

LEAVENWORTH CITY COUNCIL MINUTES

March 8, 2016

Mayor Farivar called the March 8, 2016 Leavenworth City Council meeting to order at 6:30 PM and Councilmember Molohon led the City Council in the Flag Salute.

ROLL CALL

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

Staff Present: City Administrator Joel Walinski, City Attorney Tom Graafstra, Chantell Steiner, Nathan Pate, Herb Amick, and Sue Cragun.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

1. Approval of Agenda
2. Approval of February 23, 2016 Regular Meeting Minutes
3. 2016 Claims \$64,643.81
4. February 2016 Payroll \$198,835.09

Finance Director Chantell Steiner stated that the claims number has been amended to \$64,643.81 in order to include payment on an invoice for the Festhalle Manager and copying expenses at Office Depot.

Councilmember Larsen motioned to approve the consent agenda as amended. The motion was seconded by Councilmember Neighbors and passed unanimously.

PUBLIC SAFETY REPORT: SERGEANT BRUCE LONG, LIAISON OFFICER

None.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

None.

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Neighbors reported that she attended the Chelan County Solid Waste Advisory Council (SWAC) meeting and stated that the Council discussed their pro-rata formula as it has not been updated since 1993. She confirmed that the construction of the moderate risk waste collection facility has been put on hold because the legislature has removed the funding; the County will not be able to hold moderate waste events either. She said that she has requested that Chelan County include information on their website in regard to where residents may dispose of moderate hazardous waste. She went on to say that she also attended the Meadowlark work group, Study Session, Public Works, and Parks Committee meetings. She stated that the Parks Committee discussed tubers and rafters and how to mitigate the overuse of the parks, the

Leavenworth Soccer Association addressed the Committee and requested that the fields are allocated for their specific use, and there was discussion of the Skate Park removal.

Councilmember Bretz reported that she attended the Council Annual Retreat and the Public Safety, Parks, and Public Works Committee meetings.

Councilmember Wearne reported that she attended the Autumn Leaf Royal Lady Dinner and welcomed Mrs. Carol Forhan as the 2016 Royal Lady.

Councilmember Wilson reported that she attended the Council Annual Retreat, the Meadowlark work group, and will be attending the Upper Valley Museum Board meeting later in the week. She reported on the Public Safety Committee meeting and stated that the Committee discussed the added changes to parking enforcement that will be implemented by Pacific Security. She said that Fire Chief Kelly O'Brien was in attendance; discussions included inspections and a new three year contract with the Fire District and information on the new Deputy Chief of Operations Glen Brautaset. She confirmed that the P1 parking lot will be closed on Wednesday in order to complete the investigation of the recent shooting incident.

Councilmember Larsen reported on the Public Works Committee meeting and stated that the Committee discussed the utility construction for the Meadowlark project and he noted that the Chumstick Highway Multipurpose Trail project has gone out for bid. He went on to say that further discussions included vehicle replacement, purchasing a used front end loader, Request for Proposal for a new Utility Rate Study, and the KOA annexation. On a final note he reminded the Council that the Planning Commission will hold a public meeting on April 6, 2016 regarding short-term and overnight rentals.

Councilmember Molohon reported that he was unable to attend the Council Annual Retreat and he attended the morning Study Session meeting.

MAYOR/ADMINISTRATION REPORTS

Mayor Farivar reported that she attended the Council Annual Retreat and noted that it was a very productive day. She said that she attended the Meadowlark work group and will be attending the Chelan Douglas Transportation Council Board meeting on Thursday. She went on to report on the earlier morning Study Session meeting and stated that the Council received a report from the Chamber of Commerce, discussed the Meadowlark Phase 1 Water & Sewer project, discussed a motion to suspend the City's Financial Policy and Meadowlark Development Agreement, and authorization to put the Meadowlark project out to bid. She said that the Council received an update from Mr. Dan Moody and Mr. Bill Forhan in regard to the Autumn Leaf Festival Association and funding that group will need, reviewed the applications received for Lodging Tax Group Funding requests, began the discussion of Accessory Dwelling Unit Phase 1 changes, and reviewed the strategic planning and initiatives identified during the Council Annual Retreat. On a final note she announced that the Youth Services fund has been used to provide the insurance payment for the Bavarian Bike & Juice Festival again this year.

City Administrator Joel Walinski reported that Senate Bill 6513 was passed overwhelmingly by the House of Representatives. He explained that the Bill reinstates the Wenatchee Water Reserve which provides an opportunity for additional water permitting for the City of Leavenworth, City of Cashmere, and Chelan County. He confirmed that this Bill will provide additional water for

the next 20-25 year planning horizon; the City is working on the 25-50 year planning. He went on to say that he appreciates the Support of Senator Parlette and Representatives Condotta and Hawkins.

Development Services Manager Nathan Pate confirmed that on November 24th the Design Review Board received the Hampton Inn application and noted that this is the first step in the development of the property located behind Safeway.

RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS

1. Lodging Tax Group Funding Requests

Finance Director Chantell Steiner stated that the City Council is being asked to approve the expenditure of the Lodging Tax Group Funding Requests for 2016. She explained that this is an annual grant program that opens in January and closes on March 1; the grant is for new festivals and events and the funding is meant to supplement the events advertising. She announced the approved events and the amount of funding that the applicants have requested. Councilmember Molohon noted that the City wants the events to be on a sustainable track; therefore, the funding is limited for some of the groups that have been funded in previous years.

Councilmember Wilson declared that she is employed by Leavenworth Winter Sports Club and asked if there were any objections in regard to her voting on Lodging Tax Group Funding for Leavenworth Winter Sports Club. There were no objections.

Councilmember Molohon motioned to approve \$2,500 for the Leavenworth Winter Sports Club's Moose Dewlap Citizens Trek, \$2,000 for the Ski Hill Heritage Foundation's Leavenworth Film Festival, \$2,500 for the Simply Living Farm's Sustainable Living & Farming Tour, \$1,000 for the Run Wenatchee's Oktoberfest Trail Run, and \$2,000 for the Wenatchee Valley Velo Club's Tour de Bloom's Leavenworth Race for use of the Lodging Tax Group Funds for the 2016 calendar year. The motion was seconded by Councilmember Wearne and passed unanimously.

2. Authorization to Bid Meadowlark Phase I Water and Sewer

City Administrator Joel Walinski stated that the City Council is being asked to consider authorizing for bid the Meadowlark Phase I Water and Sewer Project. He said that in order to accomplish this task, the Council will need to first, suspend the City's Financial Policy and the second action will be to suspend the Meadowlark Development Agreement; when that is in place the City will ask the Council to look at the authorization to bid the Meadowlark Phase I Water and Sewer project. He went on to briefly detail the construction project to include the installation of water mains, fire hydrants and water services, sanitary sewer, sewer cleanouts, manholes, surveying, and other associated work to provide the water and sewer transmission lines. He noted that the project plans and specifications were developed by David A. Allen, P.E. from SCJ Alliance and reviewed by Steven Marsh, P.E. from TD&H Engineering; plan sets and specifications have also been reviewed by City Staff and the Department of Commerce to ensure that all of the details have been addressed prior to going out to bid. He said that the Engineers estimate is \$743,715; additional costs include the testing and construction engineering, onsite construction observations, and a 15% contingency and sales tax; the overall probable cost is \$1,003,272.

Administrator Walinski stated that one concern of this project is that the full funding has not yet been identified. He confirmed that typically in City projects, when the plan sets are ready and the costs have been estimated, the City determines how to budget the project in order to pay for those estimated costs. He said that if the project goes out to bid and the costs come in too high for the Council to accept, the Council has the authorization to approve, authorize, and accept the bid or not. He confirmed that tonight's decision is whether or not to put the project out for public bid.

Administrator Walinski addressed an estimated \$250,000 gap in the financial budgeting and stated that if the Council decides to move forward on the bid process, there are items that need to be completed because the full funding has not yet been identified; 1) suspend the City's Financial Policy which states that in partnership funding with non-governmental agencies, the City may consider entering into agreements with various non-governmental agencies for specific projects, however there needs to be a funding plan in place in order to move forward, and 2) a motion to suspend the Meadowlark Development Agreement, an agreement that was put together by the developers / property owners that allows for some deviations in the dimensional standards, street standards, and financial pathway. He addressed the Financial Pathway within the Development Agreement and explained that it provides a pathway for both the developers and the City to have security in terms of the project moving ahead; each partner is able to accept the risk or not accept it. He said that it gives steps that the City must perform and others that the Meadowlark Developers must perform and that at this point in time, a number of sureties should be in place, which are not; the City received a request from Upper Valley MEND and the Developers stating that they would like the City Council to suspend those requirements so that the City can authorize the bid. He reiterated that this is another necessary step to ensure that the City is identifying the decision making process that needs to be made. He said that one of the trouble spots with negative consequences for a city is to have policies and agreements in place and not follow those, however, if the Council decides to acknowledge that the policy is in place and makes a decision to move in a different direction, that is okay, but the Council must acknowledge that they are moving away from the policy.

Mayor Farivar asked if there were comments from the public.

Brian Koblenz, Fox Road, Leavenworth; Mr. Koblenz stated that he is the President of Upper Valley MEND and that MEND and members of the Community have invested significant time and money in the project of approximately \$3.4M. He said that they recognize that the City has invested significant time and effort in the project and that they are very appreciative. He said that MEND's goal is not to start the project unless they are confident that they can complete it. He said that the last major cost that is unknown is the infrastructure development and that he would like the Council to approve going out for bid so that the final piece of cost can be understood, at which point they will know if they have a path for the project. He noted that it is their desire and interest to work as partners with the City going forward and to make the project successful.

Susan Walter, 12449 Ingalls Creek Road, Peshastin; Ms. Walter stated that she is an appreciative member of the community and is thankful that the City is partnering with MEND because that is an organization that she supports and values greatly. She said that there are significant times when it is important to make the policies fit for the moment; the value of having affordable housing within the community for those in need is a significant one. She said that if there are things that need to be addressed to make that possible, she would support that.

Craig Hess, 125 Pine Street, Leavenworth; Mr. Hess stated that from a citizen perspective, it is hard to keep up with this issue. He said that it seems that Meadowlark project supporters and non-supporters fall along the lines of emotional feel good versus practical and fiduciary responsibility lines. He said that there was mention this morning that it is important for either the project supporters or those that oppose the project to voice concerns this evening. He said that it is very difficult to get an idea of the pros and cons of the project through any published material, to include the Echo; even after attending meetings it's hard to get a grasp of the pros and cons; additionally there are private meetings that the public is not privy to, and that is understandable. He said that he wasn't aware that a Meadowlark work group existed and he questioned who is on the group and if the public was invited to sit on the work group and provide input. He went on to question why a list has not been compiled of the pros and cons that are relatively easy to digest.

Sharon Waters, 336 Birch Street, Leavenworth; Ms. Waters stated that after attending the morning Study Session, she went away troubled due to the letter provided by Upper Valley MEND, John Agnew and Patty Hebert. She said that when the letter was read aloud, the word "audacity" came to mind; she was shocked by the letter berating the City of Leavenworth government officials for many things that they allegedly did or did not do according to MEND. She said that the letter was offensive as she has been keeping in touch with the progress of the Meadowlark affordable housing issue over the years, but lately, due to concerns about what she was reading and hearing, she is paying closer attention. She said that as a voter and tax payer living in the City of Leavenworth for almost 50 years, she is very concerned. She said that she has noticed that the City officials have bent over backwards to provide an avenue for the project to happen after MEND has been unable to keep its head above water. She noted that the letter disavows all responsibility for where the project is today and is placing blame on the City. She said that it appears that they are trying to coerce the City into proceeding, and challenging the City to take a further risk, because if they do not, the project will come to a halt and the City will be to blame. She went on to say that the City needs to look out for the residents and tax payers, make responsible decisions, be solid stewards of the tax dollars, and not take risks as their responsibility should be to the tax payer and not the project. On a final note she stated that she fears tax increases down the road and that her home may become unaffordable; she does not want to pay higher water and sewer bills on the hope that the Meadowlark houses will be built.

Wendy Fishburne, 10381 Chumstick Highway, Leavenworth; Ms. Fishburne stated that she is the immediate neighbor adjacent to the Meadowlark housing development. She said that this project is a brilliant idea and it's going full steam ahead without a well laid foundation, and that is a concern for her. She said that when she saw the sub-code phase 1 road designs, there was no wise thoroughfare for a safe route through the area and that scared her as a mother. She also said that she is concerned that there is not adequate green space and no tot lots in a development for families. She said that she has seen excavation going on and thought that things were under control, and then she heard that MEND is short \$2.5M and are asking the City to come up with the funds, and she questioned why they are already excavating when they don't have the available funds other than the CDBG grant. She noted that the City is tasked with governing the citizen's finances, and the project is a great concept, but without the proper foundation, it is going to be a train wreck to the community and she is concerned.

Councilmember Larsen stated that it is a fine line to balance the City's needs and the desire to make this project work. He said that there are benefits to the community in that we have the Urban Growth Area (UGA) up to Ski Hill and the Meadowlark Road will provide emergency access out to the Chumstick Highway and the new utility projects will also allow the City to loop

water and sewer systems from the UGA, down the Chumstick Trail which will provide better balance of water and fire hydrant use, and that alone is a tremendous value to the City. He said that this also provides a new neighborhood that is within walking distance to the schools. He went on to say that he advocates moving forward with the process so that MEND has the real numbers and will know whether or not the project is viable. He said that there is minimal risk to the City at this point; once the bids are in, the Council will have to make serious decisions regarding moving forward, long term financing, and the deficits the City will take on if the project is not completed.

Councilmember Wilson stated that the decision is to put the project out for bid and that the Council is aware that they cannot gamble with the citizen's money and that the City must remain financially sound and not jeopardize the City's bond rating. She added that she would never put the City in a financially unsound position. On a final note she stated that the letter provided by MEND was disturbing to her and noted that it is unfortunate because she has worked hard to realize the project.

Councilmember Wearne stated that she is passionate about this project and to simply negate it would be a huge disadvantage to the community and we don't want a community where the people who work in Leavenworth don't live in Leavenworth. She added that this is the best opportunity that the City has to support affordable housing; she feels strongly about moving forward.

Councilmember Bretz stated that she likes the idea of putting more public information out there, such as a list of pros and cons, not just for the public, but for the Council to have a better understanding as well.

Councilmember Neighbors thanked Councilmember Larsen for stating what the Council has been thinking and City Administrator Walinski for explaining the City's Financial Policy. She said that she doesn't want to suspend the Financial Policy, although she feels that the City needs affordable housing.

Councilmember Francis stated that the affordable homes will be \$174,000 and questioned if that is affordable or not. He questioned if the developers will sell enough market rate homes needed to offset the 22 affordable homes that are required to be built and sold. He said that he has always felt that affordable housing should consist of apartments because the rent can be kept low. He noted that local employees making \$10-\$12 per hour will not be able to afford a \$174,000 house. On a final note he said that he is having a hard time suspending the City's Financial Policy because the policy is the guide that allows the City to do the things it needs to do. He compared this project to the Town Toyota Center and reminded the Council that the City did not vote to be included in the Public Facility District because the financing did not add up.

2A. Motion to Suspend Financial Policy Section 5.d.

Councilmember Larsen motioned to suspend the Financial Policy Section 5.d under Capital Investment Budget Policies. The motion was seconded by Councilmember Bretz and passed 5/2 with Councilmembers Molohon and Francis opposed.

2B. Motion to Suspend Meadowlark Development Agreement, Exhibit D

Councilmember Larsen motioned to suspend the Development Agreement with the Meadowlark Developers. The motion was seconded by Councilmember Bretz and passed 6/1 with Councilmember Molohon opposed.

2C. Motion to Authorize Construction Bid Advertising

Councilmember Larsen motioned to authorize the Meadowlark Project to proceed with bid advertising. The motion was seconded by Councilmember Wearne and passed 6/1 with Councilmember Molohon opposed.

3. Ordinance 1522 Parking Regulations – 2nd Reading

City Administrator Joel Walinski stated that the City Council is being asked to review and consider the approval of Ordinance 1522 which are changes to the Leavenworth Municipal Code Chapter 10 regarding Parking Regulations. He noted that changes to the parking regulations were discussed at the February 23, 2016 City Council meeting. He went on to explain that the proposed changes came as a request from Sergeant Bruce Long, have been reviewed by the Public Safety Committee, and will be enforced by Pacific Security. He noted the infractions to include: parking in the travel lane of any city street and parking in prohibited areas where signs, pavement marking, ramps, or curbs prohibit parking. He went on to say that the idea is to manage parking better throughout town and that managed parking will make for more parking. There was a brief discussion regarding the enforcement of the loading zone in front of the gazebo on Front Street.

Councilmember Wearne motioned to adopt Ordinance 1522 Parking Regulations. The motion was seconded by Councilmember Molohon and passed unanimously.

4. Resolution 04-2016 Limited Parking Enforcement Authorization

City Administrator Joel Walinski stated that the City Council is being asked to approve Resolution 04–2016 which authorizes the enforcement of parking violations to the Mayor’s designee. He clarified that the fee for a parking violation is \$25, across the board as set by the Council. He noted that many of the City’s code violations that have been added are actually RCW’s, enforceable by the Sheriff, and if the Sheriff were to ticket a vehicle, the price will be different.

Councilmember Wilson motioned to approve Resolution 04-2016 Limited Enforcement Authorization. The motion was seconded by Councilmember Molohon and passed unanimously.

5. Special Use Permit – Village Art in the Park

City Administrator Joel Walinski stated that the City Council is being asked to consider and approve a Special Use Permit (SUP) to allow for temporary use of approximately 6,969 square feet of the City’s paver covered area of Front Street Park for the Village Art in the Park event. He said that the annual event begins in May and runs through the end of Oktoberfest. He said that although the event has taken place for so many years and the group receives a Special Use Permit (SUP) every year, Council is requested to approve the SUP because a large area of the park is being used for a length of time. There was a brief discussion of how Art in the Park began the event in 1966.

Councilmember Wearne motioned to approve the Special Use Permit for Village Art in the Park. The motion was seconded by Councilmember Bretz and passed unanimously.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

Mayor Farivar reminded the Council that the deadline for their Public Disclosure Commission Filing is April 15th and that there will be a Ribbon Cutting Ceremony on March 17th for the Commercial Street 3rd – 8th Street Reconstruction project and she noted that representatives from The Transportation Improvement Board (TIB) will be in attendance.

ADJOURNMENT

Seeing no other business, Councilmember Molohon motioned to adjourn the March 8, 2016 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Wilson and passed 5/2 with Councilmembers Francis and Larsen opposed.

The meeting adjourned at 7:44 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk