

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

October 9, 2018

Mayor Cheryl Kelley Farivar called the October 9, 2018 Study Session to order at 8:05 AM.

Council Present: Mayor Cheryl K. Farivar, Carolyn Wilson, Elmer Larsen, Mia Bretz, Margaret Neighbors, Sharon Waters, Clint Strand, and Jason Lundgren.

Staff Present: Joel Walinski, Herb Amick, Charity Duffy and Chantell Steiner.

1. Chamber Report

Chamber Director Nancy Smith updated the Council on the trip back east for the recent trade show for travel writers, current activities related to the Ski & Stay Program, and what travel writers have been working on recently for the Chamber.

2. Upper Valley Museum Report

Mayor Farivar welcomed Matt Cade and David Severance with the Upper Valley Museum. Mr. Cade proceeded to present a short PowerPoint Presentation identifying objectives that the Museum has discovered while interviewing and surveying their visitors. He said that attendance by visitors is the key to success and giving them what they want is a key ingredient. The visitors want to know who, how and why did Leavenworth go Bavarian. He talked about the Miracle Town exhibit, mobile application options to showcase the history of downtown buildings, points of interest, driving tours and future ideas for mini-exhibits/micro museums that could be placed in hotel lobbies, restaurants, min-malls, schools, City Hall and libraries. He mentioned a few businesses in town that he has already spoken with and that they would like to incorporate the mini-exhibits. He stated that the Museum's next step involves finding the right location. What the Museum has discovered is that their current location is not close enough to where the people are in the downtown. Councilmembers discussed programs that the Museum has done and opportunities for future programs that would be centered around education with local children. Mr. Cade spoke to the current lease at Barn Beach Reserve stating that at this time there are two years remaining before decisions need to be made on a future location. He spoke about location options noting that the Osborn Elementary School is a similar situation as the Barn Beach that would once again put them outside of the downtown core area; however, would be beneficial locations for the storage of items and archiving. He spoke to some other potential options that may come to fruition soon, he noted several other options that have not been feasible.

3. Ferguson Waterworks Water Meters – Tammy Rogers

Tammy Rogers of Ferguson Waterworks thanked the Council for the time today and proceeded with a PowerPoint Presentation. She provided some history on the company noting the longevity of the company and its equipment as well as the many years of experience of the staff. She stated that Sensus meters are the leaders in the industry and are continually looking at technology improvements to stay ahead of the competition. She said that Ferguson currently holds the State contract for water meter services which will allow the City to proceed efficiently in awarding a bid for a project while ensuring a competitive price. She reviewed some of the changes in the equipment over the decades to improve efficiency of the meters over time, such as material

improvements, new meters no longer include moving parts that break down, and the smart technology allows for easier use by the City as well as online functions for the customers. Data can be collected by the hour, alerts can be set to catch things like dripping faucets, and the meters come with an excellent warranty for 15-20 years. Ms. Rogers identified the iPerl Meter, which the City has already started utilizing for replacements, and noted some statistics that show this meter has been tested and proven to have 100% accuracy. She then reviewed another meter, the Ally Meter, which can do additional functions to identify temperature, pressure, and alarms; this meter also includes a trickle option to allow the City to lower the amount of water to a single location for customers that are not paying their bill or to troubleshoot areas of low pressure. The Ally Meter is not designed to be the main meter for citywide use but for specific functions. Ms. Rogers then reviewed the commercial smart meter, the Omni, which includes many of the same features as the residential meters. There was discussion as to how the alerts work through online functions which sends information to and from city staff at a location office. She then reviewed the Scada monitoring capability that can be utilized for functions that communicate directly with the meters, wells, and the water plant. Some features include pressure readings, level measurements, temperatures, security and data tracking. This additional system is not required with the meter purchases but will create savings of staff time through online monitoring and reading of the entire system; for instance, meters could be read from the main office without having to go out into the field. The Council had a brief discussion on using the Ally Meters as isolation meters to help identify leaks and potential illegal hook-ups. Ms. Rogers then reviewed a propagation study and how it assists in finding coverage for reliability; she noted that the last study determined that the City currently has excellent coverage and would only need minor improvements for full functionality. She talked about the details of having a licensed frequency with the system to ensure better and faster capability in communications and how all monitoring information is centralized to one location.

Councilmember Larsen stated his concerns at moving forward without consultation with the PUD on their future upgrades. City Administrator Joel Walinski stated that he has had discussions with the PUD on this and they have stated that they are focused on electric meters only at this time; Water Plant Operator Arnica Briody added that water meter replacements were recently done by the PUD and will not be readdressed for another decade or more. Councilmember Larsen stated concerns in regard to how the City bills for a base rate that includes up to 7,500 gallons, which is possibly not the average household usage and how this may have impacts as well. Councilmembers noted that new meters will not change this portion of the current billing system and that having better accuracy could answer questions such as this. Sensus Representative Erik Ongstad spoke to the challenges he has seen with electric versus water integration and that to his knowledge there currently is not a system that combines both utilities on one network; however, there is a potential for the PUD to be looking at a new type of network that he is not aware of. Councilmember Larsen stated there could be potential savings in the future with the PUD in regard to regionalization of equipment and maintenance as well as billing and staffing. Council continued to discuss the challenges with the current aging system noting deficiencies for monitoring, water waste/loss, and the fact that the City is not in compliance with State laws regarding the amount of allowable loss per year. The allowable loss is set at 10% or less while the City is currently at nearly 25% annual loss. Staff spoke to previous applications for low interest funding and grant opportunities; unfortunately, large water meter related grants are not readily available.

4. Planning Commission Updates

Charity Duffy, of SCJ Alliance, presented handouts to the Council on the changes to code language regarding housing development that the Planning Commission has been working on over the past year. Mayor Farivar identified some concern with the definition of workforce housing located under section 18.26.010 that specifies targeting income levels of below 80% of Area Median Income (AMI). She noted that the cost of living in Leavenworth is higher than Chelan County and that the studies completed estimated Chelan County average AMI of \$51,845. Based on this information and current annual wages generated by certain types of job classifications, she questioned whether the workforce housing target AMI should be significantly higher such as 130% or even 150% of AMI given the higher cost of purchasing a home in Leavenworth. She went on to explain how Upper Valley MEND reviews and qualifies applicants for their low-income housing units and that they only do the initial review with no additional follow-up review, even if job status changes occur within the household. She complimented the innovative ideas being presented for density bonuses and talked about the logic for incentivizing people to live in our community when they work in our community. Council had a discussion on the difference of what residential density incentives are versus zoning allowances; zoning requirements will still supersede whether a unit can be built in a specific area. For instance, a multifamily unit can only be built where multifamily units are allowed.

Ms. Duffy stated that this new code creates options for developers to review and choose which density incentives are allowable and could be used on varying projects. To further this concept, the Planning Commission could look at density bonuses being utilized on multiple locations so a developer could get credit for one location that might be benefitted at another location. This new concept creates opportunities for developers to look at more efficiencies and save costs to develop units. The next question for planned unit developments is to look at square footage requirements of lots and whether the City should consider a new zone option with less than 6,000 square foot per lot. There was a brief discussion on mitigation and wetland banking and how they can be beneficial for some developments. It was noted that current processes for banking wetlands are complicated and are typically utilized by governmental agencies or large corporations rather than private developers.

Councilmember Bretz questioned if there are minimum standards with each of the incentives; how do we calculate the project to equate to the incentive? Ms. Duffy said she will bring this question to the Planning Commission for further discussion on considering levels of standards. Administrator Walinski stated that the process for application will start with the Development Services Manager in determining qualifications of a project for the incentives. Mayor Farivar asked how the Planning Commission came up with the density bonus allocations; Administrator Walinski stated that there was a process that started with a specific figure and through discussion and comments from the public these proposed figures were determined. Mayor Farivar suggested including source data information where possible to assist in future questions regarding the density bonus allowances and how they were determined. Councilmembers stated positive comments on the current draft language; Ms. Duffy noted that there are still some questions to be addressed to finalize the language before the Planning Commission will finalize and send to the Council for final approval.

Ms. Duffy reviewed some sample designs for a shared use lot and zero lot line construction projects. Council discussed some of the various options that developers have to create multi-unit developments on 30-foot and 60-foot lots to go from a single unit up to a four-unit development using shared lot lines and/or shared walls. Councilmember Bretz stated concerns at allowing a

massive home on a single 60-foot lot utilizing a zero-lot line; should we consider size limitations for allowance of the 60-foot lot with a single home? She stated that maintaining neighborhood character and increasing density were the two goals that were originally discussed; she feels that if limits are not placed on a single unit then it would defeat the intent of the purpose. Ms. Duffy stated that another area to consider is enforcement of maintenance contracts that may occur with planned unit developments. She thanked the Council for their comments and will be taking suggestions back to the Planning Commission.

5. Budget Priorities Review

Administrator Walinski reviewed the updated spreadsheet of priorities based on comments from the Council and Finance Committee at previous meetings. He reviewed the specific top priorities (Priorities 1 through 3 that includes 5 projects) versus those that are already in the budgeting process. Councilmembers discussed the priority related to the improvements of the DOT parking lot and whether the top priorities should include proceeding immediately with the improvements or just making the purchase. The Council questioned the parking study improvements and when that is anticipated to proceed; Administrator Walinski noted that discussions on the study are currently ongoing; however, no definitive decisions have been made by the Council and that the Economic Development Committee would be discussing the schedule and process for the adoption and acceptance of the parking study. There was a brief discussion on the County's moderate waste facility request for funding and the need to verify how the calculation is being incorporated into the funding request to the cities. Councilmember Neighbors stated that it is the same calculation that was used for the annual fee that removed the previous concerns of adding cost based on tourism related areas. Administrator Walinski continued reviewing the additional items to consider for the Lodging Tax Fund that will come forward by November and the addition of allocating funding for traffic mitigation during festivals and events that will be paid for from lodging tax dollars. Councilmember Larsen noted the need to consider a capital reserve in lodging tax funds for additional restrooms, particularly at the DOT parking lot. Administrator Walinski stated that the Finance Committee and Economic Development Committee have been discussing concepts for future allocations of lodging tax funds for special events and festivals; this will be an ongoing discussion over the next year to develop specific language on policies for use of the funding. Administrator Walinski reviewed the final item to address regarding the decision for the annual property tax allocation. He reminded the Council of the previous discussions to utilize the banked capacity that the Council added last year for offsetting the Park Levy Improvements Project and that the Finance Committee has suggested maintaining that level to pay back the City's General Fund rather than bonding for the project which increases costs to the residents. He added that the Council will also have to consider the annual increase of 1% per State Law. He reminded the Council that the current tax base within Leavenworth city limits is lower than the County. Council briefly discussed the remaining processes involved in developing the budget, how incorporating the projects will assist in determining how much can be afforded now, and how much funding will need to be saved for the future projects over the next two to four years.

6. Review of Rates & Fees for 2019

Administrator Walinski reviewed the process for the Council to review and incorporate any potential changes to the Rate & Fee schedule by year-end. He noted that having the contracted staff for Development Services has been beneficial in realizing the actual costs involved with the

planning staff and that this information could be used to consider costs being charged for development and permit related fees.

7. Quarterly Update Future Council Agenda Items / Project Tracker

Mayor Farivar noted this item for discussion; Councilmember Waters stated that she would follow-up with her questions with Administrator Walinski.

8. Quarterly City Newsletter Recommendations – Distribution in November

Mayor Farivar asked if there were any suggestions for items in the upcoming newsletter. Councilmember Strand suggested including an article regarding the Christmas Lighting traffic mitigation that the City is planning to do this year and if the timing is right to include a follow-up on the pool levy ballot measure. Councilmember Waters asked that the overnight rentals hotline information and leash law reminder be included. She asked if there could also be a small item regarding the Festhalle Walking Program with anticipated hours included.

9. Council Open Discussion

Councilmembers discussed the ability to attend the ribbon cutting ceremony tomorrow for the Waterfront Park Playground. Administrator Walinski noted that the City is planning to do the prescribed burn tomorrow for the collected green waste. Council and Staff briefly discussed the pros and cons with budgeting and including projects to maintain use of funding for balancing adequate reserves that support the City while not jeopardizing grant opportunities.

Study Session adjourned at 11:20 AM.

APPROVED



Cheryl K. Farivar
Mayor

ATTEST



Chantell Steiner
Finance Director/City Clerk