

LEAVENWORTH CITY COUNCIL
Study Session Agenda
City Hall - Council Chambers
November 14, 2017 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 – 9:45 Review of Lodging Tax Budget and Leavenworth Area Promotion (LAP) 2018 Budget Request

The City Council will review the current status of the Lodging Tax Budget including the 2017 actuals through October 31 and amendments to the 2018 Budget. Due to increases in the lodging tax revenues from 2016, 2017 and anticipated for 2018, additional dollars are available to consider new and/or additional requests from discussions with various City Committees, the Chamber and LAP. The first spreadsheet includes the current status of the Lodging Tax Budget and the 2018 anticipated amendments; these changes identify an increase of \$386,474.91 since the budget predictions made in late 2016. The second spreadsheet includes new requests and capital projects that have been discussed over the past two years for use of funds. These requests are broken into two sections with the top section identifying the new requests from the LAP Committee identifying their individual line items for use of Lodging Tax dollars. The lower section identifies capital projects and service demands discussed by City Committees, the Chamber of Commerce and City staff. The Council does not need to make a decision at this meeting on how best to allocate any or all of the additional funding; however, the LAP Committee would like to have a confirmation of the final budget allocated for their requests by early 2018 as advertising opportunities begin early in the year.

Also included in the packet information is a spreadsheet on the Recommendations for the 2017-2018 Budget that was reviewed and approved by the City Council for the development for the 2017-2018 budget and Approved Goal Development Worksheet the Council used in identifying and setting priorities for the 2017-2018 Budget. These items are provided as reference material work completed and approved by the City Council in the development of the 2017 – 2018 Budget.

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

- Letter From Ms. Jessica Stoller Leavenworth Area Promotions (LAP), October 23, 2017
- LAP Budget Request 2018
- Spreadsheet – Lodging Tax Budget Update
- Spreadsheet - Lodging Tax 2018 Funding and Capital Requests
- Council Approved Goal Development Worksheet
- Recommendations for the 2017-2018 Budget

9:45 – 10:00 Review of Rate & Fees for 2018

The City Council is being provided redline changes to the current rate and fee schedule for minor amendments to the schedule that are not utility related. Staff will review these individual changes. Utility changes will be discussed at the November Study Session and a decision on rate increases will need to be finalized for approval by the December 12, 2017 Council meeting.

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

- Redline changes only to the Rate & Fee Schedule

10:00 – 11:00 Utility Rate Study Update by HDR, Inc.

This time is provided for the representatives from HDR, Inc to provide information on the Utility Rate Study they are completing for the City of Leavenworth.

At the October Study Session, Mr. Kevin Lorentzen, from HDR provided a broad overview of how they conduct a Utility Rate Study. The basic concept of all rate studies is to ensure a rate design that adequately budgets enough revenue to offset all maintenance, operations, debt service and capital improvement costs for the utility. The process involves comparing utility revenues to expenses, using prudent financial planning criteria, reviewing a specific time period (typically five to ten-year period), ensuring a “stand-alone” basis (not borrowing or transferring revenue from other funds for support), and utilizing a cash basis methodology (pay as you go). Mr. Lorentz discussed the key assumptions that are used in developing the costs for the utility included in the study to define the necessary rate adjustments which balance each fund while maintaining a sufficient reserve for cash flow purposes. He also reviewed individual revenue requirement charts for each utility showing current revenues in comparison to the increasing expenditures between 2018 and 2024.

Tuesday’s discussion will focus on the recommended rates for each utility based on the data and financial information collected and developed in the Utility Rate Study. In addition to the review and discussion on the rates, the discussion will also include a recommendation on clarifying the rate structure for multifamily. Another is a discussion on the Local Facility Charge that is being recommended for four parcels of property in conjunction with the LID #24. One area that the Council requested more information on is the on/off fees and charges for seasonal “snowbirds” that shut off utilities for several months. This is actually two separate issues, the one is the turn off fee. The City currently charges \$27.30, other communities charge \$50.00 or \$75.00 for this service. The second is the monthly fee that is charged for suspended service. Staff will have information for Council review and discussion on these items.

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

- Vacation Rate and Senior/Hardship Utility Rate Savings Handout

11:00 – 11:30 Initial Review of 2018 Planning Commission Docket

This time is provided to review the draft 2018 Planning Commission Docket with the City Council.

At the beginning of each new year, the Council may conduct a "Special and Joint" Planning Commission Meeting (typically in January, 2018), whereby the proposed "Planning Commission

Docket" for the "2018 Cycle of Amendments" can be further refined with the Planning Commission. The Council and Commission have this opportunity to review, comment, and deliberate on the Docket.

Every year, the Planning Commission works on the City's "Docket." This list of amendments (the Docket) is developed throughout the year from citizen, Council, Planning Commission, and staff comments or requests. The compiled list identifies potential Municipal Code (zoning and development) and map revisions and/or amendments. The primary focus within the docket is the many and varied components from the recommendation of the Housing Affordability Committee and follow-up of the 2016 Stormwater / Wetlands Master Plan. Although the Council is in the process of completing the 2017 Comprehensive Plan, annually the City of Leavenworth enters a cycle to receive requests for community proposals to amend the City's Comprehensive Plan, including the Land Use Zoning Map.

The Development Services Department has prepared an annotated version of the draft Docket (Many comments are included after the listed topic). The annotations / comments are provided for discussion, to help clarify the topic / amendment, and are an effort to explain the need, history or what may become an amendment. These are not (but may be) recommended solutions for consideration or text for an amendment. The amendments require the Planning Commission deliberation and public vetting process. The amendment may change through the public study and discovery process.

The "Docket" is formatted in separate levels of proposed amendments: The first section is considered a high priority – the intent is to complete within the year of the amendment cycle; the second section is considered a medium priority – if the items within the "high priority" list is going extremely well, as time allows, these may be completed in the amendment cycle year; and this year includes an attachment of topics that may be considered low priorities. These are kept on the list for consideration (not forgotten), but may not be completed. The progression of an amendment depends upon complexity. Some topics may have many aspects and / components, and are anticipated to take considerable time (several months), and may remain on the "Docket" until completion.

The Council may notice that many of the amendments are from the previous cycles. As time goes on, the number of amendments "rolling over" should diminish.

The Council may also notice that not all amendments need to be a part of this annual amendment cycle (Docket). Amendments that are a part of the Comprehensive Plan, development regulations, and any other GMA linked / related changes are processed within this amendment cycle. Other amendments may be processed separately, and not included in this list.

All requests for city-initiated amendment proposals from the public must be received by December 31st to be considered for the upcoming year's amendment process. By January 31st of each year, all required application materials for proposed map amendments (excluding the unincorporated portions of the urban growth area) which are not city-initiated (i.e., those which are requested by private persons, organizations, agencies, etc.) must be submitted to the City. Map amendments within the unincorporated portions of the urban growth area that are not required to be initiated by the City shall be submitted to Chelan County per the requirements outlined in the Chelan County Code. The Docket includes a "place holder" for such applications.

In summary, the Docket is being provided to introduce the potential list of amendments for 2018.

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

- Draft Planning Commission Docket for the 2018 Cycle of Code Amendments

11:30-11:45 Council Open Discussion

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