

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

November 13, 2018

Mayor Cheryl Kelley Farivar called the November 13, 2018 Study Session to order at 8:00 AM.

Council Present: Mayor Cheryl K. Farivar, Carolyn Wilson, Elmer Larsen, Mia Bretz, Margaret Neighbors, Sharon Waters, Clint Strand, and Jason Lundgren.

Staff Present: Chantell Steiner, Herb Amick, and Lilith Vespier.

1. Chamber Report

Chamber Director Nancy Smith and Chamber President Bill Forhan updated the Council on Christmas Lighting activities noting that the lights will all be ready by Thanksgiving. She reviewed the bus parking for P1, P2 and the City Hall parking lots as well as the school parking lots; at this time the Chamber does anticipate in excess of 200 busses. She stated that the Chamber has applied for County Lodging Tax dollars and is anticipating \$16,000 to assist in the traffic control planning. Alki Tours is anticipated to bring busses rather than the trains this year, possibly up to 26 busses. She announced that Hershey's Kisses was recently in town and did some good interviews, the 59er Diner has reopened with their grand opening this past weekend, and the Chamber has been looking into costs for P2 being converted into a parking garage. Mayor Farivar spoke about an upcoming interview and walking tour with a local TV station KLXY out of Spokane on how Leavenworth prepares for the Christmas Lighting Ceremonies.

2. Traffic Control for Christmas Lighting with Chelan County Sheriff Office

Sergeant Scott Lawrence and Jason Reinfeld of the Chelan County Sheriff's Office updated the Council on the staffing coverage planned for the intersections, downtown foot patrols and availability for assistance in the downtown area for businesses and patrons as needed. Mayor Farivar gave a brief review of the subcommittee meetings that have occurred over the past year with staff, police, fire, the traffic control services provider and other agencies needed for coordination. The Council reviewed questions with the Sheriff's on how logistically the traffic control will work noting that traffic lights will be off and staffing will be handling all of the movement of vehicles and pedestrians at the seven locations identified within the traffic control plan; in addition, the traffic light at Peshastin will be off and with flaggers. They reviewed the specific plans at each of the designated access points and noted that the request to the Sheriff deputy's for working each of the positions is going out today. Discussion on shuttle options was reviewed by the subcommittee and found that the steps involved with that would be more difficult logistically but may be something to incorporate into future years.

3. Initial Review of the 2019 Planning Commission Docket

Development Services Manager Lilith Vespier gave a brief update on the work that has been done over the past several years in regard to what the Planning Commission has accomplished and is currently working on for the 2018 docket. She identified the order of priorities noting that mandated items have been included at the top of the document as those have legal requirements that must be met. Council noted their desire to work on the zone changes needed for the Golf Course Property in particular so that it could eventually be surplus out; Ms. Vespier stated that this item may require a comprehensive plan update that she will look further into. She then

reviewed the next level of priorities that are identified as code amendments and comprehensive plan items, many of which are 2018 docket items that will move into 2019. There was discussion on item #13 in regard to the Transportation element moving forward sooner rather than later, the need to extend the bitcoin interim regulations, and to review the current status of development regulations for consistency with the updated Comprehensive Plan and Critical Areas. She continued to identify each of the proposed code amendments on signage, stormwater/wetland planning, affordable housing definitions and incentives, and zero lot lines. Council then discussed the requested Comprehensive Plan items and specifically the need to look at the peak traffic definition and interpretation as well as looking at Bed and Breakfast regulations related to parking and alleyway uses. Ms. Vespier reviewed the remaining Comprehensive Plan items and amendments.

4 . Budget Updates – Lodging Tax

Mayor Farivar provided the Council a handout of the Leavenworth Area Promotions (LAP) 2019 budget request. She clarified that Leavenworth is not required to comply with the larger cities' regulations due to the population size of Leavenworth being under 5,000. Chamber Director Nancy Smith updated the Council on the processes and steps involved with marketing changes in social media and how each of them has opportunities; she noted that she is not here today in representation of the Leavenworth Area Promotions (LAP) Committee 2019 budget request.

Mayor Farivar then reviewed additional considerations for lodging tax uses that could occur in the 2019-2020 Budget outside of general advertising support through the Chamber and LAP. She reviewed the option to consider use of the lodging tax dollars to assist in the resurfacing of the Leavenworth Community Pool as tourists, although a small percentage of about 10%, are users of the Pool annually and have been for the past fifteen or so years with no previous funding being provided before. The Council discussed concerns at where to draw the line on use of the funds without violating local regulations and noted how some other communities have used their dollars in various ways that did not directly affect bringing visitors to stay overnight. Director Smith spoke to some challenges in other communities on the use of the lodging tax dollars, particularly when the use may be questionable. She gave examples of uses that could and have been used being that Leavenworth is a tourist driven community and that many of the amenities here are beneficial to tourists, on a percentage type basis. Councilmembers shared their thoughts on being cautious in providing funding for capital type projects and noted positive support to looking at some use of the funds to support those projects that are benefitted by residents and visitors as well as ongoing maintenance and staffing. Mayor Farivar reviewed the specific dollar uses for the traffic control and parking lot improvements that are directly related to tourist impacts; in addition, she suggested a fourth item to consider that could include a specific study on looking at a parking structure for the P2 parking lot location. Council discussed parking needs and Director Amick reminded the Council that the downtown core needs a lot of repairs to streets, lighting, restrooms and other infrastructural failures that have been progressing significantly over the last decade. The Council discussed ideas for conducting studies on what is needed and possibly what and how the tourists are affecting the community as well as impacts on the residents themselves from the tourism impacts. The next discussion that needs to move forward is on looking at creating rules for uses of the lodging tax dollars that could be broken into specific percentages and how to create a competitive process for the marketing dollars.

5. 2019 Rate & Fee Schedule Review / Changes

Director Steiner reviewed the current changes included within the draft resolution for the utility rate changes that are scheduled for increases on January 1, 2019. She noted some additional items within the utility rates for the Council to consider such as hydrant fees and late fees; Council asked that staff come back with recommendations for the hydrant fees and to leave the current rates in place for late fees and the residential garbage rates as those will transition in February to Waste Management. She then reviewed the potential to have staff look at the costs for planning and development related fees that could be assessed based on the recent outside services that the City has been using while the Development Services Manager position was vacant; Council requested staff to do an analysis of these fees and to bring any recommendations in early 2019 for consideration. Director Steiner noted that Building Inspector Mark Barnes has been looking at the fees for commercial roof permits and that he will provide a suggested rate adjustment for that at the December meeting for final approval of the fee schedule.

6. Regionalization/Consolidation Study Presentation

Mayor Farivar introduced Mr. Gordon Wilson and Mr. Matthew Hobson with FCS Group and Ron Slabaugh with Chelan County PUD. Mr. Wilson provided the Council with a brief history of the regionalization/consolidation study that has been occurring over the past 18 months with Chelan County, the PUD, the Peshastin Water District and the cities of Leavenworth and Cashmere. The goal of the study is to identify the pros and cons of regionalizing the utility services throughout all of the entities. He explained differences of each of the community's services and how the costs for implementing capital improvements affects the water and sewer rates. It was noted that the physical area of all of the entities combined would create the smallest sewer utility and the largest water utility with exception to the City of Wenatchee who is not included as a part of the study. He explained that what has been found is a need for better capital planning and improvements rather than a reduction of operational costs; although some operational cost savings could be foreseen with some consolidation of the County and the PUD customers. Part of the issue on daily operations is that each community or area has widely varied rates that are not easily compiled into a single rate system. Challenges with connecting the systems is partly due to the large land mass areas that separate each of the community's systems. Through consolidation efforts, each community would have a small impact on each capital project that is completed; each entities utility would have to be upgraded by taking turns.

Mr. Hobson discussed short term impacts through blending of rates and identified how Leavenworth's specific rates for water and sewer would be negatively impacted compared to the other entities. He identified some options for consolidation of the Peshastin Water District and the Chelan County PUD Water systems or to consolidate all the water and sewer utilities into the Chelan County PUD system for operational, management, administration and governance. He detailed each of the options cost savings and impacts on overhead and stranded costs. Mr. Hobson reviewed implementation steps that could occur if regionalization is desired, which would include in the short-term organizing a regional agency structure, establishing rates, setting policies and service charges, establishing a schedule for transferring assets, debt, and contractual obligations, and a regional service contract. Long-term steps would include a wastewater physical consolidation study, developing regional capital plans, transfers of debt, assets and contractual obligations, transition or regional rates and aligning business/administrative processes.

Mr. Wilson reviewed merger options that were determined after review of all of the data. He identified a positive financial merger option of just the Chelan County PUD and the Peshastin

Water District. He discussed capital cost impacts and salary related impacts as well as overhead costs when looking at electric versus water and sewer union wages. He reminded the Council that the rates discussed earlier were for operations and maintenance only; capital costs are unknown and would likely have additional increased rates for all parties involved. He stated that these mergers would be difficult regardless of how it is determined; he noted that Leavenworth is in a tough position because their rate payers would be the most affected by a consolidation with dramatically increased costs. At this time the recommended course of action from the study was to consider a merger of just the Chelan County PUD and the Peshastin Water District; over time further mergers could then be revisited. Mr. Slabaugh noted that a recent review of merging Dryden and Peshastin was found to be too costly to implement and will remain independently.

7. Council Open Discussion

A. Parking Stakeholder Committee Formation – Mayor Farivar discussed her plan for the committee formation that would include the following members: the City Administrator, two business owners, one Chamber representative, two Councilmembers, one homeowner, one Residential Advisory Committee member, and one person at-large for a total of nine members. She stated that she would like to appoint Zeke Reister for the at-large position. Council discussed concerns to include prior parking members, which will be incorporated, and to consider a downtown youth employee if possible. Councilmembers Bretz and Waters were determined to be the Councilmembers to be appointed.

Mayor Farivar updated the Council on the process tomorrow for interviews with Councilmembers and Prothman to discuss the City Administrator Interview Process.


Study Session adjourned at 11:45 AM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk