

**LEAVENWORTH CITY COUNCIL**  
**Study Session Agenda**  
**City Hall - Council Chambers**  
**October 11, 2016 9:00 a.m.**

**9:00 – 9:15 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.

**9:15 – 9:35 Salmon Life Cycle Presented by Kara Zupke with Pacific Engineering**

This time has been provided for a presentation by Kara Zupke from Pacific Engineering on the Salmon Lifecycle Learning Landscape and Fishing Pond at the Leavenworth National Fish Hatchery. The project was initially conceived several years ago and at that time presented to the City Council. Since that time additional design, cost estimates, and funding work have been completed. At this time the Project Stakeholders – Friends of the Northwest Hatcheries, United States Forest Service, Cascade Columbia Fisheries Enhancement Group, and Trout Unlimited – Icicle Chapter are requesting \$5,000 from the City of Leavenworth to assist the group in meeting the 20% match for the Washington State Recreational Trails Program (RTP) grant. The group is developing a RTP grant application for \$150,000 for the initial design and construction of the base trail.

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

- Pacific Engineering Funding Request Letter, Sept 17, 2016
- Salmon Lifecycle Learning Landscape Project Description
- Salmon Lifecycle Learning Landscape Brochure

**9:35 – 10:05 Budget Priority Review**

The City Council is being provided a redline version of the 2017-2018 Budget Priorities that identifies the recommended changes from the City Council Finance Committee who reviewed this document in its entirety on September 27, 2016. Newly included is the identification of the City Council's Goals for each priority that were created by the Council at the annual retreat held this year on March 4, 2016; these designations are included in the first column of the priorities document.

Although many of the amendments are minor in nature, one particular item of discussion on Tuesday will be in regard to the 2<sup>nd</sup> listed priority item, Reallocation of Staffing Costs. This item affects the Lodging Tax Fund and has been recommended by the Finance Committee to be split with the Garbage Fund pertaining to the costs associated with the downtown garbage removal. Approximately 53% of the total salaries and wages are directly related to downtown garbage removal while 47% is related to Administrative costs for staff time spent on various downtown

related projects, capital repairs, festival/events, contracts and special use permits. As a reminder, the City will be audited on cost allocation of salaries and wages in future years to ensure that personnel costs are charged appropriately based on where staff actually performs work; in 2015-2016 city staff tracked various personnel to determine where staff was spending their time. The Finance Committee reviewed five different options for allocating the garbage related costs that included the following:

- Charge all costs directly to the Lodging Tax Fund (presented in original budget)
- Downtown Business Garbage Surcharge (concern with small business vs big/restaurant)
- Charge portion to the General Fund (concern – GF already covers over \$600K in Parks and Public Safety costs)
- Charge portion or all to Garbage Fund by incorporating a new rate for the City owned downtown garbage cans (this would require increasing other commercial garbage rates to offset the increased expenses in the Garbage Fund)
- Festival / Event Charge (concern with how to charge – basis on size? and who?)

The Committee requested that the staff research allocating about 25% (\$57,938) of the total costs (\$231,749) to be funded directly from the Garbage Fund and to offset that increase with a flat fee of no more than \$15.00 per commercial account. In performing the research, the City has approximately 161 commercial accounts that would generate approximately \$28,980 of the \$57,938 target at a \$15.00 per commercial account charge. With the upcoming Utility Rate Study in 2017 and a healthy fund balance in the Garbage Fund, the staff recommends proceeding with the reallocation of \$57,938 to the Garbage Fund and utilizing the difference of \$30,758 from Garbage Fund reserves in 2017. Along with this request by the Finance Committee, staff suggested no rate increases on Water, Sewer, Stormwater and Garbage rates, with exception to the new flat commercial rate of \$15 per account for 2017; this is suggested due to the decrease in personnel costs on the other utility funds from the reallocation of the personnel costs to the Lodging Tax Fund.

At this time one additional change, not discussed by the Finance Committee, has been incorporated to the Budget Document since the Council was provided draft figures that resulted in a minor increase to the General Fund expenditures that are related to the Parks Seasonal employees. Beginning in 2016 the City transitioned from two 6-Month Seasonal Positions to two 7-Month Seasonal Positions; this additional cost has been incorporated. As the budget process progresses there may be additional minor amendments as contracts are finalized, estimated beginning fund balances are recalculated and any additional suggestions from the City Council are incorporated; all changes will be included in future public hearing presentations for the preliminary and final budget documents prior to adoption in December.

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

- 2017 – 2018 Budget Priorities – Redline Changes
- Council Goal Development Worksheet
- Updated Budget Total Pages (Pages 1-3 of Budget Document)

**10:05 – 10:25 Discussion: Rates & Fees**

This time is being provided to start the discussion on any changes to the Rate and Fee Schedule for 2017. Over the course of the year several small amendments have been discussed and each of these have been incorporated within the document as redline changes for Council's discussion and consideration. Staff will provide an update on the preliminary items and ask for additional direction on developing the 2017 Rate and Fee Structure. A few items of particular note include:

- Removal/amendment to Fireworks related fees and other Fire Code charges
- Consideration of an increase to the Dog License fees as suggested by Animal Control to offset contract costs
- Commercial related holiday and tourism garbage fees
- New fees to consider for alcohol related SUP in Front Street Park
- New Storm Sewer hook-up fees
- Clarification to outside city utility extension fees
- Clarification to pool related fees
- Clarification to Rafting for Tubing as a contract
- Parking time limits for City Hall lot
- Removal of 2016 Festhalle fees
- Consideration for Alcohol in Front Street Park use fees.

As noted above in the Budget Priorities item, there are no changes incorporated for Water, Sewer, Stormwater, and Garbage monthly utility rates with exception to the flat \$15 per commercial account garbage fee. A new \$50 flat fee for consideration of garbage is also included for holiday pick-up that is included to recoup specific overtime costs of personnel; this fee would only be charged to a commercial account that requires pick-up of garbage on the City's designated federal holidays as observed per the Union Contract.

As an alternative to on-site construction of stormwater treatment and control facilities, the new plan includes a stormwater "Fee In-lieu-of completing on-site control and treatment facilities." This allows for the option of payment to contribute to a system-wide improvement rather than engineering, constructing and maintaining (in perpetuity) a private system.

- Fee In-lieu-of Water Quality Treatment BMPs formula:  $(\text{Estimated Cost} \div \text{BMP PGIS}) \times \text{Project PGIS}$ . These fees are based on several factors, i.e. 1) the planned regional BMP capital improvement estimated cost, and 2) the tributary pollutant generating impervious surface (PGIS) area being treated by the regional BMP, and 3) the project PGIS area discharging to the regional BMP.
- Fee In-lieu-of Detention BMPs formula:  $(\text{Estimated Cost} \div \text{BMP Impervious Surface Area}) \times \text{Project Impervious Surface Area}$ . This fee formula is based on several factors, i.e. 1) the planned regional BMP capital improvement estimated cost, and 2) the tributary impervious surface area being detained by the regional BMP, and 3) the project impervious surface area discharging to the regional BMP.

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

- Draft Rate & Fee Schedule – Redlines
- Fee In-lieu-of Project Required BMPs

## 10:25 – 10:35 Skatepark Update

This time is provided to give an update to the City Council on the progress being made by the Ad Hoc Skatepark Committee. The Committee met on Friday, September 30, 2016 and reviewed the Request for Quotation submittals. The Ad Hoc Skatepark Committee received three responses to the request for quotation advertisement: Dreamland Skateparks, Grindline: Concrete Skatepark Design and Construction, and Evergreen Skateparks. The criteria used to assess the firms based on the submittals included the following:

- Quality of previous build and design skatepark projects?
- Ability to meet contract requirements: Public Outreach, achieve design standards, quality?
- Responsiveness to the Request: is the response complete, does it provide the correct information, does it require more information?
- Does the firm have the capacity to actually complete the work: expertise, capable staffing and numbers, financial stability, etc?
- Based on the submittal, do you think the firm can achieve the desired outcome?

In addition, the Committee also considered input from the local skateboard community members, quality of work on other local projects, willingness of the firm to work with the community on the final design and consideration of the designs presented within the submittals. All three submittals identified completion for design and construction of the Leavenworth Skatepark project at \$175,000. The consensus of the committee was a recommendation for selecting Grindline: Concrete Skatepark Design and Construction. The committee recognized the quality of the work and durability of construction of the previous Leavenworth Skatepark which was built by Grindline. They also appreciated Grindline's previous park designs which allowed for multiple users and distinct user lines which allowed for greater user safety. In addition, the Committee heard from members of the local skateboard community that a preference was given to Grindline primarily because of the success of their previous designs. As with the other proposals, Grindline outlined the involvement of the community in the design development of the Skatepark which would include a number of public meetings, use of electronic media communication, and a review and consideration process for a final design selection. Grindline also would be open to working with in-kind donations, local donors and the use of local vendors. Their design work, engineering, and construction documentation is completed in house; the shared information between design, drafting, and construction assists in the project efficiency and controlling costs.

The next step in the process will be to develop a contract for design and construction with Grindline and request City Council consideration of approval. Once completed the design process will begin as identified in the RFQ. At this time the tentative completion date remains September 30, 2017 although Grindline has indicated the completion date can be advanced with an aggressive schedule.

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

- Grindline Concrete Skatepark Design and Construction RFQ Submittal

### **10:35 – 10:50 Discussion: Existing Structures and Setbacks**

This time is provided as requested by Councilmember Larsen to discuss existing structures and setbacks. As earlier discussed and the Council is aware, the International Building, Fire and Residential Codes are adopted by the State of Washington, and may not be modified. In contrast, many sections of the Leavenworth Municipal Code (LMC) may be modified at the direction and desire of the City Council.

Specific to the topic, the Council and Planning Commission amended the Leavenworth Municipal Code (LMC) on March 22, 2016 (Ordinance No. 1523). This amendment, in part, was focused on providing a process for the conversion of existing buildings to an Accessory Dwelling Unit (ADU). This amendment included, considered and, in part, was based on Mr. Barber's and Mr. Hess' testimony during the LMC amendment hearing process to allow a new deviation allowance for setbacks for existing structures. The LMC Section for this deviation to the setbacks for legal existing structures states "Conversions of existing structures to accessory dwelling units shall be allowed in conformance with Chapter 18.68 LMC, Nonconforming Provisions, excepting setbacks whereby the legally established structure may receive an administrative deviation to encroach no more than 20 percent".

Following up on this code change, Councilmember Larsen desired additional study of "Nonconforming Issues" by the Council on May 10, 2016; and requested another study on "Change of Use" on September 13, 2016.

The Development Services Department is requesting guidance to find closure. The following may be used by the Council in directing the next action:

- No action. Allow Council's and Planning Commission's elegant and fair solution (LMC amendment - Ordinance No. 1523) to be monitored without change.
- Remove the LMC's setbacks from the rear and side property lines for all accessory structures. This would require a new amendment to the LMC, and staff recommends that such be placed on the 2017 PC Docket for deliberation and processing.
- Remove the LMC's setbacks from alleys regardless of location in relation to the rear and side property lines. This would require a new amendment to the LMC, and staff recommends that such be placed on the 2017 PC Docket for deliberation and processing.
- Modify the LMC's setbacks from alleys on a sliding scale. For alleys that are less than 12 ft. wide, place a greater setback of 8 ft. For alleys that are 12 to 14 ft. wide, require a setback of 4 ft. For alleys that are greater than 14ft, require no setback. This would require a new amendment to the LMC, and staff recommends that such be placed on the 2017 PC Docket for deliberation and processing.

- Amend Ordinance No. 1523 to increase the administrative deviation to 50% (or other amount as desired by the Council). Staff recommends that such can be completed at a Council Hearing. This amendment could state: “Conversions of existing structures to accessory dwelling units shall be allowed in conformance with Chapter 18.68 LMC, Nonconforming Provisions, excepting setbacks whereby the legally established structure may receive an administrative deviation to encroach no more than **50 percent**.”
- Other \_\_\_\_\_. The Council may provide guidance outside or a combination of the above.

Regardless of the option or direction given, the International Building, Fire and Residential Codes separations remain; and staff recommends that life and safety requirements be upheld. In addition, with encroachment into alley setbacks, the need for mitigation (for example: placement of protective ballads may be necessary for inclusion into the LMC) may be necessary with clear standards and specifications beyond the adopted International Building, Fire and Residential Codes.

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

- Ordinance No. 1523

### **10:50 – 11:00 Mountain Pact Letter of Support**

This is a follow-up and a new request from 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).

Executive Director, Ms. Madson asked that the Council consider supporting a letter related to public lands and fire funding reform. The letter is addressed to Congressional leadership, pointing out the impact that shrinking Forest Service and Interior Department budgets have on our western mountain towns and urging them to take this into account in their fall budget negotiations. The Mountain Pact coalition of cities is requesting additional congressional funding for better forest management to assist and help protect the tourism based economies many of the western cities have in common. The letter would be sent with the signature of the Mayors supporting the initiative of the Mountain Pact.

The draft letter and information on the Mountain Pact report on the topic are included in the packet material.

The following items are included under **TAB 4 (evening meeting)**:

- Mountain Pact Draft Letter
- Mountain Pact Information: Protecting Western Forests

### **11:00 – 11:10 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 is listed under the OCTOBER column. In addition, staff has provided the City Council 2016 Future Agenda Items that are subject to changes.

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

- Project Tracking Document
- City Council 2016 Future Agenda Items

### **11:10 – 11:15 Quarterly City Newsletter Recommendations – Distribution in November**

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

- “A Minute With the Mayor” – Topic to be determined
- Winter Parking and Snow Plowing (winter parking ban / snow removal operations)
- Holiday Closures & Garbage Collection Schedules – Sue Cragun
- Winter Events / Festivals – Sue Cragun
- Update on current / upcoming City projects – Herb Amick & Sue Cragun

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

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

- 2015 Winter Newsletter

### **11:15 – 11:30 Council Open Discussion**

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