

LEAVENWORTH CITY COUNCIL MINUTES

May 12, 2020

Mayor Carl J. Florea called the May 12, 2020 Leavenworth City Council meeting to order at 6:30 PM. The meeting was held by Zoom Conferencing.

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: Chantell Steiner, Lilith Vespier, Herb Amick, and Sue Cragun.

APPROVAL OF THE CONSENT AGENDA

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

Councilmember Wilson motioned to approve the consent agenda. The motion was seconded by Councilmember Strand and passed unanimously.

PUBLIC SAFETY REPORT: SERGEANT SCOTT LAWRENCE, LIAISON OFFICER

None.

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Wilson reported on the Festhalle Oversight Committee meeting and stated that the group received an update from Festhalle Manager Josh Flickner in regard to cancelations, rescheduling events, maintenance needs, and marketing and public relations plans. She said that Mr. Flickner is doing his best to postpone and rescheduled events, rather than cancel scheduled events, due to COVID-19. She said that she also attended the Economic Development and Parks Committee meetings.

Councilmember Waters reported that she has attended many Zoom Conferencing meetings. She reported on the Chamber of Commerce support group and stated that the Chamber is working on plans to be ready to reopen businesses when Phase 2 is implemented. She reported that the Chelan Douglas Health District has been working with Cities on the reopening and noted that ten cities will be moving into Phase 2 early; Chelan and Douglas Counties have put together a proposal to move into Phase 1.5, in order to move ahead quicker. She added that the Wenatchee World has provided an online summary of the new Phase 1.5 proposal.

Councilmember Strand reported that the Chamber of Commerce and the City are working together to find how best to set up downtown Leavenworth for success, once reopened. He said that Mayor

Florea has provided a letter in regard to opening downtown with cooperation between the City, Chamber of Commerce, and business community.

Councilmember Lundgren reported that he attended the Parks and Public Works Committee meetings. He reported on the Parks Committee and stated that there was discussion on how and when to reopen parks, as they are a draw for visitors and local residents, although the playgrounds will remain closed to the public. There was discussion of commercial rafting, tubing, and the community pool being on hold at this time. He confirmed that the Leavenworth Swim Team has canceled their events for the remainder of the year. He reported on the Public Works Committee and stated that the Leavenworth Recycle Center will be opening soon with regular hours, operations, and enhanced safety measures in place.

Councilmember Hessburg reported on the Parking Advisory Committee meeting and stated that the group reviewed the current progress of the Paid and Timed Parking Program. She said that implementation of that program is currently on hold; most downtown businesses are closed and parking downtown isn't currently a problem. She confirmed that the parking equipment has been ordered and will be received in approximately 6-8 weeks. She provided a brief timeline of the construction process and noted that there are opportunities for improvements at the DOT Parking Lot. She reported that the City and Chamber of Commerce have been working together to address how to responsibly open downtown businesses and streets during the phased opening process. She reported on the Economic Development Committee meeting and stated that the group discussed responsible ways to close downtown streets in order to allow for businesses to move their operations outside. She noted the variables that still need to be addressed and coordination between City staff, the Chamber, and the business community.

Councilmember Reister reported on the Festhalle Oversight Committee meeting and stated that Festhalle Management is working on marketing for the Festhalle. He said that the facility has some maintenance needs and requested that the City prioritize those Festhalle needs that will complete the recent flooring project. He addressed L.I.F.E. 1 and working with the Chamber of Commerce.

MAYOR/ADMINISTRATION REPORTS

Mayor Carl Florea called attention to the Proclamation in recognition of the Chelan-Douglas Community Action Council declaring May 2020 as Community Action Month, which was included within the consent agenda; he provided a brief explanation of the group's contribution to the community, with regard to supporting local food banks. He reported on the Open Up Focus Group meetings that have addressed the decision to close downtown to motor vehicles, in anticipation of opening the business community during Washington State's Phased Approach. He noted the crowds of visitors that have recently been visiting Leavenworth and added that the groups focus is to help the local businesses to follow the Governor's guidelines, limit crowded sidewalks, provide masks to visitors, and allow for social distancing. On a final note he stated that the group would like to open Leavenworth as safely as possible and set a new culture; the downtown street closures will take place beginning the weekend prior to Memorial Day.

Finance Director Chantell Steiner reported that some of the groups who were provided Lodging Tax Fund grants for the year 2020 have since canceled their events; those groups have asked that the Council allow those grants to be used in 2021. She updated the Council regarding IntegriTech's contract for on-call engineering services for a not to exceed amount of \$10,000. She noted the Parking and Fish Screen projects that IntegriTech has been asked to provide services for, which

combined, will soon go over the original contract amount. Director Steiner will provide a contract amendment at an upcoming Council meeting. On a final note, she addressed the funds provided to the City by the CARES Act and FEMA Public Assistance Grant. She spoke to the process and requirements in receiving those funds.

Development Services Manager Lilith Vespier reported that Permit Trax, the new permit portal, is available on the City's website. She noted that a public announcement was published last week, the Development Services web page has been updated, and the Applications page has been updated with fillable forms. She said that the department has a new intern, Ms. Devin Walters; Ms. Walters will be working on building permits, applications, and building inspections. She provided a brief update regarding the recent building permits, boundary line adjustments, and short plat applications that the City has received. She said that the department will soon be busy receiving permits for the use of streets by the business community when Phase 2 of the opening process begins. On a final note, she addressed the upgrades to the DOT Parking Lot and the process for becoming a permitted Temporary Parking Lot.

Public Works Director Herb Amick reported on the Public Works limited schedules as they relate to essential work. He stated that the crews will resume a regular work schedule beginning next week; there will be a plan in place and non-essential items will be addressed.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

None.

PUBLIC HEARING ON RURAL DEVELOPMENT AMENDMENT FOR FUNDING WASTEWATER FACILITY UPGRADES AT 6:45 PM

Mayor Florea opened the public hearing at 7:07 PM.

Finance Director Chantell Steiner stated that the public hearing is not required and visitors may speak to item number 8 on the agenda if they wish. She addressed the Wastewater Treatment Plant Upgrade project regarding funding, shortfalls on total project costs, and requesting an additional \$5.5M in grant funding and a low interest loan. She clarified the anticipated funding as follows: original loan amount of \$10,670,000 with an estimated increase of \$1,476,000 for a total loan of \$12,146,000; original grant amount of \$3,270,000 with an estimated increase of \$4,090,000 for a total grant in the amount of \$7,360,000. She noted that rate payers will have a potential increase of approximately \$2.00 in the base rate fee that was already anticipated within the planned utility rate study increases. She said that she will proceed with processing and requesting the loan and clarified that the City does not have to spend the funding that is received, as the Council may wish to hold back on projects depending on the financial well being of the City.

Mayor Florea asked for comments from the public; hearing none, he closed the public hearing at 7:12 PM.

RESOLUTIONS, ORDINANCES, ORDERS, AND OTHER BUSINESS

1. Engagement Agreement – Andy Lane

Development Services Manager Lilith Vespier stated that the City Council is being asked to authorize the Mayor to engage the services of Attorney Andy Lane, with Cairncross & Hempelmann, for work associated with the Riverstone Comprehensive Plan Amendment appeal. She said that Mr. Lane will be the primary attorney for the appeal to the Growth Management Board and any settlement discussions. She confirmed that the Engagement Agreement is a standard contract for services, billed hourly, with costs and expenses to be reimbursed. She noted that the full legal cost is estimated at \$30,000 - \$50,000; the motion is requesting that the Council identify a not to exceed cost.

Attorney Andy Lane addressed the Council and detailed the amendment process and several potential “off ramps” where costs may be reduced. He detailed the legal process and potential variables that may or may not work in the City’s favor. Councilmembers requested clarification on the legal process, which was provided by Mr. Lane. It was noted that Mr. Lane is an expert in the field of Comprehensive Plan Amendments.

Mayor Florea added that the process will begin with an engagement letter, which is necessary in order to move forward, and may allow the City to negotiate outside of the court system; time is of the essence in order to file an appeal.

Councilmembers requested a discussion on item number 2, prior to approving the agreement before them.

Councilmember Wilson motioned to approve and authorizes the Mayor to engage the services of Cairncross & Hempelmann not to exceed \$30,000. The motion was seconded by Councilmember Strand and passed unanimously.

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

The Council asked questions of Attorney Andy Lane regarding the legality of the County’s Comprehensive Plan Amendment, the timeline of the appeal process, the role of the Growth Management Hearings Board, the pros and cons of the appeal process, the lack of communication from the Chelan County Board of Commissioners, and whether or not the City may be able to withdraw from the appeal depending on City finances. Mr. Lane provided further clarification of the individual questions.

Councilmember Hessburg stated that she is not in support of moving forward, due to the current financial status of the City, as a result of the COVID-19 crisis. She does not see it as a fiscally sound decision and questioned the fact that this appeal is for land located outside city limits.

There was discussion of the County’s decision to amend the County’s Comprehensive Plan, converting approximately 63 acres southeast of the City limits, from agricultural resource land (AC) to residential land (RR2.5), in order to benefit the property owner, due to financial struggles in the orchard business. Councilmembers did not agree that the rules should be bent for a personal situation, and felt that a precedent would be set if the City did not oppose the Chelan County Board of Commissioners change to the Comprehensive Plan.

Mayor Florea asked for comments from the public.

Mr. Duane Goehner spoke in favor of the City moving forward with the appeal. He is concerned about the Growth Management Act being followed incorrectly, and stated that if we let this grow, it will be harder to stop in the future. He noted his concern for fire and water issues.

Mr. Robert Fallon stated that he is representing the Friends of Leavenworth. He confirmed that he has testified before the Chelan County Board of Commissioners twice and is against the County's change to their Comprehensive Plan with regard to the zoning change. When asked if the Friends of Leavenworth would participate in sharing legal costs with the City, Mr. Fallon stated that the Friends of Leavenworth have limited resources to participate at this time.

Councilmember Bretz motioned 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. The motion was seconded by Councilmember Strand and passed 6/1 with Councilmember Hessburg opposed.

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

Finance Director Chantell Steiner requested that the Council table the discussion to a date certain of June 9, 2020, due to the current financial circumstances with the community's finances as a result of the COVID-19 crisis. She stated that the Upper Valley Park & Recreation Service Board is meeting later this week and may want to reconsider the Pool Fees.

Councilmember Hessburg motioned to table Resolution 09-2020 amending the Rate & Fee Schedule for the Pool and Festhalle to a date certain of June 9, 2020. The motion was seconded by Councilmember Bretz and passed unanimously.

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

Finance Director Chantell Steiner stated that the City Council is being asked to approve a resolution ratifying the Mayoral Proclamation for utility related relief, which was formalized by the Mayor on April 7, 2020 and provided to the public by Proclamation. There was discussion of providing more flexibility in the repayment process, with regard to utility bill payment.

Councilmember Lundgren motioned to approve and adopt Resolution 10-2020. The motion was seconded by Councilmember Hessburg and passed unanimously.

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

Finance Director Chantell Steiner stated that the City Council is being asked to extend the Pacific Engineering On-Call Engineering services contract by an additional 60 days to ensure enough staff time to review the recent Request for Proposals that were recently received by the City, complete potential interviews, and provide a recommendation to the Council. She confirmed that the contract began on January 1, 2019, expired on December 31, 2019, and was extended to May 31, 2020. She added that the Council is also being asked to amend the dollar amount of the contract, due to costs incurred and approved in 2019 for several ongoing City projects; the cost increase is a total of \$35,000, for a total new contract amount of \$50,000.

Councilmember Bretz motioned to approve and authorizes the Mayor to sign the On-Call Engineering Services Contract – Amendment #1 with Pacific Engineering. The motion was seconded by Councilmember Wilson and passed unanimously.

6. Professional Services Agreement (PSA) for Housing Action Plan

Development Services Manager Lilith Vespier stated that the City Council is being asked to authorize the Mayor to sign the PSA with BERK Consulting, Inc., to complete the Housing Action Plan, noting that minor changes may occur. She said that by taking this action, the Consultant will begin working to establish public engagement, meeting the required social distancing requirements, and begin data collection. She confirmed that the grant requires that all work and adoption of the Housing Action Plan be completed by June 30, 2021.

Councilmember Reister motioned to approve and authorizes the Mayor to sign the Professional Services Agreement with BERK Consulting, Inc. The motion was seconded by Councilmember Waters and passed unanimously.

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

Finance Director Chantell Steiner stated that 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. She said that Chelan County is the lead agency that will provide the funding that was negotiated through the Icicle Work Group over the past year that is being funded by the Department of Ecology; 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. She noted that staff is currently 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.

Councilmember Waters motioned to approve and authorizes the Mayor to sign the Water Meter Grant Agreement with Chelan County. The motion was seconded by Councilmember Lundgren and passed unanimously.

8. USDA Rural Development Letter of Conditions Amendment

Finance Director Chantell Steiner confirmed that the City will receive the decision regarding the approval of the additional grant and loan funds from Rural Development on May 15, 2020. She asked that the Council approve and authorize the Mayor to sign the amendment, contingent upon final attorney review.

Councilmember Bretz motioned to approve and authorizes the Mayor to sign an amendment for the USDA Rural Development Loan / Grant Funds contingent upon final attorney review. The motion was seconded by Councilmember Lundgren and passed unanimously.

9. City Administrator Contract Approval

Mayor Florea stated that the City Council is being asked to approve and authorize the Mayor to sign the Employment Agreement for Ms. Ana Cortez for the City Administrator position at the City of Leavenworth. He briefly explained the recruitment and interview process, followed by multiple reference checks, and stated that he has offered the position to Ms. Cortez. Some

Councilmembers stated their concern over the lack of public process that did not take place within the hiring process; several constituents reached out to several Councilmembers to state their opposition, due to the lack of public process. Mayor Florea explained that because of the COVID-19 crisis and the Governor's Stay Home, Stay Healthy mandate, the City was unable to provide a public process in which the community would be invited to meet all of the finalists, prior to the initial interview process. There was discussion regarding Ms. Cortez's prior work experience.

Mayor Florea asked for comments from the public.

Ms. Sue Ownbey stated that she was the Purchasing Manager for the City of Yakima and worked under Ms. Cortez when Ms. Cortez was the acting Finance Director. Ms. Ownbey spoke to her favorable experience in working with Ms. Cortez.

Mr. Duane Goehner requested clarification regarding the City Administrator Agreement; Mayor Florea confirmed that the Agreement is for one year and that there is a one year guarantee from Prothman.

Leavenworth Chamber of Commerce President Mr. Jesse Boyd stated that he participated in the initial interview. He added that he has also heard concern from the community due to the lack of public process. He encouraged Mayor Florea to allow the public to participate prior to moving forward. He noted that there was no outreach to the Chamber representatives following the first interview that he was involved with.

Yakima Chamber of Commerce Representative stated that she was able to get to know Ms. Cortez and was quite impressed with her ability to bring the community together. She added that Ms. Cortez knows budgets and is very skilled at presenting those to the community. She said that Ms. Cortez is an excellent communicator and was sorry to see her leave.

The Mayor, Councilmembers and staff spoke favorably of the interview process and the interviews with Ms. Cortez. The concern was regarding the lack of public process for a formal Meet and Greet forum with the three finalists, as Councilmembers wished to have the support of the Community prior to moving forward. There was discussion of delaying the start date of June 1, 2020 for the City Administrator position. Mayor Florea cautioned against any delays and stated that he would set up Zoom Conferencing to allow community members to get to know Ms. Cortez and ask questions prior to her start date.

Former Mayor Robert Eaton noted his concern for the controversy and stated that Mayor Florea may wish to take pause in this situation until there is a higher level of support from the community.

Mayor Florea reiterated that an open public forum was not able to be coordinated due to the current COVID-19 crisis and associated travel restrictions. He added that he has offered Ms. Cortez the position and asked that the Council support his decision.

Councilmembers Wilson, Strand, and Hessburg noted that the lack of public process is the reason that they will be voting no on the City Administrator contract approval.

Councilmember Bretz motioned to approve and authorizes the Mayor to sign the City Administrator Employment Agreement with Ana Cortez. The motion was seconded by

Councilmember Reister and passed 4/3 with Councilmembers Wilson, Strand, and Hessburg opposed.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

Development Services Manager Lilith Vespier stated that the 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. She said that due to COVID-19 restrictions, one Planning Commission meeting was canceled and there is not a lot to discuss or share at this time. Councilmembers agreed to move the Joint Meeting to August or September of this year.

ADJOURNMENT

Seeing no other business, Councilmember Bretz motioned to adjourn the May 12, 2020 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Hessburg and passed unanimously.

The meeting adjourned at 9:57 PM.

APPROVED



Carl J. Florea
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk