



City of Leavenworth

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City Council
Carl J. Florea - *Mayor*
Carolyn Wilson
Mia Bretz
Sharon Waters
Clint Strand
Jason Lundgren
Anne Hessburg - *Mayor Pro Tem*
Zeke Reister
City Administrator - *Vacant*

MEETINGS VIA ZOOM CONFERENCING May 12, 2020 Pacific Time (US and Canada)

Morning Study Session 8:30 AM to 10:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/86067593590?pwd=aGY1YkIzNk9zeGhIVVBZajFDM0daZz09>

Meeting ID: 860 6759 3590

Password: 107343

Afternoon Committee Meetings 4:30 – 6:00 PM – All 3 Meetings will run for ½ hour each via the same zoom meeting beginning at 4:30 PM; Councilmembers will attend based on their specific assignments.

Join Zoom Meeting

<https://zoom.us/j/92253181276>

Meeting ID: 922 5318 1276

Password: None Required

Regular Evening Meeting Begins at 6:30 PM

Join Zoom Meeting

<https://zoom.us/j/98361629105?pwd=dDliNVJKZxp3MTkzZ1RNNUQ4S3Aydz09>

Meeting ID: 983 6162 9105

Password: 616872

All Meetings allow for the same dial by your location option using the numbers listed below:

+1 253 215 8782 US

+1 301 715 8592 US

Or Find your local number: <https://zoom.us/u/aeGK1g6nYa>

The City requests that all non-essential visits to City Hall for the Council Meetings be observed. The City Hall Council Chambers will be open for the public that wants to attend the meetings in person; however, social distancing will be required for those that choose to attend. Space may be limited. We encourage all Councilmembers and the public to utilize the zoom meeting feature. Staff will ensure hosting of the access approximately 10 minutes prior to each of the scheduled meetings; no meeting business may be discussed prior to the official opening of the meetings. The public is encouraged to submit written comments prior to the meetings by sending to the City Clerk at financedir@cityofleavenworth.com; comments via email will need to be submitted by no later than 5:00 PM on Monday, May 11, 2020 in order for them to be received and prepared for submission into the record; comments received for the evening meeting will be read aloud as part of the Comments From the Public on Items Not on the Agenda or during the discussion of specific items. If you would like to deliver comments you may contact City Hall at 509-548-5275 prior to 1:00 PM on Monday, May 11, 2020 to schedule an appointment for delivery. Comments received through US Mail will be included if they are received prior to the meetings.

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall – Council Chambers

May 12, 2020 – 6:30 PM

Call to Order

Roll Call

Consent Agenda

1. Approval of Agenda
2. Approval of April 28, 2020 Regular Meeting Minutes
3. April 2020 Payroll \$240,006.87
4. 2020 Claims \$508,324.02
5. Proclamation – Chelan-Douglas Community Action Council

Council Committees – 2nd Tuesday

Economic Development 4:30 PM

Parks 5:00 PM

Public Works 5:30 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 on Rural Development Amendment for Funding Wastewater Facility Upgrades at 6:45 PM

Resolutions, Ordinances, Orders, and Other Business

1. Action: Engagement Agreement – Andy Lane
2. Action: Motion to Authorize a Petition for Review to the Growth Management Hearings Board
3. Action: Resolution 09-2020 Review Rate & Fee Changes for Pool and Festhalle
4. Action: Resolution 10-2020 Council Ratification of Mayoral Proclamation for Utility Relief
5. Action: Pacific Engineering – On-Call Engineering Services Contract Amendment #1
6. Action: Professional Services Agreement for Housing Action Plan
7. Action: Icicle Work Group / Chelan County Water Meter Grant Agreement
8. Action: USDA Rural Development Letter of Conditions Amendment
9. Action: City Administrator Contract Approval

Information Items for Future Consideration

1. Joint Mid-Year Meeting with the Planning Commission is currently scheduled for June 3, 2020 at 7:00 PM during a regular Planning Commission Meeting – due to COVID-19 restrictions, should this be postponed or cancelled for this year?

Adjournment

(Next Ordinance is 1612 – Next Resolution is 11-2020)

SUPPLEMENTAL COUNCIL AGENDA

1. Engagement Agreement – Andy Lane

The City Council is being asked to authorize the Mayor to engage the services of Andy Lane, an attorney with Cairncross & Hempelmann, for work associated with the Riverstone Comprehensive Plan Amendment appeal. Mr. Lane will be the primary attorney for the appeal to the Growth Management Board and any settlement discussions.

The Engagement Agreement is a standard contract for services to be billed hourly with costs and expenses to be reimbursed. There is no estimate on the time for this type of action; however, based on other appeals, it is estimated that if the appeal requires a full legal process, concluding with a Hearing, it may cost between \$30,000 - \$50,000. However, there are several potential “off-ramps” where costs may be reduced, such as, settlement or joining with another appellant. It should be noted that settlement, at this time, does not appear likely. In order to begin this work, the contract for services is a necessary first step. The motion below is requesting that the Council identify a not to exceed limit at this time; funds for this will come from the City’s General Fund and will be presented within a budget amendment in July.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	

The following item is included under **TAB 1:**

- Engagement Agreement Contract
 - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to engage the services of Caircross & Hempelmann not to exceed \$_____.*

2. Motion to Authorize a Petition for Review to the Growth Management Hearings Board

In 2019, property owner Riverstone Ranch, LLC represented by Michelle Green, attorney formally with Jeffers, Danielson, Sonn & Aylward, PS, requested Chelan County to change the County Comprehensive Plan, converting approximately 63 acres southeast of the City limits, from agricultural resource land (AC) to residential land (RR2.5). Mayor Cheryl K. Farivar responded by sending a letter to the Planning Commission stating several concerns with the loss of agricultural land, the potential for higher residential density outside of the City, particularly along the river, and the impacts to the City resources. The Planning Commission opted to recommend approval. In February this year, Mayor Carl J. Florea, in support and agreement with Cheryl Farivar’s letter, spoke at the Board of County Commissioner’s Hearing on this matter. Mayor Florea’s testimony

also addressed the need for all jurisdictions to follow the Growth Management Act (GMA) requirements to ensure that regional planning is successful. Despite these efforts, the Board of County Commissioners approved the Comprehensive Plan Amendment, Resolution 2020-31.

On April 15, 2020, the City Council, also in support of these actions, authorized Mayor Florea to send a letter to all parties, with the intent of seeking dispute resolution. As of the today, no meetings have been requested and no communication has been received by the County.

The more recent news is that Riverstone, LLC has submitted their request to change the zoning maps. This is step two of any rezoning, under current County codes, and is required before submitting any potential land use or building permit. The County has noticed the application and is requesting comment before May 20, 2020. Rezoning is a quasi-judicial action, meaning it will be heard by the Hearing Examiner, and any appeal is through the courts as a land use petition act (LUPA) – not the Growth Management Hearings Board. By taking this step, the applicant is moving forward with their vested right to change the zoning, based on the approved Comprehensive Plan amendment. If the zoning is changed and then the Comprehensive Plan Amendment is found out of compliance, the project could continue to move forward unless a second appeal of the zoning change is made. The Mayor will be talking with the applicant about the action and any potential way to settle.

At this time, the Council is being asked to authorize a petition for review (an appeal) to the Growth Management Hearings Board. The initial step in this process will include reviewing the file materials, drafting a petition, and filing. During this time of financial uncertainty, this process and budget will be closely monitored by the Mayor.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	✓
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Mayor Farivar’s letter, dated November 13, 2019
- Resolution 2020-31, dated March 10, 2020
- Mayor Florea’s letter, dated April 15, 2020
- **MOTION:** *The Leavenworth City Council moves to authorize a petition to the Growth Management Hearings Board regarding Chelan County’s Comprehensive Plan Amendment, Resolution 2020-31, approving Riverstone, LLC’s change from Commercial Agricultural (AC) designation to Rural Resource/Residential 2.5 (RR2.5) designation.*

3. Resolution 09-2020 Review Rate & Fee Changes for Pool and Festhalle

The City Council is being asked to approve changes to the Rate & Fee Schedule in regard to the 2020 Pool Rates and clarifying the 2020-2021 Festhalle Rental Rates. The Upper Valley Park & Recreation Service Area (PRSA) Board met on February 13, 2020 and reviewed the current rate structure for the pool that has not been amended for the past three years. The attached recommendations are presented, as reviewed and approved by the PRSA Board. Due to the concern of senior citizen fixed incomes, the Board has recommended no change in those rates. At this time, it is uncertain if the City will be able to operate the Pool for the 2020 year, due to the COVID-19 restrictions; however, the suggested rates would need to be adopted prior to the pool opening in order to meet financial goals for sustaining a healthy fund balance for the pool. The amendment provided for the Festhalle removes the 2019 fee language and amends the 2020 fee language to include 2021 rates with no increases at this time. Due to the Festhalle Fund having financial difficulties, this may be looked at later this year for potential rate increases for 2021 and beyond.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	

The following items are included under **TAB 3**:

- Rate & Fee Schedule – Affected Pages Only – Redline Version
- Rate & Fee Schedule – Affected Pages Only – Clean Version
- Pool Rate History
- **MOTION:** *The Leavenworth City Council moves to approve Resolution 09-2020 amending the Rate & Fee Schedule for the Pool and Festhalle.*

4. Resolution 10-2020 Council Ratification of Mayoral Proclamation for Utility Relief

The City Council is being asked to approve a resolution ratifying the Mayoral Proclamation for utility related relief. The Council was provided an update of the utility relief at the March 24, 2020 Council meeting, which was subsequently formalized by the Mayor on April 7, 2020 and provided to the public. After completing various trainings with local and state officials, it is recommended for procedural reasons, to also have the Council ratify the proclamation due to the effects on utility related revenues.

COUNCIL GOALS-

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	

<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following item is included under **TAB 4:**

- Resolution 10-2020 Ratifying Mayoral Proclamation for Utility Relief
 - **MOTION:** *The Leavenworth City Council moves to approve and adopt Resolution 10-2020.*

5. Pacific Engineering – On-Call Engineering Services Contract Amendment #1

In January, the City Administrator extended the existing On-call Engineering services contract with Pacific Engineering from December 2019 through the end of May 2020. The Council is being asked to amend the contract due to several on-going City projects, which are not a pass-through cost, the Adventure Park Appeal, and the Weidner Apartment Appeal, majority of which all occurred in 2019. The Council was provided the necessary budget amendment requests for these costs in 2019 with the intent to follow-up with this contract amendment in 2020.

At this time, the Council is being asked to amend the contract to further extend it by an additional 60 days to ensure enough staff time to review the recent Request for Proposals received, complete potential interviews, and provide a recommendation to the Council. The cost increase is a total of \$35,000, for a total new contract amount of \$50,000, and is detailed below:

- \$12,620.54 – Adventure Park Appeal
- \$8,173.00 – Weidner Apt Appeal
- \$21,885.43 – Development and Public Works Related Costs to date for City Code Amendments, On-Call City requested Civil Engineering reviews, Amendment 1 & 2, and reviews for Standard Plans & Specifications.
- \$7,321.02 – Balance of \$50,000 remaining to ensure funding for any additional City requested assistance prior to a new engineering contract. Currently there are no services identified as being needed; however, allowing for this will ensure no future need for another amendment.

It should be noted that a normal one-year contract is typically set at \$15,000 and the requested contract will have been in place for a total of 19 months (1 year and 7 months). Had the City not had the appeals in 2019, the total spent to date would be \$21,885.43, which is well within the normal range for these services. As noted above, a majority of these costs occurred in 2019 and the necessary budget amendment occurred in October 2019; at this time no request is needed to amend the 2020 budget; however, an amendment will be considered when Council approves a new on-call engineering contract.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	

<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	

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

- Original 2019 Contract with Administrator Extension
- Amendment #1 Requesting Additional Extension and Cost Increase
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the On-Call Engineering Services Contract – Amendment #1 with Pacific Engineering.*

6. Professional Services Agreement for Housing Action Plan

The City was awarded a Department of Commerce Housing Action Plan grant on November 5, 2019. To complete the Housing Action Plan, the City issued a Request for Proposal (RFP). After a detailed review and discussions with the preferred firm, BERK Consulting, Inc., we have a draft Professional Services Agreement (PSA) and Scope of Work.

The City Council is being asked to authorize the Mayor to sign the PSA, noting that minor changes may occur. By taking this action, the Consultant will start working to establish public engagement, meeting the required social distancing requirements, and start data collection. The grant requires that all work and adoption of the Housing Action Plan be completed by June 30, 2021.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Professional Services Agreement BERK Consulting, Inc.
- Exhibit A Scope of Services
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with BERK Consulting, Inc.*

7. Icicle Work Group / Chelan County Water Meter Grant Agreement

The City Council is being asked to approve the Grant Agreement between Chelan County and the City of Leavenworth for the Water Meter Project totaling \$487,500. Chelan County is the lead

agency that will provide the funding that was negotiated through the Icicle Work Group over the past year. This project also includes a Federal WaterSMART Grant of \$300,000 that the City received for a total of \$787,500 in grant related dollars. At this time, staff is working with the federal agency in setting up the process for acquiring those grant dollars; it is currently unknown if there will be additional agreements necessary for Council approval.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Chelan County / City of Leavenworth Water Meter Grant Agreement
 - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Water Meter Grant Agreement with Chelan County.*

8. USDA Rural Development Letter of Conditions Amendment

The City Council will be asked to approve the amendment to the original USDA Rural Development Loan / Grant Agreement that identifies the Letter of Conditions. As of the development of this packet, the Amendment is not yet available from Rural Development; therefore, final loan/grant figures are not yet finalized. USDA Community Program Specialist Rick Rose is working on finalizing the necessary paperwork and anticipates having the Amendment prior to Tuesday evening’s meeting; however, since the deadline for submission is Friday, May 15, 2020 the City Council will be asked to approve authorizing the Mayor and City Clerk to proceed with acceptance of the Amendment, contingent upon final attorney review if the documents are not yet available.

Provided in the packet for informational purposes is an email string between Chantell Steiner and Rick Rose that clarifies the anticipated estimated figures (please note the subsequent portion figures are slightly different as they may contain typos). The original versus new loan/grant proposal is as follows:

	Original Amount	Estimated Increase	New Total
Loan	\$10,670,000.00	\$1,476,000.00	\$12,146,000.00
Grant	\$3,270,000.00	\$4,090,000.00	\$7,360,000.00
Total	\$13,940,000.00	\$5,566,000.00	\$19,506,000.00

Within the email string, Rick Rose has identified the need to approve the letter of conditions as the first step. He does state that there is not a need to have the additional public hearing; however, the City will continue with this to allow for transparency and discussion from the public prior to any action. Once the letter of conditions is approved and returned to USDA the City will have a

subsequent step to approve a resolution for the new loan amount; no additional resolution is anticipated for the additional grant dollars.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Email Communications between Chantell Steiner and Rick Rose
- Spreadsheet of Revised Cost Estimates from Varela & Associates dated 4/8/2020
- Original USDA Wastewater Application Letter of Conditions dated August 4, 2017
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign an amendment for the USDA Rural Development Loan / Grant Funds contingent upon final attorney review.*

9. City Administrator Contract Approval

After a thorough search for the City’s new City Administrator conducted by Prothman and led by Tony Piasecki in which twenty applications were received, the number interviewed as semifinalists and presented to the City was eight. Of those eight, four were selected by Mayor Florea to go through an interview process. The interviews were conducted by Mayor Florea, City Council members, and senior Staff. Of those four, three went through additional follow-up interviews. Mayor Florea has chosen Ms. Ana Cortez to be the City’s new Administrator. Ms. Cortez has agreed to the terms of the Employment Agreement and has signed the offer. Mayor Florea seeks the Council’s concurrence with the decision with a motion.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	

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

- City Administrator Employment Agreement with Exhibit A Job Description
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the City Administrator Employment Agreement with Ana Cortez.*