

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

January 8, 2019

Mayor Cheryl Kelley Farivar called the January 8, 2019 Study Session to order at 8:00 AM.

Council Present: Mayor Cheryl K. Farivar, Elmer Larsen, Mia Bretz, Margaret Neighbors, Sharon Waters, Clint Strand, and Jason Lundgren.

Staff Present: Joel Walinski, Chantell Steiner, Herb Amick, and Lilith Vespier.

Mayor Farivar excused Councilmember Carolyn Wilson.

1. Chamber Report

Chamber Director Nancy Smith updated the Council on the final wrap-up for Christmas Lighting and upcoming events planned for Ice Fest. Director Smith noted the new officer appointments at the Chamber including Chamber President Bill Forhan. There was a brief discussion on the Chamber's fireworks display versus residents that also shoot them off between Christmas and Ice Fest noting that the Chamber's fireworks are very short and typically occur between 6:30 and 7:00 PM. Director Smith reviewed the number of busses that attended Christmas Lighting this year.

2. Chelan County PUD Strategic Planning Efforts – Jeff Smith, Justin Erickson, and Steve Wright

Justin Erickson presented the Council with a PowerPoint Presentation on the Chelan County PUD Strategic Planning Efforts. He identified the reduction in past debt, reviewed the importance of asset management and the goals to continue investing in assets, customers and staff, seeking to achieve better hydro capabilities and initiating the Public Power Benefit Program that includes expansion of broadband services. He reviewed some examples of rapidly evolving industry challenges, such as cryptocurrency, west coast market changes and cybersecurity. He then identified several scenarios for future liquidity forecasting identifying different options for utilization of cash versus borrowing for major capital improvements and how those can affect the PUD's cash flow. Some key metrics that are being analyzed as part of the planning efforts include rate analysis, hydro capability as growth continues over time, reliability of the system with aging equipment being a challenge, environmental efficiencies, and customer satisfaction. He then reviewed the previous and updated mission, vision and value statements of the PUD. Mr. Erickson identified the need to analyze electric rates and to consider a long-term rate plan that stabilizes rate increases that could include small increases rather than a large increase in later years and how that impacts all users of the system. He then reviewed federal licensing renewals for the Rock Island Dam; looking at wholesale versus retail marketing, which is currently subsidized by wholesale power revenues; consideration of growth paying for growth or increasing revenues through economic development; consideration of who pays for aesthetic improvement costs, all customer owners or just those who benefit; and continuation of the Public Power Benefit Program that has been used for the fiber expansion and park passes. In closing, he identified some sample 5-year target priorities and reviewed the process and timeline for phase implementations of the strategic plan by the summer of 2019.

3. Lodging Tax Fund Allocations

City Administrator Joel Walinski briefly reviewed past council discussions regarding how to allocate lodging tax funds in the future and some of the pending requests for funding of programs for this year. He noted that the 2019-2020 Budget was built based on the original budgets from 2017-2018.

He identified new detailed information that has been provided on the use of the dollars by the Leavenworth Area Promotions (LAP) Committee for the years 2016 through 2018. Council briefly discussed the Ski & Stay Program funding, which that had a five-year commitment that ended with 2018, to work with Stevens Pass and create opportunities for ski & stay incentives in Leavenworth. Mayor Farivar clarified that the program administrators would like to see future funding to continue this program; at this time no allocation is included in the current budget. Council reviewed some specific questions on the uses of the dollars by LAP regarding media advertising and specific funding for LAP.

Administrator Walinski stated that the objective today is not to deep dive into the data provided by the LAP and Chamber but rather to provide this information for future policy discussions. Some Councilmembers discussed the need to have more time to talk in-depth on each of the programs and the funding requests before making individual allocations; others stated that they would be willing to proceed now with a budget amendment. Administrator Walinski noted that the Group Funding dollars also needs to be considered for future use, as well as identifying the policies for use with other organizations such as the Museum, Golf Course, Festhalle, etc.

Councilmember Larsen stated that he wants to see dollars, possibly those that are being generated from growth, allocated for future growth concerns such as the parking issues. Mayor Farivar clarified that the last Economic Development Committee meeting did discuss the idea of considering growth related revenues for potential capital improvements. Councilmember Lundgren suggested amending the Chamber Agreement to address the need to focus on setting goals and addressing sustainability for the community as a whole; he noted the need to work collectively to ensure a more succinct mission and vision for all parties involved. Mayor Farivar stated that the Council has been discussing the additional lodging tax requests for various purposes for several months and no decisions have yet been made; the Council needs to consider the requests and either approve or reject those requests to assist those groups in proceeding with their planning efforts. Administrator Walinski reminded the Council on the background behind the formation of LAP. Councilmember Larsen and Mayor Farivar stated that it is not the Council's job to direct how funding is specifically utilized by the various groups but rather to identify who receives and how much funding is provided. Council had a long discussion on concerns with communication between the Council and the funding recipients and how to find better ways to work together while maintaining the legislative required uses of the dollars to support "heads in beds" and to be mindful on the uses of those dollars.

4. Ordinance 1580 – Annexation of 1440 Commercial Street

Development Services Manager Lilith Vespier stated that the purpose of this ordinance is to finalize the steps involved with the purchase of 1440 Commercial Street by the City and to annex the property into the city limits. She noted that a zone change will be considered by the Council at a future date. Administrator Walinski updated the Council on the City's interest in the purchase of the adjacent Quik Lube property that has since been cancelled.

5. Joint Meeting with the Planning Commission Overview of the Process and Priority Review

Manager Vespier reminded the Council of previous discussions to formalize a process for prioritizing the docket list with the Planning Commission. She stated that she has provided a rating sheet for the Councilmembers and Planning Commissioners to review, rate, and be prepared for the upcoming meeting. She stated that she will provide a short summary at the next meeting to help facilitate the discussion and noted that if there are questions on any item to contact her. She explained the chart identifying which items are time consuming for staff and the Planning Commission based on an estimated time frame of high, medium and low. She further explained the process of a pending

application for a comprehensive plan amendment and how that can be considered for changes now or at a later date based on data and information available to the Boards. Mrs. Vespier identified the yellow and green items that are already in process or are mandated to be completed; Council asked that the list be reorganized to only ask for voting on the white items that have not yet been started or are required. Mrs. Vespier then noted the correlation included for each priority and how each one meets the Council's Goals from the Council's annual retreat. She then reviewed the orange rating columns that are left blank for the members to consider whether the items have priority. When prioritizing each member will need to rank the top 5 priorities with number 5 being the top priority.

6. Water Rights, Water Plant Assessment and Water Meters

Administrator Walinski stated that there is a lot of information involved in reviewing the water rights and water plant assessments for future improvements. He identified the need to consider grant funding opportunities that have a deadline of October 2019; therefore, by June/July the Council will need to have a good grasp of which priorities will be considered for the grant funding application. He said the Executive Summaries, which are included in the two planning documents, are a starting point for consideration; staff will also be providing future materials on recommendations for what projects are needed in a prioritized manner. Councilmember Lundgren asked for a future discussion on the City's current water storage facilities and the importance of those facilities. Administrator Walinski stated that storage would be part of the discussion as well as defining interruptible versus uninterruptible water rights and what those mean, as well as redundancy needs, such as having wells and a treatment plant versus one or the other. Councilmember Larsen talked about the need for redundancy and gave examples of communities that only have one or the other and how they are having water availability issues due to decreasing water tables, specifically in regard to wells. He added that the Council should consider minimal improvements with the plant facility due to extremely high costs and unknown future changes.

7. Mayor and Mayor Pro-Tem Committee Assignments and Council Policy, Procedures, and Rules of Conduct

Mayor Farivar reviewed the process for appointment of the Mayor Pro-Tempore position that will occur at the next meeting. She updated the Council on Councilmember Wilson's desire to continue as Mayor Pro Tempore if there is not another member interested. She added that if Councilmember Wilson does have challenges in filling the position that Councilmember Neighbors would be willing to fill in as needed on the duties included. She then asked that Councilmembers communicate with Mayor Farivar and Councilmember Neighbors at this time for requesting their specific requests for committee assignments. Administrator Walinski and Mayor Farivar reviewed some of the duties of the Mayor Pro Tempore that includes working on creating a consensus of priorities when there is contention amongst members, to address individual concerns of members that may arise and decorum and attendance issues by members.

Finance Director Chantell Steiner stated that the Council Policy, Procedures, and Rules of Conduct are included in the packet materials and stated that staff will prepare necessary amendments prior to the next meeting. She then questioned the study session start time and Council requested that this be amended to 8:30 AM starting in February. She then identified the need to include language for allowance of voting via conference call. Council requested this be included with additional language outlining a limit of three times per year per member.

Administrator Walinski reviewed the upcoming training that City Attorney Thom Graafstra's staff is working on putting together for the February Study Session regarding social media rules.

8. Council Open Discussion

- a) Confirm a Council Retreat Date and Location Preferences

Administrator Walinski recommended April 12, 2019 for the annual Council Retreat at the Bavarian Lodge.

- b) Chelan Country Emergency Management

Information only, no discussion occurred.

- c) Open Discussion

Councilmember Waters noted a record turnout for the walking program at the Festhalle this year.

Councilmember Lundgren questioned whether WSDOT had submitted comments regarding the Adventure Park; Manager Vespier stated that they have not and that she would reach out to them. He then asked for an update on the vacancy for the Assistant Planner position; Administrator Walinski stated that an offer had been made but is remaining confidential until the applicant is ready. He then asked about the vision of paid parking at the WSDOT Parking lot and whether this will be something for the Parking Stakeholder Committee to review; Administrator Walinski confirmed that this would be one of the items for the Committee to review and noted that there have been requests for multiple use of that area, for example large trucks or utility vehicles to be allowed to continue parking there throughout the year. Mayor Farivar added that the Committee will be having its first meeting in the last week of January and reminded Council that Councilmembers Bretz and Waters have been selected to sit on the Committee. Councilmember Lundgren questioned whether the City receives all sales taxes from the Upper Valley, particularly the 98826 zip code; Director Steiner responded that that this is a technical question for the Department of Revenue; however, she believes the City is only entitled to sales taxes that are generated from within the city limits and those other 98826 area residents would benefit a county sales tax collection. He then questioned the ability to expand public services at Icicle Station; Administrator Walinski explained that improvements for added facilities will have to be addressed per the original agreement with BNSF which included relocation of the service track; the track project and station project is estimated at approximately \$1.5 Million, which funding has not been able to be secured. He noted that the City has been applying for federal funding for several years. Administrator Walinski added that the warming hut currently onsite was an affordable compromise with BNSF to allow for the temporary building.

Study Session adjourned at 11:05 AM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk