

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

January 12, 2016

Mayor Cheryl Kelley Farivar called the January 12, 2016 Study Session to order at 9:00 AM.

Council Present: Mayor Cheryl Kelley Farivar, Michael Molohon, Robert Francis, Elmer Larsen, Carolyn Wilson, Gretchen Wearne, Mia Bretz, and Margaret Neighbors.

Staff Present: Joel Walinski, Herb Amick, Nathan Pate and Chantell Steiner.

1. Oath of Office

Finance Director/City Clerk Chantell Steiner performed the oath of office for the newly elected Mayor and Council members.

2. Chamber Report

Chamber Director Nancy Smith updated the Council on final discussions regarding the December festivities and asked if there was any feedback that the Council has received from citizens and visitors. Mayor Farivar shared some concerns that she heard related to a lack of decorative lighting on some of the downtown businesses; some of these businesses may have absentee owners that may be addressed through the renters of those buildings. Councilmember Bretz stated that she would like to see a program for funding assistance or an incentive program for businesses downtown that may not have the financial ability to decorate during the festivals. It was noted that the Leavenworth Pride Committee is an active committee of the Council to honor businesses; Councilmember Molohon stated that he also shares this same vision and would like to discuss this further for the new members to be assigned to the Leavenworth Pride Committee. The Council discussed the need to look into partnering this effort with other groups such as the Chamber and Leavenworth Area Promotions. Councilmember Wearne stated that she heard comments regarding the significant amount of trash and an increase in the broken plastic sleds; Public Works Director Herb Amick stated that staffing was increased this year but as the crowds continue to grow it is an ongoing effort to stay on top of this throughout the festivals. Council added that the plastic sleds may need to be addressed differently in the future if the crowds do continue to grow. City Administrator Joel Walinski added that he has had discussions with the Sheriff on the amount of people and that Leavenworth could very well be nearing its capacity with the visitors during Christmas Lighting Festival Days, this could be something for further discussion with the Festival and Events Committee. Councilmember Molohon commented on the Glüewein tent and suggested looking at another option for a new tent; Director Smith stated her concerns of snow loads causing a potential incident in the future and would like to see the current tent be discontinued. The Council discussed the option of utilizing the Festhalle or looking at other more sturdy tents like those used during Oktoberfest. The larger tents are heavier and more difficult to move and set-up but both options are good for future discussions.

Director Smith updated the Council on the IceFest activities for the upcoming weekend including but not limited to ice sculptures, smooshing, a grom (youth) playground sponsored by Stevens Pass to introduce youth to winter sports, and new this year an aerial sport on trampolines show.

She stated that there will be a visit during Maifest this year that will be broadcast later by PBS Broadcasting for erecting the new Maipole and the Chamber is looking into a chainsaw carving event. Councilmember Wilson stated that the parks looked gorgeous this festival season and thanked the Chamber Board and volunteers for all their efforts; Mayor Farivar questioned the need to provide awards to those volunteers and Director Smith stated that the Chamber Board does do this for them.

3. Chelan County Emergency Management

Mayor Farivar introduced Sergeant Kent Sisson and Rich Magnussen for Chelan County Emergency Management. Sergeant Sisson briefly discussed a position vacancy with the program that will be filled soon to assist in review of the various Emergency Management Plans. He then updated the newly elected Council members on how the program is funded and the cooperation involved with various agencies to ensure the safety of the communities during an emergency event. He talked about the need to work with communities especially after major fire seasons as those communities typically then have mudslide and flooding concerns. Many communities were affected this past year, although Leavenworth fared well in not being affected this past summer by local fire and smoke issues. Other areas of service that Emergency Management oversees would include rescues in the wilderness areas and urban rescues.

Mr. Magnussen talked about a Hazardous Materials Grant that CCEM received and will help to bring further education to local communities soon. He said this will be an opportunity for citizens, businesses, schools and other groups to participate in and learn what to do in the event of a major situation. Councilmember Molohon questioned if funding is available for terrorist attack exercises; Sergeant Sisson discussed the program funding that they do receive to assist on this but unfortunately the amount of fires this past year did not allow time to put a program together. Mayor Farivar noted that during Christmas Lighting there is not the significant amount of security on site as there is with Oktoberfest as well as the religious aspect involved with Christmas Lighting; Council members concurred that with the significant amount of people and children present that they would like the Sheriff's Office to look into how this can be tested during such a large event. Sergeant Sisson concurred that this is something they will look into further and see what opportunities are available to address this.

