



City of Leavenworth

700 HIGHWAY 2 / POST OFFICE BOX 287
LEAVENWORTH, WASHINGTON 98826
(509) 548-5275 / FAX: (509) 548-6429
Web: www.cityofleavenworth.com

City Council
Cheryl K. Farivar - *Mayor*
Michael Molohon
Elmer Larsen
Robert Francis
Carolyn Wilson - *Mayor Pro-Tem*
Gretchen Wearne
Mia Bretz
Margaret Neighbors
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers

January 26, 2016 - 6:30 p.m.

Call to Order

Flag Salute

Roll Call

Consent Agenda

1. Approval of Agenda
2. Approval of January 12, 2016 Study Session Minutes
3. Approval of January 12, 2016 Regular Meeting Minutes
4. Approval of January 15, 2016 Special Meeting Minutes
5. 2015 Claims \$133,160.68 / 2016 Claims \$38,143.95

Council Committees -4th Tuesday -

Econ. Dev. 4:00 Finance 5:00

Councilmember and Committee Reports

Mayor/Administration Reports

Comments from the Public on Items Not on the Agenda

Joint meeting with the Planning Commission

Resolutions, Ordinances, Orders and Other Business

1. Action: Acceptance of 2016 Planning Commission Docket
2. Action: Annexation Request Property Owner Discussion – Cascade School District
 - a. Annexation Request – Cascade School District
 - b. Motion to Set a Public Hearing on Annexation Request for Cascade School District
3. Action: Ordinance 1518 – East Pine Street Neighborhood Amendment
4. Action: Chelan County Marijuana Ban
5. Action: Senior Center Service Contracts
 - a. Custodial Services and Attendant
 - b. Evening Closure of Public Restrooms
 - c. Recycle Center Gate and Custodial Attendant
6. Action: Resolution No. 1 – 2016: Authorization/Execution of Loan Agreement Wastewater Facility Plan
7. Action: Ordinance 1519 – 2016 Budget Salary Schedule
8. Action: Mayor Pro Tempore Standing Committee Assignments
9. Action: Mayor Ad Hoc Committee Assignments

Information Items for Future Consideration

Group Funding Applications due by March 1st

Adjournment

Next Ordinance is 1520 - Next Resolution is 02-2016)

The City of Leavenworth is committed to providing reasonable accommodations in accordance with the Americans with Disabilities Act. Please contact City Hall at (509) 548-5275 at least 72 hours prior to a scheduled meeting to request an accommodation.

SUPPLEMENTAL COUNCIL AGENDA

1. Acceptance of 2016 Planning Commission Docket

The City Council is being asked to approve the 2016 Docket which is the direction provided by the City Council to the City's Planning Commission on the work plan to be addressed in 2016.

Tonight's joint meeting with the Planning Commission allows for the Council and Commission to study and discuss the "Planning Commission's Docket - 2016 Cycle Amendments." Every year, the Planning Commission works on the City's "Docket." This list of amendments (the Docket) is developed throughout the year from citizen, Council, Planning Commission, and staff comments or requests. The compiled list identifies potential Comprehensive Plan, Zoning Map, Leavenworth Municipal Zoning Code, Leavenworth Municipal Development Code, and miscellaneous Code revisions and/or amendments. The draft docket was reviewed by the City Council at the City Council Study Session held on December 8, 2015.

At the beginning of each new year, the Council conducts a "Special and Joint" Planning Commission Meeting (tonight's meeting), whereby the proposed "Planning Commission Docket" for the "2016 Cycle of Amendments" will be presented. The Council and Commission have this opportunity to review, comment, and deliberate on the Docket.

The Development Services Department has prepared an annotated version of the draft Docket (green comments after the listed topic). The annotations / comments are provided for discussion, to help clarify the topic / amendment, and are an effort to explain the need, history or what may become an amendment. These are not (but may be) recommended solutions for consideration or text for an amendment. The amendments require the Planning Commission deliberation and public vetting process. The amendment may change through the public study and discovery process.

The "Docket" is formatted in separate levels of proposed amendments: 1) High Priority – the intent is to complete within the year of the amendment cycle; 2) Medium Priority – if the items within the "high priority" list is going extremely well, as time allows, these may be completed in the amendment cycle year; and 3) Low Priority – these are kept on the list for consideration, but may not be completed. The progression of an amendment depends upon complexity. For example: the "Regional Wetland / Stormwater Strategy / Management Plan" has many aspects, and is anticipated to take considerable time (18 – 36 months), and may remain on the "Docket" until completion. The Planning Commission and Council may notice that many of the amendments are from the previous cycles. As time goes on, the number of amendments "rolling over" should diminish. Finally, not all amendments need to be a part of this annual amendment cycle. Amendments that are a part of the Comprehensive Plan, development regulations, and any other GMA linked / related changes are processed within this amendment cycle. The Development Services Department has included amendments that can be completed under a differing process; for example: "Essential Public Facilities policy." The inclusion of this type of topic is for tracking purposes and some may "overlap" into the development realm.

All requests for city-initiated amendment proposals from the public must be received by December 31st to be considered for the upcoming year's amendment process. By January 31st of each year, all required application materials for proposed map amendments (excluding the unincorporated portions of the urban growth area) which are not city-initiated (i.e., those which are requested by private persons, organizations, agencies, etc.) must be submitted to the City. Map amendments within the unincorporated portions of the urban growth area that are not required to be initiated by the City shall be submitted to Chelan County per the requirements outlined in the Chelan County Code. The Docket includes a "place holder" for such applications.

The following item is included under **TAB 1:**

- 2016 Docket
 - **MOTION:** *The Leavenworth City Council moves to approve the 2016 Planning Commission Docket, and tasks the Planning Commission to proceed with the amendment process.*

2. Annexation Request Property Owner Discussion – Cascade School District

a. Annexation Request – Cascade School District

The City Council is being asked to continue the annexation process for the land owned by the Cascade School District and have the meeting with the property owners to determine:

- a. If the City will accept the annexation;
- b. Whether the City will accept, reject, or geographically modify the proposed annexation;
- c. Whether it will require the simultaneous adoption of a proposed zoning regulation;
- d. Whether it will require infrastructure improvements and right of way resolution;
- e. Whether it will require transfer of water rights; and
- f. Whether it will require the assumption of all or any portion of existing city indebtedness by the area to be annexed.

The Council will record its action into the record.

Mr. Bill Motsenbocker, Superintendent for and representing the Cascade School District, proposes to construct a new Elementary School for the Cascade School District and has requested annexation into the City on behalf of the Cascade School District. The property is located at 12240 Pine Street, Leavenworth, WA, 98826: Section 02, Township 24 N, Range 17 E. and, identified as Chelan County Assessor's parcel no. 241701320100. The facility will be a 48,000 square foot building (two story) on a 6.4 acre site and will include all site and utility infrastructure associated with the development. The project will also include new onsite pedestrian and vehicle circulation, sidewalks, parking and drop-off zones, asphalt playground, lawn play field, and landscape planters. Necessary utility infrastructure to support the proposal will be constructed.

Bill Motsenbocker submitted a letter of intent on August 13, 2015 for annexation, and the Cascade School District is owner of not less than 10% in assessed value of the approximately 6.41 acre property sought for annexation. On September 8, 2015, the City Council continued the discussion of the annexation to a date certain of October 13, 2015. On October 13, 2015 and upon request by Mr. Bill Motsenbocker, the Leavenworth City Council rescinded the Cascade School District Annexation Request until further request by the School District. After ongoing discussions with the Cascade School District and Chelan County, the School District has requested that the annexation process be reinstated for this parcel of property. An annexation agreement in the petition format has been prepared and the Cascade School District will be discussing the agreement with the Cascade School District Board Members on Monday evening. Staff or the applicant will provide an update on that meeting to the Council on Tuesday evening.

The efforts of the City and School District, through the course of these negotiations the past several months, has been to assist the School District in their efforts on the design and development of the new

elementary school and the beneficial use of this property; equally, the effort of the negotiations was to assist the City in securing the right-of-way on Pine Street and securing a level of financial assistance by the School District for the improvements necessary on Pine Street. The draft annexation agreement achieves these outcomes. Staff is recommending consideration and approval of the agreement by the City Council providing that the Cascade District School Board is also in agreement. The agreement has been reviewed and approved as to form by the City Attorney.

The following items are included under **TAB 2**:

- Petition for annexation
- Exhibit A - Annexation Legal Description
- Exhibit B – Annexation Boundary
- Zoning Map

- **MOTION:** *The Leavenworth City Council moves to: 1) accept for annexation the approximately 6.4 acre property located at 12240 Pine Street, Leavenworth, WA, 98826: Section 02, Township 24 N, Range 17 E and, identified as Chelan County Assessor's parcel no. 241701320100; 2) retain the existing zoning; 3) require transfer of water rights; 4) require infrastructure improvements and right of way resolution as described within the Petition for annexation; and 5) require the assumption of all or any portion of existing city indebtedness by the area to be annexed.*

b. Motion to Set a Public Hearing on Annexation Request for Cascade School District

Upon motion to accept annexation, the City Council is being asked to set a public hearing for February 9, 2016 at 6:45 PM and provide notice specifying the time and place of the hearing and inviting interested persons to appear and voice approval or disapproval of the annexation. The notice is to be:

1. Published in one or more issues of a newspaper of general circulation in the City; and
2. Posted in three public places within the territory proposed for annexation.

During the City Council Public Hearing, the City Council:

- a. Gives proponents and opponents an opportunity to speak; and
 - b. The City Council decides whether to approve the annexation. If the Council decides to approve, the Council must enact an ordinance (motion) to annex the territory (pursuant to RCW 35A.14.140). Subject to RCW 35.02.170, the ordinance may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the annexation ordinance, a certified copy shall be filed with the Board of County Commissioners of the county in which the annexed property is located.
- **MOTION:** *The Leavenworth City Council moves to set a Public Hearing on the Cascade School District annexation request for February 9, 2016 at 6:45 PM.*

3. Ordinance 1518 – East Pine Street Neighborhood Amendment

The Leavenworth City Council is being asked to adopt Ordinance 1518. Ordinance 1518 repeals Ordinance 1516 amending the annexation territory to include rights-of-way on Pine Street, Cone Avenue, and the alleyway to the north.

On January 14, 2016, the Chelan County Public Works Department provided the City a GIS map of the City Limits as found behind Tab 3; and stated: "The city limits are shaded violet, the new city annexation area is shaded yellow and right-of-way shown as white is county right-of-way. This illustrates, according to the GIS map, the new annexation is an island of city surrounded by county right-of-way. The city limits end near the center of Pine Street, the center of Cone Street and do not include the platted alley north of the annexation area."

The Chelan County Public Works Department requested that the City include the county right-of-way, and correct the recent annexation.

The City's mapping of the City Limits shows Pine street, Cone Avenue, and the alleyway to the north within the City Limits. This depiction is contrary to Chelan County Public Works Department mapping of the City Limits. The City's mapping complies with RCW 35A.14.410 for incorporation of rights-of-way, and was a basis to move forward with Ordinance 1516. The Development Services Department desires to foster and continue a positive relation with the Chelan County Public Works Department; therefore; is forwarding the County's request to the Council.

The following items are included under **TAB 3**:

- Ordinance No. 1518 – East Pine Street Neighborhood Annexation Amendment
- New annexation territory map
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance No. 1518 amending the East Pine Street Neighborhood Annexation territory described as Varney's Block 2 Lots 1 - 10 to include rights of way on Pine street, Cone Ave., and the alleyway to the north.*

4. Chelan County Marijuana Ban

The City Council is being asked to respond to Chelan County's proposed ban on I-502 production and processing of licensed marijuana producers and/or processors (Liquor Control Board (WSLCB) licensing). On January 13, 2016, the Chelan County Community Development Department provided notice and intent information on the below and asked that all the Cities provide feedback and/or their position on the topic due to the fact that the ban will affect the Urban Growth Areas (UGA):

"Production and processing of any marijuana or cannabis products, all as defined pursuant to RCW 69.50 and 69.51A, are each prohibited and not allowed in any zone within the unincorporated areas of Chelan County" and

"Marijuana or cannabis production and processing uses conducted pursuant to Chapter 69.50 RCW or Chapter 69.51A, and associated structures, are hereby declared nonconforming and are banned in unincorporated Chelan County pursuant to Sections 11.04, shall cease, abate, and terminate on or before March 1, 2017. Said uses and associated structures are not eligible for remodeling, alterations, repairs, expansion, or intensification."

Initiative 502 (I-502) was passed by the voters of the State of Washington, and of Chelan County in November 2012, providing a framework under which marijuana or cannabis producers, processors and retailers could become licensed. The Washington State Liquor Control Board, now known as the Washington State Liquor and Cannabis Board (WSLCB), adopted rules governing the licensing and operation of marijuana or cannabis producers, processors and retailers.

In response and at the September 24, 2013 City Council meeting, the Leavenworth City Council moved to direct the Development Services Manager, with consultation with the City Attorney, to adopt a moratorium and study I-502 Recreational Marijuana. During the October 22, 2013 City Council meeting, the Council adopted Ordinance 1458, adopting a six (6) month moratorium within the City of Leavenworth on the establishment, siting, location, permitting, licensing or operation of marijuana cultivation, production of marijuana derivatives, and the sale of marijuana or marijuana derivatives or any other activities asserted to be authorized or actually authorized under Washington State Initiative No. 502 or any other laws of the State of Washington.

Ordinance 1458 expired on April 21, 2014. During the April 8, 2014 Study Session meeting, the Council discussed the course of action regarding I-502 Recreational Marijuana. On April 8, 2014, Councilmember Molohon motioned to prohibit Liquor Control Board licensed marijuana retailers, producers and/or processors. The motion was seconded by Councilmember Lak. The City Council continued a vote on a motion until the date certain time of April 22, 2014.

During the April 22, 2014 City Council meeting, the Council deliberated on the choice to take no action rather than actually banning; however, by taking no action this would allow Leavenworth's current codes for business license applications to address a denial of the application due to the requirement of compliance with federal laws. The Leavenworth City Code, regarding business licensing, specifically states that the licensee must comply with, local, state and federal law. The Council discussed allowing the existing moratorium to expire and to take no action in changing the Leavenworth Municipal Code in regard to business licensing; the Federal, State, and local laws are conflicting; and until the Federal Government makes a clear decision, Leavenworth's current codes for business licensing addresses I-502 Recreational Marijuana.

On April 22, 2014, Councilmembers Molohon and Lak withdrew their motion; Mayor Farivar asked for a motion from the Council. She said if she hears nothing, they will allow the business license ordinance to do its job. Hearing no motion Mayor Farivar moved onto the next item.

The following items are included under **TAB 4:**

- Chelan County Staff Report
 - Chelan County proposed code amendments
 - **MOTION:** *The Leavenworth City Council moves to state its position to Chelan County being:*
 - a) *Support the County's Ban*_____.
 - b) *Oppose the County's Ban*_____.
 - c) *No position*_____.
- OR**
- d) *Encourage the County to be consistent with the City's business license ordinance; and licensed marijuana retailers, producers and/or processors must comply with, local, state and federal law* _____.

5. Senior Center Service Contracts

The City Council is being asked to approve three (3) individual Professional Services Agreements (PSA) with the Leavenworth Senior Center beginning on January 1, 2016. The City has contracted with the Senior Center for several years in order to assist the Parks Department with weekend and festival restroom monitoring, cleaning, and evening facility lock-up. These agreements and their subsequent implementation, have been by all estimations, a complete success in enabling the City to provide a higher level of service in our parks while allowing employment opportunities to local seniors; and an opportunity for additional funding to be provided to the Senior Center. In 2014 an agreement was added for a gate and custodial attendant for the hours of operation at the City's Recycling Center. With the approval of Council, the PSA's will continue from year to year, unless sooner terminated, subject to annual review and update by the City of Leavenworth. In 2015 the monitoring at the Water Front Park location was eliminated and the restroom monitoring at the Lions Club Park location during specified festivals and events was added. The contract renewals reflect a 2016 wage increase of \$0.10 cents per hour.

The following items are included under **TAB 5:**

- PSA Senior Center – Custodial Services and Attendant
- PSA Senior Center – Evening Closure of Public Restrooms
- PSA Senior Center – Recycle Center Gate and Custodial Attendant

a. Custodial Services and Attendant

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with the Leavenworth Senior Center for Custodial Services and Attendant.*

b. Evening Closure of Public Restrooms

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with the Leavenworth Senior Center for Evening Closure of Public Restrooms.*

c. Recycle Center Gate and Custodial Attendant

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement for the Leavenworth Senior Center for Recycle Center Gate and Custodial Attendant.*

6. Resolution No. 1 – 2016: Authorization/Execution of Loan Agreement Wastewater Facility Plan

The City Council is being asked to approve Resolution No. 1 – 2016 which authorizes the Mayor to execute a loan agreement with the Department of Ecology (DOE). The loan agreement is for \$98,530 for a five year term at 1.2 percent interest rate and an additional \$98,530 for a Forgivable Principal Loan which will not require repayment. These funds were awarded to the City through the Clean Water State Revolving Fund (CWSRF) and are to be used for the development of the Sewer Plan / Wastewater Facility Plan. The Department of Ecology has requested this resolution as part of their agreement/contract approval process.

This project was initiated by the City Council in June of 2014 with the selection of Varela & Associates and the approval of a consulting contract for \$50,900. The contract was to initiate

discussions with the DOE on addressing the Total Maximum Daily Load (TMDL) Phosphorus reduction necessary under the City's National Pollutant Discharge Elimination System (NPDES) permit and to assist the City in developing a funding source for the project. While the discussions regarding the calculations of daily phosphorous loading have been slow in progressing, Mrs. Chantell Steiner and the City Administrator made a presentation to the DOE at the annual Infrastructure Assistance Coordinating Council (IACC) Conference in October of 2014 requesting consideration for funding of this project; a full funding application was then completed in November of 2014 and the City received notification of the funding award in July of 2015.

Also provided with this report is the year end progress report submitted by the City to the Department of Ecology. The report provides some insight into the TMDL requirements and why the methodology used in calculating the phosphorous output has significant implications on the design of capital improvements required at the waste treatment plant and/or the ongoing daily operational costs of the plant. While these discussions are ongoing; as more information becomes available we will schedule a time for the Council to discuss the ramifications with the consultants, Varela & Associates.

The following items are included under **TAB 6**:

- Resolution No. 1 – 2016 Authorization/Execution of Loan Agreement Wastewater Facility Plan
- DOE Draft Agreement Template
- Year End Progress Report – December 2014

- **MOTION:** *The Leavenworth City Council moves to approve Resolution No. 1 – 2016 Authorizing the Mayor to execute the Loan Agreement with the Department of Ecology for Financing the Leavenworth General Sewer Plan / Wastewater Facility Plan.*

7. Ordinance 1519 – 2016 Budget Salary Schedule

The City Council is being asked to approve Ordinance 1519 approving the 2016 Salary Schedule for the 2015 - 2016 Biennial Budget. The Administration Department is tasked with Union related negotiations on behalf of the City. This contract has typically been done as a 3-year contract which allows the City some flexibility and accuracy in creating the budget but also allows for slight changes in the economy to be addressed in a timely manner. Negotiations are a lengthy process that typically begin about mid-year of the final year of the contract and is negotiated prior to the end date of the contract (December 31). Due to the 6-month process that this takes, it makes financial sense to negotiate every three years rather than yearly or every other year, and in cases of recession a contract would be challenging to budget and achieve any longer than three years.

The Ordinance being presented this evening, with the recommendation by the City Administrator, includes wage adjustments for non-union represented employees as well as the Union represented employees. The Union wage rates were negotiated in 2015 and approved by the City Council with the ratification of the 2016 – 2018 Labor Agreement in December of 2015. The average increase for the Union wages negotiated came to an increase of approximately 3% overall, with a 1.5% wage increase and the adjustment to Step Increases for “time in grade”. Future year annual cost of living (COL) increases were limited to 1.5%. The 3% overall increase in 2016 aligns well with the 2015-2016 Budget that was adopted by the City Council in 2014; the estimated increase for 2016 at the time of the budget development was 3%. Based on this average increase of 3% of the Union Contract for 2016 and the adopted budget for 2016, the Administration is requesting 3% for non-union represented

employees. These positions include the Finance Director, Public Works Director, Development Services Manager, and Executive Assistant. The City has a very talented and skilled collection of employees throughout the City employment ranks; the 3% increase for the non-represented employees is consistent with the wage adjustments for bargaining unit employees. The Administration appreciates the work completed, leadership provided, and responsibility accepted by these individuals. The recommended rates for non-union represented positions are included by employee positions as noted on Exhibit B.

The following item is included under **TAB 7:**

- Ordinance 1519
 - **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1519 setting the 2016 Salary Schedule for the 2015 -2016 Biennial Budget.*

8. Mayor Pro Tempore Standing Committee Assignments

The City Council is being asked to confirm Mayor Pro-Tempore Wilson's appointments of City Council Members to the Council Standing Committees of Public Works, Public Safety, Parks, Economic Development, and Finance. Under the authority provided in RCW 35A.12.120, the City Council may enact rules and regulations to govern the conduct and operations of the City Council. This authority includes the ability to determine if and when standing committees will be utilized, what the committees will be, how they will conduct their business, and how their members will be appointed. Under Resolution 1-2012 Section 4, the City Council Procedures and Rules; the Mayor Pro-Tempore makes appointments to the standing committees with confirmation by the City Council.

The following items are included under **TAB 8:**

- RCW 35a.12.120
- Resolution 1-2012
- 2016 Appointments to the City Council Standing Committees
 - **MOTION:** *The Leavenworth City Council moves to confirm the City Council appointments by Mayor Pro-Tempore Wilson to the City Council Standing Committees for 2016.*

9. Mayor Ad Hoc Committee Assignments

The Council is being asked to reconfirm Mayor Farivar's appointments to the Ad Hoc Committees and City representatives to other agencies where City representation is necessary. The City has various representatives on local and regional boards; the City's past practice is for the Council to review and confirm the Mayoral appointments.

- a. The City Council is being asked to reconfirm the Mayoral appointments of Council Member Bob Francis, Council Member Margaret Neighbors, and Mike McComas to the Festhalle Oversight Committee. Mr. McComas's appointment is for a three year term, Council Member Francis's position will expire in 2018, and Council Member Neighbors's term will expire in 2017.
- b. The second motion is to confirm the appointment of City Administrator Joel Walinski to the Festhalle Oversight Committee. Mr. Walinski would be the Mayor's Representative on the Festhalle Oversight Committee; this appointment is made annually.

- c. The final motion is a confirmation of the Mayor's appointment to Ad Hoc Committees and City Representative Assignments. The appointment to these committees is at the discretion of the Mayor; the confirmation by the City Council is to confirm that Council has reviewed the Mayor's appointments.

The following items are included under **TAB 9**:

- 2016 Appointments to the City Council Ad Hoc Committees
- Festhalle Oversight Committee Membership
 - **MOTION 1:** *The Leavenworth City Council moves to confirm the Mayor's appointment of Councilmember Robert Francis, Councilmember Margaret Neighbors, and Mr. Mike McComas to the Festhalle Oversight Committee for a term of three years.*
 - **MOTION 2:** *The Leavenworth City Council moves to confirm the Mayor's reappointment of Joel Walinski to the Festhalle Oversight Committee for a term of one year.*
 - **MOTION 3:** *The Leavenworth City Council moves to confirm the Mayor's appointments to Ad Hoc Committees and the City Representatives on other agency boards.*