

**LEAVENWORTH CITY COUNCIL**  
**Study Session Agenda**  
**City Hall - Council Chambers**  
**July 12, 2016 9:00 a.m.**

**9:00 – 9:20 Chamber Report**

This time is provided for a Chamber of Commerce representative to provide an update to the City Council on items of interest to the Chamber and City.

**9:20 – 10:20 Sewer Plant Update – Varela & Associates – Dana Cowger**

Mr. Dana Cowger, P.E. Varela & Associates and Mr. Mark Esvelt, P.E., Esvelt Environmental Engineering will provide an update on the Waste Water Treatment Plant Facility Plan update. The Plan update is the first step in developing the plant and operational improvements to update the plant mechanical systems and address the Total Maximum Daily Loading (TMDL) of Phosphorous required by the Department of Ecology by 2020. A site visit and facility survey was completed in April of this year. The Facility Plan reviews the operation of the current plant and by projecting out to 2040, offers insight on improving operations, treatment modifications, replacement of mechanical equipment nearing the end of its operating life, and expansion of the facility if needed.

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

- Varela & Associates Memo Study Session Discussion Outline

**10:20 – 10:40 Park Plaza Update**

This time has been set aside for the Council to review and discuss the initial design proposal presented to the Steering Committee by J. A. Brennan Associates at the June 28<sup>th</sup> meeting, depicting the proposed plaza area on Front Street in the corner, just west of 8<sup>th</sup> Street. The drawings address ADA compliant access, pedestrian corridors and traffic calming, bicycle parking, landscaping and gathering areas, and memorial placement considerations. The drawings and estimates represent the initial concept for review and comments prior to a formal presentation and additional public input.

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

- Draft Schematic Plan and Section

**10:40 – 10:55 Six Year Capital Improvement Plan Review**

The City Council is being provided a copy of the 2016 – 2021 six year Capital Facility Plan (CFP). This plan is compiled from the 20 year plans for Water, Sewer, Transportation, Parks /

Recreation, and Capital Facilities. The six year plan is being provided to the Council at this time to allow for discussion of potential projects and consideration by the Council to remove and/or add projects and to develop the 2017 – 2022 CFP. The review and development of the 2017 - 2022 CFP is part of the 2017 Budget development process; due to the scope of the planning document and the information, staff is requesting a review of the CFP at this time to prepare for approval of the final Plan. Also note, that as the Waste Treatment Plan, Water Plan and Transportation Element of the Comprehensive Plan is developed, the capital improvement plans within those documents will be incorporated within the CFP. The development of this document and inclusion of projects is necessary as several grant funding requests typically require the projects identified for grant or loan funding be included on the CFP. If determined that new projects are identified for the six year Plan, the appropriate 20 year plans may need to be updated/amended to ensure consistency.

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

- 2016 – 2021 Leavenworth Capital Facilities Plan Six year Project List

### **10:55 – 11:05 Pinegrass Street Names**

During the June 14, 2016 Council Study Session the Development Services and the Public Works Departments presented the potential Pinegrass Subdivision Street Names for future dedication. At this meeting, Councilmembers produced a list of names for discussion. From this list of 20 names, both RiverCom and the Property Owner were asked to consider the new names.

After the Property Owner and RiverCom weighed in, the Council is asked to select one of the following:

1. Scamahorn
2. Basswood
3. Snowberry
4. Pinegrass

This process includes, but is not limited to: 1) naming the street / street designation, 2) confirmation from RiverCom (our local 911 / emergency services communications provider) that the name does not conflict or is inappropriate, and 3) City Council acceptance of the names for future dedication with the recording of the Pinegrass Subdivision (a Council approval is needed for all streets and easements to be accepted and maintained by the City). Correct street names need to be part of the legal descriptions and the final plat. It's also preferable to have the street names to insert into the plat (legal creation of lots).

No items are included under **TAB D**.

### **11:05 – 11:20 Resolution 10-2016: Financial Policy Amendments**

The City Council is being provided a draft copy of the Financial Policy with suggested redline changes. The Council Finance Committee has been reviewing the policy over the past couple of months and finds that there are only a few items to amend. Some minor changes are being incorporated for the Lodging Tax Fund reserves that are located on p. 7, item 8.e. These changes are to recognize the past discussions by the Council to create a reserve of \$200,000; as of 2016 this goal was achieved. The Finance Committee recommends memorializing this goal by striking the “strive to” “by 2020” language and adding some language that would require restoring those funds if the Council were to use those funds. In reviewing the Utility Fund Reserves the Committee recommends no change at this time but will want to relook at this for the next biennium.

Also included in the amendments are increases for the General Fund reserves (p.6); the first recommendation is to increase the current operating reserve goal from 15% to 25%; the second recommendation is to increase the long-term (by 2020) goal from 25% to 35%. In reviewing where the City is today regarding General Fund reserves, the Finance Committee identified that the Fund is currently above 25% with no anticipation of reduction. In looking at other cities in our area, in many cases, General Fund reserves are typically at or above 50% of annual operating revenues.

As a reminder, when the City initiates new debt instruments, the General Fund is the fund that the rating agencies look at to determine the City’s rating, which in turn determines the borrowing interest rates. Currently the City holds an A+ rating with Standard & Poor’s that has taken several years to achieve through the creation of this policy and building of reserves. Maintaining the rating is critical; however, there is potential to increase the rating to an A++ by increasing fund balance reserves. It should also be noted how easily it is for a municipality to be downgraded by several ratings for just one minor issue, such as was the case for the City of Wenatchee regarding the default on their Town Toyota Center debt a couple years ago. Leavenworth, due to the tourism factor, is carefully watched by the rating agency, especially during a downturn in the economy. For each increase in the City’s rating, this could save the citizens of Leavenworth approximately .15% to .25% on the interest rate depending on the current state of the economy. Due to low interest rates today it is likely to be nearer to the .15% per each rating step change. What does this mean in dollars? Depending on the amount borrowed and the length of time of the debt this can be significant savings over time. For instance, in 2020 the City will be looking at major bond debt instruments for the upgrades to the Wastewater Treatment Plant. If the City borrows \$5,000,000 for 20 years and the options are 3% versus 2.85% for the better rating, this .15% difference would equate to an annual savings of \$7,500 or a 20 year savings of \$150,000.

The City Council Finance Committee would like to provide this time for the full Council to review the recommendations and discuss any further suggestions prior to approval. If no changes are recommended, this resolution will be presented for approval at the next City Council meeting.

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

- Resolution 10-2016 Draft Redline

### **11:20 – 11:30 Quarterly Update Future Council Agenda Items / Project Tracking**

The Council is being provided the quarterly Project Tracking spreadsheets. The Project Tracking is not a comprehensive list of all the work being completed or the tasks underway by the City; however, this does reflect the City projects and tasks that have been directed by the Council as priorities. Each project includes some annotations of status or description, anticipated completion, and stage (progress level). This is intended to relay progress and ensure that the City is on target with the needs of the Community and Council priorities. This document is updated and provided to the Council on a quarterly basis. The current status of the projects are listed under the JULY column and this document will be distributed again at the beginning of October with updates. In addition, staff has provided the City Council 2016 Future Agenda Items that are subject to changes.

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

- Project Tracking Document
- City Council 2016 Future Agenda Items

### **11:30 – 11:40 Mountain Pact Draft Letter**

This is a follow-up to a discussion that Mayor Farivar, Council Member Bretz, and Council Member Neighbors had with Ms. Diana Madson, the Founder and Executive Director of the Mountain Pact. The Mountain Pact is a coalition of western tourism based cities, empowering the mountain communities to build resilience in the face of economic and environmental stresses through federal climate and conservation policy. The Mountain Pact is a nonprofit project fiscally sponsored by Sierra Business Council (501c3).

Ms. Madson asked that the Council consider sending a letter to Interior Secretary, Ms. Sally Jewell supporting the Department of Interior and Office of Natural Resources recommended reform of the valuation of coal leased from Federal Lands. The proposed reform would eliminate the subsidies provided to coal companies for the mining of coal on Federal Lands, in essence requiring coal companies to pay royalties on the true market price of coal.

A draft letter and information on the Mountain Pact organization is included in the packet material.

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

- Mountain Pact Draft Letter
- Mountain Pact Information

### **11:40 – 11:45 Quarterly Newsletter Recommendations – Distribution in August**

The City will be publishing the quarterly Mayor and City Council Newsletter in August. Article topics at this time include but are not limited to:

- “A Minute With the Mayor” – Topic to be determined.

- Chumstick Multi-Purpose Trail Update – Herb Amick
- P1 – P2 Parking lot Improvements – Joel Walinski / Herb Amick
- Highway 2 Crosswalk Installation with WADOT – Joel Walinski
- New Fire Hydrant at Ski Hill Reservoir – Joel Walinski
- Residential Alley Cleanup & Hazards – Sue Cragun / Herb Amick
- Upcoming Festivals and Events – Sue Cragun
- Upcoming Fall Cleanup – Sue Cragun / Herb Amick

Staff is requesting any additional suggestions from the Council at this time.

There following item is included under **TAB H:**

- Fall 2015 Newsletter

### **11:45 – 11:55 Council Open Discussion**

The remainder of this time slot allows for Council discussion of items not on the agenda.