

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES October 11, 2016

Mayor Cheryl Kelley Farivar called the October 11, 2016 Study Session to order at 9:00 AM.

Council Present: Mayor Cheryl Kelley Farivar, Elmer Larsen, Carolyn Wilson, Gretchen Wearne, Mia Bretz, Margaret Neighbors and Richard Brinkman.

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

1. Chamber Report

Chamber Director Nancy Smith updated the Council on the media coverage in the last week that included several magazines, newspapers and upcoming radio advertisements. She noted that a special interview would be occurring on the process involved for putting up the Christmas lights each year. She then reviewed discussions with the Chelan County Port regarding funding partnership opportunities with Leavenworth. City Administrator Joel Walinski and Mayor Farivar briefly noted some other requests that have been submitted for funding to the Port including assistance for doing a parking study. Director Smith added that there would be a meeting soon with the Golf Club to discuss sledding options during the winter for the Leavenworth Winter Sports Club to administer. She identified some travel writers that have been in town recently and other partnerships such as the Ski & Stay program that are being finalized for the year. Director Smith requested that the Council include the Chamber Board in any future conversations on sustainability and lodging tax dollar uses.

Director Smith stated that the Chamber has some comments that they would like the Council to consider regarding alcohol use in the parks; the Chamber Board is concerned on the restrictions of the ordinance changes to be Bavarian centric that would eliminate some good opportunities for alcohol to be served at non-Bavarian style festivals/events. She stated that some events take time to develop and change over time; she provided an example of the wine walk and how it has transformed over the years to the success that it is today. She stated that the Chamber Board feels the current ordinance recommendations are too limited and restrictive, for example, the Stevens Pass Rail Jam would not qualify and the Board is curious as to why the Council is going in this direction. Mayor Farivar responded that much of the decision is related to the significant response that the Council received from community members to not allow alcohol in the City's parks; she questioned Director Smith on whether she is aware of the allowance for the use of alcohol in the street right-of-way rather than within the park itself as an option. She added that the intent of the changes is to assist and accommodate the Staff in handling these requests as they come forward. Director Smith stated that she was not aware of the difference on park use and the option of alcohol use in the right-of-way. Councilmember Bretz stated that she is not in agreement with the rest of the Council regarding the restrictions on the use of alcohol in the parks; she added that she believes there are opportunities for other types of events to have a beer tent. Councilmember Larsen added that the Council is choosing to move slowly with adding alcohol use in the parks to avoid ramifications that are currently unknown.

In closing, Director Smith updated the Council on some of the new decorations that will be on display this year to help accentuate the 50th Anniversary Year for the Christmas Lighting Ceremonies. Mayor Farivar questioned whether there would be a special Local's Night for lighting this year; Director Smith noted that it was not as successful as originally intended and was not preparing to do a special event this year.

2. Salmon Life Cycle Presented by Kara Zupke with Pacific Engineering

Ms. Kara Zupke Funding Specialist with Pacific Engineering thanked the Council for allowing time today to discuss the grant application for the Salmon Life Cycle Project. She explained that the project stakeholders are preparing to apply for a Recreational Trail Program Grant for \$150,000. At this time, the group is seeking match-funding dollars in the amount of \$30,000; she stated that the request for Leavenworth is \$5,000. She updated the Council on some of the project specifications that will create a new educational learning center and fishing pond at the Leavenworth Fish Hatchery. Mayor Farivar clarified that the request for \$5,000 at this time is a commitment only and will be contingent upon an actual award of the grant. Ms. Zupke talked about some other interactive exhibits in other communities and the learning that has been involved to prepare this project for success. Administrator Walinski spoke to the Council concerning the funding request noting that this is a request for City funding to support a project that is located outside the city limits. He suggested that the Council consider creating a policy that would help to assist in future funding requests for projects located outside the city limits to ensure equity and fairness to future requestors.

3. Budget Priority Review

Administrator Walinski reminded the Council that the Finance Committee reviewed the Budget Priorities and noted that the redline version provided today includes the recommended changes from the Committee. He specifically discussed the priority regarding the reallocation of staffing costs noting that the most important factor in this review was the costs involved for city staff to remove garbage in the downtown core. The Committee looked closely at the garbage removal costs and looked at options for legally offsetting those costs through the Garbage Fund rather than the Lodging Tax Fund. He proceeded to review the options that the Committee considered and noted that this is the most significant change within the budget this year. The Committee recommended a split of the Garbage Fees with some of the costs being collected through a flat \$15 monthly fee per each commercial account and using Garbage Fund reserves to offset any shortfall. He added that the upside to this change is that there has been a reduction to the other utility funds expenditures that now opens up the opportunity for the Council to not increase utility rates this year. Councilmember Larsen stated that the Leavenworth Area Promotions (LAP) Committee does not agree with this type of use of the Lodging Tax funds, as they would like to see increased support on the advertising side. Administrator Walinski identified the current legal uses for Lodging Tax dollars that includes advertising, capital improvements and operations and maintenance. He noted the additional hundreds of thousands of dollars that the City continues to provide for advertising through the use of the lodging tax dollars. Council continued to discuss the need to consider the use of dollars effectively and appropriately based on what generates the expenditures, in this case, tourism is creating the staffing expense; therefore, tourism dollars should assist in offsetting those costs. Administrator Walinski added

that retail sales tax dollars are another revenue stream for these costs and noted that the City currently expends over \$600,000 a year on the City's parks systems, of which a majority of those funds support the downtown Front Street Park area, street flowers, and also infuses significant dollars to pay for public safety through the police and fire contracts; all of these costs are borne by the General Fund's retail sales tax and property tax dollars. Councilmember Wearne stated that she supports the use of Lodging Tax dollars to offset the cost of maintenance from the tourism generated in the downtown; she understands that there may be some push back, but it is time to have this support; Councilmember Wilson concurred. Councilmember Bretz stated that she has some concerns on diverting the costs to the Garbage Fund and being charged to the downtown businesses in the presented option; Councilmember Wearne concurred and added that it does not appear fair to some businesses to have to pay a new flat \$15 fee if none of the garbage is being generated by their business. Administrator Walinski stated that the Finance Committee specifically discussed this concern and the difficulty in attempting to charge specific businesses for additional garbage based on what is found in the garbage cans; all businesses benefit from the tourists regardless of the garbage that is generated. Mayor Farivar added that many of the small shops do not have specific garbage creation in the downtown public garbage cans; however, these types of businesses do generate cardboard related garbage that also costs the City to remove and has a minimal fee in comparison. Councilmembers continued to discuss the pros and cons of the options available and the need to consider long-term sustainability of the funding source and the increased expenses for maintaining the downtown from increased tourism. Councilmember Bretz noted that she would like some information to be provided to the citizens related to the lack of a utility rate increase this year if that is the direction that the Council chooses and to explain why it is occurring and what will come in the future year with the new utility rate study in 2017.

Administrator Walinski proceeded to discuss the remaining suggested changes within the Budget Priorities. He first identified the option for a new full-time School Resource Officer (SRO) that the City is recommending after researching further with the Chelan County Sheriff's Office; at this time there is a direct benefit to the City in that the officer would be available to the City during the summer months when school is out. The Council discussed options for reducing Pacific Security patrols in future years with this transition and how the needed funding could be incorporated due to the increases that have occurred in retail sales tax dollars. Mayor Farivar noted that the Cashmere School District supported the transition for their community and has agreed to pay the additional costs to have their own dedicated SRO. At this time, the suggestion is to share the increased costs of about \$36,500 annually with the Cascade School District for the Leavenworth community; the Cascade School District has yet to confirm support. Council members discussed the need to support this and the positive results of having a dedicated SRO, particularly with the issues facing communities today concerning increased shootings, terror tactics, and the need for increased education for the students. Administrator Walinski then reviewed the request from the Chamber for special funding of \$20,000 for a downtown webcam project, the Autumn Leaf Festival Association (ALFA) funding that is being recommended to start reducing the supplemental funding (as the original intent was to be a one-time allocation of support), and the Golf Course match funding allocations for cart paths that also will be reduced as the projects are completed. There was a brief discussion regarding the Golf Course expenses, ownership of the land by the City, and the need for the Golf Course to operate "in the positive" for their ongoing operations and maintenance needs. Councilmember Larsen added that the City

