



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
Sharon Waters
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers
December 13, 2016 - 6:30 p.m.

Call to Order
Flag Salute
Roll Call

Consent Agenda

1. Approval of Agenda
2. Approval of November 22, 2016 Regular Meeting Minutes
3. 2016 Claims \$220,497.84
4. November 2016 Payroll \$205,383.34
5. PRSA Voucher Request \$28,000.00
6. Motion to set Public Hearings on 6 of 9 LMC Amendments at 6:45 PM on January 10, 2017
– See Council Binder Public Hearing Tab for Hearing Items
7. Motion to set Public Hearings on 3 of 9 LMC Amendments at 6:45 PM on January 24, 2017
– See Council Binder Public Hearing Tab for Hearing Items

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

Plaque Presentation to Erin Mullins – Councilmember Carolyn Wilson

Resolutions, Ordinances, Orders and Other Business

1. Action: Resolution 17-2016 Surplus Property
2. Action: Chelan County Sheriff Contract Amendment
3. Action: Resolution 16-2016: 2017 Rate & Fee Schedule
4. Action: Ordinance 1535: Final 2016 Budget Amendment
5. Action: Ordinance 1536: Budget Adoption 2017/2018 Budget
6. Action: Affordable Housing Contract – Berke Consulting
7. Action: City Attorney Contract Amendment
8. Action: Resolution 18-2016 Authorized Official Delegation for WSDOT Reimbursements

Information Items for Future Consideration

Adjournment

(Next Ordinance is 1537 - Next Resolution is 19-2016)

SUPPLEMENTAL COUNCIL AGENDA

1. Resolution 17-2016 Surplus Property

The City Council is being asked to consider approval of Resolution 17 – 2016 declaring existing piece of City property located at 1000 Highway 2 as surplus property. The property is currently part of the Warehouse Property that the City purchased in 2012. The property identified is commonly referred to as the “triangle” and is located on the east end of the Warehouse Property. The surplus property is identified as approximately 7,250 SF. The new property boundary line will maintain a 40 foot buffer area between the eastern edge of the P2 Parking Lot owned by the City and the newly created lot line. Once, and if adopted, the exact configuration and size of the surplus property will be based on an updated survey and assure the City that there is a useable buffer of 40 feet remaining for future planning. The property will be sold through a negotiated sale with the abutting property owners at the fair market price of the surplus property.

Property Identification:

- (a) Property Name: Warehouse Property.
- (b) Street address (if available): 1000 Front Street, Leavenworth WA.
- (c) Assessor’s Office Property Tax Parcel Number: 2417 0167 0523 (Eastern Triangular End).
- (d) Use of property: The City owned property at this time is currently under a monthly lease agreement with Lisa Kozelisky, owner/operator of Leavenworth’s Finest Espresso. The monthly lease amount is \$400.00.
- (e) Listing of restrictions, covenants, or other limiting attributes: The straight line change in grade elevation from Highway 2 to Front Street of the parcel is approximately 11 feet. A water transmission line runs on the eastern border of the City property.
- (f) Status of property (active or inactive): No City use at this time.

History:

The request for consideration for surplusing this property was initiated by Mr. Jeff Soehren, Blue Spirits Distilling, and Mr. Oliver Brulotte, Icicle Brewery, who have recently purchased the property which abuts this property on the eastern border. The new owners are interested in developing their property for commercial use. The owners want to purchase the triangular shaped City property to allow for the two irregularly shaped parcels to be combined and form a rectangular shaped property, which would be beneficial to their development. The property owners first initiated a conversation on the surplusing of the property with the City’s Economic Development Committee. That Committee recommended bringing forth the request to the full Council. At the October 25, 2016 City Council Meeting, the Council considered the merits of the request and approved setting a Public Hearing for November 22, 2016 to gather more information from the public regarding surplusing this property. On November 22, 2016, the Council held the Public Hearing. In the presentation given by Mr. Soehren at the Public Hearing, the square footage of the requested property for consideration of surplus was reduced to the current configuration of 7,250 SF and the 40 foot buffer was identified for future City use. While the City does not have specific plans for the future use of the “triangle” property, the discussion on using this parcel for access to a future parking garage, a roadway to Front Street, or a storage area for a future use of parking lot P2 was a concern for the Council. The reduction of the size of the surplus property and identification of the 40 foot buffer addresses this concern. As a result of the Public Hearing and discussion, the Council directed Staff to develop a resolution declaring the property as surplus.

Under Resolution No. 23-2012 the City Council established a procedure for the surplus and sale of real property owned by the City of Leavenworth. The purpose for surplus any City owned property is if the City Council finds it is in the public interest to return the property to the tax rolls, if it is not needed for some present or future municipal use, and it can be sold for a reasonable return. The question being, is the property necessary for a current or future need of the City or would disposing of the property be a higher or better use for the Community at large.

The City Staff at this time recommends the use of a negotiated sale of the property to the abutting property owners. The sale price would be at fair market value based on an appraisal or other comparable means of setting the minimum acceptable price. A licensed real estate professional would not be used for this sale. The City Attorney would assist with the review of the final agreement and closing documents.

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

- A-1: Map Showing Location of City Property and Adjacent Property
- Resolution No 17 – 2016: A Resolution Declaring Property Surplus
- Resolution No. 23-2012: Procedure Regarding the Surplus and Sale Process for Real Property
- **MOTION:** *The Leavenworth City Council moves to approve Resolution No. 17 – 2016 declaring approximately 7,250 SF of City Property on the eastern edge of the City owned warehouse property as surplus and directs the City Administrator to dispose of the property through a negotiated sale.*

2. Chelan County Sheriff Contract Amendment

The City Council is being asked to consider an amendment to the Interlocal Agreement between Chelan County and the City of Leavenworth for Law Enforcement Services that would establish a fulltime School Resource Officer for the Cascade School District and will require the City to pay an additional Twenty Thousand (\$20,000) annually to the Chelan County Sheriff's Office. The School Resource Officer's primary duty during the school year will be coordinated with the Cascade School District; however, the officer will be available to the City for emergent situations. During non-school periods, the officer's primary duty will be standard law enforcement duties within the Leavenworth City limits. The officers schedule is determined by the Sheriff's Office with consideration of the School District and City. The length of this contact amendment will run in conjunction with the parent agreement for Law Enforcement Services, which is through the end of 2017.

The full cost of a School Resource Officer is approximately One Hundred Thousand, Eight Hundred and Seventy Four (\$100,874) dollars. The cost is split between the Cascade School District and the City of Leavenworth. The full charge to the City is Forty Two Thousand and Ninety One (\$42,091) dollars. Twenty Two Thousand and Ninety One (\$22,091) dollars is offset with the Public Safety Tax revenue that is provided to Chelan County from the voter approved Public Safety Tax implemented in Leavenworth. This was a .01 increase in the sales tax rate implemented in 2014; 85% of the tax collected goes directly to the City and 15% goes to Chelan County. The additional Twenty Thousand (\$20,000) dollars to be paid by the City is included in the City's Property Tax collection for 2017. The City Council approved taking \$20,000 of the

banked capacity of the property tax to specifically offset the additional costs of the School Resource Officer.

The City's Interlocal Agreement with Chelan County for Law Enforcement expires on December 31, 2017. Additionally, in 2015 the Council approved a contract amendment expanding the number of pre-reserved overtime officer overtime hours to 200. These hours are used to provide additional security to festivals being held in the City. Both contract amendments would also expire at that time.

The following items are included under **TAB 2**:

- Addendum to Law Enforcement Agreement 2014 – 2017: School Resource Officer
- Interlocal Agreement for Law Enforcement Services 2014 – 2017
- Amendment to Law Enforcement Agreement 2014 – 2017: Overtime Hours
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the amendment to the Interlocal Agreement with Chelan County for Law Enforcement Services for the services of a School Resource Officer and the additional costs of \$20,000 annually.*

3. Resolution 16-2016: 2017 Rate & Fee Schedule

The City Council is being provided Resolution 16-2016 for the 2017 Rate & Fee Schedule for final approval. The Rate and Fee Schedule does not include changes to pool fees, Cemetery Fees, or the proposed Stormwater In – Lieu of fee. The pool fees will be discussed with the Upper Valley Park and Recreation Service Area Board in February with a recommendation back to Council. The Cemetery Fees will be reviewed as the final software updates are completed and financial planning of the endowment fund is completed. The Stormwater In – Lieu of fees will be reviewed as part of the Stormwater Master Plan approval process. The Rate and Fee schedule for 2017 does include the following:

Utility Fees: The fees for residential utility rates remain unchanged for 2017. This will mark the second consecutive year that rates for garbage, sewer, and stormwater have remained unchanged. Residents saw a 2% increase in the water fees in 2016, or a \$1.16 per month increase. The current base rate bill for a residential home with a ¾ inch water meter, sewer, stormwater and garbage inside the city limits is \$142.88.

Garbage Fees: Commercial customers using the 300 gallon containers will see a \$15.00 per month increase effective January 1, 2017. This funding will go toward offsetting the cost of street can garbage removal in the commercial areas. In addition, those commercial accounts requesting garbage service on a national holiday will pay a \$50.00 charge effective December 20, 2016. Those fees will go toward offsetting the cost of overtime for employees on those days. The City will need to review the cost of garbage operations in the near future as Chelan County provided notice to the City that they will be implementing rate increases for tipping fees for the disposal of residential and commercial garbage early in 2017.

Firework Fees: In 2016, Council placed a permanent ban on the use and sale of personal fireworks; the fees temporary sales areas have been removed; the fees for commercial public displays remain.

Utility Extension permit (Water/Sewer/Stormwater) outside City Right-of-way: The extension of City utilities often times may require the plans to be reviewed by a licensed civil engineer. The City may outsource work to agencies, firms, and individuals at its discretion for any type of the Utility Extension permit related activities i.e. engineers, inspectors. The applicant shall be responsible for all consultant costs.

Front Street Gazebo Special Use Permit: A Fifty (\$50) dollar fee has been added to reservations for the Front Street Gazebo for private uses. Typically these are weddings, pictures, etc. The reservation time is limited to two hours.

Two Hour City Hall Parking: In conjunction with the changes approved by the City Council regarding the parking in the City Hall lot; the violation of the Two Hour Parking restriction at City Hall was identified as a Parking Infraction with a \$25.00 fine.

The only other changes within the Rate & Fee Schedule have to do with adding clarifying language to assist the public in understanding or staff in the application of rates and fees.

The following item is included under **TAB 3:**

- Resolution No. 16-2016: 2017 Rate & Fee Schedule
- **MOTION:** *The Leavenworth City Council moves to approve Resolution No. 16-2016: City of Leavenworth 2017 Rate & Fee Schedule.*

4. Ordinance 1535: Final 2016 Budget Amendment

The City Council is being asked to approve the final budget amendment for the 2015-2016 Biennial Budget. Incorporated are adjustments to the Leavenworth Civic Center (Festhalle), Capital Project (Warehouse), Pine Street Capital, Water, Sewer, Parking, Equipment Rental (ER&R) and Central Service Funds to ensure no violation of exceeding authorized expenditures by State law. A spreadsheet is included that details each of the adjustments by line item and specifies the purpose/reason for each of the commitments. In total, the increases amount to \$152,013 across the various funds with the Pine Street Capital and Sewer Funds having a net \$0 increase. In most cases each of the funds are being offset by reducing the estimated ending fund balances.

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

- Ordinance 1535
- Spreadsheet of detailed changes
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1535 Final Amendment to the 2015-2016 Biennial Budget.*

5. Ordinance 1536: Budget Adoption 2017/2018 Budget

The City Council is being asked to approve Ordinance 1536 Adopting the 2017 - 2018 Biennial Budget; both years are combined for audit purposes. Also included as prepared in the 2017 budget, with the recommendation by the City Administrator, are the proposed wages for non-union employees at varying rates that have been included within the budget; union employees

includes the negotiated increase of 1.5%. Prior budget meetings provided Council and Staff with the budget priorities for inclusion in the 2017 - 2018 Budget. City Staff presented the Preliminary Budget at the November 8th City Council meeting and a final public hearing on the Budget was held at the November 22nd City Council meeting.

The following item is included under **TAB 5:**

- Ordinance 1536
 - **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1536 Adopting the 2017-2018 Biennial Budget.*

6. Affordable Housing Contract – BERK Consulting

The City Council is being asked to review and consider approval of a Professional Services Agreement (PSA) with BERK Consulting for a Leavenworth Area Housing Needs Assessment. The cost for the completion of the contract is Fifteen Thousand Dollars (\$15,000). The study was requested from the Mayor's Taskforce on Housing Affordability as a tool that would assist the Committee in identifying or confirming, what are the housing needs within the community and which populations within the community are the most affected with the current housing market.

The BERK Consulting team will be lead by Kevin Ramsey, PhD, and Dawn Couch; both Mr. Ramsey and Ms. Couch worked on the recently completed Housing Study for the City of Wenatchee. The team met with the Housing Taskforce on November 17th, 2016 to develop the scope of work that would address the key questions of the Taskforce and remain within the allocated funding. The BERK Team will develop information on the household characteristics of the local population and develop information on the current housing inventory. The information will be divided to identify the City information and then the larger School District information.

The funds for the completion of the study are available through the Affordable Housing Fund, commonly referred to as the 2060 funds. These are funds provided via Chelan County annually for the City to use toward addressing or assisting housing affordability issues. In the past, these funds have been used to assist in the construction of low-income housing, the Cornerstone Housing Project, and the last several years they have been provided to Upper Valley MEND to assist with the Meadowlark Housing Project.

The PSA is the standard City template for consultant agreements developed by the City Attorney.

The following item is included under **TAB 6:**

- Professional Services Agreement BERK Consulting
 - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign a Professional Service Agreement with BERK Consulting for the completion of a Leavenworth Area Housing Needs Assessment Study.*

7. City Attorney Contract Amendment

The City Council is being asked to review and consider for approval an amendment to the City Attorney Retainer Agreement. The amendment addresses a change in the rate structure from the Law Offices of Weed, Graafstra, and Benson, Inc., P.S. which is currently under contract with the City of Leavenworth to provide legal representation as the City Attorney for the City. The initial retainer agreement and rate structure began in May of 2011. At that time, Mr. Thomas Graafstra assumed the role of City Attorney after the City had been served admirably by Mr. Terry McCauley for thirty plus years. In 2013, the Council approved an amendment to the initial agreement with a limited increase in fees. At this time, the firm has requested an increase in fees for both the monthly retainer and hourly charges for items not covered within the scope of the retainer.

The Administration’s goal, under the guidance of the City Council the past several years, has been to resolve and limit the involvement in litigations, yet at the same time, improve the City’s compliance with City codes and ordinances, contract review and development, and code development. Mr. Graafstra’s support and assistance in achieving this goal is respected and valued. In addition, by providing alternatives to a strictly litigious solutions, the City has worked toward accomplishing the goal of stabilizing the annual legal costs of the City. The following table gives a breakdown of annual fees incurred by the City for legal services:

Year	Fees
2013	\$46,019
2014	\$45,070
2015	\$47,324
2016	\$58,819

In 2016 additional work was requested concerning the legal status of overnight rentals, the ramifications of potential code changes, and development document review, which is reflected in the increase in legal fees.

The following items are included under **TAB 7**:

- Rate Adjustment Notice, November 18, 2016, Grant K. Weed, President
- 2nd Amendment to City Attorney Retainer Agreement
- City Attorney Retainer Agreement
- **MOTION:** *The Leavenworth City Council moves to approve the amendment to the City Attorney Retainer Agreement and authorizes the Mayor to sign the agreement.*

8. Resolution 18-2016: Authorized Official Delegation for WSDOT Reimbursements

The City Council is being asked to approve Resolution 18-2016 to authorize official delegation for the Washington State Department of Transportation (WSDOT) federal grant reimbursement requests. The City was notified on November 21, 2016 of this new regulation that will require proof of the authorization for all future reimbursement requests that occur on or after December 1, 2016. Provided with the resolution is a copy of the email from the WSDOT billing department and 2 CFR 200.415 Required Certifications federal language. The City currently has three open federal grants with the WSDOT that includes the Chumstick Trail, the SR2 Crosswalks at Gustav’s and the Park-n-Ride, and the Pine Street project.

The following items are included under **TAB 8**:

- Resolution 18-2016
- Email from WSDOT
- 2 CFR 200.415 Required Certifications federal language

- **MOTION:** *The Leavenworth City Council moves to approve Resolution 18-2016 delegating signature authority for certification requirements for federal funding reimbursement requests.*