



City of Leavenworth

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City Council
Cheryl K. Farivar - *Mayor*
Elmer Larsen
Carolyn Wilson - *Mayor Pro Tem*
Gretchen Wearne
Mia Bretz
Margaret Neighbors
Richard Brinkman
John Bangsund
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers
November 8, 2016 - 6:30 p.m.

Call to Order
Flag Salute
Roll Call

Consent Agenda

1. Approval of Agenda
2. Approval of October 25, 2016 Regular Meeting Minutes
3. 2016 Claims \$557,252.87
4. October 2016 Payroll \$229,205.46
5. PRSA Voucher Request \$15,000.00

Council Committees - 2nd Tuesday

Public Safety 3:00 Parks 4:00
Public Works 5:00

Public Safety Report: Sergeant Bruce Long, Liaison Officer

Councilmember and Committee Reports
Mayor/Administration Reports

Comments from the Public on Items Not on the Agenda

Group Funding Report – Autumn Leaf Festival – Bill Forhan / Dan Moody

Public Hearing and Preliminary Budget Review @ 6:45 PM

Resolutions, Ordinances, Orders and Other Business

1. Action: Ordinance 1532 Adopting Ad Valorem Tax
2. Action: Ordinance 1533 Authorizing Special Levy
3. Action: Authorize Mayor to Sign Tax Levy
4. Action: Ordinance 1534 Fence Code Amendments
5. Action: Cascade School District Wetland Mitigation Agreement
6. Action: Extension of Fire District #3 Contract Agreement

Information Items for Future Consideration

1. Transportation Benefit District Meeting to Follow Regular Council Meeting
2. Final Budget Public Hearing on November 22, 2016

Adjournment

(Next Ordinance is 1535 - Next Resolution is 15-2016)

SUPPLEMENTAL COUNCIL AGENDA

1. Ordinance 1532 Adopting Ad Valorem Tax

The City Council is being asked to consider two options for Ordinance 1532, which is the authorization of the property tax levy for the 2017 tax year. Both options include the required prior year levy figure of \$445,571.23. Option A includes identification of the annual increase of just 1% or \$4,455.71. Option B includes identification of the annual increase of 5.5% or \$24,506.42, which includes the 1% annual limit plus an estimated additional amount of \$20,000. Due to the annexation into the Fire District in 2013, the City has a banked capacity of approximately \$103,000 at this time allowing for the City to request more than the 1% annual cap per initiative 747 limits without an additional vote.

These options are being presented from the recent discussion regarding the need for an additional \$20,000 to add a full time School Resource Officer (SRO) for the Cascade School District. In the past Cascade and Cashmere School District's have shared a SRO; Sheriff Brian Burnett has spoken with city staff and has stated that an additional \$20,000 from the City would help to pay a portion of the increased costs to provide a second officer. This commitment would be contingent upon Cascade School District also providing additional funding for the SRO. At this time, it is anticipated that an agreement can be reached.

By increasing the property tax collection over the 1% limit in 2017, utilizing \$20,000 of the banked capacity this year, the City will continue to slowly phase down the banked capacity that was created in 2014. Additionally, the City has budgeted in the General Fund the allowance to support utility related funds should they be necessary to assist in a capital project; this concept was discussed last year as part of the need to continue to request the banked capacity while also keeping utility rate increases at a minimum. With this in mind, no rate increases are being incorporated for residential and commercial utility rates with exception to the new Commercial Tourism Garbage related fee and Holiday pick-up fee. Since 2014, the Council has been strategically requesting small amounts of the banked capacity due to the reduction of the 1997 General Obligation Bond for the Fire Hall. By lowering the Fire Hall Bond property tax request as it nears maturity in 2017, the City has been able to increase the annual property tax request for the City's General Fund without increasing the actual request to the taxpayers. One additional factor that should be considered is that the "City Request" can increase more than the 1% due to new construction, annexations, refunds, and increased assessed values, which in turn reduces the actual taxpayer effect. In the 2016 year, although the taxpayer effect noted a potential amount of \$24,289, due to overall city assessed value increases, in many cases, the taxpayer effect was not realized. This is also anticipated to occur for the 2017 year due to the high increase of development occurring within the city limits. For the discussion, the table below illustrates what has transpired since the annexation into the Fire District and how the City can continue to reduce the Banked Capacity to zero by 2019:

Year	City Request	1997 Bond	Fire Dist.	Taxpayer Effect	GF Inc (Dec)	Banked Capacity
2013:	1% ~\$525,000	\$80,000		\$4,991	\$4,991	\$0
2014:	1% ~\$400,000	\$60,000	+\$125,000	(\$20,000)	(\$125,000)	\$125,000
2015:	1% ~\$401,815	\$60,000		\$4,018	\$4,018	\$123,371
2016:	5.8% ~\$418,786	\$60,000		\$24,289	\$24,289	\$103,180
2017:	5.5% ~\$445,571	\$56,000		\$20,506	\$24,506	\$83,180
2018:	12.2% ~\$512,526	\$0		\$0	\$56,000	\$27,180
2019:	6% ~\$543,278	\$0		\$33,000	\$38,125	\$0
2020:	1% ~\$550,000	\$0		\$5,432	\$5,432	\$0

In addition, this ordinance will include increase estimates of \$3,336.05 for new construction, \$2,460.75 for annexations, and \$466.41 for refunded revenue by the Assessor's office. The total preliminary property tax allowed is \$559,691.45.

The following items are included under **TAB 1:**

- Ordinance 1532 – Option A – 1%
- Ordinance 1532 – Option B – 5.5%
- City of Leavenworth Regular Tax Levy Preliminary Values for 2017 Tax Year
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1532 Option ___ with the Ad Valorem Tax increase of ____%.*

2. Ordinance 1533 Authorizing Special Levy

The City Council is being asked to adopt Ordinance 1533 authorizing a special levy for the 1997 General Obligation Bond that was refinanced in 2011 for the Fire Hall. This ordinance is required by the City to meet the provision of the original Ordinance 1063 and the 2011 Refunding Ordinance 1403 whereas a special levy was adopted and incorporated for the 1997 General Obligation Bond. The special levy amount at this time is set at a rate of \$56,000 to cover the principle and interest payments and will decrease the current fund balance to zero for final maturity in 2017.

The following item is located under **TAB 2:**

- Ordinance 1533
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1533 Authorizing Special Levy.*

3. Authorize Mayor to Sign Tax Levy

In addition to setting the property tax levy and special levy, the Department of Revenue and the County Assessor requires a levy certification. This certification figure is always about \$25,000 to \$30,000 more than the actual levy amount for the regular levy to allow for the Assessor to collect more revenue if projections for taxes come in higher than anticipated due to revaluations, new construction, annexations, or refunds; this also ensures that any banked capacity does not continue to grow. Depending on the Council's decision to enact the 1% versus the 5.5% property tax increase, the Council is being provided two options for the Levy Certification document. If the Council chooses Option A for Ordinance 1532, then the Council will need to authorize Option A for the Levy Certification; if choosing Option B for Ordinance 1532, then the Council will need to authorize Option B for the Levy Certification. As a note, there is included a hand written figure of \$237.71 for the special levy bond refund (this is for the 1997 bond levy noted above) per separate instructions from the Assessor's Office.

The following items are included under **TAB 3:**

- Department of Revenue Levy Certification Document – Option A
- Department of Revenue Levy Certification Document – Option B

- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign Option ____ for the Tax Levy Certificate.*

4. Ordinance 1534 Fence Code Amendments

The City Council is being asked to adopt Ordinance No. 1534. Ordinance No. 1534 is an amendment to the Leavenworth Municipal Code to update LMC Section 18.24.020 regarding Fences, walls and hedges – Restrictions. On February 9, 2016, Ordinance No. 1521 was adopted which amended the Leavenworth Municipal Code to update LMC Sections 18.24.010 and 18.24.020 regarding Corner lot – Obstructions to visibility prohibited and Fences, walls and hedges – Restrictions (respectively). On June 14, 2016, the City of Leavenworth Council studied the implementation of the new amendment; and found that refinement was warranted. As implementation of the Leavenworth Municipal Code progresses, the Code is “tested” as to desired results. On August 9, 2016, the City of Leavenworth Council studied further refinement of the “Fence Code;” and the Council desired further reduced constraints and/or restrictions. From this study, Council discussed allowing solid view obscuring six (6) foot tall fences along all property lines excepting for areas that are a line of sight from public right-of-way to the front entrance to a residential structure (or dwelling unit). Behind Tab 4 is the updated LMC to reflect this deliberation.

The following item is included under **TAB 4:**

- Ordinance No. 1534
 - **MOTION:** *The Leavenworth City Council moves to adopt Ordinance No. 1534 amending Leavenworth Municipal Code Fences.*

5. Cascade School District Wetland Mitigation Agreement

The City Council is being asked to consider and accept the City owned Poplar Street property as the receiving site for the Cascade School District voluntary wet area mitigation.

History

On August 13, 2015, the Cascade School District submitted a letter of intent for annexation for an approximately 6.4-acre property. On August 25, 2015, the Council considered the annexation request. On September 8, 2015, the City Council continued the discussion of the annexation to a date certain of October 13, 2015. On October 13, 2015 and upon request by Mr. Bill Motsenbocker, the Leavenworth City Council rescinded the Cascade School District Annexation Request until further request by the School District. On February 9, 2016, the Council held a public hearing on annexation request for the Cascade School District; and adopted Ordinance 1520 – Cascade School District Annexation. Within the petition for annexation:

The City of Leavenworth agrees to assist the Cascade School District in the development of the proposed elementary school which may include a requirement of off-site wetland mitigation. The City has offered three potential receiver sites for such mitigation. The City would retain ownership and long-term stewardship, and the Cascade School District would be responsible for construction and monitoring for up to five years if required. Upon acceptance of this Petition and its conditions, the parties agree to work on a Development Annexation Agreement concerning the conditions set out in this Petition

and including the location, development, construction, monitoring and use of the wetland mitigation area described specifically in this paragraph.

April 26, 2016, the Council received a construction update regarding the Cascade School District from the Construction Liaison Mr. John Henri. He addressed the drainage ditch and the wetland mitigation that is in process. Subsequently, three sites were discussed and considered by the Public Works and Parks Committees; and a preferred site was selected.

Status

On October 4, 2016, the Cascade School District submitted a Joint Aquatic Resource Permit Application (JARPA) to process the wetland mitigation. This has two parts: 1) the “sending site”; and 2) the “receiving site.” The sending site is the area that will be disturbed with the construction of the Alpine Lakes Elementary. The receiving site is the area owned by the City of Leavenworth located along Poplar Street where the existing wetland will be enhanced / upgraded as mitigation for the area being disturbed.

Mr. John Henri is available for any questions or clarification.

The following items are included under **TAB 5**:

- Petition for Annexation
- Voluntary wetland mitigation maps
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign the Joint Aquatic Resource Permit Application (JARPA) for the Cascade School District to use the Poplar Street property owned by the City as the receiving site for enhancement of existing wetlands.*

6. Extension of Fire District #3 Contract Agreement

The City Council is being asked to consider a request from the Fire District Board of Commissioners to extend the current Interlocal Agreement for Fire Marshall Services between the Fire District and City of Leavenworth for a two year period. The extension time period would be from January 1, 2017 through December 31, 2018 at a cost of \$43,000 per year, which is consistent with the current cost. The City of Leavenworth is currently part of Fire District No. 3. On November 6, 2012 voters of the City of Leavenworth and the Chelan County Fire District #3 approved the ballot measure for annexation of the City into the Fire District by over an 85% vote margin. The annexation became effective on January 1, 2014. This contract covers additional services that are not performed by the District in servicing other areas of the service area. The Fire Marshall agreement was developed to address issues that Fire District #3 would provide to the City that are not typically provided throughout the Fire District; these include development plan review by the Fire Marshall and annual fire inspections of commercial businesses.

Fire Chief O’Brien and the Fire District Board Members have also been involved with the review and approval of the extension agreement. The contract extension has also been discussed and recommended by the City’s Public Safety Committee. The City Attorney and attorney for the Fire District have also reviewed the contract extension as to form.

The following items are included under **TAB 6**:

- Amendment to Interlocal Agreement for International Fire Code Services

- Interlocal Agreement for International Fire Code Services 11.27.2013
 - **MOTION:** *The Leavenworth City Council moves to approve and authorize the Mayor to sign the Amendment to the Interlocal Cooperative Agreement between the City of Leavenworth and Chelan County Fire District No. 3 for International Fire Code Services.*