needs to consider new restroom options in the future, specifically where the parking lots are located.

4. Discussion: Rates & Fees

Administrator Walinski stated that the largest impact to the Rate & Fee Schedule is typically the utility rates; however, with the reallocation of staffing costs this year there are no utility rate increases included at this time. He then proceeded to review the redline changes for clarifications, corrections and/or additions. Fireworks fees are amended based on changes that the Council made earlier this year to eliminate firework stands. Dog license fees are included for discussion; no rate changes are recommended and are being included due to previous discussions for an increase that might slightly reduce the annual contract amount. A new section for consideration includes fees related to the creation of alcohol use in the parks and whether the Council wants to consider this.

Stormwater fees are included with a new recommendation for hook-up fees (system development charges) to incorporate an option for the developer to consider. Administrator Walinski explained that Stormwater retention is required in accordance with the Eastern Washington Stormwater Management Plan and that this new fee is an option that can be used in lieu-of calculating the Water Quality Treatment Best Management Practices formula, which can be considerably higher for developers. Councilmember Larsen questioned what this new fee actually is for if there is already a connection charge in the schedule; he is concerned that the City is increasing development costs and in turn creating less affordable housing options. Public Works Director Herb Amick stated that the City currently does not allow for an actual hook-up to the City's current stormwater system that was decided years ago that was based on capacity issues of the stormwater system. Administrator Walinski and Development Services Manager Nathan Pate further explained that this is not a mandatory fee for all developers and would be an affordable option to doing onsite retention instead, which is the current practice utilized. Councilmember Larsen is concerned that this new fee is coming based on the City's acceptance to utilize the Eastern Washington Stormwater Management Plan and that this was not part of the discussion at that time. Council and staff discussed the recent Stormwater/Wetland Master Plan and how this was included as part of that plan. Administrator Walinski stated that the City would ask Mr. Thom Kutrich to attend a future Public Works Committee meeting to discuss this item further.

Mayor Farivar noted the inclusion of a change to the City Hall Parking Lot recommended change to create the entire lot with a two-hour limit. It was noted that parking in this lot has been very challenging particularly for city related business and meetings. Councilmember Neighbors requested better clarification of the language for overtime parking fees; Administrator Walinski suggested further discussion of this in the Public Safety Committee for recommended language changes. Councilmember Brinkman questioned the new \$50 holiday garbage pick-up fee and to explain this further. Administrator Walinski explained that the reason behind this new fee is to allow the City to recover the administration and overtime staffing costs that are generated. There was a brief discussion on whether the fee is correct; Administrator Walinski suggested using the first year as a trial run to see how many businesses participate in the request.

5. Skatepark Update

Director Amick provided the Council with an update on the progress to create a final contract with Grindline based on the location and park design needs. A public meeting is tentatively being scheduled to take in community comments on November 17th with a tentative follow-up meeting on January 12th. The plan is to begin construction in the spring of 2017 with completion by the summer of 2017 based on the \$175,000 budget plan.

Councilmember Bretz updated the Council on a recent meeting with some of the community members that are not part of the ad hoc committee but are vested in the decisions; she noted that although there are some concerns at how the selection progressed, that the majority of the group is confident in Grindline's ability to design and construct a new skatepark. She added that the group is working on fundraising dollars for additional amenities such as lighting, landscaping and a roof for shade; she noted that the costs associated with a roof for shade are likely beyond their funding ability at this time. She stated that the group is submitting an application to the County for lodging tax fund dollars to help assist in getting the dollars for lighting and some landscaping at this time and questioned the need for the City to sign the grant application. Administrator Walinski stated that the City Council could add a motion to this evening to support the grant application as a fiscal agent of the grant.

6. Discussion: Existing Structures and Setbacks

Manager Pate stated that staff is seeking some additional guidance from the Council on how to proceed with changes being requested on existing structures and setbacks as outlined in the packet materials. He reminded the Council that they have authority to amend and modify sections of the City's codes with exception to requirements as set forth by the International Building Code (IBC). Within those parameters is the option to look at setback requirements, amend them and/or remove them. He discussed the specific setback requirements for different locations of a building site such as setbacks for front yards, side yards, back yards and alleyways. There are considerations that need to be reviewed specifically in the case of an alleyway to ensure proper easement access for utilities and maintenance.

Manager Pate stated that the code currently has the Administrative Deviation of up to 20% that staff is allowed to work with on an individual project; this is one option to consider expanding the staff's ability to deviate further than 20%. Legal concerns with creating new code language that affects only existing structures is a case for concern with the City Attorney; case law has proven that this would be a fairness issue and that the City should consider the same code language for existing and new structures to avoid future litigation cases. Administrator Walinski added that if the Council wants to entertain a zero lot line (0-foot setback) requirement then this would be the staff's recommendation for all structures existing and new to avoid legal concerns. Mayor Farivar explained some ramifications to allowing a zero lot line in the code in that sliding snow would slide onto other property owner's property. Administrator Walinski clarified that the IBC does include fire related setbacks for homes that would require some separation from home to home; however, in the case of an alley, a garage roof may be dumping snow into the right-of-way of the alley or a neighbor's property. Councilmember Larsen reiterated his concern with the need to move an existing structure regarding a change of use that requires the move due

to setback requirements; he believes that the current code is a hindrance to changing existing structures over time and that there has to be a better solution. Councilmember Bretz stated that city codes change over time specifically to address concerns such as these and to eliminate the issues over time. She added that she does not agree with Councilmember Larsen's justification to apply zero lot line rules only to existing structures; there must be fairness to all structures. Council continued to discuss options for looking at the change of use code language that might be able to be amended to alleviate some of the concerns. Councilmember Larsen stated that it is illogical to him that there is not a separate option available for setbacks for existing structures.

Mayor Farivar stated that the current setback is 8 feet; she questioned Councilmember Larsen if a 4-foot setback is acceptable and whether or not that is acceptable to the Council for new construction. Councilmember Bretz stated that she is not comfortable with just choosing a number; she would like to have reasoning behind what the setback should be and supports the Planning Commission's involvement in researching and developing justification for a change. Councilmember Larsen responded that it should just be a 5-foot setback; he added that he would like the attorney to look into options that may be related to historical structures. Councilmember Larsen stated that with this code in place the City is doing nothing to support changes and the need for affordable housing. Mayor Farivar disagreed noting that the City does significant changes continually to support change and growth; she added that staff has put considerable time into this topic and coming up with ideas for the Council to consider. Several Council members concurred that a zero lot line could be problematic and are in support of allowing the Planning Commission to review this and make a recommendation. Councilmember Neighbors noted her concern with existing alleyway width's that should also be considered. Council members Wearne and Brinkman concur that the Planning Commission should do the research and Councilmember Wilson added that she supports the attorney input as well for fairness issues.

7. Mountain Pact Letter of Support

Administrator Walinski reminded the Council of the previous letter of support request, subsequent meetings on supporting the Pact on different initiatives and the current letter of support request to support legislation in improving wildfire management efforts. Councilmember Wilson voiced concern at seeing Leavenworth listed as a supporting City on the Pact's website when the City has not officially agreed to be a supporter; however, with acceptance of this letter it would be appropriate. Councilmember Neighbors stated that she would like to see the Washington Representatives be cc'd on this letter if the Council chooses to support it.

8. Quarterly Update Future Council Agenda Items / Project Tracking

Administrator Walinski noted that the Project Tracker is included to inform the Council on the status of major projects and initiatives. He asked if Council members have any questions on specific projects. There was a brief discussion on how and when certain projects are done based on time of year, staff availability and project funding.

Councilmember Bretz questioned when the Comp Plan Updates would be completed. Manager Pate stated that the expectation is to complete the remaining sections by the deadline of December 2017. He briefly discussed the elements that have been completed and the few that

are remaining. He noted that the Council has been approving sections as the Planning Commission has completed their review; at this time the Economic Development and Transportation elements are the two remaining major elements.

Councilmember Larsen questioned the objectives regarding the rezoning on the Willkommen Village property noting concern with past contractual agreements and past discussions with the Riverbend Association. Manager Pate noted that the Planning Commission is reviewing this rezoning request and the applicant has been informed that the rezoning will not be recommended by the Planning Commission. Manager Pate stated that the Planning Commission has done a majority of their review on their docket related items and that the Council will see their recommendations in early January; there are no issues related to the contractual agreements.

9. Quarterly City Newsletter Recommendations – Distribution in November

Mayor Farivar asked the Council if they have additional ideas for articles in the November newsletter. Councilmember Wilson stated that she would like to do a fun but educational article on what to believe or not believe from what people hear in the community but rather to reach out to the City or Council for clarification. Councilmember Bretz added that this might be a good topic to include the communication circle that was created.

Councilmember Larsen suggested adding an article on the utility rates and holding the line this year for future increases later. It was suggested to include an explanation of the budget process and property tax increases.

10. Council Open Discussion

Mayor Farivar updated the Council on the Fire Department wanting to increase rent payments to the Chelan County Sheriff's Office for their office at the Fire Hall. She stated that she was approached by the County to assist in paying the monthly rent. Councilmember Larsen stated his concern at ongoing increases from the Sheriff's Office for services that is problematic in that the County is expecting the small communities to continually pay for the services of the entire area even though it includes the County's responsibility to cover outside city residents. Council members continued to discuss the needs of both the Fire Department and Police Departments for increased revenues, how County revenues are generated through property taxes and what is the City's role in supporting services. Councilmember Larsen stated that this was all discussed as part of the last contract as well. Councilmember Bretz added that it is one thing to pay for contracts and annual increases in those contracts but to start paying operational bills is not acceptable.

Administrator Walinski provided an Association of Washington Cities handout on legislative priorities and the 2015/2016 City of Leavenworth Legislative Priorities for review. He asked that the Council consider items that the City of Leavenworth would like to support in the upcoming legislative session and this would be a discussion item at a upcoming study session..

Councilmember Brinkman said he would like to talk in the future about the difference of what a Metropolitan Park District versus the Upper Valley Park and Recreation Service Area could

provide for projects like the Salmon Life Cycle project. He noted that as the previous Administrator for the City he had been looking into this as an option.

Councilmember Wearne voiced her concerns at how dissatisfied Chamber Director Nancy Smith may have been regarding the discussion today on the alcohol use in the parks. She feels that Director Smith is still uneasy with the result of today's discussion and she does not have confidence that the discussion on alcohol in the right-of-way was understood. Councilmember Larsen reiterated his concerns at commercializing parks, for instance when the Council considered Segway's; the more you allow them for commercial use, the more requests will come. Councilmember Bretz stated that she believes this will be back in the future for further discussion because she feels that there is community needs and wants for expanded uses; however, she is comfortable with the current steps being taken to address some conflict concerns with the current code.

Study Session adjourned at 12:05 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk