on a pole located in Public Rights-of-Way, in addition to control boxes, cables, conduit, power sources, and other equipment, structures, plant, and appurtenances between the Transmission Media and the Point-of-Demarcation for the purpose of providing Wireless Communication Service.

## **SECTION 2. GRANTING CLAUSE**

- (a) **Franchise to Use Rights-of-Way** – The City hereby grants Franchisee, a non-exclusive franchise to use and occupy Rights-of-Way throughout the territorial boundaries of the City, as these boundaries may be adjusted from time-to-time due to annexations, for the permitted uses contemplated under Section 3, subject to the conditions outlined in this Agreement.
- (b) **License to Use City Poles** – The City also grants Franchisee the right to use City poles for the purpose of attaching the Communication Facility based on the then-

current inventory of City poles. Access to individual City poles will be determined on a case-by-case basis pursuant to the provisions of this Agreement.

- (c) **Non-Exclusive License** – The Franchisee’s right to use and occupy the Public Rights-of-Way and attach to City poles shall not be exclusive as the City reserves the right to grant a similar use of same to itself or any person or entity at any time during the Term.
- (d) **No Cable or Open Video System Services** - This Franchise does not authorize Franchisee to provide Cable or Open Video System services. This Franchise is not a bar to imposition of any lawful condition on Franchisee with respect to Cable or Open Video System services, whether similar, different or the same as the conditions specified herein. This Franchise does not relieve Franchisee of any obligation it may have to obtain from the City separate authorization to provide Cable or Open Video System services, or to relieve Franchisee of its obligation to comply with any such authorizations that may be lawfully required.

### **SECTION 3. PERMITTED USE OF RIGHTS-OF-WAY**

- (a) **Provision of Personal Communication Service** – Public Rights-of-Way may be used by Franchisee, seven (7) days a week, twenty-four (24) hours a day, only for the installation, construction, use, maintenance, operation, repair, modification, replacement and upgrade of the Communication Facility by Franchisee from time to time for Wireless Communication Service and/or Backhaul Service or to comply with applicable law, and not for any other purpose whatsoever. This Agreement shall include new types of Wireless Communication Equipment or Backhaul Equipment that may evolve or be adopted using wireless technologies. Franchisee shall, at its expense, comply with all applicable federal, state, and local laws, ordinances, rules and regulations in connection with the use of Public Rights-of-Way.
- (b) **Installations** – Wireless Communication Equipment and Wireless Backhaul Equipment may be installed only on the City’s poles under the terms of this Agreement, on poles under the terms of a separate agreement with the owner of such poles, or on Franchisee’s poles and surrounding space until the Point-of-Demarcation, and Landline Backhaul Equipment may be installed only at the locations and as provided in a Supplemental License executed by the City. If the Communication Facility is to be installed on a Franchisee pole, such pole shall be deemed part of the Communication Facility for purposes of this Agreement.

### **SECTION 4. TERM AND AMENDMENTS**

- (a) **Term of Agreement** – The term of this Agreement shall be for ten (10) years commencing on the Effective Date and ending at midnight on the last day of the term (the “Term”), provided however that, unless either Party provides written notice to the other Party prior to expiration of the Term that the notifying Party will

not renew the Term, the Term will automatically renew for one (1) additional ten (10) year period, upon the same terms and conditions set forth in this Agreement. Notwithstanding the foregoing, in no event shall the Term expire until: (i) terminated pursuant to Section 18, or (ii) the expiration or earlier termination of all Supplemental Licenses entered into hereunder.

- (b) **Supplemental Licenses** – Each Communication Site will be subject to a Supplemental License pursuant to the terms and conditions of this Agreement. The term of each Supplemental License shall be for (5) years commencing on the date the corresponding Communication Site Application is approved as provided hereunder (“Commencement Date”), provided however that, so long as the Term is still in effect, unless Franchisee provides written notice to the City prior to the expiration of the then current term that Franchisee will not renew the term, the term will automatically renew for consecutive five (5) year periods, upon the same terms and conditions set forth in this Agreement.
- (c) **Termination of Supplemental Licenses** – A Supplemental License may be terminated prior to the expiration of the Term: (i) by the City upon notice to Franchisee, if Franchisee fails to pay any amount when due hereunder concerning the applicable Communication Facility and such failure continues for fifteen (15) days after Franchisee's receipt of written notice of nonpayment from the City; or (ii) by either Party upon notice to the other Party, if such other Party materially breaches any provision of this Agreement concerning the applicable Communication Facility and the breach not cured within sixty (60) days after receipt of written notice of the breach from the non-breaching Party; or (iii) by the City upon written notice to Franchisee that the City requires the removal of the Communications Facility, or the pole upon which a Communications Facility is affixed, for reasons pertaining to public safety (including traffic and transportation safety) or municipal infrastructure alterations or improvements; or (iv) by Franchisee, at any time, with or without cause, upon notice to the City.
- (d) **Effect of Termination** – All Annual License Fees paid prior to the expiration or earlier termination of the Supplemental License shall be retained by the City. Within thirty (30) days after such expiration or earlier termination, Franchisee shall provide the City Representative with a schedule and timeline for removing the Communication Facility reasonably acceptable to the City Representative, excluding subsurface infrastructure. Franchisee shall continue to be liable to the City for the Annual License Fee prorated for every month that such Communication Facility remains in the Rights-of-Way and the Supplemental Franchisee shall be deemed to remain in effect until it is removed. After such removal, the Supplemental License shall be of no further force or effect and Franchisee shall have no further obligations for the payment of Annual License Fees to the City in connection therewith.



## SECTION 5. COMPENSATION AND FINANCIAL PROVISIONS

- (a) **Franchise Fee** - Franchisee and the City understand that RCW 35.21.860, as of the effective date of this Franchise, prohibits imposition of a municipal franchise fee applicable to revenues from telephone business activities. Franchisee agrees that if this statutory prohibition is removed, and the City obtains the explicit authority from the State to impose a municipal franchise fee applicable to revenue from telephone business activities, and if the City imposes such a fee on all other entities engaged in telephone business activities within the City, then Franchisee's Gross Revenues for telephone business activities will be included in the Gross Revenues from its business activities and subject to a franchise fee. Further, if, during the term of this Franchise, Franchisee should add to or modify the services it offers in such a way so that the aforementioned prohibition against imposition of a municipal franchise fee did not apply, the City may assess a reasonable franchise fee. Franchisee and the City agree that a reasonable franchise fee would be no less than three percent (3%) of Franchisee's Gross Revenues for telephone business activities within the City. Franchisee and the City agree that nothing in this Section limits the right of Franchisee to challenge imposition of a municipal franchise fee pursuant to 47 USC § 253.
- (b) **Utility Tax** - Franchisee and the City further understand and agree that RCW 35.21.870, as of the effective date of this Franchise, limits the rate of City tax upon telephone business activities as may be defined in Grandview Municipal Code to six percent (6%) of Gross Revenues, unless a higher rate is approved by a vote of the people. However, Franchisee and the City agree that nothing in this Franchise shall limit the City's power of taxation, as may now or hereafter exist.
- (c) **Stipulation by Franchisee** - Franchisee hereby stipulates that all of its business activities in the City as identified in this Agreement are taxable activities subject to the six percent (6%) rate to be included in Gross Revenues received, as imposed under the City's occupation taxes on utilities, adopted in Grandview Municipal Code Section 3.60.050. Therefore, throughout the term of this Franchise, Franchisee shall include all Gross Revenue received from all of its business activities within the City as taxable activities, subject to the six percent (6%) rate imposed under the City's occupation taxes on utilities as adopted in GMC Section 3.60.050.
- (d) **Payment of the City's costs** - Franchisee shall pay the City all reasonable costs of granting, enforcing or reviewing the provisions of this Franchise as ordered by the Mayor or designee, including costs incurred by the City prior to approval of the Franchise, specifically to include attorney's fees reasonably incurred by the City in reviewing this agreement and negotiating over the terms of this agreement with Franchisee prior to presentation and approval by the City Council in an amount not to exceed \$2,500.00, whether as a result of accrued in-house staff time or out-of-pocket expenses or administrative costs. Such obligation further includes municipal fees related to receiving and approving permits, licenses or

other required approvals, inspecting plans and construction, or relating to the preparation of a detailed statement pursuant to RCW 43.21C.

Upon request of Franchisee, the City will submit proof of any charges or expenses incurred as defined in Section 5(d) of this Franchise. Said charges or expenses shall be paid by Franchisee no later than thirty (30) days after Franchisee's receipt of the City's billing thereof.

- (e) **Payment of other taxes and fees** - Franchisee shall pay all other taxes and fees applicable to its operations and activities within the City, all such obligations also being a condition of this Franchise. Such payments shall not be deemed franchise fees or payments in lieu thereof.
- (f) **Payments** - Franchisee shall make all required payments in the form, intervals and manner requested by the City and shall furnish the City any and all information related to the City's revenue collection functions reasonably requested.

City utility tax (see Section 5(b)) payments shall be paid by Franchisee to the City of Grandview as directed by the City. No acceptance of any payment by the City shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of any claim, which the City may have for further or additional sums payable under the provisions of this Franchise.

Neither current nor previously paid utility taxes may be subtracted from the Gross Revenue amount upon which utility tax payments are calculated and due for any period. Nor shall any license fee(s) paid by Franchisee be subtracted from Gross Revenues for purposes of calculating utility tax payments.

Any utility taxes owing pursuant to this Franchise which remain unpaid for more than ten (10) days after the dates specified herein shall be delinquent and shall thereafter accrue interest at twelve percent (12%) per annum or two percent (2%) above prime lending rate as quoted by major Seattle banks, whichever is greater.

- (g) **Financial Records** - Franchisee shall manage all of its operations in accordance with a policy of keeping books and records open and accessible to the City for purposes of performing an audit as described below. The City shall have the right, as necessary or desirable for effectively administering and enforcing this Franchise, to inspect at any time during normal business hours upon thirty (30) days prior written notice, all books, records, maps, plans, financial statements, service complaint logs, performance test results, records required to be kept by Franchisee and/or any parent company of Franchisee pursuant to the rules and regulations of the FCC, WUTC and other regulatory agencies, and other like materials Franchisee and/or any parent company of Franchisee which directly

relate to the operation of this Franchise.

Access to the aforementioned records referenced in Section 5(g) shall not be denied by Franchisee to representatives of the City on the basis that said records contain "proprietary" information. However, to the extent allowed by Washington law, the City shall protect the trade secrets and other confidential information of Franchisee and/or any parent company of Franchisee.

Franchisee hereby agrees to meet with a representative of the City upon request to review its methodology of record keeping, financial reporting, computing utility tax payments and other procedures, the understanding of which the City deems necessary for understanding the meaning of such reports and records.

The City agrees to request access to only those books and records, in exercising its rights under this Franchise, which it deems reasonably necessary for the enforcement and administration of this Franchise.

- (h) **Auditing** - The City or its authorized agent may conduct an independent audit of Franchisee no more than once every five years during the Term or any renewal term. Franchisee and each parent company of Franchisee shall cooperate fully in the conduct of such audit. In case of audit, the City may require Franchisee to furnish a report detailing the calculation of Gross Revenues from each of the Communications Facilities. All audits will take place on Franchisee's premises or at offices furnished by Franchisee, which shall be a location within the City of Grandview. Franchisee agrees, upon request of the City, to provide copies of all documents filed with any federal, state or local regulatory agency, to mail to the City on the same day as filed, postage prepaid, affecting any of Franchisee's facilities or business operations in City.
- (i) **Annual License Fee** – The Annual License Fee per Communication Site shall be as provided in the following table depending on the type of Communication Facility thereat:

Type of Communication Facility:	Annual License Fee:
Wireless Communication Equipment (or Wireless Backhaul Equipment) on a pole owned by the City	\$100
Landline Backhaul Equipment	The City's standard underground utility rate

- (j) **Timing of License Fee Payments** – Franchisee shall pay in advance to the City the Annual License Fee for the coming year for each Communication Site. The Annual License Fee for all Communication Sites installed during any given month will commence and be due on the first day of the following month (the "License Fee Commencement Date"). Thereafter, on each annual anniversary of License Fee Commencement Date, Franchisee shall pay the City the Annual License Fees.

- (k) **Late Payment Interest** – Any Annual License Fees not paid within fifteen (15) days of notice of non-payment will be assessed a rate of 10% per annum from that date.
- (l) **Annual License Fees to the City** – Franchisee shall pay the City the fees specified in this Section in the form of a money transfer or a check made out to the order of the City of Grandview and sent to:

City of Grandview, Treasurer  
207 West Second Street  
Grandview, WA 98930

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## **SECTION 6. APPROVAL OF COMMUNICATION SITES**

- (a) **Communication Site Application** – Franchisee shall file with the City Representative a Communication Site Application for every proposed Communication Site. Said application form may be modified from time-to-time by the City Representative as deemed necessary in order to more efficiently process applications from Franchisee.
- (b) **Communication Site Approval Process** – Upon filing of a Communication Site Application, the City Representative shall process the Communication Site Application within thirty (30) days, unless the City Representative and Franchisee agree in writing to extend such process. Franchisee shall reimburse the City for any and all costs incurred by the City in processing the Communications Site Application, to include survey and/or engineering costs. The obligation to reimburse the City for costs does not include costs associated with work by City employees as part of the employees' normal job duties.
  - (1) **Rights-of-Way Determination** – The City will determine whether the location (and any existing pole) identified by Franchisee as a Communication Site is within City Rights-of-Way.
  - (2) **Ownership of City Pole** – The City will confirm the ownership of any City pole identified for installation of the Communication Facility.
  - (3) **Site Eligibility** – The City shall determine whether a requested City pole or the location for the installation for a new pole is eligible as a Communication Site based on space availability or other considerations. In addition, the City must determine whether public safety considerations prevent eligibility of a pole as a Communication Site. Concerning a request to install a new pole, the City shall determine whether City policies and availability of Rights-of-Way prevent the pole installation at the requested location.

**(4) Review Criteria** – For each Communication Site Application, the City Representative shall:

- a. Verify that the Communication Site Application is complete.
- b. Review engineering design documents to determine:
  - i. compliance with contractual requirements under this Agreement; and
  - ii. no interference with City public safety radio system, traffic signal light system, or other communications components; and
  - iii. compliance with City pole attachment regulations for traffic light poles, including replacement of an electric meter with dual meters, if and as applicable; and
  - iv. no interference with traffic infrastructure, transportation infrastructure or public safety, as reasonably determined by the City; and
  - v. compliance with municipal design standards, if any.
- c. Determine compliance with any other applicable requirements.

All Communication Site Applications requesting access to a City pole must include a load bearing study to determine whether the attachment of the Communication Facility may proceed without pole modification or whether the installation will require pole reinforcement or replacement. If pole reinforcement or replacement is necessary, Franchisee shall provide engineering design and specification drawings demonstrating the proposed alteration to the pole.

As appropriate, the City Representative shall require Franchisee to make design modifications in order to comply with applicable contractual, regulatory, or legal requirements. Failure to make the requested design modifications shall result in an incomplete Communication Site Application which may not be processed under this Agreement.

**Approval of Application** – Upon finding that the Communication Site Application is complete and in compliance with all applicable requirements as outlined above, the City Representative shall approve such Communication Site application. The approval of the Communication Site Application requesting to attach to a City pole, or to install a new pole, shall authorize Franchisee to proceed to obtain all generally applicable, ministerial permits that are required

of all occupants of the Public Rights-of-Way, if required (collectively, "ROW Permit"). Franchisee shall comply with the requirements of the Rights-of-Way Regulations. Franchisee shall pay all appropriate Washington standard promulgated one-time ROW Permit fees, if required. The City may impose on the ROW Permit only those conditions that are necessary to protect structures in the Public Rights-of-Way, to ensure the proper restoration of the Public Rights-of-Way and any structures located therein, to provide for protection and the continuity of pedestrian and vehicular traffic, and otherwise to protect the safety of the public's utilization of the Public Rights-of-Way. Upon obtaining a ROW Permit, Franchisee may proceed to install the Communication Facility in coordination with any affected City departments. Approval of a Communication Site Application related to the use of a pole owned by a third party, shall authorize Franchisee to proceed with attachment process applicable to the pole owner and in accordance with the pole owner's regulations proceed to install the Communication Facility in coordination with any affected City departments.

- (5) **Execution of Supplemental License** – Upon approval of the Communication Site Application, the Parties shall execute a Supplemental License, which shall be effective as of the date of application approval.

#### **SECTION 7. CONSTRUCTION WORK-REGULATION BY CITY**

- (a) **Compliance with Law Required** – The work done by Franchisee in connection with the installation, construction, maintenance, repair, and operation of Communication Facility on poles within the Public Rights-of-Way shall be subject to and governed by all pertinent local and state laws, rules, regulations, including the City's Rights-of-Way Regulations, that are applicable to ensuring the work done does not unduly inconvenience the public in the use of the surface of the streets and sidewalks.
- (b) **Duty to Minimize Interference** – All pole excavations, construction activities, and aerial installations on poles in the Rights-of-Way shall be carried on as to minimize interference with the use of City's Rights-of-Way and with the use of private property, in accordance with all regulations of the City necessary to provide for public health, safety and convenience.

#### **SECTION 8. CONSTRUCTION, RESTORATION AND MAINTENANCE ACTIVITIES**

- (a) **Eligibility of City Pole** – Prior to submitting a Communication Site Application related to the use of a City pole, Franchisee shall verify with the City the eligibility of the specified pole for attachment of the Communication Facility. In addition, Franchisee shall conduct an engineering load bearing study to determine whether the pole can withstand the added weight of the Communication Facility. If the proposed installation will require pole reinforcement or replacement, the

engineering design documents included with the Communication Site Application shall include specifications relating to the proposed pole reinforcement or replacement. Construction activities involving pole reinforcement or replacement shall be coordinated with applicable City personnel and the Rights-of-Way Manager. The cost of any pole reinforcement or replacement shall be the responsibility of Franchisee.

- (b) **Compliance with Rights-of-Way Regulations** – In the installation, construction, maintenance, upgrade, and operation of Communication Facility, Franchisee shall comply with the provisions of the Rights-of-Way Regulations, including but not limited to provisions pertaining to the following activities:
  - (1) construction activities related to the installation, maintenance, repair, upgrade, and removal of Communication Facility on existing poles in the Rights-of-Way;
  - (2) installation of new poles in the Rights-of-Way;
  - (3) cut or otherwise disturb the surfaces of the Rights-of-Way;
  - (4) disruption of vehicular and pedestrian traffic on Rights-of-Way to a minimum as reasonably necessary to execute the required work;
  - (5) applicable excavation and restoration standards; and
  - (6) pavement repairs.
- (c) **Submission of Engineering Plans** – Prior to installation, Franchisee shall submit engineering plans to the Rights-of-Way Manager for review and approval in accordance with the Rights-of-Way Regulations.
- (d) **Identification of Utility Lines** – Prior to beginning any excavation or boring project on Public Rights-of-Way, Franchisee engage a utility locator service. Franchisee has the responsibility to protect and support the various utility facilities of other providers while conducting construction, installation, and maintenance operations.
- (e) **Maintenance and Repair of Communication Facility** – Franchisee shall keep and maintain all Communication Facilities installed on Public Rights-of-Way in commercially reasonable condition and repair throughout the Term, normal wear and tear and casualty excepted. Franchisee shall have the right to conduct testing and maintenance activities, and repair and replace damaged or malfunctioning Communication Facility at any time during the Term.
- (f) **Upgrade of Communication Facility** – Franchisee shall have the right to upgrade the Communication Facility with next-generation equipment and

innovative new technologies. Prior to making any such equipment or technology upgrade that materially changes the size or weight of the Communication Facility, Franchisee shall file a Communication Facility Application with the City Representative, who shall review the application for compliance with the permitted use under this Agreement and to verify that the new installation will not cause any interference with City's public safety communications system, traffic light signal system, or other City communications infrastructure operating on spectrum where the City is legally authorized to operate. Franchisee will address any interference issues prior to approval of such application.

- (g) **Coordination of Maintenance and Equipment Upgrade Activities** – Prior to Franchisee engaging in planned or routine maintenance activities, or equipment upgrades concerning Communication Facility attached to a City traffic light pole, Franchisee shall provide twenty (20) days advance notice to the City Representative in order to coordinate such maintenance activities with City operations of the traffic light system or other public safety functions. Franchisee shall obtain a ROW Permit prior to engaging in any maintenance or equipment upgrade activities in the Rights-of-Way regardless of pole ownership. Such twenty (20) day advance notice shall not be required in the case of an emergency.
- (h) **Removal of Non-Compliant Installations** – The City shall have the authority at any time to order and require Franchisee to remove and abate any Communication Facility or other structure that is in violation of the City's Rights-of-Way Regulations. In case Franchisee, after receipt of written notice and thirty (30) days opportunity to cure, fails or refuses to comply, the City shall have the authority to remove the same at the expense of Franchisee, all without compensation or liability for damages to Franchisee.
- (i) **Reservation of Rights** – The City reserves the right to install, and permit others to install utility facilities in the Rights-of-Way. In permitting such work to be done by others, the City shall not be liable to Franchisee for any damage caused by those persons or entities.
- (j) **No Limitation in City's Operation of Traffic Light Signal System** – The Parties agree that this Agreement does not in any way limit the City's right to locate, operate, maintain, and remove City traffic light poles in the manner that best enables the operation of its traffic light signal system and protect public safety. The City Representative may deny access to City traffic light poles due to operational conditions at the requested site, limited space availability, public safety concerns, future traffic signal system planning, or other operational considerations. Further, nothing in this Agreement shall be construed as granting Franchisee any attachment right to install Communication Facility to any specific traffic light pole, other than an approved Communication Site Application and execution of the corresponding Supplemental License under the terms of this Agreement.



- (k) **Coordination of Traffic Light Maintenance Activities and Emergency Response** – Prior to conducting planned or routine maintenance on specific components of the traffic light signal system mounted on poles where Communication Facility has been installed, the City shall provide Franchisee thirty (30) days advance notice of such maintenance activities. In advance of such maintenance activities, Franchisee shall temporarily cut-off electricity to its Communication Facility for the safety of maintenance personnel. In the event of failure of components of the traffic light signal system for whatever reason, including damage resulting from vehicular collisions, weather related events, or malicious attacks, City will respond to restore traffic light signal operations as a matter of public safety under the emergency provisions outlined in Section 12. Should the events that results in damage or failure of the traffic light signal system also affect Communication Facility, Franchisee shall have the sole responsibility to repair or replace its Communication Facility and shall coordinate its own emergency efforts with the City.

## **SECTION 9. SUPERVISION BY CITY OF LOCATION OF POLES**

- (a) **Supervision by Rights-of-Way Manager** – In the event Franchisee desires to install poles on Public Rights-of-Way in order to install Communication Facility at a selected Communication Site, such poles shall be owned and maintained by Franchisee. Such poles shall be of adequate strength and straight, and shall be set so that they will not interfere with the flow of water in any gutter or drain, and so that they will not unduly interfere with ordinary travel on the streets or sidewalk. The location of all Franchisee's personal property, poles, and electrical connections placed and constructed by the Franchisee in the installation, construction, and maintenance of Communication Facility shall be subject to the lawful, reasonable and proper control, direction and/or approval of the Rights-of-Way Manager.
- (b) **Pre-Approval by Rights-of-Way Manager** – Prior to submitting a Communication Site Application covering the installation of a new pole, Franchisee shall verify with the Rights-of-Way Manager the eligibility of the Rights-of-Way location for the proposed pole installation. Franchisee shall include in the Communication Site Application documentation from the Rights-of-Way Manager approving the proposed pole location in the Rights-of-Way.

## **SECTION 10. INTERFERENCE WITH OTHER FACILITIES PROHIBITED**

- (a) **Interference with Rights of Others Prohibited** – Franchisee shall not impede, obstruct or otherwise interfere with the installation, existence and operation of any other facility in the Rights-of-Way, including sanitary sewers, water mains, storm water drains, gas mains, poles, aerial and underground electrical infrastructure, cable television and telecommunication wires, public safety and City networks, and other telecommunications, utility, or City personal property.

- (b) **Signal Interference with City's Communication Infrastructure Prohibited** – In the event that Franchisee's Communication Facility interferes with the City's traffic light signal system, public safety radio system, or other City communications infrastructure operating on spectrum where the City is legally authorized to operate, Franchisee will respond to the City's request to address the source of the interference as soon as practicable, but in no event later than twenty-four (24) hours of receiving notice.

## **SECTION 11. COMPLIANCE WITH UTILITY REGULATIONS**

- (a) **Compliance with Local Regulations** – All Communication Facility installations shall be in compliance with all relevant legal requirements for connecting the Communication Facility to electricity and telecommunications service. City is not responsible for providing electricity or transport connectivity to Franchisee.

## **SECTION 12. EMERGENCY CONTACTS**

- (a) **Coordination of Emergency Events** – In case of an emergency due to interference, failure of traffic light signal system, or any unforeseen events, the City will act to protect the public health and safety of its citizens, and to protect public and private property, notwithstanding any provision in this Agreement. The City will make every reasonable effort to coordinate its emergency response with the Franchisee. To that end, the City will use the following emergency contacts: The Franchisee's network operations center may be reached 24/7 at (877) 244-7889.
- (b) **Franchisee's Duty to Maintain Current Emergency Contacts** – Franchisee will maintain the emergency contact information current at all times with the City Representative.
- (c) **Franchisee's Response to Network Emergency** - In case of a network emergency, Franchisee may access its Communication Facility without first obtaining a ROW Permit provided Franchisee has conducted network troubleshooting and diagnostic tests and has reasonably identified the point or points of network failure or malfunction. While acting under this provision to address a network emergency, Franchisee shall conduct its activities within the Rights-of-Way in such a manner as to protect public and private property. Franchisee will make every reasonable effort to coordinate its emergency response with the City. To that end, prior to entering the Rights-of-Way, Franchisee will contact the City Representative and give notice to City of the network emergency and an estimated time period to address the situation.
- (d) **The City's Duty to Maintain Emergency Contacts** – City will maintain the emergency contact information current at all times with Franchisee.

## **SECTION 13. INDEMNITY**

- (a) **General Indemnity Clause – Franchisee covenants and agrees to INDEMNIFY, DEFEND and HOLD HARMLESS, the City and the elected officials, employees, officers, directors, agents and representatives of the City, individually and collectively (“Indemnitees”), from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the City arising out of a third-party claim to the extent arising from any negligent acts or omissions of Franchisee, any agent, officer, director, representative, employee, consultant or subcontractor of Franchisee, or their respective officers, agents employees, directors or representatives while in the exercise of the rights or performance of the duties under this Agreement. The indemnity provided for in this paragraph shall not apply to any liability resulting arising from the negligence of the City or an Indemnatee. IN THE EVENT FRANCHISEE AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH APPLICABLE LAW, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER STATE LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER STATE LAW.**
- (b) **The City’s Duty to Notify Franchisee of Claims – The City shall give prompt written notice to Franchisee of any claim for which the City seeks indemnification. Franchisee shall have the right to investigate, defend, and compromise these claims with prompt notice to the City attorney. Said approval shall not be unreasonably withheld, delayed or conditioned.**
- (c) **The City’s Consent to Settle Claims – Franchisee may not settle any claim subject to this Section without the consent of City, unless (i) the settlement will be fully funded by Franchisee, and (ii) the proposed settlement does not contain an admission of liability or wrongdoing by any elected officials, employees, officers, directors, volunteers or representatives of City. The City’s withholding its consent as allowed in the preceding sentence does not release or impair Franchisee of any obligations under this Section. Franchisee must give City at least twenty (20) days advance written notice of the details of a proposed settlement before it becomes binding. Any settlement purporting to bind City must first be approved by the City.**
- (d) **General Limitation – Neither party will be liable under this Agreement for consequential, indirect, or punitive damages (including lost revenues, loss of equipment, interruption, loss of service, or loss of data) for any cause of action, whether in contract, tort, or otherwise, even if the party was or should have been aware of the possibility of these damages, whether under theory of contract, tort (including negligence), strict liability, or otherwise.**

## SECTION 14. INSURANCE REQUIREMENTS

- (a) Prior to the commencement of any work under this Agreement, the Franchisee shall furnish copies of all required certificate(s) of insurance to the City Representative. The City shall have no duty to pay or perform under this Agreement until such certificate has been received by the City.
- (b) City reserves the right to review the insurance requirements of this Section during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when reasonably determined necessary by the City based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. Such review and modification shall not occur more frequently than every five (5) years.
- (c) The Franchisee's financial integrity is of interest to the City; therefore, the Franchisee shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at the Franchisee's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Washington and with an A.M Best's rating of no less than A-VII, in the following types and for an amount not less than the amount listed below:

Type of Coverage	Amounts
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000
3. Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Independent Contractors c. Products/complete operations d. Property damage	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence and General Aggregate limit of \$2,000,000
4. Business Automobile Liability	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence

- (e) The Franchisee agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:
- Name the City, its officers, officials, employees, and elected representatives as additional insureds, as respects operations and activities of, or on behalf of, the named insured performed under

contract with the City, with the exception of the workers' compensation and professional liability policies.

- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.
  - Upon receipt of notice from its insurer, Franchisee will provide City with thirty (30) days prior written notice of cancellation.
- (f) Within thirty (30) calendar days of a suspension, cancellation or non-renewal of coverage, the Franchisee shall provide a replacement Certificate of Insurance and applicable endorsements to the City. The City shall have the option to suspend the Franchisee's performance should there be a lapse in coverage at any time during this Agreement.
- (g) In addition to any other remedies the City may have upon the Franchisee's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order the Franchisee to stop work hereunder, and/or withhold any payment(s) which become due to the Franchisee hereunder until the Franchisee demonstrates compliance with the requirements hereof.
- (h) Nothing herein contained shall be construed as limiting in any way the extent to which the Franchisee may be held responsible for payments of damages to persons or property resulting from the Franchisee's or its subcontractors' performance of the work covered under this Agreement.
- (i) It is agreed that the Franchisee's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City for liability arising out of operations under this Agreement.
- (j) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement.

#### **SECTION 15. ADMINISTRATION OF FRANCHISE**

- (a) **Administration of License by City Officials** – The City Representative is the principal City person responsible for the administration of this Agreement. The Rights-of-Way Manager shall review the operations of Franchisee in the Rights-of-Way under this Agreement and the Rights-of-Way Regulations.
- (b) **Franchisee's Duty to Communicate with City Officials** – Franchisee shall communicate with the Rights-of-Way Manager all matters in connection with or affecting the installation, construction, reconstruction, maintenance and repair of Franchisee's Communication Facility in the Rights-of-Way and provide periodic deployment plans to the Rights-of-Way Manager and the City Representative.

- (c) **Notice** – Notices required by this Agreement may be given by registered or certified mail by depositing the same in the United States mail in the continental United States, postage prepaid. Either Party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices shall be delivered as follows:

If to City:

City of Grandview  
207 West Second Street  
Grandview, WA 98930

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_

If to Franchisee:

Mobilitie, LLC  
2220 University Drive  
Newport Beach, CA 92660  
Attention: Asset Management

With a copy to:

Mobilitie, LLC  
2220 University Drive  
Newport Beach, CA 92660  
Attention: Legal Department

## SECTION 16. ASSIGNMENT OF FRANCHISE

- (a) **Limited Right of Assignment** – This Agreement and each Supplemental License under it may be sold or assigned by Franchisee without any approval or consent of the City to Franchisee's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of Franchisee's assets in the market defined by the FCC in which the Right-of-Way is located by reason of a merger, acquisition or other business reorganization provided that such acquiring entity is bound by all of the terms and conditions of this Agreement. As to other parties, this Agreement and each Supplemental License may not be sold or assigned without the written consent of the City, which shall not be unreasonably withheld. Franchisee shall provide the City Representative notice of any such merger, acquisition or other business reorganization with a principal, Affiliate or subsidiary of Franchisee within a reasonable period of time after the consummation thereof. No change of stock ownership, partnership interest or control of Franchisee or transfer upon partnership or corporate dissolution of Franchisee shall constitute an assignment hereunder.
- (b) **Franchisee's Right to Grant Security Interest in Franchise** – Additionally, Franchisee may mortgage or grant a security interest in this Agreement and the Communication Facility, and may assign this Agreement and Communication Facility to any mortgagees or holders of security interest, including their successors or assigns (collectively "Mortgagees"), provided such Mortgagees' interests in this Agreement are subject to all of the terms and provisions of this

Agreement. In such event, City shall execute such consent to financing as may reasonably be required by Mortgagees.

#### **SECTION 17. FUTURE CONTINGENCY**

- (a) **Renegotiation for Incapacity of Contract** – Notwithstanding anything contained in this Agreement to the contrary, in the event that this Agreement, in whole or in part, is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unrecoverable, unenforceable, void, unlawful, or otherwise inapplicable, the Franchisee and City shall meet and negotiate an amended Agreement that is in compliance with the authority's decision or enactment and, unless explicitly prohibited.

#### **SECTION 18. AGREEMENT VIOLATIONS LEADING TO TERMINATION**

- (a) **Events of Termination** – This Agreement may be terminated before the expiration date of the Term on written notice by City to Franchisee, if Franchisee materially breaches any provision of this Agreement and such breach is not cured by Franchisee within sixty (60) days after Franchisee's receipt of written notice of such breach from the City. Franchisee shall not be excused from complying with any of the terms and conditions of this Agreement by the previous failure of the City to insist upon or seek compliance with such terms and conditions.
- (b) **No Waiver of Duties** – Termination of this Agreement does not relieve Franchisee from the obligation (i) to pay Annual License Fees accrued and owing to City under the Agreement at the time of termination, or (ii) concerning any claim for damages against Franchisee under this Agreement. City's rights, options, and remedies under this Agreement are cumulative, and no one of them is exclusive of the other. City may pursue any or all such remedies or any other remedy or relief provided by law, whether or not stated in this Agreement. No waiver by City of a breach of any covenant or condition of this Agreement is a waiver of any succeeding or preceding breach of the same or any other covenant or condition of this Agreement.

#### **SECTION 19. GOVERNING LAW, JURISDICTION AND VENUE**

- (a) **Governing Law** – This Agreement is passed in accordance with the constitutions, statutes, ordinances, and regulations of the United States, the State of Washington, and the City of Grandview in effect on the effective date of this Agreement, and as such local, state, and federal laws may be subsequently amended.
- (b) **Compliance with Local Ordinances** – Nothing in this Agreement shall be interpreted to limit the authority of the City to adopt, from time to time, ordinances, rules and regulations it may deem necessary in the exercise of City's

governmental powers. Franchisee shall abide by any laws of the City that do not conflict or are otherwise preempted by state or federal law.

- (c) **Enforcement of Local Regulations** – City expressly reserves the right to enforce requirements for ministerial issuance of ROW Permits. It is understood and agreed that Franchisee is responsible for obtaining all such permits necessary to install, maintain and operate its Communication Facility.
- (d) **Jurisdiction and Venue** – THE PROVISIONS OF THE AGREEMENT SHALL BE CONSTRUED UNDER, AND IN ACCORDANCE WITH, THE LAWS OF THE STATE OF WASHINGTON, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER SHALL BE PERFORMED IN THE COUNTY IN WHICH THE CITY IS LOCATED. THEREFORE, IN THE EVENT ANY COURT ACTION IS BROUGHT DIRECTLY OR INDIRECTLY BY REASON OF THIS AGREEMENT, THE COURTS OF SUCH COUNTY SHALL HAVE JURISDICTION OVER THE DISPUTE AND VENUE SHALL BE IN SUCH COUNTY.

## **SECTION 20. NON-DISCRIMINATION**

- (a) **Non-Discrimination** – Franchisee agrees not to engage in employment practices that discriminate against any employee or applicant for employment based on race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, disability, or political belief or affiliation, unless exempted by state or federal law. In the event non-compliance occurs with this Section occurs, Franchisee, upon written notification by City, shall commence compliance procedures within thirty (30) days.

## **SECTION 21. MISCELLANEOUS PROVISIONS**

- (a) **Waiver** – None of the material provisions of this Agreement may be waived or modified except expressly in writing signed by the Franchisee and City. Failure of either Party to require the performance of any term in this Agreement or the waiver by either Party of any breach thereof shall not prevent subsequent enforcement of this term and shall not be deemed a waiver of any subsequent breach.
- (b) **Severability** – If any clause or provision of the Agreement is illegal, invalid, or unenforceable under present or future laws effective during the Term, then and in that event it is the intention of the Parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the Parties that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.



- (c) **Captions** – The captions contained in this Agreement are for convenience of reference only and in no way limit or enlarge the terms and conditions of this Agreement.
- (d) **Extent of Agreement** – This Agreement, together with its attached exhibits and the authorizing ordinance, if any, embodies the complete agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties and relating to this Agreement.
- (e) **Authority** – The signer of this Agreement for the Franchisee and the City hereby represents and warrants that he or she has full authority to execute this Agreement on behalf of the Franchisee or the City respectively.
- (f) **Non-Waiver of Rights** – By entering this Agreement, neither City nor Franchisee has waived any rights either Party may have under applicable state and federal law pertaining to the provision of Communication Service or Franchisee's access rights concerning the Rights-of-Way.
- (g) **Force Majeure** – In the event a Party's performance of any of the terms, conditions, obligations or requirements of this Agreement is prevented or impaired due to a force majeure event beyond such Party's reasonable control, such inability to perform will be deemed to be excused and no penalties or sanctions will be imposed as a result thereof. For purposes of this subsection, "force majeure" means an act of God, a natural disaster or an act of war (including terrorism), civil emergencies and labor unrest or strikes, untimely delivery of equipment, pole hits, and unavailability of essential equipment, and/or materials, and any act beyond the Party's reasonable control. It also includes an explosion, fire or other casualty or accident, which is not the result of gross negligence, an intentional act or misconduct on the part of the Party.
- (h) **Technical Amendments** – Other than proposed substantive contractual amendments requested under Section 4, the Parties may mutually agree to make technical amendments to the Agreement and its exhibits without the approval of the City that would not alter the obligations and responsibilities of the Parties under the Agreement, in order to address advances and/or innovations in wireless technologies and equipment.
- (i) **No Partnership or Joint Venture** – The relationship between City and Franchisee is at all times solely that of City and Franchisee, not that of partners or joint venturers.
- (j) **Effect of Bankruptcy** – Bankruptcy, insolvency, assignment for the benefit of creditors, or the appointment of a receiver is an event of default.
- (k) **Counterparts** – This Agreement may be executed in multiple counterparts, each of which is an original. Regardless of the number of counterparts, they constitute

only one agreement. In making proof of this agreement, it is not necessary to produce or account for more counterparts than are necessary to show execution by or on behalf of all Parties.

- (l) **Further Assurances** – The Parties must execute and deliver such additional documents and instruments as may be required to effect fully the provisions hereof. No such additional document(s), however, may alter the rights or obligations of the Parties as contained in this Agreement.

**EXECUTED and AGREED.**

**CITY OF GRANDVIEW**

**MOBILITIE, LLC**

**By its Manager: Mobilitie  
Management, LLC**

\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Signature)

Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Printed Name: CHRIS GLASS  
Title: SVP, General Counsel  
Date: 11/1/16

**APPROVED AS TO FORM:**

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

## EXHIBIT A

### COMMUNICATION SITE APPLICATION

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

Franchisee: \_\_\_\_\_ Application/License#: \_\_\_\_\_

Franchisee ID #	Site Coordinates	Site	GIS	Type of Communication Facility
				[Wireless Communication Equipment] [Wireless Backhaul Equipment] [Landline Backhaul Equipment]

#### If Wireless Communication Equipment or Wireless Backhaul Equipment:

Pole Type	Pole Alteration	Attachment Height	Attachment Weight	Attachment Dimensions	Location of Equipment Shelter
[City Pole] [Third-Party Pole] [Franchisee Pole] [Not Applicable/Needed]	[Pole Reinforcement] [Pole Replacement] [New Pole] [Not Applicable/Needed]				[Installed on Pole] [Installed in Ground (Vault)] [Other Location (Requires City Representative Approval)] [Not Applicable/Needed]

#### APPLICANT SHALL PROVIDE THE FOLLOWING IF/AS APPLICABLE:

- Site plan and engineering design and specifications for installation of Communication Facility, including the location of radios, antenna facilities, transmitters, equipment shelters, cables, conduit, point of demarcation, backhaul solution, electrical distribution panel, electric meter, and electrical conduit and cabling. Where applicable, the design documents should include specifications on design, pole modification, and ADA compliance.

- For City poles, include documentation from the City verifying that the pole is eligible for attachment. Also include a load bearing study that determines whether the pole requires reinforcement or replacement in order to accommodate attachment of Communication Facility. If pole reinforcement or replacement is warranted, the design documents should include the proposed pole modification.
- For new pole installations, include documentation from the Rights-of-Way Manager verifying that the pole location in the Rights-of-Way is eligible for installation.
- If the proposed installation includes a new pole, provide design and specification drawings for the new pole.
- If the proposed installation will require reinforcement or replacement of an existing pole, provide applicable design and specification drawings.
- The number, size, type and proximity to the facilities of all communications conduit(s) and cables to be installed.
- Description of the utility services required to support the facilities to be installed.
- All necessary permits and letters of authorization from all affected parties.
- List of the contractors and subcontractors, and their contact information, authorized to work on the project.

THE CITY WILL PROCESS THIS APPLICATION WITHIN 30 DAYS OF RECEIPT DATE, UNLESS AN AGREEMENT IS EXECUTED BY APPLICANT AND THE CITY REPRESENTATIVE TO EXTEND THE APPROVAL DATE.

**APPLICANT REPRESENTATIVE:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

----- **FOR CITY USE ONLY** -----

**RECEIPT DATE:** \_\_\_\_\_ **APPLICATION NO.:** \_\_\_\_\_

**APPROVED BY:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**APPROVAL DATE:** \_\_\_\_\_

**EXHIBIT B**  
**Supplemental License Form**

**Supplemental License No. \_\_\_\_\_**  
**For Communication Facility Installation**

This Supplemental License is entered on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, between the City of Grandview, acting through its City Representative, or his/her designee, ("City") and Mobilitie, LLC, a Nevada limited liability company ("Franchisee").

**1. Overview of Supplemental License** – This Supplemental License applies to the Communication Sites described below.

**Authorizing  
Agreement:**

**License:** Franchise Agreement Between the City of Grandview and Mobilitie, LLC, for the Use of Public Rights-of-Way

**City:** City of Grandview

**Franchisee:** Mobilitie, LLC

**Initial Aggregate  
Annual License Fees:** \_\_\_\_\_

**Commencement Date:** \_\_\_\_\_

**Term:** Term of 25 years subject to the Franchise Agreement Between the City of Grandview and Mobilitie, LLC, for the Use of Public Rights-of-Way.

Franchisee ID #	Site	Communication Coordinates	Site	GIS	Type of Communication Facility
					[Wireless Communication Equipment] [Wireless Backhaul Equipment] [Landline Backhaul Equipment]

53

**If Wireless Communication Equipment or Wireless Backhaul Equipment:**

<b>Pole Type</b>	<b>Pole Alteration</b>	<b>Attachment Height</b>	<b>Attachment Weight</b>	<b>Attachment Dimensions</b>	<b>Location of Equipment Shelter</b>
[City Pole] [Third-Party Pole] [Franchisee Pole] [Not Applicable/Needed]	[Pole Reinforcement] [Pole Replacement] [New Pole] [Not Applicable/Needed]				[Installed on Pole] [Installed in Ground (Vault)] [Other Location (Requires City Representative Approval)] [Not Applicable/Needed]

**2. Source of Authority** – This Supplemental License is authorized and executed pursuant to the terms and conditions of the “Franchise Agreement between the City and Franchisee for the Use of Public Rights-of-Way,” as it may be amended by the Parties during its Term (“Franchise Agreement”). All of the terms and conditions of the Franchise Agreement, including any future amendments, are incorporated herein by reference and made a part hereof without the necessity of repeating or attaching the Franchise Agreement. Capitalized terms used in this Supplemental License shall have the same definitions and meanings ascribed to them in the Franchise Agreement, unless otherwise indicated herein.

**3. Approval Process** – This Supplemental License arises from and is part of the approval process associated with the Communication Site Application approved by the City Representative on \_\_\_\_\_. The Communication Site Application, including all attachments, is incorporated as Exhibit 1 and made a part hereto. If not attached, the Communication Site Application is hereby incorporated herein by reference and made a part hereof without the necessity of repeating or attaching it.

**4. Scope of License** – This Supplemental License is limited to the Communication Facility installation(s) referenced in the Communication Site Application associated with this Supplemental License.

**5. Conflict in Interpretation** – Nothing in this Supplemental License is intended to grant Franchisee any rights or privileges beyond those addressed in the Franchise Agreement. In the event of any conflict in contractual interpretation between this Supplemental License and the Franchise Agreement, the terms and conditions of the Supplemental License shall govern, provided however that any future amendments or modifications to

54

the Franchise Agreement shall simultaneously apply and serve to amend or modify this Supplemental License without the need by either Party to provide notice of such to the other.

**6. Site Specific Conditions** – All site specific conditions shall be addressed in the Communication Site Application associated with this Supplemental License.

**7. Site Modifications** – Prior to making any post-installation future material modifications to a Communication Site, other than maintenance and repair of site specific Communication Facility as further provided in the Franchise Agreement, Franchisee shall file a Communication Site Application with the City Representative describing the proposed modifications. The City Representative, or his/her designee, shall review the Communication Site Application pursuant to the terms and conditions in the Franchise Agreement, and if approved such Communication Site Application shall be attached as Exhibit 2 and made a part hereto. Any additional site modifications shall be incorporated hereto in the same manner.

**8. License Fee** – The aggregate Annual License Fees applicable to this Supplemental License, as summarized in Section 1 above, shall be calculated based on the number of applicable Communication Facility as set forth in the Franchise Agreement, payable by Franchisee as provided therein.

**9. Commencement Date** – The Commencement Date for this Supplemental License shall be the same date that the Communication Site Application associated with this Supplemental License, which is hereby approved by the City Representative.

**10. Term** – The term for this Supplemental License, as described in Section 1 above, is set forth in the Franchise Agreement.



**NOW THEREFORE**, the Parties hereto by the signature of their respective representatives hereby agree to enter into this Supplemental License.

**CITY**

**CITY OF GRANDVIEW**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE**

**MOBILITIE, LLC**

**By its Manager: Mobilitie Management, LLC**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COUNCIL-OF-THE-WHOLE MEETING**

**ITEM TITLE**

Ordinance amending the 2016 Annual Budget

**AGENDA NO.:** New Business 4 (E)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Treasurer

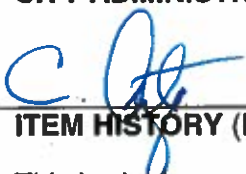
**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

**DEPARTMENT DIRECTOR REVIEW**

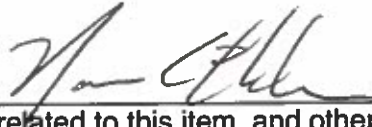
Matthew Cordray, City Treasurer



**CITY ADMINISTRATOR**



**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

This budget amendment encompasses items that have been previously discussed during October budget meetings. They include an increase in expenditures for Public Works labor during museum transition, the combination of closing out the EWC Plaza and Euclid/WCR Intersection Improvement Funds and creating debt service funds for those projects and showing the closing costs associated with the 2015 Water/Sewer Bond Refunding. The ordinance provides for the amending of the 2016 Annual Budget to accommodate the changes in sources and uses.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

By Fund the highlights of the budget changes are:

- **CURRENT EXPENSE FUND:** Appropriations for salaries and benefits results in a decrease to estimated ending fund balance.
- **STREET FUND:** Appropriations for a transfer out to SIED Loan – Euclid/WCR results in a decrease to estimated ending fund balance.
- **SIED LOAN – EUCLID/WCR FUND:** Increase in contributions and transfers in with an equal amount in principal and interest payments to the loan results in a net effect of zero to the estimated ending und balance.
- **EWC PLAZA FUND:** Appropriations for irrigation improvements results in a decrease to estimated ending fund balance.
- **EUCLID/WCR IMPROVEMENTS FUND:** Increase in miscellaneous revenues and appropriations for transfers out results in a decrease to estimated ending fund balance.
- **2015 W/S BOND REDEMPTION FUND:** Increase in revenues with the same amount in appropriations for closing costs results in a net effect of zero to estimated ending fund balance.

**ACTION PROPOSED**

Move ordinance amending the 2016 Annual Budget to the next regular Council meeting for consideration.

**ORDINANCE NO. 2016-\_\_**

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
AMENDING THE 2016 ANNUAL BUDGET**

**WHEREAS**, the original 2016 estimated beginning fund balances and revenues in numerous funds do not reflect available budget sources; and

**WHEREAS**, there are necessary and desired changes in uses and expenditure levels in numerous funds; and

**WHEREAS**, there are sufficient sources within the funds to meet the anticipated expenditures.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1.** That the 2016 annual budget be amended to reflect the changes presented in Exhibit A.

**Section 2.** That the City Administrator is authorized and directed to adjust estimated revenues, expenditures and fund balances reflecting the determined changes.

**Section 3.** This Ordinance shall be in full force and effect five (5) day after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

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

**APPROVED AS TO FORM:**

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

**PUBLICATION:**  
**EFFECTIVE:**

**Exhibit A - Ordinance No. 2016-xx**

<b>Beginning Balance</b>	<b>Estimated Revenues</b>	<b>Appropriated Expenditures</b>	<b>Ending Balance</b>	<b>Budget Total</b>
------------------------------	-------------------------------	--------------------------------------	---------------------------	-------------------------

**Current Expense Fund**

Original 2016 Budget	1,863,025	5,097,890	5,960,245	1,000,670	6,960,915
Amendment Amount	-	-	5,500	(5,500)	-
<b>Amended Total</b>	<b>1,863,025</b>	<b>5,097,890</b>	<b>5,965,745</b>	<b>995,170</b>	<b>6,960,915</b>

**Street Expense Fund**

Original 2016 Budget	217,340	1,341,980	1,240,880	318,440	1,559,320
Amendment Amount	-	-	7,875	(7,875)	-
<b>Amended Total</b>	<b>217,340</b>	<b>1,341,980</b>	<b>1,248,755</b>	<b>310,565</b>	<b>1,559,320</b>

**SIED Loan - Euclid/WCR Fund**

Original 2016 Budget	-	-	-	-	-
Amendment Amount	-	23,000	23,000	-	23,000
<b>Amended Total</b>	<b>-</b>	<b>23,000</b>	<b>23,000</b>	<b>-</b>	<b>23,000</b>

**EWC Plaza Fund**

Original 2016 Budget	15,250	-	10,000	5,250	15,250
Amendment Amount	-	-	4,835	(4,835)	-
<b>Amended Total</b>	<b>15,250</b>	<b>-</b>	<b>14,835</b>	<b>415</b>	<b>15,250</b>

**Euclid/WCR Improv. Fund**

Original 2016 Budget	-	531,050	531,050	-	531,050
Amendment Amount	-	(10,175)	(10,175)	-	(10,175)
<b>Amended Total</b>	<b>-</b>	<b>520,875</b>	<b>520,875</b>	<b>-</b>	<b>520,875</b>

**2015 W/S Bond Redemption Fund**

Original 2016 Budget	141,275	435,500	423,300	153,475	576,775
Amendment Amount	-	2,058,005	2,058,005	-	2,058,005
<b>Amended Total</b>	<b>141,275</b>	<b>2,493,505</b>	<b>2,481,305</b>	<b>153,475</b>	<b>2,634,780</b>

**Ordinance No. 2016-xx**

to Sue xx/xx/2016 - mc

Description Fund/Account		Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
Account					
001 000 000 308 80 00 00	Current Expense Fund Beginning Fund Balance	1,863,025	-	1,863,025	
	Revenues/Sources	5,097,890		5,097,890	
	Current Exp. Fund Total	6,960,915	-	6,960,915	
001 085 000 575 30 11 00	Regular Salaries & Wages		3,500		Public Works labor for museum transition
001 085 000 575 30 21 00	Social Security		300		Public Works labor for museum transition
001 085 000 575 30 22 00	Retirement		375		Public Works labor for museum transition
001 085 000 575 30 23 00	Workman's Compensation		125		Public Works labor for museum transition
001 085 000 575 30 24 00	Medical/Life Insurance		1,200		Public Works labor for museum transition
	Expenditures/Uses	5,960,245		5,965,745	
001 099 000 508 80 00 00	Ending Fund Balance	1,000,670	(5,500)	995,170	
	Current Exp. Fund Total	6,960,915	-	6,960,915	

**Ordinance No. 2016-xx**

to Sue xx/xx/2016 - mc

Description Fund/Account		Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
<b>Account</b>					
110 000 000 308 80 00 00	Street Fund Beginning Fund Balance	217,340		217,340	
	Revenues/Sources	1,341,980		1,341,980	
	Street Fund Total	1,559,320	-	1,559,320	
<input type="checkbox"/> 110 095 000 597 00 00 01	Transfer Out to SIED Loan - Euclid/WCR		7,875		City's responsibility for 2016 debt payment on SIED loan for Euclid/WCR
	Expenditures/Uses	1,240,880		1,248,755	
<input type="checkbox"/> 110 000 099 508 80 00 00	Ending Fund Balance	318,440	(7,875)	310,565	
	Street Fund Total	1,559,320	-	1,559,320	
<b>Cemetery Fund</b>					
130 000 000 308 80 00 00	Beginning Fund Balance	77,670		77,670	
	Revenues/Sources	137,550		137,550	
	Cemetery Fund Total	215,220	-	215,220	
	Expenditures/Uses	152,910		152,910	
130 000 099 508 80 00 00	Ending Fund Balance	62,310		62,310	
	Cemetery Fund Total	215,220	-	215,220	

**Ordinance No. 2016-xx**

to Sue xx/xx/2016 - mc

Account	Description Fund/Account	Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
210 000 000 308 80 00 00	SIED Loan - Euclid/WCR Fund Beginning Fund Balance	-	-	-	
210 000 000 367 11 00 15	FruitSmart Contribution		12,800		FruitSmart's contribution toward Euclid/WCR loan City's responsibility on Euclid/WCR loan Misc revenue and interest from Euclid/WCR project
210 000 000 397 00 00 01	Transfer In from Street Fund		7,875		
210 000 000 397 00 00 02	Transfer In from Euclid/WCR Fund		2,625		
	Revenues/Sources	-		23,300	
	Capital Improvements Fund Total	-	23,300	23,300	
210 000 010 591 95 78 00	SIED Loan Principal		21,065		Debt payment for Euclid/WCR project Debt payment for Euclid/WCR project
210 000 010 592 95 83 00	SIED Loan Interest		2,235		
	Expenditures/Uses	-		23,300	
210 000 099 508 80 00 00	Ending Fund Balance	-	-	-	
	Capital Improvements Fund Total	-	23,300	23,300	
	Capital Improvement Fund Beginning Fund Balance	347,950		347,950	
	Revenues/Sources	105,200		105,200	
	Capital Improvements Fund Total	453,150	-	453,150	
	Expenditures/Uses	445,500		445,500	
301 000 099 508 80 00 00	Ending Fund Balance	7,650		7,650	
	Capital Improvements Fund Total	453,150	-	453,150	

**Ordinance No. 2016-xx**

to Sue xx/xx/2016 - mc

Account	Description Fund/Account	Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
320 000 000 308 80 00 00	CDBG - E. 4th Street Beginning Fund Balance	3,600		3,600	
	Revenues/Sources	37,500		37,500	
	CDBG - E. 4th Street Fund Total	41,100	-	41,100	
	Expenditures/Uses	40,975		40,975	
320 000 099 508 80 00 00	Ending Fund Balance	125		125	
	CDBG - E. 4th Street Fund Total	41,100	-	41,100	
325 000 000 308 80 00 00	EWC Plaza Beginning Fund Balance	15,250		15,250	
	Revenues/Sources	-		-	
	EWC Plaza Fund Total	15,250	-	15,250	
<input type="checkbox"/> 325 000 010 594 39 65 00	EWC Irrigation Improvements		4,835		
	Expenditures/Uses	10,000		14,835	
325 000 099 508 80 00 00	Ending Fund Balance	5,250	(4,835)	415	
	EWC Plaza Fund Total	15,250	-	15,250	

Irrigation work at East Wine Country Plaza



2016 Budget Amendment September  
11/16/2016 7:49  
2016 Budget Amendment - November

to Sue xx/xx/2016 - mc  
**Ordinance No. 2016-xx**

Account	Description Fund/Account	Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
330 000 000 308 80 00 00	Euclid/WCR Improvements Beginning Fund Balance	-	-	-	
330 000 000 361 11 00 00	Investment Interest		500		Interest during project
330 000 000 367 11 00 15	FruitSmart Contribution		(12,800)		FruitSmart's contribution toward Euclid/WCR loan
330 000 000 369 91 00 00	Other Miscellaneous Revenue		2,125		Reimbursement for Bonnieview Road Closure
	Revenues/Sources	531,050		520,875	
	Euclid/WCR Improvements Fund Total	531,050	(10,175)	520,875	
330 095 000 597 00 00 01	Transfer Out - SIED Loan Euclid/WCR		2,625		Misc revenue and interest to SIED Loan Euclid/WCR
	Expenditures/Uses	518,250		520,875	
	Ending Fund Balance	12,800	(12,800)	-	
	Euclid/WCR Improvements Fund Total	531,050	(10,175)	520,875	
410 000 000 308 80 00 00	Water/Sewer Fund Beginning Fund Balance	5,591,670		5,591,670	
	Revenues/Sources	6,538,085		6,538,085	
	Water/Sewer Fund Total	12,129,755	-	12,129,755	
	Expenditures/Uses	5,958,545		5,958,545	
410 000 099 508 80 00 00	Ending Fund Balance	6,171,210		6,171,210	
	Water/Sewer Fund Total	12,129,755	-	12,129,755	

to Sue xx/xx/2016 - mc

**Ordinance No. 2016-xx**

Account	Description Fund/Account	Original Estimate	Amendment Amount	New Estimate	Treasurer's notes
456 000 000 308 80 00 00	2015 W/S Bond Redemption Fund Beginning Fund Balance	141,275		141,275	
456 000 000 392 00 00 00	Premium on Bond Issued		63,005		Closing costs associated with W/S Bond Refunding
456 000 000 393 00 00 00	Refunding of Long Term Debt		1,995,000		Closing costs associated with W/S Bond Refunding
	Revenues/Sources	435,500		2,493,505	
	Equipment Rental Fund Total	576,775	2,058,005	2,634,780	
456 000 010 592 35 83 01	Issuance Cost		17,600		Closing costs associated with W/S Bond Refunding
456 000 010 592 35 83 02	Underwriter Discount		15,960		Closing costs associated with W/S Bond Refunding
456 000 010 592 35 83 03	Underwriter Document Cost		2,800		Closing costs associated with W/S Bond Refunding
456 000 010 592 35 83 04	Compensation for premium issued		23,860		Closing costs associated with W/S Bond Refunding
456 000 010 593 35 72 00	Payment to Escrow		2,785		Closing costs associated with W/S Bond Refunding
456 000 010 599 35 72 00	Payment to Refunded Debt Escrow		1,995,000		Closing costs associated with W/S Bond Refunding
	Expenditures/Uses	423,300		2,481,305	
510 000 099 508 80 00 00	Ending Fund Balance	153,475	-	153,475	
	Equipment Rental Fund Total	576,775	2,058,005	2,634,780	
510 000 000 308 80 00 00	Equipment Rental Fund Beginning Fund Balance	2,118,185		2,118,185	
	Revenues/Sources	542,000		542,000	
	Equipment Rental Fund Total	2,660,185	-	2,660,185	
	Expenditures/Uses	435,905		435,905	
510 000 099 508 80 00 00	Ending Fund Balance	2,224,280		2,224,280	
	Equipment Rental Fund Total	2,660,185	-	2,660,185	

2016 BUDGET SUMMARY

Fund No.	Fund	1/1/2015 Beg. Balance	Actual 2015 Revenue	Actual 2015 Expenditures	2015 Difference Rev/Exp	Actual Beginning Balance 1/1/2016	Estimated 2016 Revenue	Estimated 2016 Expenditures	2016 Difference Rev/Exp	Estimated Ending Balance	Expenditures Plus Ending Balance	
001	CURRENT EXPENSE FUND	1,765,416	5,564,027	5,467,252	96,775	1,862,191	5,097,890	5,965,745	(867,855)	994,336	6,960,081	16.7%
105	EMERGENCY MEDICAL SERVICES	166,758	128,167	105,035	23,132	189,890	127,300	141,725	(14,425)	175,465	317,190	123.8%
106	LAW & JUSTICE TAX .3%	154,352	281,314	302,892	(21,578)	132,774	270,150	280,700	(10,550)	122,224	402,924	43.5%
110	STREET	133,148	1,027,872	944,348	83,524	216,672	1,341,980	1,248,755	93,225	309,897	1,558,652	24.8%
130	CEMETERY	63,041	168,853	154,357	14,496	77,537	137,550	152,910	(15,360)	62,177	215,087	40.7%
130	SIED LOAN - EUCLIDWCR	-	-	-	-	-	23,300	23,300	-	-	23,300	0.0%
301	CAPITAL IMPROVEMENTS	455,001	121,545	228,827	(107,282)	347,719	105,200	445,500	(340,300)	7,419	452,919	1.7%
320	CDBG - EAST 4TH STREET	-	712,500	708,994	3,506	3,506	37,500	40,975	(3,475)	31	41,006	0.1%
325	EWG PLAZA - SIED LOAN	-	997,980	983,146	14,834	14,834	-	14,835	(14,835)	(1)	14,834	0.0%
330	EUCLIDWCR IMPROVEMENT	-	-	-	-	-	520,875	520,875	-	-	520,875	0.0%
410	WATER/SEWER	4,349,393	9,070,167	7,828,607	1,241,560	5,590,953	6,538,085	5,958,545	579,540	6,170,493	12,129,038	103.6%
420	IRRIGATION	252,014	446,449	451,229	(4,780)	247,234	445,200	507,625	(62,425)	184,809	692,434	36.4%
430	SOLID WASTE	380,782	1,076,435	1,045,987	30,448	411,230	1,075,400	1,093,835	(14,435)	396,795	1,490,630	36.3%
456	W/S REV. BOND REDEMPTION	98,577	543,616	500,791	42,825	141,402	2,493,505	2,481,305	12,200	153,602	2,634,907	6.2%
510	EQUIPMENT RENTAL	2,188,119	557,040	627,433	(70,393)	2,117,726	542,000	435,905	106,095	2,223,821	2,659,726	510.2%
630	TRANS. BENEFIT DISTRICT	220,173	161,868	261,160	(99,292)	120,881	(120,880)	-	(120,880)	1	1	0.0%

66

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COUNCIL-OF-THE-WHILE MEETING**

**ITEM TITLE**

Ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to water, sewer, irrigation and roadway improvements south of Wine Country Road between Fir Street and the SVID canal

**AGENDA NO.:** New Business 4 (F)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Treasurer



**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

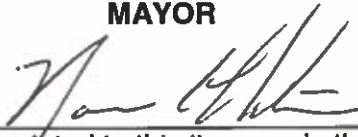
**DEPARTMENT DIRECTOR REVIEW**

Matthew Cordray, City Treasurer

**CITY ADMINISTRATOR**



**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

The City of Grandview and Grandview Lumber entered into a SIED contract with Yakima County for the purpose of infrastructure improvements related to water, sewer, irrigation and roadway south of Wine Country Road between Fir Street and the SVID canal. The project was funded with 50 percent SIED loan and 50 percent SIED grant. This ordinance establishes a debt service fund to repay the loan portion.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

Beginning in 2017, the City of Grandview will receive the first of 10 installments from Grandview Lumber of approximately \$50,000-60,000. The City will then send payment to Yakima County Infrastructure Fund for the same amount. The net effect to the City account will be zero.

**ACTION PROPOSED**

Move Ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to water, sewer, irrigation and roadway improvements south of Wine Country Road between Fir Street and the SVID canal to the next regular Council meeting for consideration.

ORDINANCE NO. 2016-\_\_\_\_

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
ESTABLISHING A DEBT SERVICE FUND FOR REPAYMENT OF A SUPPORTING  
INVESTMENTS IN ECONOMIC DIVERSIFICATION (SIED) LOAN FROM YAKIMA  
COUNTY FOR COSTS ASSOCIATED WITH INFRASTRUCTURE IMPROVEMENTS  
RELATED TO WATER, SEWER, IRRIGATION AND ROADWAY IMPROVEMENTS  
SOUTH OF WINE COUNTRY ROAD BETWEEN FIR STREET AND THE SVID CANAL**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW,  
WASHINGTON, AS FOLLOWS:**

Section 1. Statement of Purpose: The City Council for the City of Grandview, Washington, has determined that for accounting purposes it would be in the best interest of the city to establish a Debt Service Fund for the repayment of a Supporting Investments in Economic Diversification (SIED) loan as per Contract No. YC-GL-14, from Yakima County for costs associated with infrastructure improvements which include water, sewer, irrigation and roadway south of Wine Country Road between Fir Street and the SVID canal.

Section 2. SIED (EWC Plaza) Loan Fund: The SIED (EWC Plaza) Loan Fund (205) is hereby created. Said fund shall be available for deposit of any interest accrued or funds that may be received pertaining to repayment of said loan.

Section 3. Expenditures of Fund: Monies in the SIED Loan Fund shall be expended exclusively for repayment of debt associated with repayment of the SIED Loan with Yakima County as per SIED Contract No. YC-GL-14.

Section 4. Severability: If any provision of this Ordinance or its application to any person or circumstances is held to be invalid the remainder of this Ordinance or the application of the provisions to other persons or circumstances, shall not be affected.

Section 5. Effect: This Ordinance shall be in full force and effect five (5) days after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

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

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

**APPROVED AS TO FORM:**

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**CITY ATTORNEY**

**PUBLICATION:  
EFFECTIVE:**

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COUNCIL OF THE WHOLE MEETING**

**ITEM TITLE**

Ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to Euclid/WCR Intersection and widening of Forsell Road from Wallace Way to Euclid Road

**AGENDA NO.:** New Business 4 (G)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Treasurer

**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

**DEPARTMENT DIRECTOR REVIEW**

Matthew Cordray, City Treasurer



**CITY ADMINISTRATOR**

**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

The City of Grandview entered into a SIED contract with Yakima County for the purpose of infrastructure improvements related to Euclid/WCR intersection and widening of Forsell Road from Wallace Way to Euclid Road. The project was funded with 50 percent SIED loan and 50 percent SIED grant. This ordinance establishes a debt service fund to repay the loan portion.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

Beginning in 2016, the City of Grandview will send a payment to Yakima County Infrastructure Fund. The payment will be approximately \$23,300 for ten years. For the first five years, FruitSmart Inc. will contribute \$12,800 towards the payment. The City will be responsible for the whole amount the remaining five years.

**ACTION PROPOSED**

Move ordinance establishing a Debt Service Fund for repayment of a Supporting Investments in Economic Diversification (SIED) Loan from Yakima County for costs associated with infrastructure improvements related to Euclid/WCR Intersection and widening of Forsell Road from Wallace Way to Euclid Road to the next regular Council meeting for consideration.

ORDINANCE NO. 2016-\_\_

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
ESTABLISHING A DEBT SERVICE FUND FOR REPAYMENT OF A SUPPORTING  
INVESTMENTS IN ECONOMIC DIVERSIFICATION (SIED) LOAN FROM YAKIMA  
COUNTY FOR COSTS ASSOCIATED WITH INFRASTRUCTURE IMPROVEMENTS  
RELATED TO EUCLID/WINE COUNTRY ROAD INTERSECTION AND WIDENING OF  
FORSELL ROAD FROM WALLACE WAY TO EUCLID ROAD**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW,  
WASHINGTON, AS FOLLOWS:**

Section 1. Statement of Purpose: The City Council for the City of Grandview, Washington, has determined that for accounting purposes it would be in the best interest of the city to establish a Debt Service Fund for the repayment of a Supporting Investments in Economic Diversification (SIED) loan as per Contract No. YC-EWCR-15, from Yakima County for costs associated with infrastructure improvements which include Euclid/Wine Country Road Intersection and Forsell Road widening from Wallace Way to Euclid Road.

Section 2. SIED (Euclid/WCR) Loan Fund: The SIED (Euclid/WCR) Loan Fund (210) is hereby created. Said fund shall be available for deposit of any interest accrued or funds that may be received pertaining to repayment of said loan.

Section 3. Expenditures of Fund: Monies in the SIED Loan Fund shall be expended exclusively for repayment of debt associated with repayment of the SIED Loan with Yakima County as per SIED Contract No. YC-EWCR-15.

Section 4. Severability: If any provision of this Ordinance or its application to any person or circumstances is held to be invalid the remainder of this Ordinance or the application of the provisions to other persons or circumstances, shall not be affected.

Section 5. Effect: This Ordinance shall be in full force and effect five (5) days after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

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

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



**APPROVED AS TO FORM:**

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**CITY ATTORNEY**

**PUBLICATION:**

**EFFECTIVE:**

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

**ITEM TITLE:**

Ordinance amending the City of Grandview 2017  
Non-Union Salary Schedule

**AGENDA NO.** New Business 4 (H)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Administrator

**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

**DEPARTMENT DIRECTOR REVIEW**

Cus Arteaga, City Administrator/Public Works Director

**CITY ADMINISTRATOR**

**MAYOR**

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

None

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The following general wage increases have been incorporated into the salary schedules and included in the 2017 preliminary budget:

- Public Works Union (settled) – 2.25% on 1/1/2017 & 2.25% on 7/1/2017
- Police Sergeants & Patrol Union (settled) – 3% on 1/1/2017
- Police Support Union (not settled) – proposed 2% 1/1/2017
- Non-Union (to be determined by Council) – proposed 2% 1/1/2017

**ACTION PROPOSED**

Move an ordinance amending the City of Grandview 2017 Non-Union Salary Schedule to the next regular Council meeting for consideration.

**ORDINANCE NO. 2016-\_\_\_\_**

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
AMENDING THE CITY OF GRANDVIEW 2017 NON-UNION SALARY SCHEDULE**

**WHEREAS**, the City Council of the City of Grandview, Washington has by Ordinance No. 2016-\_\_\_\_ adopted a budget for 2017; and,

**WHEREAS**, the City Council determined during the budget process that a 2% general salary increase for all non-union employees be allocated and included on the monthly salary matrix as an integral part thereof;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON DO ORDAIN AS FOLLOWS:**

**SECTION 1:** The City of Grandview 2017 Non-Union Monthly Salary Schedule is hereby amended to include the salary increases attached hereto as **Exhibit 1** and incorporated herein by reference.

**SECTION 2.** This Ordinance shall be in full force and effect five (5) days after its passage and publication as required by law.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on December 13, 2016.

**MAYOR**

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

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

**APPROVED AS TO FORM:**

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

**PUBLISHED:** 12/14/16  
**EFFECTIVE:** 1/1/17

74

**EXHIBIT 1  
CITY OF GRANDVIEW  
2017 NON-UNION MONTHLY SALARY SCHEDULE**

POSITION	MONTHLY MINIMUM	MONTHLY MAXIMUM
City Administrator/Public Works Director (hybrid position)	\$8,090	\$12,134
City Clerk/Human Resource Assistant (hybrid position)	\$5,487	\$8,230
Police Chief	\$5,460	\$8,191
Fire Chief	\$5,405	\$8,108
Assistant Police Chief	\$4,926	\$7,389
Assistant Public Works Director	\$4,331	\$7,011
Wastewater Treatment Plant Superintendent	\$4,633	\$6,949
City Treasurer	\$4,563	\$6,948
Fire Captain	\$4,517	\$6,775
Parks & Recreation Director	\$4,331	\$6,594
Library Director	\$3,804	\$5,705
Public Works Foreman	\$3,745	\$5,619
Deputy City Clerk/Treasurer	\$3,168	\$4,752
Public Works Assistant	\$3,168	\$4,752
Accounting Clerk	\$2,957	\$4,436
Utility Billing Clerk	\$2,793	\$4,251
Assistant Librarian	\$2,659	\$4,047
Public Works Office Clerk	\$2,532	\$3,854

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

**ITEM TITLE:**

Ordinance adopting the budget and confirming tax levies for revenue to carry on the government for the fiscal year ending December 31, 2017

**AGENDA NO.** New Business 4 (I)

**AGENDA DATE:** November 22, 2016

**DEPARTMENT**

City Treasurer

**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

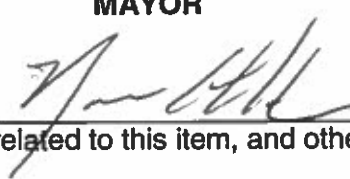
**DEPARTMENT DIRECTOR REVIEW**

Matt Cordray, City Treasurer



**CITY ADMINISTRATOR**

**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

During the months of August through November, there have been numerous staff reviews, budget discussions and City Council special meetings regarding the 2017 preliminary budget.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The Mayor's preliminary budget was released to the Council and public on November 14, 2016. A copy of the budget message is attached hereto.

**ACTION PROPOSED**

Move an ordinance adopting the budget and confirming tax levies for revenue to carry on the government for the fiscal year ending December 31, 2017 to the next regular Council meeting for consideration.



207 West Second Street - Grandview, Washington 98930 – (509) 882-9200

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November 14, 2016

Dear Councilmembers and the Citizens of Grandview:

It is a privilege to present the 2017 preliminary annual budget for your consideration. This budget was developed with Council's leadership in identifying the operating and capital priorities. This guidance provides the basis for the departments to submit their budget proposals and additional program requests for consideration as we develop the budget.

The development of the 2017 annual budget required some creative thinking in order to continue to provide a balanced budget as required by law. For example, staff will extend the vehicle and equipment replacement funding by one year. This approach will reduce expenditures approximately \$75,000 from the Current Expense Fund and increase the ending fund balance by 1.5%. City staff is committed in providing the citizens with a financially healthy budget with efficient service delivery within available resources.

The 2017 preliminary budget, for the most part, maintains our existing services, although there could be areas where lower priority programs could be eliminated and/or reduced. Reducing and/or eliminating lower priority programs will allow us the ability to continue to realign resources in order to maintain the current services. Maintaining priority services is possible because of the positive planning efforts that have continued to occur over the past years.

Some of this year's accomplishments are as follows:

- Community Rose Garden pruning party
- Forsell Road improvements from Euclid to Wallace Way
- Euclid/Wine Country Road intersection improvements
- Wine Country Road overlay from Ash to Fir Street
- Wallace Way overlay
- Ash Street overlay from East Second to East Third Street
- Alley overlay between Division and Ash Street
- Old Inland Empire Road water main improvements and overlay from Grandridge to Elm Street
- Speed display signs on West Wine Country Road and West Second Street
- Grandview Museum renovation
- Swim Pool Improvements – Phase 1

In this budget message, I will comment on each of the key components that are important to a comprehensive understanding of the proposed budget plan for the period of January 1, 2017 to December 31, 2017.

The key components are as follows:

- 2017 Budget Highlights
- Enterprise Funds
- Personnel
- Revenue Enhancements
- Capital Improvement Needs
- Vehicle Replacement
- Summary/Recommendations

### **2017 BUDGET HIGHLIGHTS**

- The proposed budget includes 2017 expenditures of \$5,913,175 in the Current Expense Fund. This represents a 5.9% increase from the 2016 projected expenditures with an overall decrease of 1% from the adopted 2016 budget. The projected 12/31/17 Current Expense Fund balance is \$743,540, which represents a fund balance equal to approximately 12.6% of the proposed 2017 expenditures. At this time, this does not meet the City Council's direction to maintain a minimum 15% fund balance.
- The 2016/2017 Budget Summary displays, over a 24-month period, fund balances, revenues and expenditures for each fund. The purpose of this document is to provide the Council and the public with a snapshot of the financial conditions of our City over a period of time.
- We estimate that property tax revenue for 2017 will increase slightly from the 2016 level of \$1,435,000. This is due to an increase in property assessed value of about 1.4%. Property tax revenue represents about 28% of the Current Expense Fund revenues. The estimated annual tax payment to the City for a house assessed at \$100,000 would be \$333.61 or \$27.80 per month. **Attachment A** entitled "Where Does Your Tax Dollar Go" has been prepared to show how the total property taxes paid by the residents are distributed.
- We estimate that sales tax revenue in the Current Expense Fund will have an increase from \$569,500 in 2016 to \$615,000 in 2017. Actual sales taxes collected in 2015 were \$627,070. Sales tax revenue represents about 12% of the Current Expense Fund revenue in 2017.
- Property taxes, sales tax, private utility taxes and city utility taxes are the primary sources to pay for services in the Current Expense Fund and account for 78% of total Current Expense Fund revenue. **Attachment B** displays the various sources of revenue and their respective percentage allocations.
- The primary service costs in the Current Expense Fund are related to public safety services. **Attachment C** displays the various program service costs and their respective percentage allocations.

- The proposed 2017 budget provides full funding for the replacement of the Police Chief's vehicle.
- The proposed budget contains funding to support several community programs and/or organizations, including:
  1. Association of Washington Cities – \$7,100
  2. Yakima Valley Conference of Governments – \$7,500
  3. Yakima County Development Association – \$7,000
  4. Yakima Regional Clean Air Agency – \$4,480
  5. Yakima County Emergency Management – \$12,500
  6. D.R.Y.V.E – \$1,000
- The 2017 budget contains 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 said review, the proposed budget does include a 1% rate increase for irrigation fees to account for the rate increase from Sunnyside Valley Irrigation District and a 1% rate increase for solid waste fees for tipping fee increase from Yakima County Solid Waste Department. There are **NO** proposed rate increases for water and sewer.
- The budget for 2017 is formatted into specific programs within each department. The purpose of this approach is 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 has been prepared for each separate program budget to provide more detailed information.

### **ENTERPRISE FUNDS**

Utility rate increases are needed to offset the increasing cost of labor, supplies, fuel, and outside utilities. The base rates listed below are 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 October 2016. This is done on an annual basis to make certain that the various utility rates are sufficient to support operation and maintenance and capital projects in the respective funds. The recommended 1% irrigation rate and 1% solid waste rate increases are needed in order to sustain rate increases from Sunnyside Valley Irrigation District and Yakima County Solid Waste Department. The 2016 rate review and analysis is included as ***Attachment D***. Also included as ***Attachment E*** is a survey which shows 2016 and 2017 utility rates of similar sized cities in the area.



Utility	Proposed Rate Increase	Proposed % Rate Increase	2016 Rate	2017 Rate	Last Rate Increase	Additional Revenue
Solid Waste	\$0.16	1%	\$13.64	\$13.80	2016	\$7,500
Water	\$0.00	N/A	\$28.95	\$28.95	2015	\$0
Wastewater	\$0.00	N/A	\$32.01	\$32.01	2015	\$0
Irrigation	\$0.11	1%	\$11.17	\$11.28	2016	\$4,500
<b>TOTAL</b>	<b>\$0.27</b>		<b>\$85.77</b>	<b>\$86.04</b>		<b>\$12,000</b>

## **PERSONNEL**

The proposed budget provides for 55 full-time and 8 part-time employees in 2017. Since 2006, the City has reduced the following 12 full time employee positions (FTE):

- 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 Administrative Assistant

As positions have become vacant, we have and will continue to evaluate and/or consider alternative staffing strategies. These include the use of seasonal labor, reduction/modification of services, or, in the case of animal control and legal/prosecution services, contracting out that service. Again this year, we will continue with the combination of the City Administrator/Public Works Director position.

The following general wage increases have been incorporated into the salary schedules:

- Public Works Union (settled) – 2.25% on 1/1/2017 & 2.25% on 7/1/2017
- Police Sergeants & Patrol Union (settled) – 3% on 1/1/2017
- Police Support Union (not settled) – proposed 2% 1/1/2017
- Non-Union (to be determined by Council) – proposed 2% 1/1/2017

The following health insurance premiums were increased in the 2017 budget estimates: Teamsters Plan Z medical insurance 8%. There were no projected rate increases for dental/ortho, vision and life insurance.

## **REVENUE ENHANCEMENTS**

As was mentioned earlier, one of the challenges as a City is to maintain current services at their current level, particularly in the Current Expense Fund. Under current state law, cities are 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 is 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 = \$55,000
Vehicle license fee	Voters	\$100/year = \$640,000
Property tax lid lift	Voters	1% increase = \$11,000

### **CAPITAL IMPROVEMENT NEEDS**

During the process of developing the proposed 2017 budget, a number of unfunded capital improvements were identified. The greatest challenge in this regard is in the areas of major fire apparatus, police station renovation/replacement, local transportation infrastructure and swimming pool upgrades. No financing mechanism is currently in place to make certain that we, as a community, are protecting these investments.

In the 2016 budget, Council agreed to begin setting aside funds for future replacement of self-contained breathing apparatus (SCBA) and fire equipment over a five-year period. The appropriated amount for 2016 was \$33,000 for SCBA replacement and \$20,000 for vehicle replacement. For 2017, \$33,000 will be appropriated for SCBA replacement and \$20,000 for vehicle replacement.

In March 2015, Council agreed to a five-year phasing for swim pool improvements. Phase 1 improvements consisting of bathhouse improvements and Westside Park parking lot lighting and surfacing improvements were completed in 2016. Phase 2 improvements consisting of deck lighting improvements, extending the fence to accommodate picnic areas and installing a commercial grade water slide would be completed in early 2017.

The Grandview Transportation Benefit District (TBD) established an annual vehicle license tab fee in the amount of \$20 which generates an estimated \$150,000 annually to be used only for transportation improvements and street maintenance.

I would identify the following areas of major unfunded potential capital needs:

- Street renovations/reconstruction – \$12,135,900
- Major fire apparatus – \$2,300,000
- Swimming pool upgrade – \$3,500,000
- Police station renovation/replacement – \$10,000,000

### **VEHICLE REPLACEMENT**

The Police Chief's vehicle in the amount of \$50,000 is scheduled for replacement in 2017.

### **SUMMARY/RECOMMENDATIONS**

In an effort to continue to reduce 2017 Current Expense Fund expenditures, only minimal proposed capital items are included in this fund. Additionally, capital replacements are 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 can be funded from that fund. Under ideal circumstances, the Capital Improvements Fund should only be used for major capital projects.

Property tax revenues in 2017 are expected to increase by \$20,000 or 1.4%. While the levy increase is capped at 1%, the cost of delivering services has increased approximately 3% per year. This reality has necessitated the steps taken over the last several years to reduce or modify services. Sales tax levels are established by the state legislature, or are approved by the voters for specific purposes, such as criminal justice or emergency medical services.

In summary, this year's budget is fiscally healthy and responsible and will provide staff with the means to deliver priority services.

As in past years, I want to thank the Department Head Team for carefully reviewing their budget submittals and for recognizing that we continue to see limited resources to be allocated to City-wide priorities. I would also like to recognize the employees who work diligently every day to implement the City-wide goals and objectives by being creative and innovative. This approach has and will continue to not only save the citizens money, but continue to improve programs. The Department Directors continue 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.

We will 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, I would encourage Council to continue the efforts of improving the City by funding and participating in a community beautification project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Norm Childress', written in a cursive style.

Mayor Norm Childress

**ATTACHMENT A**  
**2017 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	\$ 0.255
Yakima County	\$ 0.154
Local & State School Total	\$ 0.558
Port of Grandview	\$ 0.033
<b>TOTAL</b>	<b>\$ 1.000</b>

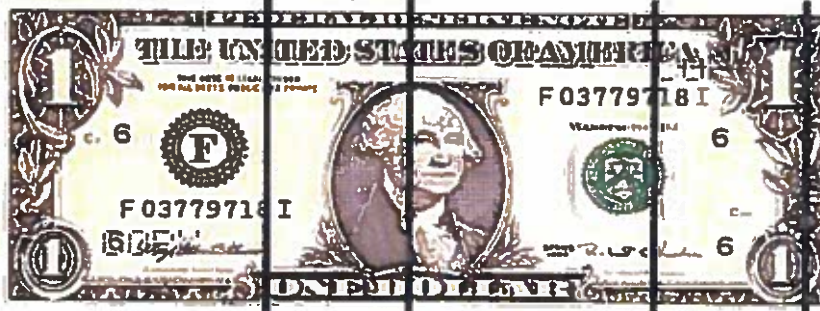
Grandview School District \$0.39

State Schools \$0.17

City of Grandview \$0.26

\* Yakima County \$0.15

Port of Grandview \$0.03



\* 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**

Tax Code Area 440 - City	2016			Total Tax
	Tax Levy Rates/\$1,000 AV *			
	Non-Voted	Voted	Total Rate	
City of Grandview	3.34	-	3.34	333.61
County Emergency Services	0.25	-	0.25	24.68
County Flood Control	0.09	-	0.09	8.98
Grandview Port District #2	0.43	-	0.43	42.83
Grandview School M&O	-	1.86	1.86	186.32
Grandview School Bonds	-	2.49	2.49	248.60
Grandview School Capital Project	-	0.69	0.69	69.45
State School Levy	2.26	-	2.26	225.50
Yakima County	1.88	-	1.68	168.15
Total	8.04	5.04	13.08	1,308.11

\* Rates rounded to nearest cent

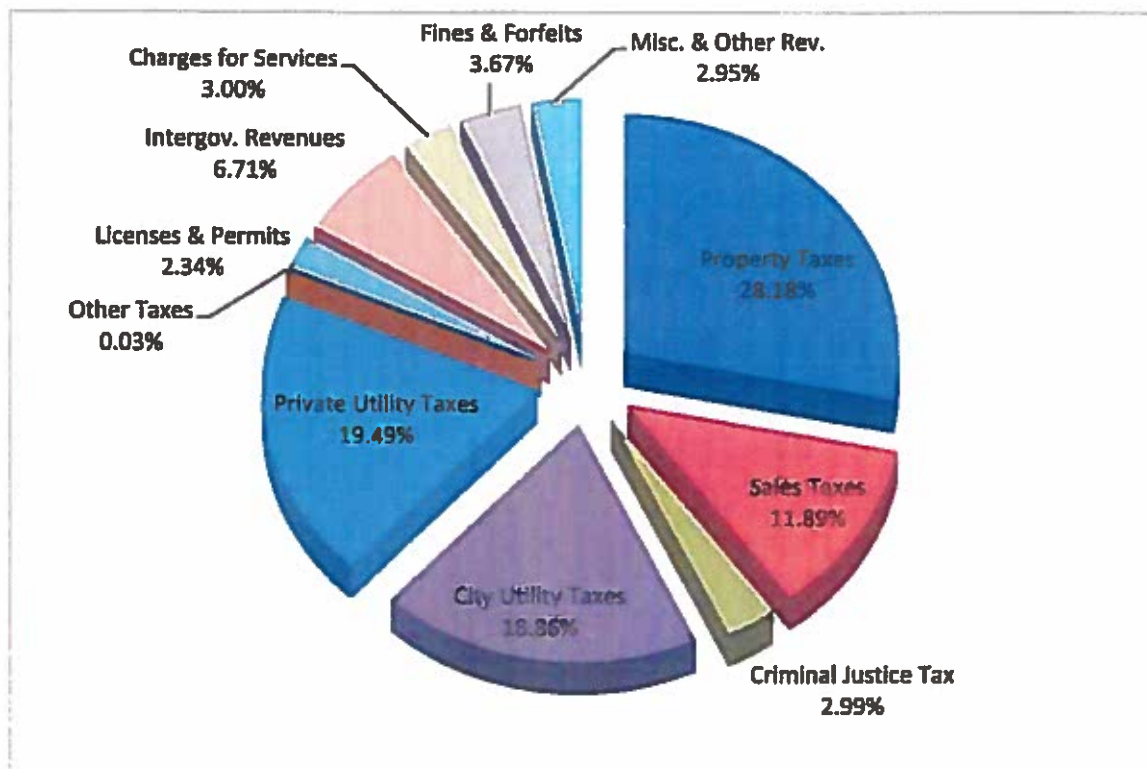
City Total	333.61	26%
County Total	201.80	15%
Local & State School Total	729.87	56%
Port Total	42.83	3%
<b>Total</b>	<b>1,308.11</b>	<b>100%</b>

## ATTACHMENT B

### City of Grandview 2017 Budget

#### Current Expense Revenues

Revenue Type	Amount	
Property Taxes	\$ 1,455,000	28.07%
Sales Taxes	616,500	11.89%
Criminal Justice Tax	155,000	2.99%
City Utility Taxes	977,500	18.86%
Private Utility Taxes	1,010,000	19.49%
Other Taxes	1,300	0.03%
Licenses & Permits	121,250	2.34%
Intergov. Revenues	348,000	6.71%
Charges for Services	155,450	3.00%
Fines & Forfeits	190,100	3.67%
Misc. & Other Rev.	152,910	2.95%
<b>Total Revenue</b>	<b>\$ 5,183,010</b>	



84

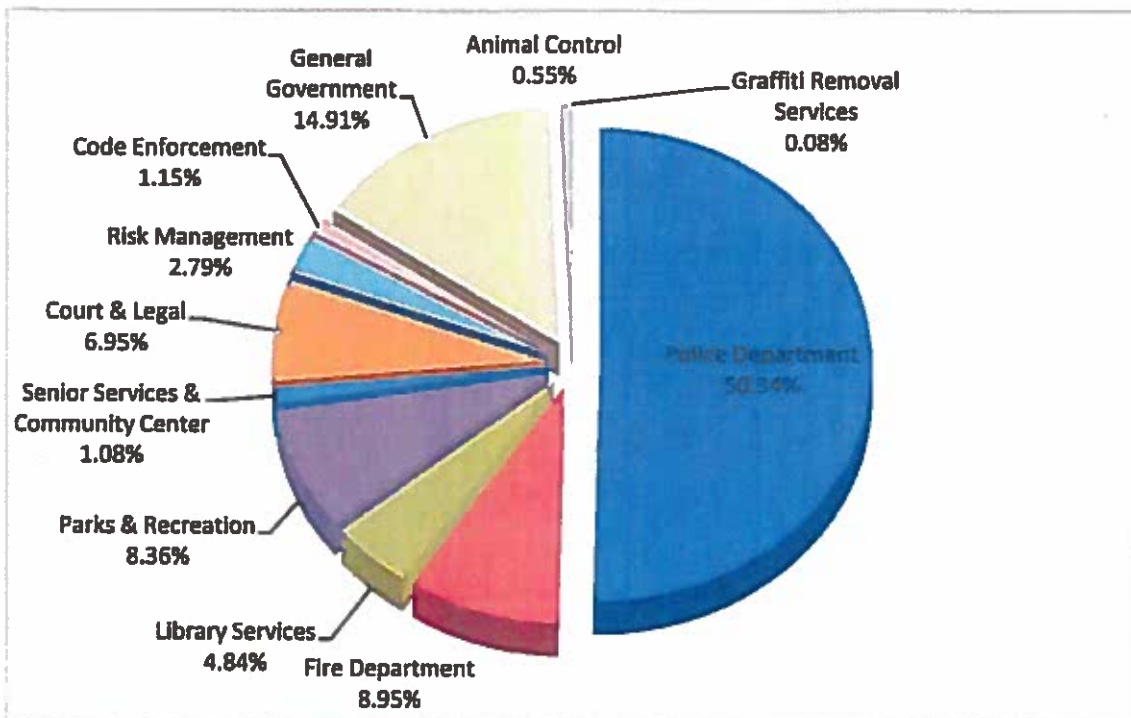
## ATTACHMENT C

### City of Grandview 2017 Budget

#### Current Expense Expenditures

Department/Services	Amount	
Police Department	\$ 2,976,750	50.34%
Fire Department	529,270	8.95%
Library Services	286,180	4.84%
Parks & Recreation	494,560	8.36%
Senior Services & Community Center	63,610	1.08%
Court & Legal	410,720	6.95%
Risk Management	165,060	2.79%
Code Enforcement	68,000	1.15%
General Government	881,450	14.91%
Animal Control	32,760	0.55%
Graffiti Removal Services	4,815	0.08%
<b>Total Expenditures</b>	<b>\$ 5,913,175</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**  
**2017 Budget**

**City of Grandview**  
**2017 Water and Sewer Rate Analysis**

**RATE ANALYSIS REVIEW**  
**October 14, 2016**

**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.

While increased revenues are noteworthy, the City's control of expenditures is also an important factor. In 2016 alone, year-end water department operating expenses are projected to be \$190,000 below budget, and sewer department operating expenses are projected to be \$290,000 below budget. This control of expenses, and the conservative approach to budgeting, has placed Grandview in a good financial position.

**October 2016 Analysis**

Our recent analysis included the following major work items:

- A review of 2016 revenues and expenses;
- Projection of 2016 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 2015 revenues were in line with past revenue projections. However, we are seeing a downturn in revenues in 2016. This downturn is probably due to decreased water consumption and decreased industrial wastewater discharges. To be conservative, we used the lower revenues as the base to estimate 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 sewer department balance was negative through 2013, but in 2014 the year-end balance in the sewer department was positive for the first time since 2007, and sewer revenues continued to exceed expenses in 2015. Even though sewer revenues are down by approximately \$150,000, both the projected 2016 year-end balance and the 2017 budget show a positive balance. Therefore, no sewer rate increase is proposed for 2017.
- Upgrades to the wastewater pumping stations (Euclid Road and Primary Clarifier Pump Stations) are included as sewer expenses in 2014 and 2015 (project construction). Debt service for this improvement was included in 2015 (interim financing interest) with principal and interest payments beginning in 2016.
- 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.
- The sewer department will pay 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 \$540,750 per year.
- Water department expenses include 2016 capital expenditures for the remaining portion of the Old Inland Empire (OIE) Road water system improvements, and rehabilitation of the Asahel Curtis Well (S17). In 2017, capital improvement expenses are included 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 future cash flow analysis. Major improvements in 2018 (\$1,425,000), 2020 (\$1,773,000), and 2021 (\$6,200,000) are proposed to be funded by 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 2017. 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.
- Sewer revenues have decreased an estimated \$150,000 from 2015 to 2016, and sewer operating expenses are increasing about \$290,000 from 2016 to 2017. (A significant portion of this increase is offset by a reduction in debt service costs.) However, projected revenues are still expected to exceed expenses for the next several years, which will allow a reserve to grow and provide funding of future improvements. Therefore, no rate increase is required in 2017. However, the projected decrease in revenues and increase in expenditures should be monitored to see if the trend continues. Gradual adjustments to rates could then be made to pay for the proposed year 2020 treatment plant upgrades.

City of Grandview  
2017 Water and Sewer Rate Analysis

**PROJECTED RATE INCREASES - October 2016 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 September 2015 Review	6% Adopted by Council	2% Revised and Adopted	2% Adopted by Council	2% Adopted by Council	0% Adopted by Council	0%	0%
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 October 2016 Review	6% Adopted by Council	2% Revised and Adopted	2% Adopted by Council	2% Adopted by Council	0% Adopted by Council	0% Recommended	0%
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 September 2015 Review	7% Adopted by Council	6% Adopted by Council	4% Adopted by Council	1% Adopted by Council	0% Adopted by Council	0%	2%
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 October 2016 Review	7% Adopted by Council	6% Adopted by Council	4% Adopted by Council	1% Adopted by Council	0% Adopted by Council	0% Recommended	2%
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

**ATTACHMENT E**  
**2017 Budget**  
**Comparison of Water/Sewer/Garbage Billing - Similar Size, Local Communities**

**2016/Current Rates**

Water/Sewer billing for 5,000 gallons

	Water Charges	Water Tax	Sewer Charges	Sewer Tax	min. Garbage Charges	Garbage Tax	Total
		21.0%		21.0%		21.0%	
Selah	20.77	4.36	38.20	8.02	14.28	3.00	88.63
Union Gap	23.74	-	41.53	-	11.90	-	77.17
Toppenish	31.25	10.31	62.04	20.47	16.28	5.37	145.72
Sunnyside	23.80	4.28	41.46	7.46	11.32	2.04	90.36
Prosser	27.48	5.66	40.77	9.01	14.56	0.73	98.21
West Richland	37.20	5.02	40.00	5.40	17.13	2.74	107.49
Grandview	28.95	7.01	32.01	1.92	13.65	5.19	88.73

**2017 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
		21.0%		21.0%		21.0%			
Selah	21.60	4.54	38.96	8.18	14.85	3.12	91.25	15.84	(1)
Union Gap	24.09	-	41.53	-	12.14	-	77.76	-	(2)
Toppenish	32.81	10.83	63.90	21.09	16.28	5.37	150.28	37.29	(3)
Sunnyside	24.40	4.39	41.46	7.46	11.32	2.04	91.07	13.89	(4)
Prosser	27.48	5.66	40.77	9.01	14.56	0.73	98.21	15.40	(5)
West Richland	40.40	5.45	40.00	5.40	17.21	2.75	111.21	13.60	(6)
Grandview	28.95	7.01	32.01	1.92	13.80	5.24	88.93	14.17	(7)

1) Water +4%, sewer +2%, garbage +4%

2) 2017 rates are listed in their municipal code. Garbage is contracted with BDI, +2% increase

3) 2017 rates are listed in their municipal code. Garbage is contracted with BDI, +2% increase

4) Water +2.5%, garbage amount unknown

5) There will be increases. Amount unknown.

6) Fees are already established in their master fee schedule. Garbage is contracted with BDI.

7) Garbage & irrigation +1%

2017 Budget Summary Work									
1/1/2016 ESO									
Fund	Fund	Program	Balance	Est. 2016	Est. 2016	2016	Est.	Est. 2017	2017
No.			1/1/2016	Revenue	Exp.	Difference	Balance	Revenue	Difference
001	CURRENT EXPENSE FUND		1,862,190	5,184,940	2,565,423	(348,483)	1,473,795	5,183,930	2,511,173
		Legislative Services			54,980				54,450
		Community Support Services			33,080				36,475
		Court Services			254,170				272,600
		Executive Services			82,980				101,070
		Clerk Services			48,900				54,200
		Accounting Services			107,943				111,135
		Risk Management Services			140,050				163,060
		Legal Services			155,320				181,170
		Human Resources Services			63,173				68,300
		General Facilities Services			14,800				19,910
		Police Administrative Services			275,580				283,800
		Police Investigation Services			259,350				283,800
		Police Patrol Services			1,612,643	2,848,145			1,631,300
		Police Community Programs			15,250				16,350
		Police Correction Services			131,780				160,400
		Police Communication Services			506,600				581,500
		Gratuit Removal Services			2,830				4,813
		Ple - Administrative Services			153,543				162,790
		Ple - Supervision Services			113,630	387,163			166,880
		Cada Enforcement Services			64,470				68,000
		Animal Control Services			11,800				12,760
		Senior Services			12,680				12,880
		Planning Services			40,343				37,760
		Economic Development Services			18,400				17,980
		Inspection & Permitting Services			47,950				53,540
		Library Services			274,140				286,180
		Recreation Services			117,760				128,430
		Aquatics Services			108,870	443,450			131,830
		Park Maintenance Services			221,820				234,530
		Museum			23,870	28,180			30,740
		Community Center			41,250				50,710
		Taxes -> MI & Transfers Out			550,250				298,000
		Police Res. Balance			48,900				25,700
		Museum Res. Balance			2,320				2,130
105	EMERGENCY MED. SERVICES FUND		189,890	127,940	142,325	(14,385)	175,505	130,700	149,970
									(18,370)
									13%
106	LAW & JUSTICE TAX 3% FUND		132,775	287,050	280,200	6,850	139,625	273,300	319,000
									(43,700)
									19%
110	STREET FUND		234,678	1,323,300	1,082,005	237,095	432,763	880,853	775,360
		Paved & Street Maintenance			137,510				132,610
		Storm Drainage			1,950				10,130
		Structures			960				2,450
		Stamenets			10,180				28,430
		Street Lighting			170,640				163,000
		Traffic Control Devices			63,630				73,820
		Parking Facilities			10				100
		Snow & Ice Control			20,860				27,850
		Street Cleaning			22,300				34,920
		Roadside			104,530				107,620
		Maintenance Administration			59,860				76,140
		Construction Project			152,700				7,000
		Transportation Benefit District			134,910				112,670
		Transfer Out - RIED Loan			7,875				10,500
110	CEMETERY FUND		77,525	156,500	150,760	5,740	83,275	141,050	167,900
									(76,850)
									16%
205	RED LOAN - EWC PLAZA		-	-	-	-	-	57,500	57,500
									0%
210	RED LOAN - EUCLIDWCR FUND		-	23,300	23,300	-	-	23,300	23,300
									0%
301	CAPITAL IMPROVEMENTS FUND		347,728	118,700	291,890	(241,188)	106,538	173,500	278,680
									(104,150)
									97%
320	COMB - EAST 4TH STREET		3,405	37,300	41,005	(3,305)	-	-	-
									RDV/DI
325	EWC PLAZA - RED LOAN		14,835	-	14,835	(14,835)	-	-	-
									RDV/DI
330	EUCLIDWCR IMPROVEMENTS - RIED		-	528,875	528,875	-	-	-	-
									RDV/DI
410	WATERSEWER FUND		1,580,965	5,995,810	3,388,760	687,050	8,186,005	5,528,005	4,682,870
		Water			2,619,800				1,664,520
		Sewer Collection			493,100				708,660
		Sewer Treatment			1,252,530				1,384,800
		W/S Debt Svc & Transfers Out			1,023,140				784,890
420	IRRIGATION FUND		247,223	460,963	487,150	(26,187)	221,030	493,900	530,570
									(63,070)
									12%
430	SOLID WASTE FUND		411,230	1,894,680	1,854,960	39,720	458,670	1,305,150	1,384,680
		Collection			1,042,070				1,068,910
		Neighborhood Clean-Up			12,890				13,770
434	REVENUE BOND REDEMPTION FUND		141,480	2,493,585	2,481,305	12,280	113,880	635,500	420,700
									14,800
									4%
510	EQUIPMENT RENTAL FUND		2,117,725	542,800	361,525	180,465	2,298,190	472,000	385,280
									86,740
									27%
630	TRANS. BENEFIT DISTRICT FUND		128,880	(120,800)	-	(120,800)	-	-	-
									RDV/DI
									RDV/DI
			11,474,543	18,235,785	17,976,538	279,175	11,733,720	14,774,578	14,723,973
				29,730,250		29,730,250		26,578,290	
									38,595
									26,578,290

**ORDINANCE NO. 2016-\_\_\_**

**AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON,  
ADOPTING THE BUDGET AND CONFIRMING TAX LEVIES  
FOR REVENUE TO CARRY ON THE GOVERNMENT  
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017**

**WHEREAS**, the City Clerk did publish notice that the Council of the City of Grandview, Washington, would meet on the 22<sup>nd</sup> day of November, 2016, at 7:00 p.m., in the Council Chambers of the City Hall of said City for the purpose of making and adopting the budget for the fiscal year 2017, and confirming a tax levy based upon the same fiscal year, and giving taxpayers within the limits of said City an opportunity to be heard upon said budget; and

**WHEREAS**, said City Council did meet at said time and place and did then consider the matter of said proposed budget and tax levy, no objections to the same having been filed with the City Clerk, and no persons appearing to make objections to the same, the Council concluded that the budget was in accord with the needs of the citizens of Grandview; and

**WHEREAS**, said proposed budget does not exceed the lawful limits of taxation allowed by law to be levied on the property of the City of Grandview for the purposes set forth in said budget, being all necessary to carry on the government of said City during said period,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON**, as follows:

**SECTION I.** That the City Council of the City of Grandview hereby adopts by reference the 2017 Annual Budget, which is on file in the Office of the City Clerk of Grandview. That required expenditures for the various departments and needs and operation of government of the City of Grandview, Washington, for the fiscal year ending December 31, 2017, are fixed in the following amounts, to-wit:

**RECAPITULATION – ALL FUNDS**

<b>Fund</b>	<b>Beginning Balance</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Ending Balance</b>
<b>Current Expense</b>	1,473,705	5,183,010	5,913,175	743,540
<b>E.M.S.</b>	175,305	130,700	149,970	156,035
<b>Law &amp; Justice Tax</b>	139,625	275,300	339,000	75,925
<b>Street</b>	453,765	800,055	779,360	474,460
<b>Cemetery</b>	83,275	141,050	167,900	56,425
<b>SIED Loan – EWC Plaza</b>	0	57,500	57,500	0
<b>SIED Loan – Euclid/WCR</b>	0	23,300	23,300	0

Capital Improvements	106,530	175,500	279,690	2,340
Water/Sewer	6,198,005	5,520,005	4,602,870	7,115,140
Irrigation	221,050	455,500	520,570	155,980
Solid Waste	450,670	1,105,150	1,084,680	471,140
W/S Rev. Bond Redemption	153,600	435,500	420,700	168,400
Equipment Rental	2,298,190	472,000	385,260	2,384,930
<b>Total</b>	<b>11,753,720</b>	<b>14,774,570</b>	<b>14,723,975</b>	<b>11,804,315</b>

**SECTION II.** That a regular levy of \$1,511,770 levied upon the taxable real and personal property situated within the City of Grandview, taxable under the laws of the State of Washington as City taxes, as 2016 taxes, as affixed by Ordinance Nos. 2016-24 and 2016-25 are hereby affirmed and said amount shall be appropriated.

**SECTION III.** The City Clerk is hereby instructed to forthwith certify said budget and tax levy to the County Assessor of Yakima County, Washington, for the purpose of having said taxes extended on the tax roll as provided by law, and said assessor is hereby authorized to extend said taxes accordingly.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** this 13th day of December, 2016.

**MAYOR**

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

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

**APPROVED AS TO FORM:**

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

PUBLISH: 12/14/16  
EFFECTIVE: 12/19/16