Sergeant Sisson discussed the need for a regional emergency operations center that has been challenging in the past to secure but is actively being looked at for implementation going forward through the effort of State Representative Hawkins and the State Legislature. This center would assist in creating a strong command center during an emergency. He talked about Federal Emergency Management Agency (FEMA) funding and identified some of the major community emergencies that have occurred over the past decade that were funded. He continued to show a PowerPoint Presentation of area facilities currently in use in conjunction with other emergency facilities such as the Fire Department in Chelan. Suggestions were discussed for facility improvements such as work stations, sleeping and restroom/shower facilities. Current costs are estimated at about \$1.8 Million to design and prepare a site and about \$1.5 Million to build the facility. Sergeant Sisson stated that any letters of support from the Council on this would be appreciated. Discussion ensued on the timing of a project moving forward in 2016 or 2017 if funding is secured and training through the ICS (Incident Command System) program for the new council members; having the training completed by the Council will also assist in the request for funding.

4. State Auditors Exit Conference 2013-2014

Mayor Farivar introduced State Auditor's Kathleen Lince and Cassie Whitson who are here today to go over the audit that has occurred for the City for the calendar years 2013 and 2014. Ms. Lince gave a brief background on the Team Wenatchee Auditor's Office and the purpose of an audit to look back at financial and accountability transactions to ensure proper use of public funds. Ms. Whitson proceeded to review the Exit Conference handout that identifies the various areas that were audited this cycle and the draft reports to be submitted for public viewing on the Washington State Auditor's Office website. Ms. Whitson discussed one immaterial misstatement that occurred this cycle that relates to a reserved fund balance in the Street Fund that likely should have been recorded as unreserved. She proceeded to review the level of recommendations including the lowest recommendation as exit items which are what are being presented today. She clarified the next levels to include a Management Letter as a medium level violation to the highest level being a finding; she confirmed that there are no management level or finding issues for this audit cycle. Ms. Whitson then reviewed additional housekeeping recommendations regarding collection of cash at cash related parking lots on a daily basis that will likely be addressed with the installation of electronic parking devices in 2016; the need to ensure all laws are met with Engineering Service Contracts and to better document written criteria during interview processes for engineering services; and to ensure all procurement laws are correctly followed in regards to release of retainage regarding Public Works Contracts. Ms. Lince reassured the Council that these items are very minor in retrospect and stated that the few items found were later to be found as done correctly in other City projects and situations.

Ms. Whitson then proceeded to review the draft Accountability Audit Report that identifies the areas that were reviewed by the auditor's and where these reports will be accessible from the State's website. Within this report is identification as well of a previous separate audit of the City's contributions to the Washington State Department of Retirement Systems that was performed in 2015 with no issues found. Discussion ensued on thresholds for auditing and it was noted that Leavenworth is a biennial rather than annual audit due to the annual revenues being less than \$10 Million dollars. Ms. Whitson proceeded to review the Financial Statement audit and clarified the required language regarding the adverse opinion of the financial statements in accordance with the State of Washington's basis of accounting that is a basis of accounting other than Generally Accepted Accounting Principles (GAAP). Ms. Lince further explained that what this means is that the City reports based on a cash basis versus an accrual basis which is prescribed by the Washington State Auditor's Office. Ms. Whitson noted that there were no instances of noncompliance or other matters found during the results of their testing. Ms. Lince reiterated that these opinions are considered a clean audit and thanked the staff for their professionalism during the audit period. Finance Director Steiner noted to the Council that the Leavenworth Transportation Benefit District was also audited this year and resulted in a clean report with no exit recommendations. Ms. Lince briefly reviewed the audit costs of approximately \$20,000 for the biennial audit and noted the next audit will occur in 2017 for the 2015 and 2016 years. She reminded the Council of the need to do an annual review should the City exceed \$750,000 in federal grant expenditures in a single year.

In closing Ms. Lince talked with the Council about potential changes in future policies and procedures and wanted to caution them to look to staff and legal counsel with regards to the foregoing of fees and discounts that may be addressed through code language or policy changes. For instance, reductions in fees, such as senior discounts, needs to be carefully considered when implementing and the rules for application of the fee reduction or foregoing of fees must be clear

and precise to avoid any issues such as gifting of public funds; depending on the dollar amounts this could create the potential for a future finding if any laws are violated.

5. Mayor Pro Tempore and Committee Assignments

Mayor Farivar updated the Council on discussions she and Mayor Pro Tempore Carolyn Wilson have had with various members over the past couple weeks regarding placement of the members on the Council and Ad Hoc Committees. Mayor Farivar proceeded to review some of the board appointments that she has not confirmed or made final commitments to and asked for comments about which ones each of the members are interested in sitting on. The Council proceeded to discuss the various boards and the commitments of those boards as well as the election of the Mayor Pro Tempore for 2016 that will occur this evening.

Mayor Farivar identified the Council Rules provided in the packet and specifically reviewed section 17 that requires a vote by the Council. It was explained that each council member present at the given council meeting must cast a vote unless there is an appearance of fairness issue and the council member recuses themselves of the action.

6. Development Services Department 2015 Year End Review

Development Services Manager Nathan Pate reviewed the year end reporting from the Development Services department regarding hearing examiner reporting, status reports on active projects and permitting in progress. He directed the Council to the materials provided and briefly reviewed the hearing examiner report and then proceeded to review in more detail the current projects under review by city staff. He noted the number of permits that has dropped slightly in 2015 from 2014 and identified some of the major projects coming online such as annexations and the School District's construction. He stated that overall the Development Staff continues to process a significant amount of permits and reminded the Council of the survey that was sent out in 2015 that generally had positive results of that survey for providing strong customer services to applicants. Councilmembers Neighbors and Bretz stated that they would like to see future surveys outsourced to create more transparency in the process; Administrator Walinski would consider this in the future and provide the council with an estimate on the cost to outsource. Manager Pate proceeded to review the larger projects included with photo updates and reminded Council to reach out to him if they have additional questions on any of the projects underway.

Councilmember Bretz asked for a status update on the Comprehensive Plan Updates; Manager Pate explained the process with the Planning Commission that will be further discussed at the next joint meeting with the Planning Commission and Council. He explained the 8-year process of ensuring mandated updates to sections of the Comprehensive Plan such as the pieces needed to address the Growth Management Plan which includes smaller pieces such as the Housing element, Capital Facilities element and the Parks element. He said there are many steps involved that leads up to the final review of these plans such as finalizing population methodologies that was just recently completed. Manager Pate then noted the list of permits being provided that includes new permits from the last report which begins where the first permit is highlighted in the materials for quick reference.

7. Fence Code Update

Manager Pate reviewed the status of this topic that began in October 2015 with a fence concern raised by a citizen that was found to be noncompliant after construction was nearly completed. The draft language provided includes subsequent discussions by the staff and Council. He explained that the requirement to permit will be removed from the code as previously requested and height considerations have been incorporated. Administrator Walinski explained further discussions with Public Safety requested consideration of the ordinance to include a 3 inch gap requirement between board planks for solid (view obscuring) fencing. Councilmember Larsen explained for the new members of the Council the need to address these requirements in the code since the City will no longer need to permit the fence. What this new process does is to require civil action to address fence related concerns between neighbors. It was noted that the previous issue with the former complainant will no longer be an issue with the adoption of these changes. It was also noted that in that case, the property owner acknowledged that his contractor has placed the fence in the wrong location. Manager Pate reassured the Council that Section D, requiring the permit, will be stricken in the final version to be presented for Council approval at a future meeting. Council reviewed the process for compliance to be complaint driven in the future if and when a new fence is erected by a citizen. There was discussion of the need to have clear view triangles and fence heights as part of the recommendations presented by the staff and those suggested by Sergeant Bruce Long during the Safety Committee meetings. Council members concurred that the draft language presented today meets the needs and recommendations from previous discussions and asked staff to proceed with presenting the final recommendation by ordinance at a future meeting. Mayor Farivar asked that the word “accurately” be included in the first sentence of section E regarding locating property lines.

8. Project Updates

Administrator Walinski stated that one discussion item he would like to mention is the issue of cash flow and the need to consider this when there are several major projects occurring at the same time. The City has limited cash resources and this can be challenging to “afford” a project during certain months of the year. He stated that along with developing plans and specification, the timing of the projects along with the dollar size of the project is considered so the City has the funds available to cash flow the projects.

He proceeded to provide the Council with an update on the Feshalle Kitchen Improvements. He provided a brief history of the transition from the Leavenworth Civic Center Foundation (LCCF) to the City and where the capital funding came from through a refinance of the original bond. Administrator Walinski noted past improvements to include the elevator and the previous council review of the upstairs use of the facility. Director Steiner confirmed the refinancing was completed in 2013 provided the capital funding for the improvements and that the annual debt payment remained about the same due to the savings on interest from the refinancing.

Administrator Walinski noted the update included in the packet for the Wetland / Stormwater Regional Plan. Manager Pate clarified that this Plan should be used as a tool for planning and stated that the plan does not specifically identify what lands are officially wetlands but rather provides guidance for addressing wetland areas during development. Councilmember Larsen questioned how the tool will address properties identified outside of the wetland areas identified in the plan; will someone have to do a wetland study prior to any development on their land? Manager Pate explained that the plan is for guidance only due to the various agencies such as the Department of Ecology and the Army Corps of Engineers that can vary differently on their interpretation of a particular area of land as a wetland.

Administrator Walinski discussed the planned upgrades to the parking lots that will also address the audit concerns for cash collection; a full review of this project will be given at the February Study Session. He then noted some recent progress on the Pine Street project regarding the annexations underway, resolution related to right-of-way concerns and the need to reclassify the road with the Department of Transportation as a federally classified major collector; this will then open the door for additional federal grant funding opportunities. At this time the road is currently not federally classified which eliminates the project from consideration of Street Transportation Planning (STP) and other Washington State Department of Transportation (WSDOT) federal funds.

Public Works Director Herb Amick updated the Council on the recent grant award from the Transportation Improvement Board (TIB) that will assist in several street preservation improvements within the residential districts. It was noted that State funding typically extends the length of time needed for projects to be completed, but those dollars are necessary when doing large projects. Director Amick then updated the Council on the crosswalk projects planned for the Gustav and LINK transit locations along Highway 2 that the City recently was awarded. These projects are planned to begin engineering this year and construction will occur as WSDOT completes their oversight and review. The Council briefly talked about the need to possibly synchronize these crosswalks as well as street traffic lights to minimize as much as possible the affects they will have on traffic flow. Administrator Walinski gave a brief update on going out for bid regarding the Community Development Block Grant (CDBG) in conjunction with the Meadowlark Development Project. He noted that the project has not made it to this point yet but is anticipated to occur in 2016. He explained how discussions with the Department of Commerce, who provides the CDBG funding oversight, will be critical in moving forward with the bidding process for Meadowlark.

9. Council Open Discussion

Councilmember Molohon voiced concern at the Study Session meeting always going over the time specified and asked that staff consider extending the time needed for items or that the Council adhere to the specified times to keep on task if possible.

Councilmember Neighbors announced two upcoming meetings if others are interested in attending. The first meeting will be held by the Wenatchee River Institute on January 27 at that Cashmere Riverfront Center; the topic of this meeting will be "Net Positive: Making Dollars & Sense of Sustainability for Your Business". The second meeting will be held by a new group called the Leavenworth Resettles on Monday, January 18th at 5:30 PM at Faith Lutheran Hall in Leavenworth; the topic for this meeting will be for Syrian refugees.

Councilmember Bretz requested additional information regarding the evening meeting agenda item for appointing Mr. Scott Bradshaw to the Planning Commission. Mayor Farivar stated that she will get more information for those interested prior to the evening vote and clarified some of Mr. Bradshaw's experience and long-term commitments to the community. She noted that there is another vacancy that she is currently conducting interviews for, which includes four additional candidates. Administrator Walinski added that city staff is putting together a flow chart on how citizens can inject their ideas into the process with the City either through the Council, staff, attending meetings and direct calls to City Hall; this will be forthcoming for discussion at the February Study Session.

Councilmember Bretz stated that she has been in contact with The Mountain Pack out of Colorado who does lobbying at the federal level for mountain towns that are tourist based in addressing global warming issues and in developing policy to help with tourism and the economy while also looking at maintaining snow on the slopes. She thinks this could be a good connection for Leavenworth and would like to delve further into this; she explained that some of the partnership responsibilities could be as simple as providing letters of support to further initiatives for mountain communities. Council members encouraged her to look into this further and Mayor Farivar asked that she forward out a link to the rest of the Council that might also be interested in learning more about the group.

Councilmember Larsen suggested setting up tours for the new council to view the Festhalle and water and sewer treatment plants. Mayor Farivar concurred that this was discussed at orientation with the new members and that the Festhalle could be right away but the plants will hold off until spring.

Council members confirmed who will attend subcommittee meetings today until appointments are made at the next City Council meeting.

Councilmember Wilson requested a plaque for the Cascade High School Girls Soccer Team for their success this past season; Mayor Farivar asked her to provide the details for the plaque and presentation.

Study Session adjourned at 12:17 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk