



## City of Leavenworth

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**City Council**  
Cheryl K. Farivar - *Mayor*  
Elmer Larsen  
Carolyn Wilson – *Mayor Pro Tem*  
Mia Bretz  
Margaret Neighbors  
Sharon Waters  
Clint Strand  
Jason Lundgren  
Joel Walinski - *City Administrator*

### LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall – Council Chambers  
November 13, 2018 – 6:30 PM

#### Call to Order

#### Flag Salute

#### Roll Call

#### Consent Agenda

1. Approval of Agenda
2. Approval of October 23, 2018 Regular Meeting Minutes
3. October 2018 Payroll \$232,427.26
4. 2018 Claims \$252,845.04
5. PRSA Voucher Request \$52,000.00

#### Council Committees – 2<sup>nd</sup> Tuesday

Economic Development 3:00 PM  
Parks 4:00 PM  
Public Works 5:00 PM

#### Public Safety Report: Sergeant Scott Lawrence, Liaison Officer

#### Councilmember and Committee Reports

#### Mayor / Administration Reports

#### Comments from the Public on Items Not on the Agenda

#### Public Hearing - 2019-2020 Preliminary Budget Administrator Review at 6:45 PM

#### Resolutions, Ordinances, Orders, and Other Business

1. Action: Ordinance 1576 – Adopting Ad Valorem Tax
2. Action: Authorize Mayor to Sign Tax Levy
3. Action: Approval Traffic/Foot Patrols Needed for Christmas Lighting Festival
4. Action: Resolution 18-2018 Setting a Public Hearing Date for Transportation Benefit District Assumption
5. Action: Purchase of WSDOT Parking Lot
6. Action: Approval of WSDOT Non-Discrimination Agreement
7. Action: Approval of USIC Contract for Utility Locates
8. Action: Approval of Chelan County Mid-level Hazardous Waste Contract
9. Action: Approval of Prothman Contract – City Administrator Search
10. Action: 2019 Emergency Management Services Contract

#### Information Items for Future Consideration

1. Transportation Benefit District Meeting to Follow Regular Council Meeting
2. Public Hearing – Final Budget on November 27, 2018 @ 6:45 PM

#### EXECUTIVE SESSION: RCW 42.30.110(1)(i) – Legal Risks of a Proposed Action

#### Adjournment

**(Next Ordinance is 1577 – Next Resolution is 19-2018)**

## SUPPLEMENTAL COUNCIL AGENDA

### **1. Ordinance 1576 – Adopting Ad Valorem Tax**

The City Council is being asked to consider options for Ordinance 1576, which is the authorization of the property tax levy for the 2019 tax year. This ordinance will include increase estimates of \$9,430.32 for new construction, \$1,029.68 for new annexations, and \$1,353.97 for refunded revenue by the Assessor's office. The total maximum preliminary property tax allowed is \$597,243.66.

Several options are available for the 2019 tax collection:

- The first option referred to as Option A below, would be to approve the annual property tax collection with no increase, which would create more banked capacity for future requests; if this is the preferred option, the motion would be to state adoption of Ordinance 1576 Option A with a 0% increase.
- The second option, referred to as Option B below, is to approve the tax from last year with the 1% allowable limit per State Law and maintains the current level of property tax request that was increased from last year utilizing banked capacity. This option assists the City in paying off the new Park Improvements that were approved by voters in 2017 for a bond issue that could have been acquired in 2018. By proceeding with this option, tax payers will save approximately \$116,000 in interest over the course of a ten-year bond. Staff is recommending this option for consideration.
- The third option, referred to as Option C below, is to include the 1% annual allowable increase plus approximately \$26,632 in remaining banked capacity.
- The fourth option, referred to as Option D below, is to approve the tax from last year with the 1% allowable limit, while reducing the annual collection, which in turn increases banked capacity by \$56,000. This option would then need to direct staff to bond for the Park Improvements thus increasing property taxes by an additional \$116,000 estimated over a ten-year period; this would result in a special levy request of approximately \$62,000 per year for ten years to pay back the \$500,000 park levy with interest.

Options A, B, C, and D include the required prior year levy figure of \$553,265.25. Option A includes no increase. Option B includes identification of the annual increase of 1% or \$5,532.65. Option C includes identification of an annual increase of 5.814% or \$32,165, which includes the 1% annual limit plus an estimated additional amount of \$26,632 remaining from banked capacity. Option D includes the 1% increase but also reduces the current property tax request by \$56,000 and will need to include an additional recommendation to proceed with seeking bond funding for an estimated annual special levy request of \$62,000.

The Council can choose to adopt any variation of the tax; however, the Ordinance will need to be transmitted to the Assessor's Office by no later than November 30, 2018.

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

- Ordinance 1576 – Example Prepared for Option B

- City of Leavenworth Regular Tax Levy Preliminary Values for 2019 Tax Year
- Presentation Slides from October 23, 2018 Public Hearing on Ad Valorem Taxes
  - **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1576 Option \_\_\_ with the Ad Valorem Tax increase of \_\_\_%.*

## **2. Authorize Mayor to Sign Tax Levy**

In addition to setting the property tax levy, the Department of Revenue and the County Assessor require a levy certification. This certification figure is approximately \$30,000 more than the actual levy amount for the regular levy to allow 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 for action item #1, Options A, B, C, or D, will need to be identified for this action item.

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

- Department of Revenue Levy Certification Document – Example Prepared for Option B
  - **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign Option \_\_\_ for the Tax Levy Certificate.*

## **3. Approval Traffic/Foot Patrols Needed for Christmas Lighting Festival**

The City Council is being asked to consider approval for the expenditure of City Funds for traffic control. A Washington State Patrol Officer and additional Chelan County Sheriff staffing will provide traffic and crowd control for the Christmas Lighting Ceremonies in December. Earlier this year, Mayor Farivar called a meeting of Public Safety agencies to review and improve public safety response during the Christmas Lighting Festival. Agencies represented included the Washington State Patrol, Washington Department of Transportation, Chelan County Public Works, Chelan County Sheriff's Office, Chelan County Fire District #3, City of Leavenworth, and representatives from the Chamber of Commerce. The group did discuss several options, which include changes to the festival, remote parking, lane closures, etc. For the 2019 festival, the group decided to focus on a proactive approach to providing better traffic control, primarily on US 2, and having more personnel available to respond to public safety services calls. In addition, the group will be monitoring the festival and plans a post festival assessment in January of 2019 to identify areas needing ongoing improvements in future years.

**Traffic Control:** This year traffic control will be managed at the following intersections:

- |                                  |                          |
|----------------------------------|--------------------------|
| ➤ Main Street & US 2 – Peshastin | ➤ Riverbend Drive & US 2 |
| ➤ US 2 & East Leavenworth Road   | ➤ US 2 & Chumstick Hwy   |
| ➤ North Road & Chumstick Hwy     | ➤ US 2 & Ninth Street    |
| ➤ US 2 & Icicle Road             |                          |

Traffic Control Services will be providing the flagger personnel, which will include 20 traffic control flaggers and one (1) supervisor; signage, temporary lighting, equipment, radio support, and variable message boards will also be provided at these specific intersections. In addition, any intersection with a traffic signal light will also have at least one (1) uniformed officer present. The Department of Transportation will be disabling these lights from the hours of 1:00 PM – 8:00 PM on each Saturday of the festival. The estimated cost for each Saturday event is \$23,420. Total estimated costs for traffic control services is \$70,260 plus sales tax.

**Public Safety Staffing:** The recommended staffing level for supporting the Christmas Lighting Festival is nine officers on each Saturday and two officers on each Sunday. On Saturday, four officers will be assigned to assist with traffic control and five officers will be available within the downtown area and residential areas to respond to service calls and patrol the crowd areas. Sundays typically have lighter attendance numbers, so the two officers are available for added service calls within Leavenworth. The costs are calculated on an estimated \$65 per hour overtime rate for deputy officers using 8-hour shifts. Hours of coverage are from 1:00 PM through 8:00 PM; officers do receive 60 minutes of travel time for each shift.

Saturday	Sheriff Deputy	9 Officers @ \$65 per hour / 8 hour shift	\$4,680
Sunday	Sheriff Deputy	2 Officers @ \$65 per hour / 8 hour shift	\$1,040
	WSP Officer	1 Officer per 8 hour shift (Pay, travel, vehicle use)	\$1,000
<b>Weekly Subtotal</b>			<b>\$6,720</b>
<b>Total Request for Public Safety Staffing x 3 weekends</b>			<b>\$20,160</b>

There are no items included under **TAB 3**.

- **MOTION:** *The Leavenworth City Council moves to approve the expenditure of \$70,260 for Traffic Control Services for the Christmas Lighting Ceremonies and authorize the expenditure through a Lodging Tax Budget Amendment.*
- **MOTION:** *The Leavenworth City Council moves to approve the expenditure of \$20,160 for the additional Chelan County Sheriff's Law Enforcement Officers for the Christmas Lighting Ceremonies and authorize the expenditure through a Lodging Tax Budget Amendment.*

#### **4. Resolution 18-2018 Setting a Public Hearing Date for Transportation Benefit District Assumption**

The City Council is being asked to approve Resolution 18-2018 setting a public hearing date for consideration of the City of Leavenworth assuming the rights, powers, functions, and obligations of the Leavenworth Transportation Benefit District. This action item will only set the hearing date; the Council will have the option after the public hearing on December 11, 2018 to pass an ordinance accepting these rights, powers, functions, and obligations.

**Background:** In 2015, the State Legislature approved new language allowing for the assumption of a Transportation Benefit District (TBD) by its originating entity. This is only allowable when a TBD has the same boundaries as the authorizing entity, of which the City of Leavenworth was the sole entity in this case. Since 2015, more than half of the eighty or so TBD's throughout the state have been assumed by their originating jurisdictions.

Several benefits can be derived from this process, which includes a reduction of duplication of time and materials. Once a TBD is assumed by the originating agency, there is no longer a "separate" entity that requires, at a minimum, quarterly agenda's, meetings, minutes, annual budgeting, reporting, and reconciliations/auditing. The City of Leavenworth will perform all of these tasks within its own monthly, quarterly, and annual tasks. In addition, the City will no longer have the costs for insuring the Board's actions and paying for the auditing services provided by the Washington State Auditor's Office; this will be a net savings each year of approximately \$3,000. Staff recommends continuing with the separation of the TBD's dollars from the City's other funds by creating a new separate special revenue fund that will be treated similar to other special revenue funds, in that the funds are transferred to other City transportation related funds for specific projects that are only transportation related in nature.

The following items are included under **TAB 4:**

- Resolution 18-2018
- RCW 36.74 – Transportation Benefit Districts – Assumption by Cities and Counties
  - **MOTION:** *The Leavenworth City Council moves to approve Resolution 18-2018 setting a public hearing on December 11, 2018 at 6:45 PM in the Leavenworth City Hall Council Chambers to consider and take public testimony on a proposed ordinance to authorize the City of Leavenworth to assume the rights, powers, functions, and obligations of the Leavenworth Transportation Benefit District pursuant to Chapter 36.74 RCW, and that all persons interested may appear and be heard at the hearing.*

## **5. Purchase of WSDOT Parking Lot**

The City Council is being asked to review and consider for approval the expenditure of funds and the authorization for the purchase of the parcel of property referred to as the "DOT Lot". This purchase is for 1.63 acres at a cost of \$469,000. The purchase price is based on an appraisal of the property that was completed by Pacific Appraisal in 2017. The estimated cost per square foot of \$6.60 is less than other commercial properties that have recently sold in Leavenworth. This is due to several issues with the property that influenced the appraised value of the property. One is the interpretation of the deed restriction by the State of Washington. The property was gifted to the State in 1959 for "Public Purpose". A strict interpretation of this language limits the future of this property. The property also has Chelan County Public Utilities District electric distribution power lines running across the property. There is not an easement regarding these distribution lines; however, the placement at this time does limit the future use of the property until this issue is resolved.

In addition to the items above, the DOT has requested several special conditions applying to this sale:

1. The purchaser will waive and release the State of Washington for any past, present, or future claims of damage, especially related to highway drainage runoff. The site at this time is flat and substantially undeveloped. Future improvements will need to consider stormwater treatment and runoff.
2. Purchaser agrees to comply with civil rights and anti-discrimination language.
3. Title conveyed as Quitclaim Deed. This is consistent with other property the City has purchased or received from the State of Washington.
4. The State will not provide title insurance or a survey.
5. The purchaser is required to pay the document recording fee and excise tax.
6. Acknowledgement of the Donation Deed dated March 11, 1959 – Chelan County Auditor’s File No. 551872.
7. Two projects will be completed and paid for by the City prior to the conveyance of the property:
  - a. Fencing Project: The City will be responsible for the removal and realignment of the existing fence. The City has a current bid for the project of \$21,000 of which \$14,097 will be reduced from the sale price of the property.
  - b. A Highway Advisory Radio (HAR) antennae is located on the property and needs to be relocated at a cost of \$21,228.28. This cost will also be a reduction from the sale price of the property.

If the terms and conditions are acceptable to the City Council, the DOT requests a 10% down payment to secure the terms of the agreement and move forward with the completion of the two projects identified above. Once those are completed, the land would be conveyed to the City with the estimated final payment of \$386,774.72.

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

- WSDOT Surplus of Property Offer Letter, October 22, 2018, Jennifer Hoff
  - Addendum to Offer Letter/Negotiated Terms
  - Surplus Real Estate Purchase Form
  - Donation Deed dated March 11, 1959 –No. 551872.
- **MOTION:** *The Leavenworth City Council moves to approve the purchase of the parcel of property known as the “DOT lot” for Four Hundred and Sixty Nine Thousand Dollars (\$469,000) and authorize the Mayor to sign the Surplus Real Estate Purchase Form.*

## **6. Approval of WSDOT Non-Discrimination Agreement**

The City Council is being asked to review and consider for approval a Nondiscrimination Agreement with the Federal Highways Administration (FHA). This agreement is required for all agencies that receive funding from the FHA, either as a recipient or sub-recipient. The agreement requires an extension of Title VI of the Civil Rights Act of 1964 prohibiting discrimination. The significant ramifications of this agreement are the requirements of adding additional language

within the contracts and agreements that the City authorizes and develops. The additional clauses can be found in the Appendices A – E; the language differs based on the type of document.

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

- FHA Nondiscrimination Agreement and Appendices
- USDOT Standard Title VI / Nondiscrimination Assurances
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign and the City to enter into a Non-Discrimination Agreement with the Federal Highways Administration.*

## **7. Approval of USIC Contract for Utility Locates**

The City Council is being asked to review and approve a renewal of the Professional Services Agreement (PSA) with USIC Locating Services, LLC for underground facilities locating and marking services for the City of Leavenworth utilities for water, sewer, and storm water. USIC is a nationwide locating service, which already visits 100% of Washington One Call locate requests in the City of Leavenworth. If approved, USIC will continue to manage all request tickets received from Washington One Call on behalf of the City of Leavenworth. This service will include:

- Response to 100% of locate requests
- All labor and materials
- Painted and flagged locates with response clearance of ticket
- Photograph record of entire locate for City review
- Customer portal for the City to see all requests as well as status and history
- Damage investigation and access to electronic damage reports

Basic costs for this service are on a per ticket request of \$27.80 per ticket. This represents a 3% increase of the 2017 contract base amount. In 2017, the City of Leavenworth received approximately 140 ticket requests for a total expenditure of \$3,995.00 for those services.

Previous to 2017, the City Public Works crew responded to all Washington One Call locate requests for water, sewer, and storm water. This typically required the response of two employees, approximately two hours of labor each, plus a vehicle and fuel to perform the locate. Approval of the USIC service in 2017 resulted in considerable savings to the City in terms of labor, equipment, materials, and administrative costs. 140 locate requests, at 4-man hours per locate (560-man hours), based on a \$50 per man hour estimated cost, translates into approximately \$28,000 in cost to the City in comparison to the actual contracted cost of \$3,995. In addition, those 140 locates would have pulled City employees from regularly scheduled tasks assigned to the department. As the City continues to expand in facilities, tourism, etc. efficient and economical assignment of these tasks to private companies, allows the City to stabilize staff size and costs. Additionally, in the event that there is an issue with the locate, the USIC locate technician will contact the City for assistance.

The original 2017 agreement was for a one-year trial period to assess the cost savings and efficiency of the service. In that contract period, the City received only one minor complaint,

therefore staff is suggesting a three (3) year renewal period as specified in the renewal contract. The only other changes are a small fee increase and a minor change to the termination clause.

The following item is included under **TAB 7:**

- Professional Services Agreement and Attachments
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with USIC Locating Services, LLC for underground facilities locating and marking services for the City of Leavenworth water, sewer and storm water.*

## **8. Approval of Chelan County Mid-level Hazardous Waste Contract**

The City Council is being asked to review and consider for approval an addendum to the Interlocal Agreement between Chelan County and the cities located within Chelan County regarding the County-Wide Solid and Hazardous Waste Program. The addendum of this agreement calls for a one-time fee from the cities to be used for the construction of the Moderate Risk Waste Facility. Previously, the City Council had discussed the need for additional funding needed for the facility and committed to future funding if needed. Additional funding is needed because of the high bid amounts received for the construction of this facility. The additional funding for the project is calculated based on a per capita basis. The addendum does include the amounts to be paid by each jurisdiction. The dollar amount for the City of Leavenworth is \$8,250. Councilmember Margaret Neighbors is the City Representative on the Chelan County Solid Waste Council that oversees the Chelan County Solid Waste Plan.

The following item is included under **TAB 8:**

- Addendum to Interlocal Agreement for the County-Wide Solid and Hazardous Waste Program
  - **MOTION:** *The Leavenworth City Council moves to authorize the expenditure of \$8,250 for the construction of the Moderate Risk Waste Facility and authorizes the Mayor to sign the Addendum to the Interlocal Agreement with Chelan County for the County -Wide Solid Waste and Hazardous Waste Program.*

## **9. Approval of Prothman Contract – City Administrator Search**

The City Council is being asked to review and consider the approval of a contract with Prothman to assist the City of Leavenworth with the recruitment of its next City Administrator. The fee for conducting a City Administrator recruitment with a one-year guarantee is \$17,500, with a contract not to exceed amount of \$24,800. The professional fee covers all Prothman staff time required to conduct the recruitment. A Scope of Services is provided in the packet material that details the recruitment process, candidate screening, candidate presentation, and interview process. The contract also includes a warranty, a one-year guarantee, and the ability to cancel at any time.

The following item is included under **TAB 9:**

- Prothman Contract
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Prothman Contract for recruitment services at a not to exceed cost of \$24,800.*

## **10. 2019 Emergency Management Services Contract**

The City Council is being asked to review and approve the annual contract with the Chelan County Department of Emergency Management for compliance with the Superfund Amendment and Reauthorization Act. The contract covers several items that are financially important to the City of Leavenworth:

- The Emergency Management Department is charged with developing a comprehensive emergency management plan for the City. This plan is critical in securing future FEMA funding by the City, should the City of Leavenworth face a declared emergency incident or disaster.
- The Emergency Management Department would provide emergency and disaster control and coordination, either on site or through the Emergency Operations Center (EOC). The added personnel, professional assistance, and access to equipment would help contain ongoing emergency operation planning costs and costs to the City during an incident. The cost of the contract amount is based on a “per resident” number. The per resident amount is the Emergency Management annual operating budget divided by the number of residents within Chelan County; population numbers on each individual city are derived by the estimates provided on the Office of Financial Management website ([www.ofm.wa.gov](http://www.ofm.wa.gov)).

The amount of the 2019 contract is \$5,562.20, which is slightly higher than the 2018 contract cost of \$5,319.60. The table below reflects contract costs in previous years as a comparison:

2018	\$5,319.60
2017	\$5,254.00
2016	\$5,227.20
2015	\$5,358.40
2014	\$4,432.50
2013	\$4,432.50
2012	\$5,320.00
2011	\$5,270.00
2010	\$5,225.00
2009	\$5,006.00

The Sheriff’s Department based the change in costs in 2015 on a new calculation methodology. The contract amounts are now based on a standard cost per resident throughout small cities in Chelan County. The increase of \$252.60 for the 2019 contract is due to a population increase in the City of Leavenworth, as well as an increase in the per capita rate from \$2.72 to \$2.74. Economic nodes located in Chelan County, such as Peshastin, Monitor, and Manson do not pay an added fee for Emergency Services or Public Safety Services as the small cities do. The

Emergency Management Service contract is of benefit to the City; a recent example of the services provided by Emergency Management Services in 2016 was the incident management training exercise focused on “Shelter in Place”, traffic management, and emergency response and communication.

The following items are included under **TAB 10**:

- Cover Letter
- 2019 Emergency Management Contract
  - **MOTION:** *The Leavenworth City Council moves to approve the 2019 Emergency Management Contract with Chelan County in the amount of \$5,562.20 and authorizes the Mayor to sign.*