

LEAVENWORTH CITY COUNCIL MINUTES

April 12, 2016

Mayor Farivar called the April 12, 2016 Leavenworth City Council meeting to order at 6:30 PM and Chelan County Commissioner Keith Goehner led the City Council in the Flag Salute.

ROLL CALL

Council Present: Mayor Cheryl K. Farivar, 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.

Mayor Farivar introduced Chelan County Commissioner Keith Goehner and Department of Natural Resources Director Mike Kaputa and welcomed them to the meeting.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

1. Approval of Agenda
2. Approval of March 22, 2016 Regular Meeting Minutes
3. 2016 Claims \$105,694.90
4. March 2016 Payroll \$196,823.07
5. PRSA Voucher Request \$15,000.00

Councilmember Larsen motioned to move the presentation by the Icicle Work Group to precede the Public Safety Report. The motion was seconded by Councilmember Wilson and passed unanimously.

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

PRESENTATION: ICICLE WORK GROUP

Chelan County Commissioner Keith Goehner stated that he is the Commissioner for District #2 which is the Icicle Valley. He said that Chelan County Natural Resources Director Mike Kaputa will update the Council on what is happening with the Icicle Work Group. Commissioner Goehner said that the predecessor of this effort was with the Wenatchee Watershed Plan which began in 1998. He said that this has been a long process and explained that the Watershed Plan allocated water for the Wenatchee River, and the Icicle Drainage was one of the tributaries of the Wenatchee River that was given an allocation; the Wenatchee and Icicle Rivers provide water for the City of Leavenworth. He said that this was a laborious task to get the Watershed Plan in place and later found that the Department of Ecology indicated that they would not embrace the Wenatchee Watershed Plan; all of the efforts that were taking place were to help secure water for the City of Leavenworth, so it was important for the Icicle Work Group to convene and provide a vehicle to secure water for the City of Leavenworth. He thanked the Council for the City Administrator's participation in the group along with the other volunteers that worked on behalf of the City.

Director Kaputa introduced himself and stated that many years were spent developing a Wenatchee Watershed Plan to address water quality issues in the Wenatchee basin, salmon recovery issues, water supply, instream flows, etc. He said that one of the gaps in the Watershed Plan was in Icicle

Creek; there has been litigation between various parties in Icicle Creek for more than 15 years and there have been many issues that needed to be addressed. The Work Group began three years ago with the formation of the Icicle Work Group; Chelan County and the Department of Ecology convened the Icicle Work Group and invited approximately 20 members to be a part of the group. These groups represent a variety of stakeholders that have been in litigation and disagreement over the use of water on the Icicle. One of the primary reasons for forming the Work Groups was to resolve and try and make peace in the Icicle. He said that they are currently in the middle of a programmatic environmental review for the entire plan. They have developed goals for the Icicle Work Group and potential projects that could meet those goals. He went on to address the individual projects listed on the handout and explained the project details that are currently underway pertaining to instream flow, the fish hatchery, and improving domestic supply. He confirmed that the Wenatchee River is now protected with some new legislation, so they will be initiating water rights processing which will include the City of Leavenworth in the next month or so. The Work Group is still looking to secure an additional 3 cfs which will help with the City's planning processes out to 2045-2050. He announced that there will be a public meeting at the Leavenworth Fire Hall on April 20th from 4:00 PM – 8:00 PM with a presentation from 6:00 PM – 7:00 PM; the Work Group is looking for comments on the scope of work that is currently planned. He thanked the Mayor, City Council, and City Administrator Joel Walinski for participating in this effort for the last 3 1/2 years.

PUBLIC SAFETY REPORT: SERGEANT BRUCE LONG, LIAISON OFFICER

None.

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Neighbors reported that she attended a meeting to discuss rafting and tubing, reviewed the Transportation Benefit District (TBD) audit with Finance Director Steiner and attended the Special Planning Commission meeting on the 6th; she is grateful that there were respectful, yet vocal residents in attendance. She went on to say that she attended the Festhalle Oversight Committee, Study Session, and Parks Committee meetings and stated that the Parks Committee had a follow-up meeting with two tubing companies in order to resolve some of the issues around ingress and egress on city property, discussed options for replacing the Skate Park, reviewed the plans for the new Bike Pump Park at Enchantment Park, confirmed that the installation of the new Maibaum will take place on May 14th, and noted that spring flowers and planters are scheduled for delivery.

Councilmember Bretz reported that she attend the Parks and Public Works Committee meetings.

Councilmember Wearne reported that she attended the Public Safety Committee meeting.

Councilmember Larsen reported on the Public Works Committee meeting and stated that the Committee discussed the Utility Rate Study and will continue that discussion with the full Council. He reported that the Surface Transportation Program (STP) application regarding funding for the Pine Street Reconstruction project has been completed and that the first presentation will be given to the Chelan Douglas Transportation Council (CDTC) in hopes of obtaining that funding. He said that additional discussions included the Chumstick Trail Water & Sewer project moving forward, the outcome of the CDBG grant, and a Fat, Oil & Grease (FOG) letter was sent to all restaurants in order to encourage all restaurant establishments to convert to a grease trap system and come into full compliance by July, 2016.

Councilmember Wilson reported that she will be attending the Upper Valley Museum Board meeting later in the week. She reported on the Public Safety Committee meeting and stated that although

Chelan County Sheriff's Department Sergeant Bruce Long is typically in attendance, members of the Chelan County Fire District #3 will try to attend all meetings in order to provide reports. She said that Sergeant Long reviewed the monthly incident report and answered questions, Fire Chief O'Brien reviewed the 2015 Annual Fire District Report, and Deputy Chief Bill Horner updated the Committee regarding inspections that take place downtown. She said that the Committee also reviewed the Interlocal Agreement with the Fire District representatives, noted that the Fire District has 8 Cadets in training from the high school, the ladder truck is operational, and they touched on code changes in the City parks.

Councilmember Francis reported that he attended the Public Safety, Public Works, and Festhalle Oversight Committee meetings.

MAYOR/ADMINISTRATION REPORTS

Mayor Farivar reported that she attended the Special Planning Commission meeting and stated that it was a public meeting regarding overnight rentals; the opinions were widespread and she requested that those residents who wish to be heard on the subject should attend one of the upcoming meetings. She went on to report on the earlier morning Study Session meeting and stated that the Council received an update from the Chamber of Commerce regarding the upcoming Maifest Festival and a request for a one time permit to create a Bier Garten within Front Street Park to correlate with the raising of the Maibaum. She went on to report that the Council received an update on the School District project regarding the Skate Park, recommended the formation of an ad hoc Housing Affordability Committee, discussed the process of the City Council selection to fill the vacancy of Position No. 6, discussed site development permits, reviewed the goals that were set at the Annual Retreat, received a quarterly update of the upcoming agenda items and project tracking document, and discussed the items of interest to be published in the quarterly City Council Newsletter.

City Administrator Joel Walinski announced that the period for filing a letter of interest for the open City Council position was closed at 5:00 PM; he announced the applicants as follows: Jason Lundgren, Sharon Waters, John Bangsund, Joel Martinez, Robert Parish, Richard Brinkman, and Gary Thebault. He stated that the interviews for the open seat will take place at 1:00 PM on April 20, 2016. An application will be forwarded to the applicants and after full disclosure, those applications will be posted on the website and packets provided to the full Council. He asked that the Council members provide him with questions that they would like to ask at the interviews. He went on to report on the Festhalle Oversight Committee meeting and stated that the Committee reviewed the Community Day policy 2nd Draft and noted that the policy is nearly complete, the promotional video brochure is being created and will be used to promote the Festhalle venue for events, and there was a discussion in regard to replacing the stage with a retractable stage.

Finance Director Chantell Steiner thanked Councilmember Neighbors for sitting in on the TBD Audit and noted that Councilmember Bretz will review the PRSA Audit later this week; she stated that the City Annual Report is currently in production. On a final note she confirmed that the open Position No. 6 will remain at the salary of \$250 per month for the duration of the term per state regulations, through December 31, 2017.

Development Services Manager Nathan Pate reported that he met with the Contractors working on the High School and Middle School projects and that they are beginning some demolition and excavation work, staff has received the construction permits for the Hampton Inn, and added that it is going to be a busy summer with construction projects around the City. He stated that the draft notes from the recent Planning Commission public meeting are available on the City's website. On a final

note he stated that there is not yet a ruling on the drainage ditch from the Army Corp of Engineers for the School District, although a site visit has been scheduled.

Public Works Director Herb Amick reported that the Annual Spring Recycling and Clean-up began today and will run through May 5th. Mayor Farivar added that the Spring Clean-up door hangers were printed by the City and distributed by an Eagle Scout for his scouting project.

Mayor Farivar presented Councilmember Wilson with a commemorative shirt that represents her grandson's efforts in becoming the 2016 Mr. Kodiak at Cascade High School.

GROUP FUNDING REPORT: LWSC MOOSE DEWLAP CITIZENS TREK

Leavenworth Winter Sports Club (LWSC) President Mr. Mark Milliette reported on the Clubs recent Moose Dewlap Citizens Trek event which the Council had provided funding. He began by explaining that a dewlap is what hangs below the chin of a moose and went on to thank the City for supporting this Nordic Ski event for the second year. He said that it is growing at a modest pace with an increase of 8% over last year; the event took place in a remote area that is isolated from severe winter weather. He went on to say that the spring conditions were amazing this year, there were 151 participants, and the event received good pre-event exposure. He addressed where the visitors came from, the numbers of volunteers used for the event, they spent \$4,300 for marketing and promotion, broke even financially, and will do it again next year.

GROUP FUNDING REPORT: SKI HILL HERITAGE LEAVENWORTH FILM FESTIVAL

Mr. Shane Wilder representing the Ski Hill Heritage Foundation reported on the recent Leavenworth Film Festival and thanked the Council for providing the funding. He detailed the event and stated that the film festival is a high energy event, the visitors dress up nice, there is a red carpet to walk, and limousine rides. He said that it was very well attended with more than 750 visitors, of which 300 came from out of town. He confirmed that the Group Funding dollars were used for online marketing and that they were able to reach 411,000 people and that it was a good use of funds. He thanked Mr. Mark Milliette for the help that he provides to the Foundation.

RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS

1. Chumstick Multi-use Pathway and Water & Sewer Project Bid Award

Public Works Director Herb Amick stated that the City Council is being asked to award the Chumstick Multi-purpose Trail and Water & Sewer Extension Project to the lowest bidder which is Advantage Dirt Contractors, Inc. with a bid amount of \$780,899.17. He said that there will be additional costs in the amount of \$121,263 for construction engineering, testing, construction observation, and the relocation of a PUD power pole. He went on to say that the City received four bids between the bidding period of March 3rd through March 26th; all bid documents were reviewed and confirmed by WA Department of Transportation (WADOT) and the Engineer. He confirmed that funding for the trail portion of the project will be provided by WADOT in the amount of \$348,000 with additional match funds by the City, the additional costs detailed earlier will be provided by the City's General Fund, and the water, sewer, and lift station portion will come from the City Water and Sewer funds and a formed LID. There was a brief discussion regarding the City's use of the awarded contractor; Administrator Walinski confirmed that the City has not used Advantage Dirt Contractors, Inc. in the past; however, it is required by law that the City award the contract to the lowest responsible bidder.

Councilmember Wilson motioned to award the Chumstick Highway Multi-purpose Trail and Water & Sewer Extension Project bid to Advantage Dirt Contractors, Inc. for a cost of completion of \$780,899.17 and authorizes the Mayor to sign the contract documents. The motion was seconded by Councilmember Wearne and passed unanimously.

