



City of Cashmere

101 Woodring Street
Cashmere, WA 98815
Ph (509) 782-3513 Fax (509) 782-2840
Website www.cityofcashmere.org

CASHMERE CITY COUNCIL MEETING
MONDAY, NOVEMBER 14, 2016 6:00 P.M., CITY HALL

AGENDA

CALL TO ORDER

FLAG SALUTE

EXCUSED ABSENCE

ANNOUNCEMENTS & INFORMATION

PUBLIC COMMENT PERIOD (For Items Not on the Agenda)

APPROVAL OF AGENDA

CONSENT AGENDA

1. Minutes of October 24, 2016 Regular Council Meeting
2. Payroll and Claims Packet Dated November 14, 2016

BUSINESS ITEMS

1. Public Hearing on Preliminary Budget for 2017
2. Ordinance No. 1255 Authorizing the General Property Tax Levy

PROGRESS REPORTS

ADJOURNMENT

TO ADDRESS THE COUNCIL, PLEASE BE RECOGNIZED BY THE MAYOR AND STATE YOUR NAME WHEN YOU BEGIN YOUR COMMENTS
Americans with Disabilities Act (ADA) accommodations provided upon request (48-hour notice required)

MINUTES OF THE CASHMERE CITY COUNCIL MEETING
MONDAY, OCTOBER 24, 2016 AT CASHMERE CITY HALL

OPENING

Mayor Gomes opened the regular city council meeting at 6:00 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jeff Gomes Skip Moore Jim Fletcher Dave Erickson Derrick Pratt	Kameon Smith
Staff:	Kay Jones, Clerk-Treasurer Mark Botello, Dir. of Planning/Building	Chuck Zimmerman, City Attorney

FLAG SALUTE

EXCUSED ABSENCE

MOVED by Councilor Pratt and seconded by Councilor Fletcher to excuse the absence of Councilor Smith. Motion carried.

ANNOUNCEMENTS & INFORMATION

No announcements.

PUBLIC COMMENT PERIOD

No comments from the public.

APPROVAL OF AGENDA

MOVED by Councilor Moore and seconded by Councilor Fletcher to approve the agenda as presented. Motion carried.

CONSENT AGENDA

Minutes of October 10, 2016 Regular Council Meeting
Payroll and Claims Packet Dated October 24, 2016

Claims Check #EFT 09/2016 and #37365 through 37403 totaling \$84,464.98

MOVED by Councilor Pratt and seconded by Councilor Fletcher to approve the items on the consent agenda. Motion carried.

PUBLIC HEARING ON REVENUE SOURCES AND POSSIBLE INCREASE IN PROPERTY TAX

Mayor Gomes opened the Public Hearing at 6:07 p.m. to receive public comment on revenue sources and possible increase in property tax. City Clerk-Treasurer Kay Jones explained that City's revenues are pretty much status quo with a few exceptions, such as property tax and the water and wastewater revenues.

The property tax will increase approximately \$6,000 if the City takes the 1% increase that is allowed. Staff's recommendation is to take the 1% increase in revenue to help offset the 4% (\$16,574) increase in the contract for law enforcement services.

January 1st the water rates will increase 2.5% and the wastewater rates will increase 6%. The last year of the five-year rate resolution is 2017. The City will be doing a rate study in 2017 to look at the next five years and what the rates and possible increases will be.

With the increase in utility revenues, the utility tax revenues in the General Fund will also increase since utility tax is 10% of gross revenues.

With no comments or questions from the public the Mayor closed the Hearing at 6:34 p.m.

ORDINANCE NO. 1254 PROVIDING FOR THE ANNEXATION OF THE HENSLEY PROPERTY

The Ordinance adoption date has to be after the "annexation terminal date certificate" and the "determination of sufficiency of petition for annexation" both of which the city has received and are dated 10/19/2016. Staff recommends the adoption of Ordinance No. 1254.

MOVED by Councilor Pratt and seconded by Councilor Moore to adopt Ordinance No. 1254 providing for the annexation of the Hensley property. Motion carried.

AMENDMENT NO. 1 TO PRE-ANNEXATION INTERLOCAL AGREEMENT BETWEEN CITY & PORT OF CHELAN COUNTY

The original Agreement is regarding the transfer of water rights and historical use of water associated with the Cashmere Mill Site to Parcel's A-K. The Port of Chelan County has declared parcels G-K surplus and has received a purchase offer. The proposed Amendment No. 1 removes the water rights from parcels G-K and applies them to A-F so that the Port of Chelan County retains all the water rights for marketing and future use for parcels A-F.

MOVED by Councilor Erickson and seconded by Councilor Fletcher to approve Amendment No. 1 to Pre-Annexation Interlocal Agreement between the City and Port of Chelan County and authorize the Mayor to sign. Motion carried.

PROGRESS REPORTS

Director Botello reported that approximately 36 trees on the City levees have been marked by the Army Corp of Engineers for removal. A Levee Maintenance Plan involving different agencies will be developed at a later date.

ADJOURNMENT

Mayor Gomes adjourned the meeting at 6:43 p.m.

Jeff Gomes, Mayor

Attest:

Kay Jones, City Clerk-Treasurer

Staff Summary

Date: November 14, 2016
To: City Council
From: Clerk-Treasurer Kay Jones
RE: 2017 Preliminary Budget

Attached is the 2017 Preliminary Budget. Previously council adopted budget policies that included a requirement that operating expenses cannot exceed estimated revenues for the current year. This policy is met in all funds for 2017.

The 2017 preliminary budget shows the amount above or below the estimated revenues both with and without capital transfers. If the expenditures including the capital transfers are a negative, shown in red, then that amount comes from the ending fund balance.

The Public Works fund budget has increased due to the addition of a full-time employee transferred from Sanitation.

Administrative fees have increased in all four operating funds since all the admin fees paid by the sanitation department were re-allocated to the other funds as was previously discussed.

The fund that is the most concern is the Water/WW fund. Although the Water/WW fund meets budget policy the negative amount of \$452,638 that would come from the ending fund balance with capital transfers is alarming.

The increases in the Water/WW fund are due not only to admin fees, but also to chemicals, maintenance contracts, and an increase in overtime hours.

Since the WW capital fund has a larger balance than the water capital fund the \$400,000 WW capital transfer could be eliminated this year to decrease the negative amount to \$52,638. Another option would be to eliminate both Water and WW capital transfers. However without transfers into the capital funds there will be no funds for future capital projects. A rate study is scheduled for 2017, but I believe a combination of raising rates and cutting costs will have to be considered to address the deficit.

The state of Washington requires an ending fund balance equal to 2-3 months of operating expenditures which at this point is a minimum of \$500,000 for Water/WW. Current spending will soon draw the ending fund balance below the minimum requirement.

Current ending fund balances as of 11/8/16 are:

General Fund	\$1,209,147
Public Works	\$1,002,463
Water/WW	\$878,903
Sanitation	\$609,223
Equipment Rental	\$1,153,002 of which \$210,900 was set aside for the garbage truck

Unless otherwise directed, Sanitation and garbage truck funds will be transferred to the 302 Capital fund at the close of the year.

302 CAPITAL IMPROVEMENT FUND

Administration

Office Furniture & Equipment	
Misc Billing Software	\$15,000
	<hr/>
	\$15,000

Buildings

City Library	
Replacing interior lights with LED	\$10,000
	<hr/>
	\$10,000

Parks & City Pool

City Pool	
Replacing bathroom stall partitians	\$10,000
Riverside Park	
Playground equipment	\$80,000
	<hr/>
	\$90,000

Streets

Street Improvements	
Rank & Kennedy Road Improvements	\$130,000
Traffic Control	
Solar Pedestrian Beacon Lights - Tigner & Sunset	\$30,000
Mulching Center	
Chipping and Hauling brush	\$10,000
	<hr/>
	\$170,000

Total 302 Capital Projects	\$285,000
Park Grant Funds	\$27,158
City Funds	\$257,842

411 WATER CAPITAL FUND

Rate Study	\$25,000
Upgrade in Meter Reading Software	\$5,000
	<hr/>
	\$30,000

412 WASTEWATER CAPITAL FUND

Rate Study	\$25,000
Telemetry for City lift and Museum lift stations	\$10,000
	<hr/>
	\$35,000

501 EQUIPMENT RENTAL FUND

Loader	\$175,000
--------	-----------

ORDINANCE NO. 1255

AN ORDINANCE OF THE CITY OF CASHMERE, WASHINGTON, AUTHORIZING THE GENERAL PROPERTY TAX LEVY ALLOWED BY RCW 84.55.010; LEVYING THE GENERAL TAXES FOR THE CITY OF CASHMERE, ESTIMATED TO BE \$603,949.85, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2017 ON ALL PROPERTY, INCLUDING REAL, PERSONAL, AND UTILITY PROPERTY IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF CARRYING ON THE GENERAL GOVERNMENT OF SAID CITY FOR THE ENSUING YEAR AS REQUIRED BY LAW; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Cashmere, Washington, having considered the City's anticipated financial requirements for 2017, and the amounts necessary and available to be raised by ad valorem taxes on real, personal and utility property; and

WHEREAS, after proper notice pursuant to RCW 84.55.120, the City Council held a public hearing on the 24th of October, 2016, wherein it considered revenue sources for the City's General Fund budget for 2017; and

WHEREAS, the City Council, after hearing, and after duly considering all relevant evidence and testimony presented, finds that the City of Cashmere will levy the general taxes for the City of Cashmere as allowed by RCW 84.55.010, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City of Cashmere and in its best interest; and

WHEREAS, the City of Cashmere, Washington, has a population of less than 10,000;

NOW THEREFORE, the City Council of the City of Cashmere, Washington do ordain as follows:

Section 1. General Levy. The regular property tax levy, plus a 1% increase over the levy from the previous year in the amount of \$5,969.66, plus the maximum dollar amount allowed under the provisions of state law for new construction and improvements to property and any increase in the value of state-assessed property and any annexations that have occurred and refunds made, is hereby authorized for the 2017 property tax levy on all real, personal and utility property authorized for collection in 2017.

Section 2. Estimated Amount. For the purpose of compliance with RCW 84.52.020 the City Council estimates for budget purposes that the amount of property tax to be collected in the year 2017 pursuant to Section 1. of this ordinance is \$603,949.85.

Section 3. Certification and Collection. A certified copy of this ordinance shall be transmitted by the City of Cashmere Clerk/Treasurer to Chelan County and to such other governmental agencies as provided by law. Taxes levied hereunder shall be collected and paid to the Clerk/Treasurer of the City of Cashmere at the time and in the manner provided by the laws of the State of Washington.

Section 4. Department of Revenue Form. Attached hereto and marked as Exhibit A is a true and correct copy of the Department of Revenue form requested to be approved by Chelan County. This form is hereby approved and made a part of this ordinance as if set forth in full herein.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Effective Date. This Ordinance shall take effect and be in full force five (5) days after this Ordinance or a summary thereof consisting of the title is published.

Passed by the City Council of the City of Cashmere and approved by the Mayor this 14th day of November, 2016.

CITY OF CASHMERE

By: _____
Jeff Gomes, Mayor

Attest:

Kay Jones, City Clerk/Treasurer

Approved as to form:

Charles D. Zimmerman, City Attorney

Ordinance No: 1255
Passed by the City Council: 11/14/2016
Published in the Cashmere Valley Record: 11/23/2016
Effective date: 11/28/2016



Ordinance / Resolution No. 1255
RCW 84.55.120

WHEREAS, the City Council of City of Cashmere has met and considered its budget for the calendar year 2017; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 596,965.57; and,

WHEREAS, the population of this district is less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2017 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 5969.66 which is a percentage increase of 1% from the previous year.

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 14 day of November, 2016.

Three horizontal lines for signatures on the left and right sides.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.