

LEAVENWORTH CITY COUNCIL MINUTES
April 28, 2020

Mayor Carl J. Florea called the April 28, 2020 Leavenworth City Council meeting to order at 6:30 PM. This meeting was conducted via Zoom teleconference.

ROLL CALL

Council Present: Mayor Carl J. Florea, Carolyn Wilson, Mia Bretz, Sharon Waters, Clint Strand, Jason Lundgren, Anne Hessburg, and Zeke Reister.

Staff Present: City Attorney Tom Graafstra, Chantell Steiner, Lilith Vespier, Herb Amick, and Sue Cragun.

APPROVAL OF THE CONSENT AGENDA

Consent Agenda

1. Approval of Agenda
2. Approval of April 14, 2020 Regular Meeting Minutes
3. 2020 Claims \$353,756.65
4. PRSA Voucher Request \$60,000.00

Councilmember Strand motioned to amend the consent agenda to add item number 5, motion to set a Public Hearing on Rural Development application for funding the Wastewater Facility Upgrades on May 12, 2020 at 6:45 PM. The motion was seconded by Councilmember Reister and passed unanimously.

Councilmember Lundgren motioned to approve the consent agenda as amended. The motion was seconded by Councilmember Hessburg and passed unanimously.

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Wilson reported that she has been receiving updates from Chelan Douglas Board of Health Officer Barry Kling.

Councilmember Lundgren reported on the Upper Valley Park & Recreation Service Area (PRSA) Subcommittee meeting and stated that the group discussed the PRSA Recreation Needs Assessment proposal. He said that the group has made some revisions and that they are also seeking additional funding so that they may hire a consultant to help with the work. He noted that the PRSA will have their regular meeting in May.

Councilmember Hessburg reported that she participated in the second interview process with the City Administrator candidates.

Councilmember Reister reported on the Leavenworth Area Promotions (LAP) Committee meeting. He said that the Committee is pulling back on advertising for the time being. He briefly updated the Council on a presentation by Mr. Jamie Howell regarding advertising slogans that may be used when Leavenworth reopens to visitors.

MAYOR/ADMINISTRATION REPORTS

Mayor Florea reported that he has set up a Focus Group, which is made up of a diverse small group of residents and business people from lodging, food services, and retail, and representatives from the Chamber of Commerce, Cascade School District, Cascade Medical Center, and the Chelan Douglas Health District;

the first meeting will take place on Thursday, April 30, 2020. They will work on the reopening process, focusing on responsibility and safety, as the City has unique challenges, due to the tourist community. He noted that this will be a very public process, which will keep the community engaged and informed. He addressed previous Public Safety Committee discussions regarding overuse of the river that began prior to cancelling City Council Committee meetings. He said that Chelan County has compiled a Subcommittee, which has been working on a river study; the County has requested a contribution of 50% from the City to fund the study; the City's share would be \$4,000, which would be funded by the Lodging Tax Fund, as this is a tourism driven concern. He noted that Councilmember Lundgren has agreed to participate on the Subcommittee. He said that this topic will also be addressed in an upcoming Public Safety Committee meeting.

City Attorney Tom Graafstra reported that the Wastewater Treatment Plant Upgrade and South Interceptor projects are moving forward, subject to the USDA Rural Development amendment.

Development Services Manager Lilith Vespier reported that the City received 16 responses to the Website Design & Development Request for Proposal (RFP); she requested three volunteers from the Council to participate in the review process. Councilmembers Hessburg, Waters, Reister, and Strand volunteered to participate. She said that the RFP for the Housing Action Plan will be reviewed by the Housing Committee and the contract approval will come before the Council at the May 12, 2020 City Council meeting. There was a brief discussion of including a local housing survey at this time, which was determined to be unnecessary, due to the current COVID-19 situation. Councilmembers noted that the 2020 Census results would provide accurate information on the City's housing needs. She stated that the RFP for the Transportation Element Update may need to wait, due to the lack of budget at this time; the cost is approximately \$70,000. There was discussion of completing the update by December 2020 or rolling it into early 2021, as this is not a State mandated update. There was concern of pushing the update out further, as there are review topics requested by the Friends of Leavenworth. On a final note, she confirmed that the Permit Trax portal is up and running on the City's website.

Public Works Director Herb Amick reported that the bid opening for the Water Meter Replacement project took place on April 27, 2020. He stated that the bids received range from \$614,698 - \$907,656; the bids are in the process of being reviewed by staff.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

Mayor Florea asked for comments from the public.

Mr. Joe Cannata addressed communication between the City and the Chamber of Commerce. He said that business owners are having a difficult time during the COVID-19 crisis, and that the decisions made by the City Council are more important than ever; business decisions should be communicated with the Chamber of Commerce. He addressed the recent use of Lodging Tax funds that were used to purchase a City garbage truck and noted his disfavor in the City's use of those funds for that purpose. He said that Lodging Tax funds are generated from local business and should be used to support local business. He asked that the Council consult with the Chamber prior to making those types of decisions in the future. He would like to see thoughtful conversations about the recovery process, the thoroughness of the recovery, and to plan ahead. There was a brief discussion regarding the use of Lodging Tax funds to provide partial funding, for one year, toward the payment of the garbage truck, rather than raising the garbage utility rates in the commercial district.

RESOLUTIONS, ORDINANCES, ORDERS, AND OTHER BUSINESS

1. Mayor Reappointment of Lisa Romine to the Housing Authority of Chelan County Board of Commissioners

Mayor Florea stated that the City Council is being asked to confirm the Mayoral re-appointment of Ms. Lisa Romine to the Housing Authority of Chelan County Board of Commissioners. He noted that Ms. Romine has been representing the City of Leavenworth since 2011.

Councilmember Wilson motioned to approve the Mayors re-appointment confirmation of Lisa Romine for the Housing Authority Board of Commissioners. The motion was seconded by Councilmember Strand and passed unanimously.

2. Wastewater Plant/Collection System – Rural Development Funding Update

Finance Director Chantell Steiner provided an update regarding the amendment to the USDA Rural Development loan and grant funding associated with the Wastewater Treatment Plant Upgrade and South Interceptor projects. She noted the \$5.5M estimated increase to the project and stated that she has submitted the necessary paperwork to Rick Rose with Rural Development; Mr. Rose is recommending an additional \$4M in grant funding and an additional \$1.4M in a low interest loan, which will be an almost zero impact to the utility rate payers. She said that there will be a public hearing on May 12, 2020, which may be necessary, in order to approve resolutions associated with the additional funding. She added that the contractual documents will come at a later date and that the City will only use the funds that are necessary to complete the projects; the City is not required to accept all of the funding that is provided.

3. Financial Status and Opportunities

Finance Director Chantell Steiner addressed a recent news release from the Governor's office regarding \$300M in State funding to support cities that were unable to receive funding from the CARES Act; the City could receive up to a minimum of \$25,000 in state funding. She addressed a recent FEMA Public Assistance Program, where the City may qualify for funding related to disinfection of public facilities, purchase of cleaning products, masks, and gloves for the business community.

Director Steiner provided a detailed aging report for the City's utility accounts, comparing March of 2020 to the same period last year; aged accounts for 2020 is \$39,218.73 and 2019 was \$32,000.43. She stated the dollars collected for the individual utilities as of April 28, 2020; Garbage - \$27,676.75 (56%), Water - \$118,309.78 (100%), Sewer - \$126,899.75 (101%), and Stormwater - \$9,419.24 (98%). On a final note, she detailed the various trainings that she has recently attended and addressed future financial considerations based on western area training regarding estimates for Property, Retail Sales, B&O, and Lodging Taxes, and General Fund reserves.

Director Steiner addressed various funding opportunities that are being provided by other city's to help their communities for emergency assistance, how some funding is provided to nonprofit groups, and document templates that can be used by the City. There was discussion regarding the City's current estimated losses of Lodging Tax and Retail Sales Tax revenues and potential losses going into fall as the community eases back into tourist business. Director Steiner addressed the sales tax that is still being received from grocery store sales, construction projects currently underway, online sales, and restaurant take-out and delivery. There was discussion of how quickly Leavenworth recovered from the 2008 recession, due to local tourism.

Councilmember Lundgren addressed his plan of providing Lodging Tax grants to help local small businesses so that business remains viable throughout the current crisis and recovery phase. He suggested grants up to \$10,000 to be used for rent and lease payments. He is looking for City Council and Chamber of Commerce support in the use of those funds. City Attorney Tom Graafstra addressed

the State constitutional provision regarding the use of Lodging Tax Funds, which prohibits the gifting of public money, other than for the benefit of the poor and infirm; Lodging Tax is to be used for the promotion of tourism and must be fairly allocated. The Mayor and Council further discussed ideas that would benefit the public and/or business community and working with the Chamber of Commerce in order to define what the need actually is. It was stated that the City wants to put its best foot forward, use funding for financial assistance, set up the business community for success, and use the funds for purchases related to social distancing and ensuring that employees and visitors are safe. It was suggested that the City may be able to provide money through Upper Valley MEND to help the residents and business community.

Mayor Florea addressed his recently formed Focus Group, which is comprised of City Council members, Chamber of Commerce representatives, and members of the residential and business community. He addressed the potential need for rigorous COVID-19 testing, contact tracing, and investing in testing and testing supplies for all employees. He said that it would be dangerous to open Leavenworth until we have a handle on the current situation. He added that the funding for those purchases will have to come from somewhere, perhaps FEMA funding will come through.

Mayor Florea asked for comments from the business community who were present at the meeting.

Chamber of Commerce Board President Jesse Boyd stated that he is in full support of having these conversations, although we don't know exactly what we are working with at this point. He noted that the Chamber is gathering facts regarding the climate of the business community. He said that the Chamber has received feedback from 220 businesses at this time, and the goal is to continue the conversation and reach out to more businesses.

Ms. Pam Brulotte stated that she owns an essential business with limited operations and she wants to ensure that the City Council realizes that established businesses are struggling, and currently in survival mode. She is being positive throughout the crisis, although she has made significant cuts to her workforce. She added that Leavenworth struggles with infrastructure related to tourism and is concerned with employee and guest safety when the City reopens.

Mr. Joe Cannata stated that he is participating on the "Opening Up Focus Group", which will put together a well thought out plan. He said that the the group will have a better idea of how each individual business is faring, following the Thursday meeting. He spoke to a new way of conducting business with regard to social distancing and sidewalk use. He said that halfway open is better than not being open at all; they would rather be treading water than gasping for air. He will survey the business community and communicate their needs to the City.

Mr. Kevin Rieke stated that he will walk away from tonight's meeting with a lot of hope, as he sees that the Council sees the struggle that is taking place in the downtown business core. He said that being out of business for 38 days now is unprecedented; although his business has some flexibility, not all businesses can share in that. He thanked the Council for understanding the struggle within the business community.

Mr. Paul Sharpe stated that businesses are struggling, but most have their community and the health of their friends and neighbors, which needs to be extended when we open back up. He believes that we are taking everything into consideration; testing and being well equipped with masks, sanitizer, and social distancing. He said that will send a message that we care about our visitors and value them as much as we value our own; we need to open correctly and do whatever makes sense or recommended in order to reopen.

The Mayor and Council thanked the business community members for their comments and noted the teamwork that is coming from the COVID-19 crisis. It was stated that Leavenworth tourism was invented to sustain the community, and the businesses are the life blood of the community. Councilmembers requested an update following Thursdays meeting with the Focus Group. Mayor Florea noted that he has contacted Senator Hawkins and Representatives Steele and Goehner and has asked that the Legislature communicate Leavenworth's needs to the Governor.

4. City Council Committee Meetings via Zoom

The Mayor and Council addressed the upcoming Study Session and City Council Committee meetings that have been on hold due to the COVID-19 crisis. The Council agreed to resume those meetings, but with a shorter time frame, due to family obligations related to the Stay Home, Stay Healthy mandate. City Council Committee's will be a single 90-minute Zoom session with 30 minute Committee meetings; Study Session will be limited to a 90-minute meeting, beginning at 8:30 AM. There was a brief update regarding the meeting topics to be discussed. It was also stated that the Residential Advisory, Festhalle Oversight, Parking Advisory, and PRSA Committee meetings will be held via Zoom teleconference beginning in May.

5. Motion to set Public Hearing on Rural Development application for funding the Wastewater Facility Upgrades on May 12, 2020 at 6:45 PM.

Councilmember Bretz motioned to set a public hearing on Rural Development application for funding the Wastewater Facility Upgrades on May 12, 2020 at 6:45 PM. The motion was seconded by Councilmember Waters and passed unanimously.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

None.

EXECUTIVE SESSION: RCW 42.30.110 (1)(I)(II) POTENTIAL LITIGATION

Councilmember Lundgren motioned to recess into executive session at 8:52 PM for 20 minutes under RCW 42.30.110 (1)(i)(ii) to discuss potential litigation with possible action to be taken. The motion was seconded by Councilmember Strand and passed unanimously.

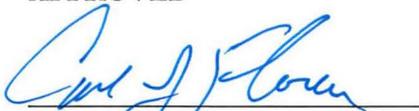
Mayor Florea reconvened the regular City Council meeting at 9:12 PM.

ADJOURNMENT

Seeing no other business, Councilmember Hessburg motioned to adjourn the April 28, 2020 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Lundgren and passed unanimously.

The meeting adjourned at 9:14 PM.

APPROVED



Carl J. Florea
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk