

LEAVENWORTH CITY COUNCIL MINUTES

October 25, 2016

OATH OF OFFICE

Mayor Farivar introduced recently appointed Councilmember John Bangsund and welcomed him to his new position. City Clerk Chantell Steiner administered the Oath of Office and Councilmember Bangsund was sworn into the Leavenworth City Council No. 5 position.

Mayor Farivar called the October 25, 2016 Leavenworth City Council meeting to order at 6:30 PM and Councilmember Bangsund led the City Council in the Flag Salute.

ROLL CALL

Council Present: Mayor Cheryl K. Farivar, Elmer Larsen, Carolyn Wilson, Mia Bretz, Gretchen Wearne, Margaret Neighbors, and John Bangsund.

Staff Present: City Administrator Joel Walinski, Attorney Cheryl Beyer, Chantell Steiner, Nathan Pate, and Sue Cragun.

Mayor Farivar excused Councilmember Richard Brinkman from the meeting.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda:

1. Approval of Agenda
2. Approval of October 11, 2016 Regular Meeting Minutes and Study Session Minutes
3. Approval of October 18, 2016 Special Meeting Minutes
4. 2016 Claims \$265,709.38
5. Set Public Hearing on Preliminary Budget on November 8, 2016 @ 6:45 PM
6. Set Public Hearing on Final Budget on November 22, 2016 @ 6:45 PM

Councilmember Wilson corrected the spelling of proper names in the evening agenda and October 11, 2016 regular meeting minutes.

Councilmember Larsen motioned to amend the consent agenda to include discussion item number 9 regarding an affordable housing study. The motion was seconded by Councilmember Neighbors and passed unanimously.

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

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Bangsund reported that he attended the Finance Committee meeting.

Councilmember Neighbors reported that she attended the Special Parks Committee meeting to discuss a potential seasonal ice rink and the associated funding and location; she also attended the Finance Committee meeting.

Councilmember Bretz reported that she attended the special City Council and Link Transit Board meetings. She briefly updated the Council regarding the strategic planning progress and community

outreach being conducted by the Link Transit Board. She went on to report on the Economic Development Committee meeting and stated that the Committee discussed the progress of current city projects, Chelan County PORT funding for Leavenworth Winter Sports Club and a Parking Study, and a potential ice rink in town. She went on to report that the parking lot fencing is nearly complete around the P2 parking lot and the next improvement will be the installment of a pay station.

Councilmember Larsen reported that he attended the Leavenworth Area Promotion (LAP) meeting; this was the Annual Budget Retreat where there was heavy discussion of this past year and where the group is headed in the future. He noted that there was a budget discussion in the afternoon session that he was unable to attend.

Councilmember Wearne reported that she was in attendance during the afternoon session of the LAP Retreat. She said that the Chamber of Commerce is getting ready to launch their new website, the discussion focused on the identity of Leavenworth; and the City is Bavarian, but also family oriented with culinary prowess; the group is looking to extend the City's Instagram profile to include the local foods from the community. She said that the group reviewed the 2017 budget which will be similar to 2016. She went on to report on the Downtown Steering Committee meeting and stated that the Committee discussed the Hartwig Front Street improvements and adhering to the Downtown Master Plan; construction will likely begin in March of 2017. She said that there was also discussion of the Downtown Plaza regarding the cost estimate; the City will focus on the South end of the project and put together a comprehensive budget prior to moving forward. Further discussion included funding opportunities for the Park Plaza. She noted that she also attended the Economic Development Committee meeting.

Councilmember Wilson reported that she attend the Upper Valley Museum Board meeting and stated that the Board has been having an ongoing discussion about finding a more accessible location and noted that they are looking to relocate. She said that the Board has been reviewing their bylaws in regard to the officer's terms and applying for grants in order to be more self-sustaining. She then reported on the Finance Committee meeting and stated that the Committee discussed monthly revenues, investments, the September budget position, and draft recommendations for the 2017-2018 Budget.

MAYOR/ADMINISTRATION REPORTS

Mayor Farivar reported that she attended the Chelan Douglas Transportation Council (CDTC) meeting, quarterly Mayor's Summit, attended a meeting with the Chelan County PUD regarding the progress of the new substation, attended a meeting regarding a temporary ice rink, and conducted interviews to fill the vacant Council seat. She thanked Ms. Sharon Waters, who was in attendance, for applying and interviewing for the open seat.

Mayor Farivar recognized two students who were in attendance at the City Council meeting. Ms. Nicole Warren and Ms. Laura Francis were in attendance for their "Citizens of Washington in a Contemporary World" class criteria at Cascade High School. Ms. Warren introduced herself and stated that she donated a painting to the WA State Combined Fund Drive (CFD) Masquerade Ball for her "Project Citizen" volunteer work; Ms. Francis introduced herself and stated that she volunteered at the recent Salmon Festival for her "Project Citizen" volunteer work. Mayor Farivar and the City Council thanked the ladies for attending the meeting and the Mayor gave them each a City of Leavenworth lapel pin.

City Administrator Joel Walinski confirmed that Deputy Clerk Carrie Brewer has turned in her two week notice. He said that Ms. Brewer has done a lot of good work for the City in the past 11 years and her last day will be November 4th. He confirmed that the City is currently in the hiring process for that position of Deputy Clerk. On a final note he stated that the City underwent a Washington Cities

Insurance Authority (WCIA) Audit; it was a clean insurance audit focused on fleet tracking and following rules and regulations for the drivers of city vehicles.

Attorney Cheryl Beyer representing City Attorney Tom Graafstra introduced herself to the Mayor and Council.

Development Services Manager Nathan Pate handed out the tentative 2016 Planning Commission Docket which displays the schedule of 2016 items that will be completed in early 2017. He announced that the City will be coordinating the Transportation Element update with the County, as the County will also be working on their update at the same time. Mayor Farivar reminded the Council that the Planning Commission Public Hearing on overnight rentals in the residential zones will take place on November 2nd at the Chelan County Fire District #3 Firehall at 7:00 PM.

PUD UPDATE

Mr. John Stoll, Managing Director of the Chelan County PUD updated the Council regarding the current status of finding a suitable location for a new substation. He noted that the PUD has been working with a local community group during the planning process and that the group has come up with three location options. He confirmed that the public has been notified of the three locations and that the PUD is still welcoming public comment and feedback. He added that there will be another public update prior to the November 2nd Planning Commission meeting at the Firehall beginning at 6:00 PM. Mayor Farivar thanked Mr. Stoll for including the public in this process and for keeping everyone informed.

PUBLIC HEARING ON DEVELOPER REIMBURSEMENT AGREEMENT AT 6:30 PM

Mayor Farivar opened the Public Hearing at 6:58 PM.

Development Services Manager Nathan Pate stated that a Developer Reimbursement Agreement is commonly known as a latecomers or Utility Reimbursement Agreement. He identified the subject area on the overhead and pointed out the various parcels that are located behind Safeway at the site of Willkommen Village.

Manager Pate stated that the Council will be asked to establish the benefit area for the water system that is being constructed. He confirmed that the property owner, Swiss Hotel LLC, is required to install an upgrade to the City's water system; the system is a part of the City's planned improvements as identified in the Water System Plan; the property owner recognizes that the City has planned for a size increase of the water lines to serve the subject properties. The waterlines that have been constructed by Swiss Hotel are necessary to serve more than just the one property and will serve multiple properties. He said that the people who receive the benefit are noted in the overhead and have also received notice from the City.

Manager Pate confirmed that the construction costs are approximately \$500,000; the cost has been confirmed by the engineer and the City's contract engineer. He said that as the costs are applied and the construction is built to increase the lines and capacity to serve these properties, the applicant has the ability to pursue this tool of construction and reimbursement. The developers of Swiss Hotel have completed the application process for reimbursement of the public needed improvement.

Manager Pate confirmed that all noticing and review requirements have been completed along with an estimated allocation. He said that there is also a request for additional time to pursue a differing allocation amount. He stated that representatives from the Pine Village KOA Campground and Swiss Hotel, LLC are in attendance and will make a statement to the Council. On a final note he went on to explain how the dollar amounts were assigned to each property; acreage area versus project cost was

assigned to each beneficiary. He confirmed that Staff has recommended that the Council allow some additional time.

Attorney Daniel Appel representing Recreational Adventures Company stated that his client owns parcels 3 and 4; the allocation was prepared by simply dividing cost by acre; he would like to see the benefit method being used to calculate a fair allocation that is based on the actual benefit to the parcel. He said that his client is simply asking for additional time so that the analysis can be completed and submitted to the Council

Faruq Ramzanalli representing Swiss Hotel, LLC stated that he agrees that the opponent needs more time to study. He noted that the Swiss Hotel is building the project, will be here for some time, and that there are more projects to build. He reiterated that there should be additional time for study. Mayor Farivar noted that this process will take approximately 10 weeks.

Administrator Walinski stated that the Council will be asked to continue the public hearing to a date certain of January 10, 2017 and to make the motion prior to closing the public hearing.

Councilmember Larsen motioned to continue the Public Hearing to a date certain of January 10, 2017. The motion was seconded by Councilmember Bretz and passed unanimously.

Mayor Farivar stated that the Public Hearing will resume on January 10, 2017.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

None.

PUBLIC HEARING ON AD VALOREM (PROPERTY) TAX @ 6:45 PM

Mayor Farivar opened the Public Hearing at 7:15 PM.

City Administrator Joel Walinski stated that the Council will still need to have a discussion regarding Rates & Fees, Lodging Tax and funding for Leavenworth Area Promotion (LAP), and receive the final budget presentation. He said that there are five key factors in the Ad Valorem Consideration; the annual 1% increase or \$4,455.71 as approved by the State; the assessed value of new construction; annexation revenue; refund revenue from senior citizen exemptions; and banked capacity. He addressed two options and the associated dollar amount between two different scenarios, one using only the 1% allowed increase versus the 1% allowed increase along with the use of \$20,000 of banked capacity. He went on to address the value of banked capacity and noted that the City has tried to stabilize the cost of property taxes for its residents over the past several years with the annexation into the Fire District. He went on to show that there is a gap in public safety expenditures and base property tax in that the expenses are growing at nearly 4% per year while property taxes only go up at 1% per year. He then discussed the option of using \$20,000 of the estimated \$108,000 in banked capacity to assist in offsetting the cost to have a full time school resource officer for the School District; this banked capacity can be collected at the same time other debt is being removed from the tax rolls. On a final note, he addressed the property tax that is paid on like homes throughout the County and reiterated that the City Council has worked to stabilize property tax for its residents in recent years.

Mayor Farivar asked if anyone from the public would like to comment.

Craig Hess, 575 Cascade Street, Leavenworth; Mr. Hess questioned the difference between property tax scenarios options A and B. Finance Director Chantell Steiner briefly explained the dollar amount

as compared to a percentage. He then asked if the sales tax could be increased further. It was confirmed that the City is capped for retail sales and public safety sales tax rate increases.

Mayor Farivar asked if there were any more comments from the public. Hearing none, she closed the Public Hearing at 7:34 PM.

RESOLUTIONS, ORDINANCES, ORDERS AND OTHER BUSINESS

1. Developer Reimbursement Agreement

Mayor Farivar noted that the Public Hearing for Developer Reimbursement Agreement has been continued to a date certain of January 10, 2017.

2. Motion to Set Public Hearing to Consider Surplusing City Property

Councilmember Gretchen Wearne recused herself from the discussion and vote as she is employed by one of the proponents.

City Administrator Joel Walinski stated that the City Council is being asked to consider setting a public hearing on the surplusing of an existing piece of City property located at 1100 Highway 2. He displayed the area on a map on the overhead and noted that it was purchased as a part of the warehouse property. He noted that the Council had previously approved Resolution 23-2012 which is the procedure regarding the surplus and sale process of real property. He said that the first step in the process is to set a public hearing. He said that the Council will need to determine if the property may be of future use and/or what that use may be versus community or economic benefit for the City. He said that Mr. Jeff Soehren and Mr. Oliver Brulotte are looking at purchasing the adjacent piece of property belonging to Mr. Langston; the addition of the City parcel will square up the Langston parcel which would make for a better development as well as provide a benefit for the City.

Mr. Jeff Soehren introduced himself and stated that he and his wife are the owners of Blue Spirits Distilling in Leavenworth; he is also a licensed architect. He said that he and Mr. Brulotte are looking at purchasing the Langston property, although they would like to incorporate the City parcel into that purchase in order to complete the parcel, and he also sees a tremendous opportunity to create public benefit as well as utilizing the property for their needs. He suggested a pocket park and upgrading the corner of the P2 parking lot. He said that they are looking for the opportunity to evolve the property and to develop those public benefits.

Councilmember Bangsund questioned access to the P2 parking lot and stated that he would like to see access between Highway 2 and Front Street. Councilmember Larsen explained that because the City doesn't have a plan for the P2 parking lot, he doesn't want to sell the parcel until more study and long term planning has been considered. He reiterated that there are so many unknowns with the property. He noted that parking spaces are more valuable than the land and discussed how an internal ramp will take up more parking. Council briefly discussed that the City may not always want that area to be a parking area. Councilmember Bretz stated access to both P1 & P2 is very straightforward and she doesn't think that we need another access point to the P2 parking lot and would like to see the property developed as well as to see the downtown core grow in a beautiful way; this is more beneficial than a ramp or Zamboni parking. Councilmember Neighbors stated that she would like to take the time to ponder but feels that time is of the essence for a project. Mayor Farivar stated that the City is always looking for beneficial pieces of property for the City to purchase, and sometimes selling a piece of property to acquire a more important or valuable piece of property is an option; there is not only the benefit of having the property, but there is also a monetary benefit as well. Administrator Walinski briefly described what the public hearing process will be. Mayor Farivar

noted that this item is to set a public hearing so that the Council may hear from the public and does not require the Council to do anything other than to hold a public hearing.

Sharon Waters, 336 Birch Street, Leavenworth; Ms. Waters stated that she was driving around Leavenworth and surprised to see large houses being built so close to the property line and does not like that look. She said that the City Council needs to really think about what the City of Leavenworth will look like in the future.

Jeff Soehren stated that he has built thousands of parking stalls throughout his career and has architects on staff who are equipped to conduct a study for the Council as a part of their response to the public hearing. He said that the questions are valid and need to be addressed; they need to address the future of Leavenworth as well.

Councilmember Wilson motioned to set a Public Hearing on November 22, 2016 beginning at 6:45 PM for the consideration of surplusizing the "triangle" property on the east end of the Warehouse property adjacent to Parking Lot P2. The motion was seconded by Councilmember Bretz and passed 4/1 with Councilmember Larsen opposed and Councilmember Wearne recused.

3. Stop Sign Location Request

City Administrator Joel Walinski stated that the City Council is being asked to approve the recommendations of the Public Safety Committee concerning a requested change of the traffic control signage at the intersection of Scholze Street and Enchantment Parkway. He confirmed that the request is to change the intersection control from a two-way stop on Enchantment Parkway to a four-way stop intersection. He said that Public Works Director Herb Amick installed traffic counters in the area, the Public Safety Liaison Officer Sergeant Long reviewed the warrant check list with the Public Safety Committee and the findings were that there were no reported accidents, visibility was not an issue; however, multiple uses for pedestrian and bicycle traffic and traffic volume did meet the warrant checklist. He confirmed that the traffic counters found that over 1,000 vehicles per day use those roadways. On a final note he confirmed that the Public Safety Committee is supportive of the warrant finding of not supporting a four-way stop at this location, although he noted, the City Council has the final determination.

Mr. Jefferson Robbins, 202 Scholze Street, Leavenworth; Mr. Robbins stated that he lives near the intersection and feels that it would do more good than harm to install a four way stop at the intersection because of the Pump Track location at Enchantment Park. He said that his letter did address visitor traffic, although it did not address local traffic from soccer and softball season. He noted that the tourism traffic is such that they do not see the entrance to Enchantment Park and/or World Mark. He confirmed two accidents that have taken place at the intersection that have gone unreported.

Mayor Farivar stated that the proximity to the Pump Track was not discussed at the Committee meetings, and now the Skatepark will be built in the same location which will increase traffic by children and youth. Council discussed the addition of a crosswalk, blinking light, speed counter, and/or a 20 mph speed limit. Councilmember Bretz noted that there are children traveling to and from the park, on their own, and that the City may want to look into additional design elements if a stop sign is not warranted. Mayor Farivar suggested using speed humps to slow traffic and are snow plow friendly. The Mayor and Council agreed to continue the study and revisit the topic at a later time.

Laura Francis, 310 Whitman Street, Leavenworth; Ms. Francis questioned what the detriment is of having a stop sign. Administrator Walinski answered and stated that if a stop sign is installed that is not warranted, studies show that it will likely have 70% of the people running the stop sign.

Councilmember Neighbors motioned to approve the recommendations of the Public Safety Committee recommending against the changing of the intersection of Scholze Street and Enchantment Parkway from a two-way stop to a four-way stop as per adopted Council policy and the Warrants Checklist; this subject will be revisited. The motion was seconded by Councilmember Larsen and passed unanimously.

4. Special Use Permit / Noise – Timbrrr! Winter Music Festival

City Administrator Joel Walinski stated that the City Council is being asked to consider approval of a Special Use Permit to allow an extended time period and increased noise levels for the Timbrrr! Winter Music Festival taking place on January 27 – 28, 2017 from 5:00 PM – 12:30 AM at the Festhalle. He said that this is the fourth year that the music festival has taken place in Leavenworth and has been quite successful in previous years. He went on to say that the Council's decision of approval or denial of the SUP must be based on whether the request meets the following criteria: the special use permit is necessary; there exists a special circumstance relative to size, topography, location or surroundings of the subject property; requesting property owner or agency has provided a plan for mitigation of noise to be implemented on the approval of the Special Use Permit; that the granting of the Special Use Permit will not be materially detrimental to the comfort, health, or safety of the public; that the Special Use Permit is limited to not more than 14 days in any 90 day period. He added that there have been no reported noise issues at previous events and that the event coordinators conduct their own self-monitoring throughout the event. Mayor Farivar and Councilmember Wearne noted that Timber Partners are a very professional organization who want what is best for the Community.

Councilmember Larsen motioned to approve the Special Use Permit to Timber Partners, LLC and Artist Homes which allows for an exemption from the noise limitations stipulated in LMC 9.33.040 on Friday January 27, 2017 and Saturday January 28, 2017. The motion was seconded by Councilmember Neighbors and passed unanimously.

5. Skatepark Contract - Grindline

City Administrator Joel Walinski stated that the City Council is being asked to approve a Small Public Works Contract with Grindline Concrete Skatepark Design & Construction in the amount of \$175,000 for the design and construction of the Leavenworth Skatepark. He addressed the contract and the scope of work and noted that the Ad Hoc Skatepark Committee reviewed the three respondents to the Request for Quote (RFQ) and Grindline was selected, partly due to their history with the City in the construction of the previous Skatepark. He said that past experience proves that Grindline's quality of work is of a high level and they will work well with the Community and incorporate the Community's recommendations into the final product. On a final note he stated that, although the completion date is set for September 30, 2017, Grindline believes with the design kickoff in mid-November, finalizing that design in January, 2017, work on construction documents through the winter, and beginning construction as weather permits, completion in late spring or early summer is possible.

Nick Rufford, 10647 Highway 2, Leavenworth; Mr. Rufford stated that he feels that the local community will be able to work with Grindline during the design process and hopes that Grindline will be working with the Community to plan the project. He asked for assurance that Grindline's plans will be open to ideas from the local residents. Administrator Walinski confirmed that the design process will begin with a clean slate.

Councilmember Neighbors motioned, whereas the City received and reviewed written Requests for Quotes / Bid Proposals for the Leavenworth Skatepark design and construction project and has determined that Grindline Concrete Skatepark Design & Construction provides the most services for the price proposed under the RFQ; now, therefore, the Leavenworth City Council moves to approve

and authorizes the Mayor to sign a Small Public Works Contract with Grindline Concrete Skatepark Design & Construction for the design and construction of the Leavenworth Skatepark for a not to exceed cost of \$175,000. The motion was seconded by Councilmember Bretz and passed unanimously.

6. Motion to Approve the Purchase of Garbage Truck

City Administrator Joel Walinski stated that the City Council is being asked to authorize the expenditure of funds for the purchase of a used side-loading garbage truck in an amount not to exceed, \$33,000, less applicable tax and licensing, from the City of Cashmere, Washington. He confirmed that Cashmere's garbage truck is identical to what the City currently owns; this will benefit the City for training purposes as well as the use of spare parts if needed. He went on to say that if the expenditure is approved, it will allow for the sale or auction of the City's refurbished 2007 side-loading garbage truck that was purchased in November of 2015 for the amount of \$77,500.

Councilmember Bangsund motioned to approve the purchase amount of \$33,000.00, excluding taxes and license, for a used 2011 Labrie side loading garbage truck from the City of Cashmere, Washington and authorizes the City Administrator to approve the expenditure. The motion was seconded by Councilmember Larsen and passed unanimously.

7. Water System Plan – Varela & Associates

City Administrator Joel Walinski stated that the City Council is being asked to review and consider for approval a Professional Service Agreement with Varela & Associates for the completion of a Water System Plan. He said that the Water System Plan update is a requirement from the Department of Health (DOH) and that the City completes this plan every 6 years; the DOH is recommending changing this requirement and extending it to a 10 year cycle following this current plan update. He said that the Request for Qualifications (RFQ) was sent out and Varela & Associates was chosen by the Public Works Committee. He noted that Varela & Associates also completed the City's last Water System Plan. He went on to explain that the original cost estimate was \$75,000; however, after meeting with DOH on the scope of work and additional scope discussion with Varela, the new cost estimate is a not to exceed amount of \$62,518.

Councilmember Larsen motioned to approve and authorizes the Mayor to sign a Professional Services Agreement with Varela and Associates for development of a Water System Plan for a not to exceed cost of \$62,518. The motion was seconded by Councilmember Wilson and passed unanimously.

8. Oktoberfest Wrap-up – Set Public Meeting Date for November 22, 2016

City Administrator Joel Walinski stated that the City Council is being asked to discuss and set a public meeting date to take in public comments regarding this year's Oktoberfest event and other festivals. He said that this action is a follow-up as requested by the City Council and the Ad-Hoc Festival & Event Committee recommendations. He noted that we like to have the follow-up soon after the event while the public can relay fresh comments. He noted that the November 22nd meeting date conflicts with the BANFF Film Festival taking place at the Festhalle; it was noted that public comments are received in person or in writing.

Councilmember Wearne motioned to set a Public Meeting on Oktoberfest on November 22, 2016 at 6:45 PM. The motion was seconded by Councilmember Bretz and passed unanimously.

9. Affordable Housing Study

Mayor Farivar stated that there was a discussion at the Housing Affordability Task Force meeting regarding a housing study. She said that the consensus came from the Task Force that we need a housing study to review inventory, rentals, pricing, demographics, and to expand our scope outside of our boundaries to determine if there are other areas that might be good areas for housing. She noted that the City of Wenatchee has recently completed a housing study; she has discussed the results with Mayor Kuntz who highly recommends the consultant. The Council unanimously agreed that the City needs factual data in order to move forward.

Mayor Farivar stated she had asked Administrator Walinski to look at different funding options and the recommendation is to use the funds available in the Affordable Housing Fund which currently has a balance of \$16,292. Administrator Walinski stated that the estimated cost of the study would be in the \$15,000 range. He went on to say that the contract would be developed with the scope of work and then be brought back to the Council for review and consideration of approval.

ITEMS FOR FUTURE CONSIDERATION

Mayor Farivar announced that the Public Hearing on Ad Valorem Tax Ordinance and the Preliminary Budget Public Hearing will take place on November 8, 2016.

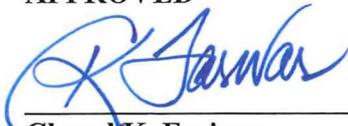
There was a brief discussion of the Planning Commission Public Hearing on Overnight Rentals taking place on November 2nd at the Chelan County Fire District #3 Auditorium at 7:00 PM.

ADJOURNMENT

Seeing no other business, Councilmember Wilson motioned to adjourn the October 25, 2016 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Neighbors and passed unanimously.

The meeting adjourned at 8:56 PM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk