Selah City Council Retreat
January 27, 2021
Held via Zoom
1:00 pm

1:00pm: Call To Order

Mayor Raymond welcomed the City Council and attendees then turned the meeting over to the City Administrator.

- Discuss financial capacity of City to support building and Public Works projects

City Administrator Wayman asked Council to consider endorsing a Resolution for staff to pursue whatever the Council decides to endorse, providing a PowerPoint review of the background of the Traho design for a City Hall/ Police Station, its benefits, and the options for the design, along with a review of sources for tax revenue, fund balances, debt capacity, property value history and methods of finance.

- Discuss future projects

City Administrator Wayman Don shared a map of Selah showing the area that is still outside City limits that they could enclose, which has water but needs the sewer line extended, then turned the discussion over to Ted Pooler.

Ted Pooler, HLA Engineering and Land Surveying, Inc., used a PowerPoint presentation to review complete development along Crusher Canyon Road. He talked about the two important documents for this process, the Water System Plan and the General Sewer Plan, which require concurrency with the Comprehensive Plan, noting that the growth rate used in those planning documents was one point two percent, while in the past couple years Selah has seen a growth rate closer to three point five percent. He went on to say that he reviewed systemwide growth at two percent, looked at how many homes could be built in Crusher Canyon, and compared that with past rates and the newer growth rate to determine its impact to water & sewer system over a twenty-year period of projected system growth.

- Open Discussion

City Administrator Wayman used PowerPoint to present Council with three options for discussion along with a recommendation from the Mayor and City staff.

Discussion followed on financials and debt capacity, whether to bring a measure to Selah voters for a decisions on a City Hall/Police Station or focus on expansion of Public Works projects, reducing the scope of phasing projects, natural growth versus stimulated growth, potential State legislature that could affect the Selah Police Department as well as other jurisdictions, safety being a big factor for Selah along with their schools and the community, potentially using the Union Gap City Hall as a basis for Selah, water rights and the need to acquire them, interest rates and loan costs, the ability to pay loans, creating a committee to discuss the matter, and the need to finance the things that the City needs and to pay for some expansion to grow the tax base.

A committee would be appointed at the next Council Meeting.

5:00pm: Adjourn

City Council Decision Brief

Future Priorities

Purpose

- To review background regarding the proposed construction of a new city hall/police station.
- To review background on possible expansion of sewer collection and water systems.
- Understand the financial outlook and financial capacity of the City.
- Discuss methods of finance for potential projects.
- Review options the City Council may take in regard to these issues.
- Receive a recommendation from the Mayor.

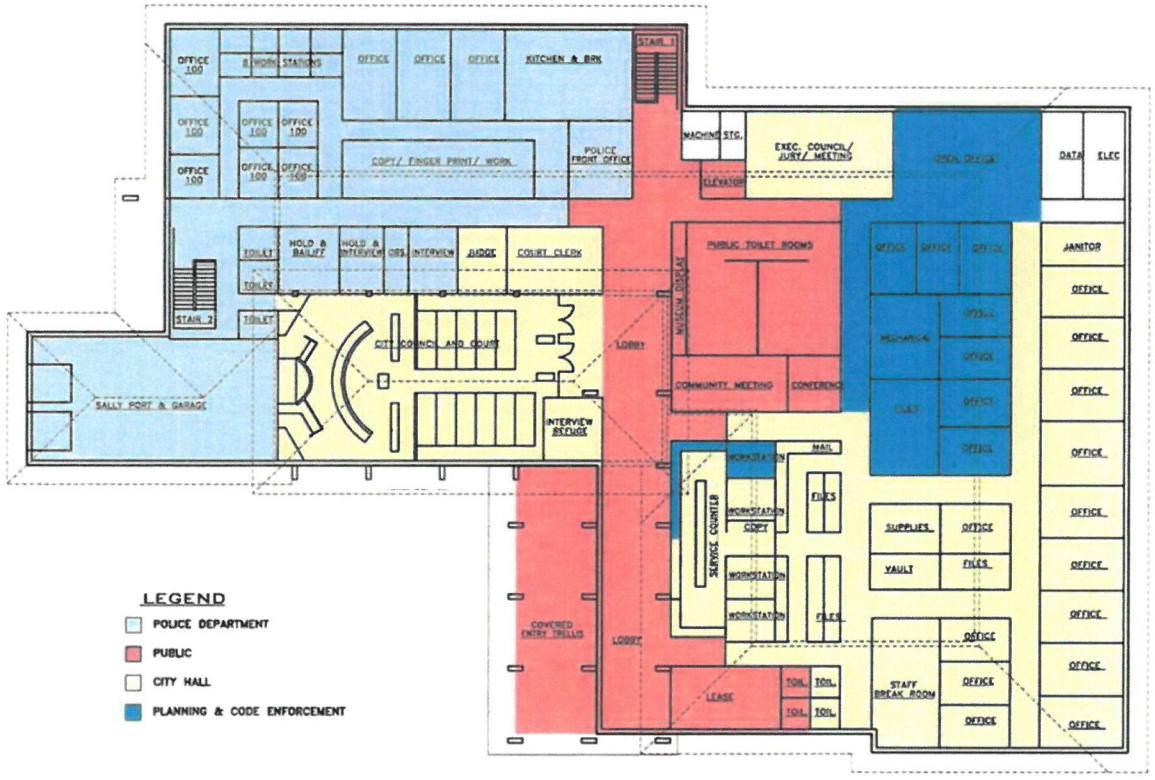
Benefits of a New Facility

- Current City services are provided at three separate sites with limited access and space concerns.
- The current City Hall and Police Station were not purpose designed and therefore have multifaceted deficiencies ranging from space allocations to structural and functional failings.
- The City of Selah has experienced steady growth in all sectors and we expect that growth to continue in the future. This will require expanded city services and related facilities that can serve our residents in a modern, efficient and economical manner.

TRAHO
ARCHITECTS, P.S.

Background Cont.
What Will a New Facility Deliver?

- Long term, purpose built facility intended to last for the next 100 years.
- Total square footage under fire sprinklers = 37,018
- Facility that will emphasize visibility and transparency.
- Low maintenance, energy efficient, "one stop shop" to serve residents with economical yet beautiful architectural amenities.
- A facility adaptable to future requirements including, adequate infrastructure, room for growth, public spaces, improved access for staff and the public.



PRELIMINARY FIRST FLOOR PLAN

TRAHO ARCHITECTS, P.S.

CENTENNIAL HALL
CITY OF SELAH

PRELIMINARY FIRST FLOOR PLAN

Oct. 19, 2016

Aug. 26, 2016

16-08

5B.1

LEGEND

- POLICE DEPARTMENT
- PUBLIC
- CITY HALL
- PLANNING & CODE ENFORCEMENT
- SHARED

N

PRELIMINARY BASEMENT PLAN

0 4 8 16 ft.

STAMP

REVISIONS

TRAHO ARCHITECTS, P.S.

CENTENNIAL HALL

CITY OF SELAH

SHEET TITLE: PRELIMINARY BASEMENT PLAN

AUTOCAD PLOT DATE: Oct. 19, 2016

DRAWING DATE: Aug. 26, 2016

JOB NO. 16-08

SCALE: As Shown

SHEET NUMBER: 5B.2

Background Cont.
Facility Costs

- Building costs including cost modifiers total : $10,962,477.54
- Estimated site costs total : $1,232,127.50
- Soft costs (non-construction) : $3,010,966.73

- **Total estimated project cost : $15,205,571.78**

Benefits of Remaining in Place

- The current City Hall and Police Station are meeting support requirements for mission parameters.
- Office space is adequate to support the needs of each location for the next ten years.
- Necessary improvements to City Hall can be accomplished without adding to City debt.

Current Expenditures

- **Police Station**
  - Annual Rent - $60,000.00
  - Annual Maintenance - $11,700.00
  - Annual Property Tax - $7,200.00
  - Total - $75,200.00

- **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 December 2022.
  - Plant updates at the police station will be needed.
  - Plant updates at City Hall will be needed.

Current Debt

- **Marudo Property**
  - Loan balance: Approximately $400,000.00.
  - Charged to General fund.
  - Source of funding: Utility Tax @ 15%. *(No longer in place)*
  - Approximately 2 years to pay-off.

- **SIED Loan (Bartlett and Wenas street improvements)**
  - Loan balance: Approximately $44,599.00.
  - Charged to General fund
  - Source of funding: Available General funds
  - Approximately 1.5 years to pay off at the rate of $23,100.00 per year.

Funds Available for Capital Improvement

- **Fund 001, General Fund**
  - $1,100,00.00
- **Fund 140, Contingency Reserve**
  - $180,000.00
- **Fund 170, Equipment Fund**
  - $535,528.00
- **Fund 301, Capital Improvement**
  - $605,082.00
- **Fund 310, CE Building/Property Reserve**
  - $1,073,000.00
- **Total**
  - $2,394,710.00 *($1,589,710 three years ago)*

Sources for Tax Revenue

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

Assessed Value City of Selah	Tax Rate Per Thousand of Assessed Value to City of Selah
$855,476,535	$ 2.55

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

Tax District Levy	Total
County EMS	$ 0.21308552
County Flood Control	0.07748694
Selah City	2.61189779
SPRSA Bonds	0.24632814
Selah School Bonds	2.17419249
Selah School	1.54266690
State School Levy	2.06205763
Yakima County	1.43558517
Yakima Valley Library	0.41164661

Total Rate $ 11.8936 per thousand

On a $ 200,000 AV home the tax is $2,378.72 ($200 x $11.8936)

Financials

City of Selah
Schedule of Limitation of Indebtedness
As of Jan 31, 2021

		Remaining Debt Capacity
Total Taxable Property Value – Est. 01/31/21	$855,476,535.00	
2.5% General Purpose Debt Limit	$21,386,913.00	
Up to 1.5% Without a Vote	$12,832,148.00	
Less: Outstanding Debt	$444,599.00	
Add: Available Assets	$1,250.000.00	
Equals Remaining Debt Capacity Without Vote		**$13,637,549.00**
Up to 2.5% with a Vote:	$21,836,913.00	
Less: Outstanding Debt:	$444,599.00	
Add: Available Assets	$1,250,000.00	
Equals Remaining Debt Capacity With Vote		**$22,192,314.00**

Financials Cont.

- **Total Taxable Property Value History**
  - 2021 -$855,476,535
  - 2020 - $812,749,684
  - 2019 - $731,636,691
  - 2018 - $640,629,974
  - 2017 - $601,693,013
  - 2016 - $596,044,868
  - 2015 - $586,885,359
  - 2014 - $563,871,437
  - 2013 - $559,747,773
  - 2012 - $549,909,334
  - 2011 - $546,387,489

Method of Finance

Loan

Loan Amount -	$14,000,000.00
Annual Interest Rate -	2.0%
Loan Period (Years) -	30
Payments Per Year -	2
Start Date of Loan -	1/1/2022

Loan Summary

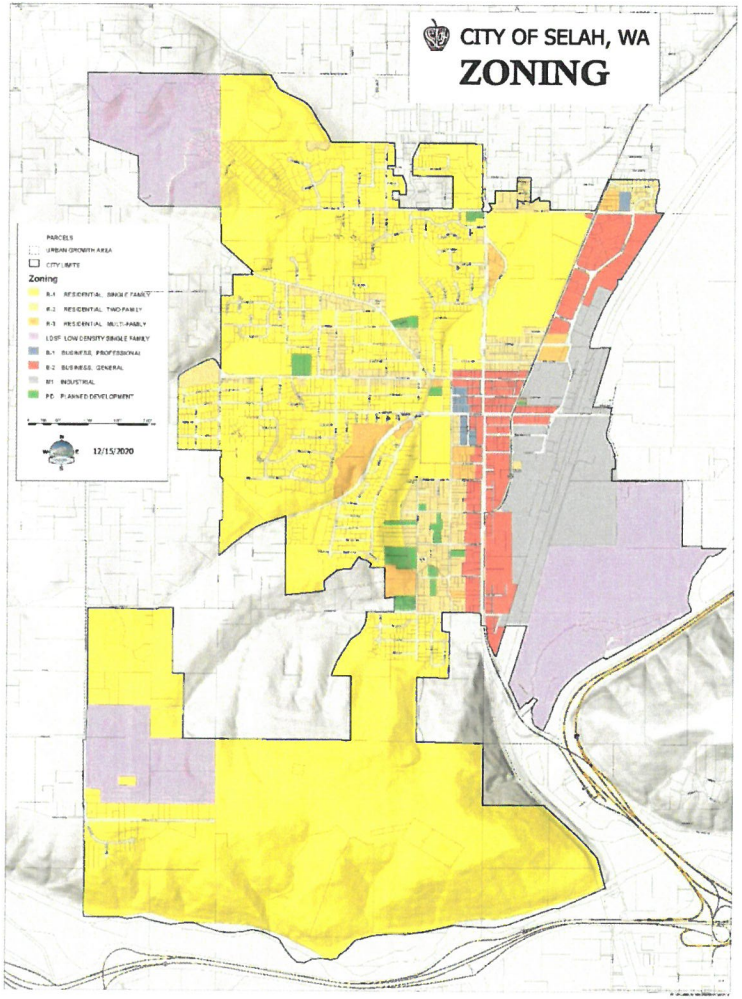
Scheduled Annual Payment -	$622,844.00
Total Interest -	$4,685,336.00
Prop Tax to Service Debt -	$.72 per Thousand
Utility Tax to Service Debt -	+ 11%

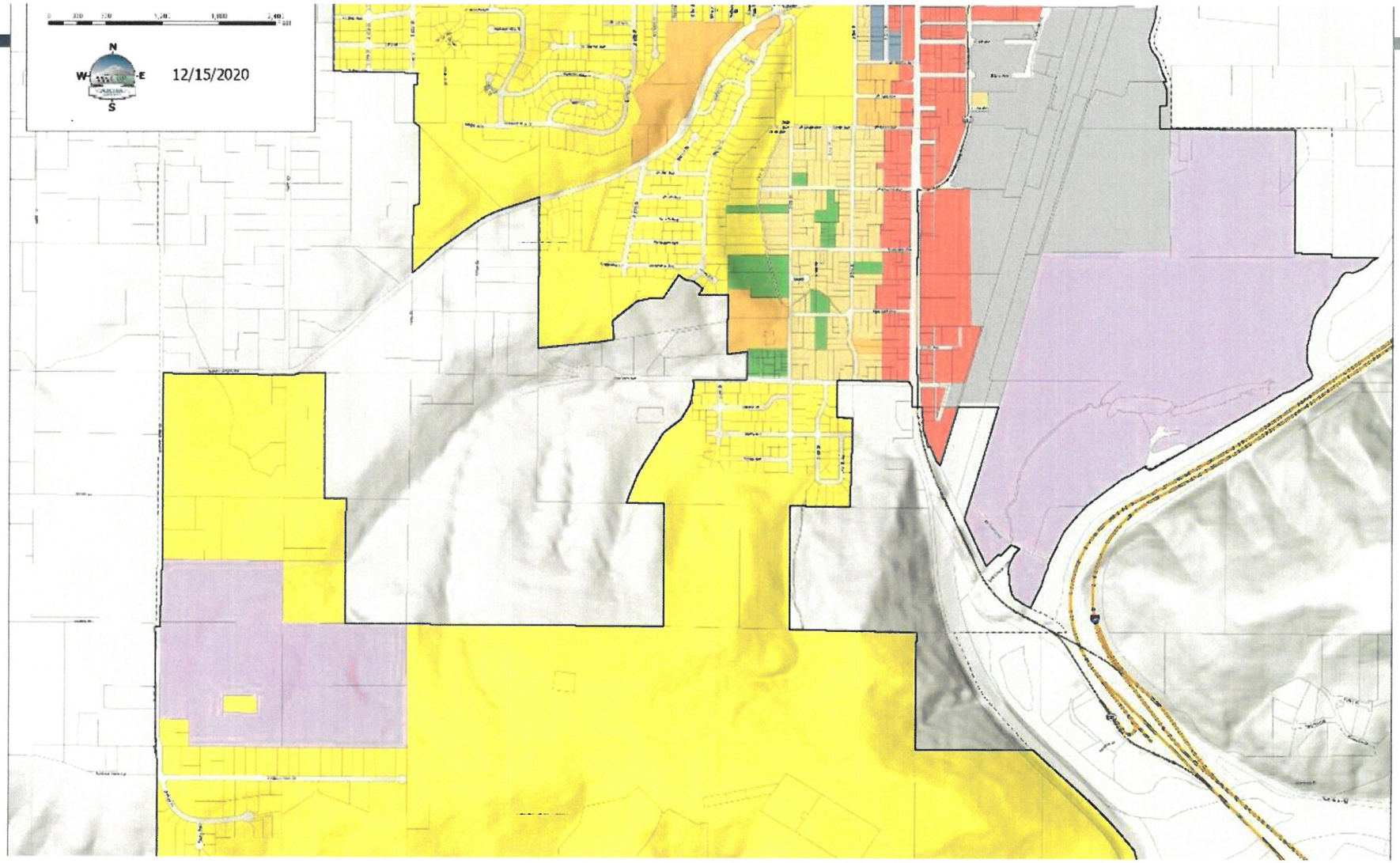
CITY OF SELAH

2021 CITY COUNCIL RETREAT

CRUSHER CANYON DEVELOPMENT

PROJECT DISCUSSION JANUARY 27, 2021


CITY OF SELAH, WA
ZONING
PARCELS
URBAN GROWTH AREA
CITY LIMITS
Zoning
R-1 RESIDENTIAL SINGLE FAMILY
R-2 RESIDENTIAL TWO FAMILY
R-3 RESIDENTIAL MULTI-FAMILY
LDSF LOW DENSITY SINGLE FAMILY
B-1 BUSINESS, PROFESSIONAL
B-2 BUSINESS, GENERAL
IN1 INDUSTRIAL
PD PLANNED DEVELOPMENT
12/15/2020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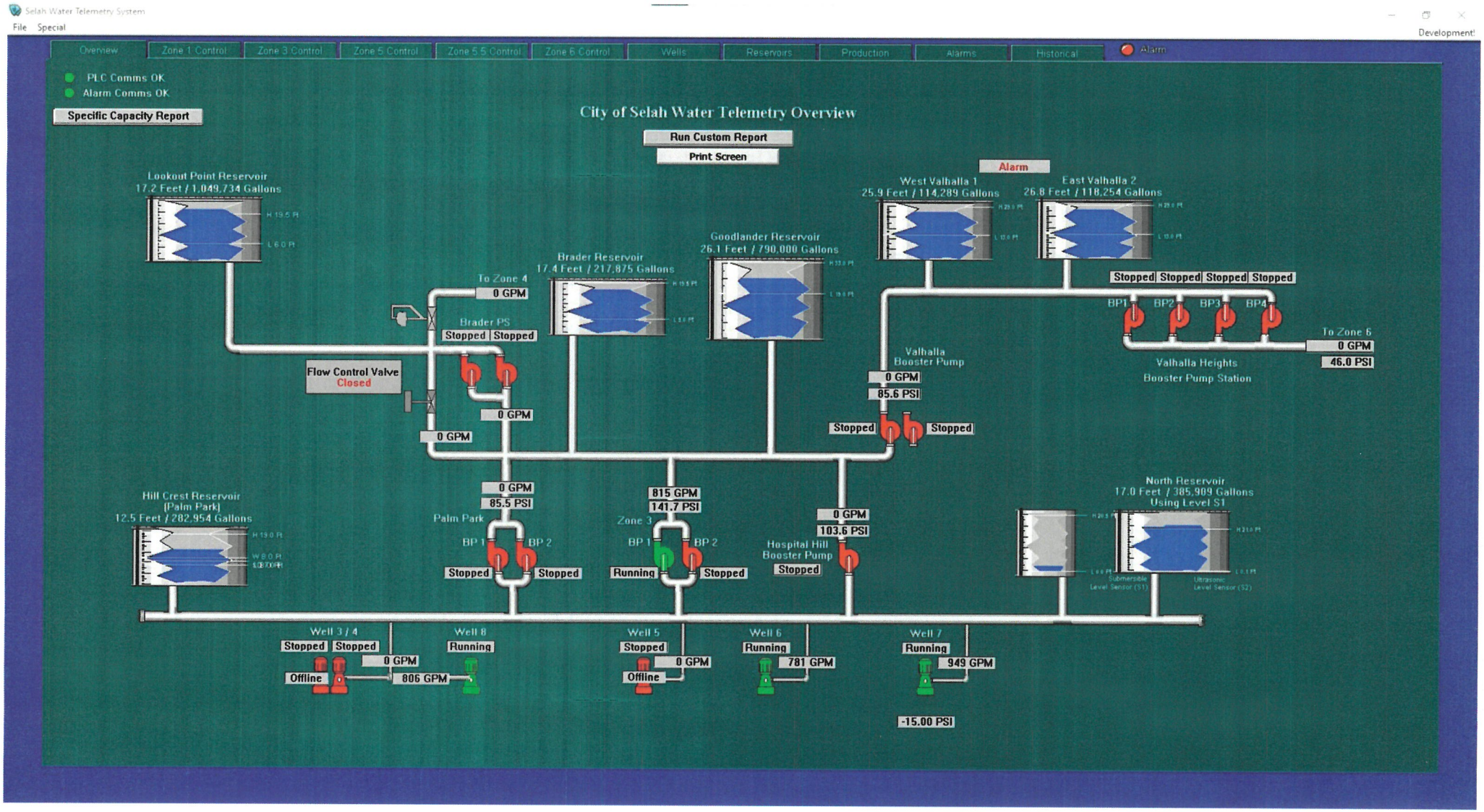

Selah Water Telemetry System
File Special
Development
Overview
Zone 1 Control
Zone 3 Control
Zone 5 Control
Zone 5.5 Control
Zone 6 Control
Wells
Reservoirs
Production
Alarms
Historical
Alarm
PLC Comms OK
Alarm Comms OK
Specific Capacity Report
City of Selah Water Telemetry Overview
Run Custom Report
Print Screen
Alarm
Lookout Point Reservoir
17.2 Feet / 1,049,734 Gallons
West Valhalla 1
25.9 Feet / 114,289 Gallons
East Valhalla 2
26.8 Feet / 118,254 Gallons
Goodlander Reservoir
26.1 Feet / 790,000 Gallons
Brader Reservoir
17.4 Feet / 217,875 Gallons
To Zone 4
0 GPM
Brader PS
Stopped Stopped
Flow Control Valve
Closed
0 GPM
0 GPM
Stopped Stopped Stopped Stopped
BP1 BP2 BP3 BP4
To Zone 6
0 GPM
46.0 PSI
Valhalla Heights
Booster Pump Station
Valhalla
Booster Pump
0 GPM
85.6 PSI
Stopped Stopped
Hill Crest Reservoir
(Palm Park)
12.5 Feet / 282,954 Gallons
0 GPM
85.5 PSI
Palm Park
BP 1 BP 2
Stopped Stopped
815 GPM
141.7 PSI
Zone 3
BP 1 BP 2
Running Stopped
0 GPM
103.6 PSI
Hospital Hill
Booster Pump
Stopped
North Reservoir
17.0 Feet / 385,909 Gallons
Using Level S1
Submersible
Level Sensor (S1)
Ultrasonic
Level Sensor (S2)
Well 3 / 4
Stopped Stopped
Offline
0 GPM
806 GPM
Well 8
Running
Well 5
Stopped
Offline
0 GPM
Well 6
Running
781 GPM
Well 7
Running
949 GPM
-15.00 PSI

BACKGROUND

- Reviewed system-wide growth
- Examined Crusher Canyon Area (Basin 16) growth
- Compared population projections
- Considered water connections and sewer flows

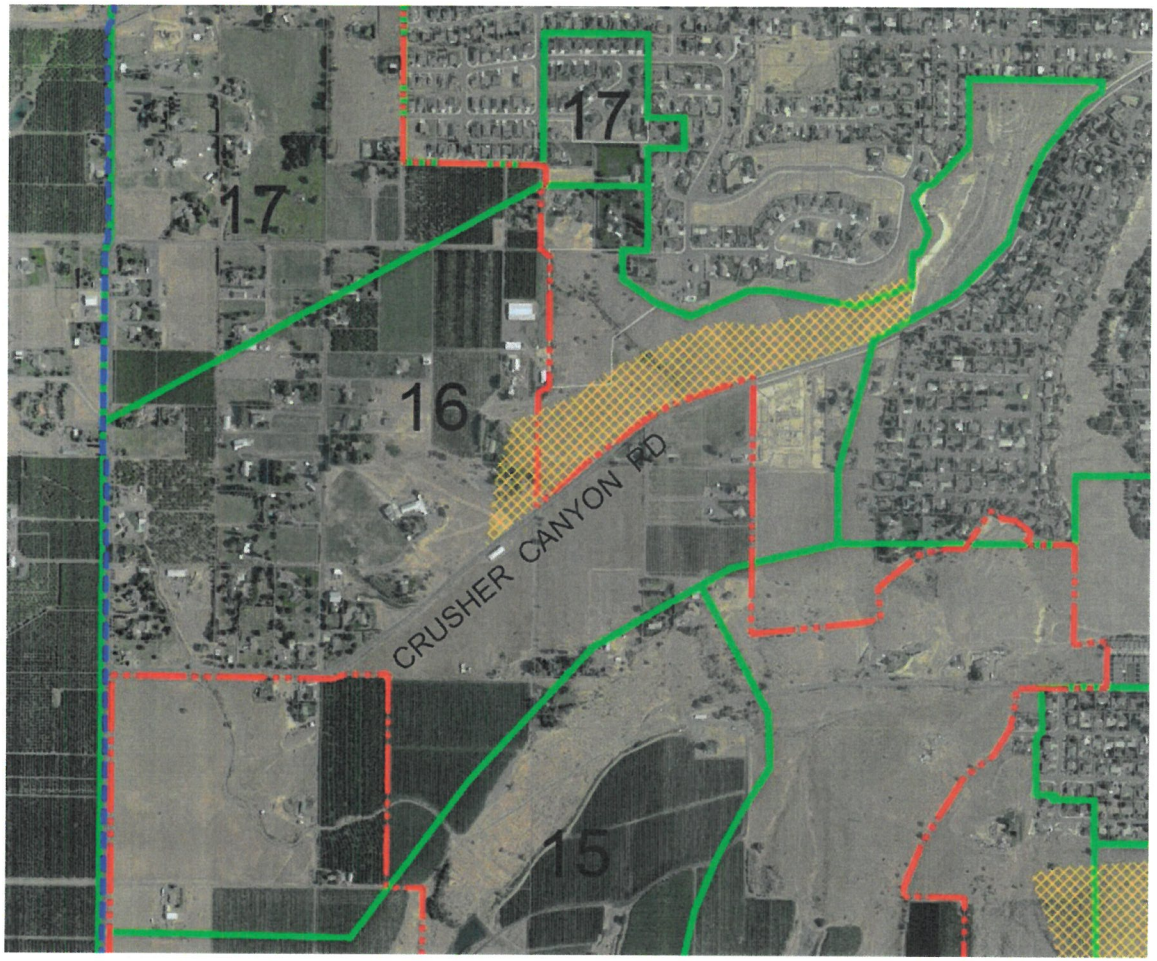
LEGEND

EXISTING RETAIL SERVICE AREA BOUNDARY (CITY LIMITS)

FUTURE RETAIL SERVICE AREA BOUNDARY (UGA)

BASIN AREA BOUNDARY

From HLA Engineering and Land Surveying, Inc.



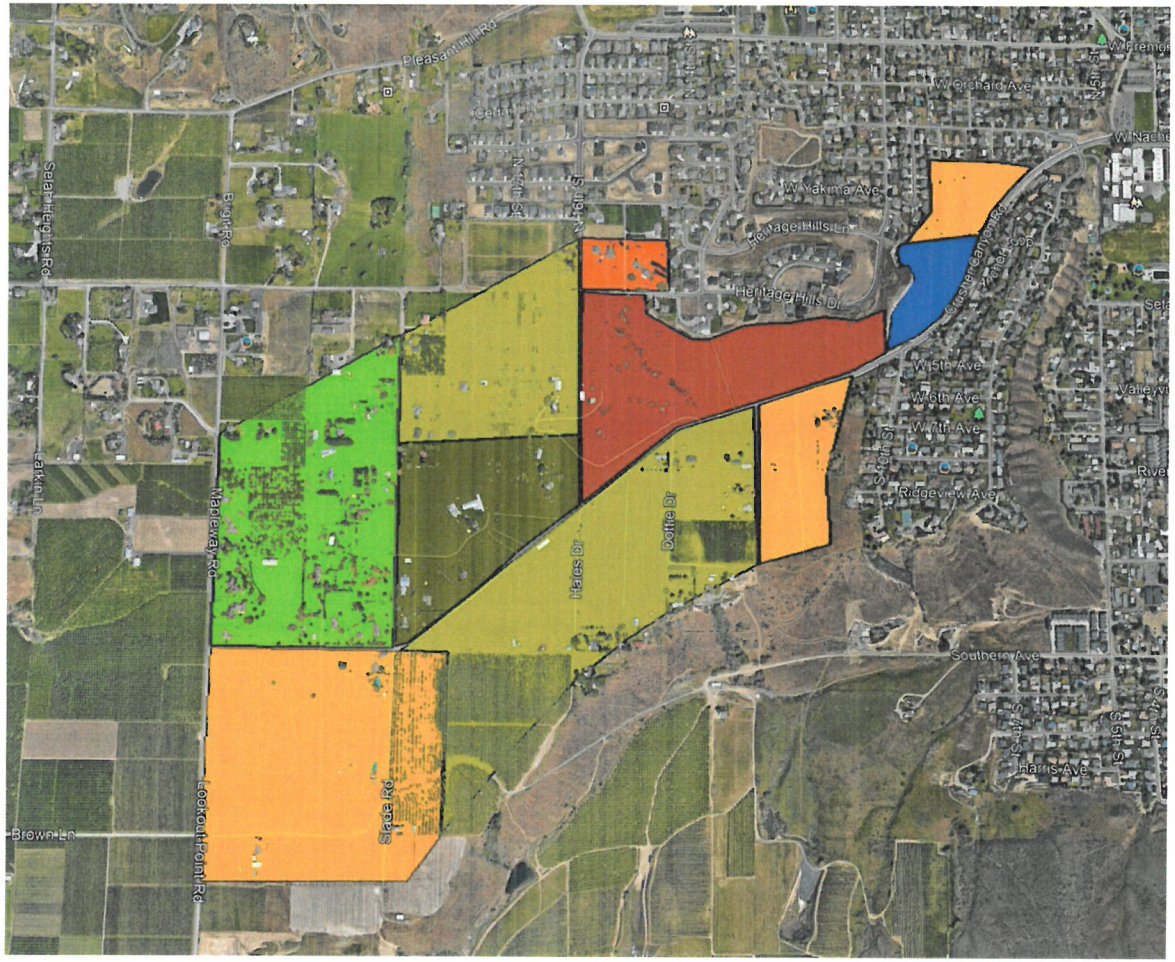
From HLA Engineering and Land Surveying, Inc.

20-YEAR PROJECTED SYSTEM GROWTH

	Current (2021)	1.2% (2041)	2% (2041)
Population	8,061	10,233	11,978
Residential ERUs	2,457	3,119	3,651
Total System ERUs	6,001	7,618	8,917
Sewer Flow (MGD)	1.30	1.65	1.93

ERU: Equivalent Residential Unit

From HLA Engineering and Land Surveying, Inc.



ADJACENT LAND USE

Residential Zone	Acres
Low Density Residential (LDR) Less than 25% slope	86
LDR Greater than 25% slope	37
LDR Already Developed	5
Urban Residential (UGA) Less than 10% slope	103
UGA 10% - 15% slope	31
UGA Already Developed	57.5
Moderate Density Residential	7.5
Total Acres:	327

From HLA Engineering and Land Surveying, Inc.

CRUSHER CANYON – FULL DEVELOPMENT

Total area	327 acres
Dwellings	1,174
Population	3,522
Sewer loading	0.35 MGD
Water services	1,174 ERUs

From HLA Engineering and Land Surveying, Inc.

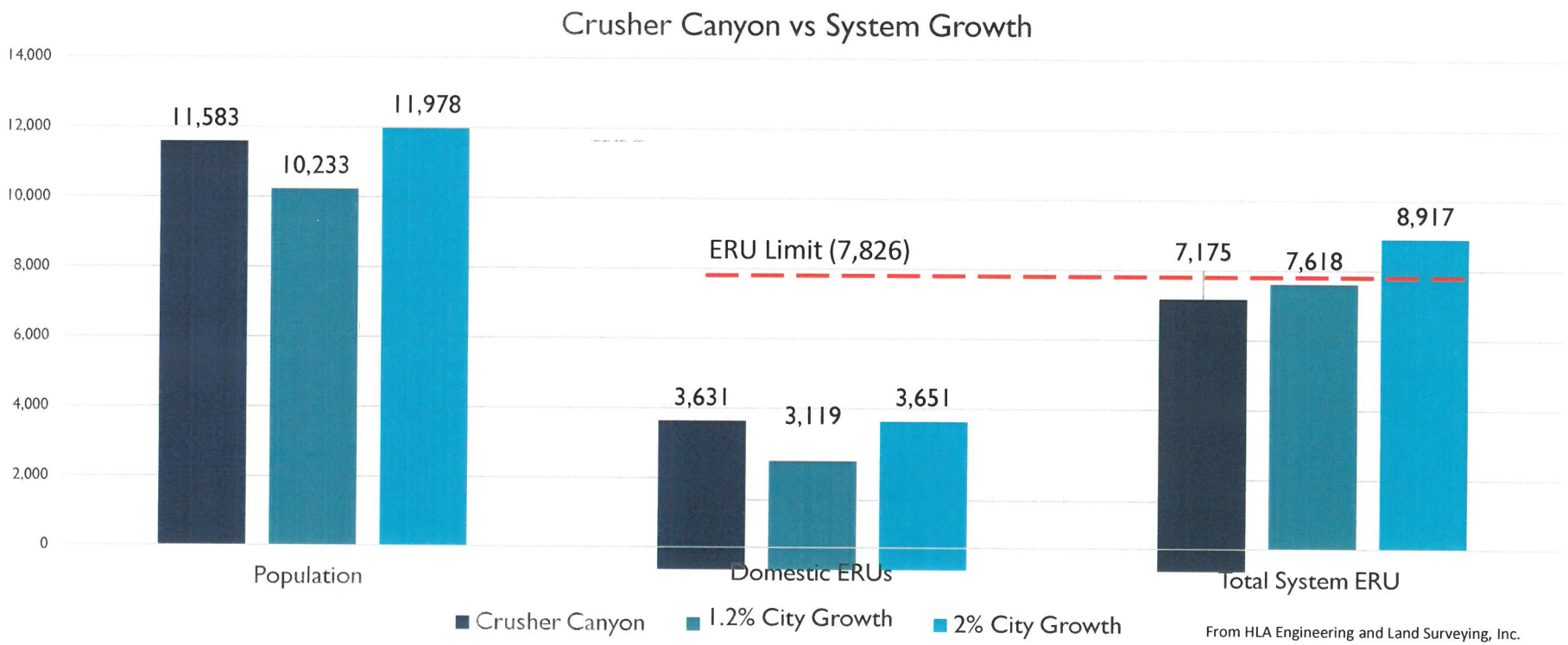
SYSTEM CAPACITY

	Capacity	Current (2021)	Available
Water Sources (ERU)	8,964	6,001	2,963
Standby Storage (ERU)	9,294	6,001	3,293
Water Rights (ERU)	7,826	6,001	1,825
Sewer Flow (MGD)	2.00	1.30	0.70

Note: Water rights (instantaneous) limit system capacity.

From HLA Engineering and Land Surveying, Inc.

COMPARISON



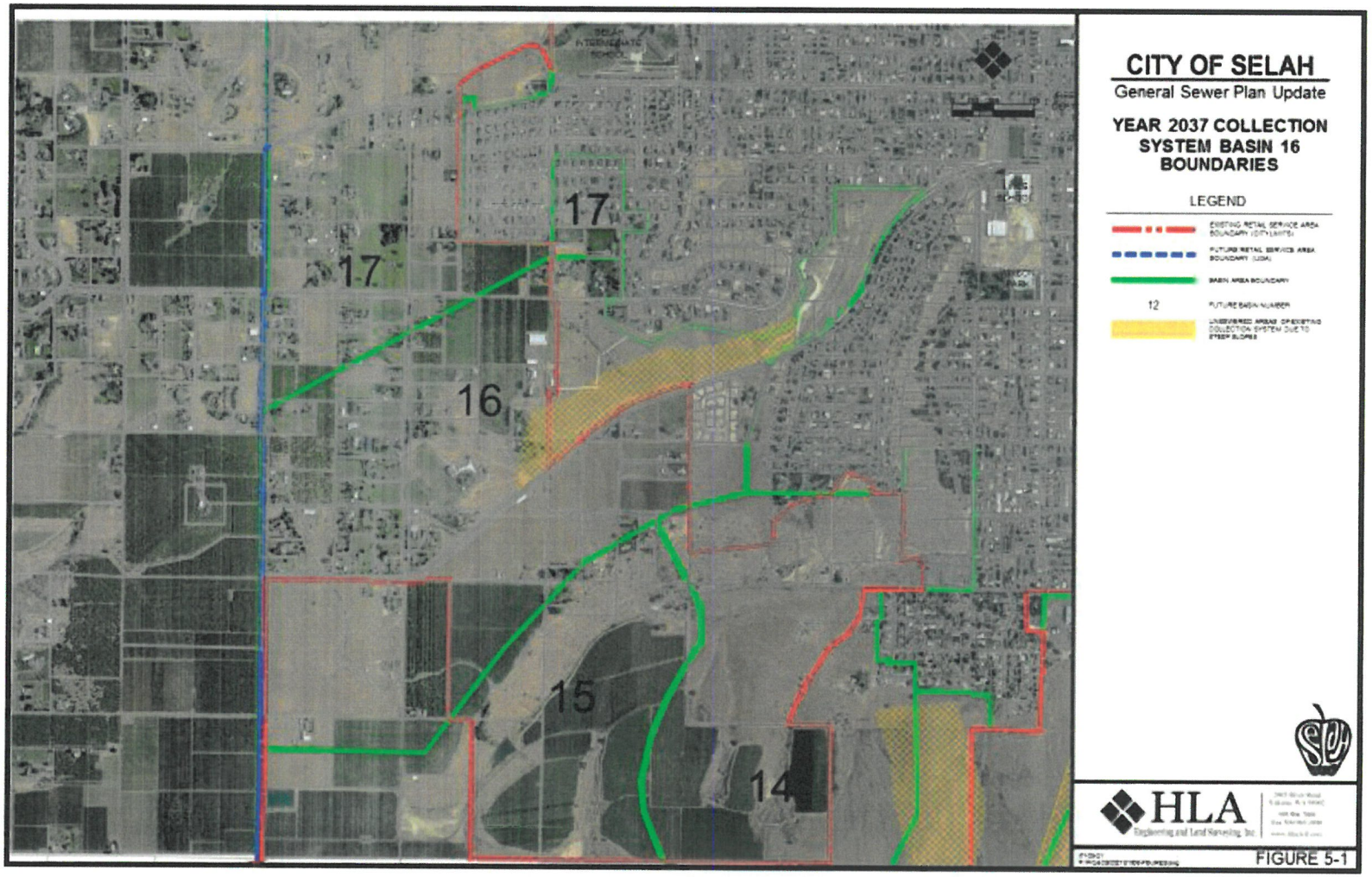
From HLA Engineering and Land Surveying, Inc.

SUMMARY

- Crusher Canyon development is equivalent to 90% projected population growth at 2%.
- 2% growth exceeds available system water rights by 1,091 ERUs.
- Crusher Canyon sewer flows are approximately 56% of projected system growth.

From HLA Engineering and Land Surveying, Inc.

From HLA Engineering and Land Surveying, Inc.



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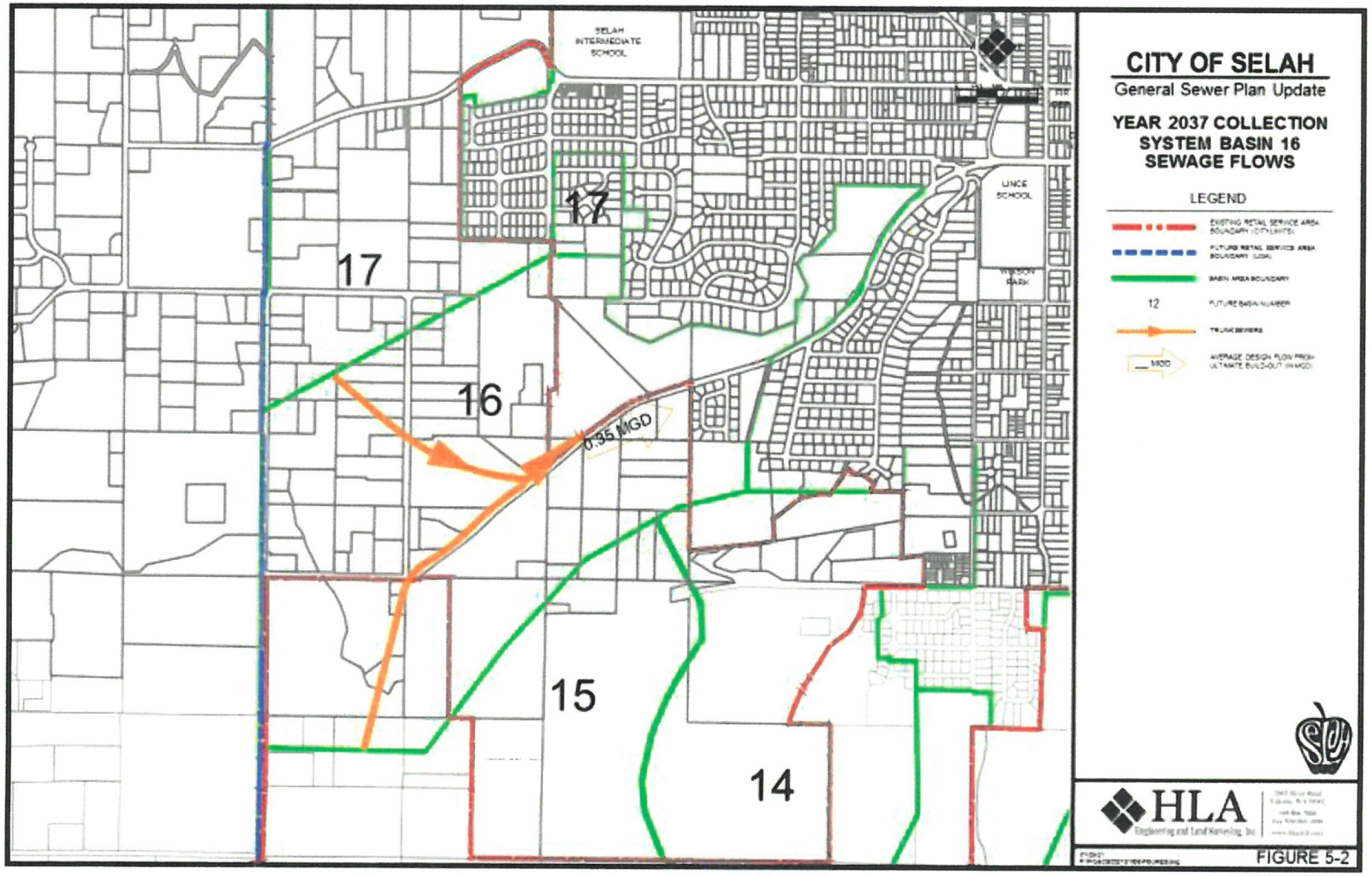

CITY OF SELAH
Crusher Canyon Road Sanitary Sewer Improvements Engineer's Opinion of Construction Cost
HLA Project No. 21006G

1/25/2021/ *PRELIMINARY*

Item No.	Description	Payment Specification	Unit	Unit Cost	Overall Quantity	Overall Cost
1	Minor Change	1-04.4(1)	FA	$15,000.00	1	$15,000.00
2	Mobilization	1-09.7	LS	$100,000.00	1	$100,000.00
3	Project Temporary Traffic Control	1-10.5	LS	$30,000.00	1	$30,000.00
4	Planing Bituminous Pavement	5-04.5	SY	$3.50	11,600	$40,600.00
5	HMA Cl. 1/2-Inch PG 64-28	5-04.5	TON	$95.00	2,200	$209,000.00
6	Manhole 48 In. Diam. Type 1	7-05.5	EA	$3,000.00	18	$54,000.00
7	Shoring or Extra Excavation	7-08.5	LF	$2.00	5,650	$11,300.00
8	Select Backfill, as Directed	7-08.5	CY	$40.00	9,700	$388,000.00
9	PVC Sanitary Sewer Pipe 12 In. Diam.	7-17.5	LF	$55.00	4,600	$253,000.00
10	PVC Sanitary Sewer Pipe 8 In. Diam.	7-17.5	LF	$50.00	560	$28,000.00
11	4" Side Sewer Stub	7-18.5	EA	$1,800.00	12	$21,600.00
12	Adjust Manhole	7-05.5	EA	$1,000.00	1	$1,000.00
13	Adjust Valve Box	7-12.5	EA	$1,000.00	2	$2,000.00
14	Pavement Markings	8-22.5	LS	$5,000.00	1	$5,000.00

Assumptions:

1. Close roadway to through traffic
2. Grind and overlay entire roadway (.17' depth)
3. Install full depth select backfill
4. Provide side sewer stubs to existing homes
5. 80 working days
6. 4' wide trench, 6' wide resurfacing area
7. Trench Resurfacing section (0.25' HMA, full depth select backfill)
8. Conflicts with other utilities not anticipated

Subtotal	$1,158,500.00
Sales Tax 8.3%	$96,160.00
Contingency 15%	$188,200.00
Total Estimated Construction Cost	**$1,442,860.00**
Design Engineering 12%	$173,140.00
Construction Engineering 15%	$216,430.00
Total Estimated Cost	**$1,832,430.00**

Option One

- **Council Votes to Bring Measure to Selah Voters for Decision on City Hall/Police Station**
  - Measure to be on ballot in November 2021.
  - Communication plan needs to be in place not later than 1 March 2021.
  - Consequence of passage would mean the City would be at or near debt capacity for the next ten years.
  - The Traho study cost estimates are no longer valid. Pricing for material and labor will need to be updated.
  - Risk includes possible downturn in real estate values that could impact the ability of the City to service debt as well as provide adequate and expected services.

Option Two

- **Council focuses on expansion of public works projects.**
  - The City will grow tax base through commercial and residential development as well as possible annexation during the next twenty years.
  - The initial projects will not require the city to seek loans. Public Works projects will generate revenue to recapture expenses over time.
  - Projects will be accomplished in phases enabling the City to adjust capacities in order to support demand for services.

Option Three

- **Reduce the scope or phase project.**
  - Approach the project in phases. A possible option may be to construct a police station and council chamber first with the intention to include a City Hall at a later date.
  - Reduce the square footage of the proposed plan to meet a specific budget threshold.
  - Risk includes that any new debt requirement will increase the possibility that the City could be more vulnerable as a result of a downturn in real estate values.

Mayor/Staff Recommendation

- **Engage in Public Works improvements and focus on building an adequate tax base to support future projects such as a new City Hall/Police Station .**
  - This course of action will allow the City to keep current debt low while increasing our capital savings and contingency funds.
  - The City will increase in total taxable property value over the next 10 years. This will be accomplished by commercial and residential development, as well as annexation.
  - City Hall will continue to meet requirements but a limited remodel of the current City Hall is recommended and the lease for the Police Station will need to be re-negotiated.
  - Current revenue is adequate and meets the City's operating and debt service requirements. Our bond rating will continue to be excellent.
  - Risk includes interest rates and/or costs of construction increasing at a rate that will decrease the buying power of the City of Selah in 10 years.