2. Chumstick Lift Station/Generator Bid Award

Public Works Director Herb Amick stated that the City Council is being asked to award the Chumstick Highway Lift Station Pumps and Auxiliary Generator Project to Advantage Dirt Contractors, Inc. with a bid amount of \$198,652.75. He addressed the additional costs included in the previous contract. He explained that this portion of the project has been separated out due to the “buy American” clause required for WADOT funded projects.

Councilmember Neighbors motioned to award the Chumstick Highway Lift Station Pumps and Auxiliary Generator Project bid to Advantage Dirt Contractors, Inc. for a cost of completion of \$198,652.75 and authorizes the Mayor to sign the contract documents. The motion was seconded by Councilmember Bretz and passed unanimously.

3. Supplemental Agreement #5 for Pace Engineering

Public Works Director Herb Amick stated that the City Council is being asked to review and consider for approval Supplement Agreement No. 5 to the Pace Engineering consultant agreement for the Chumstick Highway Multipurpose Trail & Water/Sewer Line Extension. He stated that the agreement will cover the additional work that was necessary and required as part of the removal of the Lift Station and Back Up Generator from the overall project. He noted that the Lift Station & Backup Generator was bid as a separate project because the materials for the lift station did not comply with the Buy America program required by the Federal Highway Administration. He confirmed the Supplemental Agreement is in the amount of \$10,013 which brings the total contract price to \$196,622.

Councilmember Francis motioned to approve Supplemental Agreement No. 5 with Pace Engineering in the amount of \$10,013 for a total contract price of \$196,622 and authorizes the Mayor to sign the supplemental agreement. The motion was seconded by Councilmember Larsen and passed unanimously.

4. Annexation Request Property Owner Discussion

a. Annexation Request – Chuck Reppas

Development Services Manager Nathan Pate stated that the City Council is being asked to commence annexation proceedings and have the meeting with property owners Charles and Lynn Reppas; the Reppases are requesting annexation for property located at 12620 Ranger Road and submitted an intent letter on March 28, 2016. He went on to say that upon receipt of the requested annexation, the City Council must set a date within 60 days after having received such notice for a meeting with the initiating parties to determine: 1.) if the City will accept the annexation; 2.) whether the City will accept, reject, or geographically modify the proposed annexation; 3.) whether it will require the simultaneous adoption of a proposed zoning regulation, if such a proposal has been prepared and filed; 4.) whether it will require infrastructure improvements; 5.) whether it will require transfer of water rights; and 6.) whether it will require the assumption of all or any portion of existing city indebtedness by the area to be annexed. He said that this is the opportunity for the Council to determine what improvements will be required for the annexation to move forward. He noted that

this property is quite far from city services and added that the annexation requires a city residence to become a part of the City and receive city services. He noted that city residents are mandated to receive city garbage service and that this particular property is relatively remote to receive that particular service. He said that the County also mandates the City to annex all of the right-of-way that serves the property being annexed, which means that the City would take on the responsibility of the maintenance and any other improvements associated with the road. He addressed the water and sewer hookups and stated that the property is located 600 – 900 feet from the City's water and sewer lines. On a final note he stated that all previous annexations have required the use of city systems, garbage, water, sewer, stormwater, and streets.

Mr. Chuck Reppas addressed the Council and stated that he feels that he is a part of the City, but he is not because he does not reside within the incorporated boundary, although he said that he lives across the street from the incorporated boundary. He said that the long term benefit is that people like him begin to annex into the City and over time the City will provide utilities where it makes sense. He added that the City may look to see if there are others in the area that are favorable toward annexation. He said that regarding the utilities, his septic system and water well are fine and it is quite a distance to bring the utilities to the property, although he would agree to be a part of a Local Improvement District to cover the cost of bringing the utilities to the property if there are others who are considering annexation in the area. He said that the short term benefit is that he could vote in the City; he noted that he is a member of the Planning Commission and is considering running for City Council some day if the annexation were to take place.

Councilmember Larsen asked if Mr. Reppas has spoken with his neighbors as it is unusual for the City to approach a spot annexation. Councilmember Francis asked how the City will benefit from this particular annexation and noted that the City will have to maintain the road, bring in a garbage truck and a snow plow, and the property tax revenue will not offset the expense to the City. Councilmember Bretz asked if the City wants to encourage annexation, as this may be a first step to break into the Ski Hill neighborhood and encourage others to annex, although she noted that there needs to be consistency or policy to follow. Councilmember Francis agreed that the Council is open to annexation of a larger area in order for it to be worthwhile for the City. There was a brief discussion of the recent annexation of the Pine Street neighborhood that was using city services and paying Urban Growth Area utility rates, which made sense to annex those few houses into the City as they were an island of properties surrounded by the City boundaries. Mayor Farivar briefly explained the past practice of the City in regards to annexation and that it has to make sense for the City. There was a brief discussion regarding the creation of a new neighborhood in Leavenworth, breaking into the neighborhood rather than just one property, asking the County requirements of the road prior to the final decision, and contacting the neighbors to see what type of annexation interest is available. Mr. Reppas agreed that the annexation isn't beneficial to the City if the County will require the City to maintain the road because of the annexation of one property and stated that he would talk further with his neighbors.

Councilmembers questioned City Attorney Graafstra in regard to how to proceed. Attorney Graafstra explained that the options are to do nothing which would allow the item to die due to a lack of motion, bring the item back as a new agenda item if necessary, or continue the item to a date and meeting certain. He noted that to "table" an item is a two-step process. Administrator Walinski confirmed that the topic could be added to the next Study Session meeting agenda.

Mayor Farivar asked if there were any questions from the audience.

David Brameld, 12120 Titus Road, Leavenworth; Mr. Brameld stated that after listening to the discussion, it is apparent that all of the property owners are not going to agree to the annexation; an annexation in this area will likely take 20 years and will not be easy.

John Bangsund, 204 Whitman Street, Leavenworth; Mr. Bangsund addressed the affordable housing aspect and stated that the one acre lot sizes will immediately inflate the price of any homes that go in that area.

Farzan Farivar, 10200 Titus Road, Leavenworth; Mr. Farivar stated that he has been involved in two annexations with the City and has not heard of this method of annexation before. He said that one of the Councilmembers asked several times, "What is the benefit to the City?" He said that needs to be considered rather than what is the benefit to the proponent. He went on to say that there is a state law that mandates that the City takes on the road if the annexation takes place. As an employee of the Department of Transportation this is something that he sees regularly.

City Attorney Tom Graafstra clarified that the state mandate is for a State Highway and the City will still need to be in touch with the County regarding the ownership of the road. After consideration of the options for Council to vote, no motion was declared allowing for this item to die on the floor.

5. Special Use Permit: Maifest Bier Tent Request – Chamber of Commerce

City Administrator Joel Walinski stated that the City Council is being asked to approve a Special Use Permit (SUP) with the Leavenworth Chamber of Commerce for the Maifest Bier Garten. He explained that the SUP will allow for the Chamber to have two 10' x 10' tents and a 20' x 30' cordoned off seating area for the "Bier Garten" in Front Street Park. He noted that Chamber Director Ms. Nancy Smith had asked the Council for this consideration at the March 22, 2016 City Council meeting and added that this is a one-time request for this special Maifest Festival when the new Maibaum will be raised. He confirmed that the Bier Garten would be open on Saturday, May 14th from 12:00 PM to 4:00 PM. He went on to say that the Council is also being asked to consider waiving the SUP fees associated with the event; as with the Christmas Lighting Festival, the City would provide payment from the Lodging Tax Fund for the fees associated with the SUP and the right-of-way use of Front Street Park, the fees for this event total \$109.60. There was a discussion about a possible code change to modify the rule regarding alcohol in City parks. It was stated that a Bier Garten is very similar to the Glüewein tent that is erected for the Christmas Lighting Festival and therefore appears to be no difference in the use. There was some discussion and concern that this may become a regular request for use in the City's parks; the SUP will state the use of security at the gate, no overcrowding, no children, and one time use.

Councilmember Wearne motioned to approve the Special Use Permit with the Leavenworth Area Chamber of Commerce for the Maifest Festival 2016, furthermore the City Council will cover the fees for the Special Use Permit from the Lodging Tax Fund. The motion was seconded by Councilmember Bretz and passed 5/1 with Councilmember Francis opposed.

Councilmember Larsen motioned to amend the previous motion to include that this is a one-time event for the raising of the Maibaum for the Maifest Festival. The motion was seconded by Councilmember Wearne and passed 5/1 with Councilmember Francis opposed.

6. Ordinance 1524 Quarterly Budget Amendment

Finance Director Chantell Steiner stated that the City Council is being asked to adopt Ordinance 1524 Quarterly Budget Amendment which amends the budget at the fund level. She explained the

reason for the quarterly budget amendment to the new Councilmembers. She went on to say that this is a large budget amendment which includes the necessary adjustments to the beginning and ending fund balances, carries over items from 2015, and incorporates the necessary changes to the 2016 budget. She went on to address the significant budget amendments in detail.

Councilmember Larsen motioned to adopt Ordinance 1524 Quarterly Budget Amendment. The motion was seconded by Councilmember Wilson and passed unanimously.

7. Resolution 07-2016 Liquor Excise/Board Profit Revenues Supporting Substance Abuse Programs

Finance Director Chantell Steiner stated that the City Council is being asked to approve a resolution for distribution of liquor excise and board profit revenues per RCW 70.96A. She said Douglas County has been appointed to be in charge of administering the substance abuse program of which the City will provide 2% of liquor excise and board profit revenues. Administrator Walinski explained that the funds are distributed by population, and even though the City produces a great deal of revenue due to the tourism, the City will receive funds based on population.

Councilmember Wearne motioned to approve Resolution 07-2016 Liquor Excise/Board Profit Revenues Supporting Substance Abuse Programs through Douglas County with 2% of the City's share of liquor revenues in accordance with RCW 70.96A.087. The motion was seconded by Councilmember Bretz and passed unanimously.

8. Brennan & Associates Park Plaza Design Contract

Public Works Director Herb Amick stated that the City Council is being asked to review and approve a Professional Service Agreement with J. A. Brennan Associates, PLLC for the planning and design work associated with the Park Plaza area on Front Street. He confirmed that the contract amount is a not to exceed amount of \$53,680. Full construction funding of the project has not been identified at this time; however, funding is available for the design work with funding from the Price and Roger's estates and previous funding by the City Council. Prior to construction, full funding of the project will need to be identified which is estimated at this time to be \$350,000.

Councilmember Larsen stated that regarding the contract, he is not comfortable about not seeing any plans or drawings until 75% completion. Administrator Walinski confirmed that the Downtown Steering Committee can keep the Council apprised during Study Session meetings.

Councilmember Wilson motioned to approve and authorizes the Mayor to sign the Professional Service Contract with J.A. Brennan Associates, Landscape Architects for the final design and development of construction documents for the Front Street Plaza Project at a not to exceed cost of \$53,680. The motion was seconded by Councilmember Wearne and passed unanimously.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

Peter DeVries, 1536 Alpensee Strasse, Leavenworth; Mr. DeVries stated that he has had a very rewarding 36 year experience in the field of public education while teaching high school, college, and university students. He said that he was a college president for 20 years, spoke at many commencement exercises, and didn't tell the graduating students that the world is yours and you can do anything; he tried to convince students to be something special with a sense of ethics and responsibility, and care about fellow men. He went on to read an inspirational poem entitled "The Wreckers" by Carmelo Benvegar.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

Mayor Farivar reminded the Council that the deadline for their Public Disclosure Commission Filing is April 15th.

ADJOURNMENT

Seeing no other business, Councilmember Neighbors motioned to adjourn the April 12, 2016 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Wilson and passed unanimously.

The meeting adjourned at 9:03 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk