



City of Leavenworth
700 HIGHWAY 2 / POST OFFICE BOX 287
LEAVENWORTH, WASHINGTON 98826
(509) 548-5275 / FAX: (509) 548-6429
Web: www.cityofleavenworth.com

City Council
Cheryl K. Farivar - *Mayor*
Elmer Larsen
Carolyn Wilson - *Mayor Pro-Tem*
Mia Bretz
Margaret Neighbors
Sharon Waters
Clint Strand
Position No. 1 - *Vacant*
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall - Council Chambers

January 9, 2018 - 6:30 PM

Call to Order
Flag Salute
Roll Call

Council Committees - 2nd Tuesday

Public Safety 3:00 Parks 4:00

Public Works 5:00

Consent Agenda

1. Approval of Agenda
2. Approval of December 12, 2017 Regular Meeting and Study Session Minutes
3. December 2017 Payroll \$208,696.89
4. 2017 Claims \$192,246.55
5. 2018 Claims \$310,547.88
6. Set Public Hearing on the Comprehensive Plan at 6:30 PM on February 27, 2018

Recognition of Cascade High School Girls Soccer and Volleyball Teams – Carolyn Wilson

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: Final Assessment Roll Hearing LID #24 @ 6:45 PM

Resolutions, Ordinances, Orders and Other Business

1. Action: Ordinance 1555 Confirming and Levying LID #24 Assessments
2. Action: IntegriTech Contracts
 - a. On-Call Engineering Services
 - b. Fish Screens Contract Amendment
3. Action: Wetland Park
4. Action: Regional Justice Center Contract Amendment
5. Action: Motion to Elect Mayor Pro-Tempore
6. Action: Set Date / Time for Interview & Selection of City Council Position No. 1

Information Items for Future Consideration

1. January 10th Mayor / City Council Tour of the Hampton Inn Swiss Hotel at 3:00 PM
2. January 23rd Mayor & Mayor Pro Tem Committee Assignments
3. January 23rd Joint Meeting with Planning Commission / 2018 Docket Acceptance

Adjournment

(Next Ordinance is 1559 - Next Resolution is 1-2018)

SUPPLEMENTAL COUNCIL AGENDA

Public Hearing: Final Assessment Roll Hearing LID No. 24

The City Council will conduct a Final Assessment Roll Hearing for the formation of LID No. 24. The hearing will be the presentation of information for the Council to consider in establishing the final assessments on the benefitted parcels located within the Local Improvement District (LID) No. 24.

The final assessment roll hearing is a quasi-judicial process, similar to a trial that examines the issues of special benefit and proportionality. The Council Members act as “judges” relating to the nature of the project, the costs, procedures, and the manner in which assessments were computed. Because this is relatively new territory for many of the members on the City Council, City Attorney Thom Graafstra will provide a short training prior to the opening of the hearing on the procedures, the hearing agenda, and the role of the City Council.

Local Improvement Districts - Background Information:

Local Improvement Districts (LIDs) are a means of assisting benefiting properties in financing needed capital improvements through the formation of special assessment districts. Special assessment districts permit improvements to be financed and paid for over a period of time through assessments on the benefiting properties.

The following basic information on a LID was provided from the Municipal Research and Services Center (MRSC) Website:

LIDs are Only Financing Tools

- The most important point to realize about LIDs is that the entire LID process is about financing infrastructure improvements, not constructing them.
- LID processes lead, ultimately, to the sale of bonds to investors and the retirement of those bonds via annual assessments on the property owners within a district.
- Goals of the LID process are twofold:
 - To present a bond portfolio to investors that will entice them to invest at as low a rate of return as possible;
 - And to assess property owners as fairly as possible in relation to special benefits received.
- Nowhere in the LID statutes will you find information on technical feasibility, design, cost estimates, construction management expertise, and project closeout requirements. Good construction management skills are necessary, just as for any other project not financed by a LID.

LID Assessments are Subject to Strict Criteria

- State Statutes specify that the assessment per parcel must not exceed the special benefit of the improvement to that parcel, which is defined as the difference between the fair market value of the property before and after the local improvement project.
- In addition, the assessments must be proportionate to one another.
- A corollary to these principles is that property not benefited by the improvements may not be assessed.

- No matter what assessment method is used - per parcel, front foot, area, zone termini, traffic volumes, special benefit appraisal, etc., - the courts will be concerned only with these criteria.

LID Assessment Methods

- Statutes describe one or two specific methods of assessing benefited properties, but also allow the municipality to choose any other method, which meets the basic criteria.
- There are two main assessment methods:
 1. Mathematical - Relatively inexpensive, easier to explain to property owners
 - Front-foot (per lineal foot of property street frontage)
 - Area (per square foot of property)
 - Zone and termini - described in RCW 35.44.030 and .040
 - Unit (per lot or parcel)
 - It is possible to use several different types of mathematical assessment within one district.
 2. Special Benefit Analysis - Safest, but relatively expensive
 - Certified appraiser calculates the value of each parcel with and without the infrastructure improvement project.
 - The difference between those two values is the special benefit.
 - The portion of project costs assignable to the LID is then divided by the total of all special benefits.
 - This ratio is then applied to the special benefit of each parcel to determine the assessment for each parcel.

How Are LIDs Formed?

- There are two distinct methods of forming LIDs:
 - The Resolution of Intention Method - Which allows the legislative body of a municipality to initiate a LID
 - The Petition Method - Which allows property owners to petition to initiate a LID.
- City is made aware that a capital improvement project is desired through its capital improvement program, letters, petitions, telephone conversations, public testimony, regulatory requirements, etc.
- City evaluates the potential project, including need, estimated costs and possible additional funding sources (grants, loans, impact fees, etc.).

LID No. 24 was formed by petition and the LID Assessments were identified and calculated by Special Benefit Analysis.

1. Ordinance 1555 Confirming and Levying LID No. 24 Assessments

The City Council will conduct the Assessment Roll Hearing prior to the consideration and approval of Ordinance 1555, which confirms and levies the final assessments to the benefitted parcel, for Local Improvement District (LID) No. 24. Included for reference is prior Ordinance 1470 that was adopted on December 9, 2014 that established the preliminary LID assessments and authorized the construction of the extension of the water and sewer transmission lines and lift station to provide utility services for the Meadowlark Development.

History:

On July 25, 2013, the City of Leavenworth received an official Petition from 100% of the property owners of the Meadowlark Development (Upper Valley MEND, John Agnew/Patricia Hebert (Calliope, LLC), and Titus, LLC/Rudy Prey) requesting the establishment of a Local Improvement District (LID). The LID would be the financial tool used to offset the cost of the construction of water and sewer transmission lines and sewer lift station, which would provide utility services to this area. In providing utility services to the property, the property owners would benefit by accessing utility service which would allow their properties to be developed and be developed to higher densities; the future development of their undeveloped property. The transmission lines would be included into the City's Chumstick Trail Project and the lift station would be located near the intersection of North Road and Chumstick Hwy. By including this project within the trail project, the cost of Right-of-way (ROW) purchasing and engineering would reduce the cost of the utility project. The City Clerk certified the petition on August 13, 2013.

In December 2013, the City received the Special Benefit Analysis summary appraisal conducted by Pacific Appraisal Associates, PLLC, Mr. Bruce Bendickson. The Special Benefit Analysis calculates the benefit to undeveloped land when improvements like utilities are constructed. In this case, the initial value of the 25.99 acres of property was appraised at \$3,293,000 without access to water and sewer utilities, the appraised value with water and sewer was \$4,334,000, a benefit of \$1,041,000 to the property owners (NOTE: 2013 numbers). At the request of Upper Valley MEND, additional parcels were added within the special benefit analysis; parcel 241 701550 142 and parcel 241 701550 143 owned by Bobby and William Burnett, which were purchased by Upper Valley MEND. A Supplement to the Summary Appraisal of Special Benefit was issued on September 16, 2014 by Pacific Appraisal Associates, PLLC. That Special Benefit Analysis of the 34.01 total acres concluded that appraised value of the property prior to access to municipal water and sewer was \$3,889,000. The valuation after the addition of municipal water and sewer utilities was \$5,060,000; a benefit of \$1,171,000.

The City Council passed Resolutions 8-2014 on March 25, 2014 based on the initial petition and request from property owners. On November 12, 2014, the City Council passed Resolutions 22-2014 recognizing the additional new parcel to the project area. The resolution announces the intention of the City Council to form the LID and declares when a Public Hearing will occur prior to Council action creating the LID.

The City Council held the Public Hearing on the formation of LID No. 24 on December 9, 2014. Testimony was given by two of the four property owners with no objections being stated. The estimated cost of the project was given at \$960,000; the estimated benefit to the property owners was \$1,171,000. On December 9, 2014, the City Council adopted Ordinance 1470, which established LID #24 and ordered the City to complete the necessary construction and to authorize the next steps to set forth the assessments for each parcel payable by the mode of bonds to be issued and sold as LID Bonds for a total estimated project cost not to exceed \$960,000.

In 2015, the City worked with Pace Engineering in securing the ROW necessary for the project. In the fall of 2015, the ROW Plan and construction plans were approved by the Department of Transportation. This step was necessary as the City was using Federal Grant funds to build the Chumstick Multi-Use Trail. The Chumstick Water and Sewer Transmission project and Chumstick Trail project were merged to share a portion of the ROW and reduce costs for the Water and Sewer Transmission Line Project. On March 3, 2016, the City Council authorized the public advertisement and bidding of the project. On April 12, 2016, the City Council approved

the bid award to Advantage Dirt for the construction of the Water and Sewer Transmission lines and Sewer Lift Station. The transmission line construction and Chumstick Trail was completed by November 2016. The lift station construction was substantially completed by March 2017. Official notice by the Department of Revenue for the closeout of all parts of this project was September 13, 2017.

As of today, the total cost of the project, estimated bonding costs, and the establishment of the LID is \$863,641.04. The City’s cost for design, construction, and project oversight is \$835,641.04 and anticipates an additional \$28,000 in expenditures for bonding and establishing LID No. 24. Within this figure are estimates for final construction, engineering, attorney and bond fees yet to be finalized.

Facility Charge

The total project costs are \$863,641.04. Typically, this would be the number used in establishing the final assessment numbers for each property owner within the LID area. The property owners within the assessment area did request consideration to address four additional parcels adjacent to the project area that will receive benefit from the addition of water and sewer. In December of 2017, the Council established a Local Facility Charge (LFC) for these properties

There are three properties located along Chumstick road, Parcel Numbers: 241701410125, 241701410100, and 241701410110 currently zoned Single Family Residential each estimated to allow up to one (1) unit per parcel because of topography. In addition, the City owns a remnant parcel 241701550155 approximately 2.97 acres. The purchase of this property was to acquire ROW and easements for the Meadowlark Project and the Water and Sewer Transmission Line Project. This parcel is estimated to have the capacity of three (3) units again because of topography. A Local Facility Charge was used for these properties because LID No. 24 already was established by Ordinance and at the time of formation the owners of these properties were not willing to sign on to the petition establishing the LID. As noted above, the City Council approved this LFC at the December 12, 2017 Council meeting. Larry Cordes, P.E. Pace Engineering completed an analysis to identify the appropriate added value to each of these properties. The value added to each single-family residential unit within the LID No. 24 area was \$3,333.33 per unit for a total of six (6) units valued at a combined total of \$20,000. These fees are collected at the time of the home construction and connection to City utilities. These fees are being deducted from the total cost of the assessment for LID No. 24, (3X \$3,333.33) + \$10,000 = \$20,000; therefore, the total amount of assessments would be \$843,641.04.

The final assessments for properties located within LID No. 24 are based on the percentage of benefit value for individual owners own within assessment areas:

Ownership Interest	Special Benefit	%	Special Assessment
Titus LLC	\$138,500	11.82	\$99,722.01
Upper Valley MEND	\$703,000	60.02	\$506,314.23
Calliope, LLC	\$330,000	28.16	\$237,604.80
Totals	\$1,171,700	100.00	\$843,641.04

City staff is currently discussing with bond counsel the next steps necessary to complete and finalize the LID assessments against the property owners.

Funding for the project, engineering, ROW purchase, and construction was provided through the utility funds, street fund, and general fund. Once the bonding is completed and the LID is finalized, those funds will be reimbursed to the funds expended for the project to date.

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

- Ordinance 1555 Levying Final Assessments for LID 24 includes EXHIBIT 1 Certification
- Ordinance 1470 Establishing LID 24
- Scheduled D Project Totals
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1555 confirming and levying the final assessment roll for Local Improvement District No. 24.*

2. IntegriTech Contracts

A. On-Call Engineering Services

The City Council is being asked to review and approve a Professional Services Agreement (PSA) with IntegriTech for on-call engineering consultant services. IntegriTech is a local engineering firm, represented by Mr. Aaron Schmidt and Mr. Bill Schmidt, the firm founder. This agreement would allow the City to have a local on-call engineering firm to respond to engineering inquiries or smaller City engineering needs when necessary. In the event consultant services from IntegriTech would be requested for larger projects, a scope of work would be requested and an amendment to this contract would be considered based on the City's purchasing policy. IntegriTech is listed on the City's Consultant Roster that is through the Municipal Research and Services Center of Washington (MRSC) Small Public Works Consultant Roster.

This will be the fifth year that the City has had a service contract with the firm. Aaron Schmidt has provided engineering assistance to the City on many projects including the Well #3 Project, the West Street Pavement Project, and improvements for the Parking Lots P1 – P2.

This agreement is capped at \$10,000 for general engineering support for 2018. In addition, the City would have an initial payment to cover the cost of requested additional insurance coverage by the City, which is \$2,825. The consultant would invoice at the hourly rate stated in the IntegriTech Statement of Fees for any specific projects where a scope of work would be requested by the City; those cost estimates would be based on the hourly fee provided within the scope of work. The hourly fees are reduced in comparison to other firms where the hourly fee does include the cost of insurance.

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

- 2018 Professional Services Agreement – IntegriTech
- Exhibit A: Statement of Fees
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with IntegriTech for on-call consulting engineer services.*

B. Fish Screens Contract Amendment

The City Council is being asked to review and approve an additional Professional Services Agreement (PSA) with IntegriTech. In this agreement, IntegriTech will provide the City of Leavenworth with engineering design review consultant services for the Washington Department of Fish and Wildlife Fish Screen Intake Design Project proposed for the City of Leavenworth Water Treatment Plant intake on Icicle Creek. The scope of services shall include all services, duties, and tasks necessary to accomplish this design review as requested by the City. Funds for the City review are being provided by the Washington Department of Fish and Wildlife through an Interagency Agreement in the amount of \$13,002 for a contract period beginning on August 21, 2017 and ending on August 20, 2018.

The Fish Intake Screen Replacement Project is a requirement for Trout Unlimited to begin and complete their Icicle Creek Fish Enhancement Project which will impact the City's water intake mainline just upstream of the Water Treatment Plant. Aaron Schmidt, P.E. of IntegriTech has been involved in consulting for Trout Unlimited in the initial stages of that project and his knowledge in regard to the City's Water Treatment Plant and the intake will prove key in the review of the fish screen design for the City.

This agreement is capped at \$13,002 for general engineering design review for this project. The consultant will invoice at the hourly rate stated in the IntegriTech Statement of Fees for work specific to the review.

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

- 2018 Professional Services Agreement (WDFW Fish Screen Design Review)
- Attachment "A" IntegriTech Scope
- Attachment "B" WDFW Interagency Agreement #17-09963

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with IntegriTech for WDFW fish screen design engineering review services.*

3. Wetland Park

The City Council is being asked to authorize the Mayor to execute an appraisal of property known as the "Marson's Wetland – (potential) Park" in an amount not to exceed \$6,000. The City Council's Parks Committee has been approached to review and discuss the potential dedication and use of lands owned by Dean and Ken Marson located along Ranger Road. This area is approximately 22 acres; and almost entirely within a wetland and/or its buffer. Prior to the City submitting a Recreation and Conservation Office (RCO) Grant Application or discussion regarding a purchase/donation with the property owner, the very first step is having a property appraisal completed on the properties.

Background

The City has been approached by the Marson group to discuss a donation of property and a Recreation and Conservation Office (RCO) Grant Application which would fund the purchase of their property (approximately 22 acres primarily wetlands); and subsequently transfer the property to the City of Leavenworth for use as park/trails and preservation of wildlife habitat. The City would need to apply for the RCO grant application. In an earlier conversation regarding this property, the City obtained a very preliminary estimate of Engineering Tasks and Fees for

the development of a trail and ancillary improvements necessary and/or required when granted an RCO Grant. For the grant application, the City would need to complete this work within 5-years of acquisition. While the initial grant would be written for acquisition, a second grant could be applied for requesting dollars for development. The cost estimate for the improvements from January 28, 2016 is \$119,900.

As an alternative, the City Council may want to review a negotiated purchase/donation for the dedication of the property without RCO intervention. With the City purchase, RCO requirements for future improvements would not be a requirement, and the City would have the freedom to use the land as the Council sees fit (within the limitations of the Critical Areas - Wetland and other standards for any development of privately owned lands). Such may include, but is not limited to the following: 1.) Phased development of a trail system over many years, 2.) transfer of development rights (enhancement of the wetlands as mitigation for changes to other off-site wetlands) and/or, 3.) Development of wetland/stormwater area as identified in the Stormwater Plan. While these improvements may be allowed under RCO guidelines, there would not be a requirement for RCO approval.

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

- Vicinity Map
- Estimate of Engineering Tasks and Fees
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to obtain an appraisal not to exceed \$6,000 from Pacific Appraisal for the properties identified within the vicinity map.*

4. Regional Justice Center Contract Amendment

The City Council is being asked to approve an amendment to the Interlocal Agreement between Chelan County and the City of Leavenworth for the housing of inmates in the Chelan County Regional Justice Center. As in the past, the City is responsible for all costs of incarceration for individuals found guilty of a misdemeanor within the City and sentenced to jail time by the Chelan County District Court system. The fees are based on actual costs, calculating the number of prisoners identified as a City of Leavenworth inmate times the daily rate. The compensation to Chelan County for 2018 is based upon the average number of monthly post-release actual inmate usage generated from the City during the period from July 1, 2014 through June 30, 2017 with the daily cost per inmate. The amendment to this contract is for the calendar year 2017; the contract amount for incarceration fees for the City of Leavenworth will be \$26,620.67 with a monthly payment of \$3,062.84. The billing amount for 2015 was \$39,363.33, 2016 was \$36,754.08, and 2017 was \$33,875.28. The billing history and calculation of charges is provided in an attached spreadsheet. The City and Justice Center began using a three year rolling average in 2015 calculating the annual charge rather than the actual charges for the previous year. This change allowed for cost averaging and leveling of the year to year change in annual jail fees.

One change that has also led to a change in pricing is the cost per day. In 2015 the cost per day was \$73.50 per day, in 2016 the rate increased to \$85.00 per day and the new increase for 2018 will be \$96.00. The City will begin to see the effect of this last increase beginning in 2019 and the full effect in 2020.

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

- Interlocal Agreement Chelan County Regional Justice Center

- Interlocal Amendment 2018
- City of Leavenworth Billing History 2014 - 2017
 - **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign the Amendment to the Interlocal Agreement between Chelan County and the City of Leavenworth for the Housing of Inmates in the Chelan County Regional Justice Center.*

5. Motion to Elect Mayor Pro Tempore

The Council is being asked to consider the appointment and designation of a Mayor Pro Tempore. The action could be the confirmation of the standing Mayor Pro Tempore or the selection and confirmation of another sitting council member. Councilmember Carolyn Wilson served as the Mayor Pro Tempore in 2014, 2015, and 2016.

The duties of the Mayor Pro Tempore include the recommendation of council members to standing committees with the appointments approved by the City Council and to serve as the presiding officer at the Council Meetings in the Mayor's absence.

At this time, the following procedure is recommended:

- Mayor: Nominations are now in order for the office of Mayor Pro Tempore.
- Nominations taken from the floor.
- Mayor calls for any further nominations - if none, announces nominations are closed.
- Election then occurs by show of hands in support of each nominee.
- A full majority of four (4) is needed for the confirmation.

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

- RCW 35A.12.065 Pro tempore appointments
- RCW 35.27.160 Mayo-Duties-Powers- Mayor Pro Tempore
 - **MOTION:** *The Leavenworth City Council moves to nominate and appoint Councilmember _____ as Mayor Pro Tempore.*

6. Set Date / Time for Interview & Selection of City Council Position No. 1

The City Council is being asked to approve the date for scheduling interviews for the selection of a candidate to fill the vacancy of the City Council Position No. 1 open seat.

The following would be a recommendation for proceeding with the community notification and selection of a candidate:

1. Council will conduct a public interview of candidates. All candidates will be provided the same interview questions in advance. Candidates may sit in the audience to listen to other candidates' interviews. Each interview is expected to be 20 minutes. Candidates will be assigned interview times.
2. Following the Interview of Candidates, the Council will recess to an executive session to discuss and evaluate the qualifications of each candidate.

3. The Council resumes the Special Meeting and selects a candidate:
 - a) Council members are provided a ballot with the list of the candidates. Each member identifies two candidates on a ballot.
 - b) All ballots are collected and the City Clerk reads aloud the votes on all ballots. Votes are tallied and the two candidates that received the most votes are identified. In the event of a tie (except a tie among the top two), the process is repeated until two candidates only are identified with the most votes.
 - c) Once the top two candidates are identified, the Council is provided a ballot identifying the top two candidates. Ballots are collected and votes are tallied. In the event of a tie, the Mayor will provide the tie-breaking vote.
 - d) A motion is made, seconded, and voted upon to appoint the candidate receiving the most votes. In the event of a tie on the motion, the Mayor will provide the tie-breaking vote.

There are no items included under **TAB 6**.

- **MOTION:** *The Leavenworth City Council directs the City Administrator to schedule the candidate interviews for the City Council Position No.1 vacancy on _____, January ____ 2018 furthermore a special meeting of the City Council will be held on that date beginning at ____P.M.*