



CASHMERE CITY COUNCIL MEETING
MONDAY, OCTOBER 14, 2024, 6:00 P.M., CITY HALL

THE PUBLIC CAN ATTEND IN PERSON, CALL-IN OR LOG-IN TO ZOOM TO PARTICIPATE IN THE CITY COUNCIL MEETING. PLEASE CALL-IN OR LOGIN 5 MINUTES PRIOR TO MEETING.

**To Join the Meeting Go To <https://zoom.us>
Meeting ID: 882 719 9871 Passcode: 788276
Audio Only: PH# 1-(253)-215-8782**

AGENDA

CALL TO ORDER - ROLL CALL – FLAG SALUTE

ANNOUNCEMENTS

PUBLIC COMMENT PERIOD (For Items Not on the Agenda)

APPROVAL OF AGENDA

CONSENT AGENDA

1. Minutes of September 23, Regular Council Meeting
2. Payroll and Claims Packet Dated October 14, 2024

BUSINESS ITEMS

1. Public Hearing on the petition to annex a 5-acre parcel of land located at 5633 Evergreen Drive
2. Resolution No. 05-2024 Declaring an exemption to waive competitive bidding due to special market conditions and authorize the purchase of an orbit screener
3. S. Douglas St. Contract Amendment No. 1 to TA No.6 to include services during construction
4. Prosecution Services Agreement for 2025
5. Current revenue sources & estimates
6. Discussion on Development Impact Fees

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 SEPTEMBER 23, 2024, AT CASHMERE CITY HALL – In-Person and Digital

OPENING

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

The public can attend the council meeting in person, by phone, or by digital conference.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jim Fletcher	
Council:	John Perry Chris Carlson Shela Pistorosi Jayne Stephenson Jeff Johnson	
Staff:	Kay Jones, Clerk-Treasurer Steve Croci, Director of Operations	City Attorney, Julie Norton

PUBLIC COMMENT

No public comment.

APPROVAL OF AGENDA

MOVED by Councilor Carlson and seconded by Councilor Perry to approve the agenda as presented. Motion carried unanimously.

CONSENT AGENDA

Minutes of September 9, 2024, Regular Council Meeting
Payroll and Claims Packet Dated September 23, 2024

Claims Direct Pay and Check #43758 through #43772 totaling \$110,738.99

Set public hearing October 28, 2024 on revenue sources including possible increase in property tax

Set public hearing November 12, 2024 on Preliminary Budget for 2025

Set public hearing November 25, 2024 on Final Budget for 2025

Set public hearing October 14, 2024 on petition to annex a five acre parcel at 5633 Evergreen Dr.

MOVED by Councilor Perry and seconded by Councilor Carlson to approve the items on the consent agenda. Motion carried unanimously.

WOODARD & CURRAN 2025 BUDGET FOR OPERATING THE WATER AND WASTEWATER FACILITIES

Woodard & Curran presented their \$1,615,310 operating budget for 2025 for operating the water and wastewater systems.

W&C Area Manager Chris McMahon stated that as they gain experience in operating the water and wastewater systems the costs become more predictable. With 27 months of operating information available the expenses associated with operating the systems are becoming well defined. The 2025 budget increase is limited to the area's average CPI for the past 12 months of 3.1%.

MOVED by Councilor Stephenson and seconded by Councilor Pistoresi to approve the Woodard & Curran 2025 Budget for operating the water and wastewater facilities. Motion carried unanimously.

INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE CASHMERE TRANSPORTATION BENEFIT DISTRICT

The Interlocal Cooperation Act permits local governmental entities to make the most efficient use of their powers by enabling them to cooperate based on mutual advantage.

The City of Cashmere and the Cashmere Transportation District are two separate legal entities, even though the CTBD board is comprised of the members of the City Council. The City is empowered to operate, maintain, construct, and reconstruct, public street infrastructure. The CTBD has taxing authority and can act on a request from the City Council to implement a sales tax to make transportation improvements consistent with existing state, regional, and local transportation plans. Anything above .1% would have to go to a vote of the people. TBD sales tax must align with the city's transportation plan and budget.

MOVED by Councilor Perry and seconded by Councilor Carlson to approve the Interlocal Agreement between the City of Cashmere and the Cashmere Transportation Benefit District. Motion carried unanimously.

INTERAGENCY AGREEMENT WITH GROWTH MANAGEMENT SERVICES FOR GMA PERIODIC UPDATE GRANT-FY2025

The Growth Management Act (GMA) requires periodic updates to the comprehensive land use plan (Comp Plan) to be eligible for state grants for infrastructure projects and public benefit programs. Washington Department of Commerce is providing up to \$125,000 to update the Comp Plan. The city is requesting \$62,500 for activities which will occur in the 2024-2025 state budget biennium. The remainder of the available grant funds will be requested in the 2025-2026 state budget biennium.

MOVED by Councilor Pistoresi and seconded by Councilor Stephenson to approve the Interagency Agreement with Growth Management Services for GMA Periodic Update Grant for 2025. Motion carried unanimously.

RESOLUTION NO. 05-2024 AUTHORIZING THE PURCHASE OF A MOBILE GENERATOR THROUGH SOURCEWELL

Proposed Resolution No. 05-2025 authorizes the purchase of a mobile generator through Sourcewell. Grant funds are the primary source of funding for the purchase at the cost of \$110,762 including tax.

MOVED by Councilor Johnson and seconded by Councilor Stephenson to approve Resolution No. 05-2024 authorizing the purchase of a mobile generator through Sourcewell. Motion carried unanimously.

PROGRESS REPORTS

W&C Project Manager Dorien McElroy reported the following:

Emergency Generator project emergency quick connections are almost complete.

SCADA project has a final punch list. A change order for more funds is needed.

2023 Annual Report was submitted to council.

W&C is involved in the Mill Road project, Douglas Street project and the Fruitful Pl. utility tie in.

Meeting with Warner Flats to exchange mutual aid information.
Upcoming meeting with Crunch Pak and their DOE officer to discuss permitting and processing.

Director Steve Croci reported the following:

The crew has distributed new mulch in all the playgrounds.
Paving on E. Pleasant Street has been completed.
New Riverview Apartments on Aplets Way will soon be available to rent.
The crew has been repairing the streetlights on Tigner.
Cleaning up brush at the Center in preparation for the library moving in.
They will be replacing the snow stops at the WWTP

ADJOURNMENT

Before adjourning Mayor Fletcher scheduled a closed session for September 30th at 6:00 pm for collective bargaining.

The mayor adjourned the council meeting at 6:30 pm

James Fletcher, Mayor

Attest:

Kay Jones, Clerk-Treasurer

RESOLUTION NO. 07-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASHMERE, WASHINGTON, DECLARING AN EXEMPTION PROVIDED IN RCW 39.04.280 (1)(B), WAIVING COMPETITIVE BIDDING REQUIREMENTS DUE TO SPECIAL MARKET CONDITIONS, AND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT TO PURCHASE AN ORBIT SCREENER.

WHEREAS, the City Council budgeted funds for the purchase of an orbit screener for public works; and

WHEREAS, Standard Pallet Company has an exceptional piece of used equipment for a very good price (lower than other prices observed in the market); and

WHEREAS, purchasing the used orbit screener from Standard Pallet is expected to be available immediately and save the City thousands of dollars; and

WHEREAS, RCW 39.04.080 (1)(b) permits a waiver for competitive bidding for public works purchases involving special market conditions; and

WHEREAS, the City Council finds that special market conditions exists and that passage of this Resolution is in the best interest of the City; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF CASHMERE, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. Pursuant to RCW 39.04.280 (1)(b), competitive bidding is waived and the Mayor is authorized to sign a purchase order for the purchase of an orbit screen identified in Section 2 of this Resolution.

Section 2. The orbit screen authorized to be purchased under special market conditions is as follows: Base Machine, three leg pin adjustable stands, forklift pockets, one (2) Cu. Yd. hopper/feeder, series 60 back shield, orbit screens, Inc. Factory supplied air cooled 22.5 H.P. gas engine, hydraulic power. Hopper extension kit, hoper liner package, fines conveyor rock seal, site wheels, dual conveyor/hydraulic package, 30"x20' fines conveyor,

20"x17'overs conveyor, S601/2 "openings, standard wire, 0.105-68/3%, S60-1" openings, standard wire, 0.162-74%, S60-2" openings, extra heavy-duty wire, 0.310-74.8%, for a total cost of \$45,000, inclusive of Washington State Sales Tax. The price quote from Standard Pallet Company is on file with the City Clerk-Treasurer.

Orbit Screen Serial Number 61AG180194
Model Number Series 60 61 A-2
Engine Number 4606305591

Section 3. This Resolution shall be effective immediately upon passage by the City Council.

APPROVED BY the City Council at an
Open Public Meeting the 14th day of
October, 2024.

MAYOR JAMES FLETCHER

ATTEST/AUTHENTICATED:

KAY JONES, CITY CLERK/TREASURER

Staff Summary

Date: 10/10/2024

To: City Council

From: Director of Operations Steve Croci

RE: RH2 – Task Authorization 6, Amendment 1 – South Douglas Street
Construction Services

The City of Cashmere (City) had RH2 Engineering, Inc., (RH2) perform engineering services for the design of the water and roadway improvements to South Douglas Street from Cottage Avenue to East Parkhill Street. The City requested that RH2 provide services during construction for submittal review, project management, inspection and other tasks. The estimated cost is \$43,854.

Staff Recommendation:

MOVE to approve RH2's Amendment 1 to Task Authorization 6 to provide general engineering services for construction activities and authorize Mayor to sign documents.

City of Cashmere
Contract Amendment No. 1 to Task Authorization No. 6
General Engineering Services
S Douglas Street from Cottage Avenue to E Parkhill Street Improvements
Services During Construction
 RH2 Project No. CA 0220026.06

In accordance with our Professional Services Agreement for General Services dated January 1, 2022, Task Authorization No. 6, S Douglas Street from Cottage Avenue to E Parkhill Street Improvements, dated February 23, 2024, this is an authorization to revise the project parameters as described below. The work will be performed and invoiced using the terms and conditions listed in the original agreement, plus previous amendments.

This Amendment incorporates the following elements of the Scope of Work and Fee Estimate:

Reference attached **Exhibit A – Scope of Work** and **Exhibit B – Fee Estimate**.

The engineering fee authorization will increase by \$43,854 for a total authorization amount of **\$108,568**.

This Amendment is anticipated to be completed by December 31, 2024.

Please sign this authorization in the space provided below and return to RH2 Engineering, Inc., by mail at the address below, or by email to ehowe@rh2.com.

RH2 Engineering, Inc.

300 Simon Street SE, Suite 5
 East Wenatchee, WA 98802

City of Cashmere

101 Woodring Street
 Cashmere, WA 98815



9/6/2024

SIGNATURE

DATE

SIGNATURE

DATE

Paul R. Cross, Executive Vice President

PRINT NAME & TITLE

PRINT NAME & TITLE

EXHIBIT A
Scope of Work
Amendment No. 1 to Task Authorization No. 6
City of Cashmere
S Douglas Street from Cottage Avenue to E Parkhill Street Improvements
Services During Construction
September 2024

Background

The City of Cashmere (City) has retained RH2 Engineering, Inc., (RH2) to perform engineering services for its S Douglas Street from Cottage Avenue to E Parkhill Street Improvements project. RH2 prepared plans for the water main project in Cashmere, Washington and the City has requested that RH2 provide limited services during construction. This Scope of Work details the approach RH2 will use to assist the City during the project's construction. *Deliverables will be provided in electronic format (PDF) unless otherwise noted. Services described herein will be performed to the level of effort identified in the Fee Estimate. If additional services are requested or additional effort is required to perform the tasks described, an amendment will be mutually determined by the City and RH2.*

Task 5 – Services During Construction

Objective: Provide construction contract administration services for the project.

Approach:

- 5.1 Attend Pre-Construction Conference – Prepare for and provide an agenda for the pre-construction conference. Attend the pre-construction conference, to be held at RH2, with the RH2 project manager and one (1) RH2 observer. Provide additional copies of the plans and specifications in accordance with the construction contract documents. Prepare meeting minutes.
- 5.2 Review Submittals – Review submittals for up to ten (10) materials (Qualified Product Lists, Request(s) for Approval of Materials, manufacturer certificate of compliance, mix designs, and shop drawings) in accordance with the project plans and specifications. Prepare and maintain the Record of Material (ROM) in Microsoft Excel format.
- 5.3 Coordinate Materials Testing – Coordinate with a Construction Special Inspection as a subconsultant to RH2 to facilitate testing of the concrete, asphalt, and earthwork items in accordance with the Washington State Department of Transportation *Standard Specifications for Road, Bridge, and Municipal Construction*.
- 5.4 Provide Construction Observation Services – Provide one (1) part-time project observer for an average of eight (8) hours per day for fifteen (15) days spread throughout construction. Observation duties will include the following:

**City of Cashmere
S Douglas Street from Cottage Avenue to E Parkhill Street Improvements
Services During Construction**

**Amendment No. 1 to Task Authorization No. 6
Exhibit A
Scope of Work**

- a) Observing and documenting the construction contractor’s operations through daily reports and photographs of the construction progress.
 - b) Collecting item quantity tickets and measurements of items to be used in preparing the pay estimates.
 - c) Addressing technical issues and questions onsite.
 - d) Collecting and maintaining records for utilities, earthwork, surfacing, concrete, asphalt, and traffic control items. Maintaining the project ledger for payment of construction contract items.
 - e) Coordinating with utility purveyors onsite.
 - f) Preparing weekly statement of working days.
- 5.5 Respond to Requests for Information and Questions – Review requests for information (RFIs), address technical issues, and respond to construction contractor questions that cannot be addressed in the field by the observer.
- 5.6 Prepare Progress Payments – Prepare two (2) pay estimates based on quantities provided by the observer.
- 5.7 Review Change Orders – Review and prepare up to two (2) change orders for City approval.
- 5.8 Provide Project Closeout – Perform one (1) site visit for a final walkthrough with the City, assemble project records for closeout, prepare construction record drawings and transfer records to the City. Prepare letters of substantial, physical, and project completion.
- 5.9 Provide Project Management Services – Review invoices and budgets throughout the construction phase. Set up RH2’s construction files, and track, assemble, file, and maintain construction documentation.

Assumptions:

- *RH2 is not responsible for site safety, for directing the contractor or others in their work, or for determining means and methods.*
- *The project’s construction is assumed to be forty-five (45) working days. Notice to proceed is assumed to be provided in October 2024.*

Provided by City:

- All other construction administration services not provided by RH2.

RH2 Deliverables:

- Pre-construction conference agenda and minutes.
- Submittal reviews.
- ROM in Microsoft Excel format.
- Part-time construction observation.

**City of Cashmere
S Douglas Street from Cottage Avenue to E Parkhill Street Improvements
Services During Construction**

**Amendment No. 1 to Task Authorization No. 6
Exhibit A
Scope of Work**

- Construction observation reports and photos.
- Weekly statement of working days.
- Responses to RFIs and technical questions.
- Two (2) pay estimates.
- Up to two (2) change orders.
- Letters of substantial, physical, and project completion.
- One (1) electronic PDF and one (1) hardcopy of construction record drawings (half-size plans).
- Monthly invoices.

EXHIBIT B

Fee Estimate

Amendment No. 1 to Task Authorization No. 6

City of Cashmere

S Douglas Street from Cottage Avenue to E Parkhill Street Improvements

Services During Construction

Sep-24

Description	Total Hours	Total Labor	Total Subconsultant	Total Expense	Total Cost
Task 5	200	\$ 37,850	\$ 4,600	\$ 1,404	\$ 43,854
PROJECT TOTAL	200	\$ 37,850	\$ 4,600	\$ 1,404	\$ 43,854



CHELAN COUNTY PROSECUTING ATTORNEY

ROBERT W. SEALBY

401 Washington Street, 5th Floor, P.O. Box 2596, Wenatchee, WA 98807-2596

CRIMINAL DEPUTIES

Ryan S. Valaas, Chief Deputy
Lee O'Brien
Clayton J. Graef
Michael H. Munneke
Colin F. DeBruhl
Micaela R. Meadows
Chad A. Jenks
Felecia S. Chandler
Devin Poulson
John A. Bangerter

CIVIL DEPUTIES

Marcus S. Foster
Sean P. Lewis
Stewart R. Smith

CHILD SUPPORT

(509) 667-6200

MAIN OFFICE / FELONY DIVISION.....(509) 667-6202
MAIN OFFICE FAX.....(509) 667-6490
DISTRICT COURT DIVISION.....(509) 667-6271
JUVENILE COURT DIVISION.....(509) 667-6453
DISTRICT COURT/ JUV DIVISION FAX.....(509) 667-6476
CIVIL DIVISION.....(509) 667-6330
CIVIL DIVISION FAX.....(509) 667-6511
CHILD SUPPORT DIVISION.....(509) 667-6200
CHILD SUPPORT DIVISION FAX.....(509) 667-6525

September 30, 2024

Via Email: kay@cityofcashmere.org

Kay Jones
Cashmere City Clerk-Treasurer
101 Woodring Street
Cashmere, WA 98815

Re: Statistics and Proposed Agreement for 2025 Budget Year
Prosecution Services for City of Cashmere

Dear Kay:

Attached please find the proposed Prosecution Service Agreement for the budget year 2025 between the City of Cashmere and Chelan County. This agreement is based upon the total number of 55 cases which were prosecuted during the 12-month period of September 1, 2023 through August 31, 2024 for gross misdemeanor and misdemeanor crimes occurring within the city limits of Cashmere. Also attached for your review is the report we received from the Chelan County Sheriff's Office on which we base our calculations for the contract.

As background, RiverCom's mapping system is used to automatically assign arrests to the various reporting districts within Chelan County whenever a call out is received. The report from the Sheriff's Office shows, among other things, the name of the defendant, incident number, location of the incident, location of the arrest, the charges, and the date/time of the arrest. All cases listed on this report occurred during the 12-month time period of September 1, 2023 through August 31, 2024.

Upon receiving this report from the Sheriff's Office, I search our office's computer case management system to determine whether our office was involved in the prosecution of any of the gross misdemeanor and misdemeanor cases listed on the report. All the cases with a "Y" in the right-hand margin are cases we prosecuted for your city, with the total number of cases circled at the top of the report. This total number of cases is what we use to calculate our annual agreements.

For the 2025 budget year, we would ask for the City of Cashmere to please budget the amount of \$16,500.00 (55 cases at \$300.00 per case) for its prosecution service costs. Please review the attached documents and let me know by October 15, 2024, if you have any questions or concerns.

Kay Jones
Re: 2025 Prosecution Services
September 30, 2024
Page 2

Approval of the agreement by your Mayor and City Council would be appreciated. After the agreement has been executed by your Mayor and yourself, please return it to me. I will then obtain Prosecutor Sealby's signature on it and present it to the Chelan County Commissioners. I will provide you a copy of the completed agreement once all signatures have been obtained.

Thank you for your time. If you have any questions or concerns, please don't hesitate to contact me at 509-667-6204, or by email at cindy.dietz@co.chelan.wa.us.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Dietz".

Cindy Dietz
Office Administrator

Attachments

1
2
3 PROSECUTION SERVICE AGREEMENT
4

5 THIS AGREEMENT, made and entered into this ____ day of _____, 20__ by
6 and between the County of Chelan, a legal subdivision of the State of Washington, hereinafter
7 referred to as the "County" and the City of Cashmere, a municipal corporation of the State of
8 Washington, hereinafter referred to as the "City".

9 WITNESSETH:

10 WHEREAS, the City is desirous of contracting with the County for the performance of the
11 hereinafter described prosecution services for cases arising within its boundaries by the County
12 of Chelan through the Prosecuting Attorney thereof, and,

13 WHEREAS, the County of Chelan through the Prosecuting Attorney is agreeable to
14 rendering such services on terms and conditions hereinafter set forth, and,

15 WHEREAS, such contracts are authorized and provided for by the provisions of Chapter
16 39.34 RCW;

17 NOW, THEREFORE, it is agreed as follows:

18 1. The County agrees, by and through its Prosecuting Attorney, to provide
19 prosecution services for misdemeanor and gross misdemeanor cases filed in District Court and
20 arising within the corporate limits of the City.

21 Such services shall encompass the duties and functions of the type coming within the
22 jurisdiction of and customarily rendered by the Prosecuting Attorney of the County under the
23 laws of the State of Washington.
24
25

1 2. The rendition of such services, the standards of performance, the discipline of
2 attorneys and other matters incident to the performance of such services and the control of
3 personnel so employed shall remain in the county Prosecuting Attorney.

4 3. The County shall furnish and supply all necessary personnel, supervision,
5 equipment, supplies and support staff necessary to maintain the level of service to be rendered
6 hereunder, and shall pay all salaries and employee benefits and other costs in connection
7 therewith.

8 4. The fee for prosecution services is to be computed at the rate of \$300.00 per case
9 based upon the total cases handled by the Prosecuting Attorney's Office for the City for the last
10 four months of the preceding year and the first eight months of the current year.

11 5. For 2025 prosecution services the City shall pay to the County \$16,500.00 (55 total
12 cases at \$300.00 per case) for said prosecution services to be paid in quarterly installments of
13 \$4,125.00; each installment payable in advance on or before the fifteenth day of each quarter.
14 Said payment shall be credited in full as revenue to the Prosecuting Attorney's Office in the
15 Chelan County budget.

16 6. For purposes of computing case statistics, a case shall be attributed to the City
17 based upon the arresting officer's coding of the citation indicating an offense occurred with the
18 corporate limits of the City.

19 7. Upon the City's failure to make payment within 30 days, Chelan County shall be
20 entitled to include interest at 12% per annum on the unpaid balance.

21 8. All persons employed in the performance of such services and functions pursuant
22 to this Agreement for said City shall be County employees and no City employee, as such, shall
23 be taken over by the said County.

1 9. The City shall not be liable for compensation or indemnity to any County employee
2 for injury or sickness arising out of his employment, or by reasons of the performance of any of
3 the services provided for herein. The County indemnifies the City against any loss or expense
4 by reason of injury or sickness compensation or indemnity arising out of employment of any
5 County personnel serving the City hereunder.

6 10. Unless sooner terminated as provided for herein, this Agreement shall take effect
7 on the 1st day of January, 2025 and shall terminate on the 31st day of December, 2025.

8 11. Either party may renew this Agreement upon the same terms and conditions for
9 another year upon giving notice in writing of its intention to renew on or before September first of
10 each year, except the consideration under this Agreement shall be negotiable, the renewal shall
11 be effective unless the other party notifies the first party in writing on or before September
12 fifteenth of its refusal to renew.

13 IN WITNESS WHEREOF, the City of Cashmere by Resolution duly appointed by its
14 Council, caused this Agreement to be signed by its Mayor and attested by its Clerk, and the
15 County of Chelan by Resolution of its Board of County Commissioners has caused these
16 present to be subscribed by said Board of County Commissioners and the seal of said Board to
17 be affixed thereto and attested by the Clerk of said Board, all on the day and year first above
18 written.

19
20 CITY OF CASHMERE

21
22 By: _____
 Mayor

23
24 ATTEST: _____
 Clerk

1 BOARD OF CHELAN COUNTY COMMISSIONERS

2

3

4 _____
Kevin Overbay, Chairman

5

6 _____
Tiffany Gering, Commissioner

7

8 _____
Shon Smith, Commissioner

9

10 ATTEST: Anabel Torres

11

12 _____
Clerk of the Board

13 APPROVED:

14

15 _____
Robert W. Sealby
Chelan County Prosecuting Attorney

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Staff Summary

Date: Oct 9/2024

To: City Council

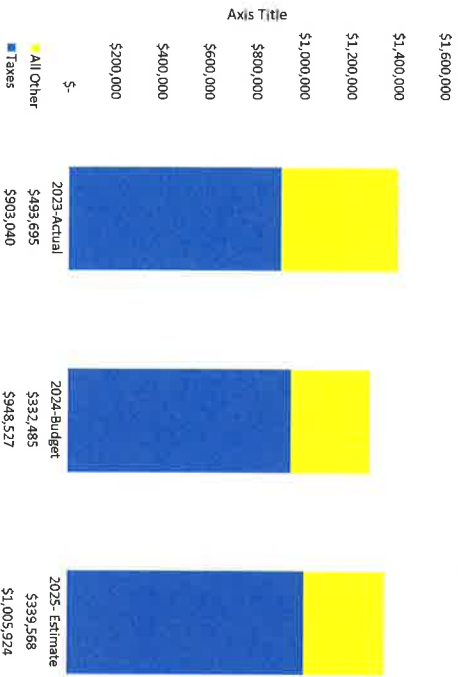
From: Jim Fletcher, Mayor

RE: Preliminary 2025 Budget Revenue Estimates

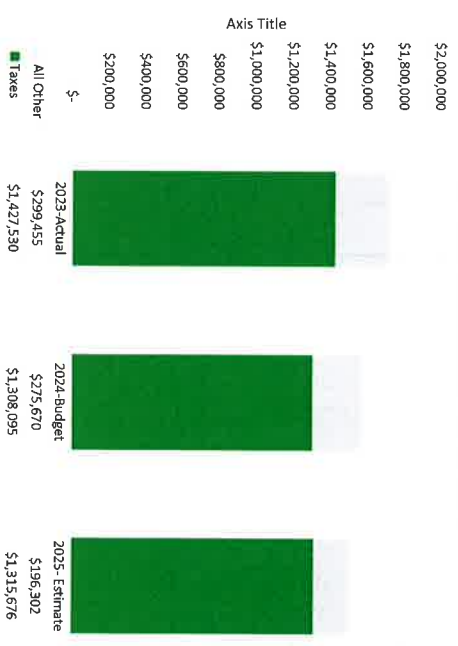
Attached are the itemized revenues for each budget fund comparing 2023 budgeted and actual revenue received, the 2024 budgeted and year to date (Sept) actual revenues, and Estimated revenues for consideration in the 2025 Budget.

No action is required at this time. Estimated 2025 Budget expenses will be provided for the October 28th council meeting.

General Government Revenue YTD 9/30/24



Public Works Revenue YTD 9/30/24



Taxes % of Revenue

65%

74%

75%

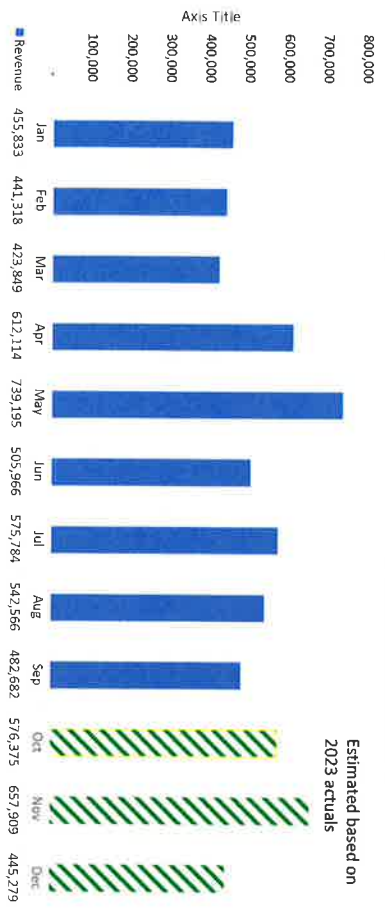
Taxes % of Revenue

83%

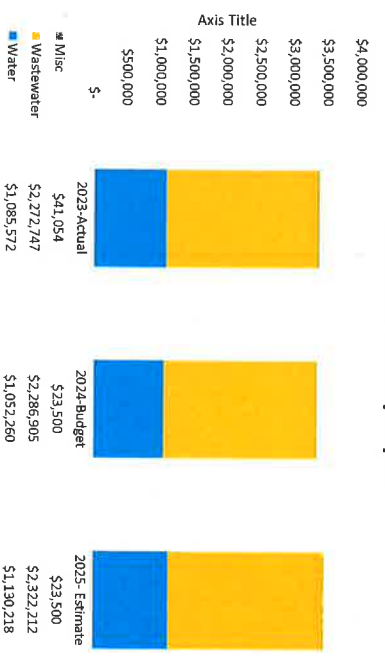
83%

87%

2024 YTD Monthly Revenue Gen Gov. Pub Wrks. Water/Wastewater-



Water - Wastewater Revenue YTD 9/30/24

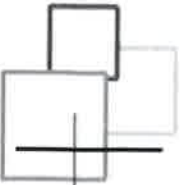


Percent of Revenue

Water 32%
Wastewater 67%

Water 31%
Wastewater 68%

Water 33%
Wastewater 67%



Estimated Revenue

Starting Account Number: 001-000-000-308-91-00-00 Beginning Balance - Unassigned

Account Number	Description	Budget	Actual	Budget	Actual	Budget
		2023	2023	2024	2024	2025
GENERAL GOVERNMENT						
TAXES						
001-000-000-311-10-00-00	Real and Personal Property Taxes	\$35,000.00	\$0.00	\$100,000.00	\$0.00	\$100,000.00
001-000-000-311-10-01-00	Fee In Lieu of Property Tax	\$3,515.00	\$3,514.97	\$3,586.00	\$3,585.27	\$3,657.00
001-000-000-313-27-00-00	Affordable Housing (SHB 1406)	\$5,025.00	\$4,713.31	\$5,025.00	\$3,372.56	\$5,025.00
001-000-000-313-71-00-00	Criminal Justice	\$100,000.00	\$116,422.22	\$100,000.00	\$85,046.94	\$110,000.00
001-000-000-316-41-34-00	City Water Utility Taxes	\$100,217.00	\$107,685.55	\$105,226.00	\$84,345.77	\$113,021.00
001-000-000-316-41-35-00	City Sewer Utility Taxes	\$220,246.00	\$225,261.51	\$228,690.00	\$175,671.86	\$232,221.00
001-000-000-316-42-32-00	Private Telephone Taxes	\$40,000.00	\$30,877.90	\$30,000.00	\$22,795.42	\$30,000.00
001-000-000-316-42-33-00	Private Electric Taxes	\$200,000.00	\$246,534.50	\$230,000.00	\$172,864.88	\$250,000.00
001-000-000-316-42-36-00	Private Cable Taxes	\$30,000.00	\$37,128.96	\$30,000.00	\$22,463.79	\$30,000.00
001-000-000-316-42-37-00	Private Garbage Taxes	\$100,000.00	\$117,919.60	\$100,000.00	\$93,211.08	\$120,000.00
001-000-000-317-20-00-00	Leasehold Excise Tax	\$16,000.00	\$12,981.94	\$16,000.00	\$9,087.21	\$12,000.00
	Total TAXES	\$850,003.00	\$903,040.46	\$948,527.00	\$672,444.78	\$1,005,924.00
LICENSES AND PERMITS						
001-000-000-321-91-00-00	Franchise Fees	\$35,000.00	\$29,132.32	\$35,000.00	\$23,940.06	\$35,000.00
001-000-000-321-99-01-00	Other Business Licenses and Permits	\$10,000.00	\$17,342.50	\$10,000.00	\$13,982.50	\$12,000.00
001-000-000-321-99-02-00	Life & Safety Occupancy Permit	\$2,800.00	\$3,000.00	\$2,800.00	\$2,060.00	\$2,800.00
001-000-000-321-99-03-00	Sign Permits	\$200.00	\$100.00	\$200.00	\$350.00	\$200.00
001-000-000-322-10-00-00	Buildings & Structures Permits	\$25,000.00	\$79,024.95	\$25,000.00	\$29,180.50	\$25,000.00
001-000-000-322-91-01-00	Special Use & Other Permits	\$300.00	\$170.00	\$300.00	\$420.00	\$300.00

Total LICENSES AND		\$73,300.00	\$128,769.77	\$73,300.00	\$69,933.06	\$75,300.00
INTERGOVERNMENTAL						
001-000-000-334-02-30-00	WA State DNR Grant Funds	\$0.00	\$10,670.67	\$0.00	\$4,000.00	\$0.00
001-000-000-335-00-91-00	PUD Privilege Tax	\$22,000.00	\$29,954.44	\$22,000.00	\$29,847.55	\$30,000.00
001-000-000-336-00-98-00	City County Assistance	\$7,484.00	\$6,246.72	\$7,484.00	\$8,316.15	\$7,484.00
001-000-000-336-06-21-00	Criminal Justice-Crimes/Population	\$1,118.00	\$1,186.29	\$1,275.00	\$950.66	\$1,356.00
001-000-000-336-06-25-00	Criminal Justice-Contracted Services	\$6,000.00	\$6,982.47	\$6,000.00	\$5,599.46	\$6,000.00
001-000-000-336-06-26-00	Criminal Justice-Special Programs	\$4,166.00	\$4,186.90	\$4,529.00	\$3,342.56	\$4,746.00
001-000-000-336-06-42-00	Marijuana Excise Tax	\$4,000.00	\$5,217.96	\$4,000.00	\$3,989.51	\$4,000.00
001-000-000-336-06-51-00	DUI & Other Criminal Justice Assist	\$500.00	\$226.97	\$500.00	\$254.60	\$500.00
001-000-000-336-06-94-00	Liquor/Beer Excise Tax	\$22,501.00	\$22,997.58	\$24,257.00	\$17,297.08	\$22,238.00
001-000-000-337-01-00-00	Ch Do Regional Port Authority Grant	\$7,320.00	\$7,318.75	\$0.00	\$0.00	\$0.00
Total		\$75,089.00	\$94,988.75	\$70,045.00	\$73,597.57	\$76,324.00
CHARGES FOR GOODS						
General Government						
001-000-000-341-43-00-00	Accounting Service Fees	\$0.00	\$0.00	\$0.00	\$25.00	\$0.00
001-000-000-341-81-00-00	Printing & Duplicating Services	\$0.00	\$20.31	\$0.00	\$4.15	\$0.00
Total General		\$0.00	\$20.31	\$0.00	\$29.15	\$0.00
Public Safety						
001-000-000-342-21-00-00	Fire and Emergency Medical Services	\$18,636.00	\$18,629.46	\$17,949.00	\$8,974.33	\$17,949.00
001-000-000-342-21-01-00	Fire Control Services - State/Fed	\$0.00	\$789.00	\$0.00	\$0.00	\$0.00
Total Public Safety		\$18,636.00	\$19,418.46	\$17,949.00	\$8,974.33	\$17,949.00
Economic Environment						
001-000-000-345-81-00-00	Zoning and Subdivision	\$1,000.00	\$5,450.00	\$1,000.00	\$0.00	\$1,000.00
001-000-000-345-83-00-00	Plan Checking Services	\$15,000.00	\$48,664.10	\$15,000.00	\$13,280.40	\$15,000.00
001-000-000-345-89-00-00	Other Planning and Development	\$3,000.00	\$9,235.31	\$3,000.00	\$6,673.16	\$3,000.00

Total Economic			\$19,000.00	\$63,349.41	\$19,000.00	\$19,953.56	\$19,000.00
Total CHARGES FOR			\$37,636.00	\$82,788.18	\$36,949.00	\$28,957.04	\$36,949.00
FINES AND PENALTIES							
001-000-000-359-10-00-00	Delinquency Bill Fees		\$25,000.00	\$27,693.10	\$25,000.00	\$22,994.90	\$25,000.00
Total FINES AND			\$25,000.00	\$27,693.10	\$25,000.00	\$22,994.90	\$25,000.00
MISCELLANEOUS							
Interest and Other							
001-000-000-361-11-00-00	Investment Interest-LGIP		\$28,000.00	\$34,305.56	\$28,000.00	\$28,572.88	\$28,000.00
001-000-000-361-11-01-00	Investment Interest-Bonds		\$21,350.00	\$21,350.00	\$21,350.00	\$14,122.00	\$21,350.00
001-000-000-361-40-03-00	Local Sales Interest		\$500.00	\$2,196.70	\$500.00	\$1,971.86	\$500.00
Total Interest and Other			\$49,850.00	\$57,852.26	\$49,850.00	\$44,666.74	\$49,850.00
Rents, Leases and							
001-000-000-362-50-00-00	Space & Facilities Leases (School Storage)		\$5,507.00	\$5,507.40	\$5,528.00	\$4,267.68	\$5,528.00
001-000-000-362-50-02-00	Riverside Center Management-50%		\$12,000.00	\$28,504.98	\$3,000.00	\$13,275.00	\$0.00
001-000-000-362-50-03-00	Sheriff's Lease for Space of City Hall		\$42,381.00	\$42,381.00	\$44,114.00	\$36,761.70	\$45,918.00
001-000-000-362-51-02-00	Building Rent Parks Dept		\$1,373.00	\$1,373.00	\$1,373.00	\$1,029.78	\$1,373.00
001-000-000-362-51-03-00	Building Rent Street Dept		\$1,373.00	\$1,373.00	\$1,373.00	\$1,029.78	\$1,373.00
001-000-000-362-51-04-00	Building Rent Cemetery Dept		\$1,373.00	\$1,373.00	\$1,373.00	\$1,029.78	\$1,373.00
001-000-000-362-51-05-00	Building Rent Water Dept		\$3,173.00	\$3,173.00	\$3,173.00	\$2,379.78	\$3,173.00
001-000-000-362-51-06-00	Building Rent WW Dept		\$3,173.00	\$3,173.00	\$3,173.00	\$2,379.78	\$3,173.00
001-000-000-362-90-01-00	Library Use Maintenance Charge		\$13,110.00	\$13,110.00	\$13,984.00	\$6,992.00	\$13,984.00
Total Rents, Leases and			\$83,463.00	\$99,968.38	\$77,091.00	\$69,145.28	\$75,895.00
Contributions and							
001-000-000-367-10-01-00	RiverCom 911 Shared Funding Assistance		\$1,576.00	\$1,575.45	\$0.00	\$0.00	\$0.00
Total Contributions and			\$1,576.00	\$1,575.45	\$0.00	\$0.00	\$0.00
Other Miscellaneous							

001-000-000-369-81-00-00	Cashier's Overages Or Shortages	\$0.00	(\$1.00)	\$0.00	(\$6.90)	\$0.00
001-000-000-369-91-00-00	Misc Other-Immaterial Items	\$250.00	\$60.00	\$250.00	\$150.00	\$250.00
	Total Other	\$250.00	\$59.00	\$250.00	\$143.10	\$250.00
	Total MISCELLANEOUS	\$135,139.00	\$159,455.09	\$127,191.00	\$113,955.12	\$125,995.00
	Total GENERAL GOVERNMENT	\$1,196,167.00	\$1,396,735.35	\$1,281,012.00	\$981,882.47	\$1,345,492.00

Account Number	Description	Budget 2023	Actual 2023	Budget 2024	Actual 2024	Budget 2025
PUBLIC WORKS FUND						
TAXES						
003-000-000-311-10-00-00	Real and Personal Property Taxes	\$704,921.00	\$740,711.54	\$658,095.00	\$412,390.52	\$665,676.00
003-000-000-313-11-00-00	Local Retail Sales and Use Tax	\$650,000.00	\$686,819.43	\$650,000.00	\$515,586.51	\$650,000.00
Total TAXES		\$1,354,921.00	\$1,427,530.97	\$1,308,095.00	\$927,977.03	\$1,315,676.00
LICENSES AND PERMITS						
003-000-000-322-40-01-00	Street and Curb Permits	\$0.00	\$1,175.00	\$0.00	\$500.00	\$0.00
Total LICENSES AND PERMITS		\$0.00	\$1,175.00	\$0.00	\$500.00	\$0.00
INTERGOVERNMENTAL REVENUES						
003-000-000-336-00-71-00	Multimodal Transportation City	\$4,264.00	\$4,258.94	\$4,294.00	\$3,225.88	\$4,305.00
003-000-000-336-00-87-00	Motor Vehicle Fuel Tax-City Street	\$63,435.00	\$60,733.22	\$61,196.00	\$43,925.80	\$6,163.00
003-000-000-336-06-95-00	Liquor Control Board Profits	\$25,092.00	\$25,078.40	\$25,330.00	\$18,995.31	\$24,984.00
Total		\$92,791.00	\$90,070.56	\$90,820.00	\$66,146.99	\$35,452.00
INTERGOVERNMENTAL REVENUES						
CHARGES FOR GOODS AND SERVICES						
Sales of Merchandise						
003-000-000-341-71-01-00	Sales of Merchandise - Pool	\$400.00	\$166.02	\$0.00	\$275.48	\$0.00
003-000-000-341-71-02-00	Vending Proceeds - Pool	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Sales of Merchandise		\$600.00	\$166.02	\$0.00	\$275.48	\$0.00
Cemetery Services						
003-000-000-343-60-01-00	Burial Plots	\$12,000.00	\$20,600.00	\$12,000.00	\$17,400.00	\$12,000.00
003-000-000-343-60-02-00	Opening & Closing Services	\$12,000.00	\$16,950.00	\$12,000.00	\$13,000.00	\$12,000.00
003-000-000-343-60-03-00	Marker Settings	\$6,000.00	\$7,400.00	\$6,000.00	\$4,000.00	\$6,000.00
003-000-000-343-60-04-00	Vases	\$300.00	\$420.00	\$300.00	\$240.00	\$300.00
003-000-000-343-60-05-00	Liners	\$5,000.00	\$11,100.00	\$5,000.00	\$10,000.00	\$5,000.00

003-000-000-343-60-07-00	Vase Setting Fees	\$200.00	\$325.00	\$200.00	\$125.00	\$200.00
003-000-000-343-60-09-00	Markers	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
003-000-000-343-60-10-00	Niche Engraving	\$1,000.00	\$2,760.00	\$1,000.00	\$1,620.00	\$1,000.00
Total Cemetery Services		\$41,500.00	\$59,555.00	\$41,500.00	\$46,385.00	\$41,500.00
Natural & Economic						
Environment						
003-000-000-345-29-00-00	Brush Pick Up Fees	\$6,000.00	\$7,940.18	\$6,000.00	\$1,555.15	\$6,000.00
Total Natural & Economic Environment		\$6,000.00	\$7,940.18	\$6,000.00	\$1,555.15	\$6,000.00
Culture and Recreation						
003-000-000-347-30-01-00	PL General Admission	\$23,500.00	\$19,256.72	\$23,500.00	\$24,044.48	\$23,500.00
003-000-000-347-30-02-00	PL Family Season Tickets	\$9,000.00	\$12,257.62	\$9,000.00	\$14,200.75	\$9,000.00
003-000-000-347-30-03-00	PL Individual Season Tickets	\$1,500.00	\$741.01	\$1,500.00	\$2,196.76	\$1,500.00
003-000-000-347-30-04-00	PL Punch Card Pass	\$7,000.00	\$4,949.23	\$7,000.00	\$5,978.98	\$7,000.00
003-000-000-347-60-01-00	PL Swim Lesson Fees	\$12,000.00	\$7,533.00	\$12,000.00	\$12,530.00	\$12,000.00
003-000-000-347-60-02-00	PL Group Rental & Guard Fees	\$4,000.00	\$8,215.40	\$4,000.00	\$14,794.23	\$4,000.00
003-000-000-347-60-03-00	PL Certification Training Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
003-000-000-347-90-01-00	PK Rafter Landing Fees	\$20,000.00	\$18,563.50	\$20,000.00	\$18,292.50	\$20,000.00
003-000-000-347-90-02-00	PK Vendor Fees	\$150.00	\$160.00	\$150.00	\$200.00	\$150.00
Total Culture and Recreation		\$77,150.00	\$71,676.48	\$77,150.00	\$92,237.70	\$77,150.00
Total CHARGES FOR GOODS AND SERVICES		\$125,250.00	\$139,337.68	\$124,650.00	\$140,453.33	\$124,650.00
MISCELLANEOUS REVENUES						
Interest and Other Earnings						
003-000-000-361-11-00-00	Investment Interest	\$54,000.00	\$60,898.23	\$54,000.00	\$22,590.90	\$30,000.00
Total Interest and Other Earnings		\$54,000.00	\$60,898.23	\$54,000.00	\$22,590.90	\$30,000.00
Rents, Leases and Concessions						

003-000-000-362-50-00-00	Space & Facilities Leases (Food Bank)	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Total Rents, Leases and Concessions		\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Contributions and Donations									
003-000-000-367-11-00-00	Gifts, Pledges, Grants from Private	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$879.93	\$0.00	\$0.00
Total Contributions and Donations		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$879.93	\$0.00	\$0.00
Other Miscellaneous Revenues									
003-000-000-369-41-00-00	Judgments and Settlements	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$27.27	\$0.00	\$0.00
003-000-000-369-91-00-00	Misc Other-Immaterial Items	\$0.00	\$722.70	\$0.00	\$0.00	\$0.00	\$35.00	\$0.00	\$0.00
Total Other Miscellaneous Revenues		\$0.00	\$1,722.70	\$0.00	\$0.00	\$0.00	\$62.27	\$0.00	\$0.00
Total MISCELLANEOUS REVENUES		\$55,200.00	\$63,820.93	\$55,200.00	\$24,733.10	\$31,200.00			
OTHER INCREASES IN FUND RESOURCES									
003-000-000-382-10-00-01	PK Custodial Deposits Collected	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
003-000-000-382-10-00-02	PK Rafter Deposits Collected	\$5,000.00	\$5,000.00	\$5,000.00	\$4,750.00	\$5,000.00	\$4,750.00	\$5,000.00	\$5,000.00
Total OTHER INCREASES IN FUND RESOURCES		\$5,000.00	\$5,050.00	\$5,000.00	\$4,750.00	\$5,000.00			
OTHER FINANCING SOURCES									
Disposition of Capital Assets									
003-000-000-395-10-00-00	Proceeds from sales of Capital Assets	\$0.00	\$0.00	\$0.00	\$6,997.82	\$0.00	\$6,997.82	\$0.00	\$0.00
Total Disposition of Capital Assets		\$0.00	\$0.00	\$0.00	\$6,997.82	\$0.00	\$6,997.82	\$0.00	\$0.00
Total OTHER FINANCING SOURCES		\$0.00	\$0.00	\$0.00	\$6,997.82	\$0.00	\$6,997.82	\$0.00	\$0.00

Total PUBLIC WORKS FUND

\$1,633,162.00

\$1,726,985.14

\$1,583,765.00

\$1,171,558.27

\$1,511,978.00

Account Number	Description	Budget 2023	Actual 2023	Budget 2024	Actual 2024	Budget 2025
WATER/WASTEWATER FUND						
CHARGES FOR GOODS AND SERVICES						
Water Sales						
401-000-000-343-40-01-00	Water Sales	\$1,002,175.00	\$1,078,107.10	\$1,042,260.00	\$847,659.84	\$1,115,218.00
401-000-000-343-40-02-00	Water Station & Hydrant Meters	\$5,000.00	\$4,023.60	\$5,000.00	\$9,083.00	\$10,000.00
401-000-000-343-40-09-00	Connect/Call Out/New Service Fees	\$5,000.00	\$3,441.58	\$5,000.00	\$3,093.13	\$5,000.00
Total Water Sales		\$1,012,175.00	\$1,085,572.28	\$1,052,260.00	\$859,835.97	\$1,130,218.00
Wastewater Services						
401-000-000-343-50-01-00	Wastewater Services	\$2,242,062.00	\$2,271,709.68	\$2,286,905.00	\$1,786,438.85	\$2,322,212.00
401-000-000-343-50-02-00	Wastewater Solids - Fertilizer Value	\$0.00	\$1,037.48	\$0.00	\$1,171.95	\$0.00
Total Wastewater Services		\$2,242,062.00	\$2,272,747.16	\$2,286,905.00	\$1,787,610.80	\$2,322,212.00
Total CHARGES FOR GOODS AND SERVICES		\$3,254,237.00	\$3,358,319.44	\$3,339,165.00	\$2,647,446.77	\$3,452,430.00
MISCELLANEOUS REVENUES						
Interest and Other Earnings						
401-000-000-361-11-00-00	WA Investment Interest	\$10,500.00	\$15,144.91	\$10,500.00	\$7,526.00	\$10,500.00
401-000-000-361-11-01-00	WW Investment Interest	\$13,000.00	\$19,216.38	\$13,000.00	\$10,652.08	\$13,000.00
401-000-000-361-40-02-00	WA Interest on Misc Billing	\$0.00	\$25.00	\$0.00	\$25.00	\$0.00
Total Interest and Other Earnings		\$23,500.00	\$34,386.29	\$23,500.00	\$18,203.08	\$23,500.00
Other Miscellaneous Revenues						
401-000-000-369-11-00-00	WA Sale of Scrap and Junk	\$0.00	\$6,443.07	\$0.00	\$0.00	\$0.00
401-000-000-369-91-00-00	WA Misc Other-Immaterial Items	\$0.00	\$225.00	\$0.00	\$219.19	\$0.00
Total Other Miscellaneous Revenues		\$0.00	\$6,668.07	\$0.00	\$219.19	\$0.00

Total MISCELLANEOUS REVENUES	\$23,500.00	\$41,054.36	\$23,500.00	\$18,422.27	\$23,500.00
Total WATER/WASTEWATER FUND	\$3,277,737.00	\$3,399,373.80	\$3,362,665.00	\$2,665,869.04	\$3,475,930.00

Staff Summary

Date: Oct 10, 2024
To: City Council
From: Jim Fletcher, Mayor
RE: Development Impact Fees

During a previous Council meeting the topic of development impact fees was briefly discussed. Staff referred the topic to a Planning Commission meeting for a discussion related to land use regulation that would initiate impact fees on the proposed development. Our land use planning consultant Christian Wollman, Perteet provided discussion based on other cities and review of procedures to determine amount of fees that may be collected and regulation limiting the amount of fees imposed.

Impact fees authorized by State Law are for the City's streets, parks, opens space, school facilities and fire protection facilities.

Attached are two articles published by MRSC regarding key issues of impact fees, (highlighting added).

Findings.

- Impacts of a new development must be related to and benefit the new development, cannot correct existing deficiencies, proposed improvement must be included in existing capital improvement programs.
- The City must justify the cost of impact fees are proportional to the impact.
- Fees collected must be used on the capital project within ten years or refunded. These funds must be accounted for separately from other City funds.

Conclusion

- For small developments, the amount of impact may be minimal with low revenue potential
- There are alternatives to direct impact fees such as system development fees on utilities, local improvement districts (LID's). mitigation of impacts identified during environmental review.

Attachments:

MRSC – Impact Fees – Local Government Do's and Don'ts

MRSC – The Sheetz Decision: Agencies May Now Have To Show their Work on Impact Fees.

Impact Fees — Local Government Do's and Don'ts

March 22, 2023 by Steve Butler

Category: Impact Fees



Photo of modern fire station courtesy of the author

The cost of providing infrastructure, facilities, and services can be expensive and local governments are always on the lookout for useful revenue sources. Impact fees are one financing option that can be used to help pay for new capital facilities needed to serve new development, but there are many steps to be taken by a community before impact fees can be collected. This blog is meant to provide an overview of those steps.

What Are Impact Fees?

Impact fees are one-time charges assessed by a local government against a new development project to help pay for new or expanded public facilities that will directly address the increased demand created by that development. They cannot be used to pay for operations and maintenance

(O&M) costs related to those facilities or for background studies that would identify the need for such facilities.

Washington State's Growth Management Act, or GMA, authorizes counties, cities, and towns planning under the GMA to impose impact fees (RCW 82.02.090 and RCW 82.02.050-.110) for the following types of public facilities:

- Public streets and roads;
- Publicly owned parks, open space, and recreation facilities;
- School facilities; and
- Fire protection facilities.

The collection and use of impact fees is voluntary, with local governments able to select as many or as few from the four categories listed above as is locally desired.

In Washington State impact fee programs are most commonly used to collect revenues for transportation-related projects (although MRSC also receives a fair number of questions about school impact fees). Local governments, however, are increasingly looking into how impact fees can be applied to other types of capital projects.

There is an interesting “twist” regarding the statutory authority for transportation impact fees. A separate state law (the Local Transportation Act, chapter 39.92 RCW) was enacted two years prior to passage of the GMA. This state law authorizes all counties, cities, towns, and transportation benefit districts across the state, including those not planning under the GMA, to impose transportation impact fees. While this option appears to be less common, some jurisdictions may have adopted transportation impact fees under chapter 39.92 RCW. For example, Lacey Municipal Code Ch. 14.21 imposes transportation mitigation fees under this statute.

Impact Fees Do's and Don'ts

Here are a few key principles about the use of impact fees authorized by the GMA.

For Capital Facilities Only: Impact fees may only be collected to pay for public *capital facilities* and *not* for O&M costs. For example, impact fees could be used to help pay for a new school building but *not* to fund teacher salaries or classroom supplies.

Only for Improvements Reasonably Related to Impacts Caused by New Development: Impact fees may only be used to pay for new or expanded facilities needed as a result of a specific new development and may not be used to correct existing deficiencies. For example, a school district may use the impact fees a local government collects from a residential development to pay for construction of new classrooms at a specific school(s) to accommodate the increased enrollment expected from that specific housing development. In addition, any capital facility improvements using impact fees would need to “reasonably benefit” the new development paying those fees. Using the previous example, school impact fees are typically not assessed on new commercial development, because such development literally does not “impact” school capacity and would not directly benefit from any school improvements.

Need to Use More than One Funding Source: Local governments must have additional funding sources for a capital project and may *not* rely solely on impact fees to fund the improvements (RCW 82.050.050). While state law does not specify the split between impact fee and non-impact fee funds, the cost of an eligible capital project or improvement cannot be 100% paid for with impact fee monies. It should also be noted that dedication in lieu of fees or credit can occur when developers build the capital facility themselves.

Must be Included in Your Comprehensive Plan: Impact fees may be used only for capital facilities that are addressed within a Comprehensive Plan’s capital facilities element that has been adopted by a local government under the GMA (RCW 82.02.050(4) and RCW 82.02.090(7)).

Pay Attention to the Deadline for Spending Collected Funds: Impact fees must be expended or encumbered within 10 years of receipt unless there is a written finding of an “extraordinary and compelling reason” for fees to be held longer (RCW 82.02.070). Unused fees must be refunded to the current owner of the property on which an impact fee has been paid (RCW 82.02.080).

Impact Fee Reductions or Waivers

While there are benefits to local governments’ coffers, impact fees do add to the cost of new development. Impact fees are usually paid by developers and builders, but those additional costs are ultimately passed onto the “consumers” of the newly developed property (in the form of a higher purchase price or rental rate). For communities wanting to encourage

designated types of new development, the question about whether to reduce or waive impact fees comes up.

The most direct way to reduce or waive impact fees is to provide information showing that the impacts caused by a desired type of development will not place a significant burden on the existing public facilities covered by your impact fee program. For example, if local school enrollment statistics can show that the average Accessory Dwelling Unit (ADU) household has fewer school-aged children than the average single-family household, then a lower impact fee amount can be imposed for a new ADU.

However, state law does allow for another option to provide exemptions, waivers, or reductions for the following developments:

- Low-income housing as defined in **RCW 82.02.060(2)**;
- Early learning facilities (as defined in **RCW 43.31.565**) with exempted fees being paid following **RCW 82.02.060(2)**, fee amounts restricted by **RCW 82.02.060(3)**, or partial exemptions based on standards outlined in **RCW 82.02.060(4)**;
- Development activities with “broad public purposes” (**RCW 82.02.060**); and
- Construction or expansion of a building that is not defined as a “development activity,” such as buildings constructed by a regional transit authority (defined in **RCW 81.112**) or those constructed as emergency homeless or domestic violence shelters as defined in **RCW 70.123.020** and **RCW 82.02.090(1)(b)**.

Please note that while reductions or waivers of impact fees for low-income housing, early learning facilities, and developments with a “broad public purpose” are permitted, impact fees for such development activity must still be paid for from public funds other than impact fee accounts, per **RCW 82.02.060(2)**.

State law (**RCW 82.02.060(4)**) does allow local governments to grant a partial exemption without requiring those exempted impact fees be paid by another public source under certain circumstances, such as for early learning facilities or when a developer builds a certain percentage of affordable units and records a covenant that the property will be permanently used for low-income housing. A full waiver for low-income housing will require that only 20% of the total impact fee amount would need to be paid from public

funds, while a full exemption without a payback requirement may be granted for early learning facilities if certain conditions are met.

Since use of impact fees is a voluntary option, a local government can always make the decision to not enact an impact fee program, but this may mean that development permit approval is delayed until the local government can otherwise fund the needed improvements to support such new development.

Conclusion

Impact fees are a potential revenue source available in Washington State to help pay for infrastructure costs caused by new development.

There are some complexities related to setting up an impact fee program, including those described above, which is why some eligible local governments have chosen not to impose them. If the local decision is made to establish or expand an impact fee system, however, it is important that the necessary steps are taken and that locally adopted impact fees are imposed fairly and in accordance with state law.

This blog is meant to provide a summary about impact fees. More details about calculating, collecting, and using impact fees may be found on MRSC's [Impact Fee](#) webpage.

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About Steve Butler

Steve joined MRSC in February 2015. He has been involved in most aspects of community planning for over 30 years, both in the public and private sectors. He received a B.A. from St. Lawrence University (Canton, New York) and a M.S. in Urban and Regional Planning from the University of Wisconsin-Madison. Steve has served as president of statewide planning associations in both Washington and Maine, and was elected to the American Institute of Certified Planner's College of Fellows in 2008.

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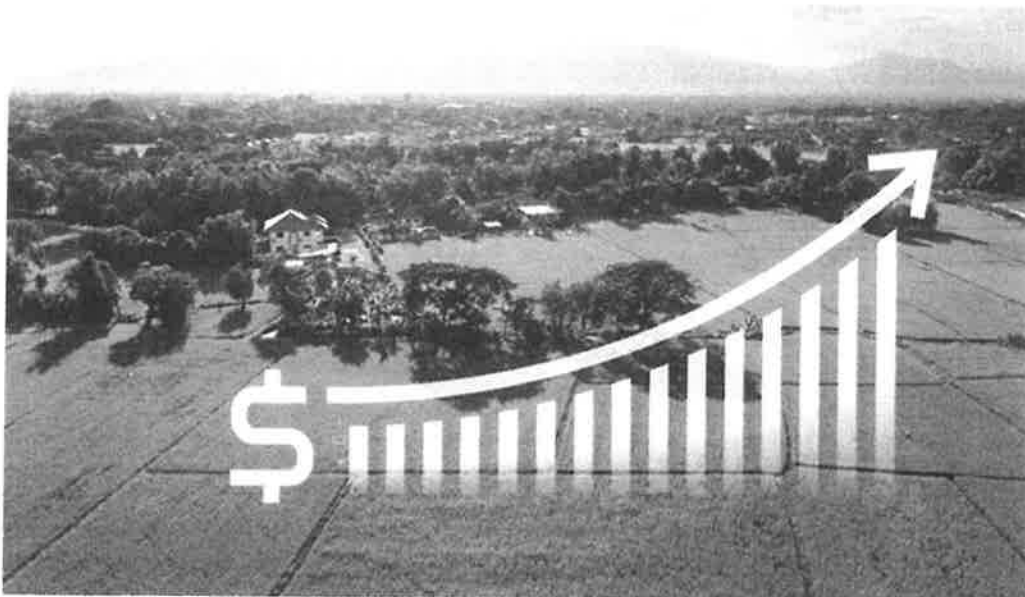
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The Sheetz Decision: Agencies May Now Have To Show Their Work on Impact Fees

July 22, 2024 by Heidi Greenwood, Nick Morton

Category: Guest Author, Court Decisions and AGO Opinions, Impact Fees



*Editor's note: This blog has been updated from the original to expand on the nuances of the recent ruling in *Sheetz v. El Dorado County*.*

Spend any time in a planning department and the names Nollan and Dolan will be discussed like the latest social media stars. Nollan and Dolan are not Instagram influencers, though, they are legal shorthand for two U.S. Supreme Court cases that describe the limits for government-imposed conditions on development: *Nollan v. California Coastal Commission* (1987) and *Dolan v. City of Tigard* (1994).

Nollan and *Dolan* require that permit conditions must:

1. have a nexus to the government's land-use interest, and

2. be roughly proportional to the development's impact on the land-use interest.

As an example, a landowner proposes a new cellular tower on a developed parcel in Happy Valley, Washington. Happy Valley wants bicycle lanes throughout the city. As a condition to granting the various tower development permits, Happy Valley requires that the landowner install a bicycle lane on the frontage of the parcel and dedicate 30 feet of right-of-way for the bicycle lane. Such a condition would probably not satisfy *Nollan* and *Dolan* since a cell tower has no obvious relationship to bicycle traffic and the 30 feet of right-of-way is likely disproportionate to the impact of a cell tower -- but what if Happy Valley instead proposed that the developer pay a transportation impact fee to fund the bicycle lane installation?

The Washington State Supreme Court has previously held that impact fees and other legislatively imposed requirements are not subject to the *Nollan* and *Dolan* test. In *City of Olympia v. Drebeck* (2006), the state supreme court drew a distinction between "legislatively prescribed development fees" and "direct mitigation fees," finding that impact and other user fees are legislatively prescribed and apply broadly to all development. As such, these fees were treated as taxes that are subject to statutory requirements but not to the *Nollan* and *Dolan* test. In contrast, individualized exactions were subject to the *Nollan* and *Dolan* test.

So, may Happy Valley impose the impact fee? Yes, but Happy Valley may have to affirmatively defend how it came up with that fee.

The *Sheetz* Case

Now the U.S. Supreme Court (Court) enters the scene with its unanimous decision in *Sheetz v. El Dorado County* (2024).

In *Sheetz*, the Court held that generally applicable, legislatively imposed conditions on development are not automatically exempt from scrutiny under the Takings Clause of the Fifth Amendment. In other words, legislatively imposed development conditions are now subject to the *Nollan* and *Dolan* test, meaning they must have a nexus to the development and be roughly proportionate to their impact.

The Court's ruling in *Sheetz* was fairly narrow in several ways. First, as further explained below, the Court did not decide whether a legislatively imposed condition on a class of properties must be tailored with the same specificity as a condition that is imposed on a particular development.

Second, the Court did not address the threshold question of whether an impact fee is a “taking,” such that it would be subject to constitutional scrutiny in the first place. Accordingly, the Court did not directly find that impact fees, like those promulgated pursuant to RCW 82.02.050-.090, are subject to *Nollan* and *Dolan*. That said, *Sheetz* means that these kinds of impact fee programs are no longer automatically exempt from constitutional scrutiny as legislatively prescribed fees.

This ruling opens the door to challenges of impact fees as unconstitutional takings under *Nollan* and *Dolan*, and Washington municipalities should be prepared to respond to such challenges on that basis.

Washington Impact Fees

Haven't impact fees have always had to have a nexus and proportionality to the new development? RCW 82.02.050(1)(b), which governs impact fees in Washington, states that such fees are to “promote orderly growth ... [and ensure] that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth.”

WAC 365-196-850 contemplates nexus and proportionality by requiring that impact fees:

...only be imposed for system improvements that are reasonably related to the new development; ... not exceed a proportionate share of the costs of system improvements that are reasonable related to the new development; and must be used for system improvements that will reasonably benefit the new development.

This reads a lot like the *Nollan* and *Dolan* requirements: So what is the effect of the *Sheetz* case on Washington impact fees?

Effect of *Sheetz* in Washington

The *Sheetz* case affects Washington municipalities in two ways. First, *Sheetz* will likely shift the burden from the developer to the municipality when impact fees are challenged. Under *Nollan* and *Dolan*, the burden is on the municipality to prove that the fee has a nexus to the proposed development and is proportionate to those impacts. Because impact fees have been treated as taxes in Washington, the burden previously was on the developer to prove that the fee was wrongly applied or calculated. See *Douglas Properties II, L.L.C. v City of Olympia* (2021).

In practical terms, this means that municipalities should be prepared to show their work when calculating impact fees. This may seem like a minor distinction, but it does mean municipalities may no longer get the benefit of the doubt in these cases.

Second, the U.S. Supreme Court in the *Sheetz* ruling explicitly did not decide whether a condition imposed on a class of properties, like an impact fee, must be tailored with the same specificity as a condition that is imposed on a particular development. Again, with this question open, municipalities must be prepared to show their work in developing impact fees. The more specificity a municipality can show in their impact fee calculation, the stronger their argument that the fee meets the *Nollan* and *Dolan* requirements.

Just how tailored any particular impact fee must be is something another court will have to determine at some future date.

Editor's Commentary

MRSC's webpage on **Impact Fees** includes a section on how to determine fee rates. This section notes that the rate studies used to determine impact fees should be periodically updated, and the webpage includes examples of cities that build in automatic increases based on changes to the Consumer Price Index (CPI).

MRSC will monitor whether the *Sheetz* decision means that cities which provide for automatic indexing will have to provide more justification for building in that indexing factor, and we will update the page accordingly.

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About Heidi Greenwood

Heidi Greenwood is an attorney with Ogden Murphy Wallace, PLLC, working in the firm's Municipal, Labor, and Employment practice groups. Prior to joining the firm, Heidi cut her teeth in municipal law on the Olympic Peninsula. While there, she enjoyed all the aspects of a municipal practice including criminal prosecution, risk

management, labor negotiations, contract drafting, land use, and human resources. She particularly enjoys helping her municipal clients manage complex HR issues and creatively solving problems.

Heidi is writing as a guest author. The views expressed in guest columns represent the opinions of the author and do not necessarily reflect those of MRSC.

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About Nick Morton

Nick Morton is an Associate with Ogden Murphy Wallace's Municipal, Tribal, and Environmental practice groups. Prior to joining OMW, Nick served as outside counsel to public school districts across Washington State. His previous work also includes representing private and public-sector clients in arbitration and civil litigation in state and federal court, as well as conducting workplace investigations involving claims of harassment, discrimination, bullying, and retaliation.

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