

Study Session Minutes
Selah City Council
May 10, 2016
3:00pm

Mayor Raymond opened the Study Session.

City Administrator Wayman gave a PowerPoint presentation on budget options for the construction of a new City Hall and Police Station, which has been attached as part of the record for these minutes.

The Study Session ended at 4:00pm.



City of Selah Budget Options

*A review of financial capacity and
available options to support
construction of a future City Hall and
Police station.*



Current Debt

- **Marudo Property**
 - Loan balance: Approximately \$2,665,000.00.
 - Requirement to replace \$1,000,000.00 to General and Reserve fund.
 - Charged to General fund.
 - Source of funding: Utility Tax @ 15%.
 - Approximately 5.4 years to pay-off at the rate of \$670,000.00 per year.
- **SIED Loan (Bartlett and Wenas street improvements)**
 - Loan balance: Approximately \$147,000.00.
 - Charged to General fund
 - Source of funding: Available General funds
 - Approximately 6 years to pay off at the rate of \$23,100.00 per year.
- **2016 Energy Loan**
 - Loan Balance: Approximately \$398,201.00
 - Charged to Sewer Fund
 - Source of funding: Sewer utility charges
 - Approximately 10 years to pay off at the rate of 2.36% per year.

Funds Available for Capital Improvements



- **Fund 140, Contingency Reserve**
 - \$28,000.00
- **Fund 301, Capital Improvement**
 - \$200,000.00
- **Fund 310, CE Building/Property Reserve**
 - \$479,000.00
- **Total**
 - \$707,000.00



Sources for Tax Revenue

- Property Taxes, (Above 1% must be voter approved)

Assessed Value City of Selah	Tax Rate Per Thousand of Assessed Value
\$596,044,868	\$ 2.56

The following is the amount of taxes on a Selah property:

<u>Tax District Levy</u>	<u>Total</u>
County EMS	\$ 0.24680626
County Flood Control	0.08975938
Selah City	2.56210014
SPRSA M & O	0.08068413
SPRSA Bonds	0.24821909
Selah School Bonds	1.16347960
Selah School M&O	3.61423400
State School Levy	2.25504630
Yakima County	1.68146771
Yakima Valley Library	0.47455597

Total Rate \$ 12.41635257 per thousand

On a \$ 200,000 AV home the tax is \$2,483.27 (\$200 x \$12.41635257)



Sources for Tax Revenue

- Utility Taxes, (May be levied by Council vote)

- 6% Base
- 15% Marudo Bond
- 8.5% Public Safety
- 29.5% Total

City of Yakima	Water/Sewer 20%, Garbage 14%
Union Gap	No utility tax
Sunnyside	Water/Sewer 18%, Garbage 3.6%
Toppenish	33%
Wapato	33%
Grandview	Water 24.2%, Sewer 6%, Garbage 38%
W. Richland	Water 15%, Sewer 13.5%, Garbage 8.5%
Zillah	Water/Sewer 32%, Garbage 28.1%



Sources for Tax Revenue

15 % Bond Utility Tax

	Monthly	YTD
13-Jan	\$47,831	\$47,831
13-Feb	46,675	94,506
13-Mar	44,966	139,473
13-Apr	44,113	183,585
13-May	51,370	234,955
13-Jun	52,100	287,055
13-Jul	58,697	345,752
13-Aug	59,501	405,252
13-Sep	58,758	464,011
13-Oct	58,828	522,839
13-Nov	50,550	573,389
13-Dec	49,582	622,971

	Monthly	YTD
14-Jan	\$46,898	\$46,898
14-Feb	49,288	96,186
14-Mar	46,486	142,672
14-Apr	48,445	191,117
14-May	49,354	240,471
14-Jun	55,938	296,408
14-Jul	59,263	355,671
14-Aug	63,554	419,225
14-Sep	58,446	477,672
14-Oct	61,590	539,262
14-Nov	50,047	589,308
14-Dec	57,531	646,839

	Monthly	YTD
15-Jan	\$48,471	\$48,471
15-Feb	47,686	96,157
15-Mar	50,931	147,088
15-Apr	43,499	190,587
15-May	52,678	243,265
15-Jun	62,642	305,907
15-Jul	65,608	371,515
15-Aug	66,756	438,271
15-Sep	60,832	499,103
15-Oct	59,287	558,390
15-Nov	57,289	615,679
15-Dec	54,944	670,623

	Monthly	YTD
16-Jan	\$46,888	\$46,888
16-Feb	50,697	97,585
16-Mar	54,661	152,246
16-Apr	48,316	200,562
16-May		200,562
16-Jun		200,562
16-Jul		200,562
16-Aug		200,562
16-Sep		200,562
16-Oct		200,562
16-Nov		200,562
16-Dec		200,562

1% = \$44,708

Debt Svc	<u>\$465,659</u>	<u>\$465,655</u> 10.8%	<u>\$431,777</u> 9.7%
Excess	<u>\$157,312</u>	<u>\$181,184</u> 4.2%	<u>\$238,846</u> 5.3%
		<u>15.0%</u>	<u>15.0%</u>

	Annual Debt Svc	
\$ 4 Million Bond	\$260,480	5.8%
\$5 Million Bond	\$325,600	7.3%
\$7 Million Bond	\$455,840	10.2%

Current Expenditures



- **Police Station**
 - Annual Rent - \$48,000.00
 - Annual Maintenance - \$7000.00
 - Annual Property Tax - \$6600.00
- **City Hall**
 - Annual Maintenance - \$9000.00
- ***If we remain in place...***
 - A new rental agreement for the police station will need to be in place prior to July 2019.
 - Plant updates at the police station will be needed.
 - Plant updates at City Hall will be needed.

Methods of Finance

- **Bond**
 - Voter Bond
 - Councilmatic
- **Commercial Loan**
- **USDA Loan**
- **Lease Leaseback Program, RCW 35.42**



City of Selah

Bond Financing Discussion

As of May 9, 2016

D|A|DAVIDSON

Jim Nelson

Senior Vice President

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Seattle, WA 98104

Website: www.davidsoncompanies.com/ficm

Types of Bonds?

UNLIMITED TAX GENERAL OBLIGATION BOND (Voted) –

- A bond that is secured by the full faith, credit and taxing power. General obligation bonds are secured by a pledge of the issuer's ad valorem (i.e. special excess bond levy) for the term of the financing.

LIMITED TAX GENERAL OBLIGATION BOND (Non-voted) –

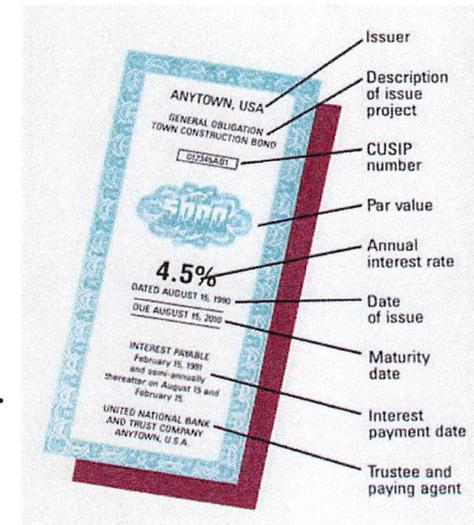
- A type of municipal bond that is guaranteed by the municipality's pledge to use all legal resources, including the levying of property taxes up to a set statutory limit. If a municipality exhausts the property tax resources for bond repayment within that limit, other revenue sources must be used for bond repayment, such as sales tax revenues, utility taxes, etc.

REVENUE BOND –

- A bond that is payable from a specific source of revenue (typically water and sewer revenues).

LOCAL IMPROVEMENT DISTRICT (LID) BOND –

- A bond payable from special assessments levied on the benefited properties within a local improvement district. The special benefit for the properties is an increase in property value. The amount of the assessment must be less than the estimated increase in property value from the LID improvements.



Estimated Debt Limit

CALCULATION OF LEGAL DEBT LIMIT As of 5/9/2016		Current	Option 1	Option 2
			<i>Non-Voted Bond</i>	<i>Voted Bond</i>
1	2016 Assessed Value:	\$596,044,868	\$596,044,868	\$596,044,868
General Purposes (for Capital Improvements)				
2	Limited Tax (Non-voted) General Obligation Debt Capacity (1.5% of AV)	\$8,940,673	\$8,940,673	\$8,940,673
3	Less: Outstanding LTGO Bonds	(\$3,045,000)	(\$3,045,000)	(\$3,045,000) (1)
4	Less: Future LTGO Bond	\$0	(\$5,000,000)	\$0 (1)
5	Remaining Non-voted Limited Tax General Obligation Debt Capacity	\$5,895,673	\$895,673	\$5,895,673
6	<u>Unlimited Tax (Voter Approval) General Obligation Debt Capacity (2.5% of AV)</u>	\$14,901,122	\$14,901,122	\$14,901,122
7	Less: Outstanding Limited Tax General Obligation Debt (from above)	(\$3,045,000)	(\$8,045,000)	(\$3,045,000) (1)
8	Less: Future Voted Bond	\$0	\$0	(\$5,000,000) (2)
9	Remaining General Obligation Debt Capacity (with Voter Approval)	\$11,856,122	\$6,856,122	\$6,856,122
Parks, Open Space, Commun. Center, Facilities for Economic Development				
10	<u>Unlimited Tax (Voter Approval) General Obligation Debt Capacity (2.5% of AV)</u>	\$14,901,122	\$14,901,122	\$14,901,122
11	Less: Future Voted Bonds for _____?	\$0	\$0	\$0 (2)
12	Remaining Parks & Open Space Debt Capacity (with Voter Approval)	\$14,901,122	\$14,901,122	\$14,901,122
Utility Purposes (for Water, Light, Sewer, Gas, etc.)				
13	<u>Unlimited Tax (Voter Approval) General Obligation Debt Capacity (2.5% of AV)</u>	\$14,901,122	\$14,901,122	\$14,901,122
14	Less: Future Voted Bonds for _____?	\$0	\$0	\$0 (2)
15	Remaining Utility Purpose Debt Capacity (with Voter Approval)	\$14,901,122	\$14,901,122	\$14,901,122
16	Total Remaining General Obligation Debt Capacity	\$41,658,365	\$36,658,365	\$36,658,365

(1) Paid from the City's General Fund.

(2) Paid from a Voter Approved Excess Levy for the life of the Bond.

Previous Discussions on City Hall project

- Possible use of Utility Sales Tax Revenue to support a non-voted Limited Tax General Obligation Bond.
- Interest rate assumptions and assumed rating grade.
- Term of the financing.

Estimated Range of Payments – Non-voted

BASE CASE

20-YEARS, ESTIMATED LIMITED TAX GENERAL OBLIGATION BOND PAYMENTS

For Discussion Purposes (As of 5/9/2016)

Bond Size:	\$1,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Est. Average Annual Payment (1):	\$63,916	\$191,748	\$255,664	\$319,580
Est. Net Borrowing Cost (1):	2.45%	2.45%	2.45%	2.45%

BASE CASE PLUS 0.25%

20-YEARS, ESTIMATED LIMITED TAX GENERAL OBLIGATION BOND PAYMENTS

For Discussion Purposes (As of 5/9/2016)

Bond Size:	\$1,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Est. Average Annual Payment (1):	\$65,120	\$195,360	\$260,480	\$325,600
Est. Net Borrowing Cost (1):	2.70%	2.70%	2.70%	2.70%

Assumptions:

1. Net Borrowing Cost is preliminary and subject to change.

Estimated Range of Payments – Voted

BASE CASE

20-YEARS, ESTIMATED VOTED BOND PAYMENTS

For Discussion Purposes (As of 5/9/2016)

Funding Amount:	\$1,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Est. Average Annual Payment (1):	\$63,916	\$191,748	\$255,664	\$319,580
Est. Net Borrowing Cost (1):	2.45%	2.45%	2.45%	2.45%
Tax Levy Impact (1): (dollars per \$1,000 of assessed valuation)	\$0.107	\$0.322	\$0.429	\$0.536
Tax impact on a homeowner of: \$200,000				
Annual Increase (1):	\$21.45	\$64.34	\$85.79	\$107.23
Monthly Increase (1):	\$1.79	\$5.36	\$7.15	\$8.94

BASE CASE PLUS 0.25%

20-YEARS, ESTIMATED VOTED BOND PAYMENTS

For Discussion Purposes (As of 5/9/2016)

Funding Amount:	\$1,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Est. Average Annual Payment (1):	\$65,120	\$195,360	\$260,480	\$325,600
Est. Net Borrowing Cost (1):	2.70%	2.70%	2.70%	2.70%
Tax Levy Impact (1): (dollars per \$1,000 of assessed valuation)	\$0.109	\$0.328	\$0.437	\$0.546
Tax impact on a homeowner of: \$200,000				
Annual Increase (1):	\$21.85	\$65.55	\$87.40	\$109.25
Monthly Increase (1):	\$1.82	\$5.46	\$7.28	\$9.10

Assumptions:

1. Net Borrowing Cost is preliminary and subject to change.

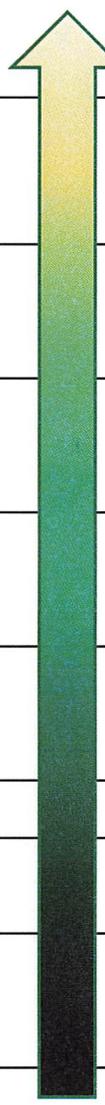
2. Assessed value for the 2016 Tax Collection year:

\$596,044,868

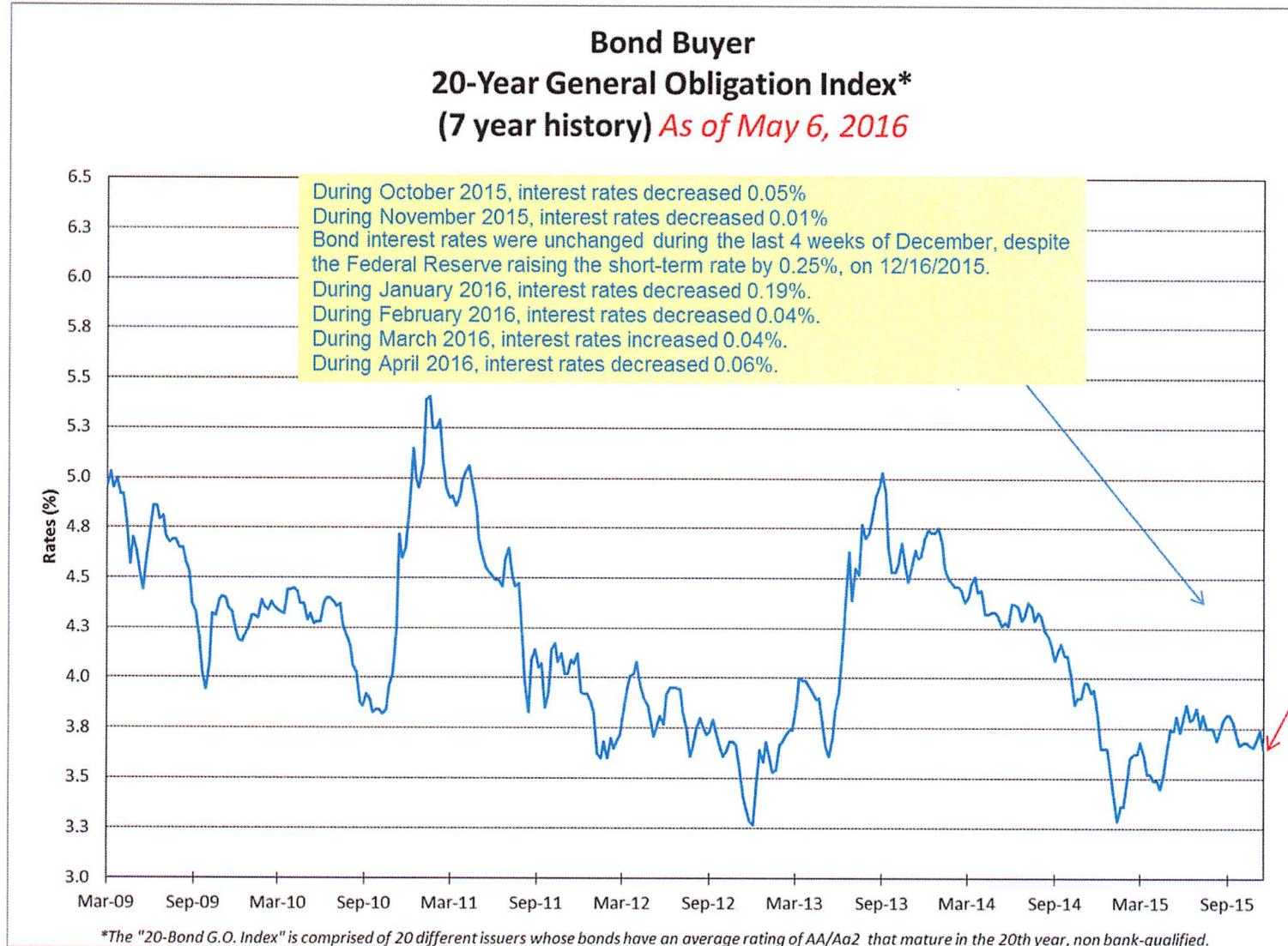
Bond Rating Grades

- ❖ A rating grade helps to achieve a lower interest cost.
- ❖ Investors (i.e., buyers of municipal bonds) view the rating grade as an indication of risk.
- ❖ **In 2014, the City received their first rating grade of AA-.**

	S&P	Moody's
Best Quality	AAA	Aaa
High Quality	AA+ AA AA-	Aa1 Aa2 Aa3
Upper Medium Grade	A+ A A-	A1 A2 A3
Lower Medium Grade	BBB+ BBB BBB-	Baa1 Baa2 Baa3
Non-investment Grade/Speculative	BB+ BB BB-	Ba1 Ba2 Ba3
Highly Speculative	B+ B B-	B1 B2 B3
Substantial Risks	CCC+	Caa1
Extremely Speculative	CCC	Caa2
Default imminent with little prospect for recovery	CCC- CC C	Caa3 Ca
In Default	D	C



Interest Rate Market

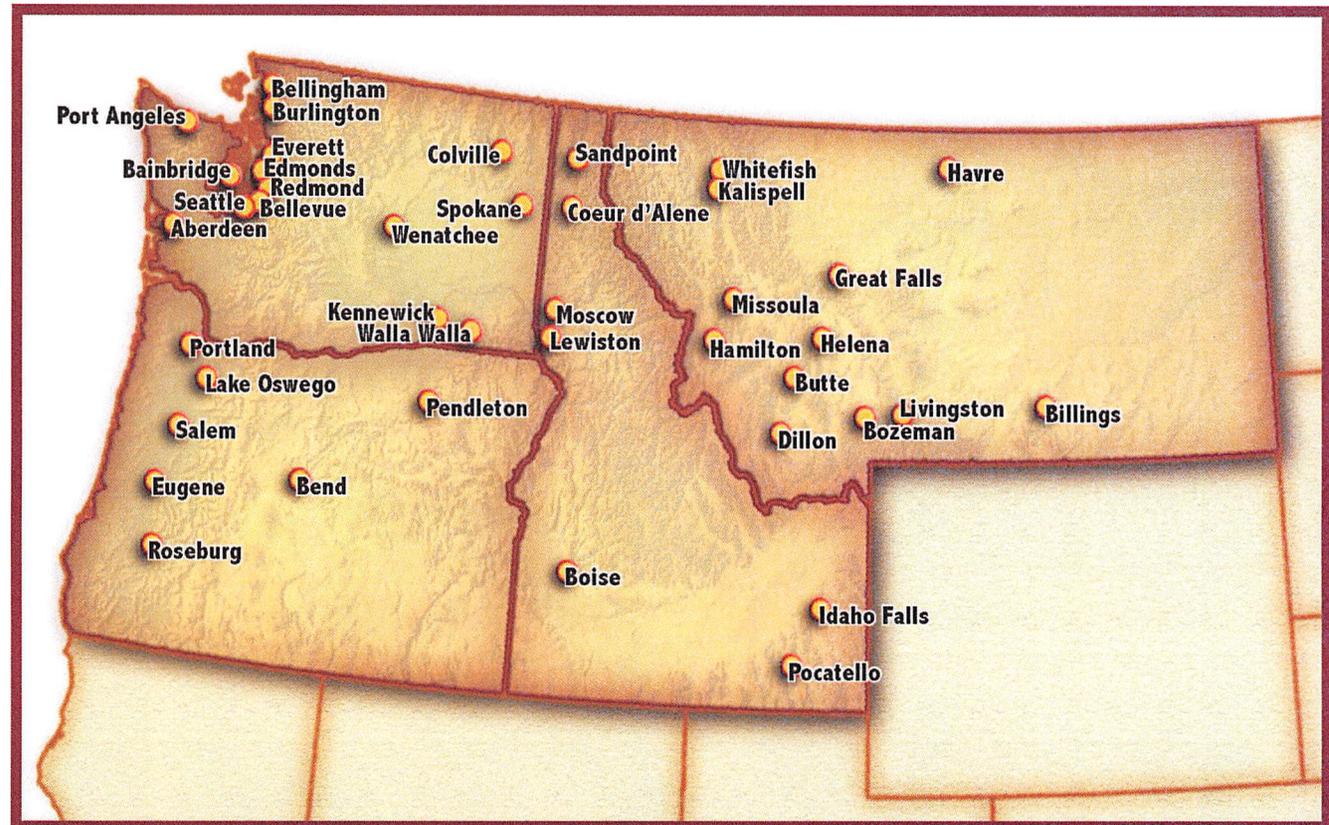


Davidson's Strengths

- **Ranked 1st in Washington State in 2013, 2014 and 2015** for the number of negotiated municipal transactions completed.
- We are the **largest financial services company** headquartered in the Pacific Northwest. Originated in 1935.
- Our 44-office network includes **14 offices in Washington State and over 1,450 employees firm-wide**.
- D.A. Davidson has approximately \$100 million in net capital.

Davidson's Market Coverage

- 44 retail offices with over 410 retail salespeople located in the Northwest (14 retail offices in Washington State (including Wenatchee, Kennewick Walla Walla & Spokane)), enabling us to effectively market bonds to local investors
- Strong national, regional and local institutional coverage with **66** institutional salespeople to market bonds to banks, insurance companies, mutual funds
- **3** regional municipal underwriting/bond trading desks in Seattle, Denver and Omaha



Source: D.A. Davidson & Co.

Who We Serve?

Cities We Serve

Seattle	Bonney Lake	Port Townsend	Prosser
Spokane	Monroe	College Place	Ocean Shores
Tacoma	Aberdeen	Hoquiam	Woodland
Kent	Centralia	DuPont	Omak
Spokane Valley	Sunnyside	Burlington	Sultan
Bellingham	Washougal	Liberty Lake	Chelan
Lacey	East Wenatchee	Ephrata	Deer Park
Bremerton	Lake Forest Park	Othello	Forks
Puyallup	West Richland	Chehalis	Goldendale
Bothell	Kelso	Selah	Cashmere
Wenatchee	Ferndale	Gig Harbor	Friday Harbor
Pullman	Port Orchard	Yelm	Leavenworth
Lake Stevens	Snoqualmie	Milton	Cle Elum
Bainbridge Island	Grandview	Duvall	Carnation
Oak Harbor	Cheney	Sequim	Long Beach
Moses Lake	Newcastle	Fircrest	Woodway
Mukilteo	Shelton	Normandy Park	Langley
Mill Creek	Sumner	Stanwood	
Ellensburg	Edgewood	Airway Heights	
Battle Ground	Poulsbo	Brier	
Covington	Fife	Steilacoom	
Tumwater	Snohomish	North Bend	

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City of Selah
Council Minutes
May 10, 2016

Regular Meeting
Selah Council Chambers
115 West Naches Avenue
Selah, WA 98942

A. Call to Order Mayor Raymond called the meeting to order at 4:00pm.

B. Roll Call

Members Present: Paul Overby; John Tierney; Roy Sample; Roger Bell; Russell Carlson;
Diane Underwood

Members Absent: Laura Ritchie

Staff Present: Don Wayman, City Administrator; Bob Noe, City Attorney; Jim Lange,
Deputy Fire Chief; Rick Hayes, Police Chief; Joe Henne, Public Works
Director; Ty Jones, Public Works Utility Supervisor; Harmit Bedi, City
Planner; Dale Novobielski, Clerk/Treasurer; Dave Mullen, Recreation
Manager; Bree Tait, Civic Center Manager; Andrew Potter, Human
Resources Manager; Monica Lake, Executive Assistant

C. Councilmember Absence – Motion to Excuse

Council Member Tierney moved, and Council Member Sample seconded, to approve the absence of Council Member Ritchie. By voice vote, approval was unanimous.

D. Pledge of Allegiance

Council Member Carlson led the Pledge of Allegiance.

E. Invocation

Pastor Mark Flippin gave the prayer.

F. Agenda Changes **None**

G. Public Appearances/Introductions/ Presentations

1. Introduction of Vanessa Ibarra, Selah Municipal Court Clerk

Municipal Court Judge Faul introduced Jessica Ibarra, the new Court Clerk and administrator for Selah's court, saying that she came from District Court and prior to that, worked for the Prosser Police Department.

Municipal Court Clerk Ibarra greeted the Council, saying that she had enjoyed the challenges of her new job thus far.

H. Getting To Know Our Businesses

I. Communications

1. Oral

Mayor Raymond opened the meeting. Seeing no one rise to speak, she closed the meeting.

2. Written

a. April 2016 Monthly Report for Building Permits and Inspections and Code Enforcement

City Administrator Wayman said that, regarding code enforcement, he wanted to remind Council that they might be getting contacted due to the increased tempo of code enforcement around the City, enforcing code that has not been enforced since it was written in 1994 regarding dumpsters. He noted that they are making efforts to clean up the City and enforce the letter of the law.

Council Member Sample wondered if certain growth meant trees or weeds.

City Administrator Wayman replied that it is mostly weeds.

b. Selah Downtown Association Monthly Report

J. Proclamations/Announcements **None**

K. Consent Agenda

Executive Assistant Lake read the Consent Agenda.

All items listed with an asterisk (*) were considered as part of the Consent Agenda.

* 1. Approval of Minutes: April 26, 2016 Council Meeting

* 2. Approval of Claims & Payroll:

Payroll Checks Nos. 79574 – 79604 for a total of \$255,343.45
Claim Checks Nos. 67630 – 67716 for a total of \$320,484.33

Council Member Tierney moved, and Council Member Carlson seconded, to approve the Consent Agenda as read. By voice vote, approval of the Consent Agenda was unanimous.

L. Public Hearings None

M. General Business

1. New Business

a. Selah Downtown Association's Pop-up Park sponsored by Tree Top

Whitney Stohr, Selah Downtown Association, approached the podium and addressed the Council. She explained that the Pop-up Park, sponsored by Tree Top, would be fifteen feet by twenty feet of artificial grass, with two to three large shade trees in apple boxes and some seating space, which will travel around to different businesses in the downtown community. She added that the intent is to show what it might look like to have more green space downtown, and talk about a project coming up, hoping for installation date prior to or ready for Selah Community days parade, popup park sponsored by Tree Top, 15' X 20' feet of artificial grass, 2-3 large shade trees in apple boxes, make this into something that will travel around downtown community, getting agreements with business owners to place it, show what might look like to have more green space downtown, got support from parks board, want support of council and community

Council Member Overby like idea, would like to see a more refined picture, when gets older what happens then, who decides time to be retired

Ms. Stohr this will be a summer project, travel between now and Sept then will look for homes for her trees and park to be deconstructed, working with PW to donate

Council Member Overby moved, and Council Member Sample seconded, to support the Selah Downtown Association's Pop-up Park. By voice vote, approval was unanimous.

2. Old Business None

N. Resolutions

1. Resolution Authorizing the Mayor to Sign Task Order 2016-04 between the City of Selah and HLA Engineering and Land Surveying, INC. to Provide Consultant Services for Site Soil Remediation

Public Works Director Henne addressed N – 1. He stated that the packet had a different number than the one provided to council today, as the adjusted number includes a donation of twenty-six thousand, five hundred and eighty-seven dollars from HLA for a site plan review on the park, leaving the City with a bill of one hundred twenty-seven thousand, three hundred sixty three dollars. He said that Ted Pooler and Norm Hepner are here to review the information, go over the plan and estimate, and discuss a plan.

Council Member Tierney asked why the funding source is solid waste, not the funds raised for the park.

Public Works Director Henne replied, because it is for remediation.

Council Member Tierney argued that it was still part of the park construction costs.

City Administrator Wayman remarked that the money raised by volunteers was to construct the park, and that this cleanup is a separate and distinct effort, which the City has funds to dedicate for cleanup of the site.

Public Works Director Henne said that the intent is to apply to the Department of Ecology (DOE) for a site cleanup grant, and that a percentage of the cleanup costs could be recouped.

Council Member Sample asked what the total number is for the park.

City Administrator Wayman responded that the cost to build is around three hundred thousand.

Council Member Sample commented that he is trying to get an idea of the cost for the entire project.

Ted Pooler, HLA Engineering and Land Surveying, Inc., approached the podium and addressed the Council. He explained that he would talk about costs and a breakdown of the work, after Mr. Hepner walked the Council through the research done to find the contamination, depth and location, and options available to remediate that site, and then City Administrator Wayman will in fill at the end regarding the funding for the project.

Norman Hepner approached the podium and addressed the Council. He spoke briefly about his background then explained the process for determining the amount of contaminated soil and the steps to remediate. Referring to a large map of the park, divided into three sections labeled as 'A', 'B', and 'C', he used a PowerPoint presentation to list the options available, noting that there is the potential for remedial action cost reimbursement in the future from the DOE.

City Administrator Wayman asked if, when positioning themselves to get reimbursed, would the City be required to do an annual check of the application submitted.

Mr. Hepner replied that one applies on the EVAL site, and that the more interest one shows, the more likely one will get kicked up towards the top.

Council Member Overby inquired if it was helpful that the site is next door to state owned property.

Mr. Hepner responded that a state owned facility do not qualify for grants.

Council Member Tierney wondered if the nature of the project improves its ability to move up the ladder.

Mr. Hepner replied that, while the west side has a huge fund for this, on the east side there is high resistance on cleanup projects, and the DOE is walking a tightrope with regard to funding.

City Administrator Wayman asked if staying aggressive, and having personal meetings with state representative and the DOE, would be helpful.

Mr. Hepner recommended that they position themselves with the next budget cycle; if state representatives write in they want money for the site then it is a check that passes right through, whereas the grant process is the long road right now.

Council Member Sample inquired as to why encroachment is such a problem.

City Administrator Wayman said that they have a number of residences bordering the park that have encroached into City property, and when they went forward with planning for the park, the City took a path of no confrontation with them, sending a letter regarding encroachment but not asking them to move any fence or landscaping improvements. He noted that it did not allow them to do any further improvements; it was just recognizing they were there. He went on to say that, at that time, it didn't affect the look or function of the park; however, it may be a requirement to clean up the entire park to get full funding for this.

Council Member Sample wondered how far the physical fences and landscaping encroach.

Mr. Pooler responded that there are encroachments of up to twenty-five feet.

City Administrator Wayman commented that the open space has been there for years.

Mayor Raymond asked if they would be required to clean up the encroached area as well.

Mr. Hepner replied that potentially they could be, because it is part of the City property, and that the DOE typically expects the entire property to have some type of control. He said that it is possible they will say that the property owners will care for the property and not make conditions worse, but it is a grey area. He explained the Washington State cleanup process and the steps involved, referring Council to more slides from his PowerPoint presentation.

Mr. Pooler spoke about the estimated costs involved, and their plan to remediate the ground by using some of the clean soil in the section designated as 'B' to cover the contaminated soil, which would have a geotextile fabric serving as a barrier between; using some of the contaminated soil to raise the parking lot and make it level, then bury it under asphalt; and transferring some of the contaminated soil to section 'B' with the same barrier between clean and contaminated soil. He said that the estimated cost for soil remediation is three hundred seventy-seven thousand dollars, broken out to show what is grant eligible. He briefly reviewed other costs involved in the project, aside from the remediation, that were included on the cost sheet given to Council, explaining that they have included all the engineering costs on the sheet, both for the remediation effort and site improvements.

Mr. Hepner continued his PowerPoint presentation, saying that they need to draft a cleanup action plan, complete the cleanup action, construct the project, and submit a final cleanup action plan.

City Administrator Wayman remarked that, if Council supports these actions, we're looking at a SEPA review, permitting, and other items getting done throughout the balance of this calendar year, then

breaking ground in early spring of next year. He stated that the project is officially delayed by a year if Council takes action and approves the cleanup but if they choose not to do this plan then the City will have to find another spot for the toys.

Council Member Tierney inquired about feedback from Job Corps.

City Administrator Wayman responded in the negative, saying that he had HLA give them a cost estimate for a commercial effort to do this, although they can go out and solicit volunteer or low cost excavation or work they need done for the park construction, to supplement efforts to lower park costs.

Council Member Tierney felt that getting them to move dirt would save the City a lot of dollars.

Mr. Pooler observed that, historically, the Job Corps works extremely slowly and leaves contamination exposed for a long time. He advised caution with that type of approach, adding that they have adjusted the schedule to have irrigation water available for dust control, and that, if done this year, the cleanup would finish up about the time irrigation water gets shut off.

City Administrator Wayman noted that it would not eliminate them from finding volunteers for the construction phase.

Council Member Bell remarked that, if they choose not to do this with the property, the City still owns contaminated property and has the liability that presents.

City Administrator Wayman responded in the affirmative.

Mr. Hepner commented that they would not be liable because the site was agricultural, but they would have to disclose that if they sell the property.

Council Member Tierney asked if they could find another site for the park.

City Administrator Wayman replied that it would require a long discussion with the donors, and that if they do not build on this site the City should return the money to the donors.

Council Member Overby said that the options are to either keep it barren for eternity or bite the bullet.

City Administrator Wayman gave a brief synopsis of the history of fund 420, which was created as result of the City getting out of the trash hauling business, saying that this remediates a solid waste problem and is a logical use for the money.

Council Member Sample assumed that this is the fee for services enumerated on pages four and five.

Mr. Pooler responded in the affirmative.

Council Member Sample wondered how many subdivisions around Selah are on contaminated land already, adding that, if the City sold the property, someone could build on it and not go through remediation.

Mr. Hepner said that he is correct, that is happening around central Washington.

Council Member Sample requested confirmation that the task order includes construction-engineering costs.

Mr. Pooler replied in the affirmative.

Council Member Sample asked for clarification regarding the six hundred sixty-four thousand dollars.

Mr. Pooler explained that it covers engineering services and testing, including both site remediation and site improvements, and he wanted to make sure Council knew that some of those costs are grant eligible.

Council Member Carlson commented that the items on top are eligible for grant money.

Council Member Sample inquired if this doubled the price of the project.

Mr. Pooler responded in the negative.

Public Works Director Henne said that the one hundred twenty-seven thousand is for all the engineering and testing for remediation, along with some construction costs, and that he will come back in October or November to have Council approve going out to bid on the construction.

Council Member Sample wondered where the additional money to complete the project would come from.

City Administrator Wayman replied that they would receive funding through the RCO grant, donations from various donors, City coffers and some in-kind services, along with fund 420.

Council Member Overby noted that they already have their ducks in a row for the rest; this is the only new element.

City Administrator Wayman reiterated that this is a valid use for fund 420, and there is the possibility of getting some monies reimbursed via grants.

Council Member Overby noted that fund 420 is unrestricted.

Council Member Carlson asked about the potential for reimbursement.

Mr. Hepner answered that the DOE had a fund set aside for lead arsenic cleanup projects, which was depleted with East Valley school projects, and that, unless the legislature allocates money for that fund, it likely would not be eligible for this project.

Council Member Carlson wondered what risk is involved if they opt not to clean this up.

Mr. Hepner replied that he has done many projects, and there is no way this cannot be done.

Council Member Tierney moved, and Council Member Bell seconded, to approve the Resolution Authorizing the Mayor to Sign Task Order 2016-04 between the City of Selah and HLA Engineering and Land Surveying, Inc. to Provide Consultant Services for Site Soil Remediation. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Sample – yes; Council Member Bell – yes; Council Member Underwood – yes; Council Member Carlson – yes. By voice vote, approval was unanimous.

2. Resolution Authorizing the City to Terminate its Business License Services Agreement with the Washington State Department of Revenue and to Authorize the Mayor to Sign an Agreement For the Purchase of Business License Software

Clerk/Treasurer Novobielski addressed N – 2. He gave a brief history of the City’s decision six years ago to collaborate with the Department of Revenue for business license services, noting that the process has worked, but is not efficient and timely for individuals such as contractors. He said that the State requires a ninety-day notice to terminate, and that, after inquiring about business license software with various software providers, this entity has given them a very favorable price, with fifty two hundred dollars due this year, and the balance next year.

Council Member Overby remarked that one of the reasons for wanting to do this was to eliminate some of the processing time in house, as our system at the time did not have an online application.

Clerk/Treasurer Novobielski responded that they would offer a form to complete online but not an online form.

Council Member Overby replied that the State system is an online form.

Clerk/Treasurer Novobielski commented that he does not know if made it timelier in processing.

Council Member Overby observed that Yakima has as online form.

Clerk/Treasurer Novobielski stated that he would pursue that with the software provider.

Council Member Overby felt it was more convenient to fill out the form online, in spite of occasional delay issues.

Clerk/Treasurer Novobielski responded that renewals would be sent out to each entity, and they would put in a payment and send it back.

Council Member Overby remarked that a lot of people like to do payments online, and that he also has an issue with not being able to receive utility bills via email. His concern is that it makes it less accessible to people, as it should be more efficient to the consumer, not to us.

Clerk/Treasurer Novobielski replied that it will be more efficient and more customer friendly.

Council Member Tierney inquired if they would increase the budgetary cost.

Clerk/Treasurer Novobielski noted that the State currently charges an additional nineteen-dollar fee for new applications.

City Administrator Wayman said that the City would recoup that fee internally, and that they also intend to increase business licenses from twenty-five dollars to fifty dollars. He felt that doing it all internally would make things easier for initial applicants, and that they could work on streamlining renewals as much as possible.

Council Member Overby wondered if could this be expanded to allow people go online and set things up.

Council Member Carlson asked for confirmation that, of the current twenty-five dollar fee, nineteen of that goes to the State.

Clerk/Treasurer Novobielski responded that they add it on top, making it forty-four dollars for a new business.

Council Member Carlson felt that an online route should be an option, as they are trying to think newer regarding the future development for a combined city hall and police station.

Clerk/Treasurer Novobielski agreed, adding that he does not believe the software package proposed has an electronic form.

City Administrator Wayman noted that they would have a quicker turnaround.

Council Member Carlson asked how many people this would effect.

Clerk/Treasurer Novobielski replied that he does not have those numbers.

City Administrator Wayman commented that it is a slow steady stream.

Council Member Overby expressed concern over the level of accessibility, suggesting that they come back with additional information.

City Administrator Wayman remarked that the complaints they get regarding business licensing are from the ones who had to wait for business registration from the State; this will cut it down by at least half.

Council Member Overby was not sure they needed to go from two days to one.

City Administrator Wayman responded that it is weeks.

Mayor Raymond remarked that, if she remembers right, it is three weeks.

Clerk/Treasurer Novobielski said that they would certainly pursue making it as friendly as possible for online access.

City Planner Bedi responded to the matter from a planning perspective, saying that when an applicant goes to apply at City Hall, it gives us an opportunity to connect with the citizen, and we can help them connect with other items they need.

Council Member Carlson admitted that it does make a lot of sense to see then face to face.

Council Member Overby agreed, at for the least initial application.

City Administrator Wayman commented that he was impressed by how the City of Bothell handles their consolidated application process, as it is a one-stop shop. He felt that the proposed system would be more versatile and easier for the business license processor to use.

Council Member Sample moved, and Council Member Tierney seconded, to approve the Resolution Authorizing the City to Terminate its Business License Services Agreement with the Washington State Department of Revenue and to Authorize the Mayor to Sign an Agreement for the Purchase of Business License Software. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Sample – yes; Council Member Bell – yes; Council Member Underwood – yes; Council Member Carlson – yes. By voice vote, approval was unanimous.

3. Resolution Establishing City Sponsored Events where Alcohol may be Permitted

City Administrator Wayman addressed N – 3. He said that, as discussed in previous sessions, when Council approved the consumption of alcohol during City events, there was requirement to approve each event by name. He stated that they are asking for those events to be the Autumn Festival and 4th of July at Carlon Park.

Council Member Overby wondered why Community Days was not included.

City Administrator Wayman replied that it is not a City sponsored event.

Council Member Overby asked for confirmation that they would not have option to do that.

City Administrator Wayman responded in the affirmative, saying that it will not be allowed unless it is a City sponsored event.

Council Member Underwood thought it was on trial basis.

City Administrator Wayman replied that it is at Council's desire.

Council Member Carlson remarked that it is only providing the opportunity, and they can opt to change the Ordinance at a later time. He liked the specifics of the Ordinance, defining the confined and designated areas, and that those who would consume are paying for both the cleanup and policing of their own actions.

Council Member Overby moved, and Council Member Carlson seconded, to approve the Resolution Establishing City Sponsored Events where Alcohol may be Permitted. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Sample – yes; Council Member Bell – yes; Council Member Underwood – yes; Council Member Carlson – yes. By voice vote, approval was unanimous.

O. Ordinances

1. Ordinance Amending the 2016 Budget for the Purchase of Replacement Copy Machines and Authorizing the Surplusing of the Replaced Copiers

Clerk/Treasurer Novobielski addressed O – 1. He said that this is a two-part Ordinance, with a budget adjustment to allow for purchase of four copiers and authorizing them to surplus the ones being replaced. He referred them to the list of copiers in the packet, noting that the ones to be replaced range in age from five to over eight years old. He added that the Fire Department was notified by their maintenance provider that they would no longer support their machine past 2016, and that the proposed purchase includes a five-year price lock regarding maintenance.

Council Member Overby asked if they had looked into a manage print type of process, paying on a per copy basis.

Clerk/Treasurer Novobielski replied in the negative, saying that he has never been approached by a vendor with that option, although they are almost at a pay per basis now aside from owning the machines.

Council Member Underwood commented that they use them at her place of employment.

Clerk/Treasurer Novobielski noted that he has had offers on leasing in the past, although typically, in a lease arrangement, there is a financing factor, and there is nothing cheaper than actually owning the piece of equipment.

Council Member Carlson inquired as to why they were replacing a two-year-old copier.

Clerk/Treasurer Novobielski responded that they are not replacing that one, just the other four.

Council Member Tierney wondered if the Fire District would be willing to pay some of the cost of the seven thousand dollar machine for the Fire Department, rather than having it all come from the Fire reserve account.

Clerk/Treasurer Novobielski replied that it is a blended fund, with monies from both entities.

Council Member Overby moved, and Council Member Underwood seconded, to approve the Ordinance Amending the 2016 Budget for the Purchase of Replacement Copy Machines and Authorizing the Surplusing of the Replaced Copiers. Roll was called: Council Member Overby – yes; Council Member Tierney – yes; Council Member Sample – yes; Council Member Bell – yes;

Council Member Underwood – yes; Council Member Carlson – yes. By voice vote, approval was unanimous.

O. Reports/Announcements

1. Departments

Clerk/Treasurer Novobielski had no report.

Police Chief Hayes said that they have had a small rash of burglaries in one neighborhood, but the guys who did it all are now in custody. He thinks that they also have the alleged suspects for the mini mart burglary.

Council Member Overby wondered what was going on Saturday night on Valleyview and First Street.

Police Chief Hayes replied that he would look into it and find out.

Deputy Fire Chief Lange said that they are preparing for Community Days, and are also busy with kindergarten classes over next few weeks. He noted that this week they have annual wildfire training, and that they are exploring options for charging a fee to do life safety inspections within the City, with a stricter emphasis on making sure violations are done in a timely manner.

Council Member Carlson inquired about a system to praise those with phenomenal results.

Deputy Fire Chief Lange remarked that Council Member Carlson spoke to him before about providing gratitude to those who pass inspections, and that he thinks the program will be very beneficial.

Public Works Utility Supervisor Jones said that the water project is approximately seventy-five percent complete, and should be finished next week, although they aren't sure of the paving will be done prior to Community Days. He went on to say that the apples will be painted this weekend, Yakima County is scheduled to stripe all of the town on Monday, the restrooms at Wixson Park have been painted inside and they are working on the outside, they are draining the pool and will make needed repairs, there is a softball tournament this weekend, and they have traffic counts coming up.

Council Member Tierney wondered if traffic counts are were time sensitive.

Public Works Utility Supervisor Jones responded that it does time, and speed too.

Recreation Manager Mullen said that Representative Bruce Chandler would be attending the 4th of July event, and he has floated the idea of him reading a proclamation to proclaim the apple pie as the official pie of Selah. He gave a brief update on the 4th of July event, followed by the Army Base Race and Autumn Festival. He noted that the skate park was painted earlier that day by a local church, in Selah high school colors, and that pool registration is open, with an opening date of June 10th to the public, and the school district using it the last week of the school year.

Council Member Carlson asked if there would be a need for translators.

City Administrator Wayman replied that the Army will handle that, and that the Japanese typically bring their own interpreters.

Recreation Manager Mullen stated that the cash prize this year is one hundred dollars for both top male and top female, which they hope to expand throughout the years.

Police Chief Hayes remarked that it was a fight that spilled out from Civic Center.

Council Member Tierney inquired if it was alcohol related.

Police Chief Hayes responded that he believes it was.

Civic Center Manager Tait said that the DC Bound rummage sale will be this weekend, and they are preparing for Community Days events. She added that she is looking at bringing in a new janitorial company to clean the facility.

Council Member Carlson wondered about a cleanup fee for janitorial services.

Civic Center Manager Tait responded that they already do that, but might increase the fee.

City Administrator Wayman remarked that the current service has been deemed to fall short after special events and on a day-to-day basis, and they are on the cusp of giving them notice.

Human Resources Manager Potter said that several department heads participated in a free two and a half hour training session given by our risk management pool, and there will be several other classes held throughout the year, as they are free and will come to us. He added that he attended the labor relations institute classes last week, which has already aided him in a situation since he took it.

City Planner Bedi said that there would be a Planning Commission next Tuesday at 5:30pm.

City Attorney Noe had no report.

2. Council Members

Council Member Overby had no report.

Council Member Sample asked the Mayor if she was informed of the list of people that the Selah Park and Recreation Service Area Board (SPRSA) had received RFGs from.

City Administrator Wayman responded that they have not been in the loop, although they are aware that there have been seven proposals.

Council Member Sample said that he was told the other day that they would be sent the list, and that selection would be on May 16th.

City Administrator Wayman reiterated that they have not seen anything.

Council Member Tierney requested that the Mayor and City Administrator correspond with, or meet with, the legislative delegation from Yakima County, and urge them to support the line item in the next budget to deal with the Volunteer Park remediation; this is such an unusual project that perhaps we can get them to give us some support.

Council Member Bell had no report.

Council Member Underwood said that she attended the Selah School District Board meeting, which she enjoyed and found very informative.

Council Member Carlson reminded everyone that there is a City cleanup this Saturday from ten am to one pm, meeting at the Civic Center to start.

3. City Administrator

City Administrator Wayman said that they are communicating with the SPRSA and City Attorney Noe is drafting a letter to communicate something we discussed during the last meeting regarding conditions under which the City will permit demolition of the current site and a lease of the land. He went on to say that they are offering the permission with the caveat that the City approves the design of whatever they want to place in the footprint, setting a precedent that whatever is put on City property is City approved. He added they are looking at the terms of a lease with the starting amount of a thousand dollars per month, but still want to hold out regarding operations and maintenance until they have a design and engineering business plan.

4. Boards

a. Parks Board Minutes – March 7, 2016

5. Mayor

Mayor Raymond had no report.

Council took a five-minute recess.

P. Executive Session

1. 30 Minute Session - Employee Evaluation RCW 42.30.110 (1) (g)

Council went into Executive Session at 6:07pm. At 6:27pm, Council went back on the record. Mayor Raymond stated that no action was taken during the Executive Session.

Q. Adjournment

Council Member Overby moved, and Council Member Carlson seconded, that the meeting be adjourned. By voice vote, approval was unanimous.

The meeting adjourned at 6:27 pm.



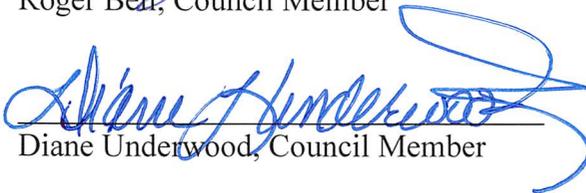
Paul Overby, Council Member



Roy Sample, Council Member



Roger Bell, Council Member

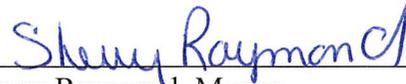


Diane Underwood, Council Member

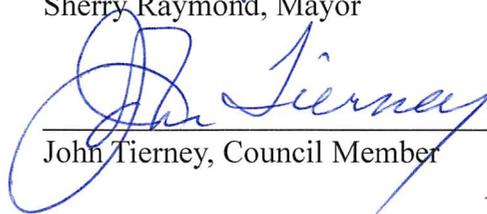
ATTEST:



Dale E. Novobielski, Clerk/Treasurer



Sherry Raymond, Mayor



John Tierney, Council Member

EXCUSED

Laura Ritchie, Council Member



Russell Carlson, Council Member

Selah Volunteer Park Lead/Arsenic Soil Cleanup

by

Norman T. Hepner, PE

Sampling Assumption Guide

Area A: Playground & Parking Lot Fill with Contaminated Soil/Cover with Clean Soil or Surfacing

Area B: Proposed Fill Site for Excess Contaminated Soil/Cover with 1' Clean Soil

Area C: Proposed Cut to Clean

Site Sampling on 16 MAR 2016

- Shallow soil sampling in Area A & B to demonstrate contaminated site (15 samples @ depth of 4")
- Deeper soil sampling in Area C to increase confidence of contaminated soil layer (20 samples @ depths of 10" and 16")
- If deeper soil sampling does not show clean soil at depth, additional sampling may be required to increase confidence of cut requirements.

Differences between Options

Requirements	Haul Off	Clean Cover	Consolidate & Clean Cover
Clean Import (cy) w/fabric (sy)	0/10,000 sy @\$1/sy =\$10,000	7,000 cy/26,000 sy @ \$15/cy & \$1/sy = \$130,000	0/15,000 sy @\$1/sy =\$15,000
Contaminated Soil Export (cy)	5,000 cy @ \$30/cy =\$150,000	\$0	\$0
Grading (cy)	3,600 cy CONT + 1,500 cy CLEAN + preferred grading	3,600 cy CONT + 7,000 cy CLEAN + preferred grading	8,000 cy CONT + 3,000 cy CLEAN + preferred grading
Soil Amendments/Tilling	700 cy @\$30/cy =\$21,000	\$0	700 cy @\$30/cy =\$21,000
Incremental COST	\$180K + Grading	\$130K + Grading	\$36K + Grading

Path Forward Recommendations

- Immediate Actions
 - Discuss encroachment/fencing of Site
- Pursue Consolidate & Clean Cover Option
- Recognize potential for remedial action cost reimbursement at future date typically @ 75% (to 90%) of remedial action costs to include:
 - Any fencing to limit access
 - Grading to consolidate contaminated soil and contour site for use
 - Clean soil and surfacing (limited to top 6" gravel to 1' soil and geotextile fabric)
 - Some irrigation costs

WA State Cleanup Process

- Ecology actions:
 - Confirmed & Suspected Contaminated Sites List
 - Potential Liable Party [PLP] Letter
 - Issue NFA following cleanup completion
 - Provide funds to reimburse City for portion of cleanup expenses
- City Actions (to be done thru HLA):
 - Independent Remedial Action
 - Remedial Investigation/Feasibility Study
 - Cleanup Action Plan (CAP)
 - Cleanup Action Plan Final Report (after construction)
 - Voluntary Cleanup Program (receive No Further Action from Ecology)
 - Submit application with CAP documents, environmental covenant on property, and maintenance plan
 - Grant Funding request

UPDATE: Initial Soil Sampling

- Samples taken Wednesday, March 16, 2016
- Analysis received from Ecology on Monday, March 28, 2016
- Samples showed:
 - Contaminated soil area C extended below a depth of 16" – 18"
 - Area B showed clean soil in uppermost 4" of soil.

UPDATE: Deep Soil Sampling

- Samples taken Monday, April 11, 2016
- Analysis received from Ecology on Wednesday, April 13, 2016
- Samples showed
 - Area B showed no contamination at depth of up to 36"
 - Contaminated soil area C showed depth of contamination varied between 24" to 30"

Next Actions

- Complete 'total' cost estimate
- Determine preferred option: Consolidate with Clean Cover
 - Protective of public health
 - Grant fund reimbursement possible in future
 - Completion of community park project
- Complete cleanup action plan and design of City-selected option
- Construct project with adequate construction oversight
- Submit final cleanup action plan report to Ecology for VCP review, receipt of No Further Action, and Grant